Citibank Kazakhstan JSC

Financial Statements
for the year ended
31 December 2024

Contents

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Independent Auditors' Report

To the Shareholders and the Board of Directors of Citibank Kazakhstan JSC

Opinion

We have audited the financial statements of Citibank Kazakhstan JSC (the "Bank"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) *(IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is:

Kristina Issakova
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
№ МФ-0001878 of 18 December 2024

KPMG Audit LLC
State License to conduct audit #0000021 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan

Sergey Dementyev
General Director of KPMG Audit LLC
acting on the basis of the Charter

22 April 2025

	Note	2024 '000 KZT	2023 '000 KZT
Interest income calculated using the effective interest method	4	121,509,605	103,699,419
Other interest income	4	8,015,875	4,210,179
Interest expense	4	(27,091,762)	(18,864,756)
Net interest income		**102,433,718**	**89,044,842**
Fee and commission income	5	4,682,199	4,011,932
Fee and commission expense	6	(1,898,862)	(1,310,497)
Net fee and commission income		**2,783,337**	**2,701,435**
Net foreign exchange gain	7	27,929,495	63,345,356
Net gain/(loss) on derivative financial instruments		7,586,155	(8,231,632)
Net realized (loss)/gain on investment securities	15	(407,050)	1,016,093
Net gain on financial assets at fair value through profit or loss		2,380,415	760,647
Other operating income, net		1,369,753	3,686,501
Operating income		**144,075,823**	**152,323,242**
Impairment charge on debt financial assets and credit related commitments	8	233,180	(340,219)
Other income		51,668	-
General administrative expenses	9	(27,006,560)	(19,952,999)
Profit before taxes		**117,354,111**	**132,030,024**
Income tax expense	10	(18,775,148)	(21,565,259)
Profit for the year		**98,578,963**	**110,464,765**
Other comprehensive (loss)/income, net of income tax			
Items that are or may be reclassified subsequently to profit or loss:			
Movement in fair value reserve (debt instruments):			
- Net change in fair value		(988,425)	2,651,031
- Net change in expected credit losses		(59,814)	20,821
Other comprehensive (loss)/income for the year		**(1,048,239)**	**2,671,852**
Total comprehensive income for the year		**97,530,724**	**113,136,617**

These financial statements as set out on pages 6 to 51 were approved by Management and were signed on its behalf by:

Saule Zhakayeva
Chief Executive Officer

22 April 2025
Almaty, Kazakhstan

Madina Omurzakova
Chief Accountant

22 April 2025
Almaty, Kazakhstan

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the financial statements.

	Note	31 December 2024 '000 KZT	31 December 2023 '000 KZT
ASSETS			
Cash and cash equivalents	11	663,203,751	599,580,470
Placements with banks	12	266,324,768	212,836,276
Derivative instruments at fair value through profit or loss	13	5,291,025	3,694,062
Financial assets at fair value through profit or loss	14	82,072,171	29,604,017
Investment securities			
- *Not pledged under REPO deals*	15	-	*101,577,525*
Loans to customers	16	152,688,821	126,259,950
Property, equipment and intangible assets		1,280,451	1,259,614
Current tax assets		3,008,649	3,110,278
Other assets	17	605,819	9,099,182
Total assets		**1,174,475,455**	**1,087,021,374**
LIABILITIES			
Derivative instruments at fair value through profit or loss	13	984,594	249,829
Deposits and balances from banks and other financial institutions	18	20,153,852	26,052,292
Current accounts and deposits from customers	19	1,037,255,368	930,336,508
Deferred tax liabilities	10	737,488	380,339
Other liabilities	17	4,205,587	5,929,799
Total liabilities		**1,063,336,889**	**962,948,767**
EQUITY			
Share capital	20	12,497,625	12,497,625
Additional paid-in capital		61,975	61,975
Fair value reserve		-	1,048,239
Retained earnings		98,578,966	110,464,768
Total equity		**111,138,566**	**124,072,607**
Total liabilities and equity		**1,174,475,455**	**1,087,021,374**

The statement of financial position is to be read in conjunction with the notes to, and forming part of, the financial statements.

	2024 ’000 KZT	2023 ’000 KZT
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	129,179,925	103,454,246
Interest payments	(27,204,878)	(19,192,184)
Dividends received	51,668	
Fee and commission receipts	4,656,620	4,012,856
Fee and commission payments	(1,894,046)	(1,324,680)
Net receipts from foreign exchange and derivatives	47,876,773	65,021,819
Net gain on financial assets at fair value through profit or loss	2,380,415	760,647
Other receipts	1,369,752	3,803,207
General administrative payments	(26,574,798)	(19,591,575)
(Increase)/decrease in operating assets		
Financial assets at fair value through profit or loss	(50,222,344)	(26,470,947)
Placements with banks	(51,184,600)	(211,206,711)
Loans to customers	(22,730,833)	(2,303,732)
Other assets	8,539,480	(8,762,714)
Increase/(decrease)in operating liabilities		
Deposits and balances from banks and other financial institutions	(13,357,841)	(60,840,085)
Current accounts and deposits from customers	36,276,120	(114,203,569)
Amounts payable under repurchase agreements	-	(51,497,992)
Other liabilities	(2,069,689)	3,672,721
Net cash from/(used in) operating activities before income tax paid	**35,091,724**	**(334,668,693)**
Income tax paid	(18,316,370)	(24,083,505)
Cash flows from/(used in) operating activities	**16,775,354**	**(358,752,198)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(128,101,336)	(415,242,954)
Sales and redemption of investment securities	224,160,141	384,815,551
Purchases of property, equipment and intangible assets	(202,879)	(471,450)
Sales of property, equipment and intangible assets	-	6,250
Cash flows from/(used in) investing activities	**95,855,926**	**(30,892,603)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(110,464,765)	(121,198,514)
Cash flows used in financing activities	**(110,464,765)**	**(121,198,514)**
Net increase/(decrease) in cash and cash equivalents	**2,166,516**	**(510,843,315)**
Effect of changes in exchange rates on cash and cash equivalents	61,231,736	(21,544,865)
Impairment charge on cash and cash equivalents	225,029	(154,370)
Cash and cash equivalents at 1 January	599,580,470	1,132,123,020
Cash and cash equivalents at 31 December (Note 11)	**663,203,751**	**599,580,470**

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements.

’000 KZT	**Share capital**	**Additional paid-in capital**	**Fair value reserve**	**Retained earnings**	**Total equity**
Balance at 1 January 2023	12,497,625	61,975	(1,623,613)	121,198,517	132,134,504
Profit for the year	-	-	-	110,464,765	110,464,765
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
-Net change in fair value	-	-	2,651,031	-	2,651,031
-Net change in expected credit losses	-	-	20,821	-	20,821
Total other comprehensive income	**-**	**-**	**2,671,852**	**-**	**2,671,852**
Total comprehensive income for the year	**-**	**-**	**2,671,852**	**110,464,765**	**113,136,617**
Transactions with owners, recorded directly in equity					
Dividends declared and paid (Note 20)	-	-	-	(121,198,514)	(121,198,514)
Balance at 31 December 2023	**12,497,625**	**61,975**	**1,048,239**	**110,464,768**	**124,072,607**
Balance at 1 January 2024	12,497,625	61,975	1,048,239	110,464,768	124,072,607
Profit for the year	-	-	-	98,578,963	98,578,963
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
-Net change in fair value	-	-	(988,425)	-	(988,425)
-Net change in expected credit losses	-	-	(59,814)	-	(59,814)
Total other comprehensive income	**-**	**-**	**(1,048,239)**	**-**	**(1,048,239)**
Total comprehensive income for the year	**-**	**-**	**(1,048,239)**	**98,578,963**	**97,530,724**
Transactions with owners, recorded directly in equity					
Dividends declared and paid (Note 20)	-	-	-	(110,464,765)	(110,464,765)
Balance at 31 December 2024	**12,497,625**	**61,975**	**-**	**98,578,966**	**111,138,566**

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements.

1 Background

(a) Principal activities

Citibank Kazakhstan JSC (the "Bank") was established as a joint stock company in the Republic of Kazakhstan. The Bank was granted its general banking license in 1998 and the license for conduction of operations on the securities market in 1999 and these licenses were updated in February 2020. The Bank is a member of the state deposit insurance system in the Republic of Kazakhstan.

The principal activities of the Bank are corporate deposit taking, corporate lending, cash management, custody operations, operations with government securities, money market and foreign exchange transactions. The activities of the Bank are regulated by the National Bank of the Republic of Kazakhstan (the "NBRK") and Agency of the Republic of Kazakhstan for regulation and development of the financial market (the "Agency").

The address of the Bank's registered office is: Park Palace, Building A, 2nd floor, 26/41 Zenkova Str., Almaty, A25T0A1, Republic of Kazakhstan. The majority of the Bank's assets and liabilities are located in the Republic of Kazakhstan.

(b) Shareholder

The Bank is wholly owned by Citibank N.A. (the "Shareholder Bank"). As a result, the Bank is economically dependent upon the Shareholder Bank. In addition, the activities of the Bank are closely linked with the requirements of the Shareholder Bank and determination of the pricing of the Bank's services to the Shareholder Bank is undertaken in conjunction with other Shareholder Bank companies.

(c) Kazakhstan business environment

The Bank's operations are primarily located in Kazakhstan. Consequently, the Bank is exposed to the economic and financial markets of Kazakhstan, which display emerging-market characteristics. Legal, tax and regulatory frameworks continue to develop, but are subject to varying interpretations and frequent changes that, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in Kazakhstan. Depreciation of the Kazakhstan Tenge and the volatility of oil prices on world markets also increased the level of uncertainty in the business environment.

Additionally, the introduction of new import tariffs by the United States (under the Trump administration) in April 2025 on certain categories of goods has created potential risks for the global economy and international trade activity. These changes in foreign trade policy may affect the macroeconomic environment in Kazakhstan.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Bank. The future business environment may differ from management's assessment.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and investment securities at fair value through other comprehensive income are stated at fair value.

(c) Functional and presentation currency

The functional currency of the Bank is the Kazakhstan tenge ("KZT") as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to the Bank.

The KZT is also the Bank's presentation currency for the purposes of these financial statements.

Financial information presented in KZT is rounded to the nearest thousand.

(d) Use of estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding – Note 3(c);
- establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit losses ("ECL") and selection and approval of models used to measure ECL – Note 3(e);
- estimates of fair values of financial assets and liabilities – Note 27.

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- estimates of fair values of financial assets and liabilities – Note 27.

(e) Presentation of comparative data

In the course of preparing the financial statements as at and for the year ended 31 December 2024, the Bank made reclassifications that affected the relevant line items in the statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

Specifically, the Bank has reclassified net gains on financial assets at fair value through profit or loss, previously included in "Other operating income, net", into a separate line item "Net gain on financial assets at fair value through profit or loss".

These reclassifications had no impact on the statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

The Bank believes that such presentation is more appropriate and provides more relevant information to the users of the financial statements.

The following table shows the impact of such changes on the respective indicators:

	Before changes	Impact of changes	After changes
'000 KZT			
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023			
Net gain on financial assets at fair value through profit or loss	-	760,647	760,647
Other operating income, net	4,447,148	(760,647)	3,686,501

3 Material accounting policies

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Interest

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' measured at amortised cost is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, see Note 3(e).

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes:

- interest on financial assets measured at amortised cost;
- interest on debt instruments measured at FVOCI.

Other interest income presented in the statement of profit or loss and other comprehensive income includes interest income on non-derivative debt financial instruments measured at FVTPL.

Interest expense presented in the statement of profit or loss and other comprehensive income includes:

- Financial liabilities measured at amortised cost.

(b) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances (nostro accounts) held with the NBRK and other banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(c) Financial assets and financial liabilities

Classification and Measurement

(i) Financial Assets – Derivatives and Equity Instruments

Under IFRS 9, derivatives and in-scope equity instruments are measured at fair value, with changes reflected through the profit and loss account (FVTPL). Exceptions can only apply if the derivative is part of a hedge accounting programme and equity financial assets designated at FVOCI at initial recognition.

(ii) Financial Assets – Debt Instruments

Under IFRS 9, the following primary classification and measurement categories exist for financial assets-debt instruments:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value though profit or loss (FVTPL).

In addition, IFRS 9 provides special designation options for financial assets-debt instruments that are either measured at ‘amortized cost’ or ‘FVOCI’. An entity has an option to designate such instruments at FVTPL only where this designation eliminates or significantly reduces an accounting mismatch.

The following paragraphs explain the classification criteria for the 3 categories in more detail.

Amortised Cost

A financial asset-debt instrument shall be classified and subsequently measured at amortized cost (unless designated under FVTPL) only if both of the following conditions are met:

a) Business Model test: the financial asset-debt instrument is held in a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) SPPI test: the contractual terms of the financial asset-debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

FVOCI

A financial asset shall be classified and measured at FVOCI (unless designated at FVTPL) if both of the following conditions are met:

a) Business Model test: the financial asset is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) SPPI test: the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

FVTPL

Any financial instrument that does not fall into either of the above categories shall be classified and measured at fair value through profit and loss. For example, where the asset is not held within a business model whose objective is to hold to collect the contractual cash flows or within a business model whose objective is both to collect the cash flows and to sell the assets, then the asset will be classified as FVTPL.

Moreover, any instrument for which the contractual cash flow characteristics do not comprise solely payments of principal and interest (that is, they fail the SPPI test) must be classified in the FVTPL category.

Business Model Assessment

The Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Bank's business model does not depend on management's intentions for an individual instrument (i.e., it is not an instrument-by-instrument assessment). This assessment is performed at a higher level of aggregation. The level of aggregation is at a level which is reviewed by key management personnel, enabling them to make strategic decisions for the business. The Bank has more than one business model for managing its financial instruments.

The assessment of the business model requires judgment based on facts and circumstances, considering quantitative factors and qualitative factors.

The Bank considers all relevant evidence that is available at the date of the assessment. Such relevant evidence includes, but is not limited to:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment of whether the contractual cash flows are solely payments of principal and interest

If an instrument is held in either a hold to collect or a or hold to collect and sell business model, then an assessment to determine whether contractual cash flows are solely payments of principal and interest on the principal outstanding (SPPI) is required to determine classification. For SPPI, interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a period of time. It can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period of time and a profit margin that is consistent with a basic lending arrangement. Other contractual features that result in cash flows that are not payments of principal and interest result in the instrument being measured at FVTPL.

Contractual terms that give rise to exposure or volatility in contractual cash flows that are not related to the underlying loan agreement, such as exposure to changes in stock prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal debt and interest on the principal amount outstanding.

The contractual cash flow test must be performed at initial recognition of the financial asset and, if applicable, as at the date of any subsequent changes to the contractual provisions of the instrument.

(iii) Financial Liabilities

There are two measurement categories for financial liabilities: at amortized cost and at fair value through profit or loss (including the additional category of fair value measurement).

(iv) Reclassifications

Financial asset classification is determined at initial recognition and reclassifications are expected to be extremely rare. A financial asset can only be reclassified if the business model for managing the financial asset changes.

Reclassification of financial liabilities is not permitted. Reclassification of financial instruments designated under FVTPL or FVOCl is also not permitted.

(v) Modifications

<u>*Financial assets*</u>

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Bank shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss.

As the Bank classifies a financial asset at initial recognition on the basis of the contractual terms over the life of the instrument, reclassification on the basis of a financial asset's contractual cash flows is not permitted, unless the asset is sufficiently modified that it is derecognised.

<u>*Financial Liabilities*</u>

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(d) Derivative financial instruments

Derivative financial instruments include swaps, forwards, futures and options in interest rates, foreign exchanges, precious metals and stock markets, and any combinations of these instruments, which values are dependent upon or derived from one or more underlying assets.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivatives are recognised immediately in profit or loss.

Although the Bank trades in derivative instruments for risk hedging purposes, these instruments do not qualify for hedge accounting.

(e) Impairment

The IFRS 9 impairment standard applies to any debt instruments measured at amortised cost or at fair value through other comprehensive income and also to off balance sheet loan commitments and financial guarantees, including:

- Investments in debt instruments measured at amortised cost. Such investments will include:
  - Corporate loans (including overdrafts and credit cards);
  - Placements with banks; and
  - Reverse repurchase agreements ("reverse REPO").
- Investments in debt instruments measured at fair value through other comprehensive income (FVOCI);
- All irrevocable loan commitments that are not measured at FVTPL;
- Written financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at FVTPL;
- Trade receivables in the scope of IFRS 15 (Revenue contracts with customers); and
- Any other receivables (e.g., brokerage receivables).

Expected credit loss impairment model

Credit loss allowances are measured on each reporting date according to a three-Stage expected credit loss impairment model under which each financial asset is classified in one of the stages below:

- Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults expected over the next 12 months. Interest is calculated based on the gross carrying amount of the asset.
- Stage 2 – Following a significant increase in credit risk relative to the risk at initial recognition of the financial asset, a loss allowance is recognised equal to the full credit losses expected over the remaining life of the asset. Interest is calculated based on the gross carrying amount of the asset.

The credit losses for financial assets in Stage 1 and Stage 2 are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive):

- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance equal to the full lifetime expected credit losses will be recognised. Credit losses are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. Interest is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

Evidence that a financial asset is impaired includes observable data that comes to the attention of the Bank such as:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - adverse changes in the payment status of borrowers in the portfolio; and
  - national or local economic conditions that correlate with defaults on the assets in the portfolio.

Loans are written off when there is no realistic probability of recovery.

The estimation of an expected credit loss (ECL) is required to be unbiased and probability weighted, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The estimate also considers the time value of money.

The measurement of an ECL is primarily determined by an assessment of the financial asset's probability of default (PD), loss given default (LGD) and exposure at default (EAD) where the cash shortfalls are discounted to the reporting date. For a financial asset in Stage 1, the Bank utilises a 12-month PD, whereas a financial asset within Stage 2 and Stage 3 will utilise a lifetime PD in order to estimate an impairment allowance.

Wholesale Classifiably Managed Exposures

An impairment allowance estimated for Corporate loans utilising sophisticated models depending on the relative size, quality and complexity of the portfolios.

Other Financial Assets Simplified Approaches

For other financial assets, being short term and simple in nature, the Bank applies a simplified measurement approach that may differ from what is described above. This approach leverages existing models currently used globally for stress-testing and regulatory capital reporting purposes, but incorporates specifically developed components to make the estimates compliant with IFRS 9.

Significant increase in credit risk (SICR)

A financial asset will move from Stage 1 to Stage 2 if there has been a significant increase in credit risk relative to initial recognition. The Bank assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. Determining whether there has been a significant increase in credit risk requires significant judgement. When making this assessment, the Bank considers the increase in the risk of default (both in relative terms and absolute terms) over the expected life of the financial asset. A given change in absolute terms of the risk of a default since initial recognition will be more significant for a financial instrument with a lower initial risk of default compared to one with a higher initial risk of default. A change in the probability of default of the obligor is driven primarily by the obligor risk rating. Internal credit risk rating categories capture the further qualitative indicators that act as backstops.

As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

- the lifetime PD is above 20 basis points; and
- there has been an increase in the lifetime PD between origination and the reporting date of more than one standard deviation of the normal distribution for the lifetime PD at origination.

Staging

Financial assets can move in both directions through the Stages of the IFRS 9 impairment model depending on whether the assessment of whether there is a significant increase of credit risk since initial recognition or whether the asset is credit impaired subsequently changes.

In order to determine the ECL reporting stage for an obligation, Bank checks whether the asset is already credit-impaired (Stage 3) or not (Stage 1 and 2). Stage 2 is determined by the existence of a significant credit deterioration (or credit improvement) compared with the credit rating at initial recognition. Stage 1 assets that do not have significant credit deterioration compared with that at initial recognition. All newly acquired or originated financial assets that are not purchased or originated credit impaired (POCI) are recognised in Stage 1 initially. The existence of a (statistically) significant deterioration/improvement is combined with the materiality of the probability of default to determine whether a transfer in stages is required. The Bank does not rebut the presumption that exposures 30 days past due are deemed to have incurred a significant increase in credit risk. Additional qualitative reviews are also performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in credit risk.

Changes in the required credit loss allowance, including the impact of movements between Stage 1 (12-month expected credit losses) and Stage 2 (lifetime expected credit losses), are recorded in profit or loss as an adjustment of the provision for credit losses.

Expected life

When measuring ECL, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk, including possible drawdowns and the expected maturity of the financial asset. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Bank is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Stage 3 definition of default

As mentioned above, to determine whether an instrument should move to a lifetime ECL, the change in the risk of a default occurring over the expected life of the financial instruments are considered.

The Bank applies a default definition that is consistent with that used for internal credit risk management purposes for the relevant financial instrument and consider qualitative indicators (for example, financial covenants) when appropriate. The definition of default used for this purpose is applied consistently to all financial instruments unless information becomes available that demonstrates another default definition is more appropriate for a particular financial instrument.

The Bank classifies an exposure as a Non-Performing Exposure (NPE) if it satisfies either or both of the following criteria:

- There are material exposures which are more than 90 days past-due;
- The obligor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.

A default is considered to have occurred when an exposure is classified as a NPE unless the exposure meets the following criteria:

- The obligor is a subsidiary of an investment grade or BB+ (equivalent) rated parent company; and
- There are no arrears >30 DPD unless due to a dispute or administrative reason; and
- The obligor is being made non-performing solely on the grounds of significant financial difficulty when evaluated on a standalone basis; and
- There is evidence to indicate that the parent or other group companies intend to provide support in order to mitigate the significant financial difficulty of the obligor; and
- There is no expectation of Bank incurring a credit loss from its exposures with the obligor.

Forward Looking Information and multiple economic scenarios

Estimates consider information about past events, current conditions and reasonable and supportable forecasts around future events and economic conditions. The application of forward-looking information (FLI) requires significant judgment. The Bank has developed models that include multiple economic scenarios that consider the variability and uncertainty in expected losses including factors such as GDP growth rates and unemployment rates, provided by the economists in Citi's Global Country Risk Management (GCRM). These estimates are based on portfolio data that reflect the current risk attributes of obligors and debt instruments combined with loss projections derived from the rating migration, PD and loss models built for estimating stress credit losses for wholesale portfolios. As mentioned above, these models have incorporated specifically developed components to make the estimates compliant with IFRS 9. The PD, LGD and Credit Conversion Factor (CCF) models are calibrated to the observed historical patterns of defaults and losses over several years and linked to economic drivers. The model reflects different loss likelihood and loss severity as a function of different economic forecasts. The Bank does not use the best case or worst case scenario, but assesses a representative number of scenarios (at least 3 when applying a sophisticated approach and where multiple scenarios are deemed to have a material non-linear impact) and probability weights these scenarios to determine the ECL.

(f) Loans to customers

'Loans to customers' caption in the statement of financial position include:

- loans to customers measured at amortised cost (see Note 3(c)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

(g) Investment securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (see Note 3(c)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI (see Note 3(c)).

(h) Financial assets at fair value through profit or loss

The ‘financial assets at fair value through profit or loss’ caption in the statement of financial position includes investment securities, the aim of which is a trading.

(i) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured as follows:

- at the higher of the loss allowance determined in accordance with IFRS 9 (see Note 3(e)) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Bank has issued no loan commitments that are measured at FVTPL.

For other loan commitments:

- the Bank recognises a loss allowance (see Note 3(e)).

Provisions for financial liabilities recognized in respect of issued financial guarantee contracts and commitments to provide loans are included in other liabilities.

(j) New standards

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Bank has not early adopted the new or amended standards in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Bank is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Bank’s statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Bank is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as “other”.

Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Bank’s financial statements.

— *Lack of Exchangeability (Amendments to IAS 21).*

— *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).*

4 Net interest income

	2024 '000 KZT	2023 '000 KZT
Interest income		
Interest income calculated using the effective interest method		
Cash and cash equivalents	78,340,127	63,206,986
Loans to customers	18,036,479	18,545,063
Investment securities	16,451,563	20,292,913
Placements with banks	8,681,425	1,654,457
Reverse repurchase agreements	11	-
	121,509,605	**103,699,419**
Other interest income		
Financial assets at fair value through profit or loss	8,015,875	4,210,179
	8,015,875	**4,210,179**
Interest expense		
Current accounts and deposits from customers	(18,708,927)	(15,698,870)
Deposits and balances from banks and other financial institutions	(5,264,417)	(1,942,614)
Amounts payable under repurchase agreements	(3,072,735)	(1,201,374)
Operating lease	(45,683)	(21,898)
	(27,091,762)	**(18,864,756)**
Net interest income	**102,433,718**	**89,044,842**

5 Fee and commission income

	2024 '000 KZT	2023 '000 KZT
Transfers	1,762,475	1,531,972
Custodian fees	1,326,463	1,009,926
Guarantees issued	1,009,963	895,414
Brokerage fees	323,089	176,446
Letters of credit provided	221,590	342,456
Accounts maintenance	16,315	30,459
Credit cards	18,648	17,733
Other	3,656	7,526
	4,682,199	**4,011,932**

Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

6 Fee and commission expense

	2024 ’000 KZT	2023 ’000 KZT
Guarantee and letter of credit issuance fees	957,708	548,579
Transaction fees	527,643	472,011
Credit cards	133,188	75,360
Membership fees	96,925	86,842
Custodian fees	57,750	33,783
Brokerage fees	11,155	10,577
Other	114,493	83,345
	1,898,862	**1,310,497**

7 Net foreign exchange gain

	2024 ’000 KZT	2023 ’000 KZT
Net forex trading gain	41,152,816	74,309,323
Revaluation of foreign currency denominated instruments	(13,223,321)	(10,963,967)
	27,929,495	**63,345,356**

Concentrations of net forex exchange gain

In 2024, the Bank had 1 customer (2023: 2 customer) with whom net forex exchange gain exceeded 5% of equity. Total net forex trading gain with these counterparties amounted to KZT 6,408,499 thousand (2023: KZT 29,480,604 thousand).

8 Impairment charge on debt financial assets and credit related commitments

	2024 ’000 KZT	2023 ’000 KZT
Cash and cash equivalents (Note 11)	225,029	(154,370)
Placements with banks (Note 12)	(129,013)	(163,689)
Investment securities	59,814	(20,821)
Loans to customers (Note 16)	120,311	(34,632)
Loan commitments and financial guarantee contracts (Note 23)	(44,582)	35,000
Other	1,621	(1,707)
	233,180	**(340,219)**

9 General administrative expenses

	2024 ’000 KZT	2023 ’000 KZT
Administrative support provided by related banks*	15,102,783	10,245,319
Employee compensation	4,922,704	4,693,090
Taxes other than on income	4,323,326	2,673,880
Administration	550,851	547,580
Taxes related to employees	468,190	353,491
Cash collection	339,780	232,757
Depreciation and amortisation	299,256	249,241
Representative expenses	142,792	79,219
Depreciation expense on right of use asset	132,505	112,184
Professional services**	128,539	132,446
Repairs and maintenance	121,511	13,759
Communications and information services	121,158	118,355
Travel expenses	95,509	102,943
Office supplies	78,439	119,594
Security	29,351	2,006
Rent	27,984	89,982
Advertising and marketing	17,803	20,588
Other	104,079	166,565
	27,006,560	**19,952,999**

*Administrative support expenses provided by related banks mainly consist of the following services: business administrative services, IT services, system development, compliance services, finance services, HR services, cash operations service and other services. Administrative support expenses also consist of transformational costs with services related to global Citi-wide “Transformation”, senior management services costs and business management charges relating to reorganization.

**Professional services include KZT 47,900 thousand excluding VAT fees for the audit of the Bank's financial statements (including non-audit services for support in the translation of financial statements into Russian, formatting and proofreading), prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2024 (2023: KZT 43,600 thousand).

10 Income tax expense

	2024 ’000 KZT	2023 ’000 KZT
Current tax expense		
Current year	18,326,405	21,150,288
Overprovided in prior years	91,594	-
	18,417,999	**21,150,288**
Deferred tax expense		
Origination and reversal of temporary differences	357,149	414,971
Total income tax expense	**18,775,148**	**21,565,259**

Reconciliation of effective tax rate:

	2024		2023	
	’000 KZT	%	’000 KZT	%
Profit before tax	**117,354,111**	**100**	**132,030,024**	**100**
Income tax at the applicable tax rate	23,470,822	20.00	26,406,005	20.00
Current tax expense over provided in prior years	91,594	0.08	-	-
Non-taxable income on securities	(5,267,730)	(4.49)	(5,374,318)	(4.07)
Non-deductible expenses	480,462	0.41	533,572	0.40
	18,775,148	**16.00**	**21,565,259**	**16.33**

Deferred tax asset and liability

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax assets as at 31 December 2024 and 31 December 2023.

The Bank's applicable tax rate in 2024 is the income tax rate of 20% for Kazakhstan companies (2023: 20%). Movements in temporary differences during the years ended 31 December 2024 and 31 December 2023 are presented as follows:

'000 KZT	**Balance 1 January 2024**	**Recognised in profit or loss**	**Balance 31 December 2024**
Financial instruments at fair value through profit or loss	(482,897)	(357,824)	(840,721)
Property and equipment	(58,976)	19,712	(39,264)
Right-of-use asset	8,949	(78,036)	(69,087)
Other assets	199,843	(19,071)	180,772
Lease liability	(47,258)	78,070	30,812
Net deferred tax liabilities	**(380,339)**	**(357,149)**	**(737,488)**

'000 KZT	**Balance 1 January 2023**	**Recognised in profit or loss**	**Balance 31 December 2023**
Financial instruments at fair value through profit or loss	(108,579)	(374,318)	(482,897)
Property and equipment	(56,604)	(2,372)	(58,976)
Right-of-use asset	(40,116)	49,065	8,949
Other assets	199,814	29	199,843
Lease liability	40,117	(87,375)	(47,258)
Net deferred tax assets/(liabilities)	**34,632**	**(414,971)**	**(380,339)**

11 Cash and cash equivalents

Cash and cash equivalents at the end of the financial year are composed of the following items:

	31 December 2024 '000 KZT	**31 December 2023 '000 KZT**
Current accounts in the National Bank of the Republic of Kazakhstan	**24,976,633**	**52,903,330**
Current accounts in other banks and financial institutions:		
- rated AA- to AA+	1,646	626
- rated A- to A+	35,930,574	88,007,725
- rated BB+ to BB-	31,153	-
- non-rated	130,970	1,693,841
Total current accounts in other banks and financial institutions	**36,094,343**	**89,702,192**
Overnight and term deposits in the National Bank of the Republic of Kazakhstan	**589,041,380**	**441,269,080**
Margin collateral*:		
- rated AA- to AA+	2,447	2,118
- non-rated	13,127,750	15,909,600
Total placements in other banks and financial institutions:	**13,130,197**	**15,911,718**
	663,242,553	**599,786,320**
Loss allowances	(38,802)	(205,850)
Total cash and cash equivalents	**663,203,751**	**599,580,470**

Ratings are based on Standard and Poor's rating system.

None of the cash and cash equivalents are credit-impaired or past due. All amounts of cash and cash equivalents are classified into Stage 1 for the purpose of loss allowance determination.

Reconciliations from the opening to the closing balances of the loss allowance represented in below table.

	2024	
’000 KZT	**Stage 1**	**Total**
Cash and cash equivalents		
Balance at 1 January	205,850	205,850
Net remeasurement of loss allowance	(225,029)	(225,029)
Foreign exchange and other movements	57,981	57,981
Balance at 31 December	**38,802**	**38,802**

	2023	
’000 KZT	**Stage 1**	**Total**
Cash and cash equivalents		
Balance at 1 January	84,173	84,173
Net remeasurement of loss allowance	154,370	154,370
Foreign exchange and other movements	(32,693)	(32,693)
Balance at 31 December	**205,850**	**205,850**

No significant changes in the gross carrying amount of financial instruments during the period that contributed to changes in loss allowance.

Concentration of cash and cash equivalents

As at 31 December 2024 the Bank has 3 organizations (2023: 4 organizations) whose balances exceed 10% of equity, carrying amount of which is KZT 654,771,741 thousand as at 31 December 2024 (2023: KZT 598,089,735 thousand).

Current accounts amounting to KZT 36,063,991 thousand as at 31 December 2024 (2023: KZT 89,701,566 thousand) are placed with entities of Citigroup Inc. No overnight placements.

*On 31 December 2024 the Bank pledged a margin deposit as collateral for the fulfillment of obligations under derivative financial instruments in the amount of KZT 13,130,197 thousand (31 December 2023: KZT 15,911,718 thousand), including a deposit on the KASE Clearing Center JSC in the amount of KZT 13,127,750 thousand (31 December 2023: KZT 15,909,600 thousand), which is disclosed as “Non-rated”.

Minimum reserve requirements of the National Bank of the Republic of Kazakhstan

Minimum reserve requirements are calculated in accordance with regulations issued by the NBRK and should be maintained as average of cash on hand and balances on current account with the NBRK for the four-week period calculated as certain minimum level of residents’ and non-residents’ customer deposits and current accounts balances as well as other bank liabilities. As at 31 December 2024 the minimum reserve requirements equaled KZT 26,650,779 thousand (31 December 2023: KZT 23,799,893 thousand).

12 Placements with banks

Placements with banks at the end of the financial year are composed of the following items:

	31 December 2024 ’000 KZT	**31 December 2023 ’000 KZT**
Placements with the National Bank of the Republic of Kazakhstan	266,617,470	212,999,965
Total current accounts with banks	**266,617,470**	**212,999,965**
Loss allowances	(292,702)	(163,689)
Total cash and cash equivalents	**266,324,768**	**212,836,276**

None of the placements with banks are credit-impaired or past due. All amounts of placements with banks are classified into Stage 1 for the purpose of loss allowance determination.

Reconciliations from the opening to the closing balances of the loss allowance represented in below table.

	2024		2023	
'000 KZT	**Stage 1**	**Total**	**Stage 1**	**Total**
Placements with banks				
Balance at 1 January	163,689	163,689	-	-
Net remeasurement of loss allowance	129,013	129,013	163,689	163,689
Balance at 31 December	**292,702**	**292,702**	**163,689**	**163,689**

13 Derivative instruments at fair value through profit or loss

	31 December 2024 '000 KZT	31 December 2023 '000 KZT
Assets		
Derivative financial instruments		
Forward exchange contracts	5,291,025	3,694,062
Liabilities		
Derivative financial instruments		
Forward exchange contracts	984,594	249,829

The table below summarises, by major currency, the contractual amounts of the Bank's forward exchange contracts outstanding at 31 December 2024 and 31 December 2023 with details of the contracted exchange rates and remaining periods to maturity. Foreign currency amounts presented below are translated at rates ruling at the reporting date. The resultant unrealised gains and losses on these unmatured contracts, have been recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

	Notional amount				Weighted average contracted exchange rates	
	2024 '000 KZT		2023 '000 KZT			
	Receivables	**Payables**	**Receivables**	**Payables**	**2024**	**2023**
Buy USD sell KZT						
Less than three months	361,001,122	(356,313,051)	189,767,846	(188,743,265)	518.29	452.11
Between three months and one year	-	-	1,941,800	(2,020,010)	-	485.45
Sell USD buy KZT						
Less than three months	262,814,691	(263,096,624)	171,386,220	(169,403,969)	524.74	460.51
Between three months and one year	494,320	(537,423)	5,527,991	(5,291,375)	494.32	492.29
Buy KZT sell EUR						
Less than three months	5,186,704	(5,121,444)	1,039,292	(1,029,262)	561.08	512.37
Between three months and one year	1,624,019	(1,637,374)	2,749,921	(2,489,614)	561.56	578.98
Buy EUR sell USD						
Less than three months	45,973,359	(46,120,002)	1,065,384	(1,041,255)	1.04	1.08
Between three months and one year	1,577,006	(1,658,576)	2,542,698	(2,549,429)	1.10	1.11
Buy GBP sell USD						
Less than three months	3,293,974	(3,294,401)	-	-	1.25	-
Buy RUB sell USD						
Less than three months	-	-	224,865	(224,196)	90.25	77.22

	Notional amount				Weighted average contracted exchange rates	
	2024 '000 KZT		2023 '000 KZT			
	Receivables	**Payables**	**Receivables**	**Payables**	**2024**	**2023**
Buy other currencies sell KZT						
Less than three months	56,296	(53,352)	354,765	(331,055)	45.44	42.55
Between three months and one year	814,220	(761,224)	2,296,758	(2,195,981)	46.43	47.03
Buy KZT sell other currencies						
Between three months and one year	1,284,262	(1,178,832)	-	-	80.00	-
Buy other currencies sell USD						
Between three months and one year	1,170,676	(1,266,471)	-	-	7.18	-
Buy USD sell other currencies						
Less than three months	57,866	(54,058)	338,009	(372,795)	10.29	11.13
Between three months and one year	826,472	(775,724)	2,282,013	(2,381,123)	10.25	10.42
	686,174,987	**(681,868,556)**	**381,517,562**	**(378,073,329)**		
Net		**4,306,431**		**3,444,233**		

The following table provides information on the credit quality of foreign currency contracts, which are assets:

	2024 '000 KZT	**2023 '000 KZT**
Large OECD banks	4,957,705	2,303,168
Medium and small Kazakhstan companies	333,320	1,390,894
	5,291,025	**3,694,062**

No financial instruments at fair value through profit or loss are past due as at 31 December 2024 (2023: none).

14 Financial assets at fair value through profit or loss

	31 December 2024 '000 KZT	**31 December 2023 '000 KZT**
Bonds issued by the Ministry of Finance of the Republic of Kazakhstan (Country sovereign rating: BBB-)	82,069,971	29,601,817
Other investments	2,200	2,200
	82,072,171	**29,604,017**

15 Investment securities

	31 December 2024 ’000 KZT	31 December 2023 ’000 KZT
Investment securities at fair value through other comprehensive income		
Bonds issued by the Ministry of Finance of the Republic of Kazakhstan (Country sovereign rating: BBB-)	-	101,577,525
	-	**101,577,525**
Allowance for expected credit losses	-	(59,814)
Net investment securities at fair value through other comprehensive income	**-**	**101,577,525**

The credit ratings are presented with reference to the credit ratings of Standard&Poor’s credit ratings agency or analogues of similar international agencies.

During 2024, the Bank fully disposed of its portfolio of invest securities previously classified as financial assets at fair value through other comprehensive income (FVOCI). As a result, a loss on disposal was recognized in the statement of profit or loss, reflecting the difference between the carrying amount and the fair value of the disposed assets KZT 407,050 thousand. The cumulative revaluation loss previously recognized in other comprehensive income was reclassified to profit or loss upon derecognition KZT 988,425 thousand. As of year-end, the Bank does not hold any assets of this type.

No assets are past due or credit-impaired as at 31 December 2023. All investment securities are classified into Stage 1 for the purpose of loss allowance determination. No assets were pledged for REPO transactions as at 31 December 2023.

16 Loans to customers

	31 December 2024 ’000 KZT	31 December 2023 ’000 KZT
Loans to large corporates	152,884,589	126,572,884
	152,884,589	**126,572,884**
Loss allowances	(195,768)	(312,934)
Loans to customers	**152,688,821**	**126,259,950**

(a) Analysis of movements in loss allowance

The following tables provide reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	2024			
’000 KZT **Loans to large corporates**	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit impaired**	**Total**
Balance at 1 January	**312,933**	**1**	**-**	**312,934**
Net change of loss allowance	(313,699)	(1)	-	(313,700)
New financial assets originated or purchased	193,383	6	-	193,389
Foreign exchange and other movements	3,145	-	-	3,145
Balance at 31 December	**195,762**	**6**	**-**	**195,768**

’000 KZT Loans to large corporates	2023 12-month ECL	 Lifetime ECL not credit-impaired	 Lifetime ECL credit impaired	 Total
Balance at 1 January	**232,466**	**48,851**	**-**	**281,317**
Net remeasurement of loss allowance	4,686	(48,850)	-	(44,164)
New financial assets originated or purchased	78,796	-	-	78,796
Foreign exchange and other movements	(3,015)	-	-	(3,015)
Balance at 31 December	**312,933**	**1**	**-**	**312,934**

During the year ended 31 December 2024 most loans were repaid due to the short-term nature of the loans and the amount of KZT 817,215,517 thousand were newly issued (2023: KZT 919,481,424 thousand). That change in gross amount of loans issued to corporate customers contributed to the change in loss allowance. All these loans were classified as Stage 1 of the credit risk grading 2024 and 2023 years respectively.

No contractual amount outstanding on financial assets that were written-off during the year ended 31 December 2024 and 31 December 2023 and that are still subject to enforcement activity.

(b) Credit quality analysis

The Bank has an internal risk rating system that accurately and reliably differentiates between degrees of credit risk for classifiable managed exposures.

To differentiate among degrees of credit risk, the Bank must be able to make meaningful and consistent distinctions among credit exposures along two dimensions:

- default risk - obligors are assigned to rating grades that approximately reflect likelihood of default, and
- loss severity rating grades (or loss given default estimates) that approximately reflect the loss severity expected in the event of default during economic downturn conditions.

The Obligor Risk Rating (ORR) represents the probability that an obligor will default within a one-year time horizon. Risk ratings for obligors are assigned on a scale of 1 to 10, with sub-grades, where “1” is the best quality risk and “7” is the worst for obligors that are not in default. ORRs of “8” to “10” are assigned to obligors meeting the definition of default: i.e. the obligor is either 90 days past due on material exposure to the Bank and/or the Bank considers that the obligor is unlikely to pay its credit obligations to the Bank in full without recourse by the Bank to actions such as realizing security (if held), collecting against a guarantee or other forms of support, or filing a claim against the insurer.

Obligors assigned ORR of “4-” and better are considered Investment Grade obligors, which have low default risk based on their strength of capacity to meet financial commitments.

The table below provides an indicative comparison of the Bank's internal risk ratings with Standard & Poor's PD and external credit ratings.

Risk Rating		**Average Probability of Default (%)**	**External Rating**
Rating 1 to 4-:	Investment Grade	0.00 - 0.34	AAA to BBB-
Rating 5+ to 6-:	Non-investment Grade	0.89 - 2.16	BB+ to B-
Rating 7+ to 7-:	Higher Risk	16.64 to 22.13	CCC+ to CCC-
Rating 8 to 10:	Credit Impaired	Loss estimate on individual basis	to SD/D

The following tables provide information on the credit quality of loans issued to customers:

	2024		
’000 KZT	**Stage 1**	**Stage 2**	**Total**
Loans to customers			
Rating 1 to 4-	59,665,778	-	59,665,778
Rating 5+ to 6-	93,217,502	1,309	93,218,811
Total	**152,883,280**	**1,309**	**152,884,589**
Expected credit loss	(195,762)	(6)	(195,768)
Balance as at 31 December 2024	**152,687,518**	**1,303**	**152,688,821**

	2023		
’000 KZT	**Stage 1**	**Stage 2**	**Total**
Loans to customers			
Rating 1 to 4-	34,523,348	-	34,523,348
Rating 5+ to 6-	92,048,808	728	92,049,536
Total	**126,572,156**	**728**	**126,572,884**
Expected credit loss	(312,933)	(1)	(312,934)
Balance as at 31 December 2023	**126,259,223**	**727**	**126,259,950**

The Bank has no overdue loans as at 31 December 2024 (2023: nil).

(c) Analysis of collateral

(i) Loans to large corporates

The following tables provide information on collateral and other credit enhancements securing loans to corporate customers, net of impairment, by types of collateral:

31 December 2024	**Loans to customers, carrying amount ’000 KZT**	**Fair value of collateral not determined ’000 KZT**
Guarantees from related parties	129,914,932	129,914,932
Third party guarantees	14,065,316	14,065,316
No collateral	8,708,573	-
Total loans to large corporates	**152,688,821**	**143,980,248**

31 December 2023	**Loans to customers, carrying amount ’000 KZT**	**Fair value of collateral not determined ’000 KZT**
Guarantees from related parties	101,975,963	101,975,963
Third party guarantees	13,053,219	13,053,219
No collateral	11,230,768	-
Total loans to large corporates	**126,259,950**	**115,029,182**

Third party guarantees are mainly provided by large Kazakhstan state-owned corporations or by headquarters of international corporations operating in Kazakhstan. Bank does not accept any type of collateral as security for meeting the obligations, except of cash coverage for guarantees and letters of credit.

(d) Industry and geographical analysis of the loan portfolio

Loans to customers are issued primarily to customers located within the Republic of Kazakhstan, who operate in the following economic sectors:

	31 December 2024 '000 KZT	31 December 2023 '000 KZT
Trade	94,822,058	61,448,797
Finance	23,292,510	23,509,815
Transportation	14,083,299	13,095,070
Agriculture	11,103,122	19,272,318
Manufacturing	5,159,496	6,876,105
Leasing	4,312,066	2,278,451
Miscellaneous services	110,955	91,987
Food production	1,083	341
	152,884,589	**126,572,884**
Loss allowance	(195,768)	(312,934)
Carrying amount	**152,688,821**	**126,259,950**

(e) Significant credit exposures

As at 31 December 2024 the Bank had 6 borrowers (2023: 4), whose loan balances exceeded 10% of equity. The gross value of these loans as at 31 December 2024 was KZT 107,303,116 thousand (2023: KZT 65,423,154 thousand).

17 Other assets and liabilities

Below is the breakdown of other assets:

	31 December 2024 '000 KZT	31 December 2023 '000 KZT
Debtors for banking activities	183,027	130,467
Settlements with professional securities market participants	55,000	55,000
Accrued commission income	27,677	1,895
Other financial assets	55,831	80,712
Debtors under letters of credit and guarantees	-	8,603,143
Total financial assets	**321,535**	**8,871,217**
Prepayments	256,531	210,375
Receivables from employees	17,842	17,590
Other non-financial assets	9,911	-
Total non-financial assets	**284,284**	**227,965**
Total other assets	**605,819**	**9,099,182**

All financial assets were classified as Stage 1 of the credit risk grading as at 31 December 2024 and 31 December 2023, with no amounts past due.

Below is the breakdown of other liabilities:

	31 December 2024 ’000 KZT	31 December 2023 ’000 KZT
Payables to employees	731,617	782,276
Lease liabilities	348,771	218,371
Other financial liabilities	563,485	134,204
Other creditors for banking activities	342,951	3,659
Issued guarantees	130,847	41,163
Accrued commission expense	53,648	48,832
Debtors under letters of credit and guarantees	-	2,637,808
Total financial liabilities	**2,171,319**	**3,866,313**
Taxes other than income tax	1,856,859	1,725,821
Vacation reserve	175,618	144,044
Loss allowance on contingent liabilities	1,289	36,069
Future period income	502	157,552
Total non-financial liabilities	**2,034,268**	**2,063,486**
Total other liabilities	**4,205,587**	**5,929,799**

18 Deposits and balances from banks and other financial institutions

	31 December 2024 ’000 KZT	31 December 2023 ’000 KZT
Vostro accounts	15,879,860	10,204,648
Term deposits	4,273,992	15,847,644
	20,153,852	**26,052,292**

Concentration of deposits and balances from banks and other financial institutions

As at 31 December 2024 the Bank has no financial institution (2023: Bank has 1 financial institution), whose balances exceed 10% of equity. The balances on accounts and deposits of these banks and other financial institutions as at 31 December 2023 was KZT 15,932,547 thousand.

19 Current accounts and deposits from customers

	31 December 2024 ’000 KZT	31 December 2023 ’000 KZT
Current accounts and demand deposits		
- Corporate	792,719,598	667,460,425
- Retail	2,814	3,130
Term deposits		
- Corporate	244,532,956	262,872,953
	1,037,255,368	**930,336,508**

Concentrations of current accounts and customer deposits

As at 31 December 2024, the Bank had 16 customers (2023: 13 customers) whose balances exceeded 10% of equity. These balances as at 31 December 2024 amount to KZT 440,327,830 thousand (2023: KZT 387,633,093 thousand).

The customers did not have minimum balance requirement for current accounts and deposits from customers for both years.

20 Equity

(a) Issued capital

As at 31 December 2024 and 31 December 2023 the authorised, issued and outstanding share capital comprises 621 ordinary shares. All shares have a par value of KZT 20,125 thousand. During 2024 and 2023 the Bank did not issue ordinary shares.

(b) Dividends

In accordance with Kazakhstan legislation the Bank's distributable reserves are limited to the balance of retained earnings as recorded in the Bank's statutory financial statements prepared in accordance with IFRS Accounting Standards or profit for the year if there is an accumulated loss brought forward. A distribution cannot be made if this would result in negative equity or the Bank's insolvency. Under Kazakhstan legislation, as at the reporting date, reserves available for distribution amounted to KZT 98,578,966 thousand (2023: KZT 110,464,768 thousand). During 2024 there were dividends declared and paid-in the total amount of KZT 110,464,765 thousand (2023: KZT 121,198,514 thousand).

Summary of dividends declared and paid in during 2024 and 2023 is presented as follows:

'000 KZT	**Amount of dividends declared and paid-in**	**Dividend per share**
Declared on 30/03/2024 and paid on 30 March 2024	27,600,000	44,444
Declared on 31/07/2024 and paid on 31 July 2024	27,600,000	44,444
Declared on 01/10/2024 and paid on 1 October 2024	27,600,000	44,444
Declared on 29/11/2024 and paid on 29 November 2024	27,600,000	44,444
Declared on 06/12/2024 and paid on 6 December 2024	64,765	104
	110,464,765	

'000 KZT	**Amount of dividends declared and paid-in**	**Dividend per share**
Declared on 30/03/2023 and paid on 31 March 2023	21,000,963	33,818
Declared on 25/05/2023 and paid on 26 May 2023	25,049,388	40,337
Declared on 18/08/2023 and paid on 18 August 2023	25,049,388	40,337
Declared on 28/09/2023 and paid on 28 September 2023	25,049,388	40,337
Declared on 24/11/2023 and paid on 24 November 2023	25,049,387	40,337
	121,198,514	

21 Risk management

Risk Management is fundamental to the Bank's business and is an essential element of the Bank's operations. The major risks faced by the Bank are those related to market risk, which includes price, interest rate and currency risks, credit risk and liquidity risk.

(a) Risk management policies and procedures

The risk management policies aim to identify, analyse and manage the risks faced by the Bank, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Board of Directors of the Bank has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The Management Board of the Bank is responsible for monitoring and implementing risk mitigation measures and ensuring that the Bank operates within established risk parameters.

Both external and internal risk factors are identified and managed throughout the organisation. Particular attention is given to identifying the full range of risk factors and determining the level of assurance over current risk mitigation procedures.

The Bank calculates mandatory ratios on a daily basis in accordance with the requirement of the NBRK. As at 31 December 2024 and 2023 the mandatory ratios were in compliance with limits set by the NBRK.

(b) Market risk

Market risk - the probability of financial losses on balance sheet and off-balance sheet items from adverse changes in the market situation, expressed in changes in market interest rates, foreign exchange rates, market value of financial instruments and other. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

The Bank manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions and stop-loss limits. These are monitored on a regular basis and reviewed and approved by the Management Board. In addition, the Bank uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the Bank’s overall position. Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by the Bank include risk factor stress testing, where stress movements are applied to each risk category and ad hoc stress testing, which includes applying possible stress events to specific positions.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Bank is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event that unexpected movements occur.

Interest rate gap analysis

Interest rate risk is managed principally through monitoring interest rate gaps. A summary of the interest gap position for major financial instruments is as follows:

’000 KZT	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
31 December 2024							
ASSETS							
Cash and cash equivalents	589,027,743	-	-	-	-	74,176,008	663,203,751
Placements with banks	-	-	266,324,768	-	-	-	266,324,768
Financial assets at fair value through profit or loss	1,957,428	1,680,633	10,105,507	65,644,180	2,682,223	2,200	82,072,171
Loans to customers	98,406,163	44,399,894	2,801,820	7,080,944	-	-	152,688,821
	689,391,334	**46,080,527**	**279,232,095**	**72,725,124**	**2,682,223**	**74,178,208**	**1,164,289,511**
LIABILITIES							
Deposits and balances from banks and other financial institutions	4,247,176	-	-	-	-	15,906,676	20,153,852
Current accounts and deposits from customers	241,348,550	60,428	-	-	-	795,846,390	1,037,255,368
	245,595,726	**60,428**	**-**	**-**	**-**	**811,753,066**	**1,057,409,220**
	443,795,608	**46,020,099**	**279,232,095**	**72,725,124**	**2,682,223**	**(737,574,858)**	**106,880,291**

’000 KZT	**Less than 3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
31 December 2023							
ASSETS							
Cash and cash equivalents	441,255,183	-	-	-	-	158,325,287	599,580,470
Placements with banks	-	183,262,730	29,573,546	-	-	-	212,836,276
Financial assets at fair value through profit or loss	928,428	626,013	203,341	27,806,519	37,516	2,200	29,604,017
Investment securities	37,637,635	101,500	-	63,838,343	48	-	101,577,525
Loans to customers	73,298,923	40,579,857	9,388,985	2,992,185	-	-	126,259,950
	553,120,169	**224,570,100**	**39,165,872**	**94,637,047**	**37,563**	**158,327,487**	**1,069,858,238**
LIABILITIES							
Deposits and balances from banks and other financial institutions	15,824,432	-	-	-	-	10,227,860	26,052,292
Current accounts and deposits from customers	259,233,587	60,520	1,000,667	-	-	670,041,734	930,336,508
	275,058,019	**60,520**	**1,000,667**	**-**	**-**	**680,269,594**	**956,388,800**
	278,062,150	**224,509,580**	**38,165,205**	**94,637,047**	**37,563**	**(521,942,107)**	**113,469,438**

Average interest rates

The table below displays average effective interest rates for interest bearing assets and liabilities as at 31 December 2024 and 2023.

	2024			2023		
	Average effective interest rate, %			Average effective interest rate, %		
	KZT	USD	Other currencies	KZT	USD	Other currencies
Interest bearing assets						
Cash and cash equivalents	15.05	4.08	-	15.43	4.83	-
Placements with banks	-	5.08	-	-	5.08	-
Loans to customers	16.10	6.91	4.91	17.46	7.87	5.43
Investment securities	-	-	-	10.38	-	-
Financial assets at fair value through profit and loss	11.47	-	-	13.11	-	-
Interest bearing liabilities						
Deposits and balances from banks and other financial institutions						
- Term deposits	11.50	-	-	12.63	-	-
Current accounts and deposits from customers						
- Term deposits	7.37	1.18	0.50	9.63	0.89	0.50

Interest rate sensitivity analysis

The management of interest rate risk, based on an interest rate gap analysis, is supplemented by monitoring the sensitivity of financial assets and liabilities. An analysis of the sensitivity of net profit or loss and equity (net of taxes) to changes in interest rates (repricing risk), based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 31 December 2024 and 31 December 2023, is as follows:

	2024		2023	
’000 KZT	**Net income**	**Equity**	**Net income**	**Equity**
100 bp parallel increase	3,895,134	3,895,134	3,145,313	3,145,313
100 bp parallel decrease	(3,895,134)	(3,895,134)	(3,145,313)	(3,145,313)

Fair value interest rate sensitivity analysis

An analysis of the sensitivity of net profit or loss and equity as a result of changes in the fair value of financial instruments at fair value though profit or loss and investment securities due to changes in the interest rates, based on positions existing as at 31 December 2024 and 2023 and a simplified scenario of a 100 bp symmetrical fall or rise in all yield curves, is as follows:

	2024		2023	
’000 KZT	**Net income**	**Equity**	**Net income**	**Equity**
100 bp parallel increase	(1,563,589)	(1,563,589)	(558,237)	(682,634)
100 bp parallel decrease	1,693,944	1,693,944	577,834	687,380

(d) Currency risk

The Bank has assets and liabilities denominated in several foreign currencies. Foreign currency risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency. For further information on the Bank’s exposure to currency risk at year end refer to Note 27.

An analysis of sensitivity of the Bank's net income for the year and equity to changes in the foreign currency exchange rates based on positions existing as at 31 December 2024 and 2023 and a simplified scenario of a +/-20% change in USD and other currencies to Kazakhstan Tenge exchange rates is as follows:

	2024		2023	
'000 KZT	**Net income**	**Equity**	**Net income**	**Equity**
20% appreciation of USD against KZT (2023: 20%)	774,211	774,211	(257,680)	(257,680)
20% depreciation of USD against KZT (2023: 20%)	(774,211)	(774,211)	257,680	257,680
20% appreciation of other currencies against KZT (2023: 20%)	44,843	44,843	60,386	60,386
20% depreciation of other currencies against KZT (2023: 20%)	(45,567)	(45,567)	(60,386)	(60,386)

(e) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank has policies and procedures in place to manage credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee which approves credit extension. The Bank's credit policy is reviewed and approved by the Board of Directors.

The credit policy establishes:

- procedures for reviewing and approving loan credit applications;
- methodology for the credit assessment of corporate borrowers and/or issuers;
- methodology for the credit assessment of counterparties;
- methodology for the evaluation of collateral;
- credit documentation requirements.

Credit approval requests are originated by the relevant client managers and are then passed for approval to the Credit Committee in form of Credit Package. Client manager collects inputs from Credit Risk, Legal and Compliance to form the credit package. The Credit Committee reviews the Credit Approval requests on the basis of submissions by the Corporate Business.

The Bank continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. The review is based on the customer's most recent financial statements and other information submitted by the borrower, or otherwise obtained by the Bank.

Apart from individual customer analysis, the credit portfolio is assessed by the Risk Department with regard to credit concentration risk.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and unrecognised contractual commitment amounts and pre-settlement value of derivative transactions. The impact of the possible netting of assets and liabilities to reduce potential credit exposure is not significant. The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in Note 23.

The Bank monitors concentrations of credit risk by type of obligors and by industry/sector. For the analysis of concentration of credit risk in respect of loans and advances to customers refer to Note 16 "Loans to customers".

The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	31 December 2024 '000 KZT	31 December 2023 '000 KZT
ASSETS		
Cash and cash equivalents	663,203,751	599,580,470
Placements with banks	266,324,768	212,836,276
Loans to customers	152,688,821	126,259,950
Investment securities	-	101,577,525
Other financial assets	321,535	8,871,217
Total maximum exposure	**1,082,538,875**	**1,049,125,438**

(f) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Bank's statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

Similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the table below, unless they are offset in the statement of financial position.

The Bank conducts derivative transactions that are not transacted on the exchange through a central counterparty. Management believes that such settlements are, in effect, equivalent to net settlement, and that the Bank meets the net settlement criterion as this gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and that the Bank will process receivables and payables in a single settlement process or cycle.

The Bank receives and accepts collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale and repurchase, and reverse sale and repurchase agreements; and
- securities lending and borrowing.

Such collateral is subject to the standard industry terms of the International Derivative Swaps and Dealers Association (ISDA) Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral.

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2024:

’000 KZT **Types of financial assets/liabilities**	**Gross amounts of recognised financial asset/liability**	**Gross amount of recognised financial liability/asset offset in the statement of financial position**	**Net amount of financial assets/liabilities presented in the statement of financial position**	**Related amounts not offset in the statement of financial position Financial instruments**	**Net amount**
Derivative instruments at fair value through profit or loss - assets	5,291,025	-	5,291,025	(984,594)	4,306,431
Derivative instruments at fair value through profit or loss - liabilities	(984,594)	-	(984,594)	984,594	-

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2023:

’000 KZT **Types of financial assets/liabilities**	**Gross amounts of recognised financial asset/liability**	**Gross amount of recognised financial liability/asset offset in the statement of financial position**	**Net amount of financial assets/liabilities presented in the statement of financial position**	**Related amounts not offset in the statement of financial position Financial instruments**	**Net amount**
Derivative instruments at fair value through profit or loss - assets	3,694,062	-	3,694,062	(249,829)	3,444,233
Derivative instruments at fair value through profit or loss - liabilities	(249,829)	-	(249,829)	249,829	-

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the statement of financial position on the following basis:

- derivative assets and liabilities – fair value;
- assets and liabilities resulting from sale and repurchase agreements, reverse sale and repurchase agreements and securities lending and borrowing – amortised cost.

The amounts in the above tables that are offset in the statement of financial position are measured on the same basis.

(g) Liquidity risk

Liquidity risk is the probability that financial losses occur as a result of the Bank's inability to fulfil its obligations in a timely manner without significant losses. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/-or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity management. It is unusual for financial institutions ever to be completely matched, since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The Bank maintains the necessary level of liquidity in order to constantly ensure the availability of funds to pay its obligations. The Bank’s liquidity policy is reviewed and approved by the Board of Directors.

The Bank seeks to actively support a diversified and stable funding base comprising short-term deposits from other banks, core corporate and retail customer deposits, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and efficiently to unforeseen liquidity requirements.

The liquidity risk management policy establishes an effective process for identifying, assessing, monitoring and controlling liquidity risk. The liquidity risk management policy also defines the requirements for:

- projecting cash flows by major currencies and taking into account the level of liquid assets necessary in relation thereto;
- maintaining a diversified structure of funding sources;
- managing the concentration and structure of borrowed funds;
- developing an annual funding and liquidity plan and a contingency plan;
- intraday liquidity management;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as a protective measure in the event of a break in a cash liquidity;
- monitoring liquidity ratios against regulatory requirements.

The Treasury Department receives information from business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury Department then provides for an adequate portfolio of short-term liquid assets to be maintained, largely made up of short-term liquid trading securities, loans to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions, is performed by the Treasury Department.

The Bank also calculates mandatory liquidity ratios on a daily basis in accordance with the requirements of the NBRK. The Bank was in compliance with these ratios as at 31 December 2024 and 2023.

To manage the liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, short-term state securities for which there is a liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Bank believes that it is not necessary to disclose a maturity analysis in respect of these assets to enable users to evaluate the nature and extent of liquidity risk.

In accordance with Kazakhstan legislation, depositors can withdraw their term deposits at any time, losing in most of the cases the accrued interest. These deposits are classified in accordance with their stated maturity dates.

However management believes that in spite of this early withdrawal option and the fact that a substantial portion of customers’ accounts are on demand, diversification of these customer accounts and deposits by number and type of depositors, and the past experience of the Bank indicates that these customer accounts provide a long-term and stable source of funding.

The following tables show the undiscounted cash flows of non-derivative financial liabilities, on the basis of their earliest possible contractual maturity. The total gross amount (inflow)/outflow disclosed in the table is the contractual, undiscounted cash flow on the financial liability.

Management expects that the cash flows for certain financial liabilities may differ from those specified in the contracts, either because management has the power to manage the cash flows or because past experience indicates that the timing of the cash flows of those financial liabilities may differ from those stipulated in the contracts.

The maturity analysis for financial liabilities as at 31 December 2024 can be presented as follows:

’000 KZT	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 1 year**	**Gross cash inflow (outflow)**	**Carrying amount**
Non-derivative liabilities							
Deposits and balances from banks and other financial institutions	20,164,557	-	-	-	-	20,164,557	20,153,852
Current accounts and deposits from customers	1,037,497,731	517	60,785	-	-	1,037,559,033	1,037,255,368
Other financial liabilities	2,171,319	-	-	-	-	2,171,319	2,171,319
Derivatives							
- Inflow	(169,250,640)	(8,076,266)	(2,701,177)	(1,428,591)	-	(181,456,674)	-
- Outflow	169,687,996	8,373,871	2,852,751	1,526,650	-	182,441,268	984,594
Total	**1,060,270,963**	**298,122**	**212,359**	**98,059**	**-**	**1,060,879,503**	**1,060,565,133**
Credit related commitments	**73,016,941**	**-**	**-**	**-**	**-**	**73,016,941**	**-**

The maturity analysis for financial liabilities as at 31 December 2023 can be presented as follows:

’000 KZT	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 1 year**	**Gross cash inflow (outflow)**	**Carrying amount**
Non-derivative liabilities							
Deposits and balances from banks and other financial institutions	26,218,847	-	-	-	-	26,218,847	26,052,292
Current accounts and deposits from customers	931,099,909	-	95,893	1,040,694	-	932,236,496	930,336,508
Other financial liabilities	1,228,505	-	2,637,808	-	-	3,866,313	3,866,313
Derivatives							
- Inflow	(64,016,842)	(475,452)	(4,484,498)	(2,282,013)	-	(71,258,805)	-
- Outflow	64,078,121	479,951	4,569,439	2,381,123	-	71,508,634	249,829
Total	**958,608,540**	**4,499**	**2,818,642**	**1,139,804**	**-**	**962,571,485**	**960,504,942**
Credit related commitments	**76,787,688**	**-**	**-**	**-**	**-**	**76,787,688**	**-**

The following table provides an analysis of the carrying amounts assets and liabilities (by expected maturities) recognized in the statement of financial position as at 31 December 2024:

’000 KZT	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**More than 5 years**	**No maturity**	**Total**
Assets							
Cash and cash equivalents	663,203,751	-	-	-	-	-	663,203,751
Placements with banks	-	-	266,324,768	-	-	-	266,324,768
Derivative instruments at fair value through profit or loss	4,976,506	89,533	224,986	-	-	-	5,291,025
Financial assets at fair value through profit or loss	1,781	1,955,647	11,786,140	65,644,181	2,682,222	2,200	82,072,171
Loans to customers	59,901,075	38,505,088	47,201,714	7,080,944	-	-	152,688,821
Property, equipment and intangible assets	-	-	-	-	-	1,280,451	1,280,451
Current tax assets	-	-	3,008,649	-	-	-	3,008,649
Other assets	605,819	-	-	-	-	-	605,819
Total assets	**728,688,932**	**40,550,268**	**328,546,257**	**72,725,125**	**2,682,222**	**1,282,651**	**1,174,475,455**
Liabilities							
Derivative instruments at fair value through profit or loss	437,356	297,605	249,633	-	-	-	984,594
Deposits and balances from banks and other financial institutions	20,153,852	-	-	-	-	-	20,153,852
Current accounts and deposits from customers	1,037,194,940	-	60,428	-	-	-	1,037,255,368
Deferred tax liabilities	-	-	-	737,488	-	-	737,488
Other liabilities	4,205,587	-	-	-	-	-	4,205,587
Total liabilities	**1,061,991,735**	**297,605**	**310,061**	**737,488**	**-**	**-**	**1,063,336,889**

The following table provides an analysis of the carrying amounts assets and liabilities (by expected maturities) recognized in the statement of financial position as at 31 December 2023:

’000 KZT	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**More than 5 years**	**No maturity**	**Total**
Assets							
Cash and cash equivalents	599,580,470	-	-	-	-	-	599,580,470
Placements with banks	-	-	212,836,276	-	-	-	212,836,276
Derivative instruments at fair value through profit or loss	2,572,611	523,751	597,700	-	-	-	3,694,062
Financial assets at fair value through profit or loss	503,497	424,931	829,353	27,806,519	37,517	2,200	29,604,017
Investment securities	29,467,468	8,170,167	101,500	63,838,342	48	-	101,577,525
Loans to customers	31,560,199	41,738,724	49,968,842	2,992,185	-	-	126,259,950
Property, equipment and intangible assets	-	-	-	-	-	1,259,614	1,259,614
Current tax assets	-	-	3,110,278	-	-	-	3,110,278
Other assets	494,394	4,718,091	3,886,697	-	-	-	9,099,182
Total assets	**664,178,639**	**55,575,664**	**271,330,646**	**94,637,046**	**37,565**	**1,261,814**	**1,087,021,374**
Liabilities							
Derivative instruments at fair value through profit or loss	61,279	4,500	184,050	-	-	-	249,829
Deposits and balances from banks and other financial institutions	26,052,292	-	-	-	-	-	26,052,292
Current accounts and deposits from customers	929,275,321	-	1,061,187	-	-	-	930,336,508
Deferred tax liabilities				380,339			380,339
Other liabilities	3,136,428	87,995	2,705,376	-	-	-	5,929,799
Total liabilities	**958,525,320**	**92,495**	**3,950,613**	**380,339**	**-**	**-**	**962,948,767**

22 Capital management

The NBRK sets and monitors capital requirements for the Bank.

The Bank defines as capital the following items defined by statutory regulation as capital for banks:

- Tier 1 capital, which is comprised of common equity and additional capital. Common equity comprises a share capital in the form of ordinary shares, additional paid-in capital, retained earnings of current year and prior periods and provisions less ordinary treasury shares, intangible assets including goodwill, current year and prior period losses, deferred tax asset less deferred tax liability and other revaluation reserves. Additional capital comprises perpetual financial instruments and paid-in preferred stock less adjustments for the Bank's investments in its own perpetual financial instruments and preferred treasury stock;
- Tier 2 capital, which comprises the subordinated debt denominated in the national currency, less investments in the subordinated debt of the financial organisations, in which the Bank owns 10% and more of the issued shares (interests in the charter capital) of a legal entity.

The equity is the sum of tier 1 capital, tier 2 capital.

Various further limits and qualifying criteria are applied to the above elements of the capital base.

Under the current capital requirements set by the NBRK banks have to maintain:

- a ratio of common equity to the sum of assets and contingent liabilities, financial derivatives weighted by the level of credit risk, assets, contingent assets and liabilities, calculated based on the market risk and a quantitative measure of operational risk (k1);
- a ratio of tier 1 capital to the sum of assets and contingent liabilities, financial derivatives weighted by the level of credit risk, assets, contingent assets and liabilities, calculated based on the market risk and a quantitative measure of operational risk (k1-2);
- a ratio of total capital to the sum of assets and contingent liabilities, financial derivatives weighted by the level of credit risk, assets, contingent assets and liabilities, calculated based on the market risk and a quantitative measure of operational risk (k2).

As at 31 December 2023, the minimum level of ratios as applicable to the Bank are as follows:

- k1 – 7.5%;
- k1-2 – 8.5%;
- k2 – 10.0%.

The Bank has complied with all externally imposed capital requirements as at 31 December 2024 and 2023.

The following table shows the composition of the Bank's capital position calculated in accordance with the NBRK Management Board decree #170 dated 13 September 2017, as at 31 December 2024 and 31 December 2023:

	2024 '000 KZT	**2023 '000 KZT**
Common equity	111,138,566	124,012,793
Tier 1 capital	111,138,566	124,012,793
Total statutory equity	**111,138,566**	**124,012,793**

	2024 '000 KZT	2023 '000 KZT
Risk-weighed statutory assets, contingent liabilities, operational and market risks		
Risk-weighted statutory assets	37,373,406	145,725,075
Risk-weighted contingent liabilities	63,732,842	68,847,273
Risk weighted derivative financial instruments	8,274,366	5,888,764
Operational risk	104,601,726	80,260,429
Market risk	23,097,863	8,909,850
Total statutory risk weighted assets, contingent liabilities, operational and market risk	**237,080,203**	**309,631,391**
k1 ratio	**46.90%**	**40.05%**
k1-2 ratio	**46.90%**	**40.05%**
k2 ratio	**46.90%**	**40.05%**

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

23 Credit related commitments

The Bank has outstanding credit related commitments to extend loans. These credit related commitments take the form of approved loans and credit card limits and overdraft facilities.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to ten years.

The Bank applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans to customers.

The contractual amounts of credit related commitments are set out in the following table by category. The amounts reflected in the table for credit related commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted.

	31 December 2024 '000 KZT	31 December 2023 '000 KZT
Contracted amount		
Unused credit related commitments to extend loans to customers		
Committed	9,305,522	8,345,603
Uncommitted	385,970,124	367,079,987
	395,275,646	**375,425,590**
Guarantees and letters of credit	63,711,419	68,442,085
	63,711,419	**68,442,085**

These obligations may be terminated without their partial or complete fulfillment. As a result, the liabilities referred to above do not represent expected cash outflows. The majority of commitments to extend loans and lines of credit do not represent unconditional commitments by the Bank.

As at 31 December 2024 collateralized guarantees and letters of credit covered by protective counter-guarantees was KZT 41,382,888 thousand (2023: KZT 40,934,289 thousand).

The following tables show credit quality analysis of guarantees and letters of credit:

	2024		
’000 KZT	**Stage 1**	**Stage 2**	**Total**
Credit lines on committed loans			
Rating 1 to 4-	8,415,078	-	8,415,078
Rating 5+ to 6-	868,753	21,691	890,444
Balance as at 31 December	**9,283,831**	**21,691**	**9,305,522**
Expected credit loss	(1,096)	(18)	(1,114)
Balance at 31 December without loss allowance	**9,282,735**	**21,673**	**9,304,408**

	2023		
’000 KZT	**Stage 1**	**Stage 2**	**Total**
Credit lines on committed loans			
Rating 1 to 4-	7,589,226	-	7,589,226
Rating 5+ to 6-	734,105	22,272	756,377
Balance as at 31 December	**8,323,331**	**22,272**	**8,345,603**
Expected credit loss	(726)	(8)	(734)
Balance at 31 December without loss allowance	**8,322,605**	**22,264**	**8,344,869**

	2024		
’000 KZT	**Stage 1**	**Stage 2**	**Total**
Guarantees and letters of credit			
Rating 1 to 4-	58,830,459	-	58,830,459
Rating 5+ to 6-	4,178,845	702,115	4,880,960
Balance as at 31 December	**63,009,304**	**702,115**	**63,711,419**
Expected credit loss	(79,923)	(3,790)	(83,713)
Balance at 31 December without loss allowance	**62,929,381**	**698,325**	**63,627,706**

	2023		
’000 KZT	**Stage 1**	**Stage 2**	**Total**
Guarantees and letters of credit			
Rating 1 to 4-	26,532,062	-	26,532,062
Rating 5+ to 6-	41,910,023	-	41,910,023
Balance as at 31 December	**68,442,085**	**-**	**68,442,085**
Expected credit loss	(35,335)	-	(35,335)
Balance at 31 December without loss allowance	**68,406,750**	**-**	**68,406,750**

Concentration of guarantees and letters of credit

As at 31 December 2024 the Bank has 3 customer whose balances exceed 10% of total guarantees and letters of credit (31 December 2023: 3 customer). The balances under guarantees and letters of credit of these customers as at 31 December 2024 was KZT 44,868,791 thousand (2023: KZT 44,513,787 thousand).

24 Contingencies

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Bank does not have full coverage for its premises and equipment, business interruption, or third-party liability in respect of property or environmental damage arising from accidents on Bank property or relating to the Bank's operations. Until the Bank obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

(b) Litigation

In the ordinary course of business, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the financial condition or the results of future operations.

(c) Taxation contingencies

The taxation system in the Republic of Kazakhstan continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities who have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the five subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Republic of Kazakhstan suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Republic of Kazakhstan that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Kazakhstan tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on the financial position, if the authorities were successful in enforcing their interpretations, could be significant.

25 Custody activities

The Bank provides custody services to its customers, whereby it holds securities on behalf of customers and receives fee income for providing these services. These securities are not assets of the Bank and are not recognised in the statement of financial position.

26 Related party transactions

(a) Control relationships

The Bank is wholly owned by the Shareholder Bank which is ultimately owned by Citigroup Inc., a public company listed on several stock exchanges. Both entities produce publicly available financial statements.

Related parties include the Parent as well as other Citigroup entities, members of the Board of Directors and members of the Management Board.

(b) Transactions with members of the Board of Directors and the Management Board

Total remuneration included in employee compensation (refer Note 9):

	2024	**2023**
	’000 KZT	**’000 KZT**
Members of the Management Board	402,743	397,945
Members of the Board of Directors	25,362	31,654
	428,105	**429,599**

The above amounts include non-cash benefits in respect of the Management Board.

During 2024 there were dividends declared and paid-in the total amount of KZT 110,464,765 thousand (2023: KZT 121,198,514 thousand) (Note 20).

(c) Transactions with other related parties

The outstanding balances and the related average interest rates as at 31 December 2024 and 31 December 2023 and related income statement amounts of transactions for the years ended 31 December 2024 and 2023 with other related parties were as follows.

	The Shareholder Bank				**Other Citigroup entities**				**Total**	
	'000 KZT		**Average interest rate, %**		**'000 KZT**		**Average interest rate, %**		**'000 KZT**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Statement of financial position										
Assets										
Cash and cash equivalents	27,622,627	43,240,892	10.16%	8.10	8,425,577	46,304,838	7.58	3.52	36,048,204	89,545,730
Derivative instruments at fair value through profit or loss	4,886,313	2,303,168	-	-	-	-	-	-	4,886,313	2,303,168
Other assets	76,009	18,975	-	-	15,478	2,537	-	-	91,487	21,512
Liabilities										
Derivative instruments at fair value through profit or loss	527,904	230,938	-	-		-	-	-	527,904	230,938
Deposits and balances from banks and other financial institutions	167,552	198,183	-	-	414,946	345,193	-	-	582,498	543,376
Current accounts and deposits from customers	-	-	-	-	424,714	453,598	-	-	424,714	453,598
Other liabilities	36,410	1,068	-	-	2,876	1,911	-	-	39,286	2,979
Items not recognised in the statement of financial position										
Guarantees granted	976,138	126,168	-	-	2,535,503	2,330,737	-	-	3,511,641	2,456,905
Guarantees received	1,087,462	228,174	-	-	457,796,001	404,134,397	-	0.15	458,883,463	404,362,571
Commitments to buy foreign currency	503,798,157	303,870,017	-	-	-	-	-	-	503,798,157	303,870,017
Commitments to sell foreign currency	(499,439,748)	(301,797,787)	-	-	-	-	-	-	(499,439,748)	(301,797,787)

As at 31 December 2024 derivative instruments at fair value through profit or loss include the fair value of deliverable agreements to buy KZT and sell USD in the amount of KZT 127,711,500 thousand and USD 243,015 thousand, respectively (31 December 2023: deliverable agreements on buy KZT and sell USD in the amount of KZT 120,333,550 thousand and USD 262,191 thousand). These amounts are also presented within commitments to sell foreign currency above.

As at 31 December 2024 guarantees granted were provided for period from 1.30 to 60.87 months with applied interest rate from 0.9% till 1% p.a. and minimum fee of USD 500 and USD 1,000 (31 December 2023: period from 4.40 months to 60.87 months with applied interest rate from 0.9% till 1% p.a. and minimum fee of USD 500 and USD 1,000).

As at 31 December 2024 the guarantees received under loans to customers and unused credit commitments were provided for a period of 1.87 months to 61.43 months at annual interest rate of 0.15%) (31 December 2023: period of 4,90 to 61.43 months at annual interest rate of 0.15%) (Note 23 and Note 16).

	The Shareholder Bank		**Other Citigroup entities**		**Total**	
'000 KZT	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Statement of Profit or Loss and Other Comprehensive Income						
Interest income calculated using the effective interest method	4,626,769	4,397,826	1,518,618	1,568,122	6,145,387	5,965,948
Interest expense	(3,120,748)	(50,809)	(635,458)	-	(3,756,206)	(50,809)
Net gain (loss) on derivative financial instruments	15,751,418	(8,756,479)	-	-	15,751,418	(8,756,479)
Fee and commission income	25,678	21,269	189,868	121,587	215,546	142,856
Fee and commission expense	(94,693)	(87,548)	(233,641)	(228,582)	(328,334)	(316,130)
General administrative expenses	(9,983,101)	(5,484,408)	(3,347,854)	(4,297,258)	(13,330,955)	(9,781,666)
Net forex trading gain	(7,817,048)	20,537,112	6,913	42,011	(7,810,135)	20,579,123
Revaluation of foreign currency denominated instruments	4,021,975	(19,793,863)	3,980,159	810,750	8,002,134	(18,983,113)
Other operating income/(expenses)	1,140,904	3,810,787	226,215	78,557	1,367,119	3,889,344

27 Fair value of financial instruments

Accounting classifications

The estimated fair values of all financial instruments approximate their carrying values at 31 December 2024 and 31 December 2023.

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

For more complex instruments, the Bank uses proprietary valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include certain loans and securities for which there is no active market, and certain over the counter structured derivatives.

The following assumptions are used by management to estimate the fair value of financial instrument:

- quoted market value is used to determine the fair value of investment securities at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Fair value hierarchy

The Bank measures fair values for financial instruments recorded on the statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Bank has a control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models;
- quarterly calibration and back testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, Product Control assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at the extent to which it represents actual market transactions;

- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

The table below analyses financial instruments measured at fair value at 31 December 2024 by the level in the fair value hierarchy into which the fair value measurement is categorised:

’000 KZT	Level 2
ASSETS	
Financial assets at fair value through other comprehensive income	
Derivative instruments at fair value through profit or loss	5,291,025
Financial assets at fair value through profit or loss	82,072,171
LIABILITIES	
Derivative instruments at fair value through profit or loss	984,594

The table below analyses financial instruments measured at fair value at 31 December 2023 by the level in the fair value hierarchy into which the fair value measurement is categorised:

’000 KZT	Level 2
ASSETS	
Financial assets at fair value through other comprehensive income	101,577,525
Derivative instruments at fair value through profit or loss	3,694,062
Financial assets at fair value through profit or loss	29,604,017
LIABILITIES	
Derivative instruments at fair value through profit or loss	249,829

For the rest of financial instruments, not measured at fair value, estimated fair values approximate their carrying values due to their short-term nature or market interest rates at period end as determined by reference to inputs from observable market data. The fair values of these financial instruments are categorized into Level 2 of the fair value hierarchy.

28 Currency analysis

The following table shows the currency structure of financial assets and liabilities at 31 December 2024:

’000 KZT	KZT	USD	Other currencies	Total
Assets				
Cash and cash equivalents	508,253,875	138,913,611	16,036,265	663,203,751
Placements with banks	-	266,324,768	-	266,324,768
Financial assets at fair value through profit or loss	82,072,171	-	-	82,072,171
Loans to customers	111,317,738	39,730,985	1,640,098	152,688,821
Property, equipment and intangible assets	1,280,451	-	-	1,280,451
Current tax asset	3,008,649	-	-	3,008,649
Other financial assets	140,046	181,339	150	321,535
Total assets	**706,072,930**	**445,150,703**	**17,676,513**	**1,168,900,146**
Liabilities				
Deposits and balances from banks and other financial institutions	14,851,840	5,178,162	123,850	20,153,852
Current accounts and deposits from customers	494,591,541	481,096,380	61,567,447	1,037,255,368
Deferred tax liability	737,488	-	-	737,488
Other financial liabilities	1,697,779	468,543	4,997	2,171,319
Total liabilities	**511,878,648**	**486,743,085**	**61,696,294**	**1,060,318,027**
Net position as at 31 December 2024	**194,194,282**	**(41,592,382)**	**(44,019,781)**	**108,582,119**
The effect of derivatives held for risk management purposes	(86,160,428)	46,431,199	44,300,050	4,570,821
Net position after derivatives held for risk management purposes as at 31 December 2024	**108,033,854**	**4,838,817**	**280,269**	**113,152,940**

The following table shows the currency structure of financial assets and liabilities at 31 December 2023:

’000 KZT	KZT	USD	Other currencies	Total
Assets				
Cash and cash equivalents	415,342,275	132,268,139	51,970,056	599,580,470
Placements with banks	-	212,836,276	-	212,836,276
Financial assets at fair value through profit or loss	29,604,017	-	-	29,604,017
Investment securities	101,577,525	-	-	101,577,525
Loans to customers	89,354,947	34,674,173	2,230,830	126,259,950
Property, equipment and intangible assets	1,259,614	-	-	1,259,614
Current tax asset	3,110,278	-	-	3,110,278
Other financial assets	1,389,000	6,695,980	786,237	8,871,217
Total assets	**641,637,656**	**386,474,568**	**54,987,123**	**1,083,099,347**
Liabilities				
Deposits and balances from banks and other financial institutions	25,378,223	565,421	108,648	26,052,292
Current accounts and deposits from customers	472,353,054	403,921,462	54,061,992	930,336,508
Deferred tax liability	380,339	-	-	380,339
Other financial liabilities	1,213,911	1,866,270	786,132	3,866,313
Total liabilities	**499,325,527**	**406,353,153**	**54,956,772**	**960,635,452**
Net position as at 31 December 2023	**142,312,129**	**(19,878,585)**	**30,351**	**122,463,895**
The effect of derivatives held for risk management purposes	(14,984,263)	18,394,048	224,867	3,634,652
Net position after derivatives held for risk management purposes as at 31 December 2023	**127,327,866**	**(1,484,537)**	**255,218**	**126,098,547**