

**REPORT ARCHIVE COPY**

**JOINT STOCK COMPANY  
SUBSIDIARY ORGANIZATION  
OF HALYK BANK OF KAZAKHSTAN  
HALYK FINANCE**

Financial Statements and  
Independent Auditors Report  
for the Year Ended 31 December 2024

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Table of contents

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	<b>Page</b>
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024	1
INDEPENDENT AUDITORS REPORT	2-5
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024:	
Statement of profit or loss	6
Statement of other comprehensive income/(loss)	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10-11
Notes to the financial statements	12-52

# JSC Subsidiary Organization of Halyk Bank Kazakhstan Halyk Finance

## Statement of Management's Responsibilities for the Preparation and Approval of the Financial Statements for the Year Ended 31 December 2024

Management<sup>1</sup> is responsible for the preparation of the financial statements that present fairly the financial position of the Joint Stock Company Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance (the "Company") as at 31 December 2024<sup>2</sup>, the related statements of profit or loss, other comprehensive income/(loss), changes in equity and cash flows for the year then ended, and of material accounting policy information and notes to the financial statements (the "financial statements") in compliance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board ("IASB").

In preparing the financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards issued by the IASB are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- Making an assessment of the Company's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS Accounting Standards, as issued by the IASB;
- Maintaining statutory accounting records in compliance with legislation of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

These financial statements of the Company for the year ended 31 December 2024 were authorized for issue by the Management Board of the Company on 3 March 2025 and are subject for subsequent approval by the Board of Directors and the Sole Shareholder in accordance with the requirements of the legislation of the Republic of Kazakhstan.

On behalf of the Company:

  
Okhonov F.R.  
Chairman of the Management Board

3 March 2025  
Almaty, Kazakhstan



  
Alimkulov B.E.  
Chief Accountant

3 March 2025  
Almaty, Kazakhstan

<sup>1</sup> Hereinafter in the text, the word Management mean the management employees, who signed this report.

<sup>2</sup> Hereinafter in the text, the words "as at 31 December" mean the end of the day on 31 December

## INDEPENDENT AUDITORS REPORT

To the Shareholder and the Board of Directors of Joint Stock Company Subsidiary  
Organization of Halyk Bank of Kazakhstan Halyk Finance

### Opinion

We have audited the financial statements of Joint Stock Company Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance (“the Company”), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of other comprehensive income/(loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 (“IASB”).

### 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 *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in 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.

## **Other Information – Annual report**

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of these the financial statements in accordance IFRS Accounting Standard as issued by the IASB, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's 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 auditor's 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 skepticism 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

  
  
Narkes Makharkyzy  
Auditor  
Qualification certificate  
No. MF-0001863  
dated 11 August 2021

  
  
Zhangir Zhilybayev  
General Director  
Deloitte LLP

State Audit License of the  
Republic of Kazakhstan  
No.0000015,  
type MFU-2, issued by the  
Ministry of Finance of the  
Republic of Kazakhstan  
dated 13 September 2006

Mark Smith  
Engagement Partner

3 March 2025  
Almaty, Kazakhstan

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Statement of Profit or Loss for the Year Ended 31 December 2024

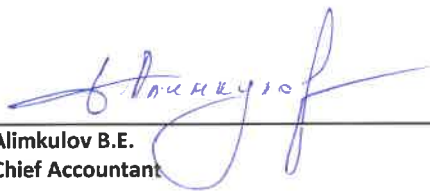
(in thousands of Kazakhstani tenge, unless otherwise stated)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Interest income	5, 22	5 596 261	4 937 851
Interest expense	5, 22	(3 187 088)	(2 539 811)
<b>NET INTEREST INCOME</b>	<b>5</b>	<b>2 409 173</b>	<b>2 398 040</b>
Net gain on financial assets at fair value through profit or loss	6, 22	2 778 851	2 976 177
Net (loss)/gain on foreign currency transactions	7, 22	(2 120 985)	395
Commission income	8, 22	10 425 972	4 014 557
Commission expense	8	(267 883)	(154 877)
(Provision for)/recovery of expected credit losses on financial assets measured at fair value through other comprehensive income		(942)	18 923
Additional provisions for expected credit losses	13, 16	(32 208)	(611 505)
Dividend income	9, 22	931 824	378 654
Other (expenses)/income, net		(2 646)	1 439
<b>NET NON-INTEREST INCOME</b>		<b>11 711 983</b>	<b>6 623 763</b>
<b>OPERATING EXPENSES</b>	10	<b>(4 380 664)</b>	<b>(3 184 907)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>9 740 492</b>	<b>5 836 896</b>
Income tax (expense)/benefit	11	(226 881)	45 282
<b>NET PROFIT</b>		<b>9 513 611</b>	<b>5 882 178</b>
<b>Earnings per share (Kazakhstani tenge)</b>	<b>12</b>	<b>1 571</b>	<b>971</b>

On behalf of the Company:

  
Okhonov F.R.  
Chairman of the Management Board

3 March 2025  
Almaty, Kazakhstan

  
Alimkulov B.E.  
Chief Accountant

3 March 2025  
Almaty, Kazakhstan

The notes on pages 12-52 form an integral part of these financial statements.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Statement of Other Comprehensive Income/(loss)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

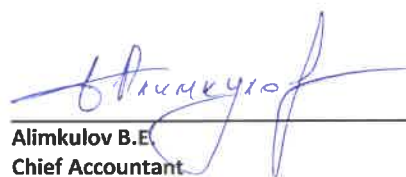
	Year ended 31 December 2024	Year ended 31 December 2023
<b>NET PROFIT</b>	<b>9 513 611</b>	<b>5 882 178</b>
OTHER COMPREHENSIVE INCOME		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gain/(loss) on revaluation of debt financial assets at fair value through other comprehensive income	65 320	(78 577)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>	<b>65 320</b>	<b>(78 577)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>9 578 931</b>	<b>5 803 601</b>

On behalf of the Company:

  
**Okhonov F.R.**  
 Chairman of the Management Board

3 March 2025  
 Almaty, Kazakhstan



  
**Alimkulov B.E.**  
 Chief Accountant

3 March 2025  
 Almaty, Kazakhstan

The notes on pages 12-52 form an integral part of these financial statements.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Statement of Financial Position as at 31 December 2024

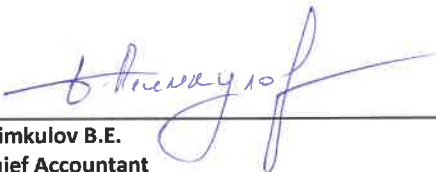
(in thousands of Kazakhstani tenge, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
<b>ASSETS</b>			
Cash and cash equivalents <sup>3</sup>	13, 22	478 610	321 024
Financial assets at fair value through profit or loss	14, 22	62 002 509	48 920 519
Financial assets at fair value through other comprehensive income	15	3 070 899	2 992 196
Investment property		28 824	30 520
Property and equipment		263 723	186 400
Intangible assets		281 668	308 768
Accounts receivable	16, 22	7 333 369	1 807 177
Deferred income tax assets	11	191 143	134 542
Other assets		135 074	109 927
<b>TOTAL ASSETS</b>		<b>73 785 819</b>	<b>54 811 073</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Loans received from related parties	17, 22	27 520 394	11 534 659
Securities repurchase agreement obligations	18	7 666 052	12 098 276
Current income tax liabilities		244 865	16 279
Other liabilities	19	1 181 464	812 708
<b>Total liabilities</b>		<b>36 612 775</b>	<b>24 461 922</b>
<b>EQUITY</b>			
Share capital – ordinary shares	20	11 240 188	11 240 188
Financial assets at fair value through other comprehensive income revaluation deficit		(154 842)	(220 162)
Retained earnings <sup>4</sup>		26 087 698	19 329 125
<b>Total equity</b>		<b>37 173 044</b>	<b>30 349 151</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>73 785 819</b>	<b>54 811 073</b>

On behalf of the Company:

  
Okhonov F.R.  
Chairman of the Management Board

3 March 2025  
Almaty, Kazakhstan

  
Alimkulov B.E.  
Chief Accountant

3 March 2025  
Almaty, Kazakhstan

The notes on pages 12-52 form an integral part of these financial statements.

<sup>3</sup> “Cash and cash equivalents” include cash on hand, unrestricted balances on current accounts in banks and loans with under reverse repurchase agreements with original maturity up to three months.

<sup>4</sup> Hereinafter in the text, the words “Retained earnings” mean retained earnings from previous years and the current profit of the reporting year, see the note “statement of changes in capital”.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Statement of Changes in Equity for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

	Share capital – ordinary shares	Financial assets at fair value through other comprehensive income revaluation deficit	Retained earnings	Total equity
<b>31 December 2022</b>	<b>11 240 188</b>	<b>(141 585)</b>	<b>13 446 947</b>	<b>24 545 550</b>
Net income	-	-	5 882 178	5 882 178
Other comprehensive loss	-	(78 577)	-	(78 577)
<b>31 December 2023</b>	<b>11 240 188</b>	<b>(220 162)</b>	<b>19 329 125</b>	<b>30 349 151</b>
Net income	-	-	9 513 611	9 513 611
Other comprehensive income	-	65 320	-	65 320
Dividends declared and paid	-	-	(2 755 038)	(2 755 038)
<b>31 December 2024</b>	<b>11 240 188</b>	<b>(154 842)</b>	<b>26 087 698</b>	<b>37 173 044</b>

On behalf of the Company:

  
Okhonov F.R.  
Chairman of the Management Board

March 3, 2025  
Almaty, Kazakhstan



  
Alimkulov B.E.  
Chief Accountant

March 3, 2025  
Almaty, Kazakhstan

The notes on pages 12-52 form an integral part of these financial statements.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Statement of Cash Flows for the year ended 31 December 2024 (in thousands of Kazakhstani tenge, unless otherwise stated)

	Notes	Year Ended 31 December 2024	Year Ended 31 December 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Interest received from financial assets at fair value through profit or loss		4 597 853	4 273 675
Interest received on financial assets at fair value through other comprehensive income		330 116	561 188
Interest received from loans under reverse repurchase agreements		26 440	26 863
Dividend income received		886 831	378 654
Fee and commission income received		4 837 505	3 458 693
Net realized gain on financial assets at fair value through profit or loss	6	2 138 095	1 586 214
Net loss from foreign currency, dealing		(62 993)	-
Interest paid on loans received from related parties		(1 118 759)	(690 190)
Interest paid on securities repurchase agreement obligations		(1 928 646)	(1 868 874)
Fee and commission paid		(189 333)	(111 192)
Operating expenses paid		(3 893 304)	(2 973 917)
Other expenses paid		(951)	(22 919)
Cash inflow from operating activities before changes in operating assets and liabilities		5 622 854	4 618 195
Changes in operating assets and liabilities <i>(Increase)/decrease in operating assets:</i>			
Financial assets at fair value through profit or loss		(11 112 061)	(405 707)
Financial assets at fair value through other comprehensive income		-	1 257 958
Accounts receivable		60 188	(120 314)
Other assets		(25 043)	(24 460)
<i>(Decrease)/increase in operating liabilities:</i>			
Securities repurchase agreement obligations		(4 943 955)	(2 331 818)
Other liabilities		(18 210)	326 056
Cash (outflow)/inflow from operating activities before tax		(10 416 227)	3 319 910
Income tax paid		(54 896)	(36 886)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(10 471 123)</b>	<b>3 283 024</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment and intangible assets		(232 968)	-
<b>Net cash outflow from investing activities</b>		<b>(232 968)</b>	<b>-</b>

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance


Statement of Cash Flows (continued)  
for the year ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid	20	(2 755 038)	-
Proceeds from loan from related parties	17	24 827 279	-
Repayment of loan from related parties	17	(11 264 856)	(4 280 748)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>10 807 385</b>	<b>(4 280 748)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		103 294	(997 724)
<i>Effect of changes in foreign exchange rate on cash and cash equivalents</i>		54 289	5
<i>Effect of expected credit losses on cash and cash equivalents</i>		3	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>157 586</b>	<b>(997 719)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<b>13</b>	<b>321 024</b>	<b>1 318 743</b>
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	<b>13</b>	<b>478 610</b>	<b>321 024</b>

On behalf of the Company:

  
**Okhonov F.R.**  
Chairman of the Management Board

March 3, 2025  
Almaty, Kazakhstan

  
**Alimkulov B.E.**  
Chief Accountant

March 3, 2025  
Almaty, Kazakhstan

The notes on pages 12-52 form an integral part of these financial statements.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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### 1. Organization

JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance (the "Company") is a legal entity registered in the Republic of Kazakhstan on 10 November 2004. The Company was established according to the decision of the Board of Directors of Joint Stock Company Halyk Bank of Kazakhstan, the sole founder of the Company (the "Parent"). The Company is regulated by the Agency for regulation and development of the financial market of the Republic of Kazakhstan (further – "ARRFR"). Primary licenses were received for brokerage and dealing activities on capital markets with the right of bookkeeping as the nominee holder on 27 December 2004 and for investment portfolio management on 26 March 2005.

The above licenses have been replaced because of re-registration of the Company (change of the Company's name by adding "Subsidiary Organization of Halyk Bank"). As a result of re-registration a single license No. 4.2.92/28 for brokerage and dealing activities on capital markets with the right of bookkeeping as the nominee holder and investment portfolio managements was issued by ARRFR on 26 December 2008.

Later, the Company, guided by the requirements of paragraph 5 of Article 2 of the Law of the Republic of Kazakhstan "On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Pension Benefits" dated 21 June 2013 No. 106-V, reissued the license to clarify the investment portfolio management activities with the subtype "without the right to attract voluntary pension contributions". In particular, the National Bank of the Republic of Kazakhstan issued license No. 4.2.92/28 dated 24 June 2014.

In November 2016, due to a change in the Company's legal address, to execute the requirements of point 10 of the Rules for issuing, suspending and revoking licenses to perform professional activities on the securities market, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan (further – "NBRK") No. 25 dated 26 February 2014, the license to perform professional activities on the securities market was re-registered by the NBRK and issued to Halyk Finance dated 4 November 2016 as № 3.2.229/7.

With the approval of the Management Board of Halyk Bank of Kazakhstan (Meeting No.17 dated 9 April 2018), in order to become participant of the Astana International Financial Centre ("AIFC") and in compliance with the decree of the President of the Republic of Kazakhstan No.633 of 9 February 2018 "On Measures of conveying the President's message to the general public of Kazakhstan dated 10 January 2018 regarding "New Development Opportunities in the Forth Industrial Revolution", it was decided to establish Halyk Finance Astana as the Company's branch office located in the Block "B" on the 8 Kunaev str. in Astana. On 29 June 2018, in compliance with AIFC legal and regulatory framework, the firm was registered as a recognized company.

On 7 November 2018, by the order of Bubeyev M. - acting CEO of the authorized body of the AIFC, the Company was licensed (No. 112018-008) to carry out the following activities:

- Performing investment transactions as a principal;
- Performing investment transactions as an agent;
- Investment management;
- Consulting on investing activities;
- Setting up investment deals.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

On 4 March 2019, the license was supplemented by another type of activity - management of collective investment schemes.

The licenses for the corresponding types of activities at the AIFC are comparable to those issued by the NBRK to the Company itself.

On 31 December 2022, ARRF issued a banking license No. 4.3.15. to the Company, which gives the right to carry out exchange operations with foreign currency, except for exchange operations with foreign currency in cash.

The principal activities of the Company are operations on the professional securities market, investment and corporate finance advisory services, including brokerage and dealing, distribution and underwriting of securities, securities trading as an agent in the Company's own right and rendering of asset management services.

During 2024 and 2023, the Company managed the following mutual investment funds ("Halyk Tenge" was assumed under management in 2024):

Investment fund name	Type of fund	License #
Halyk-Valutniy	Interval mutual investment fund	Certificate of state registration #17 dd 08.12.2015
Halyk-Likvidnyi	Interval mutual investment fund	Certificate of state registration # KZ96VHB00000071 dd 18.12.2019
Halyk-Perspektivnye investicii	Interval mutual investment fund	Certificate of state registration # KZ69VHB00000072 dd 18.12.2019
Halyk Sbalansirovannyi	Interval mutual investment fund	Certificate of state registration # KZ26VHB00000070 dd 18.12.2019
Halyk Global	Interval mutual investment fund	Certificate of state registration # 0000015 dd 15.09.2022
Halyk Tenge	Interval mutual investment fund	Certificate of state registration # KZ55VHB00000130 dd 20.09.2023

Interval mutual investment fund "Halyk-Valutniy" was registered in December 2015 and started functioning under management of the Company in February 2016.

Interval mutual investment funds "Halyk-Likvidnyi", "Halyk-Perspektivnye investicii" and "Halyk-Sbalansirovannyi" were founded and registered in December 2019 and began to operate under the management of the Company in June 2020.

The interval mutual investment fund "Halyk Global" was registered in October 2018 by the joint-stock company "Halyk Global Markets", which is a related party of the Company (a company under common control). As part of the management decision of the Parent company to reorganize the activities of the above company, he was accepted into investment management by the Company in October 2023.

The interval mutual investment fund "Halyk Tenge" was registered in September 2023 and began operating under the Company's management in January 2024.

The Company's registered legal address is Abay st. 109B, Floor 5, Almaty, the Republic of Kazakhstan.

As at 31 December 2024 and 2023, the number of employees of the Company was 171 and 141, respectively. The growth in the number of employees is due to the development of the area of activity in the regions of Kazakhstan and the IT environment of the Company.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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These financial statements of the Company for the year ended 31 December 2024 were authorized for issuance by the Management Board of the Company on 3 March 2025 and in Management responsibilities are subject for subsequent approval by the Board of Directors and the Sole Shareholder in accordance with the requirements of the legislation of the Republic of Kazakhstan.

## 2. Material accounting policy information

### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the IASB

These financial statements have been prepared assuming that the Company is a going concern and will continue operation for the foreseeable future.

These financial statements are presented in thousands of Kazakhstani tenge (“KZT thousand”), unless otherwise indicated. An amount less than KZT 500 (five hundred) is rounded down to KZT Nil, and an amount equal to and above KZT 500 (five hundred) is rounded up to KZT 1000 (thousand).

These financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the entity considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

## Going concern

Management believes the Company can continue as going concern for the foreseeable future and has sufficient resources to meet its obligations when they become due. Thus, the Company has applied the going concern basis of accounting in preparing the financial statements.

## Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary of the economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Kazakhstani tenge ("KZT"). The presentational currency of the financial statements of the Company is the KZT. All values are rounded to the nearest thousand tenge, except when otherwise indicated.

## Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

The exchange rates used by the Company in the preparation of the financial statements as at year-end are as follows:

	31 December 2024	31 December 2023
KZT/1 US dollar	525,11	454,56
KZT/1 Euro	546,74	502,24
KZT/1 Rub	4,88	5,06

## Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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#### Revenue recognition

##### Recognition of interest income and expense

Interest earned on assets at fair value is classified within interest income.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income and expense are recognized on an accrual basis using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Once a financial asset or a group of similar financial assets has been written down (partly written down) because of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

##### Recognition of income on repurchase and reverse repurchase agreements

Gain/loss on repurchase and reverse repurchase agreements is recognized as interest income or expense in the statement of profit or loss using the effective interest method.

Fee and commission income and expense are recognized when services are provided and received.

##### Commission income from asset management

Revenue from the asset management services is the commission received for the asset management services rendered for a certain period. The commission of the company for the clients' asset management consists of fixed fee and variable fee. Fixed fee is determined based on the value of the net assets of clients under the Company's management and is recognized monthly as asset management services are rendered. Variable fee is paid based on the net investment income from assets under management for the calendar year and is recognized in the period in which the investment income was earned.

##### Commission income from brokerage services

Commission income from brokerage services is recognized as services are rendered and in accordance with the terms of the contract. Accounting of the financial instruments of the clients acquired by the Company as a broker on behalf of, at the expense and in the interests of the client on the basis of a brokerage service agreement with the right to maintain customer accounts as a nominal holder, is kept separate from own assets in off-balance accounts.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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#### **Commission income from underwriting services**

Commission income from underwriting services is recognized upon the provision of services in accordance with the terms of the contract. The Company's remuneration consists of remuneration for the provision of financial consultant services and underwriter services.

#### **Recognition of dividend income**

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (if it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

#### **Taxation**

Income tax expense represents the sum of the current and deferred tax expense.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

#### **Operating taxes**

Kazakhstan also has various other taxes, which are assessed on the Company's activities. These taxes are included as a component of operating expenses in the statement of profit or loss.

#### **Retirement and other benefit obligations**

In accordance with requirements of the legislation of the Republic of Kazakhstan pension payments are calculated by an employer as certain percentages of salary expenses and transferred to JSC Unified Accumulated Pension Fund ("Fund"). This expense is charged to the statement of profit or loss in the period in which the related salaries are earned. Upon retirement all retirement benefit payments are made by the Fund. The Company does not have any pension arrangements separate from the state pension system of the Republic of Kazakhstan. In addition, the Company has no post-retirement benefits or other significant compensated benefits requiring accrual.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, unrestricted balances on current accounts in banks with an original maturity of three months or less and the loans under reverse repurchase agreements with original maturity up to three months.

#### **Financial instruments**

The Company recognizes financial assets and liabilities in its statement of financial position when it becomes a party to the contractual obligations of the instrument. Regular way purchases and sales of financial assets and liabilities are recognized using settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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Trade and other receivables and trade and other payables are measured after recognition at cost less impairment losses.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'at fair value through other comprehensive income' ("FVTOCI"), 'at amortized cost'. The classification depends on the business model and the criteria for the condition of a simple (basic) lending arrangement, according to which contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI) and is determined at the time of initial recognition.

#### Financial assets at FVTOCI

Financial assets are classified as at FVTOCI which meet the criteria for the condition of a simple (basic) lending arrangement, according to which contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI) and are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments.

To classify and measure an asset at fair value through other comprehensive income, the terms of the contract must give rise to cash flows that include only payments of principal and interest on the principal amount outstanding.

When testing the contractual cash flows for compliance with these requirements, the principal amount of the debt is treated as the fair value of the financial asset at initial recognition. During the life of the financial asset, the principal amount of the debt may change (for example, in the case of principal payments). Interest includes consideration for the time value of money, for credit risk in respect of principal outstanding for a specified period, and for other normal risks and costs associated with lending, as well as profit margins. Payments of principal and interest are measured in the currency in which the financial asset is denominated.

Fair value is determined in the manner described in Note 23.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or indicate the emergence of a new business model. The Company reviews its business models in each reporting period to identify changes from the previous period. In the current reporting period, the Company has not identified any changes in its business models.

Impairment losses, interest income calculated using the effective interest method, for debt instruments are recognized in profit or loss.

Foreign exchange difference of account adjustments to the fair value of debt and equity financial instruments measured at fair value through other comprehensive income is reflected in equity.

When a debt instrument is derecognized, the cumulative gains/losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

When an equity instrument is derecognized, the cumulative gains/losses previously recognized in other comprehensive income are not reclassified to profit or loss but are transferred to equity.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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#### **Financial assets at amortized cost**

Financial assets are classified as at amortized cost which meet the criteria for the condition of a simple (basic) lending arrangement, according to which contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI) and are held within a business model whose objective is to collect the contractual cash flows.

Correspondent account transactions, reverse repo transactions, due from banks are assets whose hold to maturity / demand is a priority, therefore, they are held within a business model whose objective is to collect the contractual cash flows, and classified as at amortized cost which meet the criteria for the condition of a simple (basic) lending arrangement, according to which contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI).

The profit or loss reflects the result of derecognition of a financial asset, foreign exchange differences, accrual of interest income using the effective interest method, which is calculated based on transaction costs, including received commissions, and modifications of the financial asset related to the revision of the terms of the contract.

#### **Financial assets at FVTPL**

Any financial assets that are not held in categories at amortized cost or FVTOCI are measured at FVTPL and are held within a business model whose objective is retention of an asset for other purposes.

Investments in equity financial instruments do not meet the criterion for the condition of a simple (basic) loan agreement, according to which contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI) and are always measured at FVTPL, unless the Company decided to present subsequent changes in fair value of this investment in other comprehensive income (OCI). In this case, the investment in equity financial instrument will be measured at FVTOCI without the right to be further reclassified.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss in the line "Net gain on financial assets at fair value through profit or loss" except for gains/(losses) on foreign exchange transactions on debt instruments, which is disclosed in the line "Net (loss)/gain on foreign exchange operations". The net gain or loss recognized in profit or loss incorporates any dividend and interest earned on the financial asset and is included in the "dividend income" and "interest income" line item, respectively, in the statement of profit or loss. Fair value is determined in the manner described in Note 23.

#### **Receivables**

Accounts receivables are classified as financial assets at amortized cost. Accounts receivables are accounted separately for both operations related to the main activity and operations related to non-core activities, which include the Company's business operations.

Accounts receivable reflect the Company's claims towards counterparties for the Company's main and business operations, as well as advance payment to suppliers for goods and services on the Company's main and business activities.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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#### **Write-off of accounts receivable**

Receivables are written-off against the allowance for impairment losses when deemed uncollectible. Receivables are written-off after management has exercised all possibilities available to collect amounts due to the Company. Subsequent recoveries of amounts previously written-off are reflected as an offset to the charge for impairment in the statement of profit or loss in the period of recovery.

#### **Securities repurchase and reverse repurchase agreements**

In the normal course of business, the Company enters into financial assets sale and purchase back agreements (“repos”) and financial assets purchase and sale back agreements (“reverse repos”). Repos and reverse repos are utilized by the Company as an element of its treasury management. A repo is an agreement to transfer a financial asset to another party in exchange for cash or other consideration and a concurrent obligation to reacquire the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. These agreements are accounted for as financing transactions. Financial assets sold under repo are retained in the financial statements and consideration received under these agreements is recorded as the liabilities.

Financial assets purchased under reverse repos are not recorded in the financial statements, while cash paid for reverse repos are recognized as claims and are classified within due from banks or cash and cash equivalents, depending on the original maturity of the agreements.

The transfer of securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred.

#### **Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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### Financial liabilities

Loans received from related parties, subordinated debt and other financial liabilities, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortized cost. Interest expense is calculated using the effective interest method.

### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### Share capital

Contributions to share capital are recognized at cost of the cash contributed.

Dividends on ordinary shares and dividends in excess of nominal dividends on preferred shares are recognized in equity as a reduction in the period in which they are declared. Dividends that are declared after the reporting date are treated as a subsequent event under IAS 10 "Events after the reporting period" ("IAS 10") and disclosed accordingly.

### Fiduciary activities

The Company provides trustee services to its customers. The Company also provides depository services to its customers which include transactions with securities on their depository accounts. Assets accepted and liabilities incurred under the fiduciary activities are not included in the Company's financial statements. The Company accepts the operational risk on these activities, but the Company's customers bear the credit and market risks associated with such operations.

## 3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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#### Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

#### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

According to IFRS 9 "Financial Instruments", ECLs are required to be measured through a loss allowance at an amount equal to: lifetime ECL that result from those default events on the financial instrument that are possible within 12 months (referred to as Stage 1), lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2), and in case of one or several impairment events for a financial asset (Stage 3).

Expected credit losses of Stage 1 the Company recognizes in respect of all financial assets subject to impairment requirements from the date of initial recognition, except the following cases:

- the credit risk on a financial asset has increased significantly since the initial recognition of this asset;
- a financial asset is credit-impaired upon initial recognition.

Expected credit losses of Stage 2 are required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. An increase in credit risk will be determined for each financial asset individually according to transition criteria, but not limited to them.

Expected credit losses of Stage 3 the Company recognizes in respect of financial assets for which one or more impairment events occurred.

For a financial asset, the issuer of which is assigned an internal "investment level" rating, a significant increase in credit risk is not evaluated, as the Company recognizes these financial assets as having low credit risk. Thus, for financial assets with an "investment grade" rating, expected credit losses are calculated only for possible defaults within 12 months and are classified to Stage 1.

The criteria for the transfer of a financial asset from Stage 1 to Stage 2 are:

Quantitative assessment:

- reduction of the internal rating by 3 steps from the moment of its initial recognition, provided that at the reporting date the issuer was assigned a rating below investment grade BBB-;
- reduction of the internal rating by 1 step, if at the time of initial recognition, the internal rating was assigned at the level from CCC + to D (not including);
- delay in payment of interest and / or principal debt for 1 business day or more, with the exception of technical delays;
- reduction of the value of this financial asset in the active market by 40% during the six-month period prior to the reporting date.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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### Qualitative assessment:

- negative news related to the issuer / counterparty, such as: deterioration of the issuer's financial condition, deterioration of the issuer's competitive position in its industry;
- systematic violation of prudential norms set by the regulator for consecutive 6 months in cases where the issuer is a credit institution, violation of legal requirements, etc.

A financial asset that was transferred to Stage 2 can be classified into Stage 1 if the criteria for a significant increase in credit risk since the initial recognition mentioned above are no longer met at the reporting date, or the issuer's credit rating of the financial asset has been upgraded to "investment level".

The criteria for the transfer of a financial asset to Stage 3 are:

### Quantitative assessment:

- reduction of the internal rating to the level D (default);
- delay in payment of interest and / or principal debt for 30 calendar days or more.

### Qualitative assessment:

- negative information about the issuer: liquidation, restructuring or other reorganization of the issuer related to its inability to pay obligations;
- catastrophic events because of which the issuer's activity is suspended;
- default on other financial instruments of the issuer / counterparty;
- introduction to the issuer of the observation procedure, or external management, or financial rehabilitation (reorganization), the appointment of an arbitration (competitive) manager or other similar actions and measures, etc.

A financial asset that was transferred to Stage 3 may be classified to Stage 2 if the requirements for transition to Stage 3 are indicated above are no longer met at the reporting date.

## 4. Adoption of new and revised Standards

### New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

*Amendments to IAS 1*  
*Amendments to IAS 1*  
*Amendments to IFRS 16*

*"Classification of Liabilities as Current or Non-current"*  
*"Non-current Liabilities with Covenants"*  
*"Leases—Lease Liability in a Sale and Leaseback"*

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

## New and revised IFRS accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and have not yet been adopted:

<i>Amendments to IAS 21 (effective for annual reporting periods beginning on or after January 1, 2025)</i>	"Lack of Exchangeability"
<i>IFRS 18 (effective for annual reporting periods beginning on or after January 1, 2027)</i>	"Presentation and Disclosures in the Financial Statements"
<i>IFRS 19 (effective for annual reporting periods beginning on or after January 1, 2027)</i>	"Subsidiaries without Public Accountability: Disclosure"

The Management of the Company do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

## 5. Net interest income

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Interest income</b>		
Financial assets at fair value through profit or loss	5 239 492	4 385 501
Financial assets at fair value through other comprehensive income	330 386	525 487
Loans under reverse repurchase agreements	26 383	26 863
<b>Total interest income</b>	<b>5 596 261</b>	<b>4 937 851</b>
<b>Interest expense</b>		
Securities repurchase agreement obligations	(1 927 227)	(1 826 212)
Loans received from related parties	(1 259 861)	(713 599)
<b>Total interest expense</b>	<b>(3 187 088)</b>	<b>(2 539 811)</b>
<b>Net interest income</b>	<b>2 409 173</b>	<b>2 398 040</b>

## 6. Net gain on financial assets at fair value through profit or loss

	Year ended 31 December 2024	Year ended 31 December 2023
Realized gain on trading operations	2 138 095	1 586 214
Unrealized gain on trading operations	640 756	1 389 963
<b>Total net gain on financial assets at fair value through profit or loss</b>	<b>2 778 851</b>	<b>2 976 177</b>

For the year ended 31 December 2024, net gain on financial assets at fair value through profit or loss includes net gain on foreign exchange operations on non-monetary assets at fair value through profit or loss in the amount of KZT 887 829 thousand (2023: net loss – KZT 54 766 thousand).

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

#### 7. Net (loss)/gain on foreign currency transactions

	Year ended 31 December 2024	Year ended 31 December 2023
Translation differences, net	(2 057 992)	(10 342)
Dealing	(62 993)	10 737
<b>Total net (loss)/gain on foreign currency transactions</b>	<b>(2 120 985)</b>	<b>395</b>

Translation differences, net – include the net realized and unrealized loss from the revaluation of financial assets and liabilities denominated in foreign currencies.

For the year ended 31 December 2024, the loss from the revaluation of loans from related parties amounted to KZT 2 282 210 thousand (Note 17). For the year ended 31 December 2023, the gain from the revaluation of loans from related parties amounted to KZT 272 839 thousand (Note 17).

#### 8. Commission income and expense

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Commission income:</b>		
Asset management services	6 930 989	1 586 544
Underwriting services	1 597 707	896 617
Brokerage services	1 504 578	1 307 402
Market making services	391 738	223 034
Services of nominal ownership of securities	960	960
<b>Total commission income</b>	<b>10 425 972</b>	<b>4 014 557</b>
<b>Commission expense:</b>		
Custodian services	(241 640)	(126 229)
Trading commission	(19 172)	(16 789)
Investment fund registration and management	(852)	(348)
Other commission expense	(6 219)	(11 511)
<b>Total commission expense</b>	<b>(267 883)</b>	<b>(154 877)</b>

For the year ended 31 December 2024, the amount of variable and fixed income received from asset management services amounted to KZT 6 309 024 thousand and KZT 621 965 thousand, respectively.

For the year ended 31 December 2023, the amount of variable and fixed income received from asset management services amounted to KZT 1 289 557 thousand and KZT 296 987 thousand, respectively.

For the year ended 31 December 2024, commission income from asset management services increased to KZT 6 930 989 thousand from KZT 1 586 544 thousand for the year ended 31 December 2023. The increase in commission income from asset management services was due to a change in the variable commission rate.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

### 9. Dividend income

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Equity securities:</b>		
JSC Kazakhstan Electric Networks Management Company KEGOC	283 809	-
JSC Kazakhstan Stock Exchange	230 059	-
JSC Halyk Bank Kazakhstan	165 833	115 309
JSC Kazakhtelecom	50 583	88 604
JSC KazTransOil	37 900	38 331
BRITISH AMERICAN TOBACCO INC	22 973	-
ETF VANECK VECTORS GOLD MINERS	22 703	-
JSC Kazatomprom	21 431	-
ETF Vanguard Energy	16 146	-
JSC Kaspi.kz	13 171	-
MF "Halyk-Valutniy"	10 837	-
JSC NK KazMunaiGas	8 854	16 311
Qazaqstan Equity Active SPC Limited	8 377	8 215
Qazaqstan Equity Passive SPC Limited	6 951	6 942
Merck & Co INC	6 936	-
Magna International.LINC	5 901	-
SCHLUMBERGER LTD	5 189	-
ETF ISHARES JP MORGAN USD EM Bond	-	90 257
ETF INVESCO EMERGING MARKETS SOVEREIGN DEBT	-	11 953
AT&T INC	-	2 171
FEDEX CORP	-	561
Other	14 171	-
<b>Total dividend income</b>	<b>931 824</b>	<b>378 654</b>

### 10. Operating expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Staff costs and bonuses	3 198 903	2 431 871
Information services	242 232	187 436
Depreciation and amortization	182 745	127 379
Advertising costs	159 446	122 227
Rent	146 841	110 264
Professional fees*	131 551	39 112
Communication expenses	53 249	29 903
Business trip expenses	31 859	13 820
Property and equipment maintenance	27 369	24 589
Staff training	18 772	9 017
Insurance	8 028	3 547
Stationery	2 562	2 910
Taxes, other than income tax	1 298	1 287
Subscription fees	267	293
Other expenses	175 542	81 252
<b>Total operating expenses</b>	<b>4 380 664</b>	<b>3 184 907</b>

\*For the years ended 31 December 2024 and 2023, professional fees included KZT 19 264 thousand for audit services and KZT 2 408 thousand for non-audit services.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

For the years ended 31 December 2024 and 2023, provision on bonuses amounted to KZT 803 332 thousand and KZT 570 150 thousand, respectively.

### 11. Income taxes

The Company measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax regulations of the Republic of Kazakhstan, which may differ from IFRS.

The Company is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2024 and 2023 relate mostly to different methods/timing of income and expense recognition as well as to temporary differences generated by tax – book bases' differences for certain assets.

The tax rate used for the reconciliations below is the corporate tax rate of 20% payable by corporate entities in the Republic of Kazakhstan on taxable profits under tax law in that jurisdiction.

Temporary differences as at 31 December 2024 and 2023 comprise:

	31 December 2024	31 December 2023
Deductible temporary differences:		
Vacation reserves accrued, but not paid	152 877	105 985
Bonuses accrued, but not paid	768 926	570 150
Property and equipment and intangible assets	33 913	-
<b>Total deductible temporary differences</b>	<b>955 716</b>	<b>676 135</b>
Taxable temporary differences:		
Property and equipment and intangible assets	-	(3 426)
<b>Total taxable temporary differences</b>	<b>-</b>	<b>(3 426)</b>
Net deductible temporary differences	955 71	672 70
<b>Net deferred tax assets at the statutory rate (20%)</b>	<b>191 14</b>	<b>134 54</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

Relationships between tax expenses and accounting profit for the years ended 31 December 2024 and 2023 are presented as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Profit before income tax</b>	9 740 492	5 836 896
Tax at the statutory tax rate 20%	1 948 098	1 167 379
Tax-exempt interest income and other non-taxable income on government and other financial instruments	(1 541 482)	(1 255 447)
Non-taxable credit loss expenses	6 630	118 517
Non-taxable dividend income	(186 365)	(75 731)
<b>Income tax expense/(benefit)</b>	<b>226 881</b>	<b>(45 282)</b>
Current income tax expense	283 482	48 326
Deferred income tax benefit	(56 601)	(93 608)
<b>Income tax expense/(benefit)</b>	<b>226 881</b>	<b>(45 282)</b>
	<b>2024</b>	<b>2023</b>
<b>Deferred income tax assets:</b>		
Beginning of the year	134 542	40 934
Change in deferred income tax balance recognized in profit or loss	56 601	93 608
<b>End of the year</b>	<b>191 143</b>	<b>134 542</b>

## 12. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

	Year ended 31 December 2024	Year ended 31 December 2023
Net income for the year attributable to equity holders	9 513 611	5 882 178
<b>Net income attributable to ordinary Shareholders</b>	<b>9 513 611</b>	<b>5 882 178</b>
Weighted average number of ordinary shares for purposes of basic or diluted earnings per share	6 057 289	6 057 289
<b>Earnings per share – basic and diluted (KZT)</b>	<b>1 571</b>	<b>971</b>

The book value per share for each type of shares as at 31 December 2024 and 2023 is as follows:

Type of shares	31 December 2024			31 December 2023		
	Outstanding shares	Net assets (as calculated per KASE rules)	Book value per share (KZT)	Outstanding shares	Net assets (as calculated per KASE rules)	Book value per share (KZT)
Ordinary shares	6 057 289	36 891 376	6 090	6 057 289	30 040 383	4 959
		<b>36 891 376</b>			<b>30 040 383</b>	

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2024 (in thousands of Kazakhstani tenge, unless otherwise stated)

The number of outstanding ordinary shares is calculated net of treasury shares. Net assets are calculated by subtracting intangible assets and total liabilities from total assets.

### 13. Cash and cash equivalents

	31 December 2024	31 December 2023
Loans under reverse repurchase agreements	412 169	189 070
Current accounts with banks in foreign currency	39 804	21 630
Current accounts with banks in KZT	26 646	110 330
	<b>478 619</b>	<b>321 030</b>
Less: allowance for expected credit losses	(9)	(6)
<b>Total cash and cash equivalents</b>	<b>478 610</b>	<b>321 024</b>

Fair value of assets pledged and carrying amount of loans under reverse repurchase agreements as at 31 December 2024 and 2023 are presented as follows:

	31 December 2024	
	Fair value of collateral	Carrying amount of loans
Coupon bonds of Kazakhstan Sustainability Fund JSC	250 126	250 134
Coupon bonds of Ministry of Finance of the Republic of Kazakhstan	162 034	162 035
	31 December 2023	
	Fair value of collateral	Carrying amount of loans
Coupon bonds of National Welfare Fund Samruk-Kazyna	159 003	159 037
Coupon bonds of Kazakhstan Sustainability Fund JSC	30 007	30 033

As at 31 December 2024 and 2023, maturities of loans under reverse repurchase agreements are less than one month.

As at 31 December 2024 and 2023, cash and cash equivalents allowance for expected credit losses comprised KZT 9 thousand and KZT 6 thousand, respectively, and cash and cash equivalents were classified to Stage 1 in accordance with impairment classification of financial assets. There was no movement of expected credit losses in cash and cash equivalents between stages of impairment during the year.

### 14. Financial assets at fair value through profit or loss

	31 December 2024	31 December 2023
Debt securities	44 986 988	40 376 925
Equity securities	17 015 521	8 543 594
<b>Total financial assets at fair value through profit or loss</b>	<b>62 002 509</b>	<b>48 920 519</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

Debt securities comprise:

	31 December 2024		31 December 2023	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value
<b>Debt securities:</b>				
Corporate bonds	3,50% – 22,00%	23 850 165	3,25% – 22,00%	20 024 695
Bonds of financial institutions of Kazakhstan	5,50% – 17,25%	13 707 000	6,00% – 16,50%	15 222 199
Bonds of foreign financial institutions	13,40%	6 437 733	9,50% – 15,00%	784 960
Bonds of the Ministry of Finance of the Republic of Kazakhstan	10,78%	992 090	10,78%	959 978
Government foreign bonds	-	-	0,00% – 3,88%	3 385 093
<b>Total debt securities</b>		<b>44 986 988</b>		<b>40 376 925</b>

As at 31 December 2024 and 2023, debt securities at fair value through profit or loss included accrued interest in the amount of KZT 1 551 606 thousand and KZT 831 981 thousand, respectively.

As at 31 December 2024 and 2023, the fair value of financial assets at fair value through profit or loss transferred to securities repurchase agreement obligations amounted to KZT 6 167 019 thousand and KZT 12 019 360 thousand, respectively (Note 18). As at 31 December 2024 and 2023, the carrying amount of securities repurchase agreement obligations on the above assets is KZT 6 238 947 thousand and KZT 12 017 242 thousand, respectively (Note 18).

In October 2024, the Company entered into a credit line agreement (the “Agreement”) with a related party, JSC “Altyn Bank”, for a total amount of KZT 3 000 000 thousand, with an availability period of 3 (three) years. The Agreement stipulates that the repayment period for each tranche shall not exceed 1 (one) year. The interest rate will be determined at the time of tranche disbursement.

As at 31 December 2024, no loans have been drawn under this Agreement.

To secure potential obligations under the Agreement, the Company provided the following collateral:

- Coupon bonds (ISIN KZX000000914) issued by JSC “Samruk-Energy” in the amount of 36 units, with a nominal value of KZT 100 000 000 each.
- Coupon bonds (ISIN KZ2C00003978) issued by JSC “KEGOC” in the amount of 1 000 000 units, with a nominal value of KZT 1 000 each.
- Coupon bonds (ISIN KZ2C00007052) issued by JSC “National Management Holding Baiterek” in the amount of 2 000 000 units, with a nominal value of KZT 1 000 each.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

Equity securities comprise:

	31 December 2024	31 December 2023
<b>Equity securities:</b>		
JSC "Kazakhstan Electric Network Management Company KEGOC"	3 114 418	1 484 577
JSC AIR ASTANA	2 026 060	-
VANECK VECTORS GOLD MINERS E	1 917 758	-
JSC Kazakhstan Stock Exchange	1 796 638	743 373
JSC Halyk Bank of Kazakhstan	1 311 358	1 008 998
ETF Vanguard Energy	1 019 218	-
JSC "Kazatomprom"	999 411	-
UnitedHealth Group	796 896	-
AO "Kazakhtelecom"	708 739	931 955
POLYMETAL INTERNATIONAL PLC	640 919	612 010
LAM RESEARCH CORP	489 280	-
JSC KazTransOil	488 429	711 865
Merck & Co INC	456 716	-
MICRON TECHNOLOGY INC	240 544	-
JSC KazMunaiGas	224 589	214 950
MF Halyk-Valutniy	151 066	101 884
MF Halyk-Perspektivnye investicii	109 653	194 735
Qazaqstan Equity Passive SPC Limited	109 460	94 118
MF Halyk Sbalansirovannyi	109 084	153 690
Qazaqstan Equity Active SPC Limited	101 554	88 744
FORD MOTOR CO	61 427	-
JSC Kcell	55 271	80 441
ETF GLOBAL X ROBOTICS & ARTIFICIAL INTELLIGENCE	37 044	-
Coca-Cola Co	31 582	-
MF Halyk-Likvidnyi	18 407	31 899
ISHARES JP MORGAN USD EM Bond	-	1 905 905
INVESCO EMERGING MARKETS SOVEREIGN DEBT	-	183 711
NOSTRUM OIL & GAS LP	-	739
<b>Total equity securities</b>	<b>17 015 521</b>	<b>8 543 594</b>

As at 31 December 2024 and 2023, the ownership interest of equity instruments did not exceed 2,5%.

## 15. Financial assets at fair value through other comprehensive income

	31 December 2024	31 December 2023
Debt securities	3 070 899	2 992 196
<b>Total financial assets at fair value through other comprehensive income</b>	<b>3 070 899</b>	<b>2 992 196</b>

	31 December 2024		31 December 2023	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value
<b>Debt securities:</b>				
Bonds of the Ministry of Finance of the Republic of Kazakhstan	10,50%	2 061 279	10,50%	1 964 513
Corporate bonds	5,75% - 11,50%	1 009 620	5,75% - 11,50%	1 027 683
<b>Total debt securities</b>		<b>3 070 899</b>		<b>2 992 196</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

As at 31 December 2024 and 2023, financial assets at fair value through other comprehensive income included accrued interest in the amount of KZT 125 010 thousand and KZT 124 850 thousand, respectively.

As at 31 December 2024 and 2023, the fair value of financial assets at fair value through other comprehensive income transferred to securities repurchase agreement obligations amounted to KZT 1 387 063 thousand and KZT 81 415 thousand, respectively (Note 18). As at 31 December 2024 and 2023, the carrying amount of securities repurchase agreement obligations on the above assets are KZT 1 427 105 thousand and KZT 81 034 thousand, respectively (Note 18).

As at 31 December 2024 and 2023, the allowance for expected credit losses on financial assets at fair value through other comprehensive income was KZT 2 973 thousand and KZT 2 031 thousand, respectively.

The tables below analyze the movement of the gross carrying value of financial assets at fair value through profit or loss and the allowance for expected credit losses during the 2024 and 2023:

	Stage 1 12-month ECL	Total
<b>Gross carrying amount as at 1 January 2023</b>	<b>4 368 093</b>	<b>4 368 093</b>
Financial assets that have been derecognized	(1 337 687)	(1 337 687)
Foreign exchange differences and other movements	(36 179)	(36 179)
<b>Gross carrying amount as at 31 December 2023</b>	<b>2 994 227</b>	<b>2 994 227</b>
Changes in gross carrying amount	65 349	65 349
Foreign exchange differences and other movements	14 296	14 296
<b>Gross carrying amount as at 31 December 2024</b>	<b>3 073 872</b>	<b>3 073 872</b>

	Stage 1 12-month ECL	Total
<b>Allowance for expected credit losses as at 1 January 2023</b>	<b>20 955</b>	<b>20 955</b>
Financial assets that have been derecognized	(18 300)	(18 300)
Foreign exchange differences and other movements	(624)	(624)
<b>Allowance for expected credit losses as at 31 December 2023</b>	<b>2 031</b>	<b>2 031</b>
Additional provisions	942	942
<b>Allowance for expected credit losses as at 31 December 2024</b>	<b>2 973</b>	<b>2 973</b>

## 16. Accounts receivable

	31 December 2024	31 December 2023
Accrued commission income for asset management services	6 426 084	1 208 626
Receivable from custodian	2 049 401	2 116 829
Accrued commission income for brokerage services	302 189	185 514
Accrued commission income for underwriting services	212 631	8 396
Dividends	46 041	1 048
Guarantee fees for participating on trade platform on KASE	16 751	11 500
Other	358 127	393 720
	<b>9 411 224</b>	<b>3 925 633</b>
Less: allowance for expected credit losses	(2 077 855)	(2 118 456)
<b>Total accounts receivable</b>	<b>7 333 369</b>	<b>1 807 177</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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As at 31 December 2024 and 2023, accrued commission income for asset management services mainly includes variable fee earned on investment income generated on management of the net assets of company under common control - "Subsidiary Company of Halyk Bank life insurance "Halyk Life" in the amount of KZT 5 553 197 thousand (for 2023: KZT 688 998 thousand), which exceeded the levels of the investment income levels agreed by asset management agreements.

As at 31 December 2024 and 2023, receivables from custodian are presented mainly from custodian bank JSC "Bereke Bank" (previously – SB JSC "Sberbank"). The Company's portfolio included bonds of LLC "KTZh Finance" denominated in Russian rubles and issued in accordance with the legislation of the Russian Federation in the amount of RUB 400 million in nominal terms (KZT 1 952 000 thousand). The accounting and storage of these bonds was carried out by SB JSC Sberbank in JSC Non-Bank Credit Institution National Settlement Depository (hereinafter – "NSD") through the international depository Clearstream Banking S.A. (hereinafter – "Clearstream").

In June 2022, the issuer promptly and fully fulfilled its obligations to repay coupon bonds and paid the debt in the amount of RUB 415 707 thousand (in the amount of KZT 2 028 649 thousand) by transferring funds to NSD. These funds were transferred to accounts "C" (accounts before clarification) opened in the name of Clearstream in NSD, which were blocked due to sanctions. As at 31 December 2024, the above funds have not yet been unblocked and credited to the Company's accounts.

In September 2022, the National Managing Holding "Baiterek" bought out a full stake in the subsidiary bank of Sberbank in Kazakhstan (SB JSC "Sberbank"). After the buyout, a rebranding was carried out, as a result of which the bank became known as JSC "Bereke Bank" and was removed from international sanctions. As at 31 December 2024, the Company with JSC "Bereke Bank", is working to unlock the above funds through negotiations at the level of government bodies of the Republic of Kazakhstan and the Russian Federation. In addition, work is underway with Clearstream on refunds.

The Company used data from Moody's Corporate Default Report to calculate expected credit losses for trade receivables to determine the probability of default for 12 months and the level of default loss. There have been no changes in valuation methods or significant assumptions during the current reporting period.

As at 31 December 2024 and 2023, expected credit losses on accounts receivable amounted to KZT 2 077 855 thousand and KZT 2 118 456 thousand, respectively. As at 31 December 2024 and 2023, receivables from the redemption of international bonds of LLC "KTZh Finance" and from the payment of a coupon on international bonds of the Custodian Bank Eurasian Bank JSC as at 31 December 2024 belonged to Stage 3 (as at 31 December 2023 belonged to Stage 3 and 2, respectively). The remainder of the accounts receivable at 31 December 2024 and 2023 were classified as Stage 1.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

The tables below provide the analysis of changes in gross carrying amount for financial assets at fair value through other comprehensive income and the allowance for expected credit losses in 2024 and 2023:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Gross carrying amount as at 1 January 2023</b>	<b>1 132 587</b>	<b>2 686 585</b>	<b>-</b>	<b>3 819 172</b>
Changes in the gross carrying amount				
- Transfer to stage 3	-	(2 686 585)	2 686 585	-
Write-offs	(31)	-	-	(31)
Forex and other changes	676 248	-	(569 756)	106 492
<b>Gross carrying amount as at 31 December 2023</b>	<b>1 808 804</b>	<b>-</b>	<b>2 116 829</b>	<b>3 925 633</b>
Changes in the gross carrying amount				
New financial assets originated or purchased	5 580 749	-	-	5 580 749
- Transfer to stage 2	(5 139)	5 139	-	-
- Transfer to stage 3	-	(5 139)	5 139	-
Financial assets that have been derecognized	(7 794)	-	-	(7 794)
Write-off	(52)	-	-	(52)
Forex and other changes	(14 745)	-	(72 567)	(87 312)
<b>Gross carrying amount as at 31 December 2024</b>	<b>7 361 823</b>	<b>-</b>	<b>2 049 401</b>	<b>9 411 224</b>

Information on the movement of the allowance for expected credit losses of accounts receivables is given as follows:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Loss allowance as at 1 January 2023</b>	<b>2 918</b>	<b>1 880 621</b>	<b>-</b>	<b>1 883 539</b>
Changes in the loss allowance				
- Transfer to stage 3	-	(1 880 621)	1 880 621	-
- Increases due to change in credit risk	9 654	-	612 775	622 429
- Decreases due to change in credit risk	(10 924)	-	-	(10 924)
Foreign exchange and other changes	-	-	(376 588)	(376 588)
<b>Loss allowance as at 31 December 2023</b>	<b>1 648</b>	<b>-</b>	<b>2 116 808</b>	<b>2 118 456</b>
Changes in the loss allowance				
- Transfer to stage 2	(5 139)	5 139	-	-
- Transfer to stage 3	-	(5 139)	5 139	-
- Increases due to change in credit risk	47 140	-	-	47 140
- Decreases due to change in credit risk	(14 935)	-	-	(14 935)
Write-off	(52)	-	-	(52)
Foreign exchange and other changes	(20)	-	(72 734)	(72 754)
<b>Loss allowance as at 31 December 2024</b>	<b>28 642</b>	<b>-</b>	<b>2 049 213</b>	<b>2 077 855</b>

## 17. Loans received from related parties

	31 December 2024	
	Interest rate, %	Carrying amount
Loans received from JSC "Halyk Bank of Kazakhstan"	6,28% - 6,56%	27 520 394
<b>Total loans received from related party</b>		<b>27 520 394</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

			31 December 2023
	Interest rate, %	Maturity	Carrying amount
Loans received from JSC "Halyk Bank of Kazakhstan"	8,34% - 17,75%	December 2024 - February 2025	11 534 659
<b>Total loans received from related party</b>			<b>11 534 659</b>

As at 31 December 2024 and 2023, loans received from related parties included accrued interest in the amount of KZT 348 643 thousand and KZT 192 283 thousand, respectively.

In case of violation of obligations under the loan agreement with the Parent, such as repayment of principal or interest in favor of the Parent, reorganization of the Company, change of shareholders, reduction of the authorized capital of the Company without the consent of the parent Company and in case of misuse of borrowed funds, the Parent may withdraw without acceptance money from the current accounts of the Company in the amount of up to KZT 7 614 837 thousand. The Company is not required to keep minimum amounts on its checking accounts. As at 31 December 2024 and 2023, the Company did not violate the terms of the loan agreement.

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows from financing activities.

	31 December 2023	Net cash Inflow	Change in accrued interest	Foreign exchange movement	31 December 2024
Loans received from related parties	11 534 659	13 562 423	141 102	2 282 210	27 520 394
	31 December 2022	Net cash outflow	Change in accrued interest	Foreign exchange movement	31 December 2023
Loans received from related parties	16 064 837	(4 280 748)	23 409	(272 839)	11 534 659

### 18. Securities repurchase agreement obligations

	31 December 2024	31 December 2023
Loans under repurchase agreements	7 648 897	12 080 705
Interest payable	17 155	17 571
<b>Total loans under repurchase agreements</b>	<b>7 666 052</b>	<b>12 098 276</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

Fair value of assets pledged and carrying amount of loans under securities repurchase agreement obligations as at 31 December 2024 and 2023 are presented as follows:

	31 December 2024	
	Fair value of collateral	Carrying amount of loans
Coupon international bonds of JSC "KazMunaiGas"	3 733 316	3 845 412
Coupon bonds JSC "Kazakhstan Electric Network Management Company KEGOC"	1 731 865	1 735 870
Coupon bonds of JSC "Kazakhtelecom"	1 277 609	1 271 915
Coupon bonds of JSC "Development Bank of Kazakhstan"	811 292	812 855
<b>Total</b>	<b>7 554 082</b>	<b>7 666 052</b>

	31 December 2023	
	Fair value of collateral	Carrying amount of loans
Coupon bonds of JSC "Industrial Development Fund"	3 908 250	3 919 210
Coupon international bonds of JSC "National Company KazMunaiGas"	2 908 336	2 888 672
Coupon bonds of JSC "Development Bank of Kazakhstan"	2 906 860	2 912 470
Coupon bonds of JSC "Kazakhstan Sustainability Fund"	1 662 206	1 662 670
Coupon bonds of JSC "National Management Holding "Baiterek"	440 785	440 880
TREASURY BILL discount bonds	274 338	274 374
<b>Total</b>	<b>12 100 775</b>	<b>12 098 276</b>

### 19. Other liabilities

	31 December 2024	31 December 2023
Other accounts payable	150 051	57 216
<b>Other financial liabilities</b>	<b>150 051</b>	<b>57 216</b>
Bonus reserves	768 926	570 150
Accumulated employee benefits, vacation reserves	200 553	138 139
Other taxes payable other than corporate income tax	47 414	46 497
Other non-financial liabilities	14 520	706
<b>Other non-financial liabilities</b>	<b>1 031 413</b>	<b>755 492</b>
<b>Total other liabilities</b>	<b>1 181 464</b>	<b>812 708</b>

### 20. Share capital – ordinary shares

As at 31 December 2024 and 2023, the authorized, issued and fully paid share capital comprised 6 057 289 ordinary shares for the total amount of KZT 11 240 188 thousand. Each ordinary share is entitled to one vote and equal rights in the distribution of dividends.

In July 2024, the Company paid dividends in the amount of KZT 2 755 038 thousand at the rate of KZT 454,83 per ordinary share. During 2023 the Company did not accrue or declare any dividends on its ordinary shares.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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The Agency for regulation and development of the financial market of the Republic of Kazakhstan establishes and monitors the fulfillment of the requirements for the Company's capital level. In accordance with the requirements of the Agency for regulation and development of the financial market of the Republic of Kazakhstan, broker-dealer and investment portfolio management companies must maintain the ratio of liquid assets minus liabilities above a certain established minimum level. As at 31 December 2024 and 2023, the established minimum level was 1.

As at 31 December 2024, the ratio of liquid assets less liabilities to the statutory minimum capital amounted to 3,1 (31 December 2023: 6,3).

As at 31 December 2024 and 2023, the Company's capital adequacy ratio was in compliance with prudential norms.

## 21. Commitments and contingencies

### Capital commitments

As at 31 December 2024 and 2023, the Company had no material commitments for capital expenditure outstanding.

### Operating lease commitments

As at 31 December 2024 and 2023, the Company had no material commitments on operating leases outstanding.

### Legal proceedings

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

### Fiduciary activities

In the normal course of its business the Company enters into agreements with limited rights on decision making with clients for their asset management in accordance with specific criteria established by clients. Those assets and securities that are held for fiduciary capacity are not included in these financial statements.

During the years ended 31 December 2024 and 2023, the Company had asset management agreements with Joint Stock Company "Subsidiary Company of Halyk Bank life insurance "Halyk Life", Joint Stock Company "Subsidiary Organization of Halyk Bank "Insurance Company Halyk", LLP "Subsidiary Organization of Halyk Bank "Halyk Inkassatsiya", AIX FM Limited - QAZAQSTAN EQUITY ACTIVE SPC LIMITED, QAZAQSTAN EQUITY PASSIVE SPC LIMITED and JSC Unified Accumulative Pension Fund.

On 17 November 2023, the Company entered into an agreement on trust management of financial assets with JSC "Holding Group ALMEX".

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2024 (in thousands of Kazakhstani tenge, unless otherwise stated)

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On 18 July 2024, the Company entered into an agreement on trust management of financial assets with JSC Kazakhstan Deposits Insurance Fund (“KDIF”).

As at 31 December 2024 and 2023, assets under the Company’s management from related parties amounted to KZT 988 623 456 thousand and KZT 625 396 140 thousand respectively.

As at 31 December 2024 and 2023, assets under the Company’s management from the state pension fund amounted to KZT 42 242 066 thousand and KZT 13 759 080 thousand, respectively.

As at 31 December 2024 and 2023, assets under the Company’s management from other companies amounted to KZT 57 113 906 KZT thousand and KZT 1 698 386 thousand, respectively.

The carrying amount of the financial assets under management of the Company approximates to the fair value due to the nature of the assets under management. The commission income is determined as a certain percentage from the financial assets.

There is also variable fee earned for exceeding the level of investment income specified in the agreement. The Company does not bear any risk in cases when investment income is negative.

#### **Taxation**

Tax legislation of the Republic of Kazakhstan may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgments of business activities. If a particular treatment, based on management’s judgment of the Company’s business activities, was to be challenged by the tax authorities, the Company may be assessed with additional taxes, penalties and interest.

Such uncertainty may relate to the valuation of financial instruments, valuation of provision for impairment losses and the market pricing of deals. Additionally such uncertainty may relate to the valuation of temporary differences on receivables, as an underestimation of the taxable profit. The management of the Company believes that it has accrued all tax amounts due and therefore no allowance has been made in the financial statements. Tax years remain open to review by the tax authorities for five years.

#### **Pensions and retirement plans**

Employees of the Company receive pension benefits from pension funds in accordance with the laws and regulations of the Republic of Kazakhstan. As at 31 December 2024 and 2023, the Company was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

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#### Operating environment

Emerging markets such as Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Kazakhstan continue to change rapidly, while tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the global oil and gas price. The global geopolitical situation continues to exert pressure on oil and gas prices across the World. Also, government expenses on major infrastructure projects and various socio-economic development programs have a significant impact on the country's economy.

The military and political conflict between Russia and Ukraine escalated in early 2022. As a result, several countries introduced economic sanctions against Russia and Belarus, including measures to ban new investment and restrict interaction with major financial institutions and many state enterprises.

In 2024, the average price for Brent crude oil was 80,7 USD per barrel (2023: 83 USD per barrel). According to the short-term economic indicator, in January-December 2024, the economy of Kazakhstan grew by 4,8% compared to the corresponding period of the previous year. Inflation in December 2024 was 8,6% year-on-year.

In 2024, the National Bank of the Republic of Kazakhstan (NBRK) raised the base rate from 14,25% to 15,25% per annum with a corridor of +/- 1,0 percentage points. The NBRK adheres to a monetary policy within the inflation targeting framework with a floating tenge exchange rate. The official tenge exchange rate against the US dollar changed from 454,56 tenge per US dollar on 1 January 2024 to 523,54 tenge on 31 December 2024. Uncertainty still exists with respect to the future development of geopolitical risks and their impact on the Kazakhstan economy.

Management of the Company is monitoring developments in the economic, political, and geopolitical situation and taking measures it considers necessary to support the sustainability and development of the Company's business for the foreseeable future. However, the consequences of these events and related future changes may have a significant impact on the Company's operations.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

## 22. Transactions with related parties

Related parties or transactions with related parties, as defined by IAS 24 “Related party disclosures”.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Company had the following transactions outstanding with related parties:

	31 December 2024		31 December 2023	
	Related party balances	Total category as per the financial statements caption	Related party balances	Total category as per the financial statements caption
Cash and cash equivalents	43 774	478 610	74 248	321 024
- <i>the Parent</i>	43 774		74 248	
Financial assets at fair value through profit or loss	1 361 513	62 002 509	1 767 103	48 920 519
- <i>the Parent</i>	1 361 513		1 023 730	
- <i>other related parties</i>	–		743 373	
Accounts receivable	6 472 237	7 333 369	1 090 876	1 807 177
- <i>entities under common control</i>	6 162 520		956 830	
- <i>other related parties</i>	168 416		130 397	
- <i>the Parent</i>	140 829		3 368	
- <i>key management personnel of the Company or the Parent</i>	472		281	
Loans received from related party	27 520 394	27 520 394	11 534 659	11 534 659
- <i>the Parent</i>	27 520 394		11 534 659	
Other liabilities	41 170	1 181 464	30 887	812 708
- <i>the Parent</i>	20 906		7 463	
- <i>key management personnel of the Company or the Parent</i>	12 826		11 854	
- <i>entities under common control</i>	7 438		755	
- <i>other related parties</i>	–		10 815	

The remuneration of directors and other members of key management comprise:

	Year ended 31 December 2024		Year ended 31 December 2023	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
<b>Key management personnel compensation:</b>				
- <i>short-term employee benefits</i>	271 893	3 198 903	192 337	2 431 871

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

The following amounts which were recognized in transactions with related parties included in the statement of profit or loss for the years ended 31 December 2024 and 2023:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
Interest income	1 340	5 596 261	1 508	4 937 851
- the Parent	1 340		1 508	
Interest expense	(1 209 631)	(3 187 088)	(713 599)	(2 539 811)
- the Parent	(1 209 631)		(713 599)	
Net gain from operations with financial assets at fair value through profit or loss	479 324	2 778 851	946 454	2 976 177
- the Parent	479 324		946 454	
Commission income	6 433 833	10 425 972	1 646 778	4 014 557
- entities under common control	6 267 752		1 207 072	
- the Parent	133 731		275 485	
- other related parties	22 274		156 812	
- key management personnel of the Company or the Parent	10 076		7 409	
Commission expense	(36 634)	(267 883)	(27 314)	(154 877)
- the Parent	(36 634)		(27 314)	
Dividend income	165 833	931 824	115 309	378 654
- the Parent	165 833		115 309	
Operating expenses	(53 284)	(4 380 664)	(19 706)	(3 184 907)
- entities under common control	(42 505)		(9 066)	
- the Parent	(10 773)		(10 640)	
- other related parties	(6)		-	

### 23. Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Company could realize in a market exchange from the sale of its full holdings of a particular instrument.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2024 (in thousands of Kazakhstani tenge, unless otherwise stated)

The Company's valuation approach and fair value hierarchy categorization for certain significant classes of financial instruments recognized at fair value at 31 December 2024 and 2023 are as follows:

Financial Instruments	31 December 2024	Fair value at 31 December 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Non-derivative financial assets at fair value through profit or loss (Note 14)	47 768 233	41 002 256	Level 2	Quoted prices in a market that is not sufficiently active, determined using an internal valuation technique.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss (Note 14)	14 234 276	7 918 263	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
<b>Total financial assets at fair value through profit or loss</b>	<b>62 002 509</b>	<b>48 920 519</b>				
Non-derivative financial assets at fair value through other comprehensive income (Note 15)	3 070 899	2 992 196	Level 2	Quoted prices in a market that is not active, determined using an internal valuation technique.	Not applicable	Not applicable
<b>Total financial assets at fair value through other comprehensive income</b>	<b>3 070 899</b>	<b>2 992 196</b>				

During 2024, the Company adjusted the amounts in the disclosure of the fair value hierarchy of non-derivative financial assets at fair value through profit or loss as at 31 December 2023. Adjustment was made from Level 1 to Level 2 in the amount of KZT 3 551 183 thousand. Such adjustments made as at 31 December 2023 are consistent with the presentation of amounts as at 31 December 2024.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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As at 31 December 2024, there were transfers from level 1 to level 2 and from level 2 to level 1. Total amount of equity securities at fair value through profit or loss transferred from level 1 to level 2 amounted to KZT 385 354 thousand. Total amount of equity securities at fair value through profit or loss transferred from level 2 to level 1 amounted to KZT 876 638 thousand. The reclassification between level 1 to 2 and level 2 to 1 occurred due to the decrease or increase in trading volume.

There were no transfers between Level 1 and 2 for the year ended 31 December 2023.

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost and recognized in the financial statements approximate their fair values, due to the short-term nature of such financial instruments.

## 24. Risk management policies

Management of risk is fundamental to the Company's business and is an essential element of the Company's operations. The main risks inherent to the Company's operations are those related to market movements in interest rates, fair values and currencies as well as liquidity risk. A summary description of the Company's risk management policies in relation to the financial risks is discussed below.

### Credit risk

Financial assets, which potentially subject the Company to credit risk, consist principally of cash equivalents, due from banks, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost and trade and other receivables. The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history. The carrying amount of trade and other accounts receivable less allowance for impairment losses represents the maximum amount exposed to credit risk. The Company has no significant concentrations of credit risk. Financial assets at fair value through profit or loss consist of quoted securities of major Kazakhstan financial institutions and corporations, which have a good reputation and international ratings, bonds of the Ministry of Finance of the Republic of Kazakhstan and foreign issuers' quoted bonds and shares.

### Maximum exposure of credit risk

The Company's maximum exposure to credit risk varies significantly and is dependent on both individual risks to which specific assets are exposed, and general market economy risks.

The following table presents the maximum exposure to credit risk of balance sheet financial assets. As at 31 December 2024 and 2023, for financial assets in the statement of financial position, the maximum exposure is equal to the carrying amount of those assets prior to any offset or collateral except for cash and cash equivalents, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Financial assets are graded according to the current credit rating they have been issued by an international rating agency such as Fitch, Standard & Poor's and Moody's. The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB. Financial assets which have ratings lower than BBB are classed as speculative grade.

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

The following table details the credit ratings of financial assets held by the Company:

					31 December 2024 Total
	A+	BBB	<BBB	Not rated	
Cash and cash equivalents	-	412 165	63 047	3 398	478 610
Financial assets at fair value through profit or loss	8 212 208	26 977 302	20 259 154	6 553 845	62 002 509
Financial assets at fair value through other comprehensive income	-	2 978 839	92 060	-	3 070 899
Accounts receivable	4 485	167 482	197 870	6 963 532	7 333 369
					31 December 2023 Total
	A+	BBB	<BBB	Not rated	
Cash and cash equivalents	-	-	125 138	195 886	321 024
Financial assets at fair value through profit or loss	2 967 622	28 681 715	14 180 126	3 091 056	48 920 519
Financial assets at fair value through other comprehensive income	-	2 992 196	-	-	2 992 196
Accounts receivable	-	59 151	29 780	1 718 246	1 807 177

The finance industry is generally exposed to credit risk through its financial assets and contingent liabilities. Credit risk exposure of the Company is concentrated within the Republic of Kazakhstan. The exposure is monitored on a regular basis to ensure that the credit limits and credit worthiness guidelines established by the Company's risk management policy are not breached.

### Geographical concentration

The Investment Committee exercises control over the risk in the legislation and regulatory area and assesses its influence on the Company's activity. This approach allows the Company to minimize potential losses from the investment climate fluctuations in the Republic of Kazakhstan.

The geographical concentration of the financial assets and liabilities at 31 December 2024 and 2023 is set out below:

	Republic of Kazakhstan	OECD Countries	Non-OECD Countries	31 December 2024 Total
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	478 610	-	-	478 610
Financial assets at fair value through profit or loss	50 514 311	11 488 198	-	62 002 509
Financial assets at fair value through other comprehensive income	3 070 899	-	-	3 070 899
Accounts receivable	7 314 165	5 408	13 796	7 333 369
<b>TOTAL FINANCIAL ASSETS</b>	<b>61 377 985</b>	<b>11 493 606</b>	<b>13 796</b>	<b>72 885 387</b>
<b>FINANCIAL LIABILITIES</b>				
Loans received from related parties	27 520 394	-	-	27 520 394
Securities repurchase agreement obligations	7 666 052	-	-	7 666 052
Other financial liabilities	150 051	-	-	150 051
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>35 336 497</b>	<b>-</b>	<b>-</b>	<b>35 336 497</b>
<b>NET POSITION</b>	<b>26 041 488</b>	<b>11 493 606</b>	<b>13 796</b>	<b>37 548 890</b>

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

	Republic of Kazakhstan	OECD Countries	Non-OECD Countries	31 December 2023 Total
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	321 024	-	-	321 024
Financial assets at fair value through profit or loss	41 541 653	5 057 976	2 320 890	48 920 519
Financial assets at fair value through other comprehensive income	2 992 196	-	-	2 992 196
Accounts receivable	1 797 326	7 008	2 843	1 807 177
<b>TOTAL FINANCIAL ASSETS</b>	<b>46 652 199</b>	<b>5 064 984</b>	<b>2 323 733</b>	<b>54 040 916</b>
<b>FINANCIAL LIABILITIES</b>				
Loans received from related parties	11 534 659	-	-	11 534 659
Securities repurchase agreement obligations	12 098 276	-	-	12 098 276
Other financial liabilities	52 670	4 546	-	57 216
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>23 685 605</b>	<b>4 546</b>	<b>-</b>	<b>23 690 151</b>
<b>NET POSITION</b>	<b>22 966 594</b>	<b>5 060 438</b>	<b>2 323 733</b>	<b>30 350 765</b>

### Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due.

The Investment Committee controls these types of risks by means of maturity analysis, determining the Company's strategy for the next financial period. Current liquidity is managed by the Treasury Department, which deals in the money markets for current liquidity support and cash flow optimization.

To manage liquidity risk, the Company performs daily monitoring of future expected cash flows on clients' and other operations, which is a part of assets/liabilities management process.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

	Up to 1 month	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2024 Total
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	412 164	-	-	-	412 164
Financial assets at fair value through profit or loss	44 986 988	-	-	-	44 986 988
Financial assets at fair value through other comprehensive income	-	-	2 061 279	1 009 620	3 070 899
<b>Total interest-bearing financial assets</b>	<b>45 399 152</b>	<b>-</b>	<b>2 061 279</b>	<b>1 009 620</b>	<b>48 470 051</b>
Cash and cash equivalents	66 446	-	-	-	66 446
Financial assets at fair value through profit or loss	17 015 521	-	-	-	17 015 521
Accounts receivable	7 316 618	16 751	-	-	7 333 369
<b>Total financial assets</b>	<b>69 797 737</b>	<b>16 751</b>	<b>2 061 279</b>	<b>1 009 620</b>	<b>72 885 387</b>
<b>FINANCIAL LIABILITIES</b>					
Loans received from related parties	-	27 520 394	-	-	27 520 394
Securities repurchase agreement obligations	7 666 052	-	-	-	7 666 052
<b>Total interest-bearing financial liabilities</b>	<b>7 666 052</b>	<b>27 520 394</b>	<b>-</b>	<b>-</b>	<b>35 186 446</b>
Other financial liabilities	150 051	-	-	-	150 051
<b>Total financial liabilities</b>	<b>7 816 103</b>	<b>27 520 394</b>	<b>-</b>	<b>-</b>	<b>35 336 497</b>
Liquidity gap	61 981 634	(27 503 643)	2 061 279	1 009 620	37 548 890
Interest sensitivity gap	37 733 100	(27 520 394)	2 061 279	1 009 620	13 283 605
<b>Cumulative interest sensitivity gap</b>	<b>37 733 100</b>	<b>10 212 706</b>	<b>12 273 985</b>	<b>13 283 605</b>	
<b>Cumulative interest sensitivity gap as a percentage of total financial assets</b>	<b>52%</b>	<b>14%</b>	<b>17%</b>	<b>18%</b>	

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
(in thousands of Kazakhstani tenge, unless otherwise stated)

	Up to 1 month	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2023 Total
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	189 066	-	-	-	189 066
Financial assets at fair value through profit or loss	40 376 925	-	-	-	40 376 925
Financial assets at fair value through other comprehensive income	-	-	1 964 513	1 027 683	2 992 196
<b>Total interest-bearing financial assets</b>	<b>40 565 991</b>	<b>-</b>	<b>1 964 513</b>	<b>1 027 683</b>	<b>43 558 187</b>
Cash and cash equivalents	131 958	-	-	-	131 958
Financial assets at fair value through profit or loss	8 543 594	-	-	-	8 543 594
Accounts receivable	1 795 677	11 500	-	-	1 807 177
<b>Total financial assets</b>	<b>51 037 220</b>	<b>11 500</b>	<b>1 964 513</b>	<b>1 027 683</b>	<b>54 040 916</b>
<b>FINANCIAL LIABILITIES</b>					
Loans received from related parties	-	1 202 193	10 332 466	-	11 534 659
Securities repurchase agreement obligations	12 098 276	-	-	-	12 098 276
<b>Total interest-bearing financial liabilities</b>	<b>12 098 276</b>	<b>1 202 193</b>	<b>10 332 466</b>	<b>-</b>	<b>23 632 935</b>
Other financial liabilities	57 216	-	-	-	57 216
<b>Total financial liabilities</b>	<b>12 155 492</b>	<b>1 202 193</b>	<b>10 332 466</b>	<b>-</b>	<b>23 690 151</b>
Liquidity gap	38 881 728	(1 190 693)	(8 367 953)	1 027 683	30 350 765
Interest sensitivity gap	28 467 715	(1 202 193)	(8 367 953)	1 027 683	19 925 252
<b>Cumulative interest sensitivity gap</b>	<b>28 467 715</b>	<b>27 265 522</b>	<b>18 897 569</b>	<b>19 925 252</b>	
<b>Cumulative interest sensitivity gap as a percentage of total financial assets</b>	<b>53%</b>	<b>50%</b>	<b>35%</b>	<b>37%</b>	

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

There is no significant difference between the discounted and undiscounted amount of financial liabilities as majority of financial liabilities are of short-term nature, except for loans received from related party for which the difference between the discounted and undiscounted amount as at 31 December 2024 and 2023 amounted to KZT 220 956 thousand and KZT 380 013 thousand, respectively.

As at 31 December 2024 and 2023, financial assets at fair value through profit or loss were categorized as "Up to 1 month" not based on the maturity of financial instruments, as Management believes that those securities can be sold in short period of time if needed.

#### Market risk

Market risk covers interest rate risk, currency risk and other pricing risks to which the Company is exposed. In 2024 and 2023, there have been no significant changes as to the way the Company measures risk or to the risk it is exposed.

The Investment Committee manages interest rate and market risks by matching the Company's interest rate position, which provides the Company with a positive interest margin. The Management Board conducts monitoring of the Company's current financial performance, estimates the Company's sensitivity to changes in interest rates and its influence on the Company's profitability.

The Company's management monitors its interest rate margin and consequently does not consider itself exposed to significant interest rate risk or consequential cash flow risk.

#### Interest rate risk

The Company manages interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions.

The following table presents a sensitivity analysis of interest rate risk, which has been determined based on "reasonably possible changes in the risk variable". The level of these changes is determined by management and is contained within the risk reports provided to key management personnel.

Impact from financial assets at fair value on profit or loss and on equity:

	31 December 2024		31 December 2023	
	Interest rate +3%	Interest rate -3%	Interest rate +3%	Interest rate -3%
<b>Assets:</b>				
Financial assets at fair value through profit or loss	(3 587 581)	4 686 491	(3 991 001)	5 239 963
<b>Net impact on profit or loss and on equity</b>	<b>(3 587 581)</b>	<b>4 686 491</b>	<b>(3 991 001)</b>	<b>5 239 963</b>

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

Impact from financial assets at fair value through other comprehensive income on equity:

	31 December 2024		31 December 2023	
	Interest rate +3%	Interest rate -3%	Interest rate +3%	Interest rate -3%
<b>Assets:</b>				
Financial assets at fair value through other comprehensive income	(219 918)	266 492	(266 315)	323 267
<b>Net impact on equity</b>	<b>(219 918)</b>	<b>266 492</b>	<b>(266 315)</b>	<b>323 267</b>

### Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to the effects of fluctuations in the foreign currency exchange rates on its financial position and cash flows.

The Company's exposure to foreign currency exchange rate risk is presented in the table below:

	Kazakhstani tenge	USD 1= KZT 525,11	Other currencies	31 December 2024 Total
<b>Financial assets</b>				
Cash and cash equivalents	438 806	28 038	11 766	478 610
Financial assets at fair value through profit or loss (less equity securities)	40 693 894	4 279 225	13 869	44 986 988
Financial assets at fair value through other comprehensive income	2 978 839	92 060	-	3 070 899
Accounts receivable	7 172 381	155 849	5 139	7 333 369
<b>Total financial assets</b>	<b>51 283 920</b>	<b>4 555 172</b>	<b>30 774</b>	<b>55 869 866</b>
<b>Financial liabilities</b>				
Loans received from related parties	-	27 520 394	-	27 520 394
Securities repurchase agreement obligations	3 820 640	3 845 412	-	7 666 052
Other financial liabilities	150 051	-	-	150 051
<b>Total financial liabilities</b>	<b>3 970 691</b>	<b>31 365 806</b>	<b>-</b>	<b>35 336 497</b>
<b>OPEN BALANCE SHEET POSITION</b>	<b>47 313 229</b>	<b>(26 810 634)</b>	<b>30 774</b>	

	Kazakhstani tenge	USD 1= KZT 454,56	Other Currencies	31 December 2023 Total
<b>Financial assets</b>				
Cash and cash equivalents	299 395	20 343	1 286	321 024
Financial assets at fair value through profit or loss (less equity securities)	31 269 021	9 087 974	19 930	40 376 925
Financial assets at fair value through other comprehensive income	2 911 162	81 034	-	2 992 196
Accounts receivable	1 619 218	187 959	-	1 807 177
<b>Total financial assets</b>	<b>36 098 796</b>	<b>9 377 310</b>	<b>21 216</b>	<b>45 497 322</b>
<b>Financial liabilities</b>				
Loans received from related parties	2 570 723	8 963 936	-	11 534 659
Securities repurchase agreement obligations	8 935 231	3 163 045	-	12 098 276
Other financial liabilities	57 216	-	-	57 216
<b>Total financial liabilities</b>	<b>11 563 170</b>	<b>12 126 981</b>	<b>-</b>	<b>23 690 151</b>
<b>OPEN BALANCE SHEET POSITION</b>	<b>24 535 626</b>	<b>(2 749 671)</b>	<b>21 216</b>	

# JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

## Notes to the Financial Statements (continued)

for the Year Ended 31 December 2024

(in thousands of Kazakhstani tenge, unless otherwise stated)

### Currency risk sensitivity

The following table details the Company's sensitivity to increase and decrease in the KZT against USD. The sensitivity analysis includes only foreign currency amounts outstanding at the end of the period and adjusts their translation at the period end for a 15% change in foreign currency rates.

As at 31 December 2024 and 2023, the Company's Management believes that 15% is a possible movement in the exchange rate.

Impact on profit or loss before income tax and equity based on asset values as at 31 December 2024 and 2023:

	As at 31 December 2024		As at 31 December 2023	
	KZT/USD +15%	KZT/USD -15%	KZT/USD +15%	KZT/USD -15%
Impact on equity	(603 239)	603 239	(63 691)	63 691
Impact on profit or loss and equity	(4 021 595)	4 021 595	(424 606)	424 606

### Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. There is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that the Company's assets and liabilities are actively managed. Additionally, the financial position of the Company may vary at the time that any actual market movement occurs. For example, the Company's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocation and taking other protective action. Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the statement of financial position. In these circumstances, the different measurement bases for liabilities and assets may lead to volatility in shareholder equity.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

### Price risk

The Company follows a number of principles in its investment policies: it makes investments from which it expects an appropriate return and ensures that they offer a high degree of security. Sufficient liquidity is also important at all times coupled with a targeted diversification in terms of type of investment.

## JSC Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2024  
*(in thousands of Kazakhstani tenge, unless otherwise stated)*

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### Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

### 25. Subsequent events

At the date of signing of these financial statements, there were no significant events that management would have identified as requiring additional disclosure.