Eurasia Insurance Company JSC

Consolidated Financial Statements
for the year ended 31 December 2024

Contents

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Independent Auditors' Report

To the Shareholders and Board of Directors of Eurasia Insurance Company JSC

Opinion

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

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

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Andrey Kouznetsov
Engagement Partner

Sergey Nezdemkovskiy
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
No. MФ-0000182 of 2 June 2014

KPMG Audit LLC

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

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

27 May 2025

KZT'000	**Note**	**2024**	**2023**
Insurance revenue	5	216,674,903	195,826,262
Insurance service expenses	6	(158,612,679)	(165,164,082)
Net expenses from reinsurance contracts	17	(11,383,211)	(7,487,656)
Insurance service result		**46,679,013**	**23,174,524**
Interest revenue calculated using the effective interest method	7	48,921,501	38,371,174
Other investment revenue/(losses), net	8	27,819,410	(1,911,434)
Net impairment recovery/(loss) on financial assets	9	1,999,701	(53,510)
Investment return		**78,740,612**	**36,406,230**
Net finance expenses from insurance contracts	10	(42,226,098)	(15,195,113)
Net finance income from reinsurance contracts	10	1,347,956	371,879
Net financial result		**(40,878,142)**	**(14,823,234)**
Other operating expenses	6	(18,851,434)	(11,564,851)
Interest expense	7	(4,242,277)	(1,278,837)
Other expenses, net		(876,705)	(86,053)
Profit before income tax		**60,571,067**	**31,827,779**
Income tax expense	11	(5,220,513)	(1,627,620)
Profit for the year		**55,350,554**	**30,200,159**
Other comprehensive income, net of income tax			
Items that will never be reclassified to profit or loss:			
Equity investments at FVOCI – net change in fair value		6,251,113	9,702,317
Items that are or may be reclassified subsequently to profit or loss:			
Debt investments at FVOCI:			
Net change in fair value		1,155,874	412,480
Net amount reclassified to profit or loss		8,769	113,779
Net finance expenses from insurance contracts		(51,803)	(273,711)
Other comprehensive income for the year, net of income tax		**7,363,953**	**9,954,865**
Total comprehensive income for the year		**62,714,507**	**40,155,024**

The consolidated financial statements as set out on pages 6 to 70 were approved by the Management Board on 27 May 2025.

K. S. Chegebayev
Chairman of the Board

«Eurasia» Saqtandyru kompaniasy» Aksionerlik qogamy
«Евразия» Сақтандыру компаниясы» Акционерлік қоғамы
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Казахстан Республикасы Алматы қаласы
Республика Казахстан город Алматы
Евразия
СТРАХОВАЯ КОМПАНИЯ

G. M. Nurpeisova
Chief Accountant

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

KZT'000	Note	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	12	50,005,899	27,393,945
Investment securities measured at fair value through profit or loss		2,203,297	2,139,622
Investment securities measured at fair value through other comprehensive income	13		
- held by the Group		136,860,207	81,168,666
- pledged under sale and repurchase agreements		9,873,854	10,662,228
Investment securities measured at amortised cost	14		
- held by the Group		401,553,142	343,761,933
- pledged under sale and repurchase agreements		26,009,744	14,592,098
Investment property	15	4,406,037	4,469,139
Property, plant and equipment and intangible assets	16	6,527,189	6,447,206
Current tax asset		151,625	1,964,157
Insurance contract assets	17	-	353,207
Reinsurance contract assets	17	5,444,967	1,649,028
Loans issued		335,750	-
Other assets	18	2,105,802	2,004,428
Total assets		**645,477,513**	**496,605,657**
LIABILITIES			
Insurance contract liabilities	17	294,815,909	205,923,064
Reinsurance contract liabilities	17	-	70,009
Advances on insurance contracts		1,362,227	1,968,699
Amounts payable under repurchase agreements	19	37,488,870	25,419,694
Other payables	20	1,830,092	1,658,422
Deferred tax liabilities	11	2,339,676	2,606,026
Current tax liability		578,973	-
Other liabilities	21	4,145,826	1,935,523
Total liabilities		**342,561,573**	**239,581,437**
EQUITY			
Share capital	22(a)	214,287,628	197,464,841
Statutory reserve	22(d)	-	100,892
Insurance finance reserve		132,306	184,109
Revaluation reserve		17,584,697	12,574,782
Retained earnings		70,911,309	46,699,596
Total equity		**302,915,940**	**257,024,220**
Total liabilities and equity		**645,477,513**	**496,605,657**

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

KZT'000	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**55,350,554**	**30,200,159**
Adjustments for:		
Depreciation and amortisation (Note 15 and Note 16)	506,751	544,798
Net impairment (recovery)/loss on financial assets (Note 9)	(1,999,701)	53,510
Interest income (Note 7)	(48,921,501)	(38,371,174)
Interest revenue and revaluation gain from investment securities measured at FVTPL (Note 8)	(302,189)	(165,549)
Interest expense (Note 7)	4,242,277	1,278,837
Net realized loss from the sale of investment securities measured at fair value (Note 8)	47,430	163,815
Unrealised foreign exchange (gain)/loss (Note 8)	(27,220,882)	2,280,874
Gain on disposal of property, plant and equipment and intangible assets	(5)	(24,124)
Bonus and vacation reserve accrued	1,705,818	357,764
Income tax expense	5,220,513	1,627,620
Operating profit/(losses) before changes in working capital	**(11,370,935)**	**(2,053,470)**
(Increase)/decrease in operating assets		
Insurance contract assets	353,207	(353,207)
Reinsurance contract assets	(3,795,939)	176,928
Other assets	(266,643)	(435,620)
Increase/(decrease) in operating liabilities		
Insurance contract liabilities	88,828,091	32,039,369
Reinsurance contract liabilities	(70,009)	4,004
Advances on insurance contracts	(606,472)	1,327,028
Other payables	171,670	316,348
Other liabilities	488,507	(140,145)
Net cash from operating activities before interest income and other finance income received and income tax paid	**73,731,477**	**30,881,235**
Interest income received	41,601,763	33,024,331
Interest paid	(4,334,299)	(1,097,142)
Income tax paid	(3,099,287)	(2,806,770)
Net cash flows from operating activities	**107,899,654**	**60,001,654**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities measured at FVOCI	(51,753,124)	(56,577,172)
Sale and redemption of investment securities measured at FVOCI	11,816,478	23,633,727
Acquisition of investment securities measured at FVTPL	-	(1,999,999)
Acquisition of investment securities measured at AC	(98,225,784)	(67,378,464)
Redemption of investment securities measured at AC	56,359,084	49,268,637
Loans issued	(327,463)	-
Acquisition of property, plant and equipment and intangible assets	(1,134,658)	(1,293,481)
Proceeds from the sale of property, plant and equipment and intangible assets	611,031	60,041
Net cash flows used in investing activities	**(82,654,436)**	**(54,286,711)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts under repurchase agreements (Note 19)	1,387,910,074	415,239,501
Cash payments under repurchase agreements (Note 19)	(1,375,748,876)	(390,001,502)
Proceeds from issue of share capital (Note 22)	16,822,787	19,253,234
Dividends paid (Note 22)	(33,645,574)	(41,006,470)
Net cash flows (used in)/from financing activities	**(4,661,589)**	**3,484,763**
Net increase in cash and cash equivalents	**20,583,629**	**9,199,706**
Effect of movements in exchange rates on cash and cash equivalents	2,028,325	(225,500)
Cash and cash equivalents at the beginning of the year	27,393,945	18,419,739
Cash and cash equivalents at the end of the year (Note 12)	**50,005,899**	**27,393,945**

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

KZT'000	Share capital	Statutory reserve	Insurance finance reserve	Revaluation reserve	Retained earnings	Total equity
Balance at 1 January 2023	**178,211,607**	**157,099**	**457,820**	**10,746,652**	**49,049,254**	**238,622,432**
Total comprehensive income						
Profit for the year	-	-	-	-	30,200,159	30,200,159
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Net change in fair value of equity investments at FVOCI, net of tax	-	-	-	9,702,317	-	9,702,317
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of investment securities measured at FVOCI and amount reclassified to profit or loss, net of income tax	-	-	-	526,259	-	526,259
Net change in insurance finance reserve	-	-	(273,711)	-	-	(273,711)
Total other comprehensive income	**-**	**-**	**(273,711)**	**10,228,576**	**-**	**9,954,865**
Total comprehensive income for the year	**-**	**-**	**(273,711)**	**10,228,576**	**30,200,159**	**40,155,024**
Gain from disposal of equity investments at FVOCI, net of income tax	-	-	-	(8,400,446)	8,400,446	-
Transactions with owners recorded directly in equity						
Shares issued (Note 22(a))	19,253,234	-	-	-	-	19,253,234
Dividends declared and paid (Note 22(c))	-	-	-	-	(41,006,470)	(41,006,470)
Transfer from statutory reserve (Note 22(d))	-	(56,207)	-	-	56,207	-
Total transactions with owners	**19,253,234**	**(56,207)**	**-**	**-**	**(40,950,263)**	**(21,753,236)**
Balance at 31 December 2023	**197,464,841**	**100,892**	**184,109**	**12,574,782**	**46,699,596**	**257,024,220**

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

KZT'000	Share capital	Statutory reserve	Insurance finance reserve	Revaluation reserve	Retained earnings	Total equity
Balance at 1 January 2024	**197,464,841**	**100,892**	**184,109**	**12,574,782**	**46,699,596**	**257,024,220**
Total comprehensive income						
Profit for the year	-	-	-	-	55,350,554	55,350,554
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Net change in fair value of equity investments at FVOCI, net of tax	-	-	-	6,251,113	-	6,251,113
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of investment securities measured at FVOCI and amount reclassified to profit or loss, net of income tax	-	-	-	1,164,643	-	1,164,643
Net change in insurance finance reserve	-	-	(51,803)	-	-	(51,803)
Total other comprehensive income	**-**	**-**	**(51,803)**	**7,415,756**	**-**	**7,363,953**
Total comprehensive income for the year	**-**	**-**	**(51,803)**	**7,415,756**	**55,350,554**	**62,714,507**
Gain from disposal of equity investments at FVOCI, net of income tax	-	-	-	(2,405,841)	2,405,841	-
Transactions with owners recorded directly in equity						
Shares issued (Note 22(a))	16,822,787	-	-	-	-	16,822,787
Dividends declared and paid (Note 22(c))	-	-	-	-	(33,645,574)	(33,645,574)
Transfer from statutory reserve (Note 22(d))	-	(100,892)	-	-	100,892	-
Total transactions with owners	**16,822,787**	**(100,892)**	**-**	**-**	**(33,544,682)**	**(16,822,787)**
Balance at 31 December 2024	**214,287,628**	**-**	**132,306**	**17,584,697**	**70,911,309**	**302,915,940**

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

1 Reporting entity

(a) Organisation and operations

These consolidated financial statements comprise the financial statements of Eurasia Insurance Company JSC (the "Company") and its subsidiary Eurasia Life Insurance Company JSC (the "Group").

Eurasia Insurance Company JSC was established in the Republic of Kazakhstan in May 1995 as a stock insurance company "Eurasia". The Company was re-registered on 21 January 1999 as an open joint-stock company "Eurasia Insurance Company". The Company was re-registered on 21 May 2005 as a joint-stock company under the laws of the Republic of Kazakhstan as defined in the Civil Code of the Republic of Kazakhstan. The last re-registration took place on 26 June 2009, when Eurasian Finance Company JSC became its parent company.

The Company holds license No. 2.1.20 dated 26 December 2022 for insurance and reinsurance activity issued by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market.

On 19 November 2018 the Company established a subsidiary organisation named Eurasia Life Insurance Company JSC. On 4 March 2019 Eurasia Life Insurance Company JSC obtained a licence for insurance (reinsurance) activity in the "life insurance" line. As at 31 December 2024 and 31 December 2023 the Company owns a 100% share in the subsidiary.

The Group's principal activity is providing insurance and reinsurance in such lines as vehicle owners' liability, property, cargo, motor, air, railway and water transport, life insurance, annuity insurance, casualty and other types of insurance.

The Group's registered office is 59 Zheltoksan Street, Almaty, A05D7G5, Republic of Kazakhstan. The Group's head office is located in Almaty, and the Group has 39 branches as at 31 December 2024 (31 December 2023: 39 branches) in the Republic of Kazakhstan.

As at 31 December 2024 and 31 December 2023 the Group's shareholders were as follows:

	2024, %	**2023, %**
Shareholders:		
Eurasian Financial Company JSC	95	95
Boris Grigorievich Umanov	5	5
Total	**100**	**100**

(b) Kazakhstan business environment

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

During 2024, the Kazakhstan Tenge (KZT) experienced significant devaluation against major foreign currencies (Note 3(b)). The devaluation of KZT had a direct impact on the Group's foreign currency denominated financial assets and insurance liabilities, resulting in the recognition of foreign exchange gains and losses in the consolidated statement of profit or loss.

In February 2022, because of the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict affects not only the economic activity of two countries but the global economy as well. As a result of sanctions, commodity and food prices have risen in many countries around the world, the established links between supply of resources have been disrupted, inflation also affects the prices, and analysts also forecast economic implications for the global industry.

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

2 Basis of accounting

(a) Statement of compliance

The accompanying consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for investment securities measured at FVTPL and FVOCI and insurance and reinsurance contracts measured on the basis of fulfilment cash flows and, if any, the CSM

(c) Functional and presentation currency

The functional currency of the Company and its subsidiary is the Kazakhstan Tenge as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The KZT is also the presentation currency for the purposes of these consolidated financial statements.

All financial information presented in KZT has been rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

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

Judgements

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

- Notes 13, 14 and 3(g)(i) – classification of financial assets: assessing the business model within which the assets are held;
- Notes 17 and 3(c)(i) – classification of insurance and reinsurance contracts: assessing whether the contract transfers significant insurance risk;
- Notes 17 and 3(c)(iii) – level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently;
- Notes 17(d) and 3(c)(vi) – measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract.

Assumptions and estimation uncertainties

Information about assumptions made in measuring insurance and reinsurance contracts is included in Note 17(d). Changes in the following key assumptions may change the fulfilment cash flows materially during 2025. However, these changes would adjust the CSM and would not affect the carrying amounts of the contracts, unless they arise from onerous contracts or do not relate to future services:

- life contracts: assumptions about future cash flows relating to mortality, morbidity, policyholder behaviour;
- non-life contracts: assumptions about claims development; and
- all contracts: assumptions about discount rates, including any illiquidity premiums.

3 Material accounting policies

The accounting policies set out below were applied consistently by the Group to all periods presented in these consolidated financial statements, except in respect of some groups of insurance and reinsurance contracts existing at 1 January 2022 which is the date the Group transitioned to IFRS 17.

For some groups of insurance and reinsurance contracts the Group applied the modified retrospective approach in IFRS 17 to identify, recognise and measure the groups of contracts at 1 January 2022 because it was impracticable to apply the full retrospective approach. These transition approaches continue to impact a significant part of how the CSM balance has been determined at the reporting date. See Note 3(c)(x).

(a) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation to foreign currencies are recognised in profit or loss, except for differences arising on translation of available-for-sale equity instruments, with exception of foreign currency differences arising from impairment of such instruments, in which case foreign currency differences classified as other comprehensive income will be reclassified to profit and loss.

The exchange rates used by the Group in the preparation of the consolidated financial statements at 31 December are as follows:

***Currency* in KZT**	**2024**	**2023**
USD 1	525.11	454.56
EUR 1	546.74	502.24

(c) Insurance and reinsurance contracts

(i) Classification of contracts

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

The Group classifies insurance contracts and assigns them to one of the following categories:

- insurance contracts issued;
- issued reinsurance contracts, classified as insurance contracts;
- held reinsurance contracts, classified as insurance contracts.

Criteria for identifying insurance contracts

In order to classify an issued contract as an "insurance contract," the Group verifies the simultaneous fulfilment of the following conditions:

- a significant insurance risk is transferred under the contract; and
- the insured event specified in the contract has an adverse effect on the policyholder.

Criteria for identifying reinsurance contracts

For reinsurance contracts held, the Group applies the same criteria as for issued insurance contracts.

(ii) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

Insurance contracts of the Group do not include distinct investment components, goods or services that need to be separated. Policy for non-distinct components is provided in Note 17.

(iii) Aggregation and recognition of insurance and reinsurance contracts

The Group analyses issued insurance contracts and retained reinsurance contracts in order to determine the portfolio of insurance contracts and reinsurance portfolio. A portfolio of insurance contracts comprises contracts that are subject to similar risks and are managed together.

Contracts included in one portfolio of insurance contracts are grouped according to the following characteristics at initial recognition and are not subsequently reclassified to another group:

- contracts that are onerous on initial recognition;
- contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- other contracts, if any.

The Group assumes that contracts evaluated using the premium allocation approach (PAA) are not onerous at initial recognition, unless facts and circumstances indicate otherwise.

The Group forms cohorts on an annual basis based on the contract issue date. The Group has determined the contract issue date as the date of contract conclusion.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

The Group divides the portfolios of reinsurance contracts into the following groups based on the characteristics at initial recognition:

- reinsurance contracts with a net gain;
- reinsurance contracts with net costs and no significant probability of a net gain;
- reinsurance contracts with net costs and a significant probability of a net gain.

For insurance contracts issued, recognition of a group of insurance contracts is made on the earliest of the following dates:

- the beginning of the coverage period for the group of insurance contracts;
- the date on which the first payment is due from the policyholder in the relevant group of insurance contracts; and
- for a group of onerous contracts - the date on which the group becomes onerous.

If the payment due date is not specified in the contract, then the date when the first actual payment is made by the policyholder shall be considered as the date when the first payment is due.

Approaches applied to issued reinsurance contracts do not differ from those applied to issued insurance contracts.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

For held reinsurance contracts, the Group recognises the group of reinsurance contracts held on the earliest of two dates:

- the date of the start of the coverage period for the group of reinsurance contracts; and
- the date on which the Group recognises the group of onerous underlying insurance contracts, if the corresponding reinsurance contract included in the group of reinsurance contracts was concluded on or before that date.

The Group postpones the recognition of a group of held reinsurance contracts providing proportional coverage until the date of initial recognition of the underlying insurance contract, if this date is later than the date of the coverage period for the group of retained reinsurance contracts.

(iv) Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. nonrefundable commissions paid on issuance of a contract), then they are allocated to that group.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method (Note 17 (d)).

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

At each reporting date, the Group revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

(v) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when: - the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or - the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date. The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but exclude lapse and expense risks
Reinsurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer: - has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or - has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

(vi) Measurement – Contracts not measured under the PAA

Insurance contracts – Initial measurement

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk (Note 17 (d)).

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iv)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see (ix)).

Insurance contracts – Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows:

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component (see (ix)); or
  - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss (see (ix)).
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year (see (ix)).

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses (see (ix)) related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- changes in the risk adjustment for non-financial risk that relate to future services.

Reinsurance contracts

To measure a group of reinsurance contracts, the Group applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications:

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

(vii) Measurement – Contracts measured under the PAA

The Group uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

- group of insurance and reinsurance contracts consisting of contracts, each with a coverage period of one year or less; or
- group of insurance and reinsurance contracts for which the Group reasonably expects that the assessment of the LRC of this group of insurance contracts in accordance with PAA will not differ significantly from the assessment based on the requirements of the GMM. The Group has performed eligibility test for issued reinsurance contracts mainly insuring property.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iv)). The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided (see (ix)) and any additional insurance acquisition cash flows allocated after initial recognition. The liability of remaining coverage is as well adjusted to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates).

The Group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates).

Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts. If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

(viii) Derecognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group (see (ix)).

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Group received the premium that it would have charged less any additional premium charged for the modification.

(ix) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the consolidated statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (iv)) are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the consolidated statement of profit or loss and other comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue – Contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts (see (vi)), which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage. In addition, endowment life insurance contracts and pension annuity contracts may also provide investment services for generating an investment return for the policyholder, but only if an investment component exists or the policyholder has a right to withdraw an amount (e.g. the policyholder's right to receive a surrender value on cancellation of a contract).

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period.

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period based on the passage of time.

Loss components

For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for nonfinancial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- *Incurred claims and other insurance service expenses.*
- *Amortisation of insurance acquisition cash flows*: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration. For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein.

For life, endowment life and annuity insurance contracts the Group has chosen to disaggregate insurance finance income or expenses between profit or loss and OCI. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the discount rates determined on initial recognition of the group of contracts for present value of fulfilment cash flows and CSM.

For non-life insurance contracts, the Group presents insurance finance income or expenses in profit or loss.

(x) Transition

The Group's transition approach applied at the date of transition to IFRS 17 (1 January 2022) continues to impact a significant part of how the CSM balance as at 31 December 2024 and 31 December 2023 has been determined. The Group applied the modified retrospective transition approach in IFRS 17 to identify, recognise and measure all groups of contracts at 1 January 2022. The accounting policies for how the CSM on the date of transition was determined for groups measured applying the modified retrospective approach are summarized below.

Insurance and reinsurance contracts - Modified retrospective approach

The objective of the modified retrospective approach was to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The Group applied each of the following modifications only to the extent that it did not have reasonable and supportable information to apply IFRS 17 retrospectively.

The Group applied the following modifications to certain groups of contracts:

- for groups of contracts issued before 1 January 2022, the future cash flows on initial recognition were estimated by adjusting the amounts for the cash flows that were known to have occurred before that date.
- for groups of contracts issued before 1 January 2022, the risk adjustment for non-financial risk on initial recognition was determined by adjusting the amount at 1 January 2022 for the expected release of risk before 1 January 2022. The expected release of risk was determined with reference to the release of risk for similar contracts that the Group issued at 1 January 2022.

When any of these modifications was used to determine the CSM on initial recognition:

- the amount of the CSM recognised in profit or loss before 1 January 2022 was determined by comparing the coverage units on initial recognition and the remaining coverage units at 1 January 2022.

(d) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances held with banks, and highly liquid financial assets with original maturities of less than three months, which are not subject to significant risk of changes in their fair value, and are used by the Group in the management of short-term commitments.

(e) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated.

The estimated useful lives are as follows:

Buildings	50-70ears;
Computers and equipment	2-10ears;
Vehicles	8-10 years;
Other	2-15 years.

(f) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in normal course of business, or for the use in production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment losses.

(g) Financial instruments

(i) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt financial assets measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt financial asset measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis. Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading and which performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

(ii) Subsequent measurement

Financial assets measured at fair value through profit or loss	These assets are subsequently measured at fair value. Net income and losses, including interest income or dividends, are recognized in profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortized cost is reduced by the amount of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Other gains or losses from derecognition are recognized in profit or loss.
Debt investment securities measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest income calculated using the effective interest rate, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net income and losses are recognized in other comprehensive income. Upon derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(h) Impairment

The Group recognises loss allowances for expected credit losses (ECL) on the financial assets measured at amortised cost and financial instruments measured at fair value through other comprehensive income.

No impairment loss is recognised on investments in equity instruments and financial assets measured at fair value through profit or loss.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-months ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

12-months ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-months ECL is recognised are referred to as ‘Stage 1’ financial instruments.

Lifetime expected credit losses (ECLs) are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments, other than purchased or originated credit-impaired assets, for which a lifetime ECL is recognised are referred to as ‘Stage 2’ financial instruments (if the credit risk has increased significantly since initial recognition, but the financial instruments are not credit-impaired) and ‘Stage 3’ financial instruments (if the financial instruments are credit-impaired).

ECL measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- *financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

Assessment of PD, LGD and EAD

External data of Standards&Poor’s studies over a considerable period (e.g. average historical PD values over the period between 1981 and 2023) are used by the Group to build PDs due to lack of sufficient historical data. PDs are to be recalculated as far as revised studies are available (generally, on an annual basis).

If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The Group estimates LGD parameters for debt investment securities on the basis of external information published by Moody’s. Estimates are based on published information about the recovery rate. External data represent the level of recoveries for defaulted government bonds as well as corporate bonds.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For securities EAD is calculated based on the carrying amount of an item in tenge, including acquisition cost, current accrued interest and discount/premium.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as:

KZT'000	Credit risk exposure 31 December 2024	Credit risk exposure 31 December 2023	External benchmarks used PD	External benchmarks used LGD
Cash and cash equivalents	50,070,707	27,404,617		
Investment securities measured at AC	427,722,964	358,523,643	S&P's default study	Moody's recovery studies
Investment securities measured at FVOCI	115,705,453	65,807,992		

Information about the credit quality of financial assets is set out in the respective disclosures in the consolidated financial statements.

(i) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(ii) Dividends

The ability of the Group to declare and pay dividends is subject to the current legislation of the Republic of Kazakhstan.

Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

(j) Taxation

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items of other comprehensive income or transactions with shareholders recognised directly in equity, in which case it is recognised within other comprehensive income or directly within equity.

Current tax

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Taxable income is calculated on the basis of financial indicators prepared in accordance with IFRS 4.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In these consolidated financial statements deferred tax assets and liabilities arise due to differences in accounting basis used for tax and book purposes. Tax accounting is based on IFRS 4, while these consolidated financial statements are prepared in accordance with IFRS 17.

(k) New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2025 with earlier application permitted. However, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(i) IFRS 18 Presentation and Disclosure in Financial Statements

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

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures (MPMs) are disclosed in a single note in the consolidated financial statements.
- Enhanced guidance is provided on how to group information in the consolidated financial statements.

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

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

(ii) Other accounting standards

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

- *Lack of Exchangeability (Amendments to IAS 21).*
- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).*

4 Insurance risk management

This section summarises insurance risks and the way the Group manages them.

(a) Risk management objectives and policies for insurance risk mitigation

The Group's management of insurance risk is a critical aspect of the business. The Group is exposed to insurance risk due to the fact that the ultimate amount of payments under insurance contract or timing of such payments may differ significantly from the Group's estimates due to effect of various factors - frequency of claims, amount of claims, progress in long-tailed claim settlement. The Group controls insurance risks through diversification of various types of insurance, applying underwriting procedures to control losses on insurance portfolio by types of business as well as reinsurance used to reduce risk that losses will occur in the amount exceeding an established net risk retention.

(b) Terms and conditions of insurance contracts and nature of risks covered

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below. In addition, the following gives an assessment of the Group's main products and the ways in which it manages the associated risks.

(i) Insurance contracts – Property

Product features

Property insurance indemnifies, subject to any limits or excesses, the policyholder against loss or damage to its own material property and business interruption arising from this damage.

The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (such as a fire or burglary) and the cause is readily determinable. The claim will thus be notified promptly and can be settled without delay. Property business is therefore classified as 'short-tail', contrasted with 'long-tail' classes where the ultimate claim cost takes longer to determine.

Risk management

The key risks associated with this product are underwriting risk, competitive risk, and claims experience risk. Underwriting risk is the risk that the Group does not charge premiums appropriate for the different properties it insures. For private property insurance, it is expected that there will be large numbers of properties with similar risk profiles. However, for commercial business this may not be the case. Many commercial property proposals comprise a unique combination of location, type of business, and safety measures in place. Calculating a premium commensurate with the risk for these policies will be subjective, and hence risky.

The Group operates in a competitive environment and is hence under the risk of writing premiums with reference to the competitors' pricing strategies rather than to its own loss experience.

Property classes are exposed to the risk that the insured will make false or invalid claims, or exaggerate the amount claimed following a loss. This largely explains why economic conditions correlate with the profitability of a property portfolio. Insurance risk is managed primarily through pricing, independent assessment of property under international standards, product design, risk selection and reinsurance. The Group therefore monitors and responds to changes in the general economic and commercial environment in which it operates.

Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts and relate to circumstances where significant liabilities could arise.

(ii) Insurance contracts – Employer's liability

Product features

The purpose of obligatory insurance of employee against accidents is to ensure protection of property interests of employees whose life and health have been damaged during performance of their labour (official) duties, by means of payment of insurance indemnity.

This product generates income from the insurance premiums less amounts paid to cover claims and expenses incurred by the Group to settle losses and pay the agency fees. The amount payable to an employee in the event of death or injury is regulated by the applicable laws of the Republic of Kazakhstan. Insurance under such contracts is considered as long-tailed liability as it typically takes long time to finalise and settle claims.

Risk management

Major risks associated with this product are underwriting risk, such as probabilistic nature of potential loss, uncertain amount and timing of insurance liabilities, change in applicable legislation and other risks inherent in insurance business. The estimate of the reported loss is determined based on the following information:

- in case of persistent disablement of the employee:
  - amount of the monthly average wages (income) to be reimbursed;
  - repayment period – the period of establishing physical disability by the medical expert committee (it may be several years for lifetime disability benefit);
  - amount of the awarded social payment in case of disability;
  - the degree of the employee's fault in accident.

- in case of death:
  - funeral expenses;
  - number of persons having the right to be reimbursed for harm as required by the laws of the Republic of Kazakhstan;
  - age of persons having the right to be reimbursed for harm as required by the laws of the Republic of Kazakhstan;
  - amount of the monthly average wages (income) to be reimbursed;
  - period of insurance payments.

Insurance risk is managed primarily through pricing, product design, underwriting and payments' management. The Group therefore monitors and reacts to changes in the general economic and commercial environment in which it operates.

(iii) Insurance contracts - Life insurance

Product features

The purpose of the life insurance is to ensure protection of the policyholder's property interests associated with death. This product generates income from the insurance premiums less amounts paid to cover claims and expenses incurred by the Group to settle losses and pay the agency fees. The amount payable to a policyholder in the event of death is fixed.

The insured event is death for any reason, except for accidental death. There is a number of exceptions from the insured events, where the insurer bears no responsibility. For example, the insurer shall be exempt from payment of insurance indemnity if an insured event has occurred during the period of insurance coverage, directly or indirectly, as a result of the effect of nuclear explosion, radiation or radioactive contamination, military actions, deliberate (wilful) personal injury by the policyholder, disease resulted in epidemic, including coronavirus infection COVID-19, etc.

Risk management

The key risks associated with this product are underwriting risk and competitive risk. Underwriting risk in the insurance is the risk of charging inappropriate tariff rates (understated tariffs may result in losses, while the overstated rates may result in loss of business) and possible anti-selection. To avoid these risks the Group breaks down the potential clients into groups, which are homogenous in terms of mortality and makes decision based on such breakdown. The mortality rate is based on statistical data by country and industry in accordance with types of contracts. In determining the tariffs and making a decision on acceptance for insurance, the following factors are taking into consideration: type of activity an insured is engaged in, age, dangerous hobbies, whether the insured had injuries prior to signing the contract, availability of a motor vehicle, traffic-related offences, etc. Analysis of such information makes possible to screen persons exposed to high risk.

The Group operates in a tough competitive environment and is hence under the risk of writing premiums with reference to the competitors' pricing strategies rather than to its own loss experience.

(iv) Insurance contracts – General civil liability

Product features

The Group undertakes general civil liability insurance on compulsory and voluntary types of insurance in the Republic of Kazakhstan. Under these contracts policyholders are reimbursed for any monetary compensation awards paid for the injury caused to body, life, health and/or property of the third parties. General civil liability is generally considered a 'long tail' line, as it takes a relatively long period of time to finalise and settle claims for a given accident year.

Risk management

The key risks associated with this product are underwriting risk, competitive risk, and claims experience risk. Calculating a premium commensurate with the risk for these policies will be subjective, and hence risky. Insurance risk is managed primarily through reasonable pricing, product design, risk selection, appropriate investment strategy, rating and reinsurance. The Group therefore monitors and responds to changes in the general economic and commercial environment in which it operates.

(v) Insurance contracts – Accident

Product features

The purpose of the accident insurance is to insure the policyholder's property interests in the event of accident and causing injury to life or health. This product generates income from the insurance and reinsurance premiums less amounts paid to cover claims and expenses incurred by the Group. The amount payable to a policyholder in the event of death, disability or damage to health is fixed.

The insured events comprise disability of the first, second and third categories, and accidental death. There is a number of exceptions from the insured events, in case of which the insurer bears no responsibility; such exceptions include disability or death from any disease, including occupational disease.

Risk management

The key risks associated with this product are underwriting risk and competitive risk.

Underwriting risk in the insurance is the risk of charging inappropriate tariff rates (understated tariffs may result in losses, while the overstated rates may result in loss of business) and possible anti-selection. To avoid these risks the Group breaks down the potential clients into groups, which are homogenous in terms of mortality (insured event) and makes decision based on such breakdown. In determining the tariffs and making a decision on acceptance for insurance, the following factors are taking into consideration: type of activity an insured is engaged in, age, dangerous hobbies, whether the insured had injuries prior to signing the contract, availability of a motor vehicle, traffic-related offences, etc. Analysis of such information makes possible to screen persons exposed to high accident risk.

The Group operates in a competitive environment and is hence under the risk of writing premiums with reference to the competitors' pricing strategies rather than to its own loss experience.

Insurance risk is managed mostly by means of pricing, product design, underwriting and management of insurance indemnities. The Group therefore monitors and responds to changes in the general economic and commercial environment in which it operates.

(vi) Insurance contract – Pension annuity

Product features

An insurance contract where a policyholder (a recipient of pension payments) transfers pension savings to the Group. The insurance company undertakes to make periodical (monthly) payments in favour of the policyholder (the recipient of pension payments) and/or those insured for a whole life or for certain timespan.

As a pension annuity is a long-term product, the Group generates income through placing a premium received as a lump sum in securities with a yield higher than that used in calculation of an insurance tariff, and payments are made on a monthly basis throughout the annuity effective period. Moreover, in case of death of the annuitant, the remainder of pension savings (accrued reserve) is transferred into the Group's revenue, except for the guaranteed payments; when these are available, the Group accrues a reserve and make further payments to the heirs of the annuitant until the end of the period of guaranteed payments, and the remaining reserve is transferred to the Group's revenue.

Types of pension annuity contracts:

- a life annuity contract, without a guaranteed period of payments:
  - payments are made on a monthly basis throughout the policyholder's life;
  - in case of the policyholder death, payments cease to be made regardless whether there are heirs or remainder of pension savings accumulated.
- a life annuity contract, with a guaranteed period of payments:
  - payments are made on a monthly basis throughout the policyholder's life;
  - in case of the Policyholder death, a person specified in the pension annuity contract receives unpaid guaranteed insurance payments, if the Policyholder has not received them in full or has not received them during the lifetime.

A pension annuity contract is concluded in accordance with the Law “On Pension Benefits in the Republic of Kazakhstan”. A standard contract form is established by the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan No. 194 dated 20 October 2015 “On approval of a standard pension annuity contract, establishment of the Methodology for calculation of an insurance premium and insurance payment by an insurance company under a pension annuity contract, acceptable level of expenditures of an insurance company on maintenance of concluded pension annuity contracts as well as indexation rates of an insurance payment”.

Risk management

Major risks arise from changes in the mortality tables. Mortality rates are based on the mortality tables approved by the authorised body. If probability of death and type decreases/increases. It may result in increase/decrease of liabilities under an annuity insurance contract.

Interest rates are assessed on the basis of market rates and, therefore, changes in the market rates impact the amount of provisions. The Group manages this risk through placing a premium received under annuity contracts in the government securities at the interest rates higher than the indexation rate of annuity payments under the contract.

Moreover, the Group monitors, on an ongoing basis, and responds to changes in the laws of the Republic of Kazakhstan, general economic and commercial conditions of its operations, and if necessary, the Group adjusts inputs used in calculation of insurance premium under annuity contracts.

(c) Concentration of insurance risk

A key aspect of the insurance risk faced by the Group is the extent of concentration of insurance risk which may exist where a particular event or series of events could impact significantly upon the Group’s liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise. An important aspect of the concentration of insurance risk is that it may arise from the accumulation of risks within a number of individual classes or contracts tranches.

Concentrations of risk can arise in both high-severity, low frequency events, such as natural disasters, and in situations where underwriting is biased towards a particular group, such as a particular geography or demographic trend.

The Group’s key methods in managing these risks are two-fold. Firstly, the risk is managed through appropriate underwriting. Underwriters are not permitted to underwrite risks unless the expected profits are commensurate with the risks assumed. Secondly, the risk is managed through the use of reinsurance. The Group purchases reinsurance coverage for various classes of its liability and property business. The Group assesses the costs and benefits associated with the reinsurance programme on an ongoing basis.

(d) Total aggregate exposures

The Group sets out the total aggregate exposure that it is prepared to accept in relation to concentrations of risk. It monitors these exposures both at the time of underwriting a risk, and on a monthly basis by reviewing reports which show the key aggregations to which the Group is exposed. The Group uses a number of modelling tools to monitor aggregation in order to measure the effectiveness of the reinsurance programmes and the net exposure to which the Group is exposed.

As at 31 December 2024, the Group had 1,216,201 valid insurance contracts (31 December 2023: 1,576,783 insurance contracts).

(i) Exposure by business lines

The key concentrations identified as at 31 December 2024 are:

KZT'000 Type of insurance	Gross insured amount	Reinsurance amount	Net retention (after reinsurance)
Property – voluntary	7,145,749,083	(2,327,851,171)	4,817,897,912
Employer's liability- obligatory	2,442,663,805	-	2,442,663,805
Motor transport – voluntary	1,057,887,433	-	1,057,887,433
Civil liability – voluntary	812,691,118	(125,521,787)	687,169,331
Accident – voluntary	307,937,389	-	307,937,389
Cargo – voluntary	291,996,653	(163,763,664)	128,232,989
Vehicle owner's liability – voluntary	98,636,885	-	98,636,885
Medical – voluntary	89,664,069	-	89,664,069
Life insurance- voluntary	65,407,673	-	65,407,673
Water transport owner's liability– voluntary	1,360,058,934	(1,319,607,144)	40,451,790
Air transport owner's liability – voluntary	621,389,145	(583,442,875)	37,946,270
Water transport – voluntary	11,993,165	-	11,993,165
Air transport – voluntary	82,147,699	(58,227,916)	23,919,783
Other voluntary insurance	399,981,809	(9,351,776)	390,630,033
Civil liability of a carrier to passengers - obligatory	3,907,866,372	-	3,907,866,372
Other obligatory insurance	143,406,470	-	143,406,470
Total	**18,839,477,702**	**(4,587,766,333)**	**14,251,711,369**

The key concentrations identified as at 31 December 2023 are:

KZT'000 Type of insurance	Gross insured amount	Reinsurance amount	Net retention (after reinsurance)
Property – voluntary	4,731,655,807	(919,642,688)	3,812,013,119
Employer's liability- obligatory	1,923,967,027	-	1,923,967,027
Motor transport – voluntary	870,193,389	-	870,193,389
Civil liability – voluntary	654,403,826	(98,817,786)	555,586,040
Accident – voluntary	354,712,301	-	354,712,301
Cargo – voluntary	127,576,574	(2,400,000)	125,176,574
Vehicle owner's liability – voluntary	73,899,635	-	73,899,635
Medical – voluntary	88,226,852	-	88,226,852
Life insurance- voluntary	47,183,810	-	47,183,810
Water transport owner's liability– voluntary	1,150,463,000	(1,083,322,500)	67,140,500
Air transport owner's liability – voluntary	86,000	-	86,000
Water transport – voluntary	8,526,737	-	8,526,737
Air transport – voluntary	19,682,182	-	19,682,182
Other voluntary insurance	212,223,992	-	212,223,992
Civil liability of a carrier to passengers - obligatory	4,163,914,527	-	4,163,914,527
Other obligatory insurance	241,459,113	-	241,459,113
Total	**14,668,174,772**	**(2,104,182,974)**	**12,563,991,798**

(ii) Exposure by countries

The Group is exposed to risks by the following countries other than the Republic of Kazakhstan as at 31 December 2024:

KZT'000 **Country**	**Gross insured amount**	**Reinsurance amount**	**Net retention (after reinsurance)**
The United States	415,314,150	-	415,314,150
The United Kingdom	221,064,903	-	221,064,903
Slovenia	169,363,376	-	169,363,376
India	96,008,910	-	96,008,910
Singapore	88,187,422	-	88,187,422
Taiwan	79,513,376	-	79,513,376
Turkey	63,528,035	-	63,528,035
Bermuda	51,398,020	-	51,398,020
Switzerland	39,459,657	-	39,459,657
Uzbekistan	18,978,496	-	18,978,496
The Russian Federation	8,557,409	-	8,557,409
China	8,101,626	-	8,101,626
Other countries	521,262,738	(87,524,037)	433,738,701
Total exposure (excluding the Republic of Kazakhstan)	**1,780,738,118**	**(87,524,037)**	**1,693,214,081**
Kazakhstan	17,058,739,584	(4,500,242,296)	12,558,497,288
Total	**18,839,477,702**	**(4,587,766,333)**	**14,251,711,369**

The Group is exposed to risks by the following countries other than the Republic of Kazakhstan as at 31 December 2023:

KZT'000 **Country**	**Gross insured amount**	**Reinsurance amount**	**Net retention (after reinsurance)**
The United States	399,786,136	-	399,786,136
The United Kingdom	291,312,327	-	291,312,327
Slovenia	120,078,008	-	120,078,008
India	144,499,560	-	144,499,560
Singapore	97,486,119	-	97,486,119
Taiwan	91,553,099	-	91,553,099
Turkey	24,644,614	-	24,644,614
Bermuda	60,530,854	-	60,530,854
Switzerland	32,763,693	-	32,763,693
Uzbekistan	6,128,669	-	6,128,669
The Russian Federation	15,678,263	-	15,678,263
China	4,843,628	-	4,843,628
Other countries	444,389,026	(12,282,993)	432,106,033
Total exposure (excluding the Republic of Kazakhstan)	**1,733,693,996**	**(12,282,993)**	**1,721,411,003**
Kazakhstan	12,934,480,776	(2,091,899,981)	10,842,580,795
Total	**14,668,174,772**	**(2,104,182,974)**	**12,563,991,798**

(iii) Exposure to catastrophic events

The greatest likelihood of significant losses to the Group arises from catastrophic events, such as earthquake damage, resulting from an earthquake in Almaty. The Group does not possess catastrophe modelling techniques and the software enabling the modelling of Probable Maximum Loss (PML). However, the Group made an estimate of its losses and believes they will not exceed 10% of total liability under valid insurance contracts for the property located in Almaty city.

The key concentrations identified as at 31 December 2024 are:

KZT'000 Catastrophic events	Gross insured amount	Estimated PML (before reinsurance)	Net retention (after reinsurance)
Almaty earthquake with a magnitude exceeding seven points under Richter scale	185,001,827	18,500,183	8,003,000

The key concentrations identified as at 31 December 2023 are:

KZT'000 Catastrophic events	Gross insured amount	Estimated PML (before reinsurance)	Net retention (after reinsurance)
Almaty earthquake with a magnitude exceeding seven points under Richter scale	236,216,486	23,621,648	10,218,724

(iv) *Sensitivity analysis*

The table below analyses how the profit or loss and equity would have increased/(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred, assuming all other variables remained the same.

	2024		2023	
KZT'000	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
Life insurance, endowment life insurance and annuity contracts				
Mortality rates (increase for 10%)	3,142	(4,592)	719	(4,315)
Mortality rates (decrease for 10%)	(5,062)	3,101	(284)	(562)
Expenses (increase for 5%)	(1,742)	(777)	(1,604)	(885)
Expenses (decrease for 5%)	1,742	777	1,604	885

2024	**Profit or loss**		**Equity**	
KZT'000	**Gross**	**Net**	**Gross**	**Net**
Non-life				
Ultimate claims (5% increase)	(2,514,627)	(2,341,740)	(2,514,648)	(2,341,761)
Ultimate claims (5% decrease)	2,514,627	2,341,740	2,514,648	2,341,761

2023	**Profit or loss**		**Equity**	
KZT'000	**Gross**	**Net**	**Gross**	**Net**
Non-life				
Ultimate claims (5% increase)	(1,870,429)	(1,863,497)	(1,870,338)	(1,863,406)
Ultimate claims (5% decrease)	1,870,429	1,863,497	1,870,338	1,863,406

Changes in underwriting risk variables mainly affect the profit or loss and equity as follows. The effects on profit or loss and equity are presented net of the related income tax.

a) Profit or loss:

- Changes in fulfilment cash flows relating to loss components.
- Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in profit or loss.

b) Equity

- Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in OCI.
- The effect on profit or loss under (a).

(e) Claims development

The table below illustrates how estimates of cumulative claims except for endowment life insurance and annuity contracts have developed over time on a gross basis. Each table shows how the Group's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the consolidated statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date.

Analysis of claims development (gross) - total

	Accident year								
KZT'000	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
Estimate of cumulative claims									
At the end of the accident year	31,365,755	34,499,203	37,238,926	40,994,585	84,139,607	86,665,340	116,257,242	115,145,580	115,145,580
- one year later	39,127,306	33,737,387	34,898,874	29,307,000	84,493,434	86,487,457	121,852,431	-	121,852,431
- two years later	38,065,802	34,870,732	28,809,733	27,240,470	87,040,929	88,312,642	-	-	88,312,642
- three years later	38,251,901	32,188,600	28,188,017	25,732,899	94,842,655	-	-	-	94,842,655
- four years later	37,348,153	32,214,756	28,244,390	25,559,464	-	-	-	-	25,559,464
- five years later	37,030,806	31,866,268	28,656,657	-	-	-	-	-	28,656,657
- six years later	37,432,453	32,220,430	-	-	-	-	-	-	32,220,430
- seven years later	37,588,132	-	-	-	-	-	-	-	37,588,132
Estimate of cumulative claims as at 31 December 2024	**37,588,132**	**32,220,430**	**28,656,657**	**25,559,464**	**94,842,655**	**88,312,642**	**121,852,431**	**115,145,580**	**544,177,991**
Cumulative payments to date	(36,724,497)	(30,260,640)	(26,617,585)	(21,565,671)	(71,689,655)	(63,941,185)	(61,588,026)	(33,128,845)	(345,516,104)
Gross outstanding claims liabilities for insured events occurred before 2017	-	-	-	-	-	-	-	-	1,718,397
Effect of discounting	-	-	-	-	-	-	-	-	(6,870,090)
Risk adjustment for non-financial risk	-	-	-	-	-	-	-	-	6,958,957
Gross liabilities for incurred claims included in the consolidated statement of financial position as at 31 December 2024									**200,469,151**

Significant devaluation of the Kazakhstan tenge against major foreign currencies (Note 1 (b)) led to an increase in the carrying amount of unpaid insurance claims related to events that occurred prior to 2024.

5 Insurance revenue

2024 **KZT'000**	**Life risk**	**Endowment life insurance**	**Annuity contracts**	**Non-life**	**Total**
Contracts not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage					
– CSM recognised for services provided	518,836	132,601	2,665,877	13,035,028	**16,352,342**
– Change in risk adjustment for nonfinancial risk for risk expired	143,447	30,241	27,581	3,065,736	**3,267,005**
Expected incurred claims and other insurance service expenses	554,821	269,164	1,044,097	14,324,123	**16,192,205**
– Other	(6,410)	(2,054)	20,493	(18,062)	**(6,033)**
Recovery of insurance acquisition cash flows	5,136,883	46,274	1,352,357	30,647,694	**37,183,208**
	6,347,577	**476,226**	**5,110,405**	**61,054,519**	**72,988,727**
Contracts measured under the PAA	**-**	**-**	**-**	**143,686,176**	**143,686,176**
Total insurance revenue (see Note 17(a))	**6,347,577**	**476,226**	**5,110,405**	**204,740,695**	**216,674,903**

2023 **KZT'000**	**Life risk**	**Endowment life insurance**	**Annuity contracts**	**Non-life**	**Total**
Contracts not measured under the PAA					
Amounts relating to changes in liabilities for remaining coverage					
– CSM recognised for services provided	570,421	133,007	1,660,729	14,201,670	**16,565,827**
– Change in risk adjustment for nonfinancial risk for risk expired	198,370	15,774	19,001	1,147,095	**1,380,240**
– Expected incurred claims and other insurance service expenses	400,291	238,384	283,728	9,729,916	**10,652,319**
– Other	(2,627)	(354)	(46,001)	(33,816)	**(82,798)**
Recovery of insurance acquisition cash flows	5,104,152	34,227	1,183,679	22,770,724	**29,092,782**
	6,270,607	**421,038**	**3,101,136**	**47,815,589**	**57,608,370**
Contracts measured under the PAA	**-**	**-**	**-**	**138,217,892**	**138,217,892**
Total insurance revenue (see Note 17(a))	**6,270,607**	**421,038**	**3,101,136**	**186,033,481**	**195,826,262**

6 Insurance service expenses and other operating expenses

KZT'000	2024	2023
Claims and benefits	98,689,493	108,627,180
Losses on onerous insurance contracts (Note 17(a))	(7,015)	(1,951,996)
Fees and commissions	27,663,756	37,186,432
Wages and salaries	23,805,633	17,949,861
Expenses on insurance development*	13,355,807	8,777,109
Other taxes and duties	1,749,766	1,905,393
Advertising	864,399	2,356,432
Depreciation and amortisation (Notes 15 and 16)	506,751	544,798
Bank charges	382,397	321,234
Rent	447,150	392,722
Communication services	278,666	283,794
Consulting and professional services	460,923	459,064
Household expenses	221,758	172,454
Security	126,238	110,991
Repair and maintenance	67,766	100,786
Utilities	100,238	73,245
Other operating expenses	1,379,054	1,102,723
	170,092,780	**178,412,222**
Amounts attributed to insurance acquisition cash flows incurred during the year (Note 17(a))	(46,948,073)	(55,588,217)
Amortisation of insurance acquisition cash flows (Note 17(a))	54,319,406	53,904,928
	177,464,113	**176,728,933**
Represented by:		
Insurance service expenses (Note 17(a))	158,612,679	165,164,082
Other operating expenses	18,851,434	11,564,851
	177,464,113	**176,728,933**

**Expenses on insurance development comprise expenses paid for marketing activities to individuals hired on contract basis.*

The cost of audit services to the Group provided by one company for 2024 amounted to KZT 160,000 thousand, no non-audit services were provided (2023: audit services - KZT 144,000 thousand and consulting services – KZT 112,156 thousand).

7 Interest revenue calculated using the effective interest method, net

KZT'000	2024	2023
Interest revenue calculated using the effective interest method		
Investment securities measured at fair value through other comprehensive income	9,455,361	3,841,010
Investment securities measured at amortised cost	36,109,386	31,010,702
Cash on savings accounts in banks	2,863,320	3,400,845
Amounts receivable under reverse repurchase agreements	485,147	118,617
Loans issued	8,287	-
Total interest revenue calculated using the effective interest method	**48,921,501**	**38,371,174**
Interest expense		
Amounts payable under repurchase agreements	(4,242,277)	(1,278,837)
Total interest expense	**(4,242,277)**	**(1,278,837)**

8 Other investment revenue/(losses), net

KZT'000	**2024**	**2023**
Net foreign exchange gain/(loss) on financial assets	27,220,882	(2,280,874)
Dividend income	343,769	385,054
Interest revenue and revaluation gain from investment securities measured at FVTPL	302,189	148,201
Net realised loss from sale of investment securities	(47,430)	(163,815)
	27,819,410	**(1,911,434)**

Other than exchange differences on financial instruments measured at FVTPL, in 2024 the Group recognised a net exchange gain of KZT 7,272,007 thousand (2023: loss of KZT 1,536,990 thousand) in profit or loss. Exchange differences on insurance and reinsurance contracts are included in insurance finance income and expenses (see Note 10).

9 Net impairment gain/(loss) on financial assets

KZT'000	**2024**	**2023**
Cash and cash equivalents (Note 12)	(47,119)	112,729
Investment securities measured at FVOCI	(65,089)	(17,977)
Investment securities measured at AC (Note 14)	9,534	(24,558)
Other assets (Note 18)	2,102,375	(123,704)
	1,999,701	**(53,510)**

10 Net finance income/(expense) from insurance and reinsurance contracts

KZT'000	**2024**	**2023**
Net finance expenses from insurance contracts		
Interest expense reflecting the impact and changes in the time value of money	(20,869,050)	(14,235,848)
Effect of changes in interest rates and other financial assumptions	(755,303)	(1,865,286)
Net foreign exchange (loss)/gain	(20,667,004)	564,910
Total net finance expenses from insurance contracts	**(42,291,357)**	**(15,536,224)**
Net finance income from reinsurance contracts		
Interest income reflecting the impact and changes in the time value of money	540,518	144,365
Effect of changes in interest rates and other financial assumptions	89,309	48,540
Net foreign exchange gain	718,129	178,974
Total net finance income from reinsurance contracts	**1,347,956**	**371,879**
Represented by:		
Amounts recognised in profit or loss	(40,878,142)	(14,823,234)
Amounts recognised in OCI	(65,259)	(341,111)

11 Income tax expense

KZT'000	**2024**	**2023**
Current year tax expense	(5,446,966)	(693,522)
Movement in deferred tax assets/deferred tax liabilities due to origination and reversal of temporary differences	226,453	(934,098)
Total income tax expense	**(5,220,513)**	**(1,627,620)**

In 2024, the applicable tax rate for current and deferred tax is 20% (2023: 20%).

Reconciliation of effective tax rate for the year ended 31 December:

	2024		2023	
	KZT'000	**%**	**KZT'000**	**%**
Profit before income tax	**60,571,067**	**100**	**31,827,779**	**100**
Income tax at the applicable tax rate	(12,114,213)	(20.0)	(6,365,556)	(20.0)
Non-taxable income from investment securities	7,142,023	11.79	5,160,768	16.2
Other non-deductible expenses	(248,323)	(0.41)	(422,832)	(1.3)
	(5,220,513)	**(8.6)**	**(1,627,620)**	**(5.1)**

Deferred tax assets and liabilities

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to deferred tax liabilities as at 31 December 2024 and 31 December 2023. The deductible temporary differences do not expire under current tax legislation.

Movements in temporary differences for the year ended 31 December 2024 are presented as follows:

KZT'000	**Balance at 1 January 2024**	**Recognised in profit or loss**	**Recognised in equity**	**Balance at 31 December 2024**
Investment securities measured at FVOCI	(16,880)	-	26,946	10,066
Reinsurance contract assets	73,438	754,763	-	828,201
Property, plant and equipment and intangible assets	(641,352)	(78,628)	-	(719,980)
Insurance contract liabilities	(2,230,220)	(786,166)	12,951	(3,003,435)
Other	(28,068)	22,476	-	(5,592)
Advances on insurance contracts	44,568	(35,567)	-	9,001
Taxes	42,513	(15,479)	-	27,034
Vacation and bonuses reserve	149,975	365,054	-	515,029
	(2,606,026)	**226,453**	**39,897**	**(2,339,676)**

Movements in temporary differences for the year ended 31 December 2023 are presented as follows:

KZT'000	**Balance at 1 January 2023**	**Recognised in profit or loss**	**Recognised in equity**	**Balance at 31 December 2023**
Investment securities measured at FVOCI	-	-	(16,880)	(16,880)
Reinsurance contract assets	126,397	(52,959)	-	73,438
Property, plant and equipment and intangible assets	(589,860)	(51,492)	-	(641,352)
Insurance contract liabilities	(1,378,591)	(920,057)	68,428	(2,230,220)
Other	(50,630)	22,562	-	(28,068)
Advances on insurance contracts	(40,023)	84,591	-	44,568
Taxes	13,756	28,757	-	42,513
Vacation and bonuses reserve	195,475	(45,500)	-	149,975
	(1,723,476)	**(934,098)**	**51,548**	**(2,606,026)**

12 Cash and cash equivalents

KZT'000	2024	2023
Cash on hand	**3,136**	**10,153**
Cash in transit	**35,268**	**63,171**
Current accounts with banks		
Kazakhstan banks		
Rated from Baa3 to Baa1	123,332	6,865
Rated from Ba3 to Ba1	5,004,870	3,648,440
Rated from B3 to B1	769	-
Not rated	8,739	269,525
	5,137,710	**3,924,830**
Cash on saving accounts with banks		
Rated from Ba3 to Ba1	28,795,156	16,923,060
	28,795,156	**16,923,060**
Loss allowance	(67,944)	(20,825)
Total cash on bank accounts	**33,903,326**	**20,900,389**
Reverse repurchase agreements with original maturity of less than three months - not credit rated	16,102,573	6,493,556
Total cash and cash equivalents	**50,005,899**	**27,393,945**

The credit ratings are presented by reference to credit ratings of Moody's credit ratings agency or analogues of similar international agencies.

As at 31 December 2024 and 31 December 2023 all balances of cash and cash equivalents are categorised into Stage 1 of the credit risk grading.

As at 31 December 2024, the annual effective interest rates on saving accounts with banks ranged from 15.4% in tenge to 1.8% in US Dollars (31 December 2023: 16% in tenge to 1.5% in US Dollars).

During 2024, the Group entered into reverse repurchase agreements at Kazakhstan Stock Exchange. The subject-matter of these agreements were bonds of the Ministry of Finance of the Republic of Kazakhstan, corporate bonds of the Ministry of Finance of the USA and bonds of Kazakhstan Sustainability Fund JSC with the fair value of KZT 16,105,718 thousand (2023: bonds of the Ministry of Finance of the Republic of Kazakhstan with fair value of KZT 6,387,037 thousand).

As at 31 December 2024, the Group had accounts in one bank (31 December 2023: one bank) whose balance exceeded 10% of total cash and cash equivalents. The total gross value of this balance as at 31 December 2024 is KZT 30,561,592 thousand (2023: KZT 20,570,343 thousand). As at 31 December 2024 and 31 December 2023, the carrying amount of balances under reverse repurchase agreements exceeds 10% of the total cash and cash equivalents.

13 Investment securities measured at FVOCI

KZT'000	2024	2023
**Debt investments**		
Government bonds of the Republic of Kazakhstan		
Rated Baa3		
- pledged under sale and repurchase agreements	9,873,854	10,662,228
- held by the Group	30,520,386	17,644,862
Total Government bonds	**40,394,240**	**28,307,090**
Bonds of foreign states		
Rated from Aa1 to Aa3	21,351,356	6,842,625
Total bonds of foreign states	**21,351,356**	**6,842,625**
Bonds of foreign corporations and international financial organizations		
Rated Aaa	6,710,688	7,884,078
Rated from Aa1 to Aa3	4,662,061	-
Rated from A1 to A3	10,980,014	3,687,627
Rated from Baa1 to Baa3	-	476,111
Total bonds of foreign corporations and international financial organisations	**22,352,763**	**12,047,816**
Bonds of Kazakhstan banks		
Rated from Ba1 to Ba3	7,522,146	-
Rated from Baa1 to Baa3	1,703,005	386,564
Total bonds of Kazakhstan banks	**9,225,151**	**386,564**
Corporate bonds of Kazakhstan companies		
Rated from Baa1 to Baa3	22,381,943	18,223,897
Total corporate bonds of Kazakhstan companies	**22,381,943**	**18,223,897**
Total bonds	**115,705,453**	**65,807,992**
**Equity investments**		
Shares of foreign corporations and international financial organizations		
APPLE INC	13,326,407	11,494,670
MICROSOFT CORPORATION	12,476,147	9,635,136
JOHNSON&JOHNSON	5,090,580	4,775,950
AIRBUS SE	107,556	89,228
Total shares of foreign corporations and international financial organizations	**31,000,690**	**25,994,984**
Shares of Insurance Payments Guarantee Fund JSC	27,918	27,918
Total shares	**31,028,608**	**26,022,902**
Total investment securities measured at fair value	**146,734,061**	**91,830,894**

The credit ratings are presented by reference to credit ratings of Moody's credit ratings agency or analogues of similar international agencies.

As at 31 December 2024 and 31 December 2023 all debt investment securities measured at FVOCI are categorised into Stage 1 of the credit risk grading.

As at 31 December 2024, the Group has financial instruments of three issuers, whose balances exceed 10% of total balance of investment securities measured at fair value. The total gross value of these balances as at 31 December 2024 is KZT 77,989,419 thousand (31 December 2023: four issuers with total balance of KZT 66,588,677 thousand).

As at 31 December 2023, coupon interest rates generated by debt investment securities measured at FVOCI ranged from 0.88% to 17.5% per annum (31 December 2023: from 0.38% to 18.69% per annum).

14 Investment securities measured at amortised cost

KZT'000	2024	2023
Government bonds of the Republic of Kazakhstan		
Rated Baa3		
- pledged under sale and repurchase agreements	26,009,744	14,592,098
- held by the Group	214,457,638	228,181,618
Total Government bonds	**240,467,382**	**242,773,716**
Bonds of foreign corporations and international financial organisations		
Rated Aaa	27,460,887	36,865,633
Rated from Aa1 to Aa3	37,856,301	5,751,372
Rated from A1 to A3	29,929,043	21,613,639
Rated from Baa1 to Baa3	2,724,572	2,400,351
Total bonds of foreign corporations and international financial organisations	**97,970,803**	**66,630,995**
Bonds of Kazakhstan banks		
Rated from Baa1 to Baa3	17,528,865	11,205,371
Rated from Ba1 to Ba3	7,993,442	8,707,654
Total bonds of Kazakhstan banks	**25,522,307**	**19,913,025**
Corporate bonds of Kazakhstan companies		
Rated from Baa1 to Baa3	62,566,534	29,205,907
Rated from Ba1 to Ba3	1,195,938	-
Total corporate bonds of Kazakhstan companies	**63,762,472**	**29,205,907**
Loss allowance	(160,078)	(169,612)
Total investment securities measured at amortised cost	**427,562,886**	**358,354,031**

The above table is based on the credit ratings assigned by Moody's or other agencies converted into Moody's scale.

As at 31 December 2024 and 31 December 2023 all investment securities measured at amortised cost are categorised into Stage 1 of the credit risk grading.

As at 31 December 2024, the Group held financial instruments issued by one issuer (2023: one issuer) whose balances account for more than 10% of investment securities measured at amortised cost. The total gross value of these balances as at 31 December 2024 is KZT 240,467,382 thousand (2023: KZT 242,765,048 thousand).

As at 31 December 2024, the annual effective interest rates generated by investment securities ranged from 1.5% to 16.7% per annum (31 December 2023: from 1.5% to 18.51% per annum). As at 31 December 2024, maturities of the investment securities measured at amortised cost range from January 2025 to October 2048 (31 December 2023: January 2024 to October 2048).

15 Investment property

KZT'000	Land plots and buildings
Cost	
Balance at 1 January 2024	4,837,203
Additions/(disposals)	-
Balance at 31 December 2024	**4,837,203**
Depreciation	
Balance at 1 January 2024	(368,064)
Depreciation charge for the year	(63,102)
Balance at 31 December 2024	**(431,166)**
Carrying amount at 31 December 2024	**4,406,037**
Cost	
Balance at 1 January 2023	4,837,203
Additions/(disposals)	-
Balance at 31 December 2023	**4,837,203**
Depreciation	
Balance at 1 January 2023	(304,962)
Depreciation charge for the year	(63,102)
Balance at 31 December 2023	**(368,064)**
Carrying amount at 31 December 2023	**4,469,139**

As at 31 December 2024 and 31 December 2023, the carrying value of investment property approximates its fair value. In 2024 and 2023, the Group performed an internal valuation of investment property. A market approach was used to measure the fair value of assets. The market approach is based on the analysis of the results of comparable sales of similar properties. The fair value of investment property is categorised into Level 3 of the fair value hierarchy.

The Group recognised income from rent payments in the amount of KZT 382,866 thousand (2023: KZT 360,178 thousand) received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

16 Property, plant and equipment and intangible assets

KZT'000	Land plots and buildings	Computers and office equipment	Vehicles	Construction in progress	Other property, plant and equipment	Intangible assets	Total
Cost							
Balance at 1 January 2024	3,772,131	1,061,487	314,665	2,057,003	1,754,255	664,141	9,623,682
Additions	-	192,757	-	484,084	75,160	392,866	1,144,867
Disposals	-	(76,278)	(9,778)	(598,524)	(64,601)	-	(749,181)
Balance at 31 December 2024	**3,772,131**	**1,177,966**	**304,887**	**1,942,563**	**1,764,814**	**1,057,007**	**10,019,368**
Depreciation							
Balance at 1 January 2024	(498,611)	(777,577)	(282,197)	-	(1,115,628)	(502,463)	(3,176,476)
Depreciation charge for the year	(65,725)	(114,891)	(6,400)	-	(148,058)	(108,575)	(443,649)
Disposals	-	76,265	(106)	-	51,787	-	127,946
Balance at 31 December 2024	**(564,336)**	**(816,203)**	**(288,703)**	**-**	**(1,211,899)**	**(611,038)**	**(3,492,179)**
Carrying amount							
At 31 December 2024	**3,207,795**	**361,763**	**16,184**	**1,942,563**	**552,915**	**445,969**	**6,527,189**
Cost							
Balance at 1 January 2023	3,772,131	1,047,358	392,108	987,265	1,711,170	609,705	8,519,737
Additions	-	69,538	41,537	1,090,751	108,645	54,436	1,364,907
Disposals	-	(55,409)	(118,980)	(21,013)	(65,560)	-	(260,962)
Balance at 31 December 2023	**3,772,131**	**1,061,487**	**314,665**	**2,057,003**	**1,754,255**	**664,141**	**9,623,682**
Depreciation							
Balance at 1 January 2023	(432,887)	(705,392)	(322,192)	-	(984,604)	(401,764)	(2,846,839)
Depreciation charge for the year	(65,724)	(127,610)	(37,045)	-	(150,618)	(100,699)	(481,696)
Disposals	-	55,425	77,040	-	19,594	-	152,059
Balance at 31 December 2023	**(498,611)**	**(777,577)**	**(282,197)**	**-**	**(1,115,628)**	**(502,463)**	**(3,176,476)**
Carrying amount							
At 31 December 2023	**3,273,520**	**283,910**	**32,468**	**2,057,003**	**638,627**	**161,678**	**6,447,206**

17 Insurance and reinsurance contracts

	2024		2023			
	Insurance contracts liabilities	**Reinsurance contract assets**	**Insurance contract assets**	**Insurance contracts liabilities**	**Reinsurance contract assets**	**Reinsurance contract liabilities**
Insurance and reinsurance contracts – not measured under PAA						
Motor/Rail-way transport, voluntary vehicle owners' liability (direct)	(18,310,411)	-	136,345	(11,333,798)	-	-
General insurance (direct and reinsurance issued)	(4,939,648)	-	-	(3,891,237)	-	-
Life risk and endowment life insurance	(8,067,920)	-	186,703	(2,300,844)	-	-
Annuity contracts	(48,915,482)	-	-	(15,818,866)	-	-
Obligatory employer's liability and accidents	(8,397,392)	-	-	(7,592,508)	-	-
Other	(2,285,873)	3,307,339	-	(2,493,895)	-	-
	(90,916,726)	**3,307,339**	**323,048**	**(43,431,148)**	**-**	**-**
Insurance and reinsurance contracts – measured under PAA						
Property, Air/Railway transport, Space objects (reinsurance issued)	(162,194,712)	-	-	(129,280,596)	-	-
Obligatory vehicle owners' liability (direct)	(12,702,378)	-	-	(16,765,707)	-	-
Air transport (direct)	(4,829,142)	-	-	(5,822,048)	-	-
Property (direct)	(13,775,560)	-	-	(3,216,806)	-	-
Cargo (direct)	(2,236,019)	-	-	(1,940,277)	-	-
Other	(8,161,372)	-	30,159	(5,466,482)	-	-
Reinsurance contracts held	-	2,137,628	-	-	1,649,028	(70,009)
	(203,899,183)	**2,137,628**	**30,159**	**(162,491,916)**	**1,649,028**	**(70,009)**
	(294,815,909)	**5,444,967**	**353,207**	**(205,923,064)**	**1,649,028**	**(70,009)**

At 31 December 2024, the maximum exposure to credit risk from insurance contracts is KZT 29,077,618 thousand (31 December 2023: KZT 22,617,659 thousand), which primarily relates to premiums receivable for services that the Group has already provided.

(a) Movements in insurance and reinsurance contracts

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the consolidated statement of profit or loss and other comprehensive income.

The Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the consolidated statement of profit or loss and other comprehensive income.

A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

(i) Insurance contracts

Analysis by remaining coverage and incurred claims – Contracts not measured under PAA

	2024				**2023**			
	Liabilities for remaining coverage				**Liabilities for remaining coverage**			
KZT'000	**Excluding loss component**	**Loss component**	**Liabilities for incurred claims**	**Total**	**Excluding loss component**	**Loss component**	**Liabilities for incurred claims**	**Total**
Opening assets	353,400	-	(30,352)	323,048	-	-	-	-
Opening liabilities	(33,945,195)	(176,585)	(9,309,368)	(43,431,148)	(31,602,009)	(16)	(4,537,790)	(36,139,815)
Net opening balance	**(33,591,795)**	**(176,585)**	**(9,339,720)**	**(43,108,100)**	**(31,602,009)**	**(16)**	**(4,537,790)**	**(36,139,815)**
Changes in the statement of profit or loss								
Insurance revenue (Note 5)								
Contracts under the modified retrospective transition approach	4,420,781	-	-	4,420,781	7,588,545	-	-	7,588,545
Other contracts	68,567,946	-	-	68,567,946	50,019,825	-	-	50,019,825
	72,988,727	**-**	**-**	**72,988,727**	**57,608,370**	**-**	**-**	**57,608,370**
Insurance service expenses (Note 6)								
Incurred claims and other insurance service expenses	-	107,286	(16,637,701)	(16,530,415)	-	62,452	(9,330,678)	(9,268,226)
Amortisation of insurance acquisition cash flows	(37,160,629)	-	-	(37,160,629)	(29,055,590)	-	-	(29,055,590)
Losses and reversals of losses on onerous contracts	-	(132,436)	-	(132,436)	-	(234,830)	-	(234,830)
Adjustments to liabilities for incurred claims	-	-	3,596,298	3,596,298	-	-	947,999	947,999
	(37,160,629)	**(25,150)**	**(13,041,403)**	**(50,227,182)**	**(29,055,590)**	**(172,378)**	**(8,382,679)**	**(37,610,647)**
Investment components and premium refunds	**4,890,772**	**-**	**(4,890,772)**	**-**	**12,558,300**	**-**	**(12,558,300)**	**-**
Insurance service result	**40,718,870**	**(25,150)**	**(17,932,175)**	**22,761,545**	**41,111,080**	**(172,378)**	**(20,940,979)**	**19,997,723**
Net finance expenses from insurance contracts (Note 10)	(8,125,622)	(11,138)	(1,493,933)	(9,630,693)	(5,387,553)	(4,191)	(318,619)	(5,710,363)
Effect of movements in exchange rates (Note 10)	(288,949)	(216)	(56,234)	(345,399)	346	-	2,422	2,768
Total changes in the statement of profit or loss	**32,304,299**	**(36,504)**	**(19,482,342)**	**12,785,453**	**35,723,873**	**(176,569)**	**(21,257,176)**	**14,290,128**
Cash flows								
Premiums received	(109,307,734)	-	-	(109,307,734)	(75,249,952)	-	-	(75,249,952)
Claims and other insurance service expenses paid	-	-	16,565,307	16,565,307	-	-	16,455,246	16,455,246
Insurance acquisition cash flows	32,148,348	-	-	32,148,348	37,536,293	-	-	37,536,293
Total cash flows	**(77,159,386)**	**-**	**16,565,307**	**(60,594,079)**	**(37,713,659)**	**-**	**16,455,246**	**(21,258,413)**
Net closing balance	**(78,446,882)**	**(213,089)**	**(12,256,755)**	**(90,916,726)**	**(33,591,795)**	**(176,585)**	**(9,339,720)**	**(43,108,100)**
Closing assets	-	-	-	-	**353,400**	-	**(30,352)**	**323,048**
Closing liabilities	**(78,446,882)**	**(213,089)**	**(12,256,755)**	**(90,916,726)**	**(33,945,195)**	**(176,585)**	**(9,309,368)**	**(43,431,148)**
	(78,446,882)	**(213,089)**	**(12,256,755)**	**(90,916,726)**	**(33,591,795)**	**(176,585)**	**(9,339,720)**	**(43,108,100)**

Analysis by measurement component – Contracts not measured under the PAA

	2024						**2023**					
			CSM (see c)						**CSM (see c)**			
KZT'000	**Estimates of present value of future cash flows**	**Risk adjustment for nonfinancial risk**	**Contracts under modified retro-spective transition approach**	**Other contracts**	**Subtotal**	**Total**	**Estimates of present value of future cash flows**	**Risk adjustment for nonfinancial risk**	**Contracts under modified retro-spective transition approach**	**Other contracts**	**Subtotal**	**Total**
Opening assets	1,532,142	(86,011)	(360,747)	(762,336)	(1,123,083)	323,048	-	-	-	-	-	-
Opening liabilities	(26,773,995)	(2,271,825)	(1,795,220)	(12,590,108)	(14,385,328)	(43,431,148)	(22,782,570)	(1,381,514)	(5,200,112)	(6,775,619)	(11,975,731)	(36,139,815)
Net opening balance	**(25,241,853)**	**(2,357,836)**	**(2,155,967)**	**(13,352,444)**	**(15,508,411)**	**(43,108,100)**	**(22,782,570)**	**(1,381,514)**	**(5,200,112)**	**(6,775,619)**	**(11,975,731)**	**(36,139,815)**
Changes in the statement of profit or loss and OCI												
Changes that relate to current services												
CSM recognised for services provided (Note 5)	-	-	1,375,491	14,976,851	16,352,342	16,352,342	-	-	3,742,757	12,823,070	16,565,827	16,565,827
Change in risk adjustment for non-financial risk for risk expired	-	1,246,755	-	-	-	1,246,755	-	506,296	-	-	-	506,296
Experience adjustments	1,698,586	-	-	-	-	1,698,586	2,358,928	-	-	-	-	2,358,928
Changes that relate to future services												
Contracts initially recognised in the year (Note 17 (b))	35,244,381	(4,122,366)	-	(31,365,848)	(31,365,848)	(243,833)	20,319,474	(2,080,410)	(450)	(18,238,614)	(18,239,064)	-
Changes in estimates that adjust the CSM	(5,263,342)	(233,824)	(442,619)	5,939,785	5,497,166	-	(719,207)	323,067	(320,055)	561,157	241,102	(155,038)
Changes in estimates that result in losses and reversals of losses on onerous contracts	205,003	(93,606)	-	-	-	111,397	6,382	3,891	-	(236,562)	(236,562)	(226,289)
Changes that relate to past services												
Adjustments to liabilities for incurred claims	2,168,637	1,427,661	-	-	-	3,596,298	436,130	511,869	-	-	-	947,999
Insurance service result	**34,053,265**	**(1,775,380)**	**932,872**	**(10,449,212)**	**(9,516,340)**	**22,761,545**	**22,401,707**	**(735,287)**	**3,422,252**	**(5,090,949)**	**(1,668,697)**	**19,997,723**
Net finance expenses from insurance contracts (Note 10)	(5,267,366)	(674,552)	(190,568)	(3,498,207)	(3,688,775)	(9,630,693)	(3,606,538)	(240,187)	(377,659)	(1,485,979)	(1,863,638)	(5,710,363)
Effect of movements in exchange rates (Note 10)	(315,510)	(19,222)	4	(10,671)	(10,667)	(345,399)	3,961	(848)	(448)	103	(345)	2,768
Total changes in the statement of profit or loss and OCI	**28,470,389**	**(2,469,154)**	**742,308**	**(13,958,090)**	**(13,215,782)**	**12,785,453**	**18,799,130**	**(976,322)**	**3,044,145**	**(6,576,825)**	**(3,532,680)**	**14,290,128**
Cash flows	**(60,594,079)**	-	-	-	-	**(60,594,079)**	**(21,258,413)**	-	-	-	-	**(21,258,413)**
Net closing balance	**(57,365,543)**	**(4,826,990)**	**(1,413,659)**	**(27,310,534)**	**(28,724,193)**	**(90,916,726)**	**(25,241,853)**	**(2,357,836)**	**(2,155,967)**	**(13,352,444)**	**(15,508,411)**	**(43,108,100)**
Closing assets	-	-	-	-	-	-	1,532,142	(86,011)	(360,747)	(762,336)	(1,123,083)	323,048
Closing liabilities	(57,365,543)	(4,826,990)	(1,413,659)	(27,310,534)	(28,724,193)	(90,916,726)	(26,773,995)	(2,271,825)	(1,795,220)	(12,590,108)	(14,385,328)	(43,431,148)
	(57,365,543)	**(4,826,990)**	**(1,413,659)**	**(27,310,534)**	**(28,724,193)**	**(90,916,726)**	**(25,241,853)**	**(2,357,836)**	**(2,155,967)**	**(13,352,444)**	**(15,508,411)**	**(43,108,100)**

Analysis by remaining coverage and incurred claims – contracts measured under PAA

	2024					**2023**				
	Liabilities for remaining coverage		**Liabilities for incurred claims**			**Liabilities for remaining coverage**		**Liabilities for incurred claims**		
KZT’000	**Excluding loss component**	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment for nonfinancial risk**	**Total**	**Excluding loss component**	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment for nonfinancial risk**	**Total**
Opening assets	58,935	(24,457)	(3,569)	(750)	30,159	-	-	-	-	-
Opening liabilities	(16,313,303)	(31,580)	(141,698,811)	(4,448,222)	(162,491,916)	(12,839,174)	(2,062,413)	(119,101,090)	(3,399,064)	(137,401,741)
Net opening balance	**(16,254,368)**	**(56,037)**	**(141,702,380)**	**(4,448,972)**	**(162,461,757)**	**(12,839,174)**	**(2,062,413)**	**(119,101,090)**	**(3,399,064)**	**(137,401,741)**
Changes in the statement of profit or loss and OCI										
Insurance revenue (Note 5)										
Contracts under the modified retrospective transition approach	1,110,285	-	-	-	1,110,285	2,375,105	-	-	-	2,375,105
Other contracts	142,575,891	-	-	-	142,575,891	135,842,787	-	-	-	135,842,787
	143,686,176	**-**	**-**	**-**	**143,686,176**	**138,217,892**	**-**	**-**	**-**	**138,217,892**
Insurance service expenses (Note 6)										
Incurred claims and other insurance service expenses	-	1,202,517	(91,348,302)	(851,410)	(90,997,195)	-	2,785,093	(108,143,361)	(837,965)	(106,196,233)
Amortisation of insurance acquisition cash flows	(17,158,782)	-	-	-	(17,158,782)	(24,849,338)	-	-	-	(24,849,338)
Losses and reversals of losses on onerous contracts	-	(1,170,351)	-	-	(1,170,351)	-	(660,719)	-	-	(660,719)
Adjustments to liabilities for incurred claims	-	-	864,293	76,538	940,831	-	-	4,092,010	60,845	4,152,855
	(17,158,782)	**32,166**	**(90,484,009)**	**(774,872)**	**(108,385,497)**	**(24,849,338)**	**2,124,374**	**(104,051,351)**	**(777,120)**	**(127,553,435)**
Insurance service result	**126,527,394**	**32,166**	**(90,484,009)**	**(774,872)**	**35,300,679**	**113,368,554**	**2,124,374**	**(104,051,351)**	**(777,120)**	**10,664,457**
Net finance expenses from insurance contracts (Note 10)	(3,306,674)	(67,674)	(8,340,787)	(278,525)	(11,993,660)	(3,268,867)	(117,226)	(6,711,689)	(292,989)	(10,390,771)
Effect of movements in exchange rates (Note 10)	(395,752)	1,046	(19,306,232)	(620,667)	(20,321,605)	(784,354)	(772)	1,327,067	20,201	562,142
Total changes in the statement of profit or loss and OCI	**122,824,968**	**(34,462)**	**(118,131,028)**	**(1,674,064)**	**2,985,414**	**109,315,333**	**2,006,376**	**(109,435,973)**	**(1,049,908)**	**835,828**
Cash flows										
Premiums received	(136,966,613)	-	-	-	(136,966,613)	(130,782,451)	-	-	-	(130,782,451)
Claims and other insurance service expenses paid	-	-	77,744,048	-	77,744,048	-	-	86,834,683	-	86,834,683
Insurance acquisition cash flows	14,799,725	-	-	-	14,799,725	18,051,924	-	-	-	18,051,924
Total cash flows	**(122,166,888)**	**-**	**77,744,048**	**-**	**(44,422,840)**	**(112,730,527)**	**-**	**86,834,683**	**-**	**(25,895,844)**
Net closing balance	**(15,596,288)**	**(90,499)**	**(182,089,360)**	**(6,123,036)**	**(203,899,183)**	**(16,254,368)**	**(56,037)**	**(141,702,380)**	**(4,448,972)**	**(162,461,757)**
Closing assets	-	-	-	-	-	58,935	(24,457)	(3,569)	(750)	30,159
Closing liabilities	(15,596,288)	(90,499)	(182,089,360)	(6,123,036)	(203,899,183)	(16,313,303)	(31,580)	(141,698,811)	(4,448,222)	(162,491,916)
	(15,596,288)	**(90,499)**	**(182,089,360)**	**(6,123,036)**	**(203,899,183)**	**(16,254,368)**	**(56,037)**	**(141,702,380)**	**(4,448,972)**	**(162,461,757)**

(ii) Reinsurance contracts

Analysis by remaining coverage and incurred claims – contracts not measured under PAA

	2024		
	Assets for remaining coverage		
KZT'000	**Excluding loss recovery component**	**Assets for incurred claims**	**Total**
Opening assets	-	-	-
Changes in the statement of profit or loss			
Allocation of reinsurance premiums paid	**(11,531,994)**	**-**	**(11,531,994)**
Amounts recoverable from reinsurers			
Recoveries of incurred claims and other insurance service expenses	-	205,428	205,428
Amortisation of insurance acquisition cash flows	(80,600)	-	(80,600)
Adjustments to assets for incurred claims	-	(25,798)	(25,798)
	(80,600)	**179,630**	**99,030**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**-**
Net expenses from reinsurance contracts held	**(11,612,594)**	**179,630**	**(11,432,964)**
Net finance income from reinsurance contracts held (Note 10)	323,219	6,704	329,923
Effect of movements in exchange rates (Note 10)	617,279	27,021	644,300
Total changes in the statement of profit or loss	**(10,672,096)**	**213,355**	**(10,458,741)**
Cash flows			
Premiums paid	13,573,016	-	13,573,016
Amounts received	**-**	25,798	25,798
Insurance acquisition cash flows	167,266	-	167,266
Total cash flows	**13,740,282**	**25,798**	**13,766,080**
Closing assets	**3,068,186**	**239,153**	**3,307,339**

Analysis by measurement component – Contracts not measured under the PAA

	2024			
			CSM (see (c)	
KZT'000	**Estimates of present value of future cash flows**	**Risk adjustment for nonfinancial risk**	**Other contracts**	**Total**
Opening assets	-	-	-	-
Changes in the statement of profit or loss				
Changes that relate to current services				
CSM recognised for services received	-	-	(873,694)	(873,694)
Change in risk adjustment for non-financial risk for risk expired	-	(3,499,828)	-	(3,499,828)
Experience adjustments	(7,059,442)	-	-	(7,059,442)
Changes that relate to future services				
Contracts initially recognised in the year	(7,302,577)	5,005,171	2,297,406	-
Changes in estimates that adjust the CSM	810,063	205,885	(1,015,948)	-
Experience adjustments	-	-	-	-
Net expenses from reinsurance contracts (Note 10)	**(13,551,956)**	**1,711,228**	**407,764**	**(11,432,964)**
Net finance income from reinsurance contracts	112,967	166,525	50,431	329,923
Effect of movements in exchange rates	41,782	438,725	163,793	644,300
Total changes in the statement of profit or loss	**(13,397,207)**	**2,316,478**	**621,988**	**(10,458,741)**
Cash flows	**13,766,080**	**-**	**-**	**13,766,080**
Closing assets	**368,873**	**2,316,478**	**621,988**	**3,307,339**

Analysis by remaining coverage and incurred claims – contracts measured under PAA

	2024				**2023**			
		Assets for incurred claims				**Assets for incurred claims**		
KZT'000	**Assets for remaining coverage**	**Estimates of present value of future cashflows**	**Risk adjustment for non-financial risk**	**Total**	**Assets for remaining coverage**	**Estimates of present value of future cashflows**	**Risk adjustment for non-financial risk**	**Total**
Opening assets	493,540	1,139,041	16,447	1,649,028	619,432	1,174,423	32,101	1,825,956
Opening liabilities	(74,451)	4,379	63	(70,009)	(66,005)	-	-	(66,005)
Net opening balance	**419,089**	**1,143,420**	**16,510**	**1,579,019**	**553,427**	**1,174,423**	**32,101**	**1,759,951**
Changes in the statement of profit or loss								
Allocation of reinsurance premiums paid	**(1,132,552)**	**-**	**-**	**(1,132,552)**	**(7,896,966)**	**-**	**-**	**(7,896,966)**
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	-	1,721,296	54,834	1,776,130	-	166,275	2,487	168,762
Amortisation of insurance acquisition cash flows	(12,045)	-	-	(12,045)	(96,251)	-	-	(96,251)
Adjustments to assets for incurred claims	-	(563,573)	(17,955)	(581,528)	-	357,067	(20,259)	336,808
	(12,045)	**1,157,723**	**36,879**	**1,182,557**	**(96,251)**	**523,342**	**(17,772)**	**409,319**
Effect of changes in non-performance risk of reinsurers	-	(248)	(4)	(252)	-	(9)	-	(9)
Net expenses from reinsurance contracts	**(1,144,597)**	**1,157,475**	**36,875**	**49,753**	**(7,993,217)**	**523,333**	**(17,772)**	**(7,487,656)**
Net finance expenses from reinsurance contracts (Note 10)	20,705	271,173	8,026	299,904	105,757	84,967	2,181	192,905
Effect of movements in exchange rates (Note 10)	73,787	42	-	73,829	186,099	(7,125)	-	178,974
Total changes in the statement of profit or loss	**(1,050,105)**	**1,428,690**	**44,901**	**423,486**	**(7,701,361)**	**601,175**	**(15,591)**	**(7,115,777)**
Cash flows								
Premiums paid	638,573	-	-	638,573	7,476,525	-	-	7,476,525
Amounts received	-	(508,052)	-	(508,052)	-	(632,178)	-	(632,178)
Insurance acquisition cash flows	4,602	-	-	4,602	90,498	-	-	90,498
Total cash flows	**643,175**	**(508,052)**	**-**	**135,123**	**7,567,023**	**(632,178)**	**-**	**6,934,845**
Net closing balance	**12,159**	**2,064,058**	**61,411**	**2,137,628**	**419,089**	**1,143,420**	**16,510**	**1,579,019**
Closing assets	12,159	2,064,058	61,411	2,137,628	493,540	1,139,041	16,447	1,649,028
Closing liabilities	-	-	-	-	(74,451)	4,379	63	(70,009)
	12,159	**2,064,058**	**61,411**	**2,137,628**	**419,089**	**1,143,420**	**16,510**	**1,579,019**

(b) Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance contracts not measured under the PAA in the year.

(i) Insurance contracts

KZT'000	2024	2023
Profitable contracts issued		
Claims and other insurance service expenses payable	44,924,427	18,252,405
Insurance acquisition cash flows	37,352,288	38,901,795
Estimates of present value of cash outflows	**82,276,715**	**57,154,200**
Estimates of present value of cash inflows	(117,521,096)	(77,473,674)
Risk adjustment for non-financial risk	4,122,366	2,080,410
CSM	31,365,848	18,239,064
Losses recognised on initial recognition	**243,833**	**-**

During 2024 and 2023 the Group has not issued onerous contracts.

(ii) Reinsurance contracts held

KZT'000	2024	2023
Contracts excluding the loss recovery component		
Estimates of present value of cash outflows	(17,877,180)	-
Estimates of present value of cash inflows	10,574,603	-
Risk adjustment for non-financial risk	5,005,171	-
CSM	2,297,406	-
Loss recovery component	**-**	**-**

(c) Contractual service margin

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

2024 KZT'000	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years	Total
Re-insurance contracts held	(275,930)	(134,216)	(127,057)	(83,741)	(633)	(411)	-	(621,988)
Insurance contracts	13,073,556	4,679,590	2,121,926	1,493,766	1,011,832	3,191,878	3,151,645	28,724,193

2023 KZT'000	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years	Total
Insurance contracts	8,491,497	3,458,238	1,929,239	811,676	426,446	356,995	34,320	15,508,411

(d) Significant judgements and estimates

(i) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Group indexes the annuity payments at the indexation rates prescribed by the Kazakhstan legislation.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Group generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the amount of claims for each group, and maintenance and administration costs based on the earned premium during a period. Other costs are recognised in profit or loss as they are incurred.

Key provision assumptions

The process used to determine the assumptions is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market prices or other published information. However, there is a general lack of publicly available information on Kazakhstan insurance market, which would be relevant to determining assumptions and sensitivity to changes in core business.

The nature of the business makes it difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of many of the items affecting the ultimate cost of the loss is difficult to estimate. The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

Life and annuity contracts

The Group uses a number of key assumptions in estimating future cash flows and measuring liabilities under the life and annuity contracts. However major risks arise from changes in the mortality/longevity tables.

Assumptions about mortality/longevity that are used in estimating future cash flows are based on national mortality data. Mortality/longevity is a key assumption in the measurement of annuities. Tables used to reflect expected mortality rates are publicly available and produced by the authorised body of the Republic of Kazakhstan.

Non-life contracts

The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter-Ferguson methods. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business, except for large claims, which are assessed separately from other claims.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Group uses two approaches to determine discount rates for cash flows depending on the currency:

- to determine discount rates for tenge and euro the Group uses a "bottom-up" approach;
- to determine discount rates for USD dollars the Group uses a "top-down" approach.

To obtain discount rates in tenge using a "bottom-up" approach, the Group evaluates two components: a risk-free yield curve in tenge and an adjustment for illiquidity. The discount rates, which are subsequently used to discount cash flows in tenge, are estimated as the sum of these two components. The Group generally determines the risk-free rates for tenge using the observed historical parameters for a zero-coupon yield curve for Kazakhstani government securities. To calculate the illiquidity premium, the Group uses an approach based on the assessment of the risk factor premium, reflecting the exposure to illiquidity risk. This premium is assessed by removing the premium for time value of money and credit risk premium from the rate on illiquid debt instruments (corporate bank loans). Under this approach, it is assumed that the remaining component represents an illiquidity premium.

To obtain discount rates in euro the Group estimates the risk-free yield curve in euros based on the yield of highly rated euro area bonds. The Group estimates the illiquidity premium as a percentage of the spread between the yield to maturity of Kazakhstan's euro bonds and the risk-free curve.

To obtain discount rates in USD dollars using a "top-down" approach, the Group estimates the discount curve as the return on the reference USD portfolio minus the credit risk premium. As a reference portfolio, the Group uses sovereign Eurobonds of Kazakhstan and corporate Eurobonds of Kazakhstan with a rating not lower than investment grade. Credit risk premiums is estimated using CDS quotes for Kazakhstan Eurobonds.

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies:

	2024					2023				
Non-life	**1 year**	**5 years**	**10 years**	**15 years**	**20 years**	**1 year**	**5 years**	**10 years**	**15 years**	**20 years**
KZT	13.51%	13.27%	13.23%	13.22%	13.22%	16.41%	14.68%	13.85%	13.51%	13.33%
USD	5.54%	5.87%	5.09%	5.43%	6.14%	4.77%	5.55%	4.57%	4.85%	5.64%
EUR	2.73%	2.67%	2.97%	3.11%	3.14%	3.33%	2.18%	2.36%	2.55%	2.63%
Life risk, endowment life insurance and annuity contracts										
KZT	13.51%	13.30%	13.20%	13.20%	13.20%	15.40%	13.7%	12.9%	12.5%	12.3%
USD	5.50%	5.90%	5.10%	5.40%	6.10%	4.8%	5.5%	4.6%	4.9%	5.6%

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and life/annuity contracts and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustments for non-financial risk are determined using the following techniques:

- Liability for remaining coverage:
  - non-life: Method based on the calculation of the deviation of the forecasted loss rate from the actual loss rate and Mack-Method (“loss-based methods”);
  - life and annuity contracts: Monte Carlo method.
- Liability for incurred claims: Bootstrap method.

Methods considered above are based on a confidence level with a selected percentile value (the percentile value is determined by the Group and is generally 75%).

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies this technique both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

The Method based on the calculation of the deviation of the forecasted loss rate from the actual loss rate is based on analysis of historical deviations of loss forecasts from their actual values.

The Mack-Method is based on estimation of loss distribution parameters - mathematical expectation and dispersion. It is based on the premise that the dispersion and mathematical expectation of losses on individual risks are proportional to the earned premium.

The Monte Carlo method simulates scenarios for the potential development of a portfolio of existing contracts (at the reporting date) before their complete withdrawal.

The Bootstrap method is based on the simulation of loss triangles based on the observed actual loss increments for settlement periods, allows to obtain an empirical probabilistic distribution of cash flows and select the value of the risk adjustment with 75% confidence level.

(ii) Contractual service margin

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period (see Note 3(c)(ix)).

Non-life and life contracts

The Group defines the quantity of benefits under a contract as the maximum amount of potential contractual benefits, which is also generally presented as the aggregate sum insured for all purely risky products, as contracts issued by the Group do not provide any services related to the receipt of investment income. Coverage units are calculated based on the maximum possible claims volume in each period. In modelling the coverage units, the Group considers the proportion of the calendar year in which the contract was in force and the expected reduction in the portfolio over time. The coverage units are reviewed and updated at each reporting date.

An analysis of the expected timing of the allocation of the CSM to profit or loss is disclosed in (c).

Endowment and annuity contracts

For endowment life insurance and annuity insurance contract the Group accounts for insurance coverage and investment services. The total amount of services (number of benefits) under the endowment life insurance contracts is determined by the total sum insured.

The total amount of services under the annuity insurance contract is defined as the present value of future annuity payments. The discount rates are based on the yield curve determined at the date of initial recognition.

When modelling insurance coverage units, the Group takes into account:

- the share of the calendar year during which the agreement was in force;
- expected portfolio reduction (due to termination of contracts (including terminations) or deaths) over time.

An analysis of the expected timing of the allocation of the CSM to profit or loss is disclosed in (c).

Investment components

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring.

All contracts relating to endowment life insurance and pension annuity insurance contain an investment component. The Group considers the following cash flows under these contracts to be cash flows related to investment components:

- Expected and actual annuity payments within the guaranteed period;
- Expected and actual paid surrender amounts in case of termination of the insurance policy by the policyholder;
- A portion of the expected death benefits, which is calculated as the surrender value at the date of death multiplied by the probability of death, as well as a portion of the actual death benefits, which corresponds to the surrender value at the time of death for each contract.

Insurance rules do not provide the policyholder with the right to terminate the insurance and investment components separately from each other. Therefore, the investment component is inseparable from the insurance component.

Investment components are excluded from insurance revenue and insurance service expenses.

The Group’s other contracts do not contain investment components. The Group determines that these contracts do not include any investment component, because the Group is not required to pay any amount if the policyholder does not surrender the contract.

(e) Credit risk exposure – reinsurance contracts

Below is presented exposure to credit risk from reinsurance contracts:

KZT'000	2024	2023
Reinsurance contract assets		
Rated from Aa1 to Aa3	1,103,978	225,328
Rated from A1 to A3	3,025,803	1,275,997
Rated from Baa1 to Baa3	770,943	-
Other	544,243	77,694
	5,444,967	**1,579,019**

The above table is based on the credit ratings assigned by Moody's or other agencies converted into Moody's scale.

18 Other assets

KZT'000	2024	2023
Other receivables	1,340,132	3,868,768
Impairment allowance	(663,400)	(2,760,736)
Total other financial assets	**676,732**	**1,108,032**
Prepayments	1,381,734	895,446
Settlements with employees	2,215	3,240
Other	46,033	3,661
Impairment allowance	(912)	(5,951)
Total other non-financial assets	**1,429,070**	**896,396**
Total other assets	**2,105,802**	**2,004,428**

Analysis of movements in impairment allowance

Movements in the impairment allowance for the years ended 31 December are as follows:

	2024 KZT'000	2023 KZT'000
Balance at the beginning of the year	(2,766,687)	(2,640,182)
Net recovery/(charge)	2,042,964	(126,505)
Write-offs	59,411	-
Balance at the end of the year	**(664,312)**	**(2,766,687)**

During 2022 the securities of the issuer VTB Capital SA. with a carrying amount of KZT 2,295,152 thousand has matured. Due to sanctions imposed on Russian Banks and the impossibility of receiving payment on the bonds, the Group has recognized impairment for the full amount of redeemed bonds.

In 2024, the Company received full repayment of the amount due on the bonds. Consequently, the previously recognized impairment allowance was fully reversed.

19 Amounts payable under repurchase agreements

During 2024, the Group entered into repurchase agreements at Kazakhstan Stock Exchange. As at 31 December 2024 the amounts payable under repurchase agreements were KZT 37,488,870 thousand, which have been repaid in January 2025. The subject-matter of these agreements were coupon bonds of the Ministry of Finance of the Republic of Kazakhstan with fair value of KZT 36,096,603 thousand.

During 2023, the Group entered into repurchase agreements at Kazakhstan Stock Exchange. As at 31 December 2023 the amounts payable under repurchase agreements were KZT 25,419,694 thousand, which have been repaid in January 2024. The subject-matter of these agreements were coupon bonds of the Ministry of Finance of the Republic of Kazakhstan with fair value of KZT 25,252,586 thousand.

As at 31 December 2024 the Group had securities pledged as collateral under repo agreements with carrying amount of KZT 35,883,598 thousand (31 December 2023: KZT 24,405,202 thousand) (Note 13 and 14).

Disclosure of changes in payables under repurchase agreements and cash flows from financial activities:

	2024 KZT'000	2023 KZT'000
Balance as at 1 January	25,419,694	-
Repurchase agreements concluded	1,387,910,074	415,239,501
Repurchase agreements closed	(1,375,748,876)	(390,001,502)
Interest accrued	4,242,277	1,278,837
Interest paid	(4,334,299)	(1,097,142)
	37,488,870	**25,419,694**

20 Other payables

KZT'000	2024	2023
Agency fees payable	1,450,639	530,891
Payables to Unified Accumulation Pension Fund and other life insurance companies	222,578	376,207
Claims payable	89,909	-
Accounts payable under terminated contracts	21,871	639,818
Other payables	45,095	111,506
	1,830,092	**1,658,422**

21 Other liabilities

KZT'000	2024	2023
Payables to employees	2,575,147	894,270
Other taxes payable	916,769	566,460
Other estimated liabilities	207,200	162,385
Liabilities to pay mandatory and additional contributions to Insurance Payment Guarantee Fund	174,774	43,247
Other liabilities	271,936	269,161
	4,145,826	**1,935,523**

22 Equity

(a) Share capital

	Ordinary shares 2024	Ordinary shares 2023
Authorised (ordinary) shares	300,000,000	300,000,000
Issued and outstanding (ordinary) shares	214,287,628	197,464,841
Nominal value, KZT'000	1	1
Issued and fully paid, KZT'000	**214,287,628**	**197,464,841**

During the year ended 31 December 2024 the Group issued 16,822,787 ordinary shares (2023: the Group issued 19,253,234 ordinary shares) at nominal value.

(b) Capital management

The Group is subject to the regulatory requirements of the Republic of Kazakhstan regarding solvency margin as defined by regulations of the NBRK.

The Group is required to maintain a solvency margin ratio at not less than 1. Solvency margin ratio is determined by dividing the actual solvency margin by minimum required solvency margin. Minimum required solvency margin is a composite measure based on a number of factors including net earned premiums, claims paid and premiums ceded to foreign reinsurers.

As at 31 December 2024 and 31 December 2023, the Group complies with the solvency margin ratios, which are as follows:

KZT'000	**2024**	**2023**
Actual solvency margin	204,637,293	162,578,210
Minimum solvency margin	31,466,573	26,781,955
Solvency margin	**6.50**	**6.07**

(c) Dividends

In accordance with Kazakhstan legislation the right of the Group's shareholders to distributable reserves is limited to the balance of retained earnings as recorded in the Company's separate statutory financial statements prepared in accordance with IFRS Accounting Standards or net profit for the year if there is an accumulated loss brought forward. A distribution cannot be made if this would result in negative equity or the Group's insolvency. In accordance with the legislation of the Republic of Kazakhstan, as at 31 December 2024, total reserves available for distribution amounted to KZT 70,911,309 thousand (31 December 2023: KZT 46,699,596 thousand).

During the year ended 31 December 2024 dividends of KZT 33,645,574 thousand or KZT 170.39 per share were declared and paid (2023: KZT 41,006,470 thousand or 230.1 per share) of which KZT 16,822,787 thousand the shareholders reinvested as contribution to share capital (2023: KZT 19,253,234 thousand).

(d) Statutory reserve

During 2024 the Group transferred KZT 100,892 thousand from the statutory reserve to retained earnings (2023: KZT 56,207 thousand) as in accordance with the Resolution of the Management Board of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organisations No.304 dated 26 December 2016 "On Requirements for the Formation, Methodology of Calculation of Insurance Reserves and their Structure, Forms and Deadlines for Submission of Reports in Insurance Reserves", the Group is required to establish a statutory reserve for those insurance products that demonstrate loss rates subject to significant fluctuations during five preceding years.

23 Financial instruments risk management

(a) Risk management policies and procedures

Management of risk is fundamental to the Group's business and forms an essential element of the Group's operations. The major risks faced by the Group are those related to market risk, credit risk and liquidity risk. The risk management policies aim to identify, analyse and manage the risks faced by the Group, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Board of Directors has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures. The Management Board is responsible for monitoring and implementing risk mitigation measures, and ensuring that the Group operates within established risk parameters.

The Head of the Risk Department is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to the Board of Directors and indirectly to the Chairman of the Board.

Both external and internal risk factors are identified and managed throughout the organisation. Special attention is given to revealing the whole list of risk factors and determining the level of adequacy of the current risk mitigation procedures. Apart from the standard credit and market risk analysis, Risk Management Department monitors financial and non-financial risks by holding regular meetings with operational units in order to obtain expert judgments in their respective areas of expertise.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

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

Overall responsibility for market risk is vested in the Risk Management Department, which is controlled by the Board of Directors. Market risk limits are approved by the Board of Directors.

The Group manages its market risk by setting open position limits in relation to the portfolio of individual financial instruments, interest rate maturity and currency positions and stop-loss limits. These are monitored on a regular basis.

The management of the interest rates risk component of market risk by monitoring the interest rate gap is supplemented by monitoring the sensitivity of the Group’s net interest margin to various standard and non-standard interest rate scenarios.

(i) Currency risk

The Group has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

Foreign currency transaction risk arising from insurance and reinsurance contracts is managed by holding cash and investing in assets denominated in currencies that match the related liabilities, to the extent that it is deemed by local management to be both practical and appropriate. The Group’s policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group’s policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The following table shows the foreign currency exposure structure of financial assets and liabilities and insurance and reinsurance contracts as at 31 December 2024:

KZT'000	**KZT**	**USD**	**EUR**	**Other**	**Total**
Assets					
Cash and cash equivalents	36,731,272	11,533,545	1,174,965	566,117	50,005,899
Investment securities measured at fair value through profit or loss	2,132,485	70,812	-	-	2,203,297
Investment securities measured at fair value through other comprehensive income	76,595,798	70,030,707	107,556	-	146,734,061
Investment securities measured at amortised cost	285,320,369	142,242,517	-	-	427,562,886
Reinsurance contract assets	2,021,449	3,423,518	-	-	5,444,967
Loans issued	335,750	-	-	-	335,750
Other financial assets	640,470	36,262	-	-	676,732
Total assets	**403,777,593**	**227,337,361**	**1,282,521**	**566,117**	**632,963,592**
Liabilities					
Insurance contract liabilities	(123,507,888)	(148,672,542)	(17,833,451)	(4,802,028)	(294,815,909)
Amounts payable under repurchase agreements	(37,488,870)	-	-	-	(37,488,870)
Other payables	(1,790,341)	(27,490)	-	(12,261)	(1,830,092)
Other financial liabilities	(265,196)	(6,521)	(31)	(188)	(271,936)
Total liabilities	**(163,052,295)**	**(148,706,553)**	**(17,833,482)**	**(4,814,477)**	**(334,406,807)**
Net position as at 31 December 2024	**240,725,298**	**78,630,808**	**(16,550,961)**	**(4,248,360)**	**298,556,785**

The following table shows the foreign currency exposure structure of financial assets and liabilities and insurance and reinsurance contracts as at 31 December 2023:

KZT'000	KZT	USD	EUR	Other	Total
Assets					
Cash and cash equivalents	14,063,180	9,733,543	1,643,281	1,953,941	27,393,945
Investment securities measured at fair value through profit or loss	2,094,679	44,943	-	-	2,139,622
Investment securities measured at fair value through other comprehensive income	54,442,982	37,298,684	89,228	-	91,830,894
Investment securities measured at amortised cost	244,438,370	113,915,661	-	-	358,354,031
Insurance contract assets	323,414	-	-	29,793	353,207
Reinsurance contract assets	1,186,555	462,473	-	-	1,649,028
Other financial assets	1,099,124	8,908	-	-	1,108,032
Total assets	**317,648,304**	**161,464,212**	**1,732,509**	**1,983,734**	**482,828,759**
Liabilities					
Insurance contract liabilities	(74,212,626)	(99,032,135)	(28,419,376)	(4,258,927)	(205,923,064)
Reinsurance contract liabilities	-	(70,009)	-	-	(70,009)
Amounts payable under repurchase agreements	(25,419,694)	-	-	-	(25,419,694)
Other payables	(1,544,286)	(39,477)	(11)	(74,648)	(1,658,422)
Other financial liabilities	(261,645)	(2,374)	(4,979)	(163)	(269,161)
Total liabilities	**(101,438,251)**	**(99,143,995)**	**(28,424,366)**	**(4,333,738)**	**(233,340,350)**
Net position as at 31 December 2023	**216,210,053**	**62,320,217**	**(26,691,857)**	**(2,350,004)**	**249,488,409**

A weakening of the KZT, as indicated below, against the following currencies at 31 December 2024 and 31 December 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is on net of tax basis and is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2024		**2023**	
KZT'000	**Net income**	**Equity**	**Net income**	**Equity**
20% appreciation of USD				
Insurance and reinsurance contracts	(23,239,844)	(23,239,844)	(15,782,347)	(15,782,347)
Financial assets and liabilities	30,877,872	35,820,773	21,608,661	25,753,582
20% appreciation of EUR				
Insurance and reinsurance contracts	(2,853,352)	(2,853,352)	(4,547,100)	(4,547,100)
Financial assets and liabilities	187,989	205,198	262,127	276,403

A strengthening of KZT against the above currencies at 31 December 2024 and 31 December 2023 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event that unexpected movements occur.

Interest rate risk arises when the actual or forecast assets of a given maturity period are either greater or less than the actual or forecast liabilities in that maturity period.

The Group's interest-sensitive instruments are as follows:

KZT'000	2024 Fixed rate	2024 Floating rate	2024 Total	2023 Fixed rate	2023 Floating rate	2023 Total
Financial assets and liabilities						
Cash and cash equivalents	44,827,519	-	**44,827,519**	23,396,875	-	**23,396,875**
Investment securities measured at fair value through profit or loss – debt instruments	1,577,054	-	**1,577,054**	1,561,017	-	**1,561,017**
Investment securities measured at fair value through other comprehensive income - debt instruments	97,621,763	18,083,690	**115,705,453**	50,743,686	15,064,306	**65,807,992**
Investment securities measured at amortised cost	421,028,095	6,534,791	**427,562,886**	351,775,262	6,578,769	**358,354,031**
Loans issued	335,750	-	**335,750**	-	-	-
Amounts payable under repurchase agreements	(37,488,870)	-	**(37,488,870)**	(25,419,694)	-	**(25,419,694)**
Insurance and reinsurance contracts						
Assets	-	-	**5,444,967**	-	-	**2,002,235**
Liabilities	-	-	**(294,815,909)**	-	-	**(205,993,073)**

An analysis of the Group's sensitivity to a 100-basis point (bp) increase or decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below:

	2024 Profit or loss	2024 Equity	2023 Profit or loss	2023 Equity
100 bp parallel rise				
Financial assets and liabilities	(272,896)	(272,896)	(287,392)	(287,392)
Insurance and reinsurance contracts	1,403,502	2,212,965	926,153	1,210,580
100 bp parallel fall				
Financial assets and liabilities	272,896	272,896	287,392	287,392
Insurance and reinsurance contracts	(1,388,756)	(2,296,057)	(900,251)	(1,212,162)

The effects on profit or loss and equity are presented net of the related income tax.

An analysis of sensitivity of profit or loss and equity as a result of changes in the fair value of debt financial assets measured at fair value due to changes in the interest rates based on positions existing as at 31 December 2024 and 31 December 2023 and a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves using modified duration method is as follows:

	2024 Profit or loss	2024 Equity	2023 Profit or loss	2023 Equity
100 bp parallel fall	36,615	2,790,523	48,361	1,686,190
100 bp parallel rise	(44,408)	(3,326,899)	(43,439)	(1,840,444)

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Equity price risk arises when the Group takes a long or short position in a financial instrument.

An analysis of sensitivity of profit or loss and equity to changes in securities prices based on positions existing as at 31 December 2024 and 2023 and a simplified scenario of a 5% change in all securities prices is as follows: The analysis was made on a before-tax basis.

	2024		2023	
KZT'000	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
5% increase in securities prices	31,312	1,581,347	28,930	1,329,214
5% decrease in securities prices	(31,312)	(1,581,347)	(28,930)	(1,329,214)

(c) Credit risk

Credit risk the risk of financial loss to the Group if a customer or counterparty to a reinsurance contract or financial instrument fails to meet its contractual obligations. The Group has policies and procedures in place to manage credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration. The credit policy is reviewed and approved by the Management Board.

The Group continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. Apart from individual customer analysis, the credit portfolio is assessed by the Risk Department with regard to credit concentration and market risks.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets on the consolidated statement of financial position and unrecognised contractual commitment amounts. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The maximum exposure to a balance sheet credit risk at the reporting date is as follows:

KZT'000	**2024**	**2023**
ASSETS		
Cash and cash equivalents	50,002,763	27,383,792
Investment securities measured at FVTPL - debt instruments	1,577,054	1,561,017
Investment securities measured at FVOCI – debt instruments	115,705,453	65,807,992
Investment securities measured at amortised cost	427,562,886	358,354,031
Loans issued	335,750	-
Insurance contract assets	-	353,207
Reinsurance contract assets	5,444,967	1,649,028
Other financial assets	676,732	1,108,032
Total maximum exposure	**601,305,605**	**456,217,099**

As at 31 December 2024 the Group has balances with one counterparty (31 December 2023: one counterparties), credit risk exposure to whom exceeds 10% of maximum credit risk exposure. The credit risk exposure for this counterparty as at 31 December 2024 is KZT 280,809,406 thousand (31 December 2023: KZT 267,394,334 thousand).

Offsetting financial assets and financial liabilities

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

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

The Group's sale and repurchase, reverse sale and repurchase transactions, and securities borrowings and lendings are covered by master agreements with netting terms similar to those of ISDA Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of transactions outstanding in the same currency under the agreement are aggregated into a single net amount payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed, and only a single net amount is due or payable in settlement transactions. The above ISDA master netting arrangements do not meet the offsetting criteria in the consolidated statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties.

In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

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

KZT'000		**Gross amount of recognised financial assets/ liabilities offset in the consolidated statement of financial position**	**Net amount of financial assets/ liabilities presented in the consolidated statement of financial position**	**Related amounts not offset in the consolidated statement of financial position**	
Types of financial assets/liabilities	**Gross amounts of recognised financial asset/liability**			**Financial instruments**	**Net amount**
Reverse repurchase agreements, securities borrowings and similar agreements	16,102,573	-	16,102,573	(16,105,718)	(3,145)
Total financial assets	**16,102,573**	**-**	**16,102,573**	**(16,105,718)**	**(3,145)**
Repurchase agreements, securities lending agreements	(37,488,870)	-	(37,488,870)	36,096,603	(1,392,267)
Total financial liabilities	**(37,488,870)**	**-**	**(37,488,870)**	**36,096,603**	**(1,392,267)**

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

KZT'000		**Gross amount of recognised financial assets/ liabilities offset in the consolidated statement of financial position**	**Net amount of financial assets/ liabilities presented in the consolidated statement of financial position**	**Related amounts not offset in the consolidated statement of financial position**	
Types of financial assets/liabilities	**Gross amounts of recognised financial asset/liability**			**Financial instruments**	**Net amount**
Reverse repurchase agreements, securities lending agreements	6,493,556	-	6,493,556	(6,387,037)	106,519
Total financial assets	**6,493,556**	**-**	**6,493,556**	**(6,387,037)**	**106,519**
Repurchase agreements, securities lending agreements	(25,419,694)	-	(25,419,694)	24,405,202	(1,014,492)
Total financial liabilities	**(25,419,694)**	**-**	**(25,419,694)**	**24,405,202**	**(1,014,492)**

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the consolidated statement of financial position that are disclosed in the above tables are measured in the consolidated statement of financial position at amortised cost.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its insurance contracts and financial liabilities that are settled by delivering cash or another financial asset. Although the relatively illiquid nature of insurance contracts allows the Group to invest in less liquid but higher-yielding assets, liquidity risk arises from funds composed of illiquid assets and results from mismatches in the liquidity profile of assets and liabilities.

The board of directors sets the Group's strategy for managing liquidity risk. Group's risk management and treasury manage the Group's liquidity position on a day-to-day basis. The Group's objective in managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The key elements of the Group's liquidity strategy are as follows:

- Maintaining a diversified funding base and appropriate contingency facilities.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity, that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.
- Matching, to the maximum extent possible, the cash flows of the Group's financial assets with the cash flows of insurance contracts and other financial liabilities.
- Monitoring liquidity ratios and carrying out stress-testing of the Group's liquidity position against various exposures and global, country-specific and Group -specific events.

Group treasury and risk management maintain a pool of short-term liquid assets that is intended to provide sufficient liquidity in the Group as a whole to cover short-term fluctuations in the liquidity requirements. Longer-term funding is used to manage structural liquidity requirements.

Regular liquidity stress-testing is conducted under a variety of scenarios, covering both normal and more severe market conditions. The scenarios are developed taking into account both Group specific events and market-related events.

The following table provides a maturity analysis of the Groupss's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur. Liabilities for remaining coverage measured under the PAA have been excluded from this analysis.

	Estimates of present value of future cash flows						
2024 **KZT'000**	**1 year or less**	**1–2 years**	**2–3 years**	**3–4 years**	**4–5 years**	**More than 5 years**	**Total**
Insurance and reinsurance contract liabilities	(148,090,076)	(52,359,172)	(24,222,378)	(6,109,544)	(1,639,380)	(7,034,353)	**(239,454,903)**

	Estimates of present value of future cash flows						
2023 **KZT'000**	**1 year or less**	**1–2 years**	**2–3 years**	**3–4 years**	**4–5 years**	**More than 5 years**	**Total**
Insurance and reinsurance contract liabilities	(126,784,453)	(12,727,170)	(22,671,034)	(3,886,126)	(883,829)	(1,515,815)	**(168,468,427)**

The remaining contractual maturity dates of financial liabilities of the Group as at 31 December 2024 and 31 December 2023 fall under category "1 year or less". The Group's undiscounted flows from financial liabilities do not differ significantly from their carrying amount.

24 Contingencies

(a) Litigations

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

(b) Taxation contingencies

The taxation system in the Republic of Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities, in particular recognition of income, expenses and other items of the consolidated financial statements under IFRS Accounting Standards. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

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

25 Financial assets and liabilities: fair values

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

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

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

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

The fair value of unquoted equity securities measured at FVOCI with a carrying value of KZT 27,918 thousand (2023: KZT 27,918 thousand) cannot be determined.

(a) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

The following table analyses the fair value of financial instruments, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2024:

KZT'000	Level 1	Level 2	Total fair values	Total carrying amount
Investment securities measured at FVTPL	626,243	1,577,054	2,203,297	2,203,297
Investment securities measured at FVOCI	66,788,722	79,917,421	146,706,143	146,706,143
Investment securities measured at amortised cost	95,327,064	323,879,007	419,206,071	427,562,886

The following table analyses the fair value of financial instruments, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2023:

KZT'000	Level 1	Level 2	Total fair values	Total carrying amount
Investment securities measured at FVTPL	578,605	1,561,017	2,139,622	2,139,622
Investment securities measured at FVOCI	60,329,838	31,473,138	91,802,976	91,802,976
Investment securities measured at amortised cost	113,624,555	233,392,750	347,017,305	358,354,031

During 2024 and 2023 there were no movements between levels in the fair value hierarchy.

As at 31 December 2024 and 31 December 2023 the fair value of financial assets and liabilities measured at amortised cost, other than investment securities approximates to their carrying value and categorised to Level 2 of fair value hierarchy.

26 Related party transactions

(a) Control relationships

The Group's parent company is JSC Eurasian Financial Company (the "Parent company"). The Parent company is controlled by the group of individuals, Mr Mashkevich A.A., Mr Chodiyev P.K. and Ms Ibragimova M.Kh., each of whom owns 33.3%. Publicly available consolidated financial statements are produced by the Group's parent.

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

Total remuneration included in personnel expenses for the year ended 31 December 2024 and 31 December 2023 is as follows:

KZT'000	2024	2023
Members of the Board of Directors and Management Board	2,600,857	2,170,503

(c) Transactions with other related parties

Other related parties comprise companies under control of Mr Mashkevich A.A., Mr Chodiyev P.K., and Ms Ibragimova M.Kh.

The outstanding balances as at 31 December 2024 and related profit or loss amounts of transactions with other related parties are as follows:

	Parent company	**Fellow subsidiaries**		**Other**	**Total**
	KZT'000	**KZT'000**	**Average interest rate, %**	**KZT'000**	**KZT'000**
Assets					
Cash and cash equivalents					
- in KZT	-	21,396,209	13.8%	-	**21,396,209**
- in USD	-	7,359,264	3.6%	-	**7,359,264**
- in EUR	-	1,174,965	-	-	**1,174,965**
- in RUB	-	19,847	3%	-	**19,847**
- other	-	546,078	-	-	**546,078**
Other assets	-	87,062	-	458,000	**545,062**
Liabilities					
Advances on insurance contracts	-	(835)	-	-	**(835)**
Other payables	-	(413,044)	-	-	**(413,044)**
Other liabilities	-	(30,383)	-	-	**(30,383)**
Profit/(loss)					
Interest income calculated using the effective interest method	-	2,821,471	-	-	**2,821,471**
Other operating expenses	-	(255,410)	-	-	**(255,410)**
Other income, net	10,600	32,453	-	215,457	**258,510**
Insurance contracts					
Premiums received	2,504	4,515,014	-	29,162,483	**33,680,001**
Claims paid	(48,488)	(1,950,040)	-	(6,967,612)	**(8,966,140)**
Commission paid	-	(16,769,071)	-	-	**(16,769,071)**
Commitments					
Total aggregate exposures*	32,500	96,278,638	-	624,621,965	**720,933,103**

*Commitments comprise a total insurance amount under valid insurance contracts entered into with related parties.

The outstanding balances as at 31 December 2023 and related profit or loss amounts of transactions with other related parties are as follows:

	Parent company	**Fellow subsidiaries**		**Other**	**Total**
	KZT'000	**KZT'000**	**Average interest rate, %**	**KZT'000**	**KZT'000**
Assets					
Cash and cash equivalents					
- in KZT	-	12,055,632	15%	-	**12,055,632**
- in USD	-	4,916,526	2%	-	**4,916,526**
- in EUR	-	1,643,554	-	-	**1,643,554**
- in RUB	-	5,226	5%	-	**5,226**
- other	-	1,948,986	-	-	**1,948,986**
Other assets	-	25,310	-	324,338	**349,648**
Liabilities					
Advances on insurance contracts	-	(99)	-	(24,622)	**(24,721)**
Other payables	-	(243,586)	-	(11,175)	**(254,761)**
Other liabilities	-	(12,467)	-	-	**(12,467)**
Profit/(loss)					
Interest income calculated using the effective interest method	-	3,274,110	-	-	**3,274,110**
Other operating expenses	-	(218,675)	-	-	**(218,675)**
Other income, net	10,599	22,913	-	215,581	**249,093**
Insurance contracts					
Premiums received	49	4,766,458	-	24,259,139	**29,025,646**
Claims paid	-	(873,645)	-	(10,556,266)	**(11,429,911)**
Commission paid	-	(23,841,118)	-	-	**(23,841,118)**
Commitments					
Total aggregate exposures*	41,453	92,127,614	-	560,611,352	**652,780,419**

*Commitments comprise a total insurance amount under valid insurance contracts entered into with related parties.

In 2024 the Group declared and paid dividends to the shareholders of KZT 33,645,574 thousand (2023: KZT 41,006,470 thousand).

27 Subsequent events

On 22 March 2025 Alexander Mashkevich, one of the beneficiary owners of Eurasia Insurance Company JSC, died. In accordance with the Civil Code of the Republic of Kazakhstan, a certificate of inheritance rights is issued six months after the date of opening of inheritance.