

# **Joint Stock Company Freedom Finance**

Consolidated Financial Statements and  
Independent Auditor's Report  
For the Year Ended 31 December 2024

# Joint Stock Company Freedom Finance

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# Joint Stock Company Freedom Finance

## Statement of Management's Responsibilities

### For the Preparation and Approval of the Consolidated Financial Statements

For the year ended 31 December 2024

Management of JSC Freedom Finance is responsible for the preparation of the consolidated financial statements that present fairly the financial position of JSC Freedom Finance and its subsidiaries (collectively – “the Group”) as at 31 December 2024, and the related consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and of material accounting policy information and notes to the consolidated financial statements (“the consolidated financial statements”) in compliance with IFRS Accounting Standards (further – “IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

In preparing the consolidated financial statements, management is responsible for:

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

Management is also responsible for:

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

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by the Management Board on 28 April 2025.

On behalf of the Management Board:

  
**Lukyanov S.N.**  
**Chairman of the Management Board**

28 April 2025  
Almaty, Kazakhstan



  
**Khon T.E.**  
**Chief Accountant**

28 April 2025  
Almaty, Kazakhstan

## INDEPENDENT AUDITOR'S REPORT

To Shareholder and the Board of Directors of Joint Stock Company Freedom Finance

### Opinion

We have audited the consolidated financial statements of Joint Stock Company Freedom Finance and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 ("IASB").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards)* ("the IESBA Code") together with the ethical requirements that are relevant to our audit of the 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.

### Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**Why the matter was determined to be a key audit matter****How the matter was addressed in the audit**

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*Valuation of securities classified as at fair value through profit or loss*

As at 31 December 2024, financial assets classified as measured at fair value through profit or loss ("FVTPL") of KZT 1,326,379,597 thousand comprise securities issued by a range of institutions, including those where the Group provided market-making services.

These include traded equity and debt securities, whose valuation is dependent upon the quotes from a market maker, set up by them during the reporting period and which are subject to possible manipulation or errors. As securities of the Group are measured at fair value using market maker quotes at each reporting date, incorrect asset pricing or failure to determine proper market quotes could have an impact on the valuation of securities at FVTPL and the Group's results, respectively.

Given the significance of the securities account balance to the consolidated financial statements and the volume of transactions with securities, we believe it is a key audit matter to verify that market quotes used by the Group correspond to independent pricing sources.

In addition, these transactions may be subject to the potential risk of management override of controls, which has a pervasive effect on the consolidated financial statements.

Refer to Note 17 for the disclosure of such securities, to Note 33 for the description of internal regulations on securities transactions accounting and to Note 34 for the description of risk management policies in relation to such securities.

We gained an understanding of the processes and control procedures over management's approval over transactions with securities and valuation methodology of securities.

On a sample basis, we selected transactions with securities that had occurred during the year and analyzed if they were appropriately approved in accordance with the Group's internal regulations.

For selected transactions, we compared the valuation for the accounting purpose with the market quotes from independent pricing sources as at the reporting date and recalculated the fair value of the respective securities. We have also checked the appropriateness of classification of fair value hierarchy in accordance with IFRS Accounting Standards requirements.

We have tested the existence of the selected transactions of securities by comparing quantity data to independently received third party confirmations from investment custodians.

We evaluated the adequacy and completeness of disclosures in the consolidated financial statements relating to the securities classified as at fair value through profit or loss in accordance with IFRS Accounting Standards requirements.

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
<p><i>The calculation of liabilities for the remaining coverage under retirement annuity contracts</i></p>	
<p>The calculation of liabilities for the remaining coverage under retirement annuity contracts includes an estimate of the present value of future cash flows ("PVFCF") (KZT 95,343,343 thousand as at 31 December 2024 and KZT 37,609,012 thousand as at 31 December 2023) and the contractual service margin ("CSM") (KZT 29,729,047 thousand as at 31 December 2024 and KZT 17,318,416 thousand as at 31 December 2023), applying certain significant assumptions.</p>	<p>We gained an understanding of the processes and control procedures for calculating liabilities under pension annuity contracts performed in accordance with the requirements of IFRS 17 and the Group's methodology.</p>
<p>The estimate of the present value of the future cash flows shall incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. To do this, Group shall estimate the expected value (i.e. the probability-weighted mean) of the full range of possible outcomes.</p>	<p>We engaged our actuarial specialists to evaluate the methodology, models and assumptions regarding the calculation of the remaining coverage obligations under retirement annuity agreements.</p>
<p>The contractual service margin (CSM) is estimated using a complex model that takes into account changes in estimates during the reporting period.</p>	<p>We assessed whether the actuarial methodology, models and assumptions used to calculate the components of liabilities under insurance contracts - cash flows for the performance of contracts, margin for contractual services and (if applicable) the loss component, are in accordance with the requirements of IFRS 17 and the financial reporting framework.</p>
<p>The evaluation of assumptions used in determining the present value of the future cash flows and the contractual service margin requires the application of management judgment, which may be subject to significant bias resulting from unreasonable and inappropriate assumptions and simplifications.</p>	<p>We focused on estimating the present value of future cash flows and changes unlocking contractual service margin, and assessed whether the assumptions and simplifications used by management in estimating such liabilities are reasonable and appropriate.</p>
<p>Due to the inherent subjectivity of management's judgment and the complexity of the valuation model - particularly in relation to liabilities for remaining coverage under pension annuity contracts - we identified the assessment of assumptions and the contractual service margin model as a key audit matter.</p>	
<p>Notes 2 and 7 to the consolidated financial statements describe the methodology, the Group's judgment used in estimating assumptions and information on the margin estimate for contractual service (CSM), and notes 2 and 4 to the consolidated financial statements describe the methodology, the Group's judgments used in the valuation and the estimated present value of future cash flows.</p>	

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
<p><i>Expected credit losses (ECL) on loans to customers assessed on collective basis</i></p> <p>As disclosed in Note 20 as at 31 December 2024, gross loans to customers amounted to KZT 787,886,027 thousand, including KZT 709,194,868 thousand, of which, the allowance for impairment losses was assessed on a collective basis.</p> <p>Management's collective assessment of expected credit losses considers loans with similar credit risk characteristics that are indicative of debtors' capacity to pay. As disclosed by management in these financial statements, the recognition and measurement of ECL involves the use of significant judgement and estimation. The estimation of ECL requires expert judgment and the use of historical, current and future information. Due to the high degree of judgement in evaluating the assumptions underlying the ECL, and volume of audit procedures in assessing the audit evidence for the resulting calculations we identified the collective assessment of ECL as a key audit matter.</p>	<p>Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our opinion on the consolidated financial statements. These procedures included, among others:</p> <ul style="list-style-type: none"> <li>• With the involvement of our credit risk advisory specialists, evaluating models with respect to the estimation criteria and calculation, the models utilized for the estimation of the Probability of Default (PD), the Loss Given Default (LGD) and the Exposure at Default (EAD), the appropriateness of the methodology used for the generation of the macroeconomic scenarios and its compliance with IFRS 9 <i>Financial instruments</i> requirements;</li> <li>• Testing the completeness and accuracy of data provided by management; and</li> <li>• Evaluating the appropriateness of disclosures in respect of significant judgements and sources of estimation uncertainty including macroeconomic scenarios in accordance with IFRS Accounting Standards as issued by the IASB.</li> </ul>

#### Other Matter - Supplementary Financial Information

Our audit was conducted to form an opinion of the consolidated financial statements taken as a whole. Information related to the statements of net assets position of mutual investment funds, which is disclosed as supplementary financial information in Note 36, is presented for the purpose of additional analysis and is not part of these consolidated financial statements. Such supplementary financial information has been prepared by Management of the Group in accordance with investment portfolio managing rule No.10 dated 3 February 2014 approved by the Management Board of the National Bank of the Republic of Kazakhstan and has been subjected to the auditing procedures applied in our audit of the consolidated financial statements. In our opinion, the supplementary information has been properly prepared, in all material respects, in relation to the Group's consolidated financial statements taken as whole.

#### 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 as issued by the IASB, 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.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditor's 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 auditor's 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.

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

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



Danara Serikbayeva  
Auditor  
Qualification certificate  
No. MF-0000460  
dated 6 February 2017



Zhangir Zhilysbayev  
General Director  
Deloitte LLP

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

28 April 2025  
Almaty, Republic of Kazakhstan

# Joint Stock Company Freedom Finance

## Consolidated Statement of Profit or Loss For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023*
Interest income on financial assets at fair value through profit or loss	6	166,019,609	152,949,183
Interest income calculated using the effective interest method	6, 32	152,819,671	103,100,393
Interest expense	6, 32	(213,807,803)	(181,923,335)
<b>NET INTEREST INCOME BEFORE EXPECTED CREDIT LOSSES</b>	<b>6</b>	<b>105,031,477</b>	<b>74,126,241</b>
Expected credit losses	15, 16, 20, 21	(15,880,063)	(13,935,318)
<b>NET INTEREST INCOME</b>		<b>89,151,414</b>	<b>60,190,923</b>
Insurance revenue	7, 32	179,399,381	68,673,581
Insurance services expenses	7, 32	(156,139,499)	(54,275,359)
Net expense from reinsurance contracts held	7	(4,472,359)	(3,377,252)
<b>INSURANCE SERVICE RESULTS</b>	<b>7</b>	<b>18,787,523</b>	<b>11,020,970</b>
Finance expense from insurance activities	8	(19,865,988)	(4,868,730)
Finance income from reinsurance contracts held	8	117,389	31,859
<b>RESULTS FROM INSURANCE ACTIVITIES</b>		<b>(961,076)</b>	<b>6,184,099</b>
Fee and commission income	9, 32	16,772,512	26,621,780
Fee and commission expense	9	(8,481,623)	(13,569,115)
Net realized gain on financial assets at fair value through other comprehensive income		1,066,259	6,937,970
Net gain/(loss) on financial assets at fair value through profit or loss	10	36,705,324	(20,060,402)
Net gain on foreign exchange operations	11, 32	19,840,303	38,033,521
Dividend income		2,122,225	1,464,439
Other income		297,610	515,352
<b>NET NON-INTEREST AND NON-INSURANCE INCOME</b>		<b>68,322,610</b>	<b>39,943,545</b>
Operating expenses	12, 32	(76,116,150)	(48,686,935)
<b>PROFIT BEFORE INCOME TAX</b>		<b>80,396,798</b>	<b>57,631,632</b>
Income tax expense	13	(1,308,502)	(787,908)
<b>NET PROFIT FOR THE YEAR</b>		<b>79,088,296</b>	<b>56,843,724</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	<b>14</b>	<b>6.13</b>	<b>4.78</b>

\*Certain amounts presented in this column do not correspond to the consolidated financial statements for the year ended 31 December 2023, as they include reclassifications, details of which are disclosed in Note 3.

On behalf of the Management Board:

  
Lukyanov S.N.  
Chairman of the Management Board

28 April 2025  
Almaty, Kazakhstan



  
Khon T.E.  
Chief Accountant

28 April 2025  
Almaty, Kazakhstan

The notes on pages 14-125 form an integral part of these consolidated financial statements.

# Joint Stock Company Freedom Finance

## Consolidated Statement of Other Comprehensive Income For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	Year ended 31 December 2024	Year ended 31 December 2023
<b>NET PROFIT FOR THE YEAR</b>	<b>79,088,296</b>	<b>56,843,724</b>
OTHER COMPREHENSIVE INCOME	233,051	2,581,326
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Land and buildings revaluation reserve	(412,924)	412,924
Net gain on revaluation of financial assets at fair value through other comprehensive income, net of income tax of KZT Nil	461,641	2,121,482
Foreign exchange difference on investments in foreign entities (net of income tax of KZT Nil)	286,377	-
Reserves for expected credit losses on financial assets valued at fair value through other comprehensive income	(102,043)	46,920
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>79,321,347</b>	<b>59,425,050</b>

On behalf of the Management Board:

  
Lukyanov S.N.  
Chairman of the Management Board

28 April 2025  
Almaty, Kazakhstan



  
Khon T.E.  
Chief Accountant

28 April 2025  
Almaty, Kazakhstan

The notes on pages 14-125 form an integral part of these consolidated financial statements.

# Joint Stock Company Freedom Finance

## Consolidated Statement of Financial Position

As at 31 December 2024

(in thousands of Kazakhstani Tenge)

	Notes	31 December 2024	31 December 2023
<b>ASSETS:</b>			
Cash and cash equivalents	15, 32	275,797,979	236,278,909
Amounts due from financial institutions	16	47,518,955	45,803,762
Financial assets at fair value through profit or loss	17, 32	1,326,379,597	1,428,997,529
Financial assets at amortised cost	18	254,009,792	101,521,611
Financial assets at fair value through other comprehensive income	19	284,912,362	169,669,055
Loans to customers	20, 32	766,625,863	608,445,229
Accounts receivable	21, 32	4,881,484	3,758,185
Reinsurance contract assets	22	2,224,898	1,508,300
Insurance contract assets	22	31,930	347,885
Current income tax assets		352,250	259,820
Right-of-use assets	23	6,608,926	6,152,073
Property, equipment and intangible assets	24	38,909,975	20,810,400
Goodwill		739,520	739,520
Other assets	25, 32	7,751,476	5,984,992
<b>TOTAL ASSETS</b>		<b>3,016,745,007</b>	<b>2,630,277,270</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Securities repurchase agreement obligations	26	1,128,966,633	1,281,048,382
Due to credit institutions	27	26,535,020	21,822,653
Customer accounts and deposits of customers	28	1,082,643,374	750,478,105
Trade payables		1,370,948	1,646,224
Financial liabilities at fair value through profit and loss		14,365	373,717
Deferred income tax liabilities	13	1,421,774	1,245,661
Reinsurance contract liabilities	22	23,175	172,687
Insurance contract liabilities	22, 32	186,737,690	96,472,257
Liabilities from continuing participation	20	248,307,105	224,613,598
Lease liabilities	29	7,583,540	6,518,954
Other liabilities	25, 32	15,533,737	7,798,728
<b>TOTAL LIABILITIES</b>		<b>2,699,137,361</b>	<b>2,392,190,966</b>
<b>EQUITY:</b>			
Share capital	30	103,510,819	98,510,824
Additional paid-in capital		11,406,927	11,406,927
Financial assets at fair value through other comprehensive income revaluation reserve		3,153,163	2,793,565
Other reserves		142,659	117,516
Retained earnings		199,394,078	125,257,472
<b>TOTAL EQUITY</b>		<b>317,607,646</b>	<b>238,086,304</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,016,745,007</b>	<b>2,630,277,270</b>

On behalf of the Management Board:

Lukyanov S.N.

Chairman of the Management Board

28 April 2025

Almaty, Kazakhstan

Khon T.E.

Chief Accountant

28 April 2025

Almaty, Kazakhstan

The notes on pages 14-125 form an integral part of these consolidated financial statements.

# Joint Stock Company Freedom Finance

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	Notes	Share capital- ordinary shares	Additional paid-in capital	Financial assets at fair value through other comprehensive income revaluation reserve	Other reserves*	Retained earnings	Total equity
<b>31 December 2022</b>		<b>66,822,797</b>	<b>17,106,927</b>	<b>625,163</b>	<b>1,332,153</b>	<b>66,786,187</b>	<b>152,673,227</b>
Net income		-	-	-	-	56,843,724	56,843,724
Other comprehensive income		-	-	2,168,402	412,924	-	2,581,326
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>2,168,402</b>	<b>412,924</b>	<b>56,843,724</b>	<b>59,425,050</b>
Issue of ordinary shares	30	31,688,027	(5,700,000)	-	-	-	25,988,027
Other reserves*		-	-	-	(1,627,561)	1,627,561	-
<b>31 December 2023</b>		<b>98,510,824</b>	<b>11,406,927</b>	<b>2,793,565</b>	<b>117,516</b>	<b>125,257,472</b>	<b>238,086,304</b>
Net income		-	-	-	-	79,088,296	79,088,296
Other comprehensive income		-	-	359,598	(126,547)	-	233,051
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>359,598</b>	<b>(126,547)</b>	<b>79,088,296</b>	<b>79,321,347</b>
Issue of ordinary shares	30	4,999,995	-	-	-	-	4,999,995
Dividends declared		-	-	-	-	(4,800,000)	(4,800,000)
Other reserves*		-	-	-	151,690	(151,690)	-
<b>31 December 2024</b>		<b>103,510,819</b>	<b>11,406,927</b>	<b>3,153,163</b>	<b>142,659</b>	<b>199,394,078</b>	<b>317,607,646</b>

\*The Group recognizes income in the form of insurance premiums under contracts of compulsory employee accident insurance in the performance of their labour (official) duties (hereinafter referred to as CEAI), considering the correction factor. The reserve of unearned premiums in the Group's consolidated financial statements under CEAI contracts is formed based on the amount of the insurance premium, considering the correction factor. The difference between the calculated reserve of unearned premiums with the correction factor and the reserve of unearned premiums without the correction factor, the Group considers in equity, as part of other reserves, due to retained earnings of the current reporting period.

On behalf of the Management Board:

**Lukyanov S.N.**  
Chairman of the Management Board

28 April 2025  
Almaty, Kazakhstan

**Khon T.E.**  
Chief Accountant

28 April 2025  
Almaty, Kazakhstan

The notes on pages 14-125 form an integral part of these consolidated financial statements.

# Joint Stock Company Freedom Finance

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit before income tax		80,396,798	57,631,632
Adjustments for:			
Unrealized gain on financial assets at fair value through profit or loss	10	(25,624,666)	(15,905,872)
Expected credit losses		15,880,063	13,935,318
Net unrealised loss on foreign exchange operations		9,839,813	1,025,487
Loss on disposal of property, equipment and intangible assets		8,360	21,874
Depreciation and amortization of property, equipment and intangible assets	24	2,833,034	1,731,805
Depreciation of right-of-use assets	23	2,382,764	1,548,059
Interest expense on lease liability	23	878,726	783,840
Recovery of impairment loss		(16,621)	-
Net realised gain on financial assets at fair value through other comprehensive income		(706,661)	(5,662,911)
Accrued unused vacation expense		638,366	888,362
Net change in accrued interest		(13,710,586)	(59,714,775)
<b>Cash flows from/(used in) operating activities before changes in operating assets and liabilities</b>		<b>72,799,390</b>	<b>(3,717,181)</b>
<b>Changes in operating assets and liabilities</b>			
<b>(Increase)/decrease in operating assets:</b>			
Amounts due from financial institutions		721,618	5,377
Reinsurance contract assets	22	(716,598)	1,282,684
Insurance contract assets		314,131	87,189
Lease recognition		(37,761)	(156,772)
Financial assets at fair value through profit or loss		135,265,814	(580,397,343)
Financial assets measured at amortised cost		(139,616,839)	(93,400,381)
Accounts receivable		1,582,564	(2,064,820)
Loans to customers		(170,774,036)	(319,821,543)
Other assets		(1,849,059)	(1,671,154)
<b>Increase/(decrease) in operating liabilities:</b>			
Securities repurchase agreement obligations		(153,322,097)	743,553,987
Insurance contract liabilities		90,424,967	26,922,765
Reinsurance contract liabilities	22	(149,512)	(345,031)
Financial liabilities through profit and loss		(356,048)	393,726
Customer accounts and deposits of customers		278,684,358	127,303,874
Due to credit institutions		4,395,950	(174,474)
Liabilities from continuing participation		23,693,507	76,707,045
Trade payables		(348,897)	830,862
Other liabilities		6,256,196	3,795,604
<b>Cash flows from/(used in) operating activities before taxation and claims paid</b>		<b>146,967,648</b>	<b>(20,865,586)</b>
Income tax paid	13, 25	(1,132,639)	(90,917)
<b>Net cash flows from/(used in) operating activities</b>		<b>145,835,009</b>	<b>(20,956,503)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, equipment and intangible assets	24	(21,372,868)	(9,873,339)
Purchase of financial assets at fair value through other comprehensive income		(254,946,863)	(134,170,394)
Proceeds on sale of property, equipment and intangible assets		9,432	9,036
Proceeds on sale of financial assets at fair value through other comprehensive income		159,001,237	119,547,329
Consideration paid for acquisition of Freedom Finance Insurance		-	(5,988,020)
<b>Net cash flows used in investing activities</b>		<b>(117,309,062)</b>	<b>(30,475,388)</b>

# Joint Stock Company Freedom Finance

## Consolidated Statement of Cash Flows (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of lease liabilities	29	(2,616,602)	(1,997,939)
Proceeds from issue of ordinary shares	30	4,999,995	25,988,027
Dividends paid	30	(4,800,000)	-
<b>Net cash flows (used in)/from financing activities</b>		<b>(2,416,607)</b>	<b>23,990,088</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>26,109,340</b>	<b>(27,441,803)</b>
<i>Effect of changes in foreign exchange rate on cash and cash equivalents</i>		13,409,730	372,236
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<b>15</b>	<b>236,278,909</b>	<b>263,348,476</b>
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	<b>15</b>	<b>275,797,979</b>	<b>236,278,909</b>

Interest received and paid by the Group during the year ended 31 December 2024, amounted to KZT 302,744,531 thousand (2023: KZT 192,712,288 thousand) and KZT 211,495,447 thousand (2023: KZT 178,283,904 thousand), respectively.

Cash from dividends received by the Group from common shares during the year ended 31 December 2024 amounted to KZT 3,483,767 thousand (2023: KZT 3,053,684 thousand).

On behalf of the Management Board:

  
Lukyanov S.N.  
Chairman of the Management Board

28 April 2025  
Almaty, Kazakhstan

  
Khon T.E.  
Chief Accountant

  
28 April 2025  
Almaty, Kazakhstan

The notes on pages 14-125 form an integral part of these consolidated financial statements.



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2024

*(in thousands of Kazakhstani Tenge)*

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### 1. Organization

JSC Freedom Finance (“the Company”) and its subsidiaries (collectively – “the Group”) provide brokerage, underwriting, market making services principally in Kazakhstan and Kyrgyzstan and banking and insurance services in Kazakhstan. The Company is a Joint Stock Company registered in the Republic of Kazakhstan on 1 November 2006 as JSC Seven Rivers Capital and re-registered under the current name on 9 September 2013. The Company was renamed and re-registered according to the decision #28 of LLC Investment Company Freedom Finance, the sole shareholder of the Group (“the Parent”) since 26 August 2013. On November 2022, Freedom Holding Corp. became the 100% direct owner of the Company. The Group is regulated by the National Bank of the Republic of Kazakhstan (“the NBRK”) and the Agency of the Republic of Kazakhstan for the regulation and development of the financial market (“the Agency”). The Company operates under licenses No. 0403201437 dated 21 March 2007 in brokerage and dealing activities on capital markets with the right of book keeping as the nominee holder and No. 040120061 dated 21 March 2007 in investment portfolio management issued by the NBRK. The above licenses have been replaced by the NBRK with a single license No. 4.2.111/218 dated 3 July 2014 in brokerage and dealing activities on capital markets with the right of book keeping as the nominee holder and investment portfolio managements issued by the NBRK.

Due to the change in the legal address of the Company, on 2 October 2018, the existing license was renewed for a new license No. 3.2.238/15 in brokerage and dealing activities on capital markets with the right of book keeping as the nominee holder and investment portfolio managements without the right to attract voluntary pension contributions.

On 4 February 2020, the Company received a license № 4.3.12 to conduct banking operations in foreign currency, which gives the right to conduct exchange operations with foreign currency, with the exception to conducting petty cash foreign exchange operations.

Subsidiary JSC Freedom Bank Kazakhstan (“the Bank”) operates under license No. 1.1.260 for carrying out banking and other operations and activities on the securities market. On 25 June 2024, the Bank's license for banking and other operations No. 1.1.108 was reissued in connection due to the change of name and the re-registration procedure and replaces the previous licenses. The Bank’s subsidiary in Tajikistan obtained banking license No. 0000328 issued by the National Bank of Tajikistan. The Bank is a member of the obligatory deposit insurance system provided by the JSC Kazakhstan Deposit Insurance Fund. In 2024, bonds of the Bank were included in the official list of the Kazakhstan Stock Exchange (“KASE”). As of 31 December 2024, trading in these bonds was not opened.

Subsidiary JSC Freedom Finance Insurance initially possessed insurance license for insurance and reinsurance activities in the general insurance sector No.2.1.50 dated 23 October 2009 issued by the NBRK. Due to a change in name from Joint Stock Company “Insurance Company “Trust Insurance” to Joint Stock Company “Insurance Company “Freedom Finance Insurance”, on 29 October 2018, JSC Freedom Finance Insurance underwent state re-registration and on 14 November 2018 the license No. 2.2.51 was re-registered. On 24 November 2022, the license was updated and assigned a new number No. 2.1.16.



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

Subsidiary JSC Freedom Life for the first time received a license to carry out insurance and reinsurance activities in the life insurance industry No. 2.2.48 dated 30 January 2015, issued by the NBRK. In connection with the change in the name from Joint Stock Company "Asia Life" to Joint Stock Company "Freedom Life", on 29 October 2018, the procedure for re-registration of the JSC Freedom Life was carried out and on 14 November 2018, license No. 2.2.48 was reissued. On 28 May 2019, the procedure for reissuing license No. 2.2.51 was carried out and the right to carry out activities in the compulsory form of insurance - tourist insurance was obtained. On 28 December 2022, JSC Freedom Life obtained the right of voluntary insurance – life insurance in the framework of the educational annuity system and received renewed license No 2.2.14 issued by the Agency.

On 3 July 2024, in connection with the change of JSC Freedom Life's name from Joint-Stock Company "Freedom Finance Life" to Joint-Stock Company "Freedom Life", the Company was re-registered and on November 14, 2018, license No. 2.2.14 dated 22 July 2024, issued by the Agency, was reissued.

As at 31 December 2024 and 2023, the shareholders structure is presented in the table below and the ultimate controlling party is Turlov T.R.

	31 December 2024	31 December 2023
Freedom Holding Corp.	100%	100%
	<b>100%</b>	<b>100%</b>

The principal activities of the Group are operations in the professional securities market, securities market advisory services, brokerage and dealing, distribution and underwriting of securities, securities trading as an agent in the Group's own right and rendering of asset management services, insurance and banking services.

During 2024 and 2023, the Group managed mutual investment funds Fixed Income ("Fund 1") and Goodwill ("Fund 2"). As at 31 December 2024 and 2023, the net assets of Fund 1 amounted to KZT 5,717,583 thousand and KZT 4,841,130 thousand, respectively, and the net assets of Fund 2 amounted to KZT 893,177 thousand and KZT 774,627 thousand, respectively (Note 36).

The Group has a listing with KASE and is a participant on Astana International Exchange ("AIX").

The Group's registered legal address is Al Farabi ave., building 77/7, business center Esentai Tower, Almaty, the Republic of Kazakhstan.

As at 31 December 2024, the Group had 10 branch offices in major cities of Kazakhstan and 1 branch office in Kyrgyzstan (31 December 2023 – 14 and 1, respectively).

These consolidated financial statements have been approved by the Management Board of the Group on 28 April 2025.

# Joint Stock Company Freedom Finance

Notes to the Consolidated Financial Statements (Continued)  
For the Year Ended 31 December 2024  
(in thousands of Kazakhstani Tenge)

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## 2. Material accounting policy information

### Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements have been prepared assuming that the Group is a going concern, as the Group have the resources to continue in operation for the foreseeable future. In making this assessment the management have considered a wide range of information in relation to present and future economic conditions, including projections of cash flows, profit and capital resources.

These consolidated financial statements are presented in thousands of Kazakhstani tenge ("KZT thousand"), unless otherwise indicated.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

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

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

The Group presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) is presented in Note 34.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### Functional currency

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

### Consolidated subsidiaries

These consolidated financial statements include the following subsidiaries:

Subsidiary	Holding %		Country	Industry
	31 December 2024	31 December 2023		
JSC Freedom Bank Kazakhstan	100	100	Kazakhstan	Banking
JSC Freedom Life	100	100	Kazakhstan	Insurance
JSC Freedom Finance Insurance	100	100	Kazakhstan	Insurance

As at 31 December 2024 and 2023, there were no dividends declared by the subsidiaries.

### Offsetting

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

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

*(in thousands of Kazakhstani Tenge)*

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When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiaries begins when the Company obtains control over the subsidiaries and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated profit or loss account from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to any non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to any non-controlling interests ("NCI") even if this results in any non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

#### **Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain/loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiaries and any NCI. All amounts previously recognised in OCI in relation to that subsidiaries are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiaries (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiaries at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities are recognized and measured in accordance with IAS 12 *Income Taxes* ("IAS 12");
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* ("IFRS 2") at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5") are measured in accordance with that standard.

#### Business combination under common control

A business combination involving business entities under common control is a business combination whereby all of the combining business entities are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

The effects of combinations of businesses under common control are accounted for by the Group by the pooling of interests method, assuming that: assets and liabilities of the combining business entities are measured at their carrying values as disclosed in the Group's consolidated financial statements, merger-related transaction costs are expensed in the consolidated statement of profit or loss, mutual balances are eliminated, any difference between the purchase price paid/transferred and the value of net assets acquired (at their carrying values disclosed in the consolidated financial statements) shall be recognized in equity of the acquirer.

#### Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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### Segment reporting

The Group operates in the one operating segment offering financial services to its customers in a single geographic region. The Group provides retail securities brokerage services, consulting investment services, underwriting services, asset management, banking services, market making services, general insurance and life insurance services. The Group generates revenue from customers primarily from interest income, insurance revenue and fee and commission income. The Group does not use profitability reports or other information disaggregated on a regional, country or divisional basis for making business decisions. For the years ended 31 December 2024 and 2023, the Group did not generate income from transactions with single external counterparty exceeding at least 10 per cent of the Group's income.

### Revenue recognition

#### Recognition of interest income and expense

Interest income and expense for all financial instruments, except for financial assets measured or designated at fair value through profit or loss are recognized in "Net interest income/(expense)" as "Interest income calculated using the effective interest method" and "Interest expense", respectively, in the consolidated statement of profit or loss using the effective interest rate method.

The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit or loss ("FVTPL") transaction costs are recognized in profit or loss at initial recognition.

The interest income/interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortized cost of these assets (i.e. the gross carrying amount less the allowance for expected credit losses ("ECL")).

Interest income on financial instruments measured at fair value through profit or loss is included in "Interest income on financial assets at fair value through profit or loss" in the consolidated statement of profit or loss.

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

Gain/(loss) on the sale of the above instruments is recognized as interest income or expense in the consolidated statement of profit or loss based on the difference between the repurchase price accreted to date using the effective interest method and the sale price when such instruments are sold to the third parties. When the reverse repo/repo is fulfilled on its original terms, the effective yield/interest between the sales and repurchase price negotiated under the original contract is recognized using the effective interest method.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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### Recognition of dividend income

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

### Fee and commission income

Fee and commission income is recognized to reflect the transfer of services to customers at an amount that reflects the consideration that is expected to be received in exchange for such services. The Group identifies the performance obligation, i.e. the services agreed with the customer, and the consideration, and recognizes income in line with the transfer of services, the performance obligation, agreed with the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time, and whether the consideration is fixed or variable, including whether consideration is constrained by, for instance, external factors outside the Group's influence. The consideration is subsequently allocated to the identified performance obligation.

Fee and commission income is primarily consists of fees from brokerage services, underwriting and market making services.

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

#### *Fee income earned from services that are provided over a certain period of time*

Fees earned for the provision of services over a period of time are accrued over that period as respective performance obligations are satisfied. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate on the loan.

#### *Fee income from providing transaction services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party – such as where the Group's performance obligation is the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognized on completion of the underlying transaction. Fees or components of fees that are linked to certain performance obligations are recognized after fulfilling the corresponding criteria. When the contract provides for a variable consideration, fee and commission income is only recognized to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur until the uncertainty associated with the variable consideration is subsequently resolved.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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### Recognition and measurement of financial instruments

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

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

### Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss.

All recognized financial assets that are within the scope of IFRS 9 *Financial Instruments* are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI"), are subsequently measured at amortized cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income ("FVTOCI");
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit or loss.

In accordance with IFRS 9, financial assets are classified as follows:

- Debt instruments measured at amortized cost;
- Debt instruments measured at FVTOCI;
- Debt instruments measured at FVTPL.
- Bank loans classified as assets at amortized cost are contained within the framework of a business model which aims to receive cash flows exclusively for repayment of unpaid interest and principal stipulated by loan agreement and that have contractual cash flows SPPI on the principal amount outstanding.



## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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#### Debt instruments at amortized cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI on the principal outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of 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, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed based on scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios.

The Group takes into account all relevant evidence available such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current reporting period, the Group has not identified a change in its business models.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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When a debt instrument measured at FVTOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

#### Financial assets or financial liabilities at FVTPL

Financial assets at FVTPL are:

- Assets with contractual cash flows that are not SPPI; or/and
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at FVTPL using the fair value option.

Financial liabilities are classified as either financial liabilities “at FVTPL” or “other financial liabilities”.

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss, securities repurchase agreement obligations, trade payables and other financial liabilities are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis or at fair value.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

*(in thousands of Kazakhstani Tenge)*

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The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial assets and liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 33.

#### **Collateral**

The Group obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future customer liabilities.

#### **Impairment of financial assets**

The Group recognizes loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Cash and cash equivalents;
- Amounts due from financial institutions;
- Financial assets at fair value through other comprehensive income;
- Accounts receivable;
- Loans to customers;
- Other financial assets.

No allowances for expected credit losses are recognized on equity investments.

Calculation of financial assets impairment is carried out taking into account the following factors:

- Impairment for treasury operations (investments in debt securities, reverse repurchase transactions, interbank loans and deposits, correspondent account transactions, accounts receivable under treasury transactions) is calculated taking into account the counterparty's rating, probability of default, duration of a transaction and the extent of loss in case of a default.
- Assets classified at fair value through profit or loss are not subject to impairment under IFRS 9.
- The expected credit losses for treasury operations are estimated on an individual basis (except for individual claims in the form of receivables).
- Impairment for accounts receivable is calculated on an individual basis and takes into account probability of default (based on historical credit loss experience), duration of a receivable and the extent of loss in case of a default.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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Financial assets are segmented by stages in accordance with the following approach:

- Stage 1: There is no significant increase in credit risk since recognition of an asset, impairment is recognized as expected losses over the next 12 months;
- Stage 2: Significant increase in credit risk since recognition of an asset, impairment is recognized as expected losses over the life of a financial asset;
- Stage 3: Financial asset is in default or has signs of impairment.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of assets that share similar risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

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

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss, with the exception of equity investments designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in other comprehensive is not subsequently reclassified to profit or loss.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

#### **Derecognition of financial liabilities**

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

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

Cash and cash equivalents include cash on hand, unrestricted balances on current accounts in banks with an original maturity of three months or less and the loans under reverse repurchase agreements with original maturity up to three months. Cash and cash equivalent are carried net of allowances for expected credit losses, if any.

#### **Amounts due from financial institutions**

In the normal course of business, the Group maintains current accounts or deposits for various periods of time with other banks. Due from financial institutions with a fixed maturity term are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Those that do not have fixed maturities are carried at cost. Amounts due from financial institutions are carried net of any allowances for expected credit losses.

#### **Property and equipment**

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses. Depreciation of assets commences when the assets are ready for their intended use. Depreciation on buildings is recognized on a straight-line basis in profit or loss. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis at the following annual rates:

Vehicles	10%
Office equipment	20%
Buildings	5%
Leasehold improvements	10%
Servers and information storages	20%
Other	10%

Capital expenditures in leased property are depreciated over the lease term.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Annual amortisation rates for intangibles assets are accepted by the management in the range of 10% to 100%.

#### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

#### Leases

##### Group as lessee

When the Group acts as lessee, leases are accounted for using the right-of-use model. Under this model, the Group:

- Recognizes right-of-use assets and lease liabilities in the consolidated statement of financial position;
- Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

The right-of-use model does not apply for short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones). Lease payments for such leases are recognized as an expense on a straight-line basis and presented within “other expenses” in the consolidated statement of profit or loss.

#### **Taxation**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from 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.

## Joint Stock Company Freedom Finance

Notes to the Consolidated Financial Statements (Continued)  
For the Year Ended 31 December 2024  
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### Current and deferred tax for the year

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

### Operating taxes

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

### Debt securities issued and subordinated debt

Debt securities issued and subordinated debt represent bonds issued by the Group, or other borrowings, which are accounted for according to the same principles used for customer accounts and deposits of customers and due to credit institutions. Any difference between proceeds received, net of debt issuance costs, and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

### Securities repurchase and reverse repurchase agreements

In the normal course of business, the Group enters into financial assets sale and purchase back agreements ("repos") and financial assets purchase and sale back agreements ("reverse repos"). Repos and reverse repos are utilized by the Group as an element of its treasury management.

A repo is an agreement to transfer a financial asset to another party in exchange for cash or other consideration and a concurrent obligation to reacquire the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. These agreements are accounted for as financing transactions. Financial assets sold under repo are retained in the consolidated financial statements and consideration received under these agreements is recorded as collateralized deposit received within repurchase agreements.

Assets purchased under reverse repos are recorded in the consolidated financial statements as cash placed on deposit collateralized by securities and other assets and are classified within cash and cash equivalents or amounts due from financial institutions.

The Group enters into securities repurchase agreements and securities lending transactions under which it receives or transfers collateral in accordance with normal market practice. Under standard terms for repurchase transactions in the Republic of Kazakhstan, the recipient of collateral has the right to sell or repledge the collateral, subject to returning equivalent securities on settlement of the transaction.

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



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

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### Customer accounts and deposits of customers and due to credit institutions

Customer accounts and deposits of customers and due to credit institutions are initially recognized at the fair value of the consideration received, less directly attributable transaction costs. Subsequently, amounts due are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. If the Group purchases its own debt, it is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognized in the consolidated statement of profit or loss.

### Liabilities and assets under insurance contracts

Main types of insurance contracts issued and reinsurance contracts held:

The Group issues the following insurance products to which the following applies:

1. General model - insurance contracts without direct participation features:
  - endowment life insurance;
  - annuity insurance – pension annuity (hereinafter referred to as “pension annuity”);
  - employer’s liability annuities (hereinafter referred to as “employer’s liability annuity”);
  - assumed portfolio of employer’s liability insurance (hereinafter referred to as “assumed portfolio”); and
  - other annuity insurance (hereinafter referred to as “other”).
2. Premium allocation approach - insurance contracts without direct participation features:
  - term-life insurance (non-endowment);
  - mandatory employee accident insurance for accidents occurring in the course of employment;
  - voluntary employee accident insurance for accidents occurring in the course of employment;
  - accident insurance;
  - critical illness insurance

### Definitions and classifications

Products sold by the Group are classified as insurance contracts where the Group accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder in the event of an uncertain future event that adversely affects the policyholder.

Such an assessment is made for each contract separately on the date of conclusion of the contract. In making this assessment, the Group takes into account all of its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing whether an insured event would result in the Group paying additional amounts to the policyholder that would be significant in any individual scenario that has commercial substance, even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows under the insurance contract.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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#### **Combining a pool or series of insurance contracts**

The Group does not currently enter into two or more contracts simultaneously with the same or related counterparty to fulfil one common business purpose. Accordingly, the Group is not required to account for the aggregate or series of such contracts as a single contract to reflect the substance of such contracts.

#### **Identification of components from insurance and reinsurance contracts**

In addition to providing insurance coverage, some insurance contracts issued by the Group may contain other components, such as an investment component, an embedded derivative, or a component that relates to the provision of distinct goods or services other than services under the insurance contract.

The Group evaluates its products to determine whether these components are distinct and whether they need to be separated and taken into account when applying other IFRS Accounting Standards. Where these components are indistinct, they are accounted for together with the insurance component in accordance with IFRS 17.

#### **Aggregation level**

The Group identifies portfolios by aggregating insurance contracts that are exposed to similar risks and managed together. When grouping insurance contracts into portfolios, the Group takes into account the similarity of risks.

Each portfolio is divided into groups of contracts to which the recognition and measurement requirements of IFRS 17 apply.

At initial recognition, the Group separates contracts based on when they were issued. One group must include contracts issued within a 12-month period, and groups may be:

- a group of contracts that are onerous at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- a group of the remaining contracts in the portfolio.

Composition of groups of contracts created at initial recognition is not subsequently remeasured.

The Group determines the appropriate level at which reasonable and supportable information is available to assess whether contracts are onerous at initial recognition and whether contracts that are not onerous at initial recognition have a significant likelihood of becoming so subsequently.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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#### **Recognition**

An entity recognizes a group of insurance contracts that it issues at the earlier of the following dates:

- start date of the coverage period for a group of contracts;
- the date when the first payment from the policy holder in the relevant group of contracts becomes due; and
- in relation to a group of onerous contracts - the date when this group becomes onerous (if the contract does not provide for a specific date for the first payment, then such date is considered the date of the first actual payment).

The Group include in one group of insurance contracts those contracts that were issued and meet the recognition criteria during the same 12 months.

#### **Contract boundaries**

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining what cash flows are under an insurance contract, the Group considers its actual rights and obligations under the terms of the contract, as well as applicable laws, regulations and normal business practices.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price or the level of benefits provided for the price to fully reflect the new level of risk. In pricing of the premiums the Group does not take into account risks that relate to periods after the date of reassessment. The assessment of the Group's boundaries is carried out at the level of an individual contract.

In determining whether all risks have been reflected in either the premium or benefit level, the Group considers all risks that would have been transferred to policyholders if the Group had issued contracts (or a portfolio of contracts) at the date of revaluation. Similarly, in determining whether the Group has a practical ability to set a price that reflects all the risks in a contract or portfolio of contracts, it takes into account all the risks that it would have taken into account if it had entered into similar contracts on the renewal date for the remainder of the services.

The Group evaluates the scope of the insurance contract at initial recognition and at each subsequent reporting date to consider the effect of changes in circumstances on the Group's actual rights and obligations.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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#### Measurement of insurance contracts issued and reinsurance contracts held

There are three models for assessing insurance contracts:

- Premium Allocation Approach (“PAA”): The Group applies this simplified approach to insurance and reinsurance contracts for contracts with boundaries less than one year. The Group applies simplified approach for the insurance and reinsurance contracts held with contract boundaries over year if those contracts passed PAA eligibility test. PAA approach is eligible for Group's short-term individual and group products and reinsurance contracts held.
- Variable Fee Approach (“VFA”): The Group doesn't apply this approach since the Group's contracts without direct participation features are not eligible for VFA.
- General Measurement Model (“GMM”): The Group applies this model to the remaining insurance contracts not valued using PAA and VFA.

#### Measurement of insurance contracts issued using the General Model

##### *Initial recognition*

At initial recognition, the Group measures a group of insurance contracts as the sum of future contractual cash flows and contractual service margin (“CSM”), which represents the unearned profit on services to be provided under those contracts.

Cash flows for fulfilling obligations include estimates of future cash flows adjusted for the time value of money and financial risks, as well as an adjustment for non-financial risk. When determining cash flows for fulfilling obligations, the Group uses estimates and assumptions taking into account a number of scenarios and gives a reliable idea of possible results.

If cash flows from fulfilling obligations generate a total of net cash inflows at initial recognition, a CSM is created to fully offset cash flows from fulfilling obligations and has no effect on income at initial recognition. CSM represents the unearned profit that the Group recognizes when providing services under insurance contracts. However, if the cash flows from fulfilling obligations generate a total net cash outflow at initial recognition, the loss is immediately recognized in profit or loss, and the group of contracts is considered onerous.

##### *Cash flows for the fulfillment of contracts that are within the framework of insurance contracts*

Contract cash flows represent a current, unbiased, probability-weighted estimate of the present value of future cash flows, including a risk adjustment for non-financial risk. In determining the probability-weighted average, the Group considers a number of scenarios to determine the full range of possible outcomes, including all reasonable and supportable information about the amount, timing and uncertainty of such future cash flows that is available without undue cost or effort. Estimates of future cash flows reflect conditions existing at the measurement date, including assumptions made as of that date about the future.

The Group estimates expected future cash flows for a group of contracts at the contract level and allocates them among the groups in that portfolio in a systematic and rational manner.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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When estimating future cash flows, the Group includes all cash flows under insurance contracts, including:

- Premiums and any additional cash flows resulting from the payment of these premiums;
- Claims that have already been reported but have not been paid yet, claims that have incurred in respect of events that have already occurred but claims for those events have not been reported yet, and all future claims and potential reimbursements from future insurance claims covered by existing insurance contracts;
- Distribution of acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- Claim handling costs, maintenance expenses, including recurring commissions expected to be paid to intermediaries only for policy administration services (recurring commissions, which are acquisition cash flows, are taken into account in estimating future cash flows).

The Group recognizes and measures a liability for unpaid amounts arising across all groups in the aggregate and does not allocate such fulfillment cash flows to specific group if contractual coverage has been provided.

The Group updates its estimates using all new information available, as well as historical and trend information. The Group determines its current expectations regarding the likelihood of future events. In developing new estimates, the Group considers recent experience and earlier experience, as well as other information.

#### *Contractual service margin*

The Group estimates the contractual service margin at initial recognition of a group of insurance contracts at an amount that, except for onerous contracts, resulting in no gain recognised in profit or loss arising from:

- the expected fulfillment cash flows of the Group;
- the derecognition of an asset in relation to the acquisition cash flows of this Group of any other asset or liability previously recognized in relation to the cash flows associated with this group of contracts;
- cash flows arising under the contracts of this Group as of the specified date.

If a group of contracts is onerous, the Group will recognize a loss on initial recognition, resulting in the carrying amount of the liability for that group being equal to the fulfillment cash flows and the margin for contractual services for that group of contracts being zero.

At initial recognition, the Group determines the group's coverage units. The Group then allocates the group's contractual service margin based on the units of coverage units provided during the reporting period.

The Group takes the present value of future benefits as a coverage unit.

#### *Subsequent measurement under the General Model*

In estimating the total future fulfillment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future services.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect the current estimate of the liability for the remaining coverage as at that date and a current estimate of the liability for incurred claims, adjusted for time value.

The liability for remaining coverage represents the Group's obligations to pay valid claims under existing insurance contracts in respect of insured events that have not yet occurred, to pay amounts that are associated with services under the insurance contract that have not yet been provided (that is, obligations that are associated with the provision of services under the insurance contract in the future), as well as investment components and other amounts that are not related to the provision of services under the insurance contract in the future and were not included in the liability for incurred claims.

The liability for remaining coverage includes (a) the fulfilment cash flows relating to future services, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The liability for incurred claims includes the Group's obligations to pay valid claims in respect of insurance events that have occurred, including events that have already occurred but for which claims have not yet been reported, and other insurance costs incurred. It also includes the Group's obligations to pay amounts that the Group is contractually obligated to pay to the policyholder. These include the payment of investment components upon derecognition of the contract. The current measurement of the liability for incurred claims includes the cash flows for current and past services allocated to that group at the reporting date.

#### *Changes in fulfillment cash flows*

At the end of each reporting period, the Group is required to update the fulfillment cash flow information for the incurred claims liability and the remaining coverage liability to reflect current estimates of the amount, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

In accordance with the chosen accounting policy, the Group calculates changes in cash flows for fulfillment of contracts at the end of the reporting period, considering changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions for the cash flows on fulfillment of obligations (as expected at the beginning of the period) and then calculates the changes in those cash flows from changes in non-financial assumptions.

*Experience adjustments are the difference between:*

- the difference between the beginning of the period's estimate of the amounts expected to be received during the period and the actual cash flows for that period (and related cash flows such as acquisition cash flows and taxes on insurance premiums); or
- the difference between the beginning of the period's estimate of the amounts of expenses expected to be incurred during the period and the actual amounts of expenses incurred during the period (excluding acquisition costs for insurance contracts).

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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Experience adjustments related to current or prior period services are recognized in profit or loss. For claims that have occurred (including those that have already occurred but for which claims have not yet been reported) and other insurance services expenses incurred, experience adjustments always apply to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the remaining coverage liability by adjusting the contractual service margin. The release of contractual service margin depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfillment, updating for changes in assumptions relating to financial and non-financial risks.

#### *Adjustments to the CSM*

For insurance contracts without direct participation features, the following changes in fulfillment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the discount rates applicable when the contracts in the group were initially recognized;
- the change in estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the discount rates applicable when the contracts in the group were initially recognized. All financial variables are locked in at initial recognition.
- changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in risk adjustment for non-financial risk to between (i) a change related to non-financial risk and (ii) the effect of the time value of money and changes in the time value of money.
- differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- changes in fulfillment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- changes in the fulfillment cash flows relating to the liabilities for incurred claims;
- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Any further increases in fulfillment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfillment cash flows related to future coverage do not adjust the contractual service margin until the loss component of the group is fully reversed through profit or loss.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- the effect of any new contracts added to the group;
- interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition;
- the changes in fulfillment cash flows related to future service, except:

(i) increases in fulfillment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous; or

(ii) decreases in fulfillment cash flows that reverse a previously recognized loss on a group of onerous contracts.

- the effect of any currency exchange differences on the CSM;
- the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

#### *Recognition of the CSM in profit or loss*

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. This value is determined by:

- identification of coverage units in each group. The number of coverage units in a group represents the volume of services under an insurance contract provided under the contracts included in this group, which is determined based on an analysis for each contract of the quantity of benefits provided under the contract and the expected period of coverage;
- allocation of the CSM at the end of the period (before any amounts are recognized in profit or loss to reflect services under the insurance contract provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in future;
- recognition in profit or loss the amount of CSM allocated to coverage units provided during the period.

The number of units of coverage changes as insurance contracts services are provided, contracts expire, lapse or surrender are new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events. By determining a number of coverage units, the Group exercises judgment in estimating the likelihood of insured events occurring and policyholder behavior to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional coverage for a previously guaranteed price), and “the quantity of benefits” provided under a contract.



## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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#### Reinsurance contracts held

##### *Recognition*

The Group uses voluntary reinsurance to reduce certain risks. Reinsurance contracts are accounted for in accordance with IFRS 17 if they meet the definition of an insurance contract. A contract is an insurance contract only if it transfers significant insurance risk.

A reinsurance contract transfers significant insurance risk only if it transfers to the reinsurer substantially all of the insurance risk associated with the portion of the underlying insurance contracts ceded to reinsurance, even if the reinsurance contract does not expose the issuing party (the reinsurer) to the risk of a significant loss.

Reinsurance contracts held are accounted for separately from the underlying insurance contracts issued and are measured on an individual contract basis. When aggregating reinsurance contracts held, the Group defines portfolios in the same manner as the portfolios of underlying insurance contracts issued. The Group views each product line ceded to reinsurance at the ceding Group level as a separate portfolio.

For reinsurance contracts accounted for using the premium allocation approach, the Group assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition unless facts and circumstances indicate otherwise.

##### *Reinsurance contracts held, valued in accordance with the General Model*

The Group does not evaluate reinsurance contracts based on the General Model.

##### *Reinsurance contracts held measured under the premium allocation approach*

The Group measures reinsurance contracts for endowment life insurance and sickness insurance using a premium allocation approach. The coverage period within contract boundaries of the reinsurance contracts held is less than a year, and therefore it is permissible to use premium allocation approach for reinsurance contracts.

Under the premium allocation approach, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid. The Group measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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#### Modification and derecognition

The Group derecognises the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- if the modified terms were included at contract inception and the Group would have concluded that the modified contract:
  - is outside of the scope of IFRS 17;
  - results in a different insurance contract due to separating components from the host contract;
  - result in a substantially different contract boundary;
  - would be included in another group of contracts;
- the original contract met the definition of a direct participation insurance contract, but the modified contract no longer meets that definition.
- the Group applied the premium allocation approach to the original contract, but the modification results in the contract no longer meets PAA eligibility criteria for this approach.

If the contract modification meets any of the conditions, the Group performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the premium allocation approach, the Group adjusts insurance revenue prospectively from the time of the contract modification.

The Group derecognises an insurance contract when, and only when the contract is:

- extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled);
- modified and any of the derecognition criteria are met.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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When the Group derecognises an insurance contract from within a group of contracts, it:

- adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group;
- adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component);
- adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number.

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

#### Presentation

In the statement of financial position, the Group has presented separately the carrying amounts for its portfolios of insurance contracts issued, which are assets and those that are liabilities, and for its portfolios of reinsurance contracts issued, which are assets and those that are liabilities.

The Group disaggregates the amounts recognised in the income statement for the result of providing insurance services, comprising insurance revenue and insurance expenses, and separately for net finance income or insurance expenses.

The Group does not have any assets recognised in respect of acquisition cash flows before the recognition of the relevant groups of insurance contracts.

The Group recognises the entire amount of the change in the risk adjustment for non-financial risk as part of the result of providing insurance services.

#### Insurance revenue

As the Group provides services for a group of insurance contracts issued, it reduces its liability for the remaining coverage and recognizes insurance revenue, which is measured by the amount of consideration the Group is expected to receive in exchange for those services.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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For groups of insurance contracts measured under the general measurement model, insurance revenue is defined as the total changes in the liability for the remaining coverage. Such changes include:

- insurance service expenses incurred in the period measured at amounts expected at the beginning of the period, except for the following:
  - amounts allocated to the loss component;
  - payments of investment components;
  - acquisition costs of insurance contracts;
  - amounts attributable to the risk adjustment for non-financial risk;
- changes in the risk adjustment for non-financial risk, excluding:
  - changes that adjust the margin for contractual services as they relate to future services;
  - amounts allocated to the loss component;
  - the amount of contractual service margin recognised in profit or loss in the period;
  - other amounts, if any, experience adjustments arising from premiums earned other than those deferred.

When applying the premium allocation approach, the Group recognizes insurance revenue:

- proportionally over time for insurance contracts with a fixed sum insured for the entire coverage period;
- based on the expected timing of incurred insurance service expenses for insurance contracts with a decreasing sum insured over the coverage period.

#### Insurance services expenses

Insurance service expenses arising from a group of insurance contracts issued include:

- changes in liabilities for incurred claims related to claims and expenses incurred during the period, excluding payments for the investment component;
- changes in the liability for incurred claims related to claims and expenses incurred in prior periods (related to past service)
- other directly attributable expenses for insurance services incurred in the reporting period;
- amortization of acquisition cash flows, which is recognized in the same amount both as part of expenses for insurance services and as part of revenue under insurance contracts;
- loss component of onerous contract groups initially recognized in the period;
- changes in the liability for remaining coverage related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

#### Insurance finance income/expenses

Insurance finance income or expense represents the effect of the time value of money and changes in the time value of money, as well as the effect of financial risk and changes in financial risk of the Group's insurance contracts issued and the Group's reinsurance contracts held.

#### Use of other comprehensive income in presenting insurance finance income and expenses

The Group has the right to choose as an accounting policy: to include all insurance finance income or expenses for the period in profit or loss. When considering how to present insurance finance income or expenses, the Group elected to report all insurance finance income and expenses in profit or loss.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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#### Contracts measured applying the premium allocation approach

In applying the premium allocation approach for insurance contracts with the coverage period more than a year, the Group applies discounting for measurement of liabilities for remaining coverage with assessment of financial component.

#### Contracts without participation features

For non-participating contracts for which cash flows are independent of underlying items, the Group has elected to recognize all insurance finance income and expenses in profit or loss.

#### Reinsurance contracts held

For proportional reinsurance contracts, the Group uses a premium allocation approach; the Group does not discount liabilities for remaining coverage to reflect the time value of money and financial risk.

#### Exchange differences

Exchange differences arising from changes in the carrying amounts of groups of insurance contracts issued and reinsurance contracts held are recognized in profit or loss in the period in which they arise. At the end of each reporting period, the carrying amount of the Group's insurance contracts denominated in foreign currencies is translated into the functional currency.

Amounts arising from changes in exchange rates between the Group's contractual currency and the functional currency are treated as exchange differences and are recognized in profit or loss for the period in which they arise.

#### **Share capital**

Contributions to share capital are recognized at fair value of contributed assets.

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

#### **Additional paid-in capital**

Transactions with common shares (the difference between the placement price of shares and their nominal value), or in the form of a difference between the price of the repurchase of outstanding shares and the price of subsequent sale, in the form of amounts of excess of contributions (property contributions) over the value of the contribution (property contribution), determined in constituent documents, as well as arising from transactions with the parent organization and other transactions provided for by the legislation of the Republic of Kazakhstan, are reflected in additionally paid-in capital

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### Retirement and other benefit obligations

The Group does not have any pension arrangements separate from the state pension system of the Republic of Kazakhstan, which requires current contributions by the employer calculated as a percentage of current gross salary payments. Such expenses are charged in the period the related salaries are earned. In addition, the Group has no post-retirement benefits or significant other compensated benefits requiring accrual.

### Contingencies

Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognized in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

### Fiduciary activities

The Group provides trustee services to its customers. The Group also provides depositary services to its customers which include transactions with securities on their depositary accounts. Assets accepted and liabilities incurred under the fiduciary activities are not included in the Group's consolidated financial statements. The Group accepts the operational risk on these activities, but the Group's customers bear the credit and market risks associated with such operations. Revenue for provision of trustee services is recognized as services are provided.

### Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. For financial assets measured at FVTPL, exchange differences are recognized in profit or loss in "Net gain/(loss) on foreign exchange operations".

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

	31 December 2024	31 December 2023
KZT/1 US Dollar	523.54	454.6
KZT/1 Euro	546.74	502.2
KZT/1 Russian rouble	4.88	5.1
KZT/1 Kyrgyz som	6.04	5.1

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### 3. Prior period errors

Certain amounts in the consolidated statement of profit or loss for the year ended 31 December 2023 have been reclassified in accordance with the change in presentation format applied in 2024. In particular, the Group has decided to separate the expenses incurred for the group of accident insurance contracts and non-savings life insurance from operating expenses and classify them as insurance services expenses.

In preparing the consolidated financial statements, the Group identified an error in the disclosure of insurance contract assets and liabilities and reinsurance contract assets and liabilities as at 31 December 2023 of one of the subsidiaries. The impact of this restatement is not material to the consolidated financial statements and therefore the comparative figures in the consolidated statement of financial position have not been restated.

The impact on the comparative information in the consolidated statement of profit or loss for the year ended 31 December 2023 is presented below:

	Previous presentation	Reclassification	Current presentation
Insurance services expenses	(50,439,414)	(3,835,945)	(54,275,359)
<b>INSURANCE SERVICE RESULTS</b>	<b>14,856,915</b>	<b>(3,835,945)</b>	<b>11,020,970</b>
<b>RESULTS FROM INSURANCE ACTIVITIES</b>	<b>10,020,044</b>	<b>(3,835,945)</b>	<b>6,184,099</b>
Operating expenses	(52,522,880)	3,835,945	(48,686,935)
<b>PROFIT BEFORE INCOME TAX</b>	<b>57,631,632</b>		<b>57,631,632</b>

All amounts in the comparative information in the notes to the consolidated financial statements have been adjusted accordingly.

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

In the application of the Group's accounting policies the Group management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

*(in thousands of Kazakhstani Tenge)*

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#### Valuation of financial instruments

As described in Note 33, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 33 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

For fair value measurement of financial instruments traded on the Kazakhstan Stock Exchange, the Group applies calculated prices determined in accordance with the approved Securities Valuation Methodology. This approach is based on an extended sampling of market data – bids and trades that meet established criteria for volume, time of submission, and duration, allowing for consideration of available liquidity over a broader horizon.

The management of the Group believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

#### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

#### Critical accounting judgements

##### Significant increase of credit risk

As explained in Note 2, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative, reasonable and supportable, forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external credit rating (if available);
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.



## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

#### Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as:

- The instrument type;
- The credit risk ratings;
- The date of origination;
- The remaining term to maturity.

Dependent on the factors below, the Group calculates ECLs either on a collective or on an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

- the treasury and interbank relationships (such as amounts due from banks, cash equivalents and debt investment securities at amortized cost and FVTOCI);
- exposures that have been classified as POCI when the original loan was derecognized and a new loan was recognized as a result of a credit driven debt restructuring;
- financial assets whose gross carrying value at the reporting date exceeds 0.2% of the Group's equity, but not less than KZT 50 million or an asset that represents a claim against a related party.

Asset classes where the Group calculates ECL on a collective basis include:

- financial assets that are not subject to individual assessment.

The Group groups these exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans, for example internal grade, overdue bucket, product type, type of collateral or industry in which the borrower operates.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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#### Probability of default

Probability of default ("PD") constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. It is estimated as at a point in time. The calculation is based on statistical models, and assessed using tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

#### Loss Given Default

In case of lending to SME, LGD values are assessed on a periodic basis and reviewed by the Risk Management Group.

The credit risk assessment is based on a standardized LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held.

The Group allocates its retail lending products into homogeneous groups based on key characteristics that are relevant to estimating future cash flows. This uses historical loss information and considers a wide range of transaction-specific characteristics (e.g. product type, types of collateral) as well as characteristics of the borrower.

Where appropriate, further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in collateral values including property prices for mortgages, payment status or other factors that are indicative of losses on the instrument group.

LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries.

#### Restructured and modified loans

The Group derecognizes a financial asset, such as a loan to a customer, if the terms of the contract are renegotiated so that, in effect, it becomes a new loan and the difference is recognized as a gain or loss on derecognition before an impairment loss is recognized. At initial recognition, loans are classified as Stage 1 for purposes of measuring ECL, unless the originated loan is considered a POCI asset.

If the modification does not result in a significant change in cash flows, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Group recognizes a modification gain or loss before an impairment loss is recognized.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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#### Taxation

The Republic of Kazakhstan currently has a single Tax Code that regulates main taxation matters. The existing taxes include value added tax, corporate income tax, social and other taxes. Implementing regulations are often unclear or nonexistent and insignificant amount of precedents has been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organizations; thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. These facts create tax risks in the Republic of Kazakhstan substantially more significant than typically found in countries with more developed tax systems.

Management believes that the Group is in compliance with the tax laws of the Republic of Kazakhstan regulating its operations. However, the risk remains that relevant authorities could take differing positions with regard to interpretive tax issues.

Assessment of recoverability of deferred corporate income tax assets requires to use subjective judgments by the Group's management around the likely timing and the level of future taxable profit together with the tax planning strategy.

The management believes that deferred corporate income tax assets as of 31 December 2024 are recorded to the extent that it is probable that future taxable profits will be available to cover temporary differences, unused tax losses and unused tax benefits, and deferred corporate income tax assets are reduced to the extent that it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

#### Insurance contract assets and liabilities and reinsurance contract assets and liabilities

##### *Freedom Life*

The following are significant judgments, other than estimates (discussed separately below), that management made in applying the Group's accounting policies that will have the most significant effect on the amounts recognized in the financial statements:

- *Assessing the Significance of Insurance Risk:* The Group applies judgment in assessing whether a contract transfers significant insurance risk to the issuing party. The contract transfers significant insurance risk only if the insured event could result in the Group having to pay additional amounts that would be significant under any given scenario, and only if there is a commercially viable scenario in which a loss could occur from the party that issued the contract, based on a calculation based on present value upon the occurrence of an insured event, regardless of whether the insured event is extremely unlikely. Additional amounts of less than 10% are considered immaterial by the Group.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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- *Assessing the Significance of Insurance Risk:* The Group applies judgment in assessing whether a contract transfers significant insurance risk to the issuing party. The assessment of whether the additional amounts payable on the occurrence of an insured event are material and whether there is any scenario with commercial substance that could cause the issuing party to incur a loss on a present value basis involves significant judgment and is performed at initial recognition on a contract-by-contract basis. Additional amounts of less than 5% are considered immaterial by the Group. In accordance with IFRS 17, all these judgemental classifications are made by a specialized unit to maintain a consistent approach within the Group. This assessment is performed after separating unrelated derivatives, separate investment components and promises to transfer certain goods and non-insurance services.
- *Consideration of the presence of investment components:* The Group reviews all the terms of the contracts it enters into to determine the availability of amounts payable to the policyholder under all circumstances, regardless of termination of the contract, expiration of the contract, or the occurrence or non-occurrence of an insured event. Certain amounts once paid by the policyholder are refundable to the policyholder under any circumstances. The Group believes that such payments meet the definition of an investment component, regardless of whether the amount due changes during the life of the contract, because the amount becomes due only when it is first paid by the policyholder. The Group's portfolio includes portfolios with non-distinct investment components. In pension annuity contracts, a non-distinct investment component is guaranteed payments and funeral payments. In endowment life insurance contracts the surrender value is a non-distinct investment component.
- *Assessment of the significance of the modification:* For employer's liability insurance contracts, the Group derecognises the original contracts and recognises the modified contract as a new contract if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would cause the original contract to qualify for derecognition.
- *Determining the scope of the contract:* The valuation of a group of insurance contracts includes all future cash flows arising within the scope of the contract. When determining which cash flows are within the scope of the agreement, the Group takes into account its substantial rights and obligations arising from the terms of the agreement, applicable laws, and regulations.
- *Definition of portfolios:* A portfolio consists of contracts that are subject to similar risks and are managed together. Contracts within the same product line are assumed to be subject to similar risks and are therefore included in the same portfolio.
- *Level of Aggregation:* The Group uses judgment in distinguishing between contracts that have no significant likelihood of becoming onerous, onerous contracts and other profitable contracts.
- *Estimation of cash flows that are directly attributable to the relevant portfolio:* The Group uses judgment in assessing whether cash flows are directly attributable to a particular portfolio of insurance contracts.
- *Acquisition cash flows* are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in the group, or to the group itself, or to the portfolio of insurance contracts that includes the group. When assessing cash flows for fulfillment of contracts, the Group also distributes the costs of maintaining insurance contracts.
- *Assessing the applicability of the premium allocation approach:* for reinsurance contracts, the Group applies the premium allocation approach if, at the time the group of contracts is instituted, the Group reasonably expects that it will provide a liability for the remainder of the coverage that will not differ materially from the General Model.
- *Assessing the applicability of the variable fee approach:* The Group does not have contracts with direct participation features. For contracts without direct participation, the Group performed VFA eligibility test, according to the results of which the VFA approach is not applicable; therefore, for these contracts, the Group applies the General Model approach.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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- *Acquisition cash flow assets, recoverability assessment:* The Group does not have any acquisition cash flow assets and therefore the Group does not perform the asset recoverability test.
- *Level of aggregation for determining the risk adjustment for non-financial risk:* IFRS 17 does not provide a specific measurement method for determining the risk adjustment for non-financial risk. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and therefore the Group applies the group-level aggregation method.
- *Selecting a method for allocating coverage units:* IFRS 17 sets out the principle for determining coverage units, but without detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgment and development of estimates in light of the particular facts and circumstances. The Group selects the appropriate method for each portfolio separately. The Group takes the present value of future benefits as coverage units.
- *Allocation of expenses:* When estimating expenses, the Group takes into account actual expenses broken down by the Group's structural divisions. The Group distributed actual administrative expenses according to direct functional parameters, namely costs of conclusion, costs of maintaining insurance contracts and other administrative expenses. To estimate portfolio liabilities, the Group uses actual expenses for maintaining insurance contracts, which are directly or indirectly through other structural divisions related to the maintenance and conclusion of insurance contracts. Key assumptions include the distribution of costs based on the number of days the contracts are valid.

#### Key sources of uncertainty in estimates

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Cash flows for the implementation of insurance contracts
- Discount rate
- Risk adjustment for non-financial risk
- Acquisition cash flows
- Allocation of expenses

Each area, including the valuation methods and assumptions used by the Group, as well as other sources of estimation uncertainty, is discussed below. The total carrying amount as at 31 December 2024 and 2023 is presented as follows:

#### 1) *Fulfillment cash flows*

Fulfillment cash flows consist of three main components:

- Estimation of future cash flows;
- Adjustments to reflect the time value of money and financial risk associated with future cash flows if they are not included in the estimate of future cash flows;
- Adjustment for non-financial risk.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

The Group updates its estimates at the end of each quarter/year using all new information available, as well as historical data and trend information. The Group determines its current expectations regarding the likelihood of future events occurring at the end of the reporting period. When developing new estimates, the Group takes into account recent and historical experience and other information.

Cash flow estimates include both market variables, directly observable in the market or derived directly from market data, and non-market variables, such as mortality rates, accident rates, average claims costs, and policy surrender rates. For annuity insurance contracts, the Group uses national statistical data to estimate mortality rates; for life insurance contracts, the Group uses mortality rates of the reinsurer General Reinsurance AG.

#### 2) Method for estimating discount rates

The Group estimates the time value of money using discount rates that reflect the liquidity characteristics of insurance contracts and cash flow characteristics consistent with observable current market prices. They exclude the effect of factors that affect such observable market prices but do not affect future cash flows from insurance contracts (for example, credit risk).

In determining discount rates for cash flows that are independent of the yields of underlying items, the Group uses a bottom-up approach to estimate discount rates based on a yield curve that reflects the timing, currency and liquidity characteristics of the insurance cash flows. The yield curve of the underlying portfolio is adjusted to eliminate the impact of risks (credit risk).

The Group estimates the discount rate applicable to each group of contracts on initial recognition, which is based on the contracts recognized. In the next reporting period, as new contracts are included in the group, the discount rate applicable to the group at initial recognition is revised from the beginning of the reporting period in which the new contracts were included in the group. The Group remeasures the discount rate applicable to the group on initial recognition using the weighted average discount rate for the period during which the contracts included in the group were issued.

Changes in financial risks are recognized in profit or loss at the end of each reporting period.

The Group used the following yield curves to discount cash flows for 2024 and 2023:

	Currency	1 year	5 year	10 years	20 years	30 years
2024 year	KZT	11.67%	11.36%	11.35%	11.34%	11.34%
2023 year	KZT	14.43%	12.40%	11.66%	11.25%	11.11%
2024 year	USD	4.65%	4.86%	5.05%	5.34%	-
2023 year	USD	5.32%	4.45%	4.47%	4.77%	-

#### 3) Risk adjustment for non-financial risk

The Group estimates the compensation it requires for accepting uncertainty about the amount and timing of cash flows from insurance contracts other than financial risk separately as a risk adjustment for non-financial risk.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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Bootstrap model uses a quantile technique, to effectively estimate the distribution of potential losses. This model is used to assess risk adjustment for non-financial risk for liability for incurred claims for portfolios with sufficient claims statistics. This estimate uses stochastic modeling that involves running multiple loss triangle simulations to account for a wide range of possible outcomes and estimate the risk of losses with high degree of accuracy.

The Group estimated risk adjustment for non-financial risk based on the analysis of historical market loss ratios for the portfolios with a lack of claims statistics.

For the general model, the Monte Carlo Method is used, also based on the quantile technique, which provides an in-depth analysis of insurance reserves through many simulations and allows identifying risks with a high degree of probability.

The risk adjustment is assessed using a confidence level of 85%.

#### 4) *Expenses allocation*

Administrative costs are allocated by the Entity through an analysis of cost items using a simplified approach. These costs are divided into categories, including indirect acquisition costs, indirect settlement costs, other indirect expenses related to insurance activities, and general administrative expenses. Indirect operating expenses are allocated based on expense type using consistent systematic methods applied to costs sharing similar characteristics.

The Group includes acquisition cash flows and maintenance expenses in the measurement of insurance contracts if they are directly attributable either to individual contracts in a group, to the group itself, or to the Group's portfolio of insurance contracts.

Acquisition cash flows and maintenance expenses are calculated for each portfolio as the product of the costs of concluding a contract for the financial year preceding the calculation date and the share of each portfolio in the expenses for the financial year preceding the calculation date, which is calculated as the ratio of the number of days of validity of contracts that entered into force in the financial year preceding settlement date, by portfolio and the total number of days of contracts that entered into force in the financial year preceding the settlement date.

Recalculation of acquisition costs is carried out once a year at the end of the financial year.

The Group allocates acquisition cash flows between the related group of contracts using a systematic and rational method.

### Changes in Estimates and Assumptions

#### 1. **Indexation Rate of Expected Expenses for Portfolios Measured under the General Model**

Effective from 1 January 2024, based on the results of a back-testing procedure, the Group revised its approach to determining the indexation rate of first-year expected expenses for portfolios measured under the general model. Previously, the indexation rate of expenses was determined based on the inflation rate published in the Forecast of the Socio-Economic Development of the Republic of Kazakhstan.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

Starting from 1 January 2024, the Group applies an indexation rate based on the projected expense growth reflected in the Group's approved budget.

As at 31 December 2024, the Group assessed the impact of this change in estimates, which affected the following metrics for the Pension Annuities, Endowment Life Insurance, and Retirement Annuities portfolios:

Description	Before	Effect of the change	After
<b>Liabilities for remaining coverage:</b>			
Discounted cash flow estimates	106,947,230	2,560,818	109,508,048
Margin for contractually agreed services.	34,856,235	(2,111,064)	32,745,171
<b>Total changes in the statement of profit or loss:</b>			
Insurance revenue	7,983,622	(253,474)	7,730,148
Insurance services expenses	3,820,549	41,288	3,861,837
Finance income/(expenses) from issued insurance contracts	18,086,924	154,992	18,241,916

The changes do not represent adjustments to accounting policies but reflect updates to estimation assumptions based on available information and internal analysis.

#### 2. Loss Ratio for Liabilities for Incurred Claims (LIC)

Previously, an assumption based on 5% of expected losses for unexpired coverage was applied to the calculation of liabilities for the remainder of LIC coverage. As at 31 December 2024, the Group switched to using its own loss ratio, calculated based on up-to-date internal statistics and analysis of its own insurance portfolio.

The impact of this change in estimates as at 31 December 2024 is presented below:

Description	Before	Effect of the change	After
Discounted cash flow estimates	5,560,216	(1,196,878)	4,363,338
Insurance service results	9,002,863	(1,196,878)	7,805,985



## Joint Stock Company Freedom Finance

Notes to the Consolidated Financial Statements (Continued)  
For the Year Ended 31 December 2024  
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### *Freedom Finance Insurance*

The following are the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- *Assessment of the Significance of Insurance Risk:* The Group applies its judgment in assessing whether the contract transfers significant insurance risk to the issuing party. The contract transfers significant insurance risk only if the insured event is likely to result in the Group paying additional amounts that are significant in any particular scenario, and only if there is a scenario that has a commercial content, in which the issuing party has the opportunity to incur losses based on the present value when the insured event occurs, regardless of whether the insured event is extremely unlikely. The assessment of whether the additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts that require such judgement are those that provide for the transfer of financial and insurance risk and result in a lesser benefit. Additional amounts that are less than 10% are considered to be immaterial. A specialized unit conducts all of these judgement-based classifications under IFRS 17 to maintain and ensure consistency across the Group.
- *Separation of insurance components of an insurance contracts:* A Group issues insurance contracts that combine protection against different types of insurance risks in a single contract. IFRS 17 does not require or permit the separation of insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the presumption of a "single contract" unit of account requires considerable judgment and is not an accounting policy choice. In determining whether a legal contract reflects its substance or not, the Group considers the interdependence between the various risks covered, the ability of all components to lapse independently of each other, and the ability to price and sell the components separately.
- *Determination of the contract boundary:* The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.
- *Definition of portfolios:* The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. For some product lines, the Group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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- *Level of aggregation:* The Group uses judgement to distinguish between contracts that are not likely to become onerous and other profitable contracts.
- *PAA Eligibility Assessment:* For issued insurance contracts and retention prorated reinsurance contracts with a coverage period of more than one year, the Group elects to apply PAA if, at the time of the group's inception, the Group reasonably expects that it will provide a liability for the remaining coverage that will not differ materially from the General Model. The Group uses judgement in determining whether the PAA eligibility criteria are met at initial recognition.
- *Assessment of the significance of modification:* The Group recognizes the original contracts and recognizes the amended contract as a new contract if the derecognition criteria are met. The Group applies judgement to assess whether the amended terms of the contract will result in the original contract meeting the derecognition criteria.
- *Level of aggregation for determining the non-financial risk adjustment:*  
IFRS 17 does not specify the level at which the non-financial risk adjustment should be determined. The level of aggregation to determine the non-financial risk adjustment is not an accounting policy choice and is subject to judgment. The Group considers that the benefits of diversification arise at the issuer level and therefore determines the non-financial risk adjustment at this level. The benefits of diversification are then distributed to all groups of insurance contracts for which it has been considered in aggregate. The Group believes that the non-financial risk adjustment as the cost of uncertainty allocated to any individual group cannot be negative. Accordingly, when determining the allocation, the correlation of non-financial risk between groups is not taken into account. This is because they have already been accounted for as part of the benefits of diversification when determining the overall risk adjustment at the enterprise level. The Group allocates the total risk adjustment at the entity level to the groups based on the percentage of expected cash flows from the performance of contracts to the total cash flows from the performance of contracts.

### Key sources of estimation uncertainty

The following are the most significant estimates used by Management in applying the Group's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

#### 1) *Insurance contracts assets and liabilities and reinsurance contract assets and liabilities*

Applying IFRS 17 to the measurement of insurance contracts issued and reinsurance contracts held, the Group made estimates in the following key areas. They are part of the total balance of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- estimating future cash flows;
- assessment of directly attributable cash flows (expenses);
- discount rates;
- risk adjustment for non-financial risk.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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#### 2) *Estimating future cash flows*

In estimating the cash flows of liabilities within the scope of the contract, the Group considers the range of all possible outcomes in an unbiased manner, by determining the cash flows, timing and probability of each scenario reflecting the conditions existing at the measurement date, using a weighted average probability. The weighted average probability value is the arithmetic mean of all possible scenarios. In determining possible scenarios, the Group uses all reasonable and reliable information available to it without undue cost and effort, which includes information about past events and current conditions, as well as forecasts of future conditions. Cash flow estimates include both market variables directly observed in the market or derived directly from market data, and non-market variables such as loss ratios, probability of contract termination, expected loss settlement costs and contract servicing. The Group makes maximum use of observable input data for market variables and applies internal data specific to the Group.

#### 3) *Estimating directly attributable cash flows (expenses)*

The Group uses judgement to assess whether cash flows are directly attributable to a particular portfolio of insurance contracts. Cash flows from the acquisition of insurance contracts are included in the measurement of a group of insurance contracts only if they are directly related to individual contracts in the group, or to the group itself, or to the portfolio of insurance contracts to which the group belongs. When estimating fulfillment of cash flows, the Group also allocates cash flows to fixed and variable overhead costs directly attributable to the fulfilment of insurance contracts.

#### 4) *Risk adjustment for non-financial risk*

The non-financial risk allowance is the amount of compensation that the Group must pay for accepting uncertainty about the amount and timing of cash flows arising from insurance risk and other non-financial risks, such as the risk of losses and expenses. It measures the degree of variability in expected future cash flows and the cost of accepting this risk specific to the Group and reflects its risk aversion. Non-financial risk factors, also referred to as underwriting variables, are major sources of estimation uncertainty because they affect estimates of future cash flows and associated probabilities.

#### 5) *Discount rate*

To determine the discount rate for insurance contracts denominated in the national currency, a “top-down” approach is used: a portfolio of debt instruments (bonds) denominated in the national currency as of the respective reporting date is used as the underlying portfolio of assets for which the yield curve should be built; the yield curve of the underlying portfolio is constructed by applying the parametric Nelson-Siegel model. The resulting yield curve is adjusted to consider factors that are not relevant to insurance contracts, such as credit risk. To do this, the expected credit loss (ECL) and unexpected credit risk (UCR) components are subtracted from the resulting portfolio yield curve using the rating of the underlying instruments of the portfolio and the corresponding probability of their default.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

Each area, including the Group's estimation methods and assumptions, including other sources of uncertainty in estimates, is discussed below. As at 31 December 2024, the total carrying amount is as follows:

- insurance contracts issued representing assets amounted to KZT 20,509 thousand (KZT 347,885 thousand as at 31 December 2023);
- insurance contracts issued representing liabilities amounted to KZT 33,132,114 thousand (KZT 16,808,589 thousand as at 31 December 2023);
- reinsurance contracts issued representing assets amounted to KZT 1,499,738 thousand (KZT 1,192,847 thousand as at 31 December 2023);
- reinsurance contracts issued representing liabilities amounted to KZT 267,575 thousand (KZT 172,687 thousand as at 31 December 2023)

## 5. Application of new and revised IFRS Accounting Standards

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

The following amendments and interpretations are effective for the Group since 1 January 2024:

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IFRS 16	<i>Lease liability in a sale and leaseback</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The above standards and interpretation were reviewed by the Group's management and determined to not have a significant effect on the Group's consolidated financial statements.

### New and revised IFRS Accounting Standards in issue but not yet effective

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

New or revised standard or interpretation	Applicable to annual reporting periods beginning on or after
<i>Amendments to IAS 21</i> The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	1 January 2025
<i>IFRS 18</i> Presentation and Disclosures in Financial Statements	1 January 2027
<i>IFRS 19</i> Subsidiaries without Public Accountability: Disclosures	1 January 2027

The management of the Group does not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

#### 6. Net interest income

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Interest income:</b>		
Financial assets at fair value through profit or loss	166,019,609	152,949,183
Financial assets recorded at amortized cost	128,151,317	76,538,793
Financial assets at fair value through other comprehensive income	24,668,354	26,561,600
<b>Total interest income</b>	<b>318,839,280</b>	<b>256,049,576</b>
<b>Interest expense on financial liabilities recorded at amortized cost:</b>		
Securities repurchase agreement obligations	(167,765,476)	(157,620,971)
Customer accounts and deposits of customers	(37,047,702)	(17,018,998)
Liabilities from continuing participation	(7,701,846)	(6,171,011)
Lease liabilities	(730,731)	(627,068)
Due to credit institutions	(562,048)	(485,287)
<b>Total interest expense</b>	<b>(213,807,803)</b>	<b>(181,923,335)</b>
<b>Net interest income</b>	<b>105,031,477</b>	<b>74,126,241</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstan Tenge)

### 7. Result from insurance activities

Insurance revenue, insurance services expenses and net expense from reinsurance contracts held incurred for the year ended 31 December 2024, comprised the following:

	Property insurance	Civil liability insurance	Civil liability of car owners	Transport insurance	Other financial losses insurance	Acquired portfolio	Pension annuities	Cumulative life insurance	Employer's liability annuities	Accident insurance and non-accumulative life insurance	Other	Total
<b>Insurance revenue</b>	<b>4,151,533</b>	<b>17,277,939</b>	<b>5,214,834</b>	<b>6,329,789</b>	<b>2,460,325</b>	<b>55,556</b>	<b>5,799,377</b>	<b>1,267,739</b>	<b>663,032</b>	<b>132,826,266</b>	<b>3,352,991</b>	<b>179,399,381</b>
<i>Insurance service expenses:</i>												
Insurance claims and other												
Insurance service expenses	(3,549,900)	(7,225,681)	(7,432,527)	(3,274,696)	(1,061,551)	2,841	-	-	-	-	(2,537,978)	(25,079,492)
Adjustments to liabilities for												
Incurred claims	(105,192)	1,241,238	859,705	290,284	138,832	80,219	-	-	-	-	(106,947)	2,398,139
Amortization of insurance												
acquisition cash flows	(112,860)	(638,988)	(204,959)	(764,965)	(15,079)	(569)	-	-	-	-	(86,798)	(1,824,218)
Losses and reversals of losses on												
onerous contracts	-	-	(2,868,800)	(12,950)	-	-	-	-	-	-	37,675	(2,844,075)
Incurred losses and other expenses												
incurred for insurance services	-	-	-	-	-	-	(2,404,477)	(375,558)	(365,260)	(6,609,530)	(86,667)	(9,841,492)
Changes that relate to past service												
periods – adjustments to												
liabilities for incurred claims	-	-	-	-	-	-	-	-	-	(1,196,455)	-	(1,196,455)
Changes that relate to future												
service – losses on onerous												
group of contracts and reversal	-	-	-	-	-	(418,472)	(566,797)	12,893	-	-	-	(972,376)
of such losses												
<i>Acquisition cash flows</i>												
- Acquisition expenses	-	-	-	-	-	-	-	(162,638)	-	(116,616,892)	-	(116,779,530)
<b>Insurance services expenses</b>	<b>(3,767,952)</b>	<b>(6,623,431)</b>	<b>(9,646,581)</b>	<b>(3,762,327)</b>	<b>(937,798)</b>	<b>(335,981)</b>	<b>(2,371,274)</b>	<b>(525,303)</b>	<b>(365,260)</b>	<b>(124,422,877)</b>	<b>(2,780,715)</b>	<b>(156,139,499)</b>
Allocation of reinsurance premiums												
paid	(1,420,125)	(323,492)	(167)	(167,568)	(2,189,406)	24,826	-	-	-	-	(1,496,097)	(5,572,029)
Amounts recovered from												
reinsurers	511,742	(3,284)	273	15,605	221,518	(114,727)	-	-	-	-	508,649	1,139,776
Income from reinsurance contracts												
held	-	-	-	-	-	-	-	1,699	-	(41,805)	-	(40,106)
<b>Net income/(expense) from reinsurance contracts held</b>	<b>(908,383)</b>	<b>(326,776)</b>	<b>106</b>	<b>(151,963)</b>	<b>(1,967,888)</b>	<b>(89,901)</b>	<b>-</b>	<b>1,699</b>	<b>-</b>	<b>(41,805)</b>	<b>(987,448)</b>	<b>(4,472,359)</b>
<b>Insurance services results</b>	<b>(524,802)</b>	<b>10,327,732</b>	<b>(4,431,641)</b>	<b>2,415,499</b>	<b>(445,361)</b>	<b>(370,326)</b>	<b>2,828,103</b>	<b>744,135</b>	<b>297,772</b>	<b>8,361,584</b>	<b>(415,172)</b>	<b>18,787,523</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

Insurance revenue, insurance services expenses and net expense from reinsurance contracts held for the year ended 31 December 2023, comprised the following\*:

	Property insurance	Civil liability insurance	Civil liability of car owners	Transport insurance	Other financial losses insurance	Acquired portfolio	Pension annuities	Cumulative life insurance	Employer's liability annuities	Accident insurance and non-accumulative life insurance	Other	Total
Insurance revenue	1,006,029	4,122,810	3,261,738	4,113,221	509,957	5,096,501	3,260,521	383,557	300,188	45,382,059	1,237,000	68,673,581
<i>Insurance service expenses:</i>												
Insurance claims and other												
Insurance service expenses	(438,399)	(2,120,674)	(5,040,182)	(2,180,609)	(798,703)	(444,974)	-	-	-	-	(953,709)	(11,977,250)
Adjustments to liabilities for incurred claims	(4,509)	(6,069)	459,759	371,858	1,887	(289,673)	-	-	-	-	24,284	557,537
Amortization of insurance acquisition cash flows	(39,962)	(133,247)	(117,708)	(262,840)	(1,510)	(225,203)	-	-	-	-	(20,142)	(800,612)
Losses and reversals of losses on onerous contracts	-	-	73,250	(3,825)	-	-	-	-	-	-	(42,791)	26,634
Incurred losses and other expenses incurred for insurance services	-	-	-	-	-	-	(893,212)	(264,331)	(242,578)	(4,407,015)	(29,152)	(5,836,288)
Changes that relate to past service periods – adjustments to liabilities for incurred claims	-	-	-	-	-	-	-	-	-	(2,316,042)	-	(2,316,042)
Changes that relate to future service – losses on onerous group of contracts and reversal of such losses	-	-	-	-	-	-	(192,451)	17,484	-	-	-	(174,967)
Acquisition cash flows	-	-	-	-	-	-	-	(136,995)	-	(33,617,376)	-	(33,754,371)
- Acquisition expenses	-	-	-	-	-	-	-	-	-	-	-	-
Insurance services expenses*	(482,870)	(2,259,990)	(4,624,881)	(2,075,416)	(798,326)	(959,850)	(1,085,663)	(383,842)	(242,578)	(40,340,433)	(1,021,510)	(54,275,359)
Allocation of reinsurance premiums paid	(367,385)	(74,376)	-	(160,868)	(447,275)	(3,453,654)	-	-	-	-	(162,659)	(4,666,217)
Amounts recovered from reinsurers	110,223	30,491	-	84,720	700,164	217,107	-	-	-	-	59,370	1,202,075
Income from reinsurance contracts held	-	-	-	-	-	-	-	16,154	-	70,736	-	86,890
Net income/(expense) from reinsurance contracts held	(257,162)	(43,885)	-	(76,148)	252,889	(3,236,547)	-	16,154	-	70,736	(103,289)	(3,377,252)
Insurance services results	265,997	1,818,935	(1,363,143)	1,961,657	(35,480)	900,104	2,174,858	15,869	57,610	5,112,362	112,201	11,020,970

\* Information on the reclassification of comparative figures is disclosed in Note 3 to the financial statements.

# Joint Stock Company Freedom Finance

Notes to the Consolidated Financial Statements (Continued)  
For the Year Ended 31 December 2024  
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## 8. Finance income and expense from insurance activity and reinsurance contracts held

The tables below provide an analysis of net insurance and reinsurance finance income/(expense) recognized in profit or loss for the year ended 31 December 2024 and 2023:

	For the year ended 31 December 2024										
	Property	Civil liability	Transport insurance	Other financial losses	Acquired portfolio	Pension annuities	Employer's liability annuities	Cumulative life insurance	Accident and non-accumulative life insurance	Other	Total
Financial income and expense from insurance activities:											
- Insurance finance income from insurance contracts issued	-	-	-	-	-	-	7,377	61,360	-	-	68,737
- Insurance finance expenses from insurance contracts issued	(131,514)	(851,268)	(135,149)	(95,619)	(32,120)	(17,371,266)	(351,611)	(587,776)	(294,211)	(84,191)	(19,934,725)
Insurance finance income from reinsurance contracts held	60,235	15,156	80	23,558	18,360	-	-	-	-	-	117,389
Financial expense from insurance activities and reinsurance contracts held	(71,279)	(836,112)	(135,069)	(72,061)	(13,760)	(17,371,266)	(344,234)	(526,416)	(294,211)	(84,191)	(19,748,599)

	For the year ended 31 December 2023										
	Property	Civil liability	Transport insurance	Other financial losses	Acquired portfolio	Pension annuities	Employer's liability annuities	Cumulative life insurance	Accident and non-accumulative life insurance	Other	Total
Financial income and expense from insurance activities:											
- Insurance finance income from insurance contracts issued	-	-	-	-	-	2,965,622	36,268	66,393	-	-	3,068,283
- Insurance finance expenses from insurance contracts issued	(5,699)	(203,511)	(371,805)	(1,282)	(37,242)	(5,953,751)	(122,076)	(668,126)	(620,782)	(53,701)	(8,037,975)
- Gains on exchange differences	-	-	-	-	-	-	-	100,962	-	-	100,962
Insurance finance income from reinsurance contracts held	690	197	36	-	30,936	-	-	-	-	-	31,859
Financial expense from insurance activities and reinsurance contracts held	(5,009)	(203,314)	(371,769)	(1,282)	(6,306)	(2,988,129)	(85,808)	(500,771)	(620,782)	(53,701)	(4,836,871)



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### 9. Fee and commission income and expense

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Fee and commission income:</b>		
Bank services	11,681,541	17,901,315
Brokerage services	2,451,503	4,113,722
Underwriting services	1,901,251	3,926,659
Market making services	217,742	194,718
Consulting services	116,161	13,142
Asset management services	83,561	138,029
Other	320,753	334,195
<b>Total fee and commission income</b>	<b>16,772,512</b>	<b>26,621,780</b>
<b>Fee and commission expense:</b>		
Bank services	(5,779,181)	(9,775,850)
Brokerage services	(1,567,266)	(2,199,168)
Stock exchange services	(905,601)	(1,391,862)
Central Depository services	(186,118)	(168,527)
Other	(43,457)	(33,708)
<b>Total fee and commission expense</b>	<b>(8,481,623)</b>	<b>(13,569,115)</b>

For the year ended 31 December 2024, there was a decrease in fee and commission income on bank services, as International Payment Systems (IPS) increased the fee for cross-border transactions from 0.1% to 1.0% from 1 January 2024. In addition, the decrease was influenced by "the Freedom" loyalty program, which was introduced in September 2024, where, according to the Group's accounting policy, the amount of cashback was reflected against revenue from commission income and amounted to KZT 4,492,696 thousand for the year ended 31 December 2024.

### 10. Net gain/(loss) on financial assets at fair value through profit or loss

	Year ended 31 December 2024	Year ended 31 December 2023
Unrealized gain on trading securities	25,624,666	15,905,872
Realized gain on trading securities	9,808,726	12,029,913
Unrealized gain on derivative operations	930,057	4,070,239
Realized gain/(loss) on derivative operations	341,875	(52,066,426)
<b>Total net gain/(loss) on financial assets at fair value through profit or loss</b>	<b>36,705,324</b>	<b>(20,060,402)</b>

### 11. Net gain on foreign exchange operations

	Year ended 31 December 2024	Year ended 31 December 2023
Purchase and sale of foreign currency	30,147,969	33,015,484
Translation difference, net	(10,307,666)	5,018,037
<b>Total net gain on foreign exchange operations</b>	<b>19,840,303</b>	<b>38,033,521</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

Translation difference, net - includes net realized and unrealized gain/(loss) from revaluation of financial assets and liabilities, denominated in foreign currencies.

## 12. Operating expenses

	Year ended 31 December 2024	Year ended 31 December 2023*
Payroll and bonuses	39,024,637	22,751,423
Taxes, other than income tax	5,445,546	3,150,511
Software support	3,783,060	1,688,589
Advertising expenses	2,930,727	3,333,250
Communication services	2,908,933	2,053,795
Social initiatives	2,846,484	1,689,061
Membership fee	2,698,930	1,907,964
Depreciation and amortization of property, equipment and intangible assets	2,649,824	1,685,597
Depreciation of right-of-use assets	1,901,631	1,219,315
Sponsorship	1,640,366	4,101,772
Professional services	947,590	420,881
Repairs	889,382	476,730
Plastic cards issuance expenses	806,589	447,860
Operating rent	731,698	263,848
Business trip expenses	703,792	438,306
Utilities	382,222	307,298
Transportation services	148,269	77,594
Fees paid to the Group's auditor**	146,931	150,048
Representation expenses	89,614	55,157
Inventory write-off	83,608	72,593
Insurance expenses	56,851	22,904
Fines	28,664	112,570
Bank services and charges	15,545	-
Commission cost for brokerage and dealer services	11,275	-
Other expenses	5,243,982	2,259,869
<b>Total operating expenses</b>	<b>76,116,150</b>	<b>48,686,935</b>

\* Information on the reclassification of comparative figures is disclosed in Note 3 to the consolidated financial statements.

\*\* Deloitte LLP performs an audit of the consolidated financial statements of the Group and separate financial statements of the Company and its subsidiaries. Other than the fees disclosed above, no other fees were paid to the Group's auditor.

During the year ended 31 December 2023, the Group provided sponsorship to the Republican Public Association "Kazakhstan Chess Federation" in the amount of thousand 3,261,153 KZT to support the development of chess in the Republic of Kazakhstan. During the years ended 31 December 2024 and 2023, the Group decided to provide social support to Konayev city in the form of construction of a part of the embankment in the amount of KZT 2,846,484 thousand and KZT 1,689,061 thousand, respectively. Also, for the year ended 31 December 2024, the Group recognized charity expenses as part of an educational project for applicants to higher education institutions of the Republic of Kazakhstan and projects aimed at improving the level of knowledge among teachers and students.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### 13. Income tax expense

The Group measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax regulations of the Republic of Kazakhstan and Tajikistan where the Group operates, which may differ from IFRS Accounting Standards.

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

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

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

Temporary differences as at 31 December 2024 and 2023 comprise:

	31 December 2024	31 December 2023
<b>Deductible temporary differences:</b>		
Lease liabilities	6,131,490	5,799,877
Other liabilities	4,210,235	212,844
Loans to customers	2,419,912	1,273,153
Unused vacation reserves	2,340,149	1,701,783
<b>Total deductible temporary differences</b>	<b>15,101,786</b>	<b>8,987,657</b>
<b>Taxable temporary differences:</b>		
Property, equipment and intangible assets	(14,356,356)	(8,162,939)
Right-of-use assets	(6,608,926)	(6,152,073)
<b>Total taxable temporary differences</b>	<b>(20,965,282)</b>	<b>(14,315,012)</b>
<b>Net taxable temporary differences</b>	<b>(5,863,496)</b>	<b>(5,327,355)</b>
Net taxable temporary differences at the statutory rate (20%)	(1,172,699)	(1,065,471)
Deferred tax assets not recognized	(249,075)	(180,190)
<b>Net deferred tax liability at the statutory rate (20%)</b>	<b>(1,421,774)</b>	<b>(1,245,661)</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Profit before income tax</b>	<b>80,396,798</b>	<b>57,631,632</b>
Statutory tax rate	20%	20%
Tax at the statutory tax rate 20%	16,079,360	11,526,326
Non-deductible administrative and other operating expenses	653,390	784,987
Non-deductible insurance activity expenses, net	221,988	110,028
Non-deductible expenses on expected credit losses	49,174	286,935
Non-deductible interest expenses on subordinated debt	16,000	16,000
Tax-exempt income on state and other qualifying securities	(16,921,770)	(12,199,786)
Permanent difference between IFRS 17 and IFRS 4	1,045,821	(955,708)
Tax losses carried forward from prior periods	(435,443)	-
Changes in unrecognized deferred tax assets	(68,885)	(103,250)
Non-deductible interest expenses on customer accounts	-	217,461
Other non-deductible expenses	668,867	1,104,915
<b>Income tax expense recognized in profit or loss</b>	<b>1,308,502</b>	<b>787,908</b>
Current income tax benefit	1,132,389	(38,493)
Deferred income tax expense	176,113	826,401
<b>Income tax expense recognized in profit or loss</b>	<b>1,308,502</b>	<b>787,908</b>
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Deferred income tax liabilities</b>		
As at January 1 – deferred income tax liabilities	(1,245,661)	(419,260)
Change in deferred income tax balances recognized in consolidated profit or loss	(176,113)	(826,401)
<b>As at December 31 – deferred income tax liabilities</b>	<b>(1,421,774)</b>	<b>(1,245,661)</b>

## 14. Earnings per share

The earnings and weighted average number of ordinary shares used in calculation of basic and diluted earnings per share are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Net profit for the year attributable to the owners of the Group	79,088,296	56,843,724
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	12,898,749	11,891,631
<b>Total basic and diluted earnings per share</b>	<b>6.13</b>	<b>4.78</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

As required by KASE rules for listed companies, the book value of one share per each class of shares as at 31 December 2024 and 2023 is disclosed as follows:

	31 December 2024	31 December 2023
Total assets	3,016,745,007	2,630,277,270
Less: Intangible assets	(9,373,442)	(4,926,242)
Less: Total liabilities	(2,699,137,361)	(2,392,190,966)
<b>Total Net Assets (as calculated per KASE rules, non – IFRS measure)</b>	<b>308,234,204</b>	<b>233,160,062</b>
Outstanding shares (Note 30)	13,166,399	12,781,784
Book value of one share, in KZT (per KASE rules, non – IFRS measure)	23,411	18,242

## 15. Cash and cash equivalents

	31 December 2024	31 December 2023
Current accounts with banks	133,887,796	41,095,448
Current account with NBRK	75,607,685	72,468,106
Loans under reverse purchase agreements	22,874,921	48,744,889
Cash on hand	22,449,477	22,577,789
Term deposits with NBRK with contractual maturity 90 days or less	15,005,937	35,028,681
Current accounts with stock exchanges	4,871,769	15,771,635
Cash in transit	733,218	27,684
Funds on current accounts with the broker	412,840	696,823
Current accounts with Central Depository	92,091	24,500
Less: allowance for expected credit losses	(137,755)	(156,646)
<b>Total cash and cash equivalents</b>	<b>275,797,979</b>	<b>236,278,909</b>

	31 December 2024	31 December 2023
Stage 1	275,791,084	236,435,555
Stage 3	144,650	-
Less: allowance for expected credit losses	(137,755)	(156,646)
<b>Total cash and cash equivalents</b>	<b>275,797,979</b>	<b>236,278,909</b>

Recovery of expected credit losses on cash and cash equivalents, which is reflected in the consolidated statement of profit or loss comprised KZT 18,891 thousand and KZT 377,896 thousand for the years ended 31 December 2024 and 2023, respectively.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

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

	31 December 2024	
	Fair value of collateral	Carrying amount of loans
Equity securities of Kazakhstan corporations	17,246,103	17,044,975
Corporate bonds of Kazakhstan corporations	3,677,069	3,645,275
Government bonds of the Republic of Kazakhstan	1,106,571	1,115,054
Bonds of foreign governments	755,092	752,798
Equity securities of foreign organizations	316,819	316,819
<b>Total</b>	<b>23,101,654</b>	<b>22,874,921</b>

  

	31 December 2023	
	Fair value of collateral	Carrying amount of loans
Government bonds of the Republic of Kazakhstan	17,787,300	17,783,711
Equity securities of Kazakhstan corporations	16,293,711	16,286,609
Bonds of foreign governments	10,759,145	10,769,935
Corporate bonds of Kazakhstan corporations	3,902,830	3,904,379
Equity securities of foreign organizations	255	255
<b>Total</b>	<b>48,743,241</b>	<b>48,744,889</b>

As at 31 December 2024 and 2023, reverse repurchase agreements included accrued interest in the amount of KZT 2,146 thousand and KZT 37,871 thousand, respectively, and had maturity in January 2025 and January 2024, respectively.

#### Minimum reserve requirements

In accordance with regulations issued by the NBRK, minimum reserve requirements are calculated as a percent of specified banks liabilities. Banks are required to comply with these requirements by maintaining average reserve assets (national currency cash and amounts on current accounts with the NBRK) equal or in excess of the average minimum requirements. As of 31 December 2024, minimum reserve requirements of the Bank comprised KZT 18,146,267 thousand (31 December 2023: KZT 13,362,881 thousand).

## 16. Amounts due from financial institutions

As at 31 December 2024 and 2023, amounts due from financial institutions comprised:

	31 December 2024	31 December 2023
Funds provided as collateral and restricted cash	47,595,535	45,911,572
Term deposits	1,170,868	1,036,241
Less: allowance for expected credit losses	(1,247,448)	(1,144,051)
<b>Total amounts due from financial institutions</b>	<b>47,518,955</b>	<b>45,803,762</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

As at 31 December 2024, funds provided as collateral included a security deposit of a participant of MasterCard system in the amount of KZT 14,150,502 thousand (31 December 2023: KZT 7,560,089 thousand), an insurance deposit of a participant of Visa International system in the amount of KZT 5,427,252 thousand (31 December 2023: KZT 3,579,991 thousand), in a second-tier bank for settlements with MasterCard and Visa International in the amount of KZT 787,665 thousand (31 December 2023: KZT 681,840 thousand), a deposit securing the Bank's obligations to the KASE in the amount of KZT 26,666,600 thousand (31 December 2023: KZT 33,370,326 thousand) and cash in the NBRK to guarantee the transfer of money based on the results of clearing and accepting payments in the instant payment system in the amount of KZT 300,000 thousand (31 December 2023: KZT 300,000), as well as other insurance deposits in the amount of KZT 263,516 thousand (31 December 2023: KZT 368,727 thousand).

As at 31 December 2024 and 2023, term deposits include deposits with a foreign bank denominated in euros with a contractual term of 90 days with an interest rate of 1.0%. As at 31 December 2024 and 2023, an allowance for expected credit losses (ECL) was fully recognized on term deposits.

Credit loss expense on amounts due from financial institutions, which is reflected in the consolidated statement of profit or loss comprised KZT 9,760 thousand and KZT 1,070,318 thousand for the years ended 31 December 2024 and 2023.

	Stage 1	Stage 3	Total
<b>Allowance for ECL as at 1 January 2024</b>	<b>(107,811)</b>	<b>(1,036,241)</b>	<b>(1,144,052)</b>
Net change in provision*	32,796	(42,556)	(9,760)
Exchange differences	(1,565)	(92,071)	(93,636)
<b>Allowance for ECL as at 31 December 2024</b>	<b>(76,580)</b>	<b>(1,170,868)</b>	<b>(1,247,448)</b>

\*Net change in provision is included in "Expected credit losses" in the Consolidated Statement of Profit or Loss

	Stage 1	Stage 3	Total
<b>Allowance for ECL as at 1 January 2023</b>	<b>(54,972)</b>	-	<b>(54,972)</b>
Net change in provision*	(51,071)	(1,019,247)	(1,070,318)
Exchange differences	(1,767)	(16,994)	(18,761)
<b>Allowance for ECL as at 31 December 2023</b>	<b>(107,810)</b>	<b>(1,036,241)</b>	<b>(1,144,051)</b>

\*Net change in provision is included in "Expected credit losses" in the Consolidated Statement of Profit or Loss

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

	31 December 2024	31 December 2023
Government bonds of the Republic of Kazakhstan	875,179,304	898,600,096
Bonds of Kazakhstan corporations	346,425,917	459,419,885
Equity securities of Kazakhstan corporations	40,223,983	30,841,559
Government bonds of foreign countries	37,117,333	18,715,422
Bonds of foreign organizations	17,940,539	16,546,765
Mutual investments fund	4,796,821	1,400,499
Equity securities of foreign organizations	4,001,101	3,327,392
Derivatives	397,649	-
Depository receipts of Kazakhstan banks	296,950	145,911
<b>Total financial assets at fair value through profit or loss</b>	<b>1,326,379,597</b>	<b>1,428,997,529</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

As at 31 December 2024 and 2023, financial assets at fair value through profit or loss included accrued interest in the amount of KZT 71,763,436 thousand and KZT 81,448,831 thousand, respectively.

As at 31 December 2024, the Group had securities of five issuers - Ministry of Finance of the Republic of Kazakhstan, JSC Kazakhstan Sustainability Fund, JSC "Baiterek" National Managing Holding, USA government bonds totaling KZT 1,199,894,377 thousand, which individually exceeded 10% of the Group's total equity.

As at 31 December 2023, the Group had securities of two issuers - Ministry of Finance of the Republic of Kazakhstan, JSC Kazakhstan Sustainability Fund totaling KZT 1,206,407,050 thousand, which individually exceeded 10% of the Group's total equity.

As at 31 December 2024, the fair value of financial assets at fair value through profit or loss pledged under reverse repurchase agreements is KZT 18,221,404 thousand (31 December 2023: KZT 34,804,791 thousand) and pledged under securities repurchase agreement obligations is KZT 1,085,764,886 thousand (31 December 2023: KZT 1,221,727,666 thousand) (Note 26).

As at 31 December 2024 and 2023, the carrying amount of securities repurchase agreement obligations on the above assets is KZT 1,078,711,190 thousand and KZT 1,217,958,875 thousand, respectively (Note 26).

#### 18. Financial assets measured at amortised cost

	31 December 2024	31 December 2023
Government bonds of the Republic of Kazakhstan	254,215,096	101,602,738
Less – Allowance for impairment	(205,304)	(81,127)
<b>Total financial assets measured at amortised cost</b>	<b>254,009,792</b>	<b>101,521,611</b>

As at 31 December 2024 and 2023 the Group invested in bonds of Ministry of Finance of the Republic of Kazakhstan. These bonds are held within a business model to collect contractual cash flows, with cash flows that meet the SPPI criteria. The bonds are managed to collect the contractual principal and interest payments in alignment with the Group's long-term investment objectives and are measured at amortised cost using the effective interest rate method.

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

	31 December 2024	31 December 2023
Government bonds of the Republic of Kazakhstan	143,607,532	70,466,696
Bonds of Kazakhstan corporations	108,800,626	89,316,240
Bonds of foreign organizations	17,666,376	2,823,711
Government bonds of foreign countries	14,791,871	7,019,538
Equity securities of Kazakhstan corporations	45,957	42,870
<b>Total financial assets at fair value through other comprehensive income</b>	<b>284,912,362</b>	<b>169,669,055</b>



## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

As at 31 December 2024 and 2023, financial assets at fair value through other comprehensive income included accrued interest in the amount of KZT 10,108,983 thousand and KZT 8,474,177 thousand, respectively.

As at 31 December 2024, the fair value of financial assets at fair value through profit or loss pledged under reverse repurchase agreements is KZT 4,880,250 thousand (31 December 2023: KZT 14,259,250 thousand) and pledged under securities repurchase agreement obligations is KZT 49,633,986 thousand (31 December 2023: KZT 60,065,801 thousand).

As at 31 December 2024 and 2023, the carrying amount of pledged under securities repurchase agreement obligations on the above assets is KZT 50,255,443 thousand and KZT 63,089,507 thousand, respectively (Note 26).

The tables below present an analysis of changes in the gross carrying amount of financial assets measured at fair value through other comprehensive income and the allowance for expected credit losses for the years ended 31 December 2024 and 31 December 2023.

	Stage 1 12-month expected credit losses	Stage 3 Lifetime expected credit losses	Total  Total
<b>Gross book value as at 1 January 2023</b>	<b>145,069,236</b>	<b>230,704</b>	<b>145,299,940</b>
Newly created or acquired assets	354,872,657	-	354,872,657
Assets derecognised or redeemed (excluding write-offs)	(329,654,188)	-	(329,654,188)
Effect of changes in exchange rates	(251,326)	80,612	(170,714)
<b>Gross book value as at 31 December 2023</b>	<b>170,036,379</b>	<b>311,316</b>	<b>170,347,695</b>
Newly created or acquired assets	311,129,021	421,585	311,550,606
Assets derecognised or redeemed (excluding write-offs)	(197,881,798)	(255,558)	(198,137,356)
Effect of changes in exchange rates	1,920,611	2,201	1,922,812
<b>Gross book value as at 31 December 2024</b>	<b>285,204,213</b>	<b>479,544</b>	<b>285,683,757</b>

	Stage 1 12-month expected credit losses	Stage 3 Lifetime expected credit losses	Total  Total
<b>ECL as at 1 January 2023</b>	<b>(774,208)</b>	<b>(115,352)</b>	<b>(889,560)</b>
Newly created or acquired assets	(198,086)	-	(198,086)
Assets derecognised or redeemed (excluding write-offs)	166,315	-	166,315
Effect of changes in exchange rates	276,931	(40,306)	236,625
Changes in risk parameters	6,065	-	6,065
<b>ECL as at 31 December 2023</b>	<b>(522,983)</b>	<b>(155,658)</b>	<b>(678,641)</b>
Newly created or acquired assets	(305,740)	(210,793)	(516,533)
Assets derecognised or redeemed (excluding write-offs)	229,046	127,779	356,825
Effect of changes in exchange rates	44,779	(1,100)	43,679
Changes in risk parameters	23,273	-	23,273
<b>ECL as at 31 December 2024</b>	<b>(531,625)</b>	<b>(239,772)</b>	<b>(771,397)</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

#### 20. Loans to customers

As at 31 December 2024 and 2023, loans to customers comprised as follows:

	31 December 2024	31 December 2023
Mortgage loans	425,093,109	315,040,682
Retail loans	294,593,063	306,522,602
Corporate loans	67,573,661	398,133
Credit cards	626,194	556,553
	<b>787,886,027</b>	<b>622,517,970</b>
Stage 1	763,045,834	610,883,223
Stage 2	6,703,946	3,229,986
Stage 3	18,136,247	8,404,761
<b>Loans to customers</b>	<b>787,886,027</b>	<b>622,517,970</b>
Less: allowance for expected credit losses	(21,260,164)	(14,072,741)
<b>Total loans to customers</b>	<b>766,625,863</b>	<b>608,445,229</b>

The table below summarizes the amount of loans secured by type of collateral, rather than the fair value of the collateral itself:

	31 December 2024	31 December 2023
Loans collateralized by pledge of real estate	452,265,980	316,948,468
Unsecured loans	175,339,367	175,423,420
Loans collateralized by movable property	86,102,946	122,386,826
Loans collateralized by guarantees and sureties	52,371,529	5,435,135
Loans collateralized by cash and deposits	21,806,205	2,324,121
	<b>787,886,027</b>	<b>622,517,970</b>
Less: allowance for expected credit losses	(21,260,164)	(14,072,741)
<b>Total loans to customers</b>	<b>766,625,863</b>	<b>608,445,229</b>

#### Concentration of loans to customers

As at 31 December 2024, the Group had ten major borrowers, apart from loans acquired under a right of claims assignment agreement, which accounted for 7% (31 December 2023: 0.4%) of the total loan portfolio before ECL. As at 31 December 2024, the aggregate amount of these loans was KZT 57,294,792 thousand (as at 31 December 2023: KZT 2,698,262 thousand). As at 31 December 2024, allowance of KZT 551,102 thousand was recognized against these loans (31 December 2023: KZT 5,821 thousand).

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

Below is the structure of the loan portfolio by product type:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Mortgage	425,093,109	54.0%	315,040,682	50.6%
Loans to individual entrepreneurs	118,427,194	15.0%	116,612,962	18.7%
Car loans	84,810,600	10.7%	122,386,826	19.7%
Loans from MFO	70,989,131	9.0%	64,988,420	10.4%
Loans under credit lines to legal entities	67,573,661	8.6%	398,133	0.1%
Loans collateralized by cash	17,782,801	2.3%	1,995,705	0.3%
Refinancing	1,105,551	0.1%	188,910	0.1%
Credit cards	626,194	0.1%	556,553	0.1%
Others	1,477,786	0.2%	349,779	0.1%
<b>Total loans to customers</b>	<b>787,886,027</b>	<b>100.0%</b>	<b>622,517,970</b>	<b>100.0%</b>

The table below analyzes information about the significant changes in the gross carrying amount of loans to customers as at 31 December 2024 and 2023.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Gross carrying amount as at 1 January 2024</b>	<b>610,883,223</b>	<b>3,229,986</b>	<b>8,404,761</b>	<b>622,517,970</b>
Changes in the gross carrying amount				
- Transfer to stage 1	6,094,802	(6,094,802)	-	-
- Transfer to stage 2	(20,772,206)	23,093,626	(2,321,420)	-
- Transfer to stage 3	(10,963,987)	(12,454,385)	23,418,372	-
New financial assets originated or purchased	377,223,635	-	-	377,223,635
Financial assets that have been derecognised or repaid	(199,509,302)	(1,070,479)	(3,577,227)	(204,157,008)
Write-off	-	-	(7,788,239)	(7,788,239)
Foreign exchange differences and other movements	89,669	-	-	89,669
<b>Gross carrying amount as at 31 December 2024</b>	<b>763,045,834</b>	<b>6,703,946</b>	<b>18,136,247</b>	<b>787,886,027</b>

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Gross carrying amount as at 1 January 2023</b>	<b>298,461,727</b>	<b>207,969</b>	<b>714,478</b>	<b>299,384,174</b>
Changes in the gross carrying amount				
- Transfer to stage 1	2,521,212	(2,521,212)	-	-
- Transfer to stage 2	(8,563,920)	9,326,001	(762,081)	-
- Transfer to stage 3	(5,364,461)	(3,563,828)	8,928,289	-
New financial assets originated or purchased	478,848,423	-	-	478,848,423
Financial assets that have been derecognised or repaid	(155,000,135)	(218,944)	(475,925)	(155,695,004)
Foreign exchange differences and other movements	(19,623)	-	-	(19,623)
<b>Gross carrying amount as at 31 December 2023</b>	<b>610,883,223</b>	<b>3,229,986</b>	<b>8,404,761</b>	<b>622,517,970</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

Analysis of movements in ECL allowance of loans for the year ended 31 December 2024 and 2023 are as follows:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>ECL amount as at 1 January 2024</b>	<b>(7,709,690)</b>	<b>(1,049,889)</b>	<b>(5,313,162)</b>	<b>(14,072,741)</b>
- Transfer to stage 1	(894,523)	894,523	-	-
- Transfer to stage 2	814,476	(1,402,215)	587,739	-
- Transfer to stage 3	684,416	4,864,293	(5,548,709)	-
New financial assets originated or purchased	(7,182,240)	-	-	(7,182,240)
Financial assets that have been derecognised or repaid	3,487,004	454,522	741,888	4,683,414
Change in risk parameters	1,417,444	(6,182,894)	(7,710,821)	(12,476,271)
Write-off	-	-	7,788,239	7,788,239
Foreign exchange differences and other movements	(565)	-	-	(565)
<b>ECL amount as at 31 December 2024</b>	<b>(9,383,678)</b>	<b>(2,421,660)</b>	<b>(9,454,826)</b>	<b>(21,260,164)</b>

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>ECL amount as at 1 January 2023</b>	<b>(3,825,011)</b>	<b>(17,334)</b>	<b>(184,671)</b>	<b>(4,027,016)</b>
- Transfer to stage 1	(248,288)	248,288	-	-
- Transfer to stage 2	319,393	(493,750)	174,357	-
- Transfer to stage 3	309,467	1,239,889	(1,549,356)	-
New financial assets originated or purchased	(12,569,360)	-	-	(12,569,360)
Financial assets that have been derecognised or repaid	4,056,944	78,948	56,766	4,192,658
Change in risk parameters	4,241,848	(2,105,930)	(3,810,258)	(1,674,340)
Foreign exchange differences and other movements	5,317	-	-	5,317
<b>ECL amount as at 31 December 2023</b>	<b>(7,709,690)</b>	<b>(1,049,889)</b>	<b>(5,313,162)</b>	<b>(14,072,741)</b>

### Loans to microfinance organization

In May 2021, the Group entered into an agreement with the Microfinance Organization Freedom Finance Credit LLP (hereinafter referred to as “the MFO”), which is a related party of the Group, an agreement on the assignment of claims on unsecured loans issued on the basis of microcredit agreements concluded with borrowers, under which The MFO transfers to the Group the rights of claim on microcredits. On initial recognition, the Group records claims on microloans at market value determined by an independent appraisal company. As at 31 December 2024 and 2023, the limit on the total value of claims under micro loans was not more than KZT 130,000,000 thousand.

The Group has the right for reverse sale of microloans to the MFO on any basis within the established limit. During 2024, the Group repurchased rights of claim in the amount of KZT 95,558,881 thousand (during 2023 KZT 118,547,435 thousand) and resold in the amount of KZT 23,067,165 thousand (during 2022: KZT 26,608,517 thousand). As at 31 December 2024, the gross carrying amount of microloans purchased from MFIs with a puttable option was KZT 70,989,131 thousand (31 December 2023: KZT 64,988,420 thousand).

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

#### Liabilities from continuing participation

Liability arising from continuing involvement represents obligations to JSC Kazakhstan Sustainability Fund ("Operator") related to the state mortgage program "7-20-25" ("Program"). In accordance with the conditions of this program, the Group provides mortgage loans to borrowers and transfers rights of claim on loans to the Program Operator. In accordance with the program and trust management agreement, the Group carries out trust management of transferred mortgage loans. The Group is obliged to repurchase the rights of claims on transferred mortgage loans, when the loan principal amount and interest has an overdue of 90 days. Reverse repurchase is performed at the loan nominal value. The Group's remuneration for trust management of the rights of claim on loans is calculated from the balance of the principal debt on loans and amounts to 2.5% per annum on loans issued since 1 January 2024.

The Group has determined that it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset transferred, particularly credit risk, however, the Group has determined that it retains control over the assets transferred and continues recognizing the loans to the extent of continuing involvement in the assets transferred. The extent of the Group's continuing involvement is limited to maximum amount of the consideration received, that the Group has to return as the Group's continuing involvement takes the form of a guarantee on the asset transferred. As the Group continues to recognize the asset to the extent of its continuing involvement in loans to customers, the Group also recognizes the associated liability. As at 31 December 2024 and 2023, the principal amount of these loans amounted to KZT 248,307,105 thousand and KZT 224,785,962 thousand, respectively.

## 21. Accounts receivable

As at 31 December 2024 and 2023, accounts receivable comprise of:

	31 December 2024	31 December 2023
Debtors on banking activity	5,787,204	4,008,651
Prepaid expenses	1,001,252	447,165
Brokerage services	616,312	361,443
Dividends and bonds coupon receivable	488,321	1,587,088
Long-term installment receivables	82,358	85,260
Receivable from trust management	58,311	65,732
Market maker services	9,404	12,093
Underwriting services	100	103,949
Other transit accounts	263,420	221,877
Other	199,623	77,769
	<b>8,506,305</b>	<b>6,971,027</b>
Less – Allowance for expected credit losses	(3,624,821)	(3,212,842)
Stage 1	(103,173)	(215,726)
Stage 2	(23,294)	(229,372)
Stage 3	(3,498,354)	(2,767,744)
<b>Total accounts receivable</b>	<b>4,881,484</b>	<b>3,758,185</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

The movement in the allowances for expected credit losses is as follows:

	31 December 2024	31 December 2023
<b>At the beginning of the year</b>	<b>(3,212,842)</b>	<b>(1,445,186)</b>
Additional allowances recognized	(3,062,158)	(4,844,616)
Recoveries of allowances	2,558,524	2,881,169
Write-off of receivables	284,054	157,720
Exchange rate differences	(192,399)	38,071
<b>At the end of the year</b>	<b>(3,624,821)</b>	<b>(3,212,842)</b>

Credit loss expense on accounts receivable, which is reflected in the consolidated statement of profit or loss, comprised KZT 503,634 thousand for the year ended 31 December 2024 and KZT 1,963,447 thousand for the year ended 31 December 2023.

## 22. Insurance and reinsurance contract assets and liabilities

	Year ended 31 December 2024			Year ended 31 December 2023		
	Liability for remaining coverage	Liability for incurred claims	Total	Liability for remaining coverage	Liability for incurred claims	Total
Insurance contract assets	186,821	(154,891)	31,930	67,653	280,232	347,885
Reinsurance contract assets	501,398	1,723,500	2,224,898	963,983	544,317	1,508,300
Insurance contract liabilities	168,739,320	17,998,370	186,737,690	85,179,668	11,292,589	96,472,257
Reinsurance contract liabilities	33,871	(10,696)	23,175	172,687	-	172,687
<b>Total</b>	<b>169,461,410</b>	<b>19,556,283</b>	<b>189,017,693</b>	<b>86,383,991</b>	<b>12,117,138</b>	<b>98,501,129</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

#### Freedom Life

The following table shows the balance sheet amounts of insurance contract portfolios as at the end of the reporting period :

Year ended 31 December 2024							
	Pension annuities	Cumulative life insurance	Employer's liability annuities	Acquired portfolio	Accident insurance and non-accumulative life insurance	Other	Total
Reinsurance contract assets	-	(8,432)		-	(331,850)	-	(340,282)
Insurance contract liabilities	126,222,826	11,622,333	4,408,060	731,230	8,071,867	609,535	151,665,851
<b>Total</b>	<b>126,222,826</b>	<b>11,613,901</b>	<b>4,408,060</b>	<b>731,230</b>	<b>7,740,017</b>	<b>609,535</b>	<b>151,325,569</b>

  

Year ended 31 December 2023							
	Pension annuities	Cumulative life insurance	Employer's liability annuities	Acquired portfolio	Accident insurance and non-accumulative life insurance	Other	Total
Reinsurance contract assets	-	(6,399)		-	(309,054)	-	(315,453)
Insurance contract liabilities	55,325,506	9,433,858	1,468,785	283,263	9,594,630	587,962	76,694,004
<b>Total</b>	<b>55,325,506</b>	<b>9,427,459</b>	<b>1,468,785</b>	<b>283,263</b>	<b>9,285,576</b>	<b>587,962</b>	<b>76,378,551</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

The following table shows the reconciliation of the opening and closing balances of the net liability for the remaining coverage and the liability for incurred claims under insurance contracts measured under the general model for the year ended 31 December 2024 and 2023, respectively.

### A. Pension annuities – contracts without participation features

	Year ended 31 December 2024				Year ended 31 December 2023			
	Liability for remaining coverage		Total	Liability for incurred claims	Liability for remaining coverage		Total	
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Liabilities at the beginning of the period	54,799,126	74,714	55,325,506	451,666	39,119,725	120,586	867,073	
<b>Total balance at the beginning of the period</b>	<b>54,799,126</b>	<b>74,714</b>	<b>55,325,506</b>	<b>451,666</b>	<b>39,119,725</b>	<b>120,586</b>	<b>867,073</b>	
<b>Changes in the statement of profit or loss</b>								
<i>Insurance revenue</i>								
Contracts measured using the modified retrospective approach	(305,384)	-	(305,384)	-	(371,585)	-	(371,585)	
Other contracts	(5,493,993)	-	(5,493,993)	-	(2,888,936)	-	(2,888,936)	
<b>Insurance revenue</b>	<b>(5,799,377)</b>	<b>-</b>	<b>(5,799,377)</b>	<b>-</b>	<b>(3,260,521)</b>	<b>-</b>	<b>(3,260,521)</b>	
<i>Insurance services expenses</i>								
Incurred losses and other expenses incurred for insurance services	-	-	2,404,477	2,404,477	-	-	893,212	
Losses under onerous contracts and reversal of such losses	-	566,797	566,797	-	-	192,451	192,451	
<b>Insurance service result</b>	<b>(5,799,377)</b>	<b>566,797</b>	<b>(2,828,103)</b>	<b>2,404,477</b>	<b>(3,260,521)</b>	<b>192,451</b>	<b>(2,174,858)</b>	
Finance income or expense on insurance contracts issued recognized in profit or loss	17,677,556	(306,290)	17,371,266	-	3,226,452	(238,323)	2,988,129	
<b>Total changes in the Statement of Profit or Loss</b>	<b>11,878,179</b>	<b>260,507</b>	<b>14,543,163</b>	<b>2,404,477</b>	<b>(34,069)</b>	<b>(45,872)</b>	<b>813,271</b>	
<i>Cash Flows</i>								
Investment components and premium refunds	(16,716,431)	-	-	16,716,431	(14,263,023)	-	14,263,023	
Premiums received (including investment components)	75,474,981	-	75,474,981	-	30,432,203	-	30,432,203	
Acquisition cash flows	-	-	-	-	(455,710)	-	(455,710)	
Payments for incurred claims and other expenses for insurance services (including investment components)	-	-	(19,120,824)	(19,120,824)	-	-	(15,571,642)	
<b>Total Cash Flows</b>	<b>75,474,981</b>	<b>-</b>	<b>56,354,157</b>	<b>(19,120,824)</b>	<b>29,976,493</b>	<b>-</b>	<b>14,404,851</b>	
<b>Net balance at the end of the period</b>	<b>125,435,855</b>	<b>335,221</b>	<b>126,222,826</b>	<b>451,750</b>	<b>54,799,126</b>	<b>74,714</b>	<b>55,325,506</b>	



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### B. Cumulative life insurance – contracts without participation features

	Year ended 31 December 2024			Year ended 31 December 2023		
	Liability for remaining coverage Excluding loss component	Loss component	Total	Liability for incurred claims	Liability for remaining coverage Excluding loss component	Total
Liabilities at the beginning of the period	9,433,858	-	9,433,858	-	8,399,031	8,399,031
<b>Total balance at the beginning of the period</b>	<b>9,433,858</b>	-	<b>9,433,858</b>	-	<b>8,399,031</b>	<b>8,399,031</b>
<b>Changes in the statement of profit or loss</b>						
<i>Insurance revenue</i>						
Contracts measured using the modified retrospective approach	(138,675)	-	(138,675)	-	(87,725)	(87,725)
Other contracts	(1,129,064)	-	(1,129,064)	-	(295,832)	(295,832)
<b>Insurance revenue</b>	<b>(1,267,739)</b>	-	<b>(1,267,739)</b>	-	<b>(383,557)</b>	<b>(383,557)</b>
<i>Insurance services expenses</i>						
Incurred losses and other expenses incurred for insurance services	-	-	375,558	375,558	-	264,331
Losses under onerous contracts and reversal of such losses	-	(12,893)	(12,893)	-	(17,484)	(17,484)
<i>Acquisition cash flows</i>						
- Amortization	162,638	-	162,638	-	136,995	136,995
<b>Insurance service result</b>	<b>(1,105,101)</b>	<b>(12,893)</b>	<b>(742,436)</b>	<b>375,558</b>	<b>(246,562)</b>	<b>285</b>
Finance income or expense on insurance contracts issued						
recognized in profit or loss	513,523	12,893	526,416	-	584,249	601,733
Effect of exchange rate changes	1,057,985	-	1,057,985	-	(100,962)	(100,962)
<b>Total changes in the statement of profit or loss</b>	<b>466,407</b>	-	<b>841,965</b>	<b>375,558</b>	<b>236,725</b>	<b>501,056</b>
Investment components and premium refunds	(865,982)	-	-	865,982	(2,256,191)	-
Derecognition pre-recognition cash flows and other changes						
<i>Cash Flows</i>						
Premiums received (including investment components)	2,852,169	-	2,852,169	-	307,564	307,564
Acquisition cash flows	(264,119)	-	(264,119)	-	3,004,499	3,004,499
Payments for incurred claims and other expenses for insurance services (including investment components)	-	-	(1,241,540)	-	(257,770)	(257,770)
<b>Total Cash Flows</b>	<b>2,588,050</b>	-	<b>1,346,510</b>	<b>(1,241,540)</b>	<b>(2,520,522)</b>	<b>226,207</b>
<b>Net balance at the end of the period</b>	<b>11,622,333</b>	-	<b>11,622,333</b>	-	<b>9,433,858</b>	<b>9,433,858</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### C. Acquired portfolio – contracts without participation features

	Year ended 31 December 2024		Year ended 31 December 2023	
	Liability for remaining coverage Excluding loss component	Loss component Total	Liability for remaining coverage Excluding loss component	Loss component Total
Liabilities at the beginning of the period	283,263	-	283,263	-
<b>Total balance at the beginning of the period</b>	<b>283,263</b>	<b>-</b>	<b>283,263</b>	<b>-</b>
<b>Changes in the statement of profit or loss</b>				
<i>Insurance revenue</i>				
Other contracts	18,866	-	18,866	-
<b>Insurance revenue</b>	<b>18,866</b>	<b>-</b>	<b>18,866</b>	<b>-</b>
<i>Insurance services expenses</i>				
Losses under onerous contracts and reversal of such losses	-	418,472	-	-
<b>Insurance service result</b>	<b>18,866</b>	<b>418,472</b>	<b>(46,462)</b>	<b>(46,462)</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	11,680	(1,051)	(1,187)	(1,187)
<b>Total changes in the statement of profit or loss</b>	<b>30,546</b>	<b>417,421</b>	<b>(47,649)</b>	<b>-</b>
<b>Net balance at the end of the period</b>	<b>313,809</b>	<b>417,421</b>	<b>283,263</b>	<b>283,263</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### D. Employer's liability annuities – contracts without participation features

	Year ended 31 December 2024		Year ended 31 December 2023	
	Liability for remaining coverage	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims
	Excluding loss component	Total	Excluding loss component	Total
Liabilities at the beginning of the period	1,468,785	1,468,785	1,220,578	1,220,578
<b>Total balance at the beginning of the period</b>	<b>1,468,785</b>	<b>1,468,785</b>	<b>1,220,578</b>	<b>1,220,578</b>
<b>Changes in the Statement of Profit or Loss</b>				
<i>Insurance revenue</i>				
Contracts measured using the modified retrospective approach	(72,284)	(72,284)	(71,196)	(71,196)
Other contracts	(590,748)	(590,748)	(228,992)	(228,992)
<b>Insurance revenue</b>	<b>(663,032)</b>	<b>(663,032)</b>	<b>(300,188)</b>	<b>(300,188)</b>
<i>Insurance services expenses</i>				
Incurred losses and other expenses incurred for insurance services	-	365,260	-	242,578
<b>Insurance service result</b>	<b>(663,032)</b>	<b>365,260</b>	<b>(300,188)</b>	<b>242,578</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	344,234	344,234	85,808	85,808
<b>Total changes in the Statement of Profit or Loss</b>	<b>(318,798)</b>	<b>46,462</b>	<b>(214,380)</b>	<b>28,198</b>
<i>Cash Flows</i>				
Premiums received (including investment components)	3,258,073	3,258,073	462,587	462,587
Payments for incurred claims and other expenses for insurance services (including investment components)	-	(365,260)	-	(242,578)
<b>Total Cash Flows</b>	<b>3,258,073</b>	<b>2,892,813</b>	<b>462,587</b>	<b>220,009</b>
<b>Net balance at the end of the period</b>	<b>4,408,060</b>	<b>4,408,060</b>	<b>1,468,785</b>	<b>1,468,785</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### E. Other – contracts without participation features

	Year ended 31 December 2024			Year ended 31 December 2023		
	Liability for remaining coverage component	Liability for incurred claims	Total	Liability for remaining coverage component	Liability for incurred claims	Total
Liabilities at the beginning of the period	587,962	-	587,962	461,041	-	461,041
<b>Total balance at the beginning of the period</b>	<b>587,962</b>	<b>-</b>	<b>587,962</b>	<b>461,041</b>	<b>-</b>	<b>461,041</b>
Changes in the Statement of Profit or Loss						
<i>Insurance revenue</i>						
Other contracts	(109,432)	-	(109,432)	(95,858)	-	(95,858)
<b>Insurance revenue</b>	<b>(109,432)</b>	<b>-</b>	<b>(109,432)</b>	<b>(95,858)</b>	<b>-</b>	<b>(95,858)</b>
<i>Insurance services expenses</i>						
Incurred losses and other expenses incurred for insurance services	-	86,667	86,667	-	76,190	76,190
<b>Insurance service result</b>	<b>(109,432)</b>	<b>86,667</b>	<b>(22,765)</b>	<b>(95,858)</b>	<b>76,190</b>	<b>(19,668)</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	82,623	-	82,623	50,582	-	50,582
<b>Total changes in the Statement of Profit or Loss</b>	<b>(26,809)</b>	<b>86,667</b>	<b>59,858</b>	<b>(45,276)</b>	<b>76,190</b>	<b>30,914</b>
<i>Cash Flows</i>						
Premiums received (including investment components)	48,382	-	48,382	172,197	-	172,197
Payments for incurred claims and other expenses for insurance services (including investment components)	-	(86,667)	(86,667)	-	(76,190)	(76,190)
<b>Total Cash Flows</b>	<b>48,382</b>	<b>(86,667)</b>	<b>(38,285)</b>	<b>172,197</b>	<b>(76,190)</b>	<b>96,007</b>
<b>Net balance at the end of the period</b>	<b>609,535</b>	<b>-</b>	<b>609,535</b>	<b>587,962</b>	<b>-</b>	<b>587,962</b>

Notes to the Consolidated Financial Statements (Continued)  
For the Year Ended 31 December 2024  
(in thousands of Kazakhstani Tenge)

A. Accident insurance and non-accumulative life insurance – contracts without direct participation features

\*Information on the reclassification of comparative data is provided in Note 3 to the financial statements.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

#### Contractual service margin

The following table provides an analysis of the expected recognition of the contractual service margin remaining at the end of the reporting period in profit or loss.

Year ended 31 December 2024	Up to 1 year	1-2 years	2-3 years	3-5 years	5- 10 years	10- 20 years	More than 20 years	As at 31 December 2024
<b>Insurance contracts</b>								
Pension annuities	1,302,705	751,112	672,817	1,399,019	4,464,804	10,601,898	10,536,693	29,729,048
Cumulative life insurance	152,897	160,469	165,299	331,459	794,619	755,509	66,826	2,427,078
Employer's liability annuities	79,648	75,196	70,499	122,899	142,273	81,113	17,417	589,045
Other	13,515	13,642	12,925	24,357	49,897	30,805	36	145,177
<b>Total contractual service margin</b>	<b>1,548,765</b>	<b>1,000,419</b>	<b>921,540</b>	<b>1,877,734</b>	<b>5,451,593</b>	<b>11,469,325</b>	<b>10,620,972</b>	<b>32,890,348</b>

Year ended 31 December 2023	Up to 1 year	1-2 years	2-3 years	3-5 years	5- 10 years	10- 20 years	More than 20 years	As at 31 December 2023
<b>Insurance contracts</b>								
Pension annuities	690,069	505,271	442,900	873,797	2,538,032	6,175,913	6,092,434	17,318,416
Cumulative life insurance	172,105	159,048	146,365	259,684	473,225	283,420	26,198	1,520,045
Acquired portfolio	17,804	5,341	1,602	481	144	43	14	25,429
Employer's liability annuities	30,739	22,453	21,071	37,058	67,417	46,165	35,017	259,920
Other	11,640	11,658	11,502	21,922	45,698	23,854	14	126,288
<b>Total contractual service margin</b>	<b>922,357</b>	<b>703,771</b>	<b>623,440</b>	<b>1,192,942</b>	<b>3,124,516</b>	<b>6,529,395</b>	<b>6,153,677</b>	<b>19,250,098</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

The following tables provide a reconciliation of the opening and closing balances of net insurance contract liabilities analyzed by component for the years ended 31 December 2024 and 2023:

### A. Pension annuities – contracts without participation features

	Year ended 31 December 2024					Year ended 31 December 2023				
	Contractual service margin				Total	Contractual service margin				Total
	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Other contracts		Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Other contracts	
Liabilities at the beginning of the period	37,609,012	398,078	2,391,298	14,927,118	55,325,506	28,492,656	428,068	2,419,180	8,767,480	40,107,384
<b>Total balance at the beginning of the period</b>	<b>37,609,012</b>	<b>398,078</b>	<b>2,391,298</b>	<b>14,927,118</b>	<b>55,325,506</b>	<b>28,492,656</b>	<b>428,068</b>	<b>2,419,180</b>	<b>8,767,480</b>	<b>40,107,384</b>
<b>Changes in the Statement of Profit or Loss</b>										
<i>Changes that relate to the services of the current period</i>										
Margin on contractual services recognized for the purpose of reflecting provided services	-	-	(286,451)	(3,666,431)	(3,952,882)	-	-	(312,936)	(2,101,258)	(2,414,194)
Change in risk adjustment for non-financial risk	-	(64,422)	-	-	(64,422)	-	(31,762)	-	-	(31,762)
Experience adjustment	571,501	-	-	-	571,501	68,004	-	-	-	68,004
<i>Changes that relate to future service</i>										
Contracts initially recognized in the year	(14,621,905)	817,390	-	13,804,515	-	(7,525,999)	166,934	-	7,359,065	-
Changes in estimates adjusting the margin on contractual services	(101,462)	(135,237)	(182,343)	419,042	-	150,562	(96,276)	28,399	(82,685)	-
Changes in accounting estimates leading to losses on onerous contracts and the reversal of losses	663,761	(46,061)	-	-	617,700	297,912	(94,818)	-	-	203,094
<b>Insurance service result</b>	<b>(13,488,105)</b>	<b>571,670</b>	<b>(468,794)</b>	<b>10,557,126</b>	<b>(2,828,103)</b>	<b>(7,009,521)</b>	<b>(55,922)</b>	<b>(284,537)</b>	<b>5,175,122</b>	<b>(2,174,858)</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	14,868,279	180,687	253,355	2,068,945	17,371,266	1,721,026	25,932	256,655	984,516	2,988,129
<b>Total changes in the Statement of Profit or Loss</b>	<b>1,380,174</b>	<b>752,357</b>	<b>(215,439)</b>	<b>12,626,071</b>	<b>14,543,163</b>	<b>(5,288,495)</b>	<b>(29,990)</b>	<b>(27,882)</b>	<b>6,159,638</b>	<b>813,271</b>
Premiums received (including investment components)	75,474,981	-	-	-	75,474,981	30,432,203	-	-	-	30,432,203
Acquisition cash flows	-	-	-	-	-	(455,710)	-	-	-	(455,710)
Payments for incurred claims and other expenses for insurance services (including investment components)	(19,120,824)	-	-	-	(19,120,824)	(15,571,642)	-	-	-	(15,571,642)
<b>Net balance at the end of the period</b>	<b>95,343,343</b>	<b>1,150,435</b>	<b>2,175,859</b>	<b>27,553,189</b>	<b>126,222,826</b>	<b>37,609,012</b>	<b>398,078</b>	<b>2,391,298</b>	<b>14,927,118</b>	<b>55,325,506</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstanian Tenge)

### B. Cumulative life insurance – contracts without participation features

	Year ended 31 December 2024					Year ended 31 December 2023				
	Contractual service margin				Total	Contractual service margin				Total
	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Other contracts		Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Other contracts	
Liabilities at the beginning of the period	7,833,920	79,893	318,084	1,201,961	9,433,858	7,248,703	78,918	339,477	731,933	8,399,031
<b>Total balance at the beginning of the period</b>	<b>7,833,920</b>	<b>79,893</b>	<b>318,084</b>	<b>1,201,961</b>	<b>9,433,858</b>	<b>7,248,703</b>	<b>78,918</b>	<b>339,477</b>	<b>731,933</b>	<b>8,399,031</b>
<b>Changes in the Statement of Profit or Loss</b>										
<i>Changes that relate to the services of the current period</i>										
Margin on contractual services recognized for the purpose of reflecting provided services	-	-	(54,388)	(300,671)	(355,059)	-	-	(55,783)	(159,744)	(215,527)
Change in risk adjustment for non-financial risk	-	(361)	-	-	(361)	-	(18,218)	-	-	(18,218)
Experience adjustment	(374,124)	-	-	-	(374,124)	251,514	-	-	-	251,514
<i>Changes that relate to future service</i>										
Contracts initially recognized in the year	179,588	64,085	-	-	243,673	244,895	27,897	(1,456)	(5,385)	265,951
Changes in estimates adjusting the margin on contractual services	(1,065,480)	(13,790)	65,015	1,014,255	-	(517,304)	(6,565)	1,742	522,127	-
Changes in accounting estimates leading to losses on onerous contracts and the reversal of losses	(253,300)	(3,265)	-	-	(256,565)	(281,296)	(2,139)	-	-	(283,435)
<b>Insurance service result</b>	<b>(1,513,316)</b>	<b>46,669</b>	<b>10,627</b>	<b>713,584</b>	<b>(742,436)</b>	<b>(302,191)</b>	<b>975</b>	<b>(55,497)</b>	<b>356,998</b>	<b>285</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	331,537	3,709	25,968	165,202	526,416	457,558	-	33,606	110,569	604,733
Effect of exchange rate changes	1,066,333	-	904	(9,252)	1,057,985	(103,921)	-	498	2,461	(100,962)
<b>Total changes in the Statement of Profit or Loss</b>	<b>(115,446)</b>	<b>50,378</b>	<b>37,499</b>	<b>869,534</b>	<b>841,965</b>	<b>51,446</b>	<b>975</b>	<b>(21,393)</b>	<b>470,028</b>	<b>501,056</b>
<i>Derecognition of cash flows prior to recognition and other changes</i>										
Premiums received (including investment components)	-	-	-	-	-	307,564	-	-	-	307,564
Acquisition cash flows	2,852,169	-	-	-	2,852,169	3,004,499	-	-	-	3,004,499
Payments for incurred claims and other expenses for insurance services (including investment components)	(264,119)	-	-	-	(264,119)	(257,770)	-	-	-	(257,770)
	(1,241,540)	-	-	-	(1,241,540)	(2,520,522)	-	-	-	(2,520,522)
<b>Net balance at the end of the period</b>	<b>9,064,984</b>	<b>130,271</b>	<b>355,583</b>	<b>2,071,495</b>	<b>11,622,333</b>	<b>7,833,920</b>	<b>79,893</b>	<b>318,084</b>	<b>1,201,961</b>	<b>9,433,858</b>



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### C. Acquired portfolio – contracts without participation features

	Year ended 31 December 2024				Year ended 31 December 2023			
	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contractual service margin	Total
Liabilities at the beginning of the period	247,887	9,947	25,429	283,263	263,723	10,570	56,619	330,912
<b>Total balance at the beginning of the period</b>	<b>247,887</b>	<b>9,947</b>	<b>25,429</b>	<b>283,263</b>	<b>263,723</b>	<b>10,570</b>	<b>56,619</b>	<b>330,912</b>
<b>Changes in the Statement of Profit or Loss</b>								
<i>Changes that relate to the services of the current period</i>								
Margin on contractual services recognized for the purpose of reflecting provided services	-	-	-	-	-	-	(31,190)	(31,190)
Change in risk adjustment for non-financial risk	-	18,865	-	18,865	-	(623)	-	(623)
Experience adjustment	-	-	-	-	(14,649)	-	-	(14,649)
<i>Changes that relate to future service</i>								
Contracts initially recognized in the year								
Changes in estimates adjusting the margin on contractual services	25,429	-	(25,429)	-	-	-	-	-
Changes in accounting estimates leading to losses on onerous contracts and the reversal of losses	418,473	-	-	418,473	-	-	-	-
<b>Insurance service result</b>	<b>443,902</b>	<b>18,865</b>	<b>(25,429)</b>	<b>437,338</b>	<b>(14,649)</b>	<b>(623)</b>	<b>(31,190)</b>	<b>(46,462)</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	10,629	-	-	10,629	(1,187)	-	-	(1,187)
<b>Total changes in the Statement of Profit or Loss</b>	<b>454,531</b>	<b>18,865</b>	<b>(25,429)</b>	<b>447,967</b>	<b>(15,836)</b>	<b>(623)</b>	<b>(31,190)</b>	<b>(47,649)</b>
<b>Net balance at the end of the period</b>	<b>702,418</b>	<b>28,812</b>	<b>-</b>	<b>731,230</b>	<b>247,887</b>	<b>9,947</b>	<b>25,429</b>	<b>283,263</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstan Tenge)

### D. Employer's liability annuities – contracts without participation features

	Year ended 31 December 2024					Year ended 31 December 2023				
	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Other contracts	Total	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contracts under the modified retrospective approach	Other contracts	Total
Liabilities at the beginning of the period	1,174,799	34,066	62,104	197,816	1,468,785	938,529	26,749	92,924	162,376	1,220,578
<b>Total balance at the beginning of the period</b>	<b>1,174,799</b>	<b>34,066</b>	<b>62,104</b>	<b>197,816</b>	<b>1,468,785</b>	<b>938,529</b>	<b>26,749</b>	<b>92,924</b>	<b>162,376</b>	<b>1,220,578</b>
<b>Changes in the Statement of Profit or Loss</b>										
<i>Changes that relate to the services of the current period</i>										
Margin on contractual services recognized for the purpose of reflecting provided services	-	-	(10,282)	(81,821)	(92,103)	-	-	(8,160)	(47,811)	(55,971)
Change in risk adjustment for non-financial risk	-	(18,073)	-	-	(18,073)	-	(5,678)	-	-	(5,678)
Experience adjustment	(187,596)	-	-	-	(187,596)	4,040	-	-	-	4,040
<i>Changes that relate to future service</i>										
Contracts initially recognized in the year	(359,639)	70,426	-	289,213	-	(108,668)	12,995	-	95,672	(1)
Changes in estimates adjusting the margin on contractual services	(89,149)	(2,324)	510	90,963	-	60,834	-	(28,824)	(32,010)	-
<b>Insurance service result</b>	<b>(636,384)</b>	<b>50,029</b>	<b>(9,772)</b>	<b>298,355</b>	<b>(297,772)</b>	<b>(43,794)</b>	<b>7,317</b>	<b>(36,984)</b>	<b>15,851</b>	<b>(57,610)</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	297,741	5,951	5,213	35,329	344,234	60,055	-	6,164	19,589	85,808
<b>Total changes in the Statement of Profit or Loss</b>	<b>(338,643)</b>	<b>55,980</b>	<b>(4,559)</b>	<b>333,684</b>	<b>46,462</b>	<b>16,261</b>	<b>7,317</b>	<b>(30,820)</b>	<b>35,440</b>	<b>28,198</b>
Premiums received (including investment components)	3,258,073	-	-	-	3,258,073	462,587	-	-	-	462,587
Payments for incurred claims and other expenses for insurance services (including investment components)	(365,260)	-	-	-	(365,260)	(242,578)	-	-	-	(242,578)
<b>Net balance at the end of the period</b>	<b>3,728,969</b>	<b>90,046</b>	<b>57,545</b>	<b>531,500</b>	<b>4,408,060</b>	<b>1,174,799</b>	<b>34,066</b>	<b>62,104</b>	<b>197,816</b>	<b>1,468,785</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### E. Other – contracts without participation features

	Year ended 31 December 2024				Year ended 31 December 2023		
	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of present value of future cash flows	Change in risk adjustment for non-financial risk	Total
			Other contracts				Other contracts
Liabilities at the beginning of the period	459,060	2,614	126,288	587,962	344,352	2,214	114,475
<b>Total balance at the beginning of the period</b>	<b>459,060</b>	<b>2,614</b>	<b>126,288</b>	<b>587,962</b>	<b>344,352</b>	<b>2,214</b>	<b>114,475</b>
<b>Changes in the Statement of Profit or Loss</b>							
<i>Changes that relate to the services of the current period</i>							
Margin on contractual services recognized for the purpose of reflecting provided services	-	-	(23,504)	(23,504)	-	-	(21,059)
Change in risk adjustment for non-financial risk	-	(181)	-	(181)	-	(178)	(178)
Experience adjustment	920	-	-	920	1,570	-	1,570
<i>Changes that relate to future service</i>							
Contracts initially recognized in the year	(24,646)	493	24,153	-	(15,351)	578	14,772
<b>Insurance service result</b>	<b>(23,726)</b>	<b>312</b>	<b>649</b>	<b>(22,765)</b>	<b>(13,781)</b>	<b>400</b>	<b>(6,287)</b>
Finance income or expense on insurance contracts issued recognized in profit or loss	64,383	-	18,240	82,623	32,482	-	18,100
<b>Total changes in the Statement of Profit or Loss</b>	<b>40,657</b>	<b>312</b>	<b>18,889</b>	<b>59,858</b>	<b>18,701</b>	<b>400</b>	<b>11,813</b>
Premiums received (including investment components)	48,382	-	-	48,382	172,197	-	172,197
Payments for incurred claims and other expenses for insurance services (including investment components)	(86,667)	-	-	(86,667)	(76,190)	-	(76,190)
<b>Net balance at the end of the period</b>	<b>461,432</b>	<b>2,926</b>	<b>145,177</b>	<b>609,535</b>	<b>459,060</b>	<b>2,614</b>	<b>126,288</b>
							<b>587,962</b>

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

The following table presents an analysis of insurance contracts initially recognized during the period (for insurance contracts excluding those to which the premium allocation approach was applied):

A. Pension annuities	31 December 2024	31 December 2023
	Profitable contracts	Profitable contracts
<b>Issued Contracts</b>		
Estimated present value of future cash outflows:		
- Incurred claims and other insurance service expenses	60,853,076	22,906,204
Estimated present value of future cash inflows	75,474,981	30,432,203
Risk adjustment for non-financial risk	817,390	166,934
Contractual service margin	13,804,515	7,359,065
<b>B. Cumulative life insurance</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
	Onerous contracts	Onerous contracts
<b>Issued Contracts</b>		
Estimated present value of future cash outflows:		
- Acquisition cash flows	258,623	256,708
- Incurred claims and other insurance service expenses	3,140,135	3,300,249
Estimated present value of future cash inflows	3,219,170	3,312,063
Risk adjustment for non-financial risk	64,085	27,897
Margin for services provided by the contract	-	(6,841)
<b>C. Employer's liability annuities</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
	Profitable contracts	Profitable contracts
<b>Issued Contracts</b>		
Estimated present value of future cash outflows:		
- Incurred claims and other insurance service expenses	2,898,434	353,919
Estimated present value of future cash inflows	3,258,073	462,587
Risk adjustment for non-financial risk	70,426	12,995
Contractual service margin	289,213	95,673

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

#### Freedom Finance Insurance

##### Insurance contract assets and liabilities

	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss Component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<b>2024 year</b>					
Assets at the beginning of the period	67,653	-	280,232	-	347,885
Liabilities at the beginning of the period	(9,675,484)	(1,241,648)	(5,426,796)	(464,661)	(16,808,589)
<b>Net balances as at 1 January 2024</b>	<b>(9,607,831)</b>	<b>(1,241,648)</b>	<b>(5,146,564)</b>	<b>(464,661)</b>	<b>(16,460,704)</b>
<b>Changes in the Statement of Profit or Loss</b>					
<b>Insurance revenue</b>	<b>38,752,401</b>	-	-	-	<b>38,752,401</b>
<b>Insurance service expenses</b>					
Incurred claims and other insurance service expenses	-	-	(24,144,949)	(934,543)	(25,079,492)
Amortization of insurance acquisition cash flows	(3,539,784)	-	-	-	(3,539,784)
Adjustments to liabilities for incurred claims	-	-	2,108,885	289,254	2,398,139
Losses and reversals of losses on onerous contracts	-	(2,844,075)	-	-	(2,844,075)
<b>Insurance service expenses</b>	<b>(3,539,784)</b>	<b>(2,844,075)</b>	<b>(22,036,064)</b>	<b>(645,289)</b>	<b>(29,065,212)</b>
<b>Insurance service result</b>	<b>35,212,617</b>	<b>(2,844,075)</b>	<b>(22,036,064)</b>	<b>(645,289)</b>	<b>9,687,189</b>
Finance costs of insurance recognised in profit or loss	(1,236,609)	-	-	-	(1,236,609)
<b>Changes in the Statement of Profit or Loss</b>	<b>33,976,008</b>	<b>(2,844,075)</b>	<b>(22,036,064)</b>	<b>(645,289)</b>	<b>8,450,580</b>
Other changes related to the acquired portfolio*	(79,061)	-	-	-	(79,061)
<b>Cash flows for the period:</b>					
Premiums received	(44,096,745)	-	-	-	(44,096,745)
Payments for claims and other insurance service expenses	-	-	14,954,405	-	14,954,405
Insurance acquisition cash flows	2,191,616	-	-	-	2,191,616
<b>Total cash flows</b>	<b>(41,905,129)</b>	-	<b>14,954,405</b>	-	<b>(26,950,724)</b>
<b>Net balances at the end of the period</b>	<b>(17,616,013)</b>	<b>(4,085,723)</b>	<b>(12,228,223)</b>	<b>(1,109,950)</b>	<b>(35,039,909)</b>
Assets at the end of the period	186,821	-	(154,891)	-	31,930
Liabilities at the end of the period	(17,802,834)	(4,085,723)	(12,073,332)	(1,109,950)	(35,071,839)
<b>Net balances at the end of the period</b>	<b>(17,616,013)</b>	<b>(4,085,723)</b>	<b>(12,228,223)</b>	<b>(1,109,950)</b>	<b>(35,039,909)</b>

\* other changes related to the acquired London-Almaty portfolio

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

2023 year	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss Component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Assets at the beginning of the period	289,458	-	145,616	-	435,074
Liabilities at the beginning of the period	(8,439,654)	(1,268,282)	(3,063,400)	(257,247)	(13,028,583)
<b>Net balances as at 1 January 2023</b>	<b>(8,150,196)</b>	<b>(1,268,282)</b>	<b>(2,917,784)</b>	<b>(257,247)</b>	<b>(12,593,509)</b>
<b>Changes in the Statement of Profit or Loss and Other Comprehensive Income</b>					
<b>Insurance revenue</b>	<b>19,204,936</b>	-	-	-	<b>19,204,936</b>
<i>Insurance service expenses</i>					
Incurred claims and other insurance service expenses	-	-	(11,654,489)	(395,755)	(12,050,244)
Amortization of insurance acquisition cash flows	(2,105,510)	-	-	-	(2,105,510)
Adjustments to liabilities for incurred claims	-	-	369,197	188,340	557,537
Losses and reversals of losses on onerous contracts	-	26,634	-	-	26,634
<b>Insurance service expenses</b>	<b>(2,105,510)</b>	<b>26,634</b>	<b>(11,285,292)</b>	<b>(207,415)</b>	<b>(13,571,583)</b>
<b>Insurance service result from insurance contracts issued</b>	<b>17,099,426</b>	<b>26,634</b>	<b>(11,285,292)</b>	<b>(207,415)</b>	<b>5,633,353</b>
Finance costs of insurance recognised in profit or loss	(623,845)	-	-	-	(623,845)
<b>Changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>16,475,581</b>	<b>26,634</b>	<b>(11,285,292)</b>	<b>(207,415)</b>	<b>5,009,508</b>
Other changes*	-	-	-	-	-
Other changes related to the acquired portfolio**	365,362	-	-	-	365,362
<b>Cash flows</b>	<b>1,479,052</b>	-	-	-	<b>1,479,052</b>
Premiums received	-	-	-	-	-
Claims and other insurance service expenses paid	(24,142,245)	-	-	-	(24,142,245)
Insurance acquisition cash flows	-	-	9,056,511	-	9,056,511
<b>Total cash flows</b>	<b>1,327,298</b>	-	-	-	<b>1,327,298</b>
<b>Net balances at the end of the period</b>	<b>(22,814,947)</b>	-	<b>9,056,511</b>	-	<b>(13,758,436)</b>
Assets at the end of the period	(12,645,148)	(1,241,648)	(5,146,564)	(464,661)	(19,498,022)
Liabilities at the end of the period	67,653	-	280,232	-	347,885
<b>Net balances at the end of the period</b>	<b>(12,645,148)</b>	<b>(1,241,648)</b>	<b>(5,426,796)</b>	<b>(464,661)</b>	<b>(19,778,253)</b>
<b>Net balances at the end of the period</b>	<b>(12,577,495)</b>	<b>(1,241,648)</b>	<b>(5,146,564)</b>	<b>(464,661)</b>	<b>(19,430,368)</b>

\* other changes - the effect on the financial component of revenue and acquisition expenses not related to cash flows is reflected

\*\* other changes related to the acquired London-Almaty portfolio

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

The insurance contract assets and liabilities by products is presented below.

As at 31 December 2024						
	Civil Liability insurance	Vehicle insurance	Civil liability of car owners	Property insurance	Acquired portfolio	Other financial losses insurance
						Other
Total						
Insurance contract assets	27,688	-	-	1,400	2,654	188
Insurance contract liabilities	10,202,084	3,791,659	12,907,275	5,160,786	276,166	1,662,812
Net	(10,174,396)	(3,791,659)	(12,907,275)	(5,159,386)	(273,512)	(1,662,624)
						(35,039,909)
As at 31 December 2023						
	Civil Liability insurance	Vehicle insurance	Civil liability of car owners	Property insurance	Acquired portfolio	Other financial losses insurance
						Other
Total						
Insurance contract assets	28,719	123,786	137,089	20,804	644	6,868
Insurance contract liabilities	5,095,940	4,981,685	7,669,067	705,025	606,404	183,311
Net	(5,067,221)	(4,857,899)	(7,531,978)	(684,221)	(605,760)	(176,443)
						(506,845)
						(19,430,367)

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

#### Reinsurance contracts assets and liabilities

	Remaining coverage component		Incurred claims component		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
<b>2024</b>					
Assets at the beginning of the period	536,199	112,331	481,478	62,839	1,192,847
Liabilities at the beginning of the period	(172,687)	-	-	-	(172,687)
<b>Net balances as at 1 January 2024</b>	<b>363,512</b>	<b>112,331</b>	<b>481,478</b>	<b>62,839</b>	<b>1,020,160</b>
<b>Changes in the Statement of Profit or Loss and Other Comprehensive Income</b>					
Allocation of reinsurance premiums paid	(5,572,029)	-	-	-	(5,572,029)
<i>Amounts recovered from reinsurers</i>					
Recoveries on incurred claims and other incurred reinsurance service expenses	-	-	1,541,152	60,376	1,601,528
Changes in expected recoveries on past claims	-	-	(300,927)	(55,379)	(356,306)
Losses on groups of onerous contracts and their subsequent recoveries	-	(105,446)	-	-	(105,446)
<b>Amounts recovered from reinsurers</b>	<b>-</b>	<b>(105,446)</b>	<b>1,240,225</b>	<b>4,997</b>	<b>1,139,776</b>
<b>Net expenses from reinsurance contracts held</b>	<b>(5,572,029)</b>	<b>(105,446)</b>	<b>1,240,225</b>	<b>4,997</b>	<b>(4,432,253)</b>
Finance income from reinsurance contracts recognized in profit or loss	117,389	-	-	-	117,389
<b>Changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>(5,454,640)</b>	<b>(105,446)</b>	<b>1,240,225</b>	<b>4,997</b>	<b>(4,314,864)</b>
Other changes related to the acquired portfolio*	13,043	-	-	-	13,043
<i>Cash flows</i>					
Premiums paid	5,481,056	-	-	-	5,481,056
Amounts received from reinsurers relating to incurred claims and other incurred reinsurance services expenses	-	-	(337,955)	-	(337,955)
<b>Total cash flows</b>	<b>5,481,056</b>	<b>-</b>	<b>(337,955)</b>	<b>-</b>	<b>5,143,101</b>
<b>Net balances at the end of the period</b>	<b>402,971</b>	<b>6,885</b>	<b>1,383,748</b>	<b>67,836</b>	<b>1,861,440</b>
Assets at the end of the period	436,842	6,885	1,373,053	67,836	1,884,616
Liabilities at the end of the period	(33,871)	-	10,696	-	(23,175)
<b>Net balances at the end of the period</b>	<b>402,971</b>	<b>6,885</b>	<b>1,383,749</b>	<b>67,836</b>	<b>1,861,441</b>

\* other changes related to the acquired London-Almaty portfolio



# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

2023	Remaining coverage component		Incurred claims component		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Assets at the beginning of the period	2,305,622	71,096	139,538	10,640	2,526,896
Liabilities at the beginning of the period	(517,718)	-	-	-	(517,718)
<b>Net balances as at 1 January 2023</b>	<b>1,787,904</b>	<b>71,096</b>	<b>139,538</b>	<b>10,640</b>	<b>2,009,178</b>
<b>Changes in the Statement of Profit or Loss and Other Comprehensive Income</b>					
<b>Allocation of reinsurance premiums paid</b>	<b>(4,666,217)</b>	-	-	-	<b>(4,666,217)</b>
<i>Amounts recovered from reinsurers</i>					
Recoveries on incurred claims and other incurred reinsurance service expenses	-	-	989,305	52,009	1,041,314
Changes in expected recoveries on past claims	-	-	119,335	190	119,525
Changes in the loss recovery component	-	41,235	-	-	41,235
<b>Amounts recovered from reinsurers</b>	<b>-</b>	<b>41,235</b>	<b>1,108,640</b>	<b>52,199</b>	<b>1,202,074</b>
<b>Net expenses from reinsurance contracts held</b>	<b>(4,666,217)</b>	<b>41,235</b>	<b>1,108,640</b>	<b>52,199</b>	<b>(3,464,143)</b>
Finance income from reinsurance contracts recognized in profit or loss	31,859	-	-	-	31,859
<b>Changes in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>(4,634,358)</b>	<b>41,235</b>	<b>1,108,640</b>	<b>52,199</b>	<b>(3,432,284)</b>
Other changes*	(45,566)	-	-	-	(45,566)
Other changes related to the acquired portfolio**	(768,389)	-	-	-	(768,389)
<i>Cash flows</i>					
Premiums paid	4,023,921	-	-	-	4,023,921
Amounts received from reinsurers relating to incurred claims and other incurred reinsurance services expenses	-	-	(766,700)	-	(766,700)
<b>Total cash flows</b>	<b>4,023,921</b>	<b>-</b>	<b>(766,700)</b>	<b>-</b>	<b>3,257,221</b>
<b>Net balances at the end of the period</b>	<b>363,512</b>	<b>112,331</b>	<b>481,478</b>	<b>62,839</b>	<b>1,020,160</b>
Assets at the end of the period	536,199	112,331	481,478	62,839	1,192,847
Liabilities at the end of the period	(172,687)	-	-	-	(172,687)
<b>Net balances at the end of the period</b>	<b>363,512</b>	<b>112,331</b>	<b>481,478</b>	<b>62,839</b>	<b>1,020,160</b>

\* other changes - the effect on the financial component of revenue and acquisition expenses not related to cash flows is reflected

\*\* other changes related to the acquired London-Almaty portfolio

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

The reinsurance contract assets and liabilities by products is presented below.

							As at 31 December 2024	
	Civil Liability insurance	Vehicle insurance	Civil liability of car owners	Property insurance	Acquired portfolio	Other financial losses insurance	Other	Total
Reinsurance contract assets	27,787	46,261	3,276	758,068	68,001	97,075	884,148	1,884,616
Reinsurance contract liabilities	184	22,707	-	-	284	-	-	23,175
<b>Net</b>	<b>27,603</b>	<b>23,554</b>	<b>3,276</b>	<b>758,068</b>	<b>67,717</b>	<b>97,075</b>	<b>884,148</b>	<b>1,861,441</b>
							As at 31 December 2023	
	Civil Liability insurance	Vehicle insurance	Civil liability of car owners	Property insurance	Acquired portfolio	Other financial losses insurance	Other	Total
Reinsurance contract assets	64,337	89,201	-	225,520	241,461	199,185	373,143	1,192,847
Reinsurance contract liabilities	-	130	-	155,140	15,616	1,776	25	172,687
<b>Net</b>	<b>64,337</b>	<b>89,071</b>	<b>-</b>	<b>70,380</b>	<b>225,845</b>	<b>197,409</b>	<b>373,118</b>	<b>1,020,160</b>

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### 23. Right-of-use assets

Right-of-use assets	Buildings
<b>Cost</b>	
As at 1 January 2023	5,814,808
Additions	5,998,671
Modification*	(660,718)
Disposal	(1,849,000)
<b>As at 31 December 2023</b>	<b>9,303,761</b>
Additions	2,146,230
Modification**	1,099,817
Disposal	(882,441)
<b>As at 31 December 2024</b>	<b>11,667,367</b>
<b>Accumulated depreciation</b>	
As at 1 January 2023	(2,016,846)
Charge for the year	(1,548,059)
Eliminated on disposal	413,217
<b>As at 31 December 2023</b>	<b>(3,151,688)</b>
Charge for the year	(2,382,764)
Eliminated on disposal	476,011
<b>As at 31 December 2024</b>	<b>(5,058,441)</b>
<b>Net book value:</b>	
As at 31 December 2023	6,152,073
As at 31 December 2024	6,608,926

\*On 28 April 2023, the Group signed an additional agreement on the lease of the head office, resulting in a decrease of the rented premises' area.

\*\*During the year ended 31 December 2024, the Group signed addenda to the lease agreements.

During the year ended 31 December 2024 and 2023, the Group had no material early terminated lease agreements for office premises.

The Group leases buildings for the average lease term of 3 years.

The maturity analysis of lease liabilities is presented in Note 29.

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Amounts recognized in profit and loss</b>		
Depreciation expense on right-of-use assets	2,382,764	1,548,059
Interest expense on lease liabilities*	878,726	783,840

\* Under IFRS 17, interest expense on lease liabilities will differ from interest expense disclosed in Note 6, as they pertain to lease liabilities and not insurance contract liabilities.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstanian Tenge)

#### 24. Property, equipment and intangible assets

	Intangible assets	Land and buildings	Vehicles	Furniture	Office equipment	Leasehold improvement	Servers and information storages	Other	Total
<b>At historical cost</b>									
<b>31 December 2022</b>	<b>3,639,282</b>	<b>4,701,862</b>	<b>351,009</b>	<b>2,591,408</b>	<b>4,091,977</b>	<b>969,792</b>	<b>86,847</b>	<b>412,266</b>	<b>16,844,443</b>
Additions	2,997,087	109,325	40,609	2,330,958	2,549,515	1,787,710	1,255	56,880	9,873,339
Disposals	(5,535)	-	(17,447)	(46,114)	(521,177)	(2,932)	-	(30,462)	(623,667)
Revaluation	-	490,535	-	-	-	-	-	-	490,535
Transfers	-	(37,288)	-	-	-	-	-	37,288	-
<b>31 December 2023</b>	<b>6,630,834</b>	<b>5,264,434</b>	<b>374,171</b>	<b>4,876,252</b>	<b>6,120,315</b>	<b>2,754,570</b>	<b>88,102</b>	<b>475,972</b>	<b>26,584,650</b>
Additions	4,694,242	6,280,032	427,343	3,054,772	4,073,549	2,417,840	-	425,090	21,372,868
Disposals	(9,710)	-	(58,483)	(87,833)	(157,215)	(5,712)	-	(33,903)	(352,856)
Revaluation	-	(490,534)	-	-	-	-	-	-	(490,534)
Transfers	-	-	(1,124)	-	37,430	-	-	(36,306)	-
<b>31 December 2024</b>	<b>11,315,366</b>	<b>11,053,932</b>	<b>741,907</b>	<b>7,843,191</b>	<b>10,074,079</b>	<b>5,166,698</b>	<b>88,102</b>	<b>830,853</b>	<b>47,114,128</b>
<b>Accumulated depreciation</b>									
<b>31 December 2022</b>	<b>(1,258,974)</b>	<b>(273,945)</b>	<b>(76,930)</b>	<b>(892,956)</b>	<b>(1,484,669)</b>	<b>(298,782)</b>	<b>(43,887)</b>	<b>(141,709)</b>	<b>(4,471,852)</b>
Charge for the year	(282,901)	(84,177)	(40,081)	(380,555)	(601,272)	(270,916)	(17,488)	(54,415)	(1,731,805)
Eliminated on disposals	2,093	-	15,137	35,726	516,241	2,932	-	22,088	594,217
Revaluation	-	(164,810)	-	-	-	-	-	-	(164,810)
Transfers	-	4,106	-	-	-	-	-	(4,106)	-
<b>31 December 2023</b>	<b>(1,539,782)</b>	<b>(518,826)</b>	<b>(101,874)</b>	<b>(1,237,785)</b>	<b>(1,569,700)</b>	<b>(566,766)</b>	<b>(61,375)</b>	<b>(178,142)</b>	<b>(5,774,250)</b>
Charge for the year	(408,723)	(88,959)	(58,398)	(645,528)	(923,080)	(607,042)	(13,979)	(87,325)	(2,833,034)
Eliminated on disposals	6,578	-	45,379	57,070	107,694	5,619	-	15,981	238,321
Revaluation	-	164,810	-	-	-	-	-	-	164,810
Transfers	-	-	763	-	(21,815)	-	-	21,052	-
<b>31 December 2024</b>	<b>(1,941,927)</b>	<b>(442,975)</b>	<b>(114,130)</b>	<b>(1,826,243)</b>	<b>(2,406,901)</b>	<b>(1,168,189)</b>	<b>(75,354)</b>	<b>(228,434)</b>	<b>(8,204,153)</b>
<b>Net book value</b>									
<b>31 December 2024</b>	<b>9,373,439</b>	<b>10,610,957</b>	<b>627,777</b>	<b>6,016,948</b>	<b>7,667,178</b>	<b>3,998,509</b>	<b>12,748</b>	<b>602,419</b>	<b>38,909,975</b>
<b>31 December 2023</b>	<b>5,091,052</b>	<b>4,745,608</b>	<b>272,297</b>	<b>3,638,467</b>	<b>4,550,615</b>	<b>2,187,804</b>	<b>26,727</b>	<b>297,830</b>	<b>20,810,400</b>

As at 31 December 2024, the increase in land and buildings in the amount of KZT 6,277,740 thousand is associated with the acquisition of premises in order to open the Bank's branch in the city of Astana.

As at 31 December 2024 and 2023, intangible assets comprised of software, licenses and computer software in development.

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

### 25. Other assets and liabilities

Other assets comprise:

	31 December 2024	31 December 2023
<b>Other financial assets:</b>		
Other accounts receivable	604,987	803,653
	<b>604,987</b>	<b>803,653</b>
<b>Other non-financial assets:</b>		
Other prepayments	4,554,225	3,785,331
Prepayment for property, equipment and intangible assets	1,383,280	803,762
Inventory	748,830	444,569
Tax settlements, other than income tax	353,906	85,096
Other debtors	-	15,608
Other	106,248	46,973
<b>Total other assets</b>	<b>7,751,476</b>	<b>5,984,992</b>

During the year ended 31 December 2024, the Group made prepayments for office rent, agency fees related to increased insurance service transactions and recognized deferred software costs, including the purchase of licenses, software subscriptions, technical support. Prepayments also include advances on commission fees to partners in the amount of KZT 1,088,539 thousand, paid for the acquisition of new insurance contracts, the coverage period of which had not commenced as at the reporting date.

Other liabilities comprise:

	31 December 2024	31 December 2023
<b>Other financial liabilities:</b>		
Other accounts payable	4,986,042	3,019,182
	<b>4,986,042</b>	<b>3,019,182</b>
<b>Other non-financial liabilities:</b>		
Accrued expenses on bonuses to employees	5,683,377	224,567
Unused vacation reserve	2,340,149	1,701,783
Prepaid insurance premiums by policyholders*	1,096,193	-
Taxes payable, other than income tax	890,346	721,418
Liabilities on payments to the pension fund	130,929	84,729
Current income tax payable	4,929	5,179
Commitments to social initiatives	-	1,689,061
Other	401,772	352,809
<b>Total other liabilities</b>	<b>15,533,737</b>	<b>7,798,728</b>

\*As at 31 December 2024, other liabilities include amounts of KZT 1,096,193 thousand representing prepaid insurance premiums received from policyholders under insurance contracts whose coverage had not yet commenced as at the reporting date.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

#### 26. Securities repurchase agreement obligations

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

	31 December 2024	
	Fair value of collateral	Carrying amount of loans
Government bonds of the Republic of Kazakhstan	838,163,163	835,333,723
Bonds of Kazakhstan corporations	295,645,279	292,069,053
Bonds of foreign organizations	1,590,357	1,563,784
Equity securities of Kazakhstan corporations	73	73
<b>Total securities repurchase agreement obligations</b>	<b>1,135,398,872</b>	<b>1,128,966,633</b>

  

	31 December 2023	
	Fair value of collateral	Carrying amount of loans
Government bonds of the Republic of Kazakhstan	852,883,281	850,492,500
Bonds of Kazakhstan corporations	405,902,485	407,566,605
Bonds of foreign organizations	14,910,762	14,879,488
Government bonds of foreign countries	8,089,384	8,102,158
Equity securities of foreign organizations	7,555	7,631
<b>Total securities repurchase agreement obligations</b>	<b>1,281,793,467</b>	<b>1,281,048,382</b>

As at 31 December 2024 and 2023, securities repurchase agreement obligations included accrued interest in the amount of KZT 2,848,044 thousand and KZT 2,951,936 thousand and had maturity in January-March 2025 and January-March 2024, respectively.

#### 27. Due to credit institutions

As at 31 December 2024 and 2023, due to credit institutions comprise from:

	31 December 2024	31 December 2023
Correspondent accounts	14,094,507	17,113,786
Loans payable to financial institutions	6,967,372	-
Deposits from quasi-government entities	4,843,010	4,708,867
Secured liabilities to other banks	630,131	-
<b>Total due to credit institutions</b>	<b>26,535,020</b>	<b>21,822,653</b>

As at 31 December 2024 loans payable to financial institutions represented by a loan received from JSC Agrarian Credit Corporation in the amount of KZT 6,950,000 thousand for subsequent lending to agro-industrial complex entities and agricultural production cooperatives with a maturity dates of 1 March 2025 and 10 March 2026 and an interest rate of 1.5%.

As at 31 December 2024, correspondent accounts in the amount of KZT 14,094,507 thousand were received from twelve foreign financial institutions (31 December 2023: KZT 17,113,786 thousand from eight foreign banks).

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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As at 31 December 2024, deposits from government organizations are represented by deposits in the amount of KZT 4,843,010 thousand received from JSC Kazakhstan Sustainability Fund under the state program for refinancing customer mortgage loans (31 December 2023: KZT 4,708,867 thousand), with a maturity in 2036 - 2050 and interest rates from 0.1% to 2.99%.

## 28. Customer accounts and deposits of customers

	31 December 2024	31 December 2023
<b>Current accounts</b>		
- Corporate customers	201,495,821	156,327,457
- Retail customers	47,139,536	52,808,005
	<b>248,635,357</b>	<b>209,135,462</b>
<b>Term deposits</b>		
- Corporate customers	269,233,961	411,923,942
- Retail customers	540,621,232	124,623,688
	<b>809,855,193</b>	<b>536,547,630</b>
<b>Guarantee deposits</b>		
- Corporate customers	21,265,507	2,629,625
- Retail customers	2,887,317	2,165,388
<b>Total customer accounts and deposits from customers</b>	<b>1,082,643,374</b>	<b>750,478,105</b>
Held as collateral for loans to customers	22,080,318	2,052,690
Held as collateral for guarantees (Note 31)	2,702,637	2,742,323

Below is the breakdown of customer accounts and deposits of customers by industry sectors:

	31 December 2024	31 December 2023
Individuals	590,232,945	466,897,335
Financial services	110,510,347	45,587,633
Real estate construction	61,304,126	16,494,371
Trade	54,343,127	55,678,870
Holding company activities	45,317,019	7,436,913
Professional services	43,059,693	71,266,051
Mining industry	28,155,785	4,268,436
Communication and information	25,803,583	11,215,729
Production	25,169,016	34,363,396
Education	20,034,249	6,597,910
Rent	14,396,719	2,740,627
Property	12,606,365	470,640
Transport	7,763,182	3,122,686
Medical services	6,819,023	6,760,409
Agriculture	6,493,474	3,112,959
Electrical power	5,271,865	600,891
Insurance	994,565	21
Asset management	224,286	5,054,796
Other	24,144,005	8,808,432
<b>Total customer accounts and deposits from customers</b>	<b>1,082,643,374</b>	<b>750,478,105</b>

As at 31 December 2024, the Group had ten major clients, which accounted for 12% of the total balance of current accounts and customer deposits (31 December 2023: 16%). The aggregate balance of such customers as at 31 December 2024 was KZT 131,321,485 thousand (31 December 2023: KZT 123,659,161 thousand).

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

In accordance with the Civil Code of the Republic of Kazakhstan, the Group is obliged to issue the deposit amount upon the first request of the depositor. According to the current terms of deposit acceptance, in cases where a term deposit is returned to the depositor at their request before the expiration of the term, interest on the deposit is paid for the actual period of placement of the deposit.

## 29. Lease liabilities

	31 December 2024	31 December 2023
<b>Maturity analysis:</b>		
Year 1	3,221,897	1,818,689
Year 2	3,172,271	1,776,298
Year 3	2,250,843	1,889,138
Year 4	424,534	2,510,748
Year 5	77,441	325,618
Less: unearned interest	(1,563,446)	(1,801,537)
<b>Total lease liabilities</b>	<b>7,583,540</b>	<b>6,518,954</b>
<b>Analysed as:</b>		
Current	2,602,013	1,795,345
Non-current	4,981,527	4,723,609
<b>Total lease liabilities</b>	<b>7,583,540</b>	<b>6,518,954</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

	31 December 2023	Repayments	New leases	Modifications	Disposal	Non-cash changes Other changes	31 December 2024
Lease liabilities	6,518,954	(2,616,602)	1,857,339	1,099,817	(214,357)	938,389	7,583,540

  

	31 December 2022	Repayments	New leases	Modifications	Disposal	Non-cash changes Other changes	31 December 2023
Lease liabilities	3,963,869	(1,997,939)	5,912,079	(692,887)	(29,364)	(636,804)	6,518,954

## 30. Share capital

As at 31 December 2024, the authorized and issued share capital comprised of 13,166,399 ordinary shares for the total amount of KZT 103,510,819 thousand (31 December 2023: the authorized and issued share capital comprised of 12,781,784 ordinary shares for the total amount of KZT 98,510,824 thousand).

During the year ended 31 December 2024, dividends on common shares in the amount of KZT 4,800,000 thousand were declared and paid based on the results of 2023 year. During the year ended 31 December 2023, dividends were not declared and paid.

During the years ended 31 December 2024 and 2023, the shareholders of the Group made decision to increase share capital by means of an equity injection by cash in the total amount of KZT 4,999,995 thousand (384,615 ordinary shares) and KZT 25,988,027 thousand (1,770,698 ordinary shares), respectively.



## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

#### 31. Commitments and contingencies

##### Capital commitments

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

##### Operating lease commitments

As at 31 December 2024 and 2023, the Group had no material operating lease commitments.

##### Credit related commitments

As at 31 December 2024 and 2023, the Group's credit related commitments were as follows:

	31 December 2024	31 December 2023
Unused credit lines	84,780,442	53,508,308
Guarantees issued	7,670,616	3,337,447
Unused guarantee lines	5,521,041	4,140,129
	<b>97,972,099</b>	<b>60,985,884</b>
Capital expenditure commitments	-	27,978
Commitments and contingencies before deducting collateral	<b>97,972,099</b>	<b>61,013,862</b>
Less amounts due to customers held as security against guarantees	(2,702,637)	(2,742,323)
<b>Credit related commitments</b>	<b>95,269,462</b>	<b>58,271,539</b>

The total amount of contractual commitments on undrawn credit lines and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. The loan commitment agreements stipulate the right of the Group to unilaterally withdraw from the agreement should any conditions unfavorable to the Group arise, including deterioration of the borrower's financial condition.

##### Legal proceedings

In the ordinary course of business, the Group could be subject to legal actions and claims. Management believes that no material unaccrued losses will be incurred and accordingly no provision has been made in these consolidated financial statements as the result of these claims.

##### Taxation

Kazakhstani commercial and tax legislation may give rise to varying interpretations and amendments, which may be retrospective in nature. In addition, as management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as result the Group may be assessed additional taxes, penalties and interest. The Group believes that it has already made all tax payments, and therefore no allowance has been made in the consolidated financial statements. Tax years remain open to review by the tax authorities for three years.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

*(in thousands of Kazakhstani Tenge)*

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As at 31 December 2021, the State Revenue Department for Almaty completed the documentary tax audit of its subsidiary Bank for 2016. As a result of the tax audit, the State Revenue Department of Almaty ordered the Bank to pay KZT 296,637 thousand. The Bank received clarifications on controversial issues from the authorized bodies and on 14 March 2022 sent a complaint to the Appeals Department of the Ministry of Finance of the Republic of Kazakhstan. Appeal procedures are currently underway to challenge the results of the tax audit for 2016. As at 31 December 2024, in this regard, the Group recognized accrued provisions on tax liabilities in the amount of KZT 368,015 thousand (31 December 2023: KZT 213,487 thousand).

The statute of limitations has expired on the results of documentary tax audit of the Bank for 2018.

In January 2024, based on the results of a documentary tax audit for 2018-2020, the State Revenue Department for Almaty ordered the Bank to pay KZT 257,627 thousand. On 7 March 2024, the Bank filed a complaint with the Appeals Department of the Ministry of Finance of the Republic of Kazakhstan. The Bank is awaiting the results of the consideration of the complaint by the Appeals Department of the Ministry of Finance of the Republic of Kazakhstan.

According to the Bank's sale and purchase agreement, in 2020, when a shareholder is changed, the risks of additional taxes associated with taxation for the period 2016-2020 are fully retained by the seller.

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

JSC Unified Accumulative Pension Fund pays state pension benefits to employees in accordance with the laws of the Republic of Kazakhstan. As at 31 December 2024 and 2023, the Group was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

#### **Fiduciary activities**

In the normal course of its business the Group enters into agreements with limited right on decision making with clients for their assets management in accordance with specific criteria established by clients. The Group may be liable for losses or actions aimed at appropriation of the clients' funds until such funds or securities are not returned to the client due to gross negligence or willful misconduct by the Group only. The maximum potential financial risk of the Group at any given moment is equal to the volume of the clients' funds plus/minus any unrealized income/loss on the clients' position.

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

#### **Operating environment**

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

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

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

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

In 2024, the average price for Brent crude oil was 81 USD per barrel (2023: 83 USD per barrel). According to preliminary estimates, Kazakhstan's gross domestic product ("GDP") grew to 4.4% per annum in 2024 (2023: grew to 5.1%). Inflation in the country slowed down in 2024 to 8.6% per annum (2023: 9.8%).

In 2024, the National Bank of the Republic of Kazakhstan (NBRK) raised the base rate from 14.25% to 15.25% per annum with a corridor of +/- 1.0 percentage points. The NBRK adheres to a monetary policy within the inflation targeting framework with a floating tenge exchange rate. The official tenge exchange rate against the US dollar changed from 454.56 tenge per US dollar on 1 January 2024 to 523.54 tenge on 31 December 2024. Uncertainty still exists with respect to the future development of geopolitical risks and their impact on the Kazakhstan economy.

There has been economic uncertainty in the United States and globally due to several factors, including changes in interest rates, a high inflationary environment, geopolitical events and evolving U.S. and international tariffs. We expect economic conditions will continue to be highly volatile and uncertain, put pressure on prices and supply.

Our business and financial performance may be subject to the effects of the worldwide macroeconomic conditions, including, but not limited to, oil prices and the rise in interest rates, existing and new laws and regulations, recession or economic downturn globally or in the jurisdictions in which we do business, and volatility in foreign currency exchange rates.

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

## 32. Transactions with related parties

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Related parties may enter into transactions which unrelated parties might not. Terms, conditions and amounts of related party transactions are usually same as those between unrelated parties. Transactions with related parties are settled on an arm's-length basis and recognised in the consolidated financial statements according to the same accounting policy as for similar transactions with unrelated parties.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

Considering each possible related party not only their legal status is taken into account but also the substance of the relationship between these parties.

	31 December 2024		31 December 2023	
	Related party balances	Total category as per the financial statements caption	Related party balances	Total category as per the financial statements caption
Cash and cash equivalents	111,275	275,797,979	232,382	236,278,909
-the Parent company, companies affiliated through the Parent Company	111,275		232,382	
Financial assets at fair value through profit and loss	-	1,326,379,597	56,595	1,428,997,529
-the Parent company, companies affiliated through the Parent Company	-		56,595	
Loans to customers	439,651	787,886,027	125,751	622,517,970
-the Parent Company, companies affiliated through the Parent Company	439,651		125,551	
- key management personnel of the Group or its Parent Company	-		200	
Expected credit losses on loans to customers	(1,806)	(21,260,164)	(549)	(14,072,741)
-the Parent Company, companies affiliated through the Parent Company	(1,806)		(540)	
- key management personnel of the Group or its Parent Company	-		(9)	
Accounts receivable before allowances for expected credit losses	312,941	8,506,305	186,485	6,971,027
-ultimate shareholder	210,938		19,793	
-the Parent company, companies affiliated through the Parent Company	101,092		127,240	
- key management personnel of the Group or its Parent Company	911		39,452	
Allowances for expected credit losses on accounts receivable	(110,077)	(3,624,821)	(46,604)	(3,212,842)
-ultimate shareholder	(107,661)		(614)	
-the Parent Company, companies affiliated through the Parent Company	(2,159)		(45,957)	
- key management personnel of the Group or its Parent Company	(257)		(33)	
Other assets	77,536	7,751,476	7,142	5,984,992
-the Parent Company, companies affiliated through the Parent Company	77,536		-	
- key management personnel of the Group or its Parent Company	-		7,142	
Trade Payables	(11,957)	(1,370,948)	-	(1,646,224)
-the Parent Company, companies affiliated through the Parent Company	(11,726)		-	
- key management personnel of the Group or its Parent Company	(231)		-	
Insurance contract liabilities	(1,475,160)	(186,737,690)	(168,184)	(96,472,257)
-the Parent Company, companies affiliated through the Parent Company	(1,475,160)		(168,184)	
Other liabilities	(121,998)	(15,533,737)	(65,483)	(7,798,728)
-the Parent Company, companies affiliated through the Parent Company	(121,998)		(65,457)	
- key management personnel of the Group or its Parent Company	-		(26)	
Customer accounts and deposits of customers	(73,676,140)	(1,082,643,374)	(77,081,199)	(750,478,105)
-the Parent Company, companies affiliated through the Parent Company	(73,343,430)		(209,380)	
- key management personnel of the Group or its Parent Company	(332,710)		(76,871,819)	

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

As at 31 December 2024, the subsidiary of the Group – JSC Freedom Bank Kazakhstan acquired microloans from Microfinance Organization “Freedom Finance Credit” LLP, which is a related party of the Group and those loans amounted to KZT 70,989,131 thousand (31 December 2023: KZT 64,988,420 thousand).

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

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
Interest income calculated using the effective interest method	74,354	152,819,671	657	103,100,393
- the Parent Company, companies affiliated through the Parent Company	74,354		12	
- key management personnel of the Group or its Parent company	-		645	
Interest expense	(725,296)	(213,807,803)	(1,037,883)	(181,923,335)
- key management personnel of the Group or its Parent company	(8,602)		(5,866)	
- the Parent Company, companies affiliated through the Parent Company	(716,694)		(1,032,016)	
Insurance revenue	822,980	179,399,381	26,125	68,673,581
- the Parent company, companies affiliated through the Parent Company	822,980		26,125	
Insurance services expenses	(635,256)	(156,139,499)	(97,110)	(54,275,359)
- the Parent Company, companies affiliated through the Parent Company	(635,256)		(97,110)	
Fee and commission income	1,470,999	16,772,512	1,668,593	26,621,780
- key management personnel of the Group or its Parent Company	3,136		11,951	
- the Parent Company, companies affiliated through the Parent Company	1,119,214		1,393,119	
- ultimate shareholder	348,648		263,523	
Fee and commission expense	(37,830)	(8,481,623)	-	(13,569,115)
- the Parent Company, companies affiliated through the Parent Company	(37,830)		-	
Net gain on foreign exchange operations	1,928,524	19,840,303	1,383,619	38,033,521
- key management personnel of the Group or its Parent company	1,437		230	
- the Parent Company, companies affiliated through the Parent Company	1,927,087		1,383,389	
Operating expenses	(2,398,599)	(76,116,150)	(4,007,560)	(48,686,935)
- key management personnel of the Group or its Parent company	(19,756)		(13,768)	
- the Parent Company, companies affiliated through the Parent Company	(2,378,843)		(3,993,792)	
Payroll expenses, represented by short-term benefit	(3,859,546)	(39,024,637)	(842,708)	(22,751,423)
- key management personnel of the Group or its Parent company	(3,859,546)		(842,708)	
Other income	29,318	297,610	-	515,352
- the Parent Company, companies affiliated through the Parent Company	29,318		-	

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

### 33. Fair value of financial instruments

IFRS Accounting Standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares each change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. This analysis is performed and approved by the Department of accounting and reporting and the Department of risk management.

The table below summarizes the Group's financial assets and liabilities held at fair value by valuation methodology as at 31 December 2024 and 2023 before any allowances for expected credit losses:

Financial Assets/Financial Liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2024	31 December 2023				
Non-derivative financial assets at fair value through profit or loss (Note 17)	936,321,341	482,871,323	Level 1	Quoted bid prices in an active market*.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss (Note 17)	388,367,711	945,810,258	Level 2	Quoted bid prices in a market that is not active, similar financial instrument in the market	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss (Note 17)	1,292,896	315,948	Level 3	Present value of expected future cash flows, using the discount rate of similar financial instrument in the market	Not applicable	Not applicable
Derivative financial assets at fair value through profit or loss (Note 17)	397,649	-	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	Not applicable	Not applicable
<b>Total financial assets at fair value through profit or loss</b>	<b>1,326,379,597</b>	<b>1,428,997,529</b>				
Non-derivative financial assets at fair value through other comprehensive income (Note 19)	176,289,707	86,527,120	Level 1	Quoted bid prices in an active market*.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income (Note 19)	105,033,664	83,099,066	Level 2	Quoted bid prices in a market that is not active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income (Note 19)	3,588,991	42,869	Level 3	Simplified approach is applied due to low volume of securities.	Not applicable	Not applicable
<b>Total financial assets at fair value through other comprehensive income</b>	<b>284,912,362</b>	<b>169,669,055</b>				
Derivative financial liabilities at fair value through profit or loss	14,365	373,717	Level 2	Observable inputs other than quoted prices	Not applicable	Not applicable
<b>Total financial liabilities at fair value through profit or loss</b>	<b>14,365</b>	<b>373,717</b>				

\* Market, where at least 10 trades take place within a quarter and the volume of trades is not less than KZT 100,000 thousand.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

As at 31 December 2024, there were reclassifications from Level 1 to Level 2 and from Level 2 to Level 1. As of the date of the change in circumstances that caused the transfer of financial assets represented by investment securities measured at fair value through profit and loss from Level 1 to Level 2, the effect was KZT 80,573,051 thousand and from Level 2 to Level 1 the effect was KZT 581,374,901 thousand. The reclassification between levels occurred due to a decrease in trading volume and market prices.

As at 31 December 2023, there were reclassifications from Level 1 to Level 2 and from Level 2 to Level 1. As of the date of the change in circumstances that caused the transfer of financial assets represented by investment securities measured at fair value through profit and loss from Level 1 to Level 2, the effect was KZT 349,286,695 thousand and from Level 2 to Level 1 the effect was KZT 11,639,117 thousand. The reclassification between levels occurred due to a decrease in trading volume and market prices.

#### **Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).**

As at 31 December 2024 and 2023, the carrying amounts of cash and cash equivalents, accounts receivable, securities repurchase agreement obligations, trade payables and other financial liabilities approximates its' fair value due to the short-term nature of such financial instruments.

As at 31 December 2024 and 2023, the fair value for loans to customers was determined by discounting the scheduled future cash flows of the individual loans through the estimated maturity using prevailing market rates as at the respective year-end.

As at 31 December 2024 and 2023, interest rates charged to customer accounts and deposits of customers closely approximate market interest rates and accordingly, the carrying amounts approximate fair values.

As at 31 December 2024 and 2023, the fair value for amounts due from financial institutions and due to credit institutions maturing within one month, the carrying amount approximates fair value due to the relatively short-term maturity of these financial instruments. For the assets and liabilities maturing in over one month, the fair value was estimated as the present value of the estimated future cash flows, discounted at the appropriate year-end market rates.

As at 31 December 2024 and 2023, the carrying amounts of amounts due from financial institutions, customer accounts and deposits of customers and due to credit institutions approximates its fair value, since it was recognized at fair value on the date of business combination, and it has not changed significantly.

The following table sets out the carrying amount and fair values of financial assets and liabilities not carried at their fair values:

	31 December 2024	
	Carrying amount	Fair value
<b>Financial assets</b>		
Loans to customers	766,625,863	627,682,237
Financial assets at amortized cost	254,009,792	277,341,192
<b>Financial liabilities</b>		
Due to credit institutions	26,535,020	29,940,665
Customer accounts and deposits of customers	1,082,643,374	1,106,326,017
Liabilities from continuing participation	248,307,105	91,018,213

# Joint Stock Company Freedom Finance

## Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	31 December 2023	
	Carrying amount	Fair value
<b>Financial assets</b>		
Loans to customers	608,445,229	491,951,647
Financial assets at amortized cost	101,521,611	106,136,566
<b>Financial liabilities</b>		
Due to credit institutions	21,822,653	21,177,592
Customer accounts and deposits of customers	750,478,105	733,341,943
Liabilities from continuing participation	224,613,598	92,224,372

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

	Level 1	Level 2	Level 3	31 December 2024 Total
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss	936,321,341	388,367,711	1,292,896	1,325,981,948
Financial assets at fair value through other comprehensive income	176,289,707	105,033,664	3,588,991	284,912,362
Derivative financial assets at fair value through profit or loss	-	397,649	-	397,649
<b>Assets for which fair values are disclosed</b>				
Loans to customers	-	-	627,682,237	627,682,237
Financial assets at amortized cost	277,341,192	-	-	277,341,192
<b>Liabilities for which fair values are disclosed</b>				
Customer accounts and deposits of customers	-	-	1,106,326,017	1,106,326,017
Liabilities from continuing participation	-	91,018,213	-	91,018,213
Due to credit institutions	-	-	29,940,665	29,940,665

	Level 1	Level 2	Level 3	31 December 2023 Total
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss	482,871,323	945,810,258	315,948	1,428,997,529
Financial assets at fair value through other comprehensive income	86,527,120	83,099,066	42,869	169,669,055
Derivative financial assets at fair value through profit or loss	-	373,717	-	373,717
<b>Assets for which fair values are disclosed</b>				
Loans to customers	-	-	491,951,647	491,951,647
Financial assets at amortized cost	24,639,775	81,496,791	-	106,136,566
<b>Liabilities for which fair values are disclosed</b>				
Customer accounts and deposits of customers	-	-	733,341,943	733,341,943
Liabilities from continuing participation	-	92,224,372	-	92,224,372
Due to credit institutions	-	-	21,177,592	21,177,592



# Joint Stock Company Freedom Finance

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## 34. Risk management policies

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

### Credit risk

Financial assets, which potentially subject the Group to credit risk, consist principally of cash equivalents, amounts due from financial institutions, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, accounts receivables and loans to customers. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history. The carrying amount of accounts receivable less allowance for expected credit losses represents the maximum amount exposed to credit risk. The Group has no significant concentrations of credit risk.

Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

### Impairment assessment

The Group calculates ECL based on several probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of default (PD)	<i>The Probability of Default</i> is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
Exposure at default (EAD)	<i>The Exposure at Default</i> is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
Loss-given default (LGD)	<i>The Loss Given Default</i> is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

## Joint Stock Company Freedom Finance

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The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The 12m ECL is the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12m ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has a policy in place to assess at the end of each reporting period whether there has been a significant increase in the credit risk of a financial instrument since initial recognition by taking into account changes in the risk of a default occurring over the remaining life of the financial instrument. Based on the process described above, the Group aggregates its loans into the following groups:

Stage 1:	When loans are first recognized, the Bank recognizes an allowance based on 12m ECL.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL.
Stage 3:	Loans considered credit-impaired. The Bank records an allowance for the LTECL.
POCI:	Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently recognized based on a credit-adjusted EIR. ECL are only recognized or released to the extent that there is a subsequent change in the lifetime expected credit losses.

#### *Definition of default and cure*

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes more than 90 days past due on its contractual payments in the case of individuals (including sole entrepreneurs) and more than 60 days past due in the case of legal entities.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Death of the borrower (co-borrower), the borrower is in prison;
- The debtor (or any legal entity within the debtor's group) filed for bankruptcy, was declared bankrupt by a court decision;
- The debt was restructured due to deterioration of financial condition of the borrower once or more over the last at least 6 months for individuals (including sole entrepreneurs) and 12 months for legal entities, with due account for the criteria for credit quality cure;
- Decision of the authorized body to assign a default status to a financial asset;
- Absence of credit dossier and other.

It is the Group's policy to consider a financial instrument as 'cured' and therefore transfer it from Stage 3 to Stage 2 when none of the default criteria are present at the reporting date, provided that the debt on this financial instrument has been reduced as a result of partial repayment, and in the case of restructuring, the borrower has made at least three consecutive contractual payments in due manner. The financial instrument remains in Stage 2 under a "quarantine" period and, in the absence of any signs of significant increase in credit risk or impairment over three consecutive months, it is transferred to Stage 1 and considered 'cured'.

## Joint Stock Company Freedom Finance

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### *Retail lending*

Retail lending includes unsecured loans to individuals, credit cards, overdrafts and loans secured by real estate. Evaluation of unsecured products is carried out using an automated scoring system based on qualitative and quantitative indicators. The main indicators used in the models are as follows: length of employment at the last job, credit history, frequency of pension contributions, education, marital status, as well as the ratio of the amount of the contribution on the expected loan to the average monthly income of the client. Evaluation of products secured by real estate is carried out by determining the level of solvency and the ratio of the loan to the collateral value of the collateral.

### *Exposure at default*

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Group's models.

The Group's product offering for its clients, small and medium-sized businesses, and retail customers includes a variety of overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. The interest rate used to discount the ECLs for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

### *Loss given default*

For lending to small and medium businesses, LGD values are assessed at least monthly by account managers and reviewed and approved by the Risk Management Department.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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Where appropriate, further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, payment status or other factors that are indicative of losses in the group.

LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries.

#### *Forward-looking information and multiple economic scenarios*

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth;
- NBRK base rate;
- Oil prices;
- Unemployment rate;
- Inflation rate.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. The Group obtains the forward-looking information from third party sources (external rating agencies, governmental bodies e.g. NBRK and international financial institutions). Experts of the Group's Risk Management Department determine the weights attributable to the multiple scenarios. The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations.

<b>Key factors</b>	<b>2025</b>	
	<b>Basic</b>	<b>Pessimistic</b>
Price of Brent crude oil (Brent ICE), USD	78	Not applicable
GDP index, %	105	Not applicable
Inflation rate, % (to base year 2005)	539.89	Not applicable
USD/KZT exchange rate	530	583
Index of real wages thousand KZT (at prices of the base 4Q 2005)	92.97	83.67
Residential property price index in the primary market, %	100.38	91.17

#### **Maximum exposure risk**

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

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The following table presents the maximum exposure to credit risk of financial assets. For financial assets the maximum exposure is equal to the carrying amount of those assets prior to any offset or collateral. As at 31 December 2024:

	Maximum exposure and net exposure after offset	Collateral pledged	Net exposure after offset and collateral
Cash and cash equivalents	275,797,979	23,151,789	252,646,190
Amounts due from financial institutions	47,518,955	-	47,518,955
Financial assets at fair value through profit or loss	1,326,379,597	-	1,326,379,597
Financial assets measured at amortised cost	254,009,792	-	254,009,792
Financial assets at fair value through other comprehensive income	284,912,362	-	284,912,362
Loans to customers	766,625,863	606,991,540	159,634,323
Accounts receivable	4,881,484	101,027	4,780,457
Other financial assets	604,987	-	604,987
Commitments and contingencies	97,972,099	24,502,079	73,470,020

As at 31 December 2023:

	Maximum exposure and net exposure after offset	Collateral pledged	Net exposure after offset and collateral
Cash and cash equivalents	236,278,909	48,744,889	187,534,020
Amounts due from financial institutions	45,803,762	-	45,803,762
Financial assets at fair value through profit or loss	1,428,997,529	-	1,428,997,529
Financial assets measured at amortised cost	101,521,611	-	101,521,611
Financial assets at fair value through other comprehensive income	169,669,055	-	169,669,055
Loans to customers	608,445,229	444,600,797	163,844,432
Accounts receivable	3,758,185	85,260	3,672,925
Other financial assets	803,653	-	803,653
Commitments and contingencies	61,013,862	4,795,013	56,218,849

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

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

	BBB and higher	<BBB	Not rated	31 December 2024 Total
Cash and cash equivalents	130,326,887	81,389,001	64,082,091	275,797,979
Amounts due from financial institutions	19,570,590	1,084,695	26,863,670	47,518,955
Financial assets at fair value through profit or loss	1,220,107,236	64,199,558	42,072,803	1,326,379,597
Financial assets at fair value through other comprehensive income	254,009,792	-	-	254,009,792
Financial assets measured at amortised cost	257,802,021	15,318,952	11,791,389	284,912,362
Loans to customers	-	-	766,625,863	766,625,863
Accounts receivable	2,368,810	45,988	2,466,686	4,881,484
Other financial assets	527,596	-	77,391	604,987

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	BBB and higher	<BBB	Not rated	31 December 2023 Total
Cash and cash equivalents	35,471,257	152,037,779	48,769,873	236,278,909
Amounts due from financial institutions	11,135,821	978,727	33,689,214	45,803,762
Financial assets at fair value through profit or loss	1,282,564,823	126,972,959	19,459,747	1,428,997,529
Financial assets at fair value through other comprehensive income	126,611,990	42,882,606	174,459	169,669,055
Financial assets measured at amortised cost	101,521,611	-	-	101,521,611
Loans to customers	-	-	608,445,229	608,445,229
Accounts receivable	1,420,243	-	2,337,942	3,758,185
Other financial assets	454,560	200,000	149,093	803,653

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

#### Geographical concentration

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

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

	Republic of Kazakhstan	OECD countries	Non-OECD countries	31 December 2024 Total
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	212,468,495	6,821,373	56,508,111	275,797,979
Amounts due from financial institutions	27,749,062	19,570,590	199,303	47,518,955
Financial assets at fair value through profit or loss	1,263,171,290	44,562,758	18,645,549	1,326,379,597
Financial assets measured at amortised cost	254,009,792	-	-	254,009,792
Financial assets at fair value through other comprehensive income	252,451,994	32,249,576	210,792	284,912,362
Loans to customers	766,625,863	-	-	766,625,863
Accounts receivable	4,518,152	42,107	321,225	4,881,484
Other financial assets	604,987	-	-	604,987
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,781,599,635</b>	<b>103,246,404</b>	<b>75,884,980</b>	<b>2,960,731,019</b>
<b>FINANCIAL LIABILITIES</b>				
Securities repurchase agreement obligations	1,128,966,633	-	-	1,128,966,633
Due to credit institutions	11,810,381	73,933	14,650,706	26,535,020
Customer accounts and deposits of customers	608,374,431	5,994,798	468,274,145	1,082,643,374
Trade payables	1,365,964	1,453	3,531	1,370,948
Financial liabilities at fair value through profit and loss	14,365	-	-	14,365
Liabilities from continuing participation	248,307,105	-	-	248,307,105
Lease liabilities	7,583,540	-	-	7,583,540
Other financial liabilities	4,980,788	3,937	1,317	4,986,042
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>2,011,403,207</b>	<b>6,074,121</b>	<b>482,929,699</b>	<b>2,500,407,028</b>
Net position on derivative financial instruments (off-balance)	30,666	-	(3,400)	27,266
<b>NET POSITION</b>	<b>770,227,094</b>	<b>97,172,283</b>	<b>(407,048,119)</b>	

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### Notes to the Consolidated Financial Statements (Continued) For the Year Ended 31 December 2024 (in thousands of Kazakhstani Tenge)

	Republic of Kazakhstan	OECD countries	Non-OECD countries	31 December 2023 Total
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	180,808,062	4,596,809	50,874,038	236,278,909
Amounts due from financial institutions	34,347,582	11,135,821	320,359	45,803,762
Financial assets at fair value through profit or loss	1,387,350,174	23,016,139	18,631,216	1,428,997,529
Financial assets measured at amortised cost	101,521,611	-	-	101,521,611
Financial assets at fair value through other comprehensive income	159,825,807	8,176,973	1,666,275	169,669,055
Loans to customers	608,445,229	-	-	608,445,229
Accounts receivable	3,516,208	28,117	213,860	3,758,185
Other financial assets	803,653	-	-	803,653
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,476,618,326</b>	<b>46,953,859</b>	<b>71,705,748</b>	<b>2,595,277,933</b>
<b>FINANCIAL LIABILITIES</b>				
Securities repurchase agreement obligations	1,277,809,198	2,211,299	1,027,885	1,281,048,382
Due to credit institutions	4,708,867	491,043	16,622,743	21,822,653
Customer accounts and deposits of customers	361,801,249	16,447,338	372,229,518	750,478,105
Trade payables	1,109,342	425,393	111,489	1,646,224
Financial liabilities at fair value through profit and loss	27,366	-	346,351	373,717
Liabilities from continuing participation	224,613,597	-	-	224,613,597
Lease liabilities	6,510,394	-	8,560	6,518,954
Other financial liabilities	2,954,659	52,612	11,911	3,019,182
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>1,879,534,672</b>	<b>19,627,685</b>	<b>390,358,457</b>	<b>2,289,520,814</b>
Net position on derivative financial instruments (off-balance)	(41,374,360)	-	39,479,414	(1,894,946)
<b>NET POSITION</b>	<b>555,709,294</b>	<b>27,326,174</b>	<b>(279,173,295)</b>	

#### Liquidity risk

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

The Investment Committee controls these types of risks by means of maturity analysis, determining the Group's strategy for the next financial period. Current liquidity is managed by the Treasury Department, which deals in the money markets for current liquidity support and cash flow optimization. In order to manage liquidity risk, the Group performs daily monitoring of future expected cash flows on clients' and other operations, which is a part of assets/liabilities management process. Stress testing is also used to assess the Group's ability to withstand liquidity outflows when capital markets are inaccessible, i.e. market reliance. The Group manages and monitors liquidity risks and ensures that liquidity risk management systems and arrangements are adequate with regard to the internal risk appetite, the strategy and regulatory requirements. The Group's funding and liquidity position is underpinned by its significant customers' base, and is supported by strong relationships across customer segments. Funding concentration by counterparty, currency and tenor is monitored on an ongoing basis and where concentrations do exist, these are managed as part of the planning process and limited by the internal funding and liquidity risk monitoring framework, with analysis regularly provided to senior management.

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In the table below, equity securities of financial assets at fair value through profit or loss are presented having “up to 1 month” maturity, because the Group believes that if needed it will be able to realize those securities within short period of time, as those securities are actively traded in the market. The Group can monetize liquid assets quickly, either through the securities repurchase agreement obligation (repos and reverse repos) market or through outright sale in addition to the sale of financial assets at fair value through profit or loss, which are presented below according to remaining contractual maturities of “3 months to 1 year”, “1 year to 5 years” and “over 5 years”, if this is necessary to restore the liquidity positions, prevailing on any existing business or risk management strategies. Securities repurchase agreement obligation presented in the maturity of “up to 1 month” were closed subsequently in accordance with contractual terms. To fulfill the liquidity gaps, the Group will refinance its liabilities through conclusion of securities repurchase agreement obligations.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2024 Total
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	275,797,979	-	-	-	-	275,797,979
Amounts due from financial institutions	47,518,955	-	-	-	-	47,518,955
Financial assets at fair value through profit or loss	48,951,943	9,506,056	61,181,974	467,515,273	739,224,351	1,326,379,597
Financial assets measured at amortised cost	-	-	-	-	254,009,792	254,009,792
Financial assets at fair value through other comprehensive income	25,838,354	1,688,976	102,252,415	73,302,191	81,830,426	284,912,362
Loans to customers	16,501,335	8,787,270	48,752,040	223,056,450	469,528,768	766,625,863
Accounts receivable	111,976	4,559,317	133,259	76,932	-	4,881,484
Other financial assets	-	-	525,793	79,194	-	604,987
<b>Total financial assets</b>	<b>414,720,542</b>	<b>24,541,619</b>	<b>212,845,481</b>	<b>764,030,040</b>	<b>1,544,593,337</b>	<b>2,960,731,019</b>
<b>FINANCIAL LIABILITIES</b>						
Securities repurchase agreement obligations	1,118,688,764	10,277,869	-	-	-	1,128,966,633
Due to credit institutions	19,691,761	-	-	2,000,250	4,843,009	26,535,020
Customer accounts and deposits of customers	268,830,743	265,458,157	191,825,970	356,528,504	-	1,082,643,374
Trade payables	163,897	881,943	325,108	-	-	1,370,948
Financial liabilities at fair value through profit and loss	14,365	-	-	-	-	14,365
Liabilities from continuing participation	28,120	-	28,400	1,613,396	246,637,189	248,307,105
Lease liabilities	287,326	336,501	1,761,804	5,197,909	-	7,583,540
Other financial liabilities	2,336,903	1,168,679	1,476,656	3,804	-	4,986,042
<b>Total financial liabilities</b>	<b>1,410,041,879</b>	<b>278,123,149</b>	<b>195,417,938</b>	<b>365,343,863</b>	<b>251,480,198</b>	<b>2,500,407,028</b>
<b>Liquidity gap</b>	<b>(995,321,337)</b>	<b>(253,581,530)</b>	<b>17,427,543</b>	<b>398,686,177</b>	<b>1,293,113,139</b>	

The Group’s financial assets at fair value through profit or loss are represented by the trading portfolio. This portfolio primarily consists of level 1 and level 2 investment securities, with the contractual maturity ranging from 1 to 5 years and over 5 years. These securities are strategically positioned to be readily sold at fair value within a month to address any liquidity gaps that may arise.



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	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2023 Total
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	236,278,909	-	-	-	-	236,278,909
Amounts due from financial institutions	45,803,762	-	-	-	-	45,803,762
Financial assets at fair value through profit or loss	849,514,588	1,284,494	47,264,250	282,871,986	248,062,211	1,428,997,529
Financial assets measured at amortised cost	-	-	-	-	101,521,611	101,521,611
Financial assets at fair value through other comprehensive income	14,140,690	9,225,484	22,069,471	49,108,752	75,124,658	169,669,055
Loans to customers	503,519	2,021,364	20,111,536	210,599,955	375,208,855	608,445,229
Accounts receivable	833,421	2,147,391	773,971	3,402	-	3,758,185
Other financial assets	42,020	200,000	455,242	106,391	-	803,653
<b>Total financial assets</b>	<b>1,147,116,909</b>	<b>14,878,733</b>	<b>90,674,470</b>	<b>542,690,486</b>	<b>799,917,335</b>	<b>2,595,277,933</b>
<b>FINANCIAL LIABILITIES</b>						
Securities repurchase agreement obligations	1,263,234,805	17,813,577	-	-	-	1,281,048,382
Due to credit institutions	17,113,786	-	-	-	4,708,867	21,822,653
Customer accounts and deposits of customers	209,988,371	90,939,979	175,353,554	274,196,201	-	750,478,105
Trade payables	-	1,202,208	444,016	-	-	1,646,224
Financial liabilities at fair value through profit and loss	27,366	346,351	-	-	-	373,717
Liabilities from continuing participation	9,653	-	-	1,169,709	223,434,235	224,613,597
Lease liabilities	147,062	221,752	1,100,279	5,049,861	-	6,518,954
Other financial liabilities	1,250,192	960,634	742,501	62,050	3,805	3,019,182
<b>Total financial liabilities</b>	<b>1,491,771,235</b>	<b>111,484,501</b>	<b>177,640,350</b>	<b>280,477,821</b>	<b>228,146,907</b>	<b>2,289,520,814</b>
<b>Liquidity gap</b>	<b>(344,654,326)</b>	<b>(96,605,768)</b>	<b>(86,965,880)</b>	<b>262,212,665</b>	<b>571,770,428</b>	

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

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The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2024 Total
<b>FINANCIAL LIABILITIES</b>						
Securities repurchase agreement obligations	1,118,985,397	9,981,236	-	-	-	1,128,966,633
Due to credit institutions	19,691,761	126,010	385,030	4,045,808	6,619,983	30,868,592
Customer accounts and deposits of customers	268,830,743	269,777,760	202,369,671	362,772,765	89,336	1,103,840,275
Trade payables	163,897	881,943	325,108	-	-	1,370,948
Financial liabilities at fair value through profit and loss	14,365	-	-	-	-	14,365
Liabilities from continuing participation	28,140	-	28,437	1,615,283	246,962,135	248,633,995
Lease liabilities	322,425	463,266	2,275,816	5,876,702	-	8,938,209
Other financial liabilities	2,336,904	1,168,679	1,476,656	3,804	-	4,986,043
<b>Total financial liabilities</b>	<b>1,410,373,632</b>	<b>282,398,894</b>	<b>206,860,718</b>	<b>374,314,362</b>	<b>253,671,454</b>	<b>2,527,619,060</b>

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2023 Total
<b>FINANCIAL LIABILITIES</b>						
Securities repurchase agreement obligations	1,258,138,230	22,910,152	-	-	-	1,281,048,382
Due to credit institutions	16,659,226	105,973	326,010	1,713,674	8,858,012	27,662,895
Customer accounts and deposits of customers	211,027,892	92,520,805	183,310,564	280,646,093	888,431	768,393,785
Trade payables	-	1,289,546	444,016	-	-	1,733,562
Financial liabilities at fair value through profit and loss	27,366	346,351	-	-	-	373,717
Liabilities from continuing participation	9,653	-	-	1,171,078	223,879,657	225,060,388
Lease liabilities	185,950	333,899	1,563,263	5,953,184	-	8,036,296
Other financial liabilities	1,250,192	960,634	742,501	62,050	3,805	3,019,182
<b>Total financial liabilities</b>	<b>1,487,298,509</b>	<b>118,467,360</b>	<b>186,386,354</b>	<b>289,546,079</b>	<b>233,629,905</b>	<b>2,315,328,207</b>

### Market risk

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

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

The Investment Committee determines and approves the investment strategy, approves the list of securities for recommended purchases, makes investment decisions and performs the investment portfolio analysis of the Group.

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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#### Insurance risks

The Group is exposed to insurance risk through the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, the risk of improper (erroneous) assessment of insurance risks, and the risk of insufficient (inadequate) insurance reserves and the risk of insufficient reinsurance cover or inability of the reinsurer to repay under reinsurance agreement. The Group is also exposed to the risk that its pricing assumptions will result in negative cash flows as a result of adverse claims data. The Group establishes internal policies and limits on insurance (insurance liability amounts) under separate insurance (reinsurance) agreement by classes of insurance (types) under agreement of incoming and outgoing reinsurance and limits of insurance payments which stipulate who may accept which risks and up to which amounts. These limits are being continuously monitored.

The Group assesses the likelihood that the dynamics of future losses will be more unfavorable than the expectations and is cautious in planning of reserves where there are significant uncertainties. As a result, the uncertainty associated with unfavorable growth of the losses, which are claimed in the year of assessment, are higher than those recognized in the same year at their early stage of development. As such, the Group recognizes the surplus of reserves to guarantee the adequacy to the maximum level. With the development of the loss dynamics amount of additional adverse losses becomes more certain, and hence the guarantee reserve is further reduced, which is also taken into consideration when assessment of reserves is made.

#### Interest rate risk

The Group manages interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Group's exposure to changes in interest rates relates primarily to the investment portfolio and outstanding debt. The Group's investment policies generally require securities to be investment grade and limit the amount of credit exposure to any one issuer (other than government and quasi-government securities). To provide a meaningful assessment of the interest rate risk associated with the investment portfolio, the management of the Group performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the investment portfolio assuming a 100 basis point parallel shift in the yield curve. Based on the investment positions of the Group as at 31 December 2024 and 2023, a hypothetical 100 basis point increase in interest rates across all maturities would have resulted in KZT (126,414,868) thousand and KZT (55,639,553) thousand incremental decline in the fair market value of the portfolio, respectively. Such losses would only be realized if the Group sold the investments prior to maturity. A hypothetical 100 basis point decrease in interest rates across all maturities would have resulted in KZT 48,089,203 thousand and KZT 56,920,772 thousand incremental rise in the fair market value of the portfolio, respectively.

#### Currency risk

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

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

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

	KZT	USD	Other currencies	31 December 2024 Total
<b>Financial assets</b>				
Cash and cash equivalents	81,012,730	75,412,955	119,372,294	275,797,979
Amounts due from financial institutions	4,355,766	20,400,639	22,762,550	47,518,955
Financial assets at fair value through profit or loss	1,178,917,697	144,624,818	2,837,082	1,326,379,597
Financial assets at fair value through other comprehensive income	177,291,645	106,591,390	1,029,327	284,912,362
Financial assets measured at amortised cost	254,009,792	-	-	254,009,792
Loans to customers	764,523,648	2,102,215	-	766,625,863
Accounts receivable	4,073,703	764,930	42,851	4,881,484
Other financial assets	69,065	535,922	-	604,987
<b>Total financial assets</b>	<b>2,464,254,046</b>	<b>350,432,869</b>	<b>146,044,104</b>	<b>2,960,731,019</b>
<b>Financial liabilities</b>				
Securities repurchase agreement obligations	1,121,976,274	6,990,359	-	1,128,966,633
Due to credit institutions	13,784,516	11,814,805	935,699	26,535,020
Customer accounts and deposits of customers	570,753,790	304,601,750	207,287,834	1,082,643,374
Trade payables	1,333,901	33,532	3,516	1,370,949
Financial liabilities at fair value through profit and loss	-	14,365	-	14,365
Liabilities from continuing participation	248,307,105	-	-	248,307,105
Lease liabilities	7,583,540	-	-	7,583,540
Other financial liabilities	4,683,422	185,924	116,697	4,986,043
<b>Total financial liabilities</b>	<b>1,968,422,548</b>	<b>323,640,735</b>	<b>208,343,746</b>	<b>2,500,407,028</b>
Net position on derivative financial instruments (off-balance)	(187,678,057)	121,085,817	66,619,507	27,266
<b>OPEN BALANCE SHEET POSITION</b>	<b>308,153,441</b>	<b>147,877,951</b>	<b>4,319,865</b>	

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

For the Year Ended 31 December 2024

(in thousands of Kazakhstani Tenge)

	KZT	USD	Other currencies	31 December 2023 Total
<b>Financial assets</b>				
Cash and cash equivalents	92,557,990	62,266,409	81,454,510	236,278,909
Amounts due from financial institutions	33,668,856	11,814,547	320,359	45,803,762
Financial assets at fair value through profit or loss	1,359,897,887	65,850,876	3,248,766	1,428,997,529
Financial assets at fair value through other comprehensive income	148,661,440	19,864,580	1,143,035	169,669,055
Financial assets measured at amortised cost	101,521,611	-	-	101,521,611
Loans to customers	608,445,229	-	-	608,445,229
Accounts receivable	3,484,685	215,017	58,483	3,758,185
Other financial assets	349,093	454,560	-	803,653
<b>Total financial assets</b>	<b>2,348,586,791</b>	<b>160,465,989</b>	<b>86,225,153</b>	<b>2,595,277,933</b>
<b>Financial liabilities</b>				
Securities repurchase agreement obligations	1,263,851,027	17,197,355	-	1,281,048,382
Due to credit institutions	5,728,418	13,471,373	2,622,862	21,822,653
Customer accounts and deposits of customers	264,126,545	344,435,415	141,916,145	750,478,105
Trade payables	1,609,847	36,066	311	1,646,224
Financial liabilities at fair value through profit and loss	27,366	96,075	250,276	373,717
Liabilities from continuing participation	224,613,597	-	-	224,613,597
Lease liabilities	6,510,394	-	8,560	6,518,954
Other financial liabilities	2,127,503	617,834	273,846	3,019,183
<b>Total financial liabilities</b>	<b>1,768,594,697</b>	<b>375,854,118</b>	<b>145,072,000</b>	<b>2,289,520,815</b>
Net position on derivative financial instruments (off-balance)	(322,168,056)	254,486,496	65,786,614	(1,894,946)
<b>OPEN BALANCE SHEET POSITION</b>	<b>257,824,038</b>	<b>39,098,367</b>	<b>6,939,767</b>	

### Currency risk sensitivity

The following table details the Group's sensitivity to a 30% increase and decrease in the USD against KZT as at 31 December 2024 and 2023, respectively. These sensitivity rates are used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a percentage change in foreign currency rates.

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

	As at 31 December 2024		As at 31 December 2023	
	KZT/USD +30%	KZT/USD -30%	KZT/USD +30%	KZT/USD -30%
Impact on profit before income tax and equity	44,363,385	(44,363,385)	11,729,510	(11,729,510)

## Joint Stock Company Freedom Finance

Notes to the Consolidated Financial Statements (Continued)  
For the Year Ended 31 December 2024  
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### Limitations of sensitivity analysis

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

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

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

### Price risk

The Group follows a number of principles in its investment policies: it makes investments from which it expects an appropriate return, and ensures that they offer a high degree of security. Sufficient liquidity is also important at all times coupled with a targeted diversification in terms of type of investment. The Group's equity investments are susceptible to market price risk arising from uncertainties about future values of such investment securities. Equity price risk results from fluctuations in the price and level of the equity securities or instruments the Group holds. An analysis of 31 December 2024 and 2023 balance sheets estimates a decrease of 10% in the equity price would have reduced the value of the equity securities or instruments the Group held by approximately KZT 4,422,508 thousand and KZT 3,084,156 thousand, respectively.

### Operational risk

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

## Joint Stock Company Freedom Finance

### Notes to the Consolidated Financial Statements (Continued)

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#### 35. Events after the reporting period

In the fourth quarter of 2024, the USD/KZT exchange rate increased by 8.7%, leading to inflation expectations and a rise in interest rates and cost of debt servicing. In response to devaluation and inflationary risks, the National Bank of the Republic of Kazakhstan raised the base rate by 100 basis points on 29 November 2024, which had a negative impact on the stock market, reflected in a decline in the value of debt securities. As a result, and in anticipation of a further increase in interest rates, in the first quarter of 2025 JSC Freedom Finance sold securities in the amount of KZT 124,221,169 thousand. Net loss on the sale of securities comprised KZT (2,401,138) thousand.

On 26 March 2025, JSC Freedom Finance decided to place 2,042,000 ordinary shares through a pre-emptive right offering to the sole shareholder in the total amount of KZT 24,504,000 thousand.

On 27 March 2025, JSC Freedom Finance acquired 4,152,543 ordinary shares of JSC Freedom Bank Kazakhstan at a book value of 5,900 tenge per share for a total amount of KZT 24,500,004 thousand.

## Joint Stock Company Freedom Finance

### Additional information to the consolidated financial statements

For the Year Ended 31 December 2022

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### 36. Statements of net assets position of Mutual investment funds – Fixed Income and Goodwill

Information related to the statements of net assets position of mutual investment funds is not part of these consolidated financial statements prepared in accordance with IFRS Accounting Standards, is disclosed below as an additional financial information and is presented for the purpose of additional analysis. Such additional financial information has been prepared in accordance with investment portfolio managing rule No.10 dated 3 February 2014 approved by the Management Board of the NBRK.

#### Statement of net assets position of Mutual investment fund - Fixed Income:

	31 December 2024	31 December 2023
<b>ASSETS:</b>		
Cash and cash equivalents	23,444	302,340
Financial assets at fair value through profit or loss	9,573,140	7,595,934
Shares of mutual investment funds	-	229,313
Accounts receivable	9,114	10,591
<b>TOTAL ASSETS</b>	<b>9,605,698</b>	<b>8,138,178</b>
<b>LIABILITIES:</b>		
Securities repurchase agreement obligations	3,800,441	3,216,883
Dividend payable	43,206	36,583
Trade payables	44,468	43,582
<b>TOTAL LIABILITIES</b>	<b>3,888,115</b>	<b>3,297,048</b>
<b>NET ASSETS</b>	<b>5,717,583</b>	<b>4,841,130</b>

#### Statement of net assets position of Mutual investment fund – Goodwill:

	31 December 2024	31 December 2023
<b>ASSETS:</b>		
Cash and cash equivalents	21,669	16,943
Financial assets at fair value through profit or loss	1,908,260	1,951,944
<b>TOTAL ASSETS</b>	<b>1,929,929</b>	<b>1,968,887</b>
<b>LIABILITIES:</b>		
Securities repurchase agreement obligations	987,563	1,141,649
Dividend payable	31,357	26,550
Trade payables	17,832	26,061
<b>TOTAL LIABILITIES</b>	<b>1,036,752</b>	<b>1,194,260</b>
<b>NET ASSETS</b>	<b>893,177</b>	<b>774,627</b>