

KASE Clearing Centre JSC

Financial statements

for 2024

together with independent auditor's report

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INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report

To the Shareholder and Board of Directors of KASE Clearing Centre JSC

Opinion

We have audited the financial statements of KASE Clearing Centre JSC (hereinafter, the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2024.

Responsibilities of management and the Board of Directors for the financial statements

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Ernst & Young LLP



Olga Khengay
Auditor

Auditor Qualification Certificate
№ МФ-0000286 dated 25 September 2015

A15E3H4, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

15 April 2025



Rustamzhan Satbayev
General Director
Ernst & Young LLP

State Audit License for audit activities on the
territory of the Republic of Kazakhstan: series
МФЮ-2, № 0000003, issued by the Ministry
of Finance of the Republic of Kazakhstan on
15 July 2005

STATEMENT OF FINANCIAL POSITION**As at 31 December 2024***(in thousands of tenge)*

	<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Assets			
Cash and cash equivalents	5	195,265,418	51,563,259
Reverse repurchase agreements	6	29,919,837	11,588,365
Financial assets of the central counterparty	7	2,866,932,732	2,877,258,922
Investment securities	8	19,701,399	2,512,610
Advances paid		209	1,834
Property and equipment		1,306	154
Right-of-use assets	9	84,150	—
Intangible assets		241	288
Current corporate income tax assets		166,256	1,567
Deferred corporate income tax assets	18	34,261	1,299
Other assets	10	335,557	279,710
Total assets		3,112,441,366	2,943,208,008
Liabilities			
Amounts due to clearing participants	11	235,426,628	63,242,545
Financial liabilities of the central counterparty	7	2,866,932,732	2,877,258,922
Lease liabilities	9	94,190	—
Current corporate income tax liabilities		—	183,442
Advances received		406	406
Other liabilities	12	541,405	20,712
Total liabilities		3,102,995,361	2,940,706,027
Equity			
Share capital	13	1,726,924	1,726,924
Reserve fund	13	769,149	—
Retained earnings		6,949,932	775,057
Total equity		9,446,005	2,501,981
Total liabilities and equity		3,112,441,366	2,943,208,008


Signed and authorized for release on behalf of the Management Board of KASE Clearing Centre JSC:



 Natalya Khoroshevskaya
 Chairman of the Management Board

15 April 2025

Almaty, Kazakhstan


 Dmitriy Panchenko
 Chief Accountant

The accompanying notes on pages 5 to 30 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**For the year ended 31 December 2024***(in thousands of tenge)*

	<i>Note</i>	<i>2024</i>	<i>2023</i>
Interest revenue calculated using the effective interest rate method	14	6,716,698	607,223
Interest expense	14	(17,663)	—
Net interest income		6,699,035	607,223
Fee and commission income	15	3,448,672	792,459
Net fees and commission income		3,448,672	792,459
Credit loss expense	16	(103,568)	(132,152)
Net gains from foreign currencies		15,853	—
Other income		4,067	278
Personnel and other operating expenses	17	(1,650,584)	(315,548)
Profit before corporate income tax expense		8,413,475	952,260
Corporate income tax expense	18	(1,469,451)	(183,111)
Profit for the year		6,944,024	769,149
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		6,944,024	769,149
Basic and diluted earnings per share	19	13,077.3	2,067.6

Signed and authorized for release on behalf of the Management Board of KASE Clearing Centre JSC:



Natalya Khoroshevskaya
Chairman of the Management Board



Dmitriy Panchenko
Chief Accountant

15 April 2025


Almaty, Kazakhstan

The accompanying notes on pages 5 to 30 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2024***(in thousands of tenge)*

	<i>Note</i>	<i>Share capital</i>	<i>Reserve fund</i>	<i>Retained earnings</i>	<i>Total equity</i>
As at 1 January 2023		178,872	—	5,908	184,780
Profit for the year		—	—	769,149	769,149
Total comprehensive income for the year		—	—	769,149	769,149
Increase in share capital		1,548,052	—	—	1,548,052
As at 31 December 2023		1,726,924	—	775,057	2,501,981
Profit for the year		—	—	6,944,024	6,944,024
Total comprehensive income for the year		—	—	6,944,024	6,944,024
Transfer to reserve fund	13	—	769,149	(769,149)	—
As at 31 December 2024		1,726,924	769,149	6,949,932	9,446,005

Signed and authorized for release on behalf of the Management Board of KASE Clearing Centre JSC:



Natalya Khoroshevskaya
Chairman of the Management Board


15 April 2025

Almaty, Kazakhstan

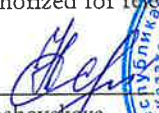


Dmitriy Panchenko
Chief Accountant

STATEMENT OF CASH FLOWS**For the year ended 31 December 2024***(in thousands of tenge)*

	<i>Note</i>	<i>2024</i>	<i>2023</i>
Cash flows from operating activities			
Profit before corporate income tax expense		8,413,475	952,260
Adjustments to reconcile profit before corporate income tax expenses to net cash flows:			
Credit loss expense	16	103,568	132,152
Net unrealised gains from foreign currencies		(15,853)	—
Interest income accrued		(6,716,698)	(607,223)
Interest income received		5,750,995	—
Depreciation of property and equipment, right-of-use assets and amortisation of intangible assets		42,387	104
Changes in accrued bonus expenses and unused vacations		137,865	—
Changes in operating assets and liabilities			
<i>Net (increase)/ decrease in operating assets</i>			
Reverse repurchase agreements		(18,341,068)	(11,588,365)
Amounts due from financial institutions		227,830	161,927
Advances paid		5,581	(1,830)
Other assets		(55,845)	(271,519)
<i>Net increase/ (decrease) in operating liabilities</i>			
Amounts due to clearing participants		169,901,039	63,242,545
Advances received		—	(1,892)
Other liabilities		386,497	201,280
Net cash from operating activities before corporate income tax		159,839,773	52,219,439
Corporate income tax paid		(1,853,279)	(675)
Net cash flow from operating activities		157,986,494	52,218,764
Cash flows from investing activities			
Purchase of property and equipment		(1,507)	(90)
Purchase of intangible assets		—	(259)
Purchase of investment securities		(84,481,979)	—
Proceeds from redemption of investment securities		69,538,598	(2,105,685)
Net cash used in investing activities		(14,944,888)	(2,106,034)
Cash flows from financing activities			
Proceeds from issue of share capital		—	1,548,052
Payment of principal portion of lease liabilities		(32,035)	—
Net cash flow (used in)/from financing activities		(32,035)	1,548,052
Effect of exchange rate changes on cash and cash equivalents		788,291	5,127
Effect of expected credit losses on cash and cash equivalents	16	(95,703)	(129,345)
Net change in cash and cash equivalents		143,702,159	51,536,564
Cash and cash equivalents at 1 January		51,563,259	26,695
Cash and cash equivalents at 31 December	5	195,265,418	51,563,259


Signed and authorized for release on behalf of the Management Board of KASE Clearing Centre JSC:



Natalya Khoroshevskaya

Chairman of the Management Board

 15 April 2025
 Almaty, Kazakhstan



Dmitriy Panchenko

Chief Accountant

The accompanying notes on pages 5 to 30 are an integral part of these financial statements.

(in thousands of tenge)

1. Principal activities

KASE Clearing Centre JSC (hereinafter, the “Company”) was registered on 21 June 2022 as a result of the reorganization (transformation) of eTrade.kz LLP into a joint stock company. On 19 October 2022, the state registration of the Company's prospectus for the issuance of ordinary shares was completed.

The Company was established in accordance with the Development Strategy of Kazakhstan Stock Exchange JSC (hereinafter, the “Parent”) for 2022-2024, with the aim of developing the central counterparty institution as a key infrastructural element. In accordance with the Cooperation Agreement between the Parent and the Company, starting from 25 September 2023, the Company carries out clearing, settlements, and central counterparty functions in the stock market. Starting from 3 June 2024, the Company performs clearing services in the securities market, settlements, and central counterparty functions in the foreign exchange market and in the derivatives market.

The Company's activities in the securities market are carried out based on the following licenses:

- License No. 3.1.8.2 for conducting clearing activities with financial instruments issued on 21 July 2023 by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (hereinafter, the “Agency”);
- License No. 4.3.22 for conducting banking operations (in national and foreign currency) issued on 28 August 2023 by the Agency.

The Company's registered office is 280 Baizakov St., North Tower of Almaty Towers Multifunction Complex, office 502, Almaty, A15G7M6, Republic of Kazakhstan

Shareholders

As at 31 December 2024 and 2023, the sole shareholder of the Company is Kazakhstan Stock Exchange JSC.

2. Basis of preparation

General

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The Company presents its statement of financial position in order of liquidity, based on the Company's intentions and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial reporting line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and beyond 12 months after the reporting date (non-current) is presented in *Note 22*.

These financial statements have been prepared under the historical cost principle except as disclosed in the “*Summary of material accounting policies*”. For instance, property and equipment (groups: buildings, land, vehicles) were measured at fair value.

These financial statements are presented in thousands of tenge (“KZT” or “tenge”), unless otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements were authorised for issue by the Management Board of the Company on 15 April 2025.

Impact of external economic factors

At the beginning of 2024, the base rate of the National Bank of the Republic of Kazakhstan (hereinafter, the “NBRK”) was 15.75%. The NBRK lowered the rate to 14.25% in July 2024 as inflation slowed from 9.8% in 2023 to 8.6% in 2024. However, in November 2024, the NBRK raised the base rate to 15.25% in response to increased volatility in the currency market and deterioration in external conditions.

In 2024, global markets continued to be influenced by geopolitical and economic factors that hindered the recovery of the global economy. The military conflict in Ukraine and the ongoing sanctions against the Russian Federation continue to create uncertainty in the financial markets.

(in thousands of tenge)

2. Basis of preparation (continued)

Impact of external economic factors (continued)

During 2024, the tenge experienced a 15% depreciation against the US dollar due to external factors, particularly the decline of the Russian rouble as a result of new sanctions imposed on the Russian Federation. According to data from the Bank of Russia the rouble depreciated to 101.68 per US dollar on the last business day of December 2024, resulting in the national currency of Kazakhstan falling to 523.54 tenge per US dollar. In 2024, oil prices remained volatile under the impact of geopolitical factors, ranging between 69 and 92 US dollars per barrel.

By the end of 2024, the export of goods increased by 3.1% to 81.6 billion US dollars. The import of goods decreased by 1.0% to 59.8 billion US dollars. Consequently, the trade balance surplus increased by 16.6% compared to 2023, amounting to 21.8 billion US dollars.

In 2024, Kazakhstan's gross domestic product (GDP) grew by 4.8%. At the same time, the leading sectors were agriculture at 13.7%, construction at 13.1%, trade at 9.1%, and transportation at 8.5%. The volume of the manufacturing industry increased by 5.9%.

In 2024, the total trading volume on the Kazakhstan Stock Exchange reached 389.1 trillion tenge, reflecting a 5.3% decrease compared to the previous year's volume. The trading volume in the stock market reached 13 trillion tenge, increasing by 18% compared to 2023. The trading volume in the foreign exchange spot market reached 38 trillion tenge, increasing by 28% compared to 2024.

Despite the decline in the overall trading volume, the KASE Index increased by 33.2%, reaching 5,578.10 points by the end of the year. The market capitalization of stocks grew by 23%, reaching 32.9 trillion tenge (62.8 billion US dollars). The main factors contributing to this growth were high dividend payouts, an influx of retail investors, and favourable corporate events. Furthermore, the global easing of monetary policy and relatively high commodity prices contributed to the positive market dynamics.

The management of the Company believes that the events and external factors described above will not have a significant impact on the Company's going concern. The management of the Company is monitoring current changes in the economic and political situation on the international stage as well as sanction risks, and is taking necessary measures to maintain the stability and development of the Company's activities in the foreseeable future.

3. Summary of material accounting policies

Changes in accounting policies

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2024.

- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*;
- Amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 7 and IFRS 7 – *Supplier Finance Arrangements*.

The new amendments had no impact on the Company's financial statements.

The Company has not early adopted any standard, interpretations or amendments that has been issued but is not yet effective.

Fair value measurement

The Company measures financial instruments at fair value through profit or loss and fair value through other comprehensive income, and non-financial assets such as property and equipment (groups: building, land, vehicles) at fair value at each reporting date.

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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

(in thousands of tenge)

3. Summary of material accounting policies (continued)

Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities

Initial recognition

Date of recognition

All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date that the Company commits to purchase the asset or liability. Regular way purchases or sales are purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

The classification of financial instruments at initial recognition depends on the contractual terms and business model used for managing instruments. Financial instruments are initially measured at their fair value and, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss, transaction costs are added to, or subtracted from, this amount.

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVPL).

The Company classifies and measures its derivative and trading portfolio at FVPL. The Company may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities are measured at amortised cost or at FVPL when they are held for trading, are derivative instruments or the fair value designation is applied.

(in thousands of tenge)

3. Summary of material accounting policies (continued)

Financial assets and liabilities (continued)

Initial measurement

Amounts due from credit institutions, investments securities at amortised cost

The Company measures amounts due from credit institutions and other financial assets at amortised cost if both of the following conditions are met:

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

The details of these conditions are outlined below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is based on observable factors 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 those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, volume and timing of sales are also important aspects of the Company's assessment.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test (solely payments of principal and interest on the principal amount outstanding)

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, amounts due from NBRK and amounts due from credit organizations that mature within ninety days of the date of origination and are free from contractual encumbrances.

(in thousands of tenge)

3. Summary of material accounting policies (continued)

Repurchase and reverse repurchase agreements and securities lending

Sale and repurchase agreements ("repos") are accounted for as secured financing transactions. Securities sold under sale and repurchase agreements are retained in the statement of financial position and, in case the transferee has the right by contract or custom to sell or repledge them, reclassified as securities pledged under sale and repurchase agreements. The corresponding liability is presented within payables under repurchase agreements. Securities purchased under agreements to resell ("reverse repo") are recorded as a separate line item in the statement of financial position. The difference between sale and repurchase price is treated as interest revenue and accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties are retained in the statement of financial position. Securities borrowed are not recorded in the statement of financial position, unless they are sold to third parties. In which case the purchase and sale transaction is recorded in the statement of comprehensive income.

Lease

i. Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to short-term leases (i.e. contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option). The Company also applies the low-value assets lease recognition exemption to contracts of lease of office equipment whose value is considered to be low (i.e. less than 5 thousand US dollars). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(in thousands of tenge)

3. Summary of material accounting policies (continued)

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The right of set-off must not be contingent on a future event and must be legally enforceable in all the following circumstances:

- The normal course of business;
- The event of default; and
- The event of insolvency or bankruptcy of the entity and all of the counterparties.

These conditions are not generally met in master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset, or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and
- The Company either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. A write-off constitutes a derecognition event.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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, and the difference in the respective carrying amounts is recognised in profit or loss.

Taxation

The current corporate income tax expense is calculated in accordance with the tax legislation of the Republic of Kazakhstan.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(in thousands of tenge)

3. Summary of material accounting policies (continued)

Taxation (continued)

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Amounts due to clearing participants

Most of the amounts due to clearing participants comprise cash of the clearing participants placed in the Company's correspondent accounts to ensure their obligations for transactions that have already been completed or to secure transactions scheduled for the next trading day. Under an internal document *"Rules for conducting clearing activities for transactions with financial instruments"* as well as other internal documents each clearing participant is required to maintain a certain level of margin and guarantee deposit on a corresponding accounts of the Company. The Company recognizes the amounts due to clearing participants in its correspondent accounts as liabilities to clearing participants.

Assets and liabilities of the central counterparty

The Company has been conducting clearing, settlements, and central counterparty functions for transactions with financial instruments on the stock market of the Exchange starting from 25 September 2023, and starting from 3 June 2024, on the foreign exchange market and the derivatives market of the Exchange.

For transactions in which the Company acts as the central counterparty, an open offer mechanism is applied, which is a method of performing contractual obligations for concluded transactions by automatically including the Company in the transaction as the central counterparty. Consequently, upon the completion of a transaction, the Company, in its role as the central counterparty, automatically (1) becomes the counterparty to that transaction, acting as the seller for each buyer and the buyer for each seller; (2) gains a unique right through its actions to create obligations for clearing participants, which includes the acceptance and execution of obligations by the clearing participant for all transactions (including those obligations arising from novation) executed on its behalf by the Company during the default resolution procedures, in accordance with the internal regulations of the Company.

The assets and liabilities related to these transactions are recorded in the statement of financial position at values that reflect the prices of the corresponding transactions executed on the Exchange.

The assets and liabilities of the Company and clearing participants related to transaction collateral (clearing funds, partial collateral for unsettled transactions) are presented in the statement of financial position at their net fair value, calculated based on daily settlement prices determined by the Company in accordance with approved internal documents.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Retirement and other employee benefit obligations

The Company does not have any pension programs 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 expense is charged in the period the related salaries are earned. In addition, the Company has no significant post-employment benefits.

Equity

Share capital

Ordinary shares are shown within equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

(in thousands of tenge)

3. Summary of material accounting policies (continued)

Equity (continued)

Dividends

Dividends are recognised as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date and have not been paid to the shareholder. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue.

Revenue and expense recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest and similar revenue and expense

The Company calculates interest revenue on debt financial assets measured at amortized cost by applying the effective interest rate to the gross carrying amount of financial assets other than credit-impaired financial assets. effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest revenue or expense.

Fee and commission income

The Company earns fee and commission income from the services it provides to its customers within the activities covered by the existing licenses. Fee and commission 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 obligations are satisfied. Such commission income may include charging a subscription fee from the client for a specific period of time.

- *Fee and commission income from providing transaction services*

Commissions received for conducting transactions on behalf of the Company and/or on behalf of another party (in the settlement of a default by a clearing participant in accordance with the internal documents of the Company) are considered commission income. Such commission income includes clearing fees.

Foreign currency transactions

Transactions in foreign currencies are initially translated into functional currency at the exchange rate established by the Kazakhstan Stock Exchange (hereinafter, the "KASE") ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency rate at the spot rate of exchange ruling at the reporting date. Gains or losses resulting from the translation of foreign currency transactions are recognised in the statement of profit or loss and other comprehensive income as "*Net gains from foreign currencies*". Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The following exchange rates established by the KASE were used by the Company in the preparation of the financial statements at the end of the year:

	<i>31 December 2024</i>	<i>31 December 2023</i>
KZT/USD	525.11	454.56
KZT/EUR	546.74	502.24
KZT/RUB	4.88	5.06
KZT/GBP	658.91	577.47

(in thousands of tenge)

4. Significant accounting judgments and estimates

Estimation uncertainty

In the process of applying the Company's accounting policies, management used its judgement and made estimates in determining the amounts recognised in the financial statements. The most significant use of judgements and estimates are as follows:

Expected credit losses on financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the ECL and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different amounts of allowance for impairment. In addition, large-scale business disruptions can give rise to liquidity issues for some entities and consumers. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and PDs, EADs and LGDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as when the Company did not enter into financing transactions in a respective period) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when the lease term differs from the financing term).

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the stand-alone credit rating).

Estimate of sufficiency of reserve funds

The reserve fund is formed in accordance with the requirements of the Law of the Republic of Kazakhstan "On the securities market" to cover a possible default of market participants.

The Company assessed the size of clearing fund for the securities market in order to initiate clearing activities in accordance with its internal document "Methodology for determining size of clearing funds" in September 2023.

On 17 May 2024, the Board of Directors of the Company approved the establishment of clearing reserve funds for the foreign exchange market and the derivatives market, set at KZT 1,500,000 thousand and KZT 170,000 thousand, respectively. This decision was made in connection with the transfer of clearing, settlement, and central counterparty functions from the Parent to the Company, which took place on 31 May 2024.

Then, on 24 December 2024, the Board of Directors reaffirmed the amounts for the clearing reserve funds across all markets, maintaining the previously established figures: KZT 170,000 thousand for the derivatives market, KZT 1,500,000 thousand tenge for the foreign exchange market, and KZT 2,208,000 thousand for the stock market.

When approving the sizes of the clearing reserve funds in December 2024, an assessment of their adequacy was carried out based on a sample from the period of 22 November 2023 to 22 November 2024, which included:

- A sample with estimated amounts of net positions for each settlement day of the period for all trading accounts of participants in transactions with securities (in this case, open positions of the NBRK and the Unified Accumulative Pension Fund JSC are excluded from the sample); and
- A sample of balances of financial instruments for all trading accounts of participants for each settlement day, while only balances of those financial instruments that are accepted as collateral for transactions are selected.

(in thousands of tenge)

4. Significant accounting judgments and estimates (continued)

Estimation uncertainty (continued)

Estimate of sufficiency of reserve funds (continued)

As a result of the analysis of the considered samples, from all potential losses (the potential loss arising from changes in market prices of financial instruments of particular exchange market, which may arise in case of failure to fulfil net obligations by two clearing participants with the largest volume of these obligations), the maximum values of their potential losses were selected for each participant from obtained values, two maximum positions were selected and their amount was calculated (the sum of two maximum potential losses amounted to KZT 56 thousand on the derivatives market, KZT 478,720 thousand on the foreign exchange market, and KZT 2,594,964 thousand on the securities market).

According to the Methodology, the clearing funds for conducting clearing activities consist of the Company's clearing reserve funds (50% of the calculated amounts) and clearing guarantee funds formed from contributions made by clearing participants.

To assess the adequacy of the formed reserve funds, a retrospective analysis of the actual data on the open positions of participants for 2024 was also conducted (back-testing).

The back-testing performed indicated that the use of the reserve fund was not anticipated in all considered scenarios, as in each scenario, the change in the market price of the financial instrument was covered by the initial margin rate. As a result of managing stress events that are plausible during its clearing activities and central counterparty functions, the Company maintains adequacy of capital and other resources at an acceptable level across all relevant dimensions. The coverage of scenario risks with the existing collateral is complete.

Additionally, the Parent of the Company, upon transferring clearing and settlement functions, as well as central counterparty functions in the stock market to the Company, did not dissolve the clearing reserve fund in the securities market in order to provide the necessary financial support for covering potential obligations of the Company in its role as a central counterparty. As at 31 December 2024, the clearing reserve fund for the stock market has been established by the Parent in the amount of KZT 3,878,000 thousand.

As at 31 December 2024, the specified amount of the clearing reserve fund of the Exchange fully covers the estimated total size of the Company's clearing reserve fund in the securities market.

5. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Correspondent accounts with the NBRK	59,994,163	–
Correspondent accounts with Central Securities Depository JSC	42,306,807	51,640,556
Correspondent accounts with other credit institutions	92,092,746	52,729
Current accounts with other financial institutions	1,097,431	–
	<u>195,491,147</u>	<u>51,693,285</u>
Less: ECL allowance	(225,729)	(130,026)
Total cash and cash equivalents	<u>195,265,418</u>	<u>51,563,259</u>

As at 31 December 2024 and 2023, the balances of cash and cash equivalents do not indicate evidence of significant increase in credit risk or impairment. An analysis of changes in ECL allowances for the years ended 31 December 2024 and 2023 is as follows:

	<i>2024</i>	<i>2023</i>
ECL allowance as at 1 January	130,026	681
Net change ECL (<i>Note 16</i>)	95,703	129,345
As at 31 December	<u>225,729</u>	<u>130,026</u>

(in thousands of tenge)

6. Reverse repurchase agreements

As at 31 December 2024, the Company entered into reverse repurchase agreements. The subject of these agreements are bonds of the Ministry of Finance of the Republic of Kazakhstan with a total fair value of KZT 30,100,965 thousand (as at 31 December 2023: bonds of the Ministry of Finance of the Republic of Kazakhstan and Kazakhstan Sustainability Fund JSC with a total fair value of KZT 11,541,850 thousand).

7. Financial assets and liabilities of the central counterparty

	<i>31 December 2024</i>	<i>31 December 2023</i>
Reverse repurchase agreements	2,845,023,256	2,877,258,922
Currency swaps assets	21,909,475	—
Derivatives assets	1	—
Total financial assets of the central counterparty	<u>2,866,932,732</u>	<u>2,877,258,922</u>
Repurchase agreements	2,845,023,256	2,877,258,922
Currency swaps liabilities	21,909,475	—
Derivatives liabilities	1	—
Total financial liabilities of the central counterparty	<u>2,866,932,732</u>	<u>2,877,258,922</u>

Financial assets of the central counterparty represent receivables and payables from transactions that the Company has entered into with market participants as a central counterparty.

The offsetting of counterclaims and liabilities of individual counterparties is made in accordance with IAS 32. The general netting agreements allow the Company to offset assets against existing liabilities in the event of default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus, reducing credit exposure. As at 31 December 2024 and 2023, the Company did not apply the offset in the statement of financial position.

8. Investment securities

Investment securities comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Debt securities at amortised cost		
U.S. Department of the Treasury bonds	10,458,931	—
Notes of the NBRK	9,253,178	2,515,455
Total debt securities at amortized cost	<u>19,712,109</u>	<u>2,515,455</u>
Less: ECL allowance	(10,710)	(2,845)
Total investment securities	<u>19,701,399</u>	<u>2,512,610</u>

As at 31 December 2024 and 2023, all investment securities do not demonstrate any evidence of significant increases in credit risk or impairment. An analysis of changes in ECL allowances for the years ended 31 December 2024 and 2023 is as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
ECL allowance as at 1 January	2,845	—
Net change in ECL (<i>Note 16</i>)	7,865	2,845
As at 31 December	<u>10,710</u>	<u>2,845</u>

*(in thousands of tenge)***9. Right-of-use assets and lease liabilities**

Movements in right-of-use assets and lease liabilities are presented as follows:

	<i>Right-of-use assets</i>	<i>Lease liabilities</i>
As at 1 January 2024	—	—
Additions	126,225	126,225
Depreciation expense	(42,075)	—
Interest expense (<i>Note 14</i>)	—	17,663
Payments	—	(49,698)
As at 31 December 2024	84,150	94,190

10. Other assets

Other assets comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Other financial assets		
Accounts receivable from clearing services	332,785	263,982
Other financial assets	882	194
	333,667	264,176
Less: ECL allowance	(194)	(194)
Total other financial assets	333,473	263,982
Other non-financial assets		
Deferred expenses	1,595	104
Inventory	314	256
Taxes other than corporate income tax	175	15,368
Total other non-financial assets	2,084	15,728
Total other assets	335,557	279,710

11. Amounts due to clearing participants

As at 31 December 2024 and 2023, the amounts due to clearing participants comprise guarantee deposits and margin, which serve as security for the fulfilment of the net obligations of clearing participants.

	<i>31 December 2024</i>	<i>31 December 2023</i>
Margin for the foreign exchange market	194,172,953	—
Margin for the stock market	39,793,205	62,530,045
Guarantee deposits for the stock market	705,000	712,500
Guarantee deposits for the foreign exchange market	610,000	—
Margin for the derivatives market	88,470	—
Guarantee deposits for the derivatives market	57,000	—
Total amounts due to clearing participants	235,426,628	63,242,545

Cash was placed by the following clearing participants:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Second-tier Kazakhstan banks	186,036,385	25,298,881
Other financial organizations	49,390,243	37,943,664
Total clearing participants' funds	235,426,628	63,242,545

*(in thousands of tenge)***12. Other liabilities**

Other liabilities comprise:

	<i>31 December 2024</i>	<i>31 December 2023</i>
Other financial liabilities		
Accounts payable for the temporary use of intangible assets	311,303	–
Other	42,435	4,942
Total other financial liabilities	353,738	4,942
Other non-financial liabilities		
Accrued expenses on premiums	130,871	–
Taxes other than corporate income tax	43,264	9,900
Accrued unused vacation expenses	12,852	5,858
Other	680	12
Total other non-financial liabilities	187,667	15,770
Total other liabilities	541,405	20,712

13. Equity

Share capital

As at 31 December 2024 and 2023, the total number of declared ordinary shares is 400,000 pieces. As at 31 December 2024 and 2023, the declared shares were issued in the amount of 531 shares and fully paid.

Reserve fund

Based on the decision of the Board of Directors of the Exchange (protocol No. 14 dated 27 May 2024), the net profit of the Company for 2023 in the amount KZT 769,149 thousand, was allocated for the development of KASE Clearing Centre JSC. The net profit was used to establish the clearing reserve fund and was recorded in equity.

14. Net interest revenue

	<i>2024</i>	<i>2023</i>
Interest revenue calculated using the effective interest rate		
Reverse repurchase agreements	3,849,522	451,325
Cash and cash equivalents	1,694,956	6,838
Investment securities	1,172,220	149,060
Total interest revenue	6,716,698	607,223
Interest expense		
Lease liabilities (<i>Note 9</i>)	(17,663)	–
Total interest expense	(17,663)	–
Net interest income	6,699,035	607,223

15. Fee and commission income

Fee and commission income comprises the following:

	<i>2024</i>	<i>2023</i>
Clearing fees in the stock market	2,978,662	792,459
Clearing fees in the currency market	470,010	–
Total fee and commission income	3,448,672	792,459

The Company charges commission fees monthly for the past calendar month.

The Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. As at 31 December 2024, accounts receivable from customer contracts amounted to KZT 332,785 thousand (31 December 2023: KZT 263,982 thousand) and are reflected in other assets in the statement of financial position.

(in thousands of tenge)

16. Credit loss expense

	2024	2023
Cash and cash equivalents (Note 5)	95,703	129,345
Investment securities (Note 8)	7,865	2,845
Other assets	—	(38)
Total credit loss expense	103,568	132,152

17. Personnel and other operating expenses

	2024	2023
Salaries, bonuses and other benefits	783,123	149,374
Social security contribution	62,138	10,304
Personnel expenses	845,261	159,678
Temporary use of intangible assets	458,289	102,753
Professional services	191,998	14,340
Depreciation and amortisation	42,387	103
Communication and SWIFT maintenance	20,068	296
Information services	16,176	508
Business trips	15,988	2,725
Taxes other than income tax	16,316	1,990
Membership fees	8,810	—
Maintenance of property and equipment and intangible assets	8,087	9,403
Operating leases	7,771	20,265
Bank charges	5,890	498
Training	5,176	—
Insurance services	3,043	2,101
Business development expenses	2,772	131
Mail and courier expenses	152	—
Other expenses	2,400	757
Other operating expenses	805,323	155,870
Personnel and other operating expenses	1,650,584	315,548

For the year ended 31 December 2024 amount if audit fee charged to the Company by Ernst and Young LLP for the preparation of financial statements in accordance with IFRS amounted to KZT 18,000 thousand, excluding VAT, and was included under the "Professional Services" line item. During 2024, services that are not related to audit services were not provided.

18. Taxation

The corporate income tax expense comprises the following:

	2024	2023
Current corporate income tax expense	1,502,413	183,442
Deferred corporate income tax benefit – origination and reversal of temporary differences	(32,962)	(331)
Corporate income tax expense	1,469,451	183,111

The Company's income is subject to taxation in the Republic of Kazakhstan. The statutory corporate income tax rate in 2024 and 2023 was 20%.

*(in thousands of tenge)***18. Taxation (continued)**

The reconciliation between the corporate income tax expense based on statutory tax rate and corporate income tax expense in the accompanying financial statements is as follows:

	2024	2023
Profit before corporate income tax expense	8,413,475	952,260
Statutory corporate income tax rate	20%	20%
Theoretical corporate income tax expense at the statutory rate	1,682,695	190,452
Non-taxable income on state securities and securities listed at KASE	(234,444)	(30,843)
Non-deductible credit loss expense	21,154	24,541
Other differences	46	(1,039)
Corporate income tax expense	1,469,451	183,111

As at 31 December 2024, current corporate income tax assets comprised KZT 166,256 thousand. As at 31 December 2023 current corporate income tax liabilities comprised KZT 183,442 thousand.

Deferred tax assets and liabilities

Temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the amounts used for the purposes of calculation of taxable base, give rise to net deferred tax assets as at 31 December 2024 and 2023.

Period of use of temporary differences reducing the amount of the taxable base for income tax is not limited in accordance with the current tax legislation of the Republic of Kazakhstan. Period of use of tax losses carried forward expires in 10 years.

Deferred tax assets and liabilities as at 31 December, as well as their movements for the respective years comprise the following:

	31 December 2022	Origination and reversal of temporary differences in profit or loss	31 December 2023	Origination and reversal of temporary differences in profit or loss	31 December 2024
Tax effect of deductible temporary differences					
Accrued expenses on premiums	—	—	—	26,174	26,174
Lease liabilities	—	—	—	18,838	18,838
Administrative and other operating expense	378	(378)	—	3,696	3,696
Accrued unused vacation expenses	265	907	1,172	1,398	2,570
Trade receivables	46	(7)	39	—	39
Amounts due from financial institutions	136	(136)	—	—	—
Property and equipment and intangible assets	143	(55)	88	(88)	—
Deferred tax assets	968	331	1,299	50,018	51,317
Tax effect of taxable temporary differences					
Right-of-use assets	—	—	—	(16,830)	(16,830)
Property, equipment and intangible assets	—	—	—	(226)	(226)
Deferred tax liability	—	—	—	(17,056)	(17,056)
Net deferred corporate income tax assets/ (liabilities)	968	331	1,299	32,962	34,261

19. Commitments and contingencies**Political and economic environment**

Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

(in thousands of tenge)

19. Commitments and contingencies (continued)

Political and economic environment (continued)

In 2024, the volatility of world crude oil prices and the depreciation of tenge against the US dollar continued to negatively affect the Kazakh economy. Interest rates of attracting funds in tenge remain high. Combination of these factors resulted in limited access to capital, a high cost of capital and increased uncertainty regarding further economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management of the Company believes it is taking appropriate measures to maintain the sustainability of the Company's business in current circumstances.

Taxes

The taxation system in the Republic of Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. The adequacy of tax assessment in the reporting period may be reviewed during the next three calendar years. However, under certain circumstances a tax year may remain open for a longer period of time.

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

Litigation

In the ordinary course of business, the Company may be subject to legal actions and complaints. Management believes that the ultimate liability, if any, that may arise from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Company. Management is unaware of any significant actual, pending or threatened claims against the Company.

20. Risk management policies

Introduction

Risk management is an integral part of the Company's activities. The basic risks inherent in the Company's activities are:

- Credit risk;
- Liquidity risk;
- Market (currency, interest rate, price) and systemic risks.;
- Operational risk.

The Company recognises that it is essential to have efficient and effective risk management processes in place. To establish a robust and effective risk management policy, the Company has defined key risk management principles aimed at safeguarding against existing risks while facilitating the achievement of its performance objectives. The basic tasks of the risk management system are detection of risk sources, determination of risk levels, development of policies and rules in the field of risk management and implementation of control mechanisms, including fixing limits and subsequent adherence thereto.

The risk management framework including the procedure for identification, evaluation, monitoring and response to risk events, as well as the procedure for managing financial and operating risks of the Company are regulated by respective internal documents of the Company.

Description of basic risks of the Company is given hereafter.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate collegial bodies responsible for managing and monitoring risks.

(in thousands of tenge)

20. Risk management policies (continued)

Introduction (continued)

Board of Directors

The Board of Directors holds the responsibility for developing the risk management strategy, defining the principles and approaches for organising the risk management framework, ensuring compliance with regulatory standards, and approving internal documents that establish the risk management policy and set limits for various risk categories.

Internal Audit Committee of the Board of Directors

The Internal Audit Committee of the Board of Directors is responsible for preparing and presenting recommendations to the Board of Directors for decision-making on risk management matters. It also collaborates with the Management Board on risk management matters.

Management Board

The Management Board is responsible for ensuring the establishment of an effective risk management system, ensuring that organizational units comply with legal requirements, and defining limits for various types of risks.

Committee for market risks

The Company's collegial consulting body, the minimum required composition of which is determined by the Management Board, the personal composition is approved by the order of the Chairman of the Management Board. The basic functions of the Committee for market risks include analysis, monitoring, detection and management of risks incidental to a situation in financial markets, activities of the Company, its counterparties, clearing participants, issuers and investors as well as preparation of recommendations for the Management Board of the Company.

Investment Committee

The collegial body of the Company the structure of which is approved by the Management Board. The primary functions of the Investment Committee include making investment decisions regarding transactions involving financial instruments using the Company's assets and ensuring the minimization of financial risks associated with investing.

Risk mitigation

As part of its overall risk management, the Company uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies and exposures arising from forecast transactions. The Company actively uses collateral to mitigate its credit risk.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of risks are managed.

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages credit risk by establishing lists of investees for its investment portfolios, setting maximum risk limits that it is willing to accept for individual counterparties, defining hedging conditions, and diversifying the assets within its investment portfolios. Additionally, the Company monitors compliance with the established risk limits.

Under the asset investment policy approved by the decision of the Board of Directors, the portfolios of financial instruments diversified by types of assets, degree of liquidity, rate of return, and term are formed with balancing return and risk.

In accordance with its asset investment policy, the Company conducts a monthly analysis of its investment portfolios. The Risk Management Department performs a quarterly assessment of the investment portfolios' status and their exposure to risks, including the determination of the probability of default for financial instruments.

(in thousands of tenge)

20. Risk management policies (continued)

Credit risk (continued)

Transactions with the central counterparty

Acting as a central counterparty, the Company is also exposed to credit risks due to the fact that it assumes the risks of non-fulfilment by clearing participants of their obligations and at the same time guarantees the fulfilment of their obligations to each bona fide clearing participant.

In order to manage credit risk when performing the functions of a central counterparty, the Company establishes requirements for the financial condition of clearing participants, for the types and quality of accepted security, which includes cash and marketable securities of issuers with a high level of reliability, determined in accordance with the Company's internal techniques. The Company has developed and is constantly improving a system of internal ratings that provides a balanced assessment of its counterparties and the level of accepted risk. Evaluation of counterparties is carried out on the basis of a comprehensive in-depth assessment of the financial conditions of counterparties, the level of information transparency, business reputation and other financial and non-financial factors.

To mitigate the credit risk associated with transactions where the Company acts as a central counterparty, the Company has introduced a multi-tiered cascading risk management structure that complies with international standards and consists of various lines of defence.

The Company's credit risk with the clearing participant is minimized by executing payments according to the delivery-against-payment principle based on clearing results.

Impairment assessment

The Company calculates expected credit losses (ECLs) to estimate expected cash shortfalls, which are discounted using the effective interest rate or its approximation. 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)	The Probability of Default 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 derecognised and is still in the portfolio.
Exposure at default (EAD)	The <i>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.
The Loss Given Default (LGD)	The Loss Given Default 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 realisation of any collateral. It is usually expressed as a percentage of the EAD.

ECL are estimated for 12 months. The loss allowance is measured at an amount equal to lifetime expected losses if the credit risk of a financial instrument has increased significantly since initial recognition.

The Company applies a simplified approach for the receivables under the standard and calculates ECL allowance based on the credit losses expected to arise over the lifetime of the asset (the lifetime expected credit loss or LTECL).

Definition of default

The Company considers a financial instrument defaulted for ECL calculations in any case where the counterparty/security issuer has not fulfilled its obligations after 90 calendar days following the established contractual payment deadline.

Treasury and interbank relationships

The Company's treasury relationships comprise relationships with counterparties, such as financial services institutions, banks, broker-dealers, exchanges and clearing-houses. To assess such relationships, the Company analyses publicly available information such as financial statements and details of other external sources, for example, external ratings.

(in thousands of tenge)

20. Risk management policies (continued)

Credit risk (continued)

Probability of default estimation process

The PD indicator for financial instruments is determined in accordance with the external credit ratings assigned by international rating agencies such as S&P, Moody's, etc. These agencies assign a PD for each rating level. Based on the ratings data of counterparties, the Company applies probability of default coefficients according to data from external sources (*Moody's Investors Service*).

The Company uses the following credit rating levels:

<i>S&P</i>	<i>International rating</i>	<i>Moody's</i>	<i>12-month PD</i>
AAA to AA–		Aaa to Aa3	0,00%-0,04%
A+ to A–		A1 to A3	0,05%-0,08%
BBB+ to BBB–		Baa1 to Baa3	0,09%-0,28%
BB+ to BB–		Ba1 to Ba3	0,51%-1,33%
B+ to B–		B1 to B3	1,92%-4,6%
CCC+ to CCC–		Caa1 to Caa3	4,7%-31,00%
CC to C		Ca	32,6%
D		C	100%

The Company applies the maximum value (100%) to calculate the PD in the absence of a credit rating for a counterparty or issuer of securities that is not a government organization.

Loss given default

The Company assesses LGD based on information about the type of counterparty.

For financial assets, the following LGD values are considered:

- LGD of 45% is applied to instruments issued by the National Bank of the Republic of Kazakhstan, government securities of the Republic of Kazakhstan, and securities backed by a government guarantee from the Government of the Republic of Kazakhstan;
- For other counterparties, the LGD ranges from 45% to 100%, depending on the presence of guarantees or collateral for the financial asset. In the absence of collateral or guarantees for the invested financial asset, the LGD is set at 100%.

Maximum exposure to credit risk

The carrying amount of components of the statement of financial position most accurately reflects the maximum credit exposure on these components.

Where financial instruments are recorded at fair value, the carrying value represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

*(in thousands of tenge)***20. Risk management policies (continued)**

Credit risk (continued)

Maximum exposure to credit risk (continued)

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

	<i>>BBB</i>	<i>BBB–</i>	<i><BBB–</i>	<i>No credit rating</i>	<i>Total</i>
31 December 2024					
Cash and cash equivalents	91,695,351	103,570,024	–	43	195,265,418
Reverse repurchase agreements	–	29,919,837	–	–	29,919,837
Financial assets of the central counterparty	24,891	1,230,139,245	1,152,622,598	484,145,998	2,866,932,732
Investment securities	10,458,931	9,242,468	–	–	19,701,399
Other financial assets	5,842	108,142	155,824	63,665	333,473
Total	102,185,015	1,372,979,716	1,152,778,422	484,209,706	3,112,152,859
31 December 2023					
Cash and cash equivalents	–	51,522,163	41,096	–	51,563,259
Reverse repurchase agreements	–	–	–	11,588,365	11,588,365
Financial assets of the central counterparty	53,222,531	195,465,102	1,383,126,024	1,245,445,265	2,877,258,922
Investment securities	–	2,512,610	–	–	2,512,610
Other financial assets	–	–	–	263,982	263,982
Total	53,222,531	249,499,875	1,383,167,120	1,257,297,612	2,943,187,138

Security of the central counterparty

The Company guarantees the fulfilment of net liabilities to clearing participants using an individual and collective collateral system. Individual security of a participant may be either full or partial depending on a category assigned to a clearing participant to be determined based on the assessment of its financial position. As a security for the performance of obligations by a clearing participant with partial security for transactions concluded on conditions of partial security, the Company establishes requirements for partial security of net liabilities on transactions recorded on clearing accounts and submitted applications of such clearing participants and calculated taking into account the specifics established by the Company's internal methods for certain exchange markets, and requirement to contribute a guarantee contribution on the relevant exchange market. As a security for the fulfilment of obligations by a clearing participant with partial security under transactions concluded on full coverage terms, the Company establishes requirements for full coverage of net liabilities in those financial instruments in which they arise as a result of conclusion of such transactions.

As a security for the fulfilment of obligations of clearing participants with full coverage, the Company establishes requirements for full coverage of net liabilities on all clearing accounts of such a clearing participant.

The requirements of the central counterparty for the amount of partial security are calculated on the basis of the Company's internal methods and must cover the amount of credit and market risk of the net liabilities of the clearing participant in all financial instruments to the central counterparty.

Cash in tenge and US dollars transferred by participants to the Company's correspondent accounts is accepted as collateral.

In addition to cash, clearing participants contribute securities traded on the Stock Exchange as security in the stock market. These securities are accounted for as security on subaccounts (client and own) of the personal account of each depositor-clearing participant of the stock market with the Central Securities Depository JSC, are not assets of the Company and are not recorded in the statement of financial position.

If the clearing participant lacks security and/or margin security to ensure its open positions, the clearing participant is obliged to fulfil the requirement set by the Company by contributing additional security or concluding transactions that lead to a decrease in the value of open positions.

A clearing participant without security does not provide security and does not pay guarantee deposits.

*(in thousands of tenge)***20. Risk management policies (continued)****Credit risk (continued)***Security of the central counterparty (continued)*

The clearing reserve and guarantee funds are collective security of settlement of the transactions to the clearing participants. Reserve funds are formed from the Company's own resources. Guarantee funds are formed on the basis of guarantee contributions of clearing participants credited by clearing participants to the correspondent account of the Company. On a certain exchange market, individual guarantee funds may be created, which are used to cover unfulfilled obligations under transactions with financial instruments concluded in trading modes with the participation of a central counterparty. Reserve funds are used solely to cover unfulfilled obligations on transactions with financial instruments of a particular exchange market for which this reserve fund was formed. The funds of guarantee funds cannot be used as security for the fulfilment of any other obligations of the Company and / or its clearing participants in addition to obligations on transactions concluded on the exchange market as part of default settlement.

Collective security is used only in case of insufficient funds of individual security. The procedure for using collective security is stipulated by the internal documents of the Company.

Geographical concentration

Below is the geographical concentration of the Company's assets and liabilities as at 31 December 2024:

<i>31 December 2024</i>	<i>Kazakhstan</i>	<i>OECD</i>	<i>Others</i>	<i>Total</i>
Assets				
Cash and cash equivalents	105,009,536	90,255,839	43	195,265,418
Reverse repurchase agreements	29,919,837	—	—	29,919,837
Financial assets of the central counterparty	2,866,932,732	—	—	2,866,932,732
Investment securities	9,253,179	10,448,220	—	19,701,399
Other financial assets	332,125	—	1,348	333,473
Total	3,011,447,409	100,704,059	1,391	3,112,152,859
Liabilities				
Amounts due to clearing participants	232,912,608	—	2,514,020	235,426,628
Financial liabilities of the central counterparty	2,866,932,732	—	—	2,866,932,732
Lease liabilities	94,190	—	—	94,190
Other financial liabilities	353,738	—	—	353,738
	3,100,293,268	—	2,514,020	3,102,807,288
Net balance sheet position	(88,845,859)	100,704,059	(2,512,629)	9,345,571

Below is the geographical concentration of the Company's assets and liabilities as at 31 December 2023:

<i>31 December 2023</i>	<i>Kazakhstan</i>	<i>OECD</i>	<i>Others</i>	<i>Total</i>
Assets				
Cash and cash equivalents	51,563,259	—	—	51,563,259
Reverse repurchase agreements	11,588,365	—	—	11,588,365
Financial assets of the central counterparty	2,877,258,922	—	—	2,877,258,922
Investment securities	2,512,610	—	—	2,512,610
Other financial assets	263,982	—	—	263,982
Total	2,943,187,138	—	—	2,943,187,138
Liabilities				
Amounts due to clearing participants	63,242,545	—	—	63,242,545
Financial liabilities of the central counterparty	2,877,258,922	—	—	2,877,258,922
Other financial liabilities	4,942	—	—	4,942
Total	2,940,506,409	—	—	2,940,506,409
Net balance sheet position	2,680,729	—	—	2,680,729

(in thousands of tenge)

20. Risk management policies (continued)

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To mitigate this risk, management has established requirements for the minimum amount of funds in the relevant accounts of the Company. Management also manages assets with liquidity in mind and monitors current and future cash flows on a daily basis. This incorporates an assessment of expected cash flows and the availability of highly liquid collateral which could be used to secure liquidity if required.

Liquidity risk management

As part of liquidity risk management in its role as a central counterparty, the Company utilizes tools and processes established by the “Rules for clearing activities” related to financial instrument transactions.

Temporarily available own assets are invested in short-term financial instruments in accordance with the limits set by the “Asset investment policy”. The policy also provides for the diversification of the investment portfolio to mitigate the risk of losses resulting from the concentration of financial assets with the same maturity.

Guarantee funds have been established to minimize the risk of default by clearing participants, and the Company has established a reserve fund, the sizes of which are calculated according to internal methodologies.

Market risk

Market risk refers to the risk that the fair value of future cash flows from financial instruments will fluctuate due to changes in market parameters, including changes of interest rates, foreign exchange rates, prices for equity instruments that the Company is exposed to, as well as low market liquidity due to cost of item liquidation, including open positions of clearing participants in transactions settled with the central counterparty.

To manage market risk, the central counterparty uses such elements of the risk management system as a system for determining the risk parameters of financial instruments, limits for opening positions of clearing participants in certain exchange markets, control of the adequacy of security / margin security for clearing participants with partial security, control of full coverage of arising obligations for clearing participants with full coverage, revaluation of the value of security / margin security and net positions of clearing participants with partial security, establishment of requirements for a financial instrument to be admitted to transactions with partial security.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Below is the analysis of financial assets and liabilities by currencies as at 31 December 2024:

31 December 2024	Tenge	US Dollars	Euro	Russian Roubles	Chinese Yuan	Total
Assets						
Cash and cash equivalents	12,294,848	152,197,863	8,161,305	21,169,676	1,441,726	195,265,418
Reverse repurchase agreements	29,919,837	—	—	—	—	29,919,837
Financial assets of the central counterparty	2,784,366,115	63,716,349	17,778,866	1,069,032	2,370	2,866,932,732
Investment securities	9,242,468	10,458,931	—	—	—	19,701,399
Other financial assets	333,473	—	—	—	—	333,473
Total	2,836,156,741	226,373,143	25,940,171	22,238,708	1,444,096	3,112,152,859
Liabilities						
Amounts due to clearing participants	42,230,727	162,424,364	8,160,180	21,169,631	1,441,726	235,426,628
Financial liabilities of the central counterparty	2,784,366,115	63,716,349	17,778,866	1,069,032	2,370	2,866,932,732
Lease liabilities	94,190	—	—	—	—	94,190
Other financial liabilities	351,021	2,626	91	—	—	353,738
Total	2,827,042,053	226,143,339	25,939,137	22,238,663	1,444,096	3,102,807,288
Net balance sheet position	9,114,688	229,804	1,034	45	—	9,345,571

(in thousands of tenge)

20. Risk management policies (continued)

Currency risk

Below is the analysis of financial assets and liabilities by foreign currencies as at 31 December 2023:

<i>31 December 2023</i>	<i>Tenge</i>	<i>US Dollars</i>	<i>Euro</i>	<i>Russian Roubles</i>	<i>Chinese Yuan</i>	<i>Total</i>
Assets						
Cash and cash equivalents	155,123	51,408,001	127	8	—	51,563,259
Reverse repurchase agreements	11,588,365	—	—	—	—	11,588,365
Financial assets of the central counterparty	2,791,378,139	85,880,783	—	—	—	2,877,258,922
Investment securities	2,512,610	—	—	—	—	2,512,610
Other financial assets	263,970	12	—	—	—	263,982
Total	2,805,898,207	137,288,796	127	8	—	2,943,187,138
Liabilities						
Amounts due to clearing participants	11,834,409	51,408,001	127	8	—	63,242,545
Financial liabilities of the central counterparty	2,791,378,139	85,880,783	—	—	—	2,877,258,922
Other financial liabilities	4,930	12	—	—	—	4,942
Total	2,803,217,478	137,288,796	127	8	—	2,940,506,409
Net balance sheet position	2,680,729	—	—	—	—	2,680,729

The tables below indicate the currencies to which the Company had significant exposure at 31 December on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against tenge, with all other variables held constant on profit or loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities). The effect on equity does not differ from the effect on profit or loss. The negative amount in the table reflects a potential net reduction in profit or loss or equity, while a positive amount reflects a net potential increase.

<i>Currency</i>	<i>Change in currency rate in %</i>	<i>Effect on profit before tax</i>	<i>Change in currency rate in %</i>	<i>Effect on profit before tax</i>
US Dollar	+9%	20,682	+14%	—
US Dollar	−7%	(16,086)	−12%	—

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operating risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but a control framework and monitoring and responding to potential risks could be effective tools to manage the risks. Controls include segregation of duties, access rights, dual control procedures, reconciliation procedures, and procedures for identifying and assessing risks. Regular training sessions are held for staff on the principles and methods for organizing the risk management and internal control system. To ensure business continuity, the Company has developed business continuity and recovery policies and procedures.

(in thousands of tenge)

21. Fair value measurement

Fair value hierarchy

For the purpose of fair values disclosures, the Company determined classes of assets and liabilities the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

		Fair value measurement using						
	Measurement date	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total carrying amount	Fair value	Unrecognised gain/(loss)	
31 December 2024								
Assets for which fair values are disclosed								
Cash and cash equivalents	31 December 2024	–	195,265,418	–	195,265,418	195,265,418	–	
Reverse repurchase agreements	31 December 2024	–	29,919,837	–	29,919,837	30,100,965	181,128	
Investment securities	31 December 2024	19,701,399	–	–	19,701,399	19,722,688	21,289	
Other financial assets	31 December 2024	–	–	333,473	333,473	333,473	–	
Liabilities for which fair values are disclosed								
Amounts due to clearing participants	31 December 2024	–	235,426,628	–	235,426,628	235,426,628	–	
Lease liabilities	31 December 2024	–	94,190	–	94,190	94,190	–	
Other financial liabilities	31 December 2024	–	–	353,738	353,738	353,738	–	
		Fair value measurement using						
	Measurement date	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total carrying amount	Fair value	Unrecognised gain/(loss)	
31 December 2023								
Assets for which fair values are disclosed								
Cash and cash equivalents	31 December 2023	–	51,563,259	–	51,563,259	51,563,259	–	
Reverse repurchase agreements	31 December 2023	–	11,588,365	–	11,588,365	11,541,850	(46,515)	
Investment securities	31 December 2023	2,512,610	–	–	2,512,610	2,513,343	733	
Other financial assets	31 December 2023	–	–	263,982	263,982	263,982	–	
Liabilities for which fair values are disclosed								
Amounts due to clearing participants	31 December 2023	–	63,242,545	–	63,242,545	63,242,545	–	
Other financial liabilities	31 December 2023	–	–	4,942	4,942	4,942	–	

Valuation techniques and assumptions

The following describes the methodologies and assumptions used to determine fair values for those assets and liabilities, which are not measured at fair value in the statement of financial position, but whose fair value is disclosed.

Assets for which fair value approximates the carrying value

For financial assets and financial liabilities that are liquid or having a short-term maturity it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Financial assets and financial liabilities carried at amortised cost

Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, amounts due from credit institutions, amounts due to clearing participants, other financial assets and liabilities is estimated by discounting future cash flows using rates currently available for debt with similar terms, credit risk and maturity.

(in thousands of tenge)

22. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

	31 December 2024			31 December 2023		
	Within one year	More than one year	Total	Within one year	More than one year	Total
Assets						
Cash and cash equivalents	195,265,418	—	195,265,418	51,563,259	—	51,563,259
Reverse repurchase agreements	29,919,837	—	29,919,837	11,588,365	—	11,588,365
Financial assets of the central counterparty	2,866,932,732	—	2,866,932,732	2,877,258,922	—	2,877,258,922
Investment securities	19,701,399	—	19,701,399	2,512,610	—	2,512,610
Advances paid	209	—	209	1,834	—	1,834
Property and equipment	—	1,306	1,306	—	154	154
Right-of-use assets	—	84,150	84,150	—	—	—
Intangible assets	—	241	241	—	288	288
Current corporate income tax assets	166,256	—	166,256	1,567	—	1,567
Deferred corporate income tax assets	—	34,261	34,261	—	1,299	1,299
Other assets	335,557	—	335,557	279,710	—	279,710
Total assets	3,112,321,408	119,958	3,112,441,366	2,943,206,267	1,741	2,943,208,008
Liabilities						
Amounts due to clearing participants	235,426,628	—	235,426,628	63,242,545	—	63,242,545
Financial liabilities of the central counterparty	2,866,932,732	—	2,866,932,732	2,877,258,922	—	2,877,258,922
Lease liabilities	94,190	—	94,190	—	—	—
Current corporate income tax liabilities	—	—	—	183,442	—	183,442
Advances received	406	—	406	406	—	406
Other liabilities	541,405	—	541,405	20,712	—	20,712
Total liabilities	3,102,995,361	—	3,102,995,361	2,940,706,027	—	2,940,706,027
Net position	9,326,047	119,958	9,446,005	2,500,240	1,741	2,501,981

23. Related party transactions

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not. Transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The outstanding balances of related party transactions as at 31 December 2024 and 2023 are as follows:

	31 December 2024			31 December 2023		
	Parent	Other related parties	Key manage- ment personnel	Parent	Other related parties	Key manage- ment personnel
Assets						
Cash and cash equivalents	—	103,570,023	—	—	51,640,555	—
Investment securities	—	7,877,966	—	—	—	—
Other assets	—	60,224	—	—	—	—
Liabilities						
Amounts due to clearing participants	—	16,538,125	—	—	—	—
Lease liabilities	8,698	—	—	—	—	—
Other liabilities	315,858	10,929	—	—	2,302	—

*(in thousands of tenge)***23. Related party transactions (continued)**

The income and expense arising from related party transactions are as follows:

	<i>2024</i>			<i>2023</i>		
	<i>Parent</i>	<i>Other related parties</i>	<i>Key management personnel</i>	<i>Parent</i>	<i>Other related parties</i>	<i>Key management personnel</i>
Fee and commission income	—	533,922	—	—	—	—
Operating expenses	(473,978)	(73,851)	—	(139,163)	(9,451)	—

Remuneration to members of key management personnel comprises:

	<i>2024</i>	<i>2023</i>
Remuneration to members of the executive body	199,922	69,623
Remuneration to the governing body	31,106	2,200
Other officials	13,783	596
Total	244,811	72,419

24. Events after the reporting period

The Board of Directors of Kazakhstan Stock Exchange JSC and the Board of Directors of KASE Clearing Centre JSC approved the KASE Group Development Strategy for 2025-2027. The main priorities of the new strategy are to maintain leadership positions in key markets, increase liquidity by attracting new clients, expand the product range in line with global trends, strengthen the IT infrastructure, and implement new technological solutions.

In order to comply with the fundamental principles of PFMI-IOSCO, a Recovery Plan aimed at maintaining a sufficient level of net liquid assets in the event of crisis situations was approved in the Company in March 2025.