Joint Stock Company Freedom Finance

Separate Financial Statements and
Independent Auditor's Report
For the Year Ended 31 December 2022

Joint Stock Company Freedom Finance

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Joint Stock Company Freedom Finance

Statement of Management's Responsibilities
For the Preparation and Approval of the Separate Financial Statements
For the year ended 31 December 2022

Management of the Joint Stock Company Freedom Finance (the "Company") is responsible for the preparation of the separate financial statements that present fairly the financial position of the Company as at 31 December 2022, and the related separate statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and of significant accounting policies and notes to the separate financial statements (the "separate financial statements") in compliance with International Financial Reporting Standards ("IFRS").

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

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

Management is also responsible for:

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

These separate financial statements of the Company for the year ended 31 December 2022 were approved by the Management Board on 28 April 2023.

On behalf of the Management Board:

Lukyanov S.N.	**Khen T.E.**
Chairman of the Management Board	**Chief Accountant**
28 April 2023	28 April 2023
Almaty, Kazakhstan	Almaty, Kazakhstan

Deloitte LLP
36 Al Farabi Avenue
Almaty, 050059
Republic of Kazakhstan

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the separate financial statements of Joint Stock Company Freedom Finance (the "Company"), which comprise the separate statement of financial position as at 31 December 2022, the separate statement of profit or loss, separate statement of other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, 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' *Code of Ethics for Professional Accountants* (the "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.

Emphasis of Matter

As described in Note 2 to the separate financial statements, the Company also prepares consolidated financial statements. These separate financial statements should be read in conjunction with the consolidated financial statements, which were authorized for issue by Management Board on 28 April 2023.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the separate financial statements of the current period. This matter was addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
Transactions with securities classified as at fair value through profit or loss As at 31 December 2022, financial assets classified as measured at fair value through profit or loss ("FVTPL") of KZT 129,205,081 thousand comprise securities issued by a range of institutions, including those where the Company provided market making services. These include traded equity and debt securities, whose valuation is dependent upon the quotes from market maker, set up by them during the reporting period and which are subject to possible manipulation or errors. As securities of the Company are measured at fair value using market maker quotes at each reporting date, incorrect asset pricing or failure to determine proper market quotes could have an impact on the valuation of securities at FVTPL and the Company's results, respectively. Given the significance of the securities account balance to the financial statements and the volume of transactions with securities, we believe it is the key audit matter to verify that market quotes used by the Company correspond to independent pricing sources, therefore, the fair value of securities and the resulting gains from revaluation were not overstated. In addition, these transactions may be subject to potential risk of management override of controls, which has a pervasive effect on the separate financial statements. Refer to Note 14 for the disclosure of such securities, to Note 26 for the description of internal regulations on securities transactions accounting and to Note 27 for the description of risk management policies in relation to such securities.	We gained an understanding of the processes and control procedures over negotiating, management's approval and valuation of transactions with securities. On a sample basis, we selected transactions with securities that had occurred during the year and analyzed if they were appropriately approved in accordance with the Company's internal regulations. For selected transactions, we compared the valuation for the accounting purpose with the market quotes from independent pricing sources as at the reporting date and recalculated fair value of the respective securities. We have also checked the appropriateness of classification of fair value hierarchy in accordance with IFRS requirements. We have also tested existence of the selected transactions of securities by comparing quantity data to independently received third party confirmations from investment custodians. We evaluated the adequacy and completeness of disclosures in the separate financial statements relating to the securities classified as at fair value through profit or loss in accordance with IFRS requirements.

Other Matter - Supplementary Financial Information

Our audit was conducted to form an opinion of the separate financial statements taken as a whole. Information related to the statements of net assets position of mutual investment funds, which is disclosed as supplementary financial information in Note 29, is presented for the purpose of additional analysis and is not part of these separate financial statements. Such supplementary financial information has been prepared by Management of the Company in accordance with investment portfolio managing rule No.10 dated 3 February 2014 approved by the Management Board of the National Bank of the Republic of Kazakhstan and has been subjected to the auditing procedures applied in our audit of the separate financial statements. In our opinion, the supplementary information has been properly prepared, in all material respects, in relation to the Company's separate financial statements taken as whole.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Zaina Yegemberdiyeva
Auditor
Qualification certificate
No. MF-0000717
dated 10 January 2019

Zhangir Zhilysbayev
General Director
Deloitte LLP

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

28 April 2023
Almaty, Kazakhstan

Joint Stock Company Freedom Finance

Separate Statement of Profit or Loss
For the Year Ended 31 December 2022
(in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
Interest income calculated using the effective interest method	5, 25	50,790	53,003
Interest income on financial assets at fair value through profit or loss	5	9,358,305	6,921,368
Interest expense	5	(6,757,455)	(4,879,228)
NET INTEREST INCOME BEFORE (EXPECTED CREDIT LOSSES)/ RECOVERY OF EXPECTED CREDIT LOSSES	**5**	**2,651,640**	**2,095,143**
(Expected credit losses)/recovery of expected credit losses	13, 18	(232,152)	211,013
NET INTEREST INCOME		**2,419,488**	**2,306,156**
Fee and commission income	6, 25	11,855,376	5,649,187
Fee and commission expense	6, 25	(1,193,801)	(717,685)
Net gain on financial assets at fair value through profit or loss	7	5,727,957	2,864,372
Net gain on foreign exchange operations	8	929,093	967,858
Dividend income	9	7,517,512	462,038
Other (expense)/income		(1,556)	1,484
NET NON-INTEREST INCOME		**24,834,581**	**9,227,254**
Operating expenses	10, 25	(6,025,496)	(2,224,405)
PROFIT BEFORE INCOME TAX		**21,228,573**	**9,309,005**
Income tax expense	11	(130,845)	(21,694)
NET PROFIT FOR THE YEAR		**21,097,728**	**9,287,311**
BASIC AND DILUTED EARNINGS PER SHARE	**12**	**2.11**	**1.10**

On behalf of the Management Board:

Lukyanov S.N.
Chairman of the Management Board

28 April 2023
Almaty, Kazakhstan

Khon T.E.
Chief Accountant

28 April 2023
Almaty, Kazakhstan

Қазақстан Республикасы Алматы қ.
Акционерлік қоғамы
Фридом Финанс
Акционерное общество
БИН/БСН 061140003010
Республика Казахстан

The notes on pages 12-56 form an integral part of these separate financial statements.

Joint Stock Company Freedom Finance

Separate Statement of Other Comprehensive Income
For the Year Ended 31 December 2022
(in thousands of Kazakhstani Tenge)

	Year ended 31 December 2022	Year ended 31 December 2021
NET PROFIT FOR THE YEAR	**21,097,728**	**9,287,311**
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	**21,097,728**	**9,287,311**

On behalf of the Management Board:

Lukyanov S.N.
Chairman of the Management Board

28 April 2023
Almaty, Kazakhstan

Khon T.E.
Chief Accountant

28 April 2023
Almaty, Kazakhstan

The notes on pages 12-56 form an integral part of these separate financial statements.

Joint Stock Company Freedom Finance

Separate Statement of Financial Position
As at 31 December 2022
(in thousands of Kazakhstani Tenge)

	Notes	31 December 2022	31 December 2021
ASSETS:			
Cash and cash equivalents	13	3,663,803	1,580,828
Due from banks		-	5,037
Financial assets at fair value through profit or loss	14	129,205,081	73,744,666
Financial assets at fair value through other comprehensive income		574	575
Accounts receivable	18, 25	2,142,610	1,130,415
Investments in subsidiaries	15	66,965,708	40,579,429
Right-of-use assets	17	1,817,619	358,148
Property, equipment and intangible assets	16	955,589	540,537
Other assets	19	453,766	1,709,633
TOTAL ASSETS		**205,204,750**	**119,649,268**
LIABILITIES AND EQUITY			
LIABILITIES:			
Financial liabilities at fair value through profit and loss	14	-	466,206
Securities repurchase agreement obligations	21	75,725,581	30,496,676
Payable for acquisition	15	5,988,020	-
Trade payables		324,562	166,620
Lease liabilities	20	1,885,697	544,514
Other liabilities	22, 25	1,356,851	248,944
TOTAL LIABILITIES		**85,280,711**	**31,922,960**
EQUITY:			
Share capital	23	66,822,797	61,422,794
Additional paid-in capital	23	5,700,000	-
Financial assets at fair value through other comprehensive income revaluation reserve		278	278
Retained earnings		47,400,964	26,303,236
TOTAL EQUITY		**119,924,039**	**87,726,308**
TOTAL LIABILITIES AND EQUITY		**205,204,750**	**119,649,268**

On behalf of the Management Board:

Lukyanov S.N.
Chairman of the Management Board

28 April 2023
Almaty, Kazakhstan

Khon T.E.
Chief Accountant

28 April 2023
Almaty, Kazakhstan

The notes on pages 12-56 form an integral part of these separate financial statements.

Joint Stock Company Freedom Finance

Separate Statement of Changes in Equity
For the Year Ended 31 December 2022
(in thousands of Kazakhstani Tenge)

	Notes	Share capital-ordinary shares	Additional paid-in capital	Financial assets at fair value through other comprehensive income revaluation reserve	Retained earnings	Total equity
31 December 2020		**25,879,475**	**-**	**278**	**17,015,925**	**42,895,678**
Issue of share capital	23	35,543,319	-	-	-	35,543,319
Total comprehensive income		-	-	-	9,287,311	9,287,311
31 December 2021		**61,422,794**	**-**	**278**	**26,303,236**	**87,726,308**
Issue of share capital	23	5,400,003	5,700,000	-	-	11,100,003
Total comprehensive income		-	-	-	21,097,728	21,097,728
31 December 2022		**66,822,797**	**5,700,000**	**278**	**47,400,964**	**119,924,039**

On behalf of the Management Board:

Lukyanov S.N.
Chairman of the Management Board

28 April 2023
Almaty, Kazakhstan

Khon T.E.
Chief Accountant

28 April 2023
Almaty, Kazakhstan

The notes on pages 12-56 form an integral part of these separate financial statements.

Joint Stock Company Freedom Finance

Separate Statement of Cash Flows
For the Year Ended 31 December 2022
(in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		21,228,573	9,309,005
Adjustments for:			
Unrealized (gain)/loss on financial assets at fair value through profit or loss	7	(3,976,667)	2,273,906
Accrual of expected credit losses/(recovery of expected credit losses)		232,152	(211,013)
Net unrealised gain on foreign exchange operations		(250,078)	(77,143)
Loss on disposal of property, equipment and intangible assets		3,447	179
Depreciation and amortization of property, equipment and intangible assets	10, 16	210,727	211,265
Depreciation of right-of-use assets	10, 17	337,398	317,069
Interest expense on lease liability	5, 17	63,802	94,674
Reversed/(accrued) unused vacation expense	22	170,862	(118,653)
Net change in accrued interest		(2,883,500)	(1,649,439)
Cash flows from operating activities before changes in operating assets and liabilities		**15,136,716**	**10,149,850**
Changes in operating assets and liabilities			
Decrease/(increase) in operating assets:			
Due from banks		4,782	100,816
Financial assets at fair value through profit or loss		(48,008,615)	(22,062,629)
Accounts receivable		(1,244,130)	(34,170)
Other assets		(172,474)	(78,995)
(Decrease)/increase in operating liabilities:			
Financial liabilities at fair value through profit and loss		(466,206)	466,206
Securities repurchase agreement obligations		44,898,447	5,070,097
Trade payables		157,942	49,425
Other liabilities		964,726	90,493
Cash flows from/(used in)operating activities before taxation		**11,271,188**	**(6,248,907)**
Income tax paid		(152,538)	-
Net cash flows from/(used in) operating activities		**11,118,650**	**(6,248,907)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets	16	(629,893)	(61,686)
Proceeds on sale of property, equipment and intangible assets		667	13
Consideration paid for acquisition of subsidiaries	15	(11,619,925)	-
Prepayment for business acquisition	19	-	(1,428,343)
Contribution to the share capital of subsidiary	15	(7,349,991)	(22,999,998)
Net cash flows used in investing activities		**(19,599,142)**	**(24,490,014)**

Separate Statement of Cash Flows (Continued)
For the Year Ended 31 December 2022
(in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities	20	(525,476)	(502,677)
Proceeds from issue of ordinary shares	23	5,400,003	35,543,319
Proceeds from additional paid-in-capital	23	5,700,000	-
Repayment of redeemed debt securities issued		-	(4,405,367)
Net cash flows from financing activities		**10,574,527**	**30,635,275**
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,094,035	(103,646)
Effect of changes in foreign exchange rate on cash and cash equivalents		(11,060)	1,540
CASH AND CASH EQUIVALENTS, beginning of the year	**13**	**1,580,828**	**1,682,934**
CASH AND CASH EQUIVALENTS, end of the year	**13**	**3,663,803**	**1,580,828**

Interest received and paid by the Company during the year ended 31 December 2022 amounted to KZT 6,364,053 thousand (2021: KZT 5,355,182 thousand) and KZT 6,595,913 thousand (2021: KZT 4,909,478 thousand), respectively.

On behalf of the Management Board:

Lukyanov S.N.
Chairman of the Management Board

28 April 2023
Almaty, Kazakhstan

Khon T.E.
Chief Accountant

28 April 2023
Almaty, Kazakhstan

Республикасы Алматы
АКЦИОНЕРЛІК ҚОҒАМЫ
№1 Фридом Финанс
АКЦИОНЕРНОЕ ОБЩЕСТВО
БИН/БСН 061140003
Республика Казахстан

The notes on pages 12-56 form an integral part of these separate financial statements.

(in thousands of Kazakhstani Tenge)

1. Organization

JSC Freedom Finance (the "Company") is a Joint Stock Company registered in the Republic of Kazakhstan on 1 November 2006 as JSC Seven Rivers Capital and re-registered under the current name on 9 September 2013. The Company was renamed and re-registered according to the decision #28 of LLC Investment Company Freedom Finance, the sole shareholder of the Company (the "Parent") since 26 August 2013. The Company is regulated by the National Bank of the Republic of Kazakhstan (the "NBRK") and Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market. The Company operates under licenses No. 0403201437 dated 21 March 2007 in brokerage and dealing activities on capital markets with the right of book keeping as the nominee holder and No. 040120061 dated 21 March 2007 in investment portfolio management issued by the NBRK. The above licenses have been replaced by the NBRK with a single license No. 4.2.111/218 dated 3 July 2014 in brokerage and dealing activities on capital markets with the right of book keeping as the nominee holder and investment portfolio managements issued by the NBRK.

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

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

As at 31 December 2022 and 2021, the shareholders structure is presented in the table below and the ultimate controlling party is Turlov T.R.

	31 December 2022	31 December 2021
Freedom Holding Corp.	100%	9.57%
LLC Investment Company Freedom Finance	-	90.43%
	100.00%	**100.00%**

On 11 November 2022, Freedom Holding Corp. has finalized transaction for purchase of 90.43% of the share capital of the Company from LLC Investment Company Freedom Finance as part of a corporate restructuring, as a result of which Freedom Holding Corp. became the 100% direct owner of the Company. The transaction was finalized after receipt of the regulatory approval in Kazakhstan.

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

During 2022 and 2021 years, the Company managed mutual investment funds Fixed Income (the "Fund 1") and Goodwill (the "Fund 2"). As at 31 December 2022 and 2021, the net assets of the Fund 1 amounted to KZT 4,760,298 thousand and KZT 4,317,674 thousand, respectively, and the net assets of the Fund 2 amounted to KZT 581,119 thousand and KZT 614,636 thousand, respectively (Note 29).

The Company has a listing with the Kazakhstan Stock Exchange ("KASE") and participant on Astana International Exchange ("AIX").

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

As at 31 December 2022, the Company had 11 branch offices in major cities of Kazakhstan and 1 branch office in Kyrgyzstan (31 December 2021 – 12 and 1, respectively).

These separate financial statements have been approved by the Management Board of the Company on 28 April 2023.

2. Significant accounting policies

Statement of compliance

These separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

These separate financial statements are the separate financial statements of the parent JSC Freedom Finance. The subsidiary is not consolidated in these separate financial statements. Investments in subsidiary was accounted for at cost, less impairment loss, if any. These separate financial statements should be read in conjunction with the consolidated financial statements of JSC Freedom Finance, which were authorized for the issue by Management Board of the Company on 28 April 2023.

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

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

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

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

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

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

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

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) is presented in Note 27.

Functional currency

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

Offsetting

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

Investments in subsidiary

A subsidiary is an entity that is controlled by the Company. Investments in subsidiaries are recorded in these separate financial statements as cost, less impairment loss, if any.

Revenue recognition

Recognition of interest income and expense

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

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

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

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

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

Recognition of income on repurchase and reverse repurchase agreements

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

Recognition of dividend income

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

Fee and commission income

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

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

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

Recognition and measurement of financial instruments

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

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

Financial assets

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

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

Specifically:

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

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

- Debt instruments measured at amortized cost;
- Debt instruments measured at FVTOCI;
- Debt instruments measured at FVTPL.

Debt instruments at amortized cost or at FVTOCI

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

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

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

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

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

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

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

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

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

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

Financial assets or financial liabilities at FVTPL

Financial assets at FVTPL are:

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

Financial assets and liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 26.

Securities repurchase and reverse repurchase agreements

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

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

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

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

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

Impairment of financial assets

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

- Cash and cash equivalents;
- Due from banks;
- Financial assets at fair value through other comprehensive income;
- Accounts receivable;
- Other financial assets.

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

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

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

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

Leases

Company as lessee

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

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

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

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

Cash and cash equivalents

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

Due from banks

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

Property and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation of assets commences when the assets are ready for their intended use. Depreciation on buildings is recognized on a straight-line basis in profit or loss.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

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

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

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

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

Intangible assets

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

Derecognition of intangible assets

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

Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

Operating taxes

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

Share capital

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

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

Retirement and other benefit obligations

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

(in thousands of Kazakhstani Tenge)

Fiduciary activities

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

Segment reporting

The Company operates in a single operating segment offering financial services to its customers in a single geographic region. The Company provides retail securities brokerage services, consulting investment services, underwriting services, asset management and market making services. The Company generates revenue from customers primarily from fee and commission income and interest income. The Company does not use profitability reports or other information disaggregated on a regional, country or divisional basis for making business decisions. For the years ended 31 December 2022 and 2021, the Company did not generate income from transactions with single external counterparty exceeding at least 10 per cent of the Company's income.

Foreign currencies

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

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

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

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

	31 December 2022	31 December 2021
KZT/1 US Dollar	462.7	431.8
KZT/1 Euro	492.9	489.1
KZT/1 Russian rouble	6.4	5.76
KZT/1 Kyrgyz som	5.4	5.09

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Valuation of financial instruments

As described in Note 26, the Company uses valuation techniques that include inputs that are not based on observable market date to estimate the fair value of certain types of financial instruments. Note 26 provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

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

Critical accounting judgements

Significant increase of credit risk

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

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

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

(in thousands of Kazakhstani Tenge)

Establishing groups of assets with similar credit risk characteristics

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

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

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

Probability of default

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

Loss Given Default

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

4. Adoption of new and revised standards

New and amended IFRSs that are effective for the current year

The following amendments and interpretations are effective for the Company since January 1, 2022:

Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IFRS 3 (May 2020)	*Reference to the Conceptual Framework*
Amendments to IAS 37 (May 2020)	*Onerous Contracts – Cost of Fulfilling Contract*
Annual Improvements to IFRS Standards 2018-2020 (May 2020)	

(in thousands of Kazakhstani Tenge)

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

New and revised IFRS Standards in issue but not yet effective

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

New or revised standard or interpretation	Applicable to annual reporting periods beginning on or after
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	1 January 2023
Amendments to IAS 8 – "Definition of Accounting Estimates"	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – "Disclosure of Accounting Policies"	1 January 2023
Amendments to IAS 12 Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 1 – Non-current liabilities with covenants	1 January 2024

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

5. Net interest income

	Year ended 31 December 2022	Year ended 31 December 2021
Interest income:		
Financial assets at fair value through profit or loss	9,358,305	6,921,368
Financial assets at amortized cost	50,790	53,003
Total interest income	**9,409,095**	**6,974,371**
Interest expense on financial liabilities recorded at amortized cost:		
Securities repurchase agreement obligations	(6,693,653)	(4,661,392)
Lease liabilities	(63,802)	(94,674)
Debt securities issued	-	(123,162)
Total interest expense	**(6,757,455)**	**(4,879,228)**
Net interest income	**2,651,640**	**2,095,143**

(in thousands of Kazakhstani Tenge)

6. Fee and commission income and expense

	Year ended 31 December 2022	Year ended 31 December 2021
Fee and commission income:		
Brokerage services	7,923,863	3,540,942
Underwriting services	3,606,299	1,863,282
Asset management services	157,326	149,160
Market making services	125,088	95,803
Consulting services	42,800	-
Total fee and commission income	**11,855,376**	**5,649,187**
Fee and commission expense:		
Exchange services	(976,922)	(523,988)
Central Depositary services	(166,978)	(85,760)
Custodian services	(5,567)	(58,050)
Other services	(44,334)	(49,887)
Total fee and commission expense	**(1,193,801)**	**(717,685)**

The growth in fee and commission income from brokerage services was attributable to significantly increased trading volume and customer activity resulting from the significant market growth during 2022 year.

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

	Year ended 31 December 2022	Year ended 31 December 2021
Unrealized gain/(loss) on trading securities	3,976,667	(2,273,906)
Realized gain on trading securities	1,709,335	5,134,177
Realized gain on derivative instruments	41,955	4,101
Total net gain on financial assets at fair value through profit or loss	**5,727,957**	**2,864,372**

8. Net gain on foreign exchange operations

	Year ended 31 December 2022	Year ended 31 December 2021
Translation difference, net	581,565	144,889
Purchase and sale of foreign currency	347,528	822,969
Total net gain on foreign exchange operations	**929,093**	**967,858**

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

(in thousands of Kazakhstani Tenge)

9. Dividend income

	Year ended 31 December 2022	Year ended 31 December 2021
Dividend income from subsidiaries	7,227,993	-
	7,227,993	**-**
Dividend income on equity securities measured at fair value through profit or loss:		
Equity securities of Kazakhstan corporations	241,878	424,944
Equity securities of foreign organizations	47,016	36,712
Other	625	382
Total dividend income	**7,517,512**	**462,038**

The Company received dividend income from subsidiary JSC Freedom Finance Life for the total amount of KZT 7,147,993 thousand and from subsidiary JSC Bank Freedom Finance Kazakhstan for the total amount of KZT 80,000 thousand.

10. Operating expenses

	Year ended 31 December 2022	Year ended 31 December 2021
Payroll and bonuses	2,787,681	811,778
Sponsorship	576,432	43,000
Advertising expenses	448,885	112,396
Taxes, other than income tax	406,522	109,731
Depreciation of leased assets	337,398	317,069
Depreciation and amortization of property, equipment and intangible assets	210,727	211,265
Fines, penalties, forfeit	203,315	101,292
Professional services	157,214	137,499
Utilities	124,173	95,954
Repairs	122,472	10,131
Business trip expenses	119,059	18,353
Communication services	117,318	131,566
Operating rent	98,378	22,759
Software support	98,043	49,704
Inventory write-off	36,927	8,470
Transportation services	9,964	10,612
Other expenses	170,988	32,826
Total operating expenses	**6,025,496**	**2,224,405**

11. Income taxes

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

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

(in thousands of Kazakhstani Tenge)

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2022 and 2021 relate mostly to different methods/timing of income and expense recognition as well as to temporary differences generated by tax – book bases' differences for certain assets.

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

Temporary differences as at 31 December 2022 and 2021 comprise:

	31 December 2022	31 December 2021
Deductible temporary differences:		
Lease liabilities	1,885,697	544,514
Unused vacation reserves	273,314	102,452
Property, equipment and intangible assets	43,309	-
Total deductible temporary differences	**2,202,320**	**646,966**
Taxable temporary differences:		
Right-of-use assets	(1,817,619)	(358,148)
Property, equipment and intangible assets	-	(16,784)
Total taxable temporary differences	**(1,817,619)**	**(374,932)**
Net deductible temporary differences	384,701	272,034
Net deductible temporary differences at the statutory rate (20%)	76,940	54,407
Deferred tax assets not recognized	(76,940)	(54,407)
Net deferred tax assets at the statutory rate (20%)	-	-

Relationships between tax expenses and accounting profit for the years ended 31 December 2022 and 2021 are presented as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Profit before income tax	**21,228,573**	**9,309,005**
Tax at the statutory tax rate 20%	4,245,715	1,861,801
Tax-exempt income on state and other qualifying securities	(4,201,489)	(1,917,519)
Adjustments for current tax of prior periods	(152,538)	-
Changes in deferred tax assets not recognized	(22,533)	34,024
Income tax expense recognized in profit or loss	**(130,845)**	**(21,694)**
Current income tax expense	(130,845)	(21,694)
Deferred income tax expense	-	-
Income tax expense recognized in profit or loss	**(130,845)**	**(21,694)**

As at 31 December 2022, tax losses which cannot be carried forward amounted to KZT Nil, as the total annual income with adjustments exceeded deductions. The Company took advantage of the right to reduce taxable income in accordance with the Tax Code of the Republic of Kazakhstan, the amount of reduction in this case exceeded taxable income, as a result of which, as at 31 December 2022, the Company had no obligations to pay current corporate income tax.

(in thousands of Kazakhstani Tenge)

As a result of tax audit of 2016 – 2020 years by State revenue committee of the Ministry of Finance of the Republic of Kazakhstan, which ended during the 2022 year, corporate income tax was accrued in the amount of KZT 252,538 thousand and fines and penalties amounted to KZT 55,374 thousand.

12. Earnings per share

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

	Year ended 31 December 2022	Year ended 31 December 2021
Net profit for the year attributable to owners of the Company	21,097,728	9,287,311
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	10,020,819	8,460,935
Total basic and diluted earnings per share	**2.11**	**1.10**

As required by KASE rules for listed companies, the book value of one share per each class of shares as at 31 December 2022 and 2021 is disclosed as follows:

	31 December 2022	31 December 2021
Total assets	205,204,750	119,649,268
Less: Intangible assets	(11,506)	(13,781)
Less: Total labilities	(85,280,711)	(31,922,960)
Total Net Assets (as calculated per KASE rules, non – IFRS measure)	**119,912,533**	**87,712,527**
Outstanding shares (Note 23)	10,511,086	9,996,800
Book value of one share, in KZT (per KASE rules, non – IFRS measure)	11,408.20	8,774.06

13. Cash and cash equivalents

	31 December 2022	31 December 2021
Current accounts with stock exchanges	1,925,110	979,403
Current accounts with banks	1,576,683	215,252
Loans under reverse purchase agreements	158,184	55,314
Current accounts with Central Depositary	4,080	330,895
Less: allowance for expected credit losses	(254)	(36)
Total cash and cash equivalents	**3,663,803**	**1,580,828**

As at 31 December 2022 and 2021, the current accounts with stock exchanges, current accounts with current accounts with banks and Central Depositary were classified to stage 1 due to absence of significant increase in credit risk since initial recognition.

Credit loss expense on cash and cash equivalents, which is reflected in the separate statement of profit or loss, comprised KZT 218 thousand for the year ended 31 December 2022 and recovery of credit loss expense in the amount of KZT 17 thousand for the year ended 31 December 2021. Credit loss expense on due from banks comprised KZT Nil for the year ended 31 December 2022 and recovery of credit loss expense in the amount of KZT 13 thousand for the year ended 31 December 2021.

(in thousands of Kazakhstani Tenge)

Fair value of equity pledged and carrying amount of loans under reverse repurchase agreements as at 31 December 2022 and 2021 are presented as follows:

	31 December 2022	
	Fair value of collateral	Carrying amount of loans
Equity securities of Kazakhstan corporations	124,654	132,910
Equity securities of foreign organizations	25,197	25,274
Total	**149,851**	**158,184**

	31 December 2021	
	Fair value of collateral	Carrying amount of loans
Equity securities of Kazakhstan corporations	49,182	49,097
Equity securities of foreign organizations	6,080	6,217
Total	**55,262**	**55,314**

As at 31 December 2022 and 2021, reverse repurchase agreements included accrued interest in the amount KZT Nil and had maturity in January - February 2023 and 2022, respectively.

14. Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

	31 December 2022	31 December 2021
Bonds of Kazakhstan corporations	75,483,834	46,899,463
Government bonds of the Republic of Kazakhstan	33,330,456	10,511,962
Equity securities of Kazakhstan corporations	16,217,892	4,880,958
Bonds of foreign organizations	2,430,990	5,413,828
Preference shares of Kazakhstan corporations	714,465	718,593
Equity securities of foreign organizations	622,743	1,163,845
Mutual investments fund	404,701	4,156,017
Total financial assets at fair value through profit or loss	**129,205,081**	**73,744,666**

As at 31 December 2022 and 2021, financial assets at fair value through profit or loss included accrued interest in the amount of KZT 5,470,293 thousand and KZT 2,425,213 thousand, respectively.

As at 31 December 2022, the Company had securities of three issuers - JSC Kazakhstan Sustainability Fund, JSC KazAgroFinance and Ministry of Finance of the Republic of Kazakhstan, totaling KZT 67,370,558 thousand, which individually exceeded 10% of the Company's total equity (as at 31 December 2021, the Company had securities of two issuers - JSC Kazakhstan Sustainability Fund and Ministry of Finance of the Republic of Kazakhstan, totaling KZT 36,045,291 thousand, which individually exceeded 10% of the Company's total equity).

(in thousands of Kazakhstani Tenge)

During the year ended 31 December 2021, the Company entered into the short position deals. The table below details securities involved in the deals and not yet settled as at reporting date. During 2022 year, those deals were closed.

	31 December 2022	31 December 2021
Debt securities of international corporations	-	464,566
Equity securities of international corporations	-	1,640
Total financial liabilities at fair value through profit or loss	-	**466,206**

15. Investments in subsidiaries

Subsidiary	Holding %		Country	Industry
	31 December 2022	31 December 2021		
JSC Bank Freedom Finance Kazakhstan	100	100	Kazakhstan	Banking
JSC Freedom Insurance	100	-	Kazakhstan	Insurance
JSC Freedom Finance Life	100	-	Kazakhstan	Insurance

Subsidiary	31 December 2022	31 December 2021
JSC Bank Freedom Finance Kazakhstan	40,579,429	40,579,429
JSC Freedom Finance Insurance	13,638,020	-
JSC Freedom Finance Life	12,748,259	-
	66,965,708	**40,579,429**

On 26 October 2021, the Company made additional contribution to the capital of JSC Bank Freedom Finance Kazakhstan in the amount of KZT 22,999,998 thousand.

In May 2022, the Company completed the acquisition of two insurance companies - JSC Freedom Finance Life and JSC Freedom Finance Insurance. These two companies were 100% controlled by the Parent's chief executive officer, chairman and majority shareholder - Timur Turlov.

On 17 May 2022, the Company signed the agreement with Timur Turlov to purchase 97.617% share of JSC Freedom Life for KZT 5,198,000 thousand, however on 31 May 2022, there was an addendum signed with an updated purchase amount of KZT 5,398,268 thousand and updated purchase share of 100%. On 14 December 2022, the Board of Directors of JSC Freedom Finance Life decided to place 936,690 common shares with a total amount of KZT 7,349,991 thousand.

On 17 May 2022, the Company signed the agreement with Timur Turlov to purchase 89.4974% share of JSC Freedom Finance Insurance for KZT 5,344,000 thousand, however on 31 May 2022, there was an addendum signed with an updated purchase amount of KZT 5,988,020 thousand and updated purchase share of 100%. As of 31 December 2022, the Company has a payable to Timur Turlov for the KZT 5,988,020 thousand. This payable is presented separately on the standalone statement of financial position.

On 1 September 2022, the Company completed the acquisition of JSC Insurance Company London-Almaty, following receipt of the approval from the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market, by purchasing 100% of its outstanding shares. The Company acquired the JSC Insurance Company London-Almaty to expand its presence in insurance segment. The purchase price was KZT 7,650,000 thousand.

On 15 December 2022, JSC Insurance Company London-Almaty merged with JSC Freedom Finance Insurance.

(in thousands of Kazakhstani Tenge)

16. Property, equipment and intangible assets

	Intangible assets	Vehicles	Furniture	Office equipment	Leasehold improvement	Servers and information storages	Other	Total
At historical cost								
31 December 2020	**70,963**	**26,780**	**341,234**	**261,761**	**280,452**	**39,282**	**133,494**	**1,153,966**
Additions	11,151	-	6,964	17,699	2,709	13,460	9,703	61,686
Disposals	-	-	(205)	(622)	-	-	(12)	(839)
31 December 2021	**82,114**	**26,780**	**347,993**	**278,838**	**283,161**	**52,742**	**143,185**	**1,214,813**
Additions	3,910	192,184	70,827	236,611	79,795	34,105	12,262	629,694
Disposals	-	-	(4,425)	-	-	-	(3,365)	(7,790)
31 December 2022	**86,024**	**218,964**	**414,395**	**515,449**	**362,956**	**86,847**	**152,082**	**1,836,717**
Accumulated depreciation								
31 December 2020	**(58,454)**	**(4,080)**	**(99,515)**	**(126,804)**	**(115,583)**	**(16,332)**	**(42,890)**	**(463,658)**
Charge for the year	(9,879)	(2,258)	(32,319)	(54,081)	(86,328)	(11,768)	(14,632)	(211,265)
Eliminated on disposals	-	-	27	608	-	-	12	647
31 December 2021	**(68,333)**	**(6,338)**	**(131,807)**	**(180,277)**	**(201,911)**	**(28,100)**	**(57,510)**	**(674,276)**
Charge for the year	(6,185)	(9,172)	(34,021)	(57,417)	(73,648)	(15,787)	(14,497)	(210,727)
Eliminated on disposals	-	-	2,324	-	-	-	1,551	3,875
31 December 2022	**(74,518)**	**(15,510)**	**(163,504)**	**(237,694)**	**(275,559)**	**(43,887)**	**(70,456)**	**(881,128)**
Net book value								
31 December 2022	**11,506**	**203,454**	**250,891**	**277,755**	**87,397**	**42,960**	**81,626**	**955,589**
31 December 2021	**13,781**	**20,442**	**216,186**	**98,561**	**81,250**	**24,642**	**85,675**	**540,537**

As at 31 December 2022 and 2021, intangible assets comprised of software.

(in thousands of Kazakhstani Tenge)

17. Right-of-use assets

Right-of-use assets	Buildings
Cost	
As at 1 January 2021	**1,556,108**
Modification	37,454
As at 31 December 2021	**1,593,562**
Modification*	1,580,898
Additions	215,971
As at 31 December 2022	**3,390,431**
Accumulated depreciation	
As at 1 January 2021	**(918,345)**
Charge for the year	(317,069)
As at 31 December 2021	**(1,235,414)**
Charge for the year	(337,398)
As at 31 December 2022	**(1,572,812)**
Carrying amount	
As at 31 December 2022	**1,817,619**
As at 31 December 2021	**358,148**

*On 10 November 2022, the Company signed an additional agreement on the lease of the head office, which extended the lease for 5 years. In this regard, the Company recognized a lease modification in the amount of KZT 1,580,898 thousand.

The Company leases buildings for the average lease term of 5 years.

The maturity analysis of lease liabilities is presented in Note 20.

	Year ended 31 December 2022	Year ended 31 December 2021
Amounts recognized in profit and loss		
Depreciation expense on right-of-use assets	337,398	317,069
Interest expense on lease liabilities	63,802	94,674

(in thousands of Kazakhstani Tenge)

18. Accounts receivable

As at 31 December 2022 and 2021, accounts receivable include:

	31 December 2022	**31 December 2021**
Brokerage services	2,299,447	1,257,146
Dividends and coupon receivable	310,809	92,861
Underwriting services	157,992	75,375
Market maker services	16,898	171,338
Other	80,582	45,431
	2,865,728	**1,642,151**
Less – Allowance for expected credit losses	(723,118)	(511,736)
Stage 1	(1,951)	(17,921)
Stage 2	(134,947)	(54,435)
Stage 3	(586,220)	(439,380)
Total accounts receivable	**2,142,610**	**1,130,415**

The Company always measures the allowance for expected credit losses on accounts receivable from brokerage, underwriting and market maker services at an amount equal to lifetime ECL using a provision matrix, which is based on historical and statistical data. The Company measures the allowance for expected credit losses on accounts receivable from dividends and coupon receivable using the general impairment model.

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

	31 December 2022	**31 December 2021**
At the beginning of the year	**(511,736)**	**(733,415)**
Additional allowances recognized	(1,715,682)	(888,945)
Recoveries of allowances	1,483,748	1,099,928
Write-off of receivables	20,552	10,696
At the end of the year	**(723,118)**	**(511,736)**

Credit loss expense on accounts receivable, which is reflected in the separate statement of profit or loss, comprised KZT 231,934 thousand for the year ended 31 December 2022 and recovery of credit loss expense in the amount of KZT 210,983 thousand for the year ended 31 December 2021.

(in thousands of Kazakhstani Tenge)

19. Other assets

	31 December 2022	31 December 2021
Other non-financial assets:		
Prepayments	424,114	278,767
Tax settlements, other than income tax	21,717	1,103
Insurance premiums	4,682	405
Prepayment for business acquisition	-	1,428,343
Other	3,253	1,015
Total other assets	**453,766**	**1,709,633**

During the year ended 31 December 2021, the Company made a prepayment on a future acquisition of the Kazakhstani company from the financial industry sector. The acquisition was finalized during 2022 upon the receipt of an approval from the regulatory authorities and negotiation of the terms of the agreement.

20. Lease liabilities

	31 December 2022	31 December 2021
Maturity analysis:		
Year 1	526,527	456,283
Year 2	483,817	128,880
Year 3	473,745	4,649
Year 4	473,745	-
Year 5	428,319	-
Year 6	68,766	-
Less: unearned interest	(569,222)	(45,298)
Total lease liabilities	**1,885,697**	**544,514**
Analysed as:		
Current	527,689	419,743
Non-current	1,358,008	124,771
Total lease liabilities	**1,885,697**	**544,514**

			Non-cash changes			
	31 December 2021	**Repayments**	**Modifications**	**Additions**	**Other changes**	**31 December 2022**
Lease liabilities	544,514	(525,476)	1,580,898	215,971	69,790	1,885,697

			Non-cash changes	
	31 December 2020	**Repayments**	**Other changes**	**31 December 2021**
Lease liabilities	924,791	(502,677)	122,400	544,514

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

(in thousands of Kazakhstani Tenge)

21. Securities repurchase agreement obligations

Fair value of assets pledged and carrying amount of loans under securities repurchase agreement obligations as at 31 December 2022 and 2021 are presented as follows:

	31 December 2022	
	Fair value of collateral	**Carrying amount of loans**
Bonds of Kazakhstan corporations	48,530,589	48,366,956
Government bonds of the Republic of Kazakhstan	26,571,154	26,510,758
Bonds of foreign country	847,864	847,867
Total securities repurchase agreement obligations	**75,949,607**	**75,725,581**

	31 December 2021	
	Fair value of collateral	**Carrying amount of loans**
Bonds of Kazakhstan corporations	23,011,328	21,640,529
Government bonds of the Republic of Kazakhstan	7,142,532	6,922,643
Bonds of foreign country	1,959,808	1,933,504
Total securities repurchase agreement obligations	**32,113,668**	**30,496,676**

As at 31 December 2022 and 2021, securities repurchase agreement obligations included accrued interest in the amount of KZT 170,113 thousand and KZT 8,752 thousand and those agreements had maturity in January 2023 and January 2022, respectively.

22. Other liabilities

	31 December 2022	**31 December 2021**
Other financial liabilities:		
Other accounts payable	15,822	103,384
	15,822	**103,384**
Other non-financial liabilities:		
Payroll payable	586,915	-
Unused vacation reserve	273,314	102,452
Taxes payable, other than income tax	223,342	14,976
Current income tax payable	204,432	21,694
Liabilities on payments to pension fund	53,026	6,438
Total other liabilities	**1,356,851**	**248,944**

23. Share capital

As at 31 December 2022, the authorized and issued share capital comprised of 10,511,086 ordinary shares for the total amount of KZT 66,822,797 thousand (31 December 2021: the authorized and issued share capital comprised of 9,996,800 ordinary shares for the total amount of KZT 61,422,794 thousand). On 5 August 2022, the Parent Company made cash contributions for the total amount of KZT 5,700,000 thousand, which are reflected as an additional paid-in capital.

During the year ended 31 December 2022 and 31 December 2021, dividends were not declared and paid.

(in thousands of Kazakhstani Tenge)

During the years ended 31 December 2022 and 2021, the shareholders of the Company made decision to increase share capital by means of an equity injection by cash in the total amount of KZT 5,400,003 thousand (514,286 ordinary shares) and KZT 35,543,319 thousand (2,896,480 ordinary shares), respectively.

24. Commitments and contingencies

Capital commitments

As at 31 December 2022 and 2021, the Company had no material commitments for capital expenditure outstanding.

Operating lease commitments

As at 31 December 2022, where the Company is the lessee, the future minimum lease payments under non-cancelable leases of office premises are as follows:

Contractual obligations	Less than 1 year	1-3 years	3-5 years	Total
Operating office lease	30,236	-	-	30,236
TOTAL	**30,236**	**-**	**-**	**30,236**

As at 31 December 2021, where the Company is the lessee, the future minimum lease payments under non-cancelable leases of office premises are as follows:

Contractual obligations	Less than 1 year	1-3 years	3-5 years	Total
Office lease	21,848	-	-	21,848
TOTAL	**21,848**	**-**	**-**	**21,848**

Legal proceedings

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

Taxation

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

Pensions and retirement plans

JSC Unified Accumulative Pension Fund pays state pension benefits to employees in accordance with the laws of the Republic of Kazakhstan. As at 31 December 2022 and 2021, the Company was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

Fiduciary activities

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

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

Operating environment

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

Because Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. Also, the government expenses on major infrastructure projects and various socio-economic development programs have a significant impact on the country's economy.

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

In 2022, the average price for Brent crude oil was 101.8 USD per barrel (2021: 68.63 USD per barrel). According to preliminary estimates, the Kazakhstan's gross domestic product ("GDP") grew by 3.1% in 2022. The Inflation in Kazakhstan accelerated in 2022 to 20.3% per annum (in 2021, inflation was 8.4% per annum).

In 2022, the National Bank of the Republic of Kazakhstan raised the base rate from 10.25% to 16.75% per annum with a corridor of +/- 1.0 percentage points to reduce the negative impact of the external factors on the Kazakhstan's economy, and also, in the first half of 2022, the interventions were made in the foreign exchange market in order to support the tenge exchange rate against foreign currencies. However, the uncertainty exists related to future development of the geopolitical risks and their impact on the economy of the Republic of Kazakhstan.

(in thousands of Kazakhstani Tenge)

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

25. Transactions with related parties

Related parties or transactions with related parties are assessed in accordance with IAS 24 *"Related Party Disclosures"*. Related parties may enter into transactions which unrelated parties might not. Terms, conditions and amounts of related party transactions are usually same as those between unrelated parties.

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

The Company had the following transactions outstanding with related parties:

	31 December 2022		31 December 2021	
	Related party balances	**Total category as per the financial statements caption**	**Related party balances**	**Total category as per the financial statements caption**
Investments in subsidiaries	66,965,708	66,965,708	40,579,429	40,579,429
Accounts receivable before allowances for expected credit losses	685,449	2,865,728	389,238	1,642,151
- key management personnel of the Company or its Parent Company	4,562		762	
- the Parent Company, companies affiliated through the Parent Company	640,435		303,491	
- ultimate shareholder	40,452		84,985	
Allowances for expected credit losses on accounts receivable	(178,516)	(723,118)	(48,960)	(511,736)
- key management personnel of the Company or its Parent Company	(2,421)		(648)	
- the Parent Company, companies affiliated through the Parent Company	(168,697)		(22,698)	
- ultimate shareholder	(7,398)		(25,614)	
Other liabilities	(19,949)	(1,356,851)	(10,062)	(248,944)
- key management personnel of the Company or its Parent Company	(19,949)		(10,062)	

(in thousands of Kazakhstani Tenge)

The following amounts, which were recognized in transactions with related parties included in the separate statement of profit or loss for the years ended 31 December 2022 and 2021:

	Year ended 31 December 2022		Year ended 31 December 2021	
	Related party transactions	**Total category as per the financial statements caption**	**Related party transactions**	**Total category as per the financial statements caption**
Interest income calculated using the effective interest method	-	50,790	6,131	53,003
-the Parent Company, companies affiliated through the Parent Company	-		6,131	
Fee and commission income	3,077,721	11,855,376	1,825,560	5,649,187
- key management personnel of the Company or its Parent company	3,675		1,212	
- the Parent Company, companies affiliated through the Parent Company	2,898,226		1,696,540	
- ultimate shareholder	175,820		127,808	
Fee and commission expense	(23,680)	(1,193,801)	(197)	(717,685)
-the Parent company, companies affiliated through the Parent Company	(23,680)		(197)	
Operating expenses	(705)	(6,025,496)	(2,366)	(2,224,405)
- the Parent Company, companies affiliated through the Parent Company	-		(2,366)	
- key management personnel of the Company or its Parent company	(705)		-	
Payroll expenses, represented by short-term benefits	(223,607)	(2,787,681)	(77,770)	(811,778)
- key management personnel of the Company or its Parent company	(223,607)		(77,770)	

(in thousands of Kazakhstani Tenge)

26. Fair value of financial instruments

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

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

The table below summarizes the Company's financial assets and liabilities held at fair value by valuation methodology as at 31 December 2022 and 2021 before any allowances for expected credit losses:

	Fair value hierarchy					
Financial Assets/Financial Liabilities	**31 December 2022**	**31 December 2021**	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
Non-derivative financial assets at fair value through profit or loss (Note 14)	106,739,468	72,904,651	Level 1	Quoted bid prices in an active market*.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss (Note 14)	21,751,148	121,422	Level 2	Quoted bid prices in a market that is not active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss (Note 14)	714,465	718,593	Level 3	Present value of expected future cash flows, using the discount rate of similar financial instrument in the market.	Discount rate of 11.13%, indefinite period	The higher discount rate, the lower fair value
Total financial assets at fair value through profit or loss	**129,205,081**	**73,744,666**				
Non-derivative financial assets at fair value through other comprehensive income	574	575	Level 3	Simplified approach is applied due to low volume of securities.	Not applicable	Not applicable
Total financial assets at fair value through other comprehensive income	**574**	**575**				
Non-derivative financial liabilities at fair value through profit or loss	-	466,206	Level 1	Quoted bid prices in an active market.	Not applicable	Not applicable
Total financial liabilities at fair value through profit or loss	-	**466,206**				

*Market, where at least 10 trades take place within a year.

(in thousands of Kazakhstani Tenge)

During the years ended 31 December 2022 and 2021, there were no significant transfers of financial instruments between levels, or changes in our methodology used to value the financial instruments.

	Financial assets at fair value through profit or loss (Level 3)
31 December 2020	**619,930**
Gain to profit or loss	98,713
Settlements	(50)
31 December 2021	**718,593**
Loss to profit or loss	(4,128)
31 December 2022	**714,465**

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

The carrying amounts of cash and cash equivalents, due from banks, accounts receivable, securities repurchase agreement obligations, trade payables and other financial liabilities approximates its' fair value due to the short-term nature of such financial instruments.

The Company's valuation approach and fair value hierarchy categorization for certain significant classes of financial instruments recognized and presented at fair value at 31 December 2022 and 2021 are as follows:

	Level 1	**Level 2**	**Level 3**	**31 December 2022 Total**
Assets measured at fair value				
Financial assets at fair value through profit or loss	106,740,042	22,465,039	-	129,205,081
Financial assets at fair value through other comprehensive income	-	-	574	574

	Level 1	**Level 2**	**Level 3**	**31 December 2021 Total**
Assets measured at fair value				
Financial assets at fair value through profit or loss	72,904,651	121,422	718,593	73,744,666
Financial assets at fair value through other comprehensive income	-	-	575	575
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss	466,206	-	-	466,206

(in thousands of Kazakhstani Tenge)

27. Risk management policies

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

Credit risk

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

Maximum exposure risk

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

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

As at 31 December 2022:

	Maximum exposure and net exposure after offset	Collateral pledged	Net exposure after offset and collateral
Cash and cash equivalents	3,663,803	158,184	3,505,619
Financial assets at fair value through profit or loss	129,205,081	-	129,205,081
Financial assets at fair value through other comprehensive income	574	-	574
Accounts receivable	2,142,610	-	2,142,610

As at 31 December 2021:

	Maximum exposure and net exposure after offset	Collateral pledged	Net exposure after offset and collateral
Cash and cash equivalents	1,580,828	55,314	1,525,514
Due from banks	5,037	-	5,037
Financial assets at fair value through profit or loss	73,744,666	-	73,744,666
Financial assets at fair value through other comprehensive income	575	-	575
Accounts receivable	1,130,415	-	1,130,415

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

(in thousands of Kazakhstani Tenge)

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

	BBB and higher	<BBB	Not rated	31 December 2022 Total
Cash and cash equivalents	21,889	1,848,012	1,793,902	3,663,803
Financial assets at fair value through profit or loss	40,725,043	87,568,625	911,413	129,205,081
Financial assets at fair value through other comprehensive income	-	-	574	574
Accounts receivable	-	-	2,142,610	2,142,610

	BBB and higher	<BBB	Not rated	31 December 2021 Total
Cash and cash equivalents	11,052	365,156	1,204,620	1,580,828
Due from banks	-	5,037	-	5,037
Financial assets at fair value through profit or loss	33,192,109	35,424,037	5,128,520	73,744,666
Financial assets at fair value through other comprehensive income	-	-	575	575
Accounts receivable	-	-	1,130,415	1,130,415

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

Geographical concentration

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

(in thousands of Kazakhstani Tenge)

The geographical concentration of the financial assets and liabilities at 31 December 2022 and 2021 is set out below:

	Republic of Kazakhstan	OECD countries	Non-OECD countries	31 December 2022 Total
FINANCIAL ASSETS				
Cash and cash equivalents	3,633,738	-	30,065	3,663,803
Financial assets at fair value through profit or loss	112,732,031	11,409,006	5,064,044	129,205,081
Financial assets at fair value through other comprehensive income	574	-	-	574
Accounts receivable	1,954,509	186,514	1,587	2,142,610
TOTAL FINANCIAL ASSETS	**118,320,852**	**11,595,520**	**5,095,696**	**135,012,068**
FINANCIAL LIABILITIES				
Securities repurchase agreement obligations	74,877,714	847,867	-	75,725,581
Payable for acquisition	5,988,020	-	-	5,988,020
Trade payables	322,528	-	2,034	324,562
Lease liabilities	1,874,742	-	10,955	1,885,697
Other financial liabilities	15,822	-	-	15,822
TOTAL FINANCIAL LIABILITIES	**83,078,826**	**847,867**	**12,989**	**83,939,682**
NET POSITION	**35,242,026**	**10,747,653**	**5,082,707**	

	Republic of Kazakhstan	OECD countries	Non-OECD countries	31 December 2021 Total
FINANCIAL ASSETS				
Cash and cash equivalents	1,573,872	-	6,956	1,580,828
Due from banks	5,037	-	-	5,037
Financial assets at fair value through profit or loss	63,796,045	4,206,842	5,741,779	73,744,666
Financial assets at fair value through other comprehensive income	575	-	-	575
Accounts receivable	829,816	67,528	233,071	1,130,415
TOTAL FINANCIAL ASSETS	**66,205,345**	**4,274,370**	**5,981,806**	**76,461,521**
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss	-	1,640	464,566	466,206
Securities repurchase agreement obligations	30,496,676	-	-	30,496,676
Trade payables	153,520	-	13,100	166,620
Lease liabilities	517,289	-	27,225	544,514
Other financial liabilities	103,384	-	-	103,384
TOTAL FINANCIAL LIABILITIES	**31,270,869**	**1,640**	**504,891**	**31,777,400**
NET POSITION	**34,934,476**	**4,272,730**	**5,476,915**	

Liquidity risk

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

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

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

(in thousands of Kazakhstani Tenge)

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2022 Total
FINANCIAL ASSETS						
Cash and cash equivalents	3,663,803	-	-	-	-	3,663,803
Financial assets at fair value through profit or loss	15,490,345	-	5,341,259	77,265,884	31,107,593	129,205,081
Financial assets at fair value through other comprehensive income	574	-	-	-	-	574
Accounts receivable	2,142,610	-	-	-	-	2,142,610
Total financial assets	**21,297,332**	**-**	**5,341,259**	**77,265,884**	**31,107,593**	**135,012,068**
FINANCIAL LIABILITIES						
Securities repurchase agreement obligation	68,130,602	7,594,979	-	-	-	75,725,581
Payable for acquisition	-	5,988,020	-	-	-	5,988,020
Trade payables	-	324,562	-	-	-	324,562
Lease liabilities	24,326	63,194	244,964	1,553,213	-	1,885,697
Other financial liabilities	-	-	15,822	-	-	15,822
Total financial liabilities	**68,154,928**	**13,970,755**	**260,786**	**1,553,213**	**-**	**83,939,682**
Liquidity gap	**(46,857,596)**	**(13,970,755)**	**5,080,473**	**75,712,671**	**31,107,593**	

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2021 Total
FINANCIAL ASSETS						
Cash and cash equivalents	1,580,828	-	-	-	-	1,580,828
Due from banks	5,037	-	-	-	-	5,037
Financial assets at fair value through profit or loss	10,919,412	388,237	10,088,182	22,919,304	29,429,530	73,744,665
Financial assets at fair value through other comprehensive income	575	-	-	-	-	575
Accounts receivable	1,075,005	55,410	-	-	-	1,130,415
Total financial assets	**13,580,857**	**443,647**	**10,088,182**	**22,919,304**	**29,429,530**	**76,461,520**
FINANCIAL LIABILITIES						
Debt securities issued	1,640	464,566	-	-	-	466,206
Securities repurchase agreement obligation	30,496,676	- -	-	-	-	30,496,676
Trade payables	-	166,620	-	-	-	166,620
Lease liabilities	96,514	8,686	314,542	124,772	-	544,514
Other financial liabilities	-	-	103,384	-	-	103,384
Total financial liabilities	**30,594,830**	**639,872**	**417,926**	**124,772**	**-**	**31,777,400**
Liquidity gap	**(17,013,973)**	**(196,225)**	**9,670,256**	**22,794,532**	**29,429,530**	

(in thousands of Kazakhstani Tenge)

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

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	31 December 2022 Total
FINANCIAL LIABILITIES					
Securities repurchase agreement obligation	68,359,166	7,893,009	-	-	76,252,175
Payable for acquisition	-	5,988,020	-	-	5,988,020
Trade payables	-	324,562	-	-	324,562
Lease liabilities	46,444	92,887	388,358	1,927,230	2,454,919
Other financial liabilities	-	-	15,822	-	15,822
Total financial liabilities	**68,405,610**	**14,298,478**	**404,180**	**1,927,230**	**85,035,498**

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	31 December 2021 Total
FINANCIAL LIABILITIES					
Debt securities issued	1,640	464,566	-	-	466,206
Securities repurchase agreement obligation	30,538,446	-	-	-	30,538,446
Trade payables	-	166,620	-	-	166,620
Lease liabilities	102,918	15,556	337,809	133,528	589,811
Other financial liabilities	-	-	103,384	-	103,384
Total financial liabilities	**30,643,004**	**646,742**	**441,193**	**133,528**	**31,864,467**

Market risk

Market risk covers interest rate risk, currency risk and other pricing risks to which the Company is exposed. In 2022 and 2021 years, there have been no significant changes as to the way the Company measures risk or to the risk it is exposed.

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

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

Interest rate risk

The Company manages interest rate risk through periodic estimation of potential losses that could arise from adverse changes in market conditions. The Company's exposure to changes in interest rates relates primarily to the investment portfolio and outstanding debt. The Company's investment policies generally require securities to be investment grade and limit the amount of credit exposure to any one issuer (other than government and quasi-government securities). To provide a meaningful assessment of the interest rate risk associated with the investment portfolio, the management of the Company performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the investment portfolio assuming a 100 basis point parallel shift in the yield curve. Based on the investment positions of the Company as at 31 December 2022 and 2021, a hypothetical 100 basis point increase in interest rates across all maturities would have resulted in KZT (3,390,900) thousand and KZT (2,728,127) thousand incremental decline in the fair market value of the portfolio, respectively. Such losses would only be realized if the Company sold the investments prior to maturity. As at 31 December 2022 and 2021, a hypothetical 100 basis point decrease in interest rates across all maturities would have resulted in KZT 3,390,900 thousand and KZT 2,728,127 thousand incremental rise in the fair market value of the portfolio, respectively.

Currency risk

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

(in thousands of Kazakhstani Tenge)

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

	KZT	USD	Other currencies	31 December 2022 Total
Financial assets				
Cash and cash equivalents	1,866,629	1,732,427	64,747	3,663,803
Financial assets at fair value through profit or loss	116,077,504	10,894,197	2,233,380	129,205,081
Financial assets at fair value through other comprehensive income	574	-	-	574
Accounts receivable	2,142,610	-	-	2,142,610
Total financial assets	**120,087,317**	**12,626,624**	**2,298,127**	**135,012,068**
Financial liabilities				
Securities repurchase agreement obligation	73,579,056	2,146,525	-	75,725,581
Payable for acquisition	5,988,020	-	-	5,988,020
Trade payables	323,034	54	1,474	324,562
Lease liabilities	1,885,697	-	-	1,885,697
Other financial liabilities	15,822	-	-	15,822
Total financial liabilities	**81,791,629**	**2,146,579**	**1,474**	**83,939,682**
OPEN BALANCE SHEET POSITION	**38,295,688**	**10,480,045**	**2,296,653**	

	KZT	USD	Other currencies	31 December 2021 Total
Financial assets				
Cash and cash equivalents	907,428	654,805	18,595	1,580,828
Due from banks	5,037	-	-	5,037
Financial assets at fair value through profit or loss	57,179,914	9,922,155	6,642,597	73,744,666
Financial assets at fair value through other comprehensive income	575	-	-	575
Accounts receivable	955,913	101,362	73,140	1,130,415
Total financial assets	**59,048,867**	**10,678,322**	**6,734,332**	**76,461,521**
Financial liabilities				
Financial liabilities at fair value through profit and loss	-	466,206	-	466,206
Securities repurchase agreement obligation	28,563,172	1,933,504	-	30,496,676
Trade payables	154,289	10,950	1,381	166,620
Lease liabilities	544,514	-	-	544,514
Other financial liabilities	103,384	-	-	103,384
Total financial liabilities	**29,365,359**	**2,410,660**	**1,381**	**31,777,400**
OPEN BALANCE SHEET POSITION	**29,683,508**	**8,267,662**	**6,732,951**	

(in thousands of Kazakhstani Tenge)

Currency risk sensitivity

The following table details the Company's sensitivity to a 30% increase and decrease in the USD against KZT as at 31 December 2022 and 2021, respectively. These sensitivity rates are used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a percentage change in foreign currency rates.

Impact on profit or loss before income tax and equity based on asset values as at 31 December 2022 and 2021:

	As at 31 December 2022		As at 31 December 2021	
	KZT/USD +30%	KZT/USD -30%	KZT/USD +30%	KZT/USD -30%
Impact on profit before income tax and equity	3,144,014	(3,144,014)	2,480,299	(2,480,299)

Limitations of sensitivity analysis

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

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

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

Price risk

The Company follows a number of principles in its investment policies: it makes investments from which it expects an appropriate return, and ensures that they offer a high degree of security. Sufficient liquidity is also important at all times coupled with a targeted diversification in terms of type of investment. The Company's equity investments are susceptible to market price risk arising from uncertainties about future values of such investment securities. Equity price risk results from fluctuations in the price and level of the equity securities or instruments the Company holds. An analysis of 31 December 2022 and 2021 balance sheets estimates a decrease of 10% in the equity price would have reduced the value of the equity securities or instruments the Company held by approximately KZT 1,795,980 thousand and KZT 1,091,999 thousand, respectively.

Operational risk

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

28. Subsequent events

On 7 February 2023, the Company placed 520,698 ordinary shares for the total amount of KZT 5,988,027 thousands.

(in thousands of Kazakhstani Tenge)

29. Statements of net assets position of Mutual investment funds - Fixed Income and Goodwill

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

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

	31 December 2022	31 December 2021
ASSETS:		
Cash and cash equivalents	1,349,532	371,015
Financial assets at fair value through profit or loss	5,436,042	5,398,765
Accounts receivable	16,969	59,314
TOTAL ASSETS	**6,802,543**	**5,829,094**
LIABILITIES:		
Securities repurchase agreement obligations	1,941,632	1,438,259
Dividend payable	35,972	32,627
Trade payables	64,641	40,534
TOTAL LIABILITIES	**2,042,245**	**1,511,420**
NET ASSETS	**4,760,298**	**4,317,674**

Statement of net assets position of Mutual investment fund – Goodwill:

	31 December 2022	31 December 2021
ASSETS:		
Cash and cash equivalents	376,976	6,253
Financial assets at fair value through profit or loss	741,785	1,185,436
Shares of mutual investment funds	-	17,642
TOTAL ASSETS	**1,118,761**	**1,209,331**
LIABILITIES:		
Securities repurchase agreement obligations	516,939	568,265
Dividend payable	19,725	19,752
Trade payables	978	6,678
TOTAL LIABILITIES	**537,642**	**594,695**
NET ASSETS	**581,119**	**614,636**