



KAZAKHEXPORT

ЭКСПОРТНО-КРЕДИТНОЕ АГЕНТСТВО КАЗАХСТАНА

Export Credit Agency of Kazakhstan JSC

Condensed Interim
Financial Information in accordance with
IAS 34
Interim Financial Reporting
30 June 2025

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Report on review of condensed interim financial information

To the Shareholder, the Board of Directors and the Management Board of Export Credit Agency of Kazakhstan JSC:

Introduction

We have reviewed the accompanying condensed interim statement of profit or loss and other comprehensive income of Export Credit Agency of Kazakhstan JSC (the "Agency") for the six-months period ended 30 June 2025 and the related condensed interim statements of financial position as at mentioned date, condensed interim statements of cash flows and changes in equity for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers LLP.

1 August 2025

Almaty, Kazakhstan

Export Credit Agency of Kazakhstan JSC
Condensed Interim Statement of Financial Position at 30 June 2025

		(Unaudited) Six months ended 30 June 2025 KZT'000	31 December 2024 KZT'000
ASSETS			
Cash and cash equivalents	8	71,948,503	81,533,181
Placements with banks	9	56,182,041	32,003,134
Investment securities:			
- measured at fair value through other comprehensive income	10	41,148,199	45,818,084
- measured at amortised cost	10	6,873,102	16,074,081
Insurance contract assets	11	377,810	179,871
Reinsurance contract assets	11	402,600	1,388,351
Property and equipment and intangible assets		128,173	147,135
Intangible assets		145,303	165,908
Current tax asset		2,299,392	1,020,417
Deferred tax assets		7,467	72,991
Other assets		840,036	838,219
Total assets		180,352,627	179,241,372
LIABILITIES			
Insurance contract liabilities	11	41,777,011	52,723,567
Reinsurance contract liabilities	11	282,417	314,105
Dividends payable		6,173,426	-
Other liabilities		358,920	778,649
Total liabilities		48,591,774	53,816,321
EQUITY			
Share capital	12	105,100,000	105,100,000
Additional paid-in capital		732,819	732,819
Stabilisation reserve	12	4,377,215	4,123,978
Provision for changes in the fair value of securities		(4,338,236)	(25,768)
Retained earnings		25,889,055	15,494,022
Total equity		131,760,853	125,425,051
Total liabilities and equity		180,352,627	179,241,372

Export Credit Agency of Kazakhstan JSC
Condensed Interim Statement of Cash Flows for six months ended 30 June 2025

	(Unaudited) Six months ended 30 June 2025 KZT'000	(Unaudited) Six months ended 30 June 2024 KZT'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	17,835,381	8,091,049
<i>Adjustments for:</i>		
Changes in assets and liabilities under insurance contracts issued and reinsurance contracts held*	(10,190,432)	8,835,624
Depreciation and amortisation	41,359	39,546
Impairment income/(loss) on financial assets	(31,895)	103,844
Interest income calculated using the effective interest rate	(10,259,734)	(8,991,956)
Other interest income	-	1,778
Unrealized foreign exchange difference	290,084	(977,091)
Cash flows (used in)/from operating activities before changes in operating assets and liabilities	(2,315,237)	7,102,794
(Increase)/decrease in operating assets		
Placements with banks	(24,311,510)	109,945
Other assets	-	8,985
Increase/(decrease) in operating liabilities		
Other liabilities	(342,782)	(124,136)
Net cash flows (used in)/from operating activities before interest received and income tax paid	(26,969,529)	7,097,588
Income tax paid	(2,040,642)	(817,111)
Interest income received	11,267,648	9,277,982
Cash flows (used in)/from operating activities	(17,742,523)	15,558,459

Export Credit Agency of Kazakhstan JSC
Condensed Interim Statement of Cash Flows for six months ended 30 June 2025

	Note	Six months ended 30 June 2025 KZT'000	Six months ended 30 June 2024 KZT'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale and redemption of investment securities		10,186,515	2,543,260
Acquisition of debt securities		(2,000,000)	(10,050,000)
Acquisition of intangible assets		(23,744)	(13,957)
Cash flows from/(used in) investing activities		8,162,771	(7,520,697)
Net (decrease)/increase in cash and cash equivalents		(9,579,752)	8,037,762
Effect of changes in exchange rates on cash and cash equivalents		(4,926)	(84,630)
Cash and cash equivalents at the beginning of the year		81,533,181	100,770,705
Cash and cash equivalents at the end of the year	8	71,948,503	108,723,837

*The presentation of this line has been changed in the condensed interim statement of cash flows for the six months ended 30 June 2024 in order to improve and align with the 2025 presentation.

Export Credit Agency of Kazakhstan JSC
Condensed Interim Statement of Changes in Equity for six months ended 30 June 2025

	(Unaudited) Share capital	(Unaudited) Additional paid-in capital	(Unaudited) Stabilisation reserve	(Unaudited) Provision for changes in the fair value of securities	(Unaudited) Retained earnings	(Unaudited) Total equity
KZT'000						
Balance at 1 January 2025	105,100,000	732,819	4,123,978	(25,768)	15,494,022	125,425,051
Total comprehensive income	-	-	-	-	16,821,696	16,821,696
Profit for the period	-	-	-	-	-	-
Other comprehensive loss	-	-	-	(4,312,468)	-	(4,312,468)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Net change in fair value	-	-	-	(4,312,468)	-	(4,312,468)
Total other comprehensive loss	-	-	-	(4,312,468)	-	(4,312,468)
Total comprehensive income for the period	-	-	-	(4,312,468)	16,821,696	12,509,228
Transactions with owners recorded directly in equity						
Dividends declared (Note 12)	-	-	-	-	(6,173,426)	(6,173,426)
Transfer to stabilisation reserve (Note 12)	-	-	253,237	-	(253,237)	-
Total transactions with owners	-	-	253,237	-	(6,426,663)	(6,173,426)
Balance at 30 June 2025	105,100,000	732,819	4,377,215	(4,338,236)	25,889,055	131,760,853

Export Credit Agency of Kazakhstan JSC
Condensed Interim Statement of Changes in Equity for six months ended 30 June 2025

	(Unaudited) Share capital	(Unaudited) Additional paid-in capital	(Unaudited) Stabilisation reserve	(Unaudited) Provision for unexpected risks	(Unaudited) Provision for fair value of securities	(Unaudited) Retained earnings	(Unaudited) Total equity
KZT'000							
Balance at 1 January 2024	105,100,000	732,819	114,222	1,085,964	(2,572,868)	13,066,354	117,526,491
Total comprehensive income	-	-	-	-	-	7,578,600	7,578,600
Profit for the period	-	-	-	-	633,928	-	633,928
Other comprehensive income	-	-	-	-	633,928	-	633,928
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Net change in fair value	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	633,928	-	633,928
Total comprehensive income for the period	-	-	-	-	633,928	7,578,600	8,212,528
Transactions with owners recorded directly in equity							
Dividends (Note 12)	-	-	-	-	-	(3,467,719)	(3,467,719)
Transfer to provision for unexpected risks (Note 12)	-	-	-	7,785,654	-	(7,785,654)	-
Transfer to stabilisation reserve (Note 12)	-	-	4,009,756	-	-	(4,009,756)	-
Total transactions with owners	-	-	4,009,756	7,785,654	-	(15,263,129)	(3,467,719)
Balance at 30 June 2024	105,100,000	732,819	4,123,978	8,871,618	(1,938,940)	5,381,825	122,271,300

1 Reporting entity

(a) Organisational structure and activities

On 1 September 2023, the Head of State in his Message to the People of Kazakhstan “The Economic Course of a Fair Kazakhstan” instructed to create a fully-fledged institute for export promotion based on the EIC “KazakhExport” JSC, by consolidating all the necessary instruments in it. This instruction is laid down in paragraph 61 of the National Action Plan approved by the Decree of the President of the Republic of Kazakhstan dated 16 September 2023 No. 353 with the deadline for implementation in January 2024.

On 23 January 2024, the President of the Republic of Kazakhstan signed the Law of the Republic of Kazakhstan “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of an Export Credit Agency and the Promotion of Export of Non-Primary Goods (Works, Services)”, whereby, by the Resolution of the Government of the Republic of Kazakhstan dated 20 May 2024 No. 261, EIC “KazakhExport” JSC was renamed into Export Credit Agency of Kazakhstan JSC.

Export Credit Agency of Kazakhstan JSC (the “Agency”) is a national institute in the field of development and promotion of non-resource-based exports in accordance with the Law of the Republic of Kazakhstan “On regulation of trade activities” and the legislation of the Republic of Kazakhstan.

The Agency was founded based on the EIC “KazakhExport” JSC, which was incorporated in the Republic of Kazakhstan in 2003 in accordance with the Kazakhstan legislation.

The Agency held a license to conduct insurance and reinsurance activity No.2.1.13 dated 24 November 2022 issued by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial market (the “ARDFM”).

On 24 April 2024, the Agency returned the License for insurance (reinsurance) activities under the General Insurance and Reinsurance sectors to the ARDFM. By Order B-162 dated 10 May 2024, the said License was terminated.

Today, the Agency's activities are regulated by the laws of the Republic of Kazakhstan “On Regulation of Trade Activities” and “On Industrial Activities”.

In accordance with these legislative acts, the Agency provides voluntary insurance of export credits, investments, transactions related to lending (loans) to domestic exporters and foreign buyers of domestic non-primary goods (works, services), guarantees and sureties provided in their favor against related losses of financial organizations, other financial losses and related civil liability, as well as their reinsurance without the appropriate license, export trade and pre-export financing, insurance and reinsurance, guaranteeing transactions to promote non-primary exports, subsidizing interest rates on loans and leasing transactions by second-tier banks, the Development Bank of Kazakhstan, and other legal entities engaged in leasing activities to foreign buyers of domestic high-tech goods and manufacturing services that are insured by the Export Credit Agency of Kazakhstan, and other functions determined by the Government of the Republic of Kazakhstan.

The Agency's strategic development directions include improvement of the instruments to support export, create conditions to increase the number of exporters and the volume of their support, enhance the operating efficiency.

The Agency's registered office and place of business is: 55A Mangilik El Avenue, Astana, Republic of Kazakhstan, Z05T2H3.

(b) Shareholder

As at 30 June 2025 and 31 December 2024, National Management Holding “Baiterek” JSC hereinafter referred to as the “Parent Company” owns 100% of the outstanding shares. The Agency's ultimate shareholder is the Government of the Republic of Kazakhstan. Under the Contract of Share Transfer No.299-i dated 29 May 2013, the Agency's holding of shares was transferred under trust management to National Management Holding “Baiterek” JSC. National Management Holding

“Baiterek” JSC was established in accordance with the Decree of the President of the Republic of Kazakhstan dated 22 May 2013, No.571 “On Certain Measures for Optimisation of the System of Management of the Development Institutions, Financial Organisations and Development of the National Economy”.

As at 30 June 2025 the number of employees of the Agency was 128 (31 December 2024: 126 employees).

(c) Kazakhstan business environment

Since the beginning of 2022, as a result of the geopolitical conflict and subsequent economic sanctions, the financial and business environment has changed significantly. Work continues under the conditions of sanctions restrictions, which has had a significant impact on the insurance industry in Kazakhstan. Here are a few key aspects:

1. **Increased demand for insurance:** increased economic and political uncertainty has prompted companies to actively use insurance tools to protect their assets and reduce risks.
2. **Changing risks:** insurance companies in Kazakhstan faced new risks related to the changed economic situation. This led to the need to review the insurance terms and tariffs.
3. **Changing the competitive environment:** the limited presence of a number of international companies in certain markets has created opportunities for expanding the activities of Kazakhstani insurers.
4. **Regulatory changes:** in response to changes in the economic situation and sanctions, regulators have introduced new rules and requirements for insurance companies, which also affected their activities.

These factors combined have changed the landscape of Kazakhstan's insurance industry, creating both challenges and opportunities for local insurers.

In November 2024, the international rating agency Fitch Ratings affirmed Kazakhstan's sovereign rating at BBB with a stable outlook, reflecting strong independent external and fiscal balances that are resilient to shocks, as well as financing flexibility supported by accumulated savings from oil revenues. These strengths are countered by high dependence on commodities, the risk of export concentration, high inflation, which partly reflects less developed macroeconomic policies compared to similar countries in the "BBB" category, as well as weak governance indicators. Kazakhstan remains heavily dependent on crude oil and oil condensates, which account for 53% of exports and about a third of fiscal revenues. Progress in economic diversification includes the development of the middle corridor transportation sector and securing new investments in renewable energy sources, but is insufficient to significantly increase the share of non-energy gross domestic product (GDP).

In general, the economy of the Republic of Kazakhstan continues to exhibit some of the characteristic features of emerging markets. These features include, but are not limited to, the existence of a national currency with little freedom of conversion outside the country and a low level of liquidity in the securities market.

As at 30 June 2025, the official exchange rate of the National Bank of the Republic Kazakhstan was Tenge 519.64 per US Dollar 1 compared to Tenge 525.11 per US Dollar 1 as at 31 December 2024 (30 June 2024: Tenge 471.46 per 1 US Dollar).

At the end of six months of 2025, the annual inflation rate was 11.8% (2024: inflation rate - 8.4%).

The economic environment has a significant impact on the Agency's operations and financial position. Management is taking necessary measures to ensure sustainability of the Agency's operations. However, the future effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from actual results. The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal and political developments, which are beyond the Agency's control.

2 Basis of accounting

(a) Statement of Compliance with Applicable Standards

This condensed interim financial information have been prepared in accordance with accounting standards IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statement for the year ended 31 December 2024, prepared in accordance with IFRS accounting standards ("IFRS").

(b) Use of estimates and judgments

In preparing this condensed interim financial information, management has made judgments, assumptions and estimates that affect the application of accounting policies and the amounts of assets and liabilities, income and expenses presented in the condensed interim financial information. Actual results may differ from those estimates.

The most significant judgments made by management in applying the Agency's accounting policies and the principal sources of estimation uncertainty are those described in the most recent annual financial statement.

(c) Principles for evaluating financial performance

The condensed interim financial information has been prepared in accordance with the cost principle, except for financial instruments at fair value through profit or loss and at fair value through other comprehensive income, which are carried at fair value.

(d) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Agency operates. The functional currency of the Agency and the Agency's presentation currency is the national currency of Kazakhstan, Kazakhstani Tenge ('Tenge').

3 Material accounting policies

Unless otherwise indicated below, the same accounting rules and calculation methods were applied in the preparation of these condensed interim financial information as in the preparation of the Agency's annual financial statements for the year ended 31 December 2024.

The purpose of these condensed interim financial information is to disclose only information that management considers essential to key users.

Calculation of the tax in the interim period. Income tax expense in the interim period is calculated at the effective tax rate applied to the expected cumulative annual profit, i.e. at the estimated weighted average annual effective income tax rate applied to the profit before tax for the interim period.

Amendments to IAS 21 "Limited Exchangeability" have been published (issued on 15 August 2023), which are mandatory for annual periods beginning on or after 1 January 2025.

The new requirements had no significant influence on the condensed interim financial information of the Agency and the Agency has not made any adjustments with regards to new standards adopted.

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2026, and which the Agency has not adopted ahead of schedule:

- IFRS 18 Presentation and Disclosure of Information in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). The Agency is currently studying the impact of the new standard on financial statements.
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Annual Improvements to IFRS Accounting Standards (issued in July 2024 and effective from 1 January 2026).

Unless otherwise stated above, these new standards and interpretations are not expected to have a significant impact on the Agency's condensed interim financial information.

4 Insurance risk management

This section summarizes insurance risks and the way the Agency manages them.

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

The Agency's management of insurance is a critical aspect of the business.

The primary insurance and reinsurance activity carried out by the Agency assumes the risk of loss from parties or organizations that are directly subject to the risk. Such risks may relate to property, liabilities, accidents, freight, financial or other perils that may arise from an insured event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The Agency manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralized management of reinsurance and monitoring of emerging issues.

The theory of probability is applied to the pricing and provisioning for insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

(i) Underwriting strategy

The Agency's underwriting strategy seeks diversity to ensure a balanced portfolio. Over several years, the strategy is based on maintaining a large portfolio of similar risks, and, in essence, helps to reduce the variability of the outcome.

The underwriting strategy is set out in the terms of development that sets out the classes of business to be written, the territories in which business is to be written and the industry sectors to which the Agency is prepared to underwrite.

Calculation of the tariffs on insurance products reflects current market conditions and covers the most probable assumptions necessary for the adjustment of future results, aiming to significantly mitigate financial risks.

Adherence to the underwriting authorities is being monitored by management on an on-going basis. Those transactions requiring special authorization are subject to consideration and approval by the Agency's Board of Directors.

(ii) Reinsurance strategy

The Agency transfers part of the insurance risks to outgoing reinsurance to manage its exposures to losses and ensure financial stability. The Agency enters into optional reinsurance and compulsory reinsurance contracts in order to reduce the Agency's risk and not exceed the actual limit of solvency.

The Agency constantly monitors the financial conditions of reinsurers and periodically reviews reinsurance contracts. The Agency monitors the financial stability rating and/or credit rating of reinsurers on a monthly basis, as well as a quarterly analysis of the financial stability of reinsurers.

The Agency does not utilize any stop-loss reinsurance to control its risk of losses resulting from one-off event.

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

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

(i) Insurance contracts – Insurance against other financial losses

Product features

Insurance against other financial loss protects the property interest of an exporter related to contract execution by a foreign counterparty-importer.

Covered risks:

Insured political events:

- acts of the governmental authority of the country of transit or the country of destination of delivery of the Kazakhstani goods, works, services, or the country of the foreign counterparty on expropriation, confiscation, restriction of ownership rights to the goods, works, services, the result of the work performed owned by the exporter;
- contingency actions of the governmental authority of the country of destination of delivery of the Kazakhstani goods, works, services restricting or prohibiting delivery of the goods, performance of works, provision of services;
- war, civil commotion, mass riots outside the Republic of Kazakhstan, preventing the execution of obligations under the contract insured;
- contingency actions of the governmental authority in the country of the foreign counterparty restricting or prohibiting the conversion into a freely convertible currency and/or transfer of payment.

Insured commercial events:

- bankruptcy of the foreign counterparty;
- default on financial liabilities under the contract by the foreign counterparty.

Risk management

The risk assessment is based on the specific character of the transaction, which the exporter is willing to insure. The Agency's risk assessment comprises two components: assessment of political or country risks and assessment of commercial risks. The projects are assessed based on a country's (political) risk and the risk related to trustworthiness of a counterparty abroad.

Commercial risk assessment

The Agency assesses separately each transaction to determine the trustworthiness of a buyer. The Agency, in assessment of the commercial risks, is based on assessment of the buyer's country, market position and financial position.

Country risk assessment

The Agency assesses the country risks according to the list of countries and classification of countries by the risk level published by the Organization for Economic Cooperation and Development (OECD). This list also contains recommendations for the export credit agencies of the OECD countries on the premium rates depending on the insurance period by country categories.

(ii) Insurance contracts – Insurance of loans

Product features

Insurance of loans protects the property interest of a credit organisation related to the obligations of an exporting entity (borrower) to reimburse, in accordance with the procedure set by the legislation and loan agreement, the losses incurred as a result of non-fulfilment (improper fulfillment) of liabilities under a loan agreement.

Covered risks:

Insured political events:

- war, civil commotion, mass riots inside and outside the Republic of Kazakhstan, preventing the execution of obligations under the loan contract;
- contingency actions of the governmental authority restricting or prohibiting the conversion into a freely convertible currency and/or transfer of payment.

Insured commercial events:

- non-fulfilment (improper fulfillment) by a policyholder of monetary liabilities according to the terms and conditions of a loan contract;
- bankruptcy of a policyholder.

Risk management

The risk assessment is based on the adequate assessment of a borrower, its financial position, assessment of political or country risks and commercial risks. The projects are assessed based on a borrower's credit risk related to its paying capacity and factors that may affect it.

(iii) Insurance contracts – Insurance against losses of financial organizations

Product features

Insurance against losses of financial organisations protects the property interest of a credit organisation related to the obligations of an exporting entity (borrower) to reimburse, in accordance with the procedure set by the legislation and loan agreement, the losses incurred as a result of non-fulfilment (improper fulfillment) of liabilities under a loan agreement, bank guarantee, letter of credits. Term currency transactions as part of the foreign currency contract.

Covered risks:

Insured political events:

- contingency actions of the governmental authority restricting or prohibiting the conversion into a freely convertible currency and/or transfer of payment, as a result of which the Exporter is unable to fulfill its financial liabilities to the Policyholder under the Contract of Provisions of Financial Services to the Exporter;

Insured commercial events:

- non-performance (improper performance) by the exporter of its commitments to repay the Principal Debt under the Loan Agreement;
- non-performance (improper performance) by the exporter of its financial liabilities under a Bank Guarantee issued by a financial organization under the obligations of the Exporter under the Guarantee Agreement;
- non-performance (improper performance) by the exporter of its financial liabilities under a letter of credit issued by an issuing bank on the obligations of the Exporter under the Contract on the provision of a letter of credit;
- non-performance (improper performance) by the exporter of its obligations under the Term Currency Transaction as part of the Foreign Currency Contract;
- bankruptcy of the Policyholder.

Risk management

The risk assessment is based on the adequate assessment of a borrower, its financial position, assessment of political or country risks and commercial risks. The projects are assessed based on a borrower's credit risk related to its paying capacity and factors that may affect it.

(iii) Guarantee agreements – Guarantee of fulfillment of obligations under the Contract

Product Features

Based on the Guarantee, the Agency undertakes to make a Guarantee Payment to the Creditor in case of non-fulfillment or improper fulfillment of the obligations of the Exporter under the concluded Contract for the export of domestic processed goods, works and services.

Covered risks - non-fulfillment of obligations of the Exporter under the Contract.

Risk management

The identification of risks is based on an adequate assessment of the Exporter, his financial condition, an analysis of factors affecting possible losses in the event of non-fulfillment by the Exporter of its obligations, and compliance of the project with the goals and objectives of the Agency. The evaluation of projects is based on an analysis of the Exporter's credit risk related to his solvency and factors that may affect it, as well as taking into account political, country and commercial risks.

In order to ensure the fulfillment of the Exporter's obligations, the Agency has the right to accept collateral to mitigate its risks in accordance with an internal document regulating the procedure for ensuring the fulfillment of obligations under Guarantee Agreements.

(c) Concentration of insurance risk

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

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

The Agency's key methods in managing these risks are two-fold. Firstly, the risk is managed through appropriate underwriting.

Secondly, the risk is managed by reinsurance. The Agency provides reinsurance coverage for various classes of liability insurance activities. The Agency assesses the costs and benefits associated with the reinsurance programmes on an ongoing basis.

(d) Total aggregate exposures

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

There was an increase in the class of insurance against other financial losses in comparison to 2024. This is due to an increase in the volume of insurance of short-term receivables in 2025, because the Agency aims to diversify its insurance portfolio and reduce the share of instruments in the loan insurance class. The number of contracts transferred for reinsurance has also increased, as a result of which, the concentration of risks in the Agency's portfolio has significantly decreased. In 2024, important agreements were reached with foreign reinsurance companies under obligatory contracts in terms of undiscounted letters of credit and short-term accounts receivable insurance, which increased the volume of risk transfer in the insurance portfolio in 2024-2025.

As of 30 June 2025, the Agency had 152 active insurance contracts (31 December 2024: 146 insurance contracts). The main established concentration as at 30 June 2024 is presented as:

30 June 2025

	Unaudited		
Insurance type	Total insured amount	Reinsurance amount	Retention (after reinsurance)
	KZT'000	KZT'000	KZT'000
Voluntary insurance			
Loan insurance	244,135,715	(27,837,063)	216,298,652
Insurance against other financial losses	320,402,832	(142,829,094)	177,573,738
Other voluntary insurance	21,186,887	(10,163,625)	11,023,262
Total	585,725,434	(180,829,782)	404,895,652

The main established concentration as at 31 December 2024 is presented as follows:

31 December 2024

	Unaudited		
Insurance type	Total insured amount	Reinsurance amount	Retention (after reinsurance)
	KZT'000	KZT'000	KZT'000
Voluntary insurance			
Loan insurance	303,121,620	(31,882,282)	271,239,338
Insurance against other financial losses	163,316,147	(71,050,583)	92,265,564
Other voluntary insurance	20,590,167	(9,678,108)	10,912,059
Total	487,027,934	(112,610,973)	374,416,961

5 Revenue and insurance expenses

	Loan insurance	Insurance against other financial losses	Insurance against losses of financial institutions	Other voluntary insurance	Total for the six months ended 30 June 2025 (unaudited)
Insurance revenue					
Amounts associated with the change in liabilities for the remainder of the insurance coverage:					
- <i>Expected losses incurred and other related costs</i>	(473,947)	-	-	51,343	(422,604)
- <i>Change in risk adjustment for non-financial risk</i>	3,623,551	-	-	-	3,623,551
- <i>CSM recognised for the services provided</i>	702,371	-	-	-	702,371
Premium allocation	-	721,192	107,018	20,437	848,646
Total insurance revenue (amount of expected losses, changes in risk adjustment, margin release)	3,851,974	721,192	107,018	71,780	4,751,964
Insurance service expenses:					
Incurred claims and other directly attributable expenses	(6,527,426)	(188,741)	8,648	-	(6,707,518)
Losses on onerous contracts and reversals of those losses	12,000,374	-	-	-	12,000,374
Changes relating to the LIC	2,982,730	87,677	17,464	-	3,087,871
Total expenses on insurance services (amount of losses incurred, reversal on impairment losses under onerous contracts, changes in liability for incurred losses)	8,455,678	(101,063)	26,112	-	8,380,727
Net income/(loss) on reinsurance contracts held:					
Amounts associated with changes in cash flows from fulfilment of contracts:					
- <i>Reimbursement of expected incurred losses and other related expenses</i>	(788,913)	-	-	-	(788,913)
- <i>Change in risk adjustment for non-financial risk</i>	(1,106,643)	-	-	-	(1,106,643)
- <i>CSM recognised for the services provided</i>	1,804	-	-	-	1,804
Reinsurance premium allocation	-	(222,347)	(43,000)	-	(265,347)
Incurred claims and other related expenses recovery	-	-	-	-	-
Losses on onerous contracts and reversals of those losses	(627,586)	-	-	-	(627,586)
Changes in recovery of liabilities for incurred claims	-	-	-	-	-
Total net income/(expense) from reinsurance contracts held	(2,521,339)	(222,347)	(43,000)	-	(2,786,686)
Total insurance service result	9,786,314	397,782	90,130	71,780	10,346,005

	Loan insurance	Insurance against other financial losses	Insurance against losses of financial institutions	Other voluntary insurance	Total for the six months ended 30 June 2024 (unaudited)
	562,559	-	-	-	562,559
	1,565,198	-	-	-	1,565,198
	764,777	-	-	-	764,777
	-	306,047	120,758	(3,315)	423,490
	2,892,534	306,047	120,758	(3,315)	3,316,024
	(338,219)	(302,300)	-	-	(640,519)
	(6,144,315)	-	-	-	(6,144,315)
	3,769,236	148,580	295,247	-	4,213,063
	(2,713,298)	(153,720)	295,247	-	(2,571,771)
	(104,149)	-	-	-	(104,149)
	(74,453)	-	-	-	(74,453)
	(12,857)	-	-	-	(12,857)
	161,305	(79,451)	(24,051)	-	(103,502)
	(17,125)	(5,934)	(4,051)	-	(27,110)
	(47,278)	(85,385)	(28,102)	-	(160,766)
	131,957	66,942	387,903	(3,315)	583,487

Insurance revenue
Amounts associated with the change in liabilities for the remainder of the insurance coverage:
- <i>Expected losses incurred and other related costs</i>
- <i>Change in risk adjustment for non-financial risk</i>
- <i>CSM recognised for the services provided</i>
Premium allocation
Total insurance revenue (amount of expected losses, changes in risk adjustment, margin release)
Insurance service expenses:
Incurred claims and other directly attributable expenses
Losses on onerous contracts and reversals of those losses
Changes relating to the LIC
Total expenses on insurance services (amount of losses incurred, reversal on impairment losses under onerous contracts, changes in liability for incurred losses)
Net income/(loss) on reinsurance contracts held:
Amounts associated with changes in cash flows from fulfilment of contracts:
- <i>Reimbursement of expected incurred losses and other related expenses</i>
- <i>Change in risk adjustment for non-financial risk</i>
- <i>CSM recognised for the services provided</i>
Reinsurance premium allocation
Incurred claims and other related expenses recovery
Changes in recovery of liabilities for incurred claims
Total net income/(expense) from reinsurance contracts held
Total insurance service result

6 Interest income

	Unaudited Six months ended 30 June 2025 KZT'000	Unaudited Six months ended 30 June 2024 KZT'000
Interest income calculated using the effective interest rate		
Purchase and sale agreements ("reverse repo") with an original maturity of less than three months	5,801,393	7,127,402
Investment securities, measured at fair value through other comprehensive income	2,467,149	1,114,442
Bank deposits and cash and cash equivalents	1,245,647	431,872
Investment securities, measured at amortised cost	745,545	316,462
	10,259,734	8,990,178

7 Income tax expense

Income tax expense is recognized at an amount determined by multiplying profit before tax for the interim reporting period by a rate equal to management's best estimate of the weighted average annual income tax rate for the entire financial year.

Therefore, the effective tax rate in the interim financial information may differ from management's estimate of the effective tax rate for the annual financial statements.

Calculation of the effective income tax rate:

	Unaudited Six months ended 30 June 2025 KZT'000	%	Unaudited Six months ended 30 June 2024 KZT'000	%
Profit before income tax	17,835,381	100	8,091,049	100
Income tax calculated at the effective tax rate	(3,567,076)	(20)	(1,618,210)	(20)
Non-taxable income on investment securities	641,320	4	286,181	4
Net (non-deductible expense)/non-taxable income on recourse claim	(187,557)	(1)	822,490	10
IFRS 17	2,107,240	12	-	-
Other non-deductible expenses	(7,612)	(0)	(19,913)	(0)
Other non-taxable income	-	-	17,003	0
	(1,013,685)	(6)	(512,449)	(6)

As of 30 June 2025, the Agency had a deferred tax asset, however, the Agency did not recognise in the condensed interim financial information due to the degree of uncertainty about the future use of the tax asset and the level of future tax payments.

8 Cash and cash equivalents

	Unaudited 30 June 2025 KZT'000	31 December 2024 KZT'000
Cash on bank accounts and call deposits		
- rated from BBB- to BBB+	10,627,708	656,784
- rated from BB- to BB+	4,355	2,191,603
- not rated		696
Reverse REPO		-
- rated AA+		-
- rated from BBB- to BBB+	51,327,500	78,685,558
- rated from B- to B+	9,988,985	-
	71,948,548	81,534,641
Credit loss allowance	(45)	(1,460)
Total cash and cash equivalents	71,948,503	81,533,181

Reverse REPO agreements:

	Unaudited 30 June 2025 Fair value KZT'000	Unaudited 30 June 2025 Carrying amount KZT'000
Corporate securities	59,969,276	61,316,485
	59,969,276	61,316,485

	31 December 2024 Fair value KZT'000	31 December 2024 Carrying amount KZT'000
Kazakhstan government securities	24,115,817	24,124,459
Corporate securities	53,673,096	54,561,099
	77,788,913	78,685,558

The credit ratings above are presented in accordance with Standard&Poor's credit agency standards or similar standards of other international agencies.

For calculating allowances for expected credit losses on unrated financial instruments, the Agency applies the credit rating of the Parent company.

As at 30 June 2025 and 31 December 2024, all cash and cash equivalents are allocated to Stage 1 of the credit risk grading.

As of 30 June 2025, the Agency had outstanding balance with 1 issuer (under reverse repurchase agreements), which accounted for more than 10% of equity. The volume of balances for these issuers as of 30 June 2025 amounted to KZT 39,943,144 thousand. As of 31 December 2024, the Agency had no balances in banks, which accounted for more than 10% of its equity.

9 Placements with banks

	Unaudited 30 June 2025 KZT'000	31 December 2024 KZT'000
- rated from BBB- to BBB+	26,951,723	2,236,852
- rated from BB- to BB+	29,352,725	29,857,062
	56,304,448	32,093,914
Credit loss allowance	(122,407)	(90,780)
Total placements with banks	56,182,041	32,003,134

The credit rating is presented in accordance with Standard&Poor's credit agency standards or similar standards of other international agencies.

As at 30 June 2025 and 31 December 2024, all placements with banks are allocated to Stage 1 of the credit risk grading.

As of 30 June 2025, the Agency had outstanding balance with 2 banks, which account for more than 10% of its equity, the volume of balances in these banks as of 30 June 2025 is KZT 37,235,206 thousand. (31 December 2024: 1 bank with balances in the amount of KZT 13,201,528 thousand).

As at 30 June 2025, the annual effective interest rates generated by placement with banks ranged between 1.75% and 16% (31 December 2024: ranged between 7.25% and 14.80%).

10 Investment securities

	Unaudited 30 June 2025 KZT'000	31 December 2024 KZT'000
Measured at fair value through other comprehensive income	41,148,199	45,818,084
Measured at amortised cost	6,873,102	16,074,081
	48,021,301	61,892,165
	Unaudited 30 June 2025 KZT'000	31 December 2024 KZT'000
Measured at fair value through other comprehensive income		
Government bonds of the Republic of Kazakhstan <i>Rated from BBB- to BBB+</i>	26,229,005	30,366,599
Government bonds of foreign countries <i>Rated AA+</i>	303,729	290,348
Total government bonds	26,532,734	30,656,947
Securities of international financial organisations <i>Rated AAA</i>	8,539,970	9,439,787
Total securities of international financial organisations	8,539,970	9,439,787
Corporate bonds of Kazakhstan companies <i>Rated from BBB- to BBB+</i>	47,350	5,721,350
Bonds of Kazakhstan banks <i>Rated from BBB- to BBB+</i>	6,028,145	-
	41,148,199	45,818,084
Corporate bonds of Kazakhstan companies <i>Rated from BBB- to BBB+</i> <i>- not rated</i>	-	10,138,749
Total corporate bonds of Kazakhstan companies	5,397,684	5,482,528
Securities of international financial organisations <i>Rated AAA</i> <i>- not rated</i>	5,397,684	15,621,277
	1,026,718	-
	448,700	452,804
Total securities of international financial organisations	1,475,418	452,804
	6,873,102	16,074,081

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

As at 30 June 2025, annual effective interest rates on investment securities denominated in Tenge ranged from 4.45% to 16.50% per annum (31 December 2024: from 5.49% to 15.25%).

As at 30 June 2025 and 31 December 2024, annual effective interest rates on investment securities denominated in US dollars ranged from 5.02% to 5.72% per annum.

As at 30 June 2025, the annual effective interest rates on investment securities denominated in Canadian dollars were 4.31% per annum (31 December 2024: 5.38%).

As of 30 June 2025, the Agency owned 1 issuer's financial instruments, which account for more than 10% of equity. The volume of balances for these issuers as of 30 June 2025 is Tenge 26,229,005 thousand (31 December 2024: 1 issuer with balances in the amount of Tenge 30,366,598 thousand).

11 Insurance assets and liabilities

Reconciliation of LRC and PAA by GMM and LIC by GMM and PAA as at 30 June 2025 (unaudited) and 31 December 2024:

	Liabilities for remaining coverage under the general measurement model (GMM)		Liabilities for remaining coverage under the premium allocation approach (PAA)		Liabilities for incurred claims under PAA		Total (Unaudited)
	Excluding the loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Liabilities for incurred claims under the GMM	Present value of the future cash flows	
Insurance contract liabilities at 1 January 2025	5,050,162	22,122,958	265,860	-	24,608,944	675,643	5,723,567
Insurance contract assets at 1 January 2025	(3,851,975)	-	(179,871)	-	-	-	(179,871)
Insurance revenue: insurance claims incurred and other incurred insurance service expenses; amortisation of acquisition cash flows changes that relate to services of previous periods	566,621	-	-	-	5,960,806	180,091	6,707,518
Losses under groups of onerous contracts and reversal of such losses	-	(12,000,374)	-	-	(2,982,730)	(105,141)	(3,087,871)
Total insurance service expenses	(566,621)	(12,000,374)	-	-	2,978,076	74,950	(8,380,727)
Insurance service result	(3,285,354)	(12,000,374)	(899,989)	-	2,978,076	74,950	(13,132,691)
Finance expenses or income from insurance contracts issued	(239,962)	1,206,754	-	-	-	-	966,792
Total amounts recognised in comprehensive income	(3,525,316)	(10,793,620)	(899,989)	-	2,978,076	74,950	(12,165,899)
Cash flows for the period: Premiums received under insurance contracts issued (or paid under reinsurance contracts held)	1,290,123	-	741,925	-	-	-	2,032,048
Payments for incurred claims and other insurance service expenses paid under insurance contracts issued (or reimbursed under reinsurance contracts held) except for acquisition cash flows; Acquisition cash flows	(566,621)	-	-	-	(493,777)	49,754	(1,010,644)
Total cash flows	723,502	-	741,925	-	(493,777)	49,754	1,021,404
Insurance contract liabilities at 30 June 2025	2,248,348	11,329,338	305,735	-	27,093,243	800,347	41,777,011
Insurance contract assets at 30 June 2025	-	-	(377,810)	-	-	-	(377,810)

	Liabilities for remaining coverage under the GMM		Liabilities for remaining coverage under the PAA		Liabilities for incurred claims under the GMM		Liabilities for incurred claims under PAA		Total
	Excluding loss component	Loss component	Present value of the future cash flows	Risk adjustment for non-financial risk	Liabilities for incurred claims under the GMM	Present value of the future cash flows	Risk adjustment for non-financial risk		
Insurance contract liabilities as at 1 January 2024	4,828,392	10,485,420	335,131	-	18,488,673	275,780	-	34,413,396	
Insurance contract assets as at 1 January 2024	(56,622)	-	(146,200)	-	-	-	-	(302,822)	
Insurance revenue:	(5,775,106)	-	(1,010,446)	-	-	-	-	(6,785,552)	
Insurance service expenses:									
Incurred claims and other incurred insurance service expenses	994,264	-	-	-	7,840,572	672,402	-	9,507,238	
Amortization of insurance acquisition cash flows	-	-	-	-	(7,256,551)	(502,443)	-	(7,758,994)	
Changes that relate to past service	-	-	-	-	-	-	-	-	
Losses on onerous groups of contracts and reversal of those losses	-	9,338,871	-	-	-	-	-	9,338,871	
Total insurance service expenses	994,264	9,338,871	-	-	584,021	169,959	-	11,087,114	
Finance service result	(4,780,842)	9,338,871	(1,010,446)	-	584,021	169,959	-	4,301,563	
Finance expenses or income from insurance contracts issued	384,825	2,298,667	-	-	-	-	-	2,683,492	
Total amounts recognised in comprehensive income	(4,396,017)	11,637,538	(1,010,446)	-	584,021	169,959	-	6,985,055	
Cash flows for the period:									
Premiums received under insurance contracts issued (or paid under reinsurance contracts held)	5,668,673	-	1,267,246	-	-	-	-	6,935,919	
Payments for incurred claims and other insurance service expenses paid under insurance contracts issued (or reimbursed under reinsurance contracts held) except for acquisition cash flows:	(994,264)	-	-	-	5,536,250	229,904	-	4,771,890	
Acquisition cash flows	-	-	-	-	-	-	-	-	
Acquisition cash flows	4,674,409	-	1,267,246	-	5,536,250	229,904	-	11,707,809	
Insurance contract liabilities as at 31 December 2024	5,050,162	22,122,958	265,860	-	24,608,944	675,643	-	52,723,567	
Insurance contract assets as at 31 December 2024	-	-	(179,871)	-	-	-	-	(179,871)	

Reconciliation of the components of insurance contract valuation at the beginning and end of the reporting period. Liabilities for the remaining portion of insurance contract coverage measured under the PAA model are not included in the reconciliation.

	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Liabilities for incurred insurance losses according to the general assessment model	Total (Unaudited)
2025					
Insurance contract liabilities at the beginning	17,104,127	9,380,952	688,041	24,608,944	51,782,064
Insurance contract assets at the beginning	-	-	-	-	-
Total as at 1 January 2025	17,104,127	9,380,952	688,041	24,608,944	51,782,064
changes that relate to current service:					
CSM recognised in profit or loss for the services provided	-	-	(702,371)	-	(702,371)
Change in the risk adjustment for non-financial risk for the risk expired	(7,098,036)	(3,623,551)	-	-	(3,623,551)
Experience adjustments	(7,098,036)	(3,567,498)	(702,371)	-	(7,041,983)
changes that relate to future services:					
changes in estimates that adjust the margin for services provided for in the contract	(142,866)	(60,507)	203,373	-	-
losses under groups of onerous contracts and reversal of such losses	(3,362,312)	(1,424,029)	-	-	(4,786,341)
contracts initially recognised during the period	417,970	450,548	-	-	868,518
	(3,087,208)	(1,033,988)	203,373	-	(3,917,823)
changes that relate to past service:					
Changes in fulfilment cash flows that relate to incurred insurance claims	-	-	-	2,978,076	2,978,076
Insurance service result	(10,185,244)	(4,601,486)	(498,998)	2,978,076	(12,307,652)
Finance expenses or income from insurance contracts issued	655,540	282,769	28,483	-	966,792
Total amounts recognised in comprehensive income	(9,529,704)	(4,318,717)	(470,515)	2,978,076	(11,340,860)
Other changes	-	-	-	-	-
Cash flows for the period:					
Premiums received under insurance contracts issued (or paid under reinsurance contracts held)	1,290,123	-	-	-	1,290,123
Payments for incurred claims and other insurance service expenses paid under insurance contracts issued (or reimbursed under reinsurance contracts held) except for acquisition cash flows;	(566,621)	-	-	(493,777)	(1,060,398)
Acquisition cash flows	-	-	-	-	-
Total cash flows	723,502	-	-	(493,777)	229,725
Total as at 30 June 2025	8,297,925	5,062,235	217,526	27,093,243	40,670,929
Insurance contract liabilities at the end	8,297,925	5,062,235	217,526	27,093,243	40,670,929
Insurance contract assets at the end	-	-	-	-	-
Total as at 30 June 2025	8,297,925	5,062,235	217,526	27,093,243	40,670,929

	Estimates of the present value of future cash outflows	Risk adjustment for non-financial risk	Contractual service margin	Liabilities for incurred insurance losses according to the general assessment model	Total
	9,515,624	5,187,186	611,002	18,488,673	33,802,485
	(880,118)	428,066	395,430	-	(56,622)
Total balance at 1 January 2024	8,635,506	5,615,252	1,006,432	18,488,673	33,745,863
changes that relate to current service:					
CSM recognised in profit or loss for the services provided	-	-	(1,907,043)	-	(1,907,043)
Change in the risk adjustment for non-financial risk for the risk expired	(7,671,994)	(3,947,656)	-	-	(3,947,656)
Experience adjustments	(7,671,994)	(3,947,656)	(1,907,043)	-	(13,526,693)
Changes that relate to future service:					
Changes in estimates that adjust the CSM	(654,343)	(429,518)	1,083,861	-	-
Losses on onerous groups of contracts and reversal of those losses	8,616,305	5,655,840	-	-	14,272,145
Contracts initially recognised in the period	1,906,052	1,581,683	324,841	-	3,812,576
	9,868,014	6,808,005	1,408,702	-	18,084,721
changes that relate to past service:					
Changes in fulfillment cash flows that relate to incurred insurance claims	-	-	-	584,021	584,021
Insurance service result	2,196,020	2,860,349	(498,340)	584,021	5,142,050
Finance expenses or income from insurance contracts issued	1,598,192	905,350	179,949	-	2,683,491
Total amounts recognised in comprehensive income	3,794,212	3,765,699	(318,391)	584,021	7,825,541
Other changes	-	-	-	-	-
Cash flows for the period:					
Premiums received under insurance contracts issued (or paid under reinsurance contracts held)	5,668,672	-	-	-	5,668,672
Payments for incurred claims and other insurance service expenses paid under insurance contracts issued (or reimbursed under reinsurance contracts held) except for acquisition cash flows	(994,264)	-	-	5,536,250	4,541,986
Acquisition cash flows	-	-	-	-	-
Total cash flows	4,674,408	-	-	5,536,250	10,210,659
Total balance at 31 December 2024	17,104,126	9,380,951	688,041	24,608,944	51,782,062
Insurance contract liabilities at the end	17,104,126	9,380,951	688,041	24,608,944	51,782,062
Insurance contract assets at the end	-	-	-	-	-
Total balance at 31 December 2024	17,104,126	9,380,951	688,041	24,608,944	51,782,062

2024

Insurance contract liabilities as at the beginning
Insurance contract assets as at the beginning

Total balance at 1 January 2024

changes that relate to current service:

CSM recognised in profit or loss for the services provided
Change in the risk adjustment for non-financial risk for the risk expired
Experience adjustments

Changes that relate to future service:

Changes in estimates that adjust the CSM
Losses on onerous groups of contracts and reversal of those losses
Contracts initially recognised in the period

changes that relate to past service:

Changes in fulfillment cash flows that relate to incurred insurance claims
Insurance service result
Finance expenses or income from insurance contracts issued

Total amounts recognised in comprehensive income

Other changes

Cash flows for the period:

Premiums received under insurance contracts issued (or paid under reinsurance contracts held)
Payments for incurred claims and other insurance service expenses paid under insurance contracts issued (or reimbursed under reinsurance contracts held) except for acquisition cash flows
Acquisition cash flows

Total cash flows

Total balance at 31 December 2024

Insurance contract liabilities at the end
Insurance contract assets at the end
Total balance at 31 December 2024

The information on onerous and non-onerous contracts is as follows:

	30 June 2025		31 December 2024			Total (Unaudited)	Total
	Non-onerous contracts acquired	Non-onerous contracts originated	Onerous contracts originated	Non-onerous contracts acquired	Non-onerous contracts originated		
Insurance contracts issued	-	-	-	-	-	-	-
Estimates of the present value of future cash outflows	-	-	-	-	-	-	-
Acquisition cash flows	-	-	-	-	-	-	-
Claims and other directly related expenses	-	1,049,798	1,049,798	-	102,312	4,335,075	4,437,387
Estimates of the present value of future cash outflows	-	1,049,798	1,049,798	-	102,312	4,335,075	4,437,387
Estimates of the present value of future cash inflows	-	(755,105)	(755,105)	-	(458,404)	(2,072,931)	(2,531,335)
Risk adjustment for non-financial risk	-	450,549	450,549	-	31,251	1,550,432	1,581,683
CSM	-	-	-	-	324,841	-	324,841
Increase in insurance contract liabilities from contracts recognised in the period	-	745,241	745,241	-	-	3,812,576	3,812,576

12 Equity

(a) Share capital

KZT'000	Unaudited	Ordinary shares
	Ordinary shares	Ordinary shares
	30 June	31 December
	2025	2024
Authorised shares (ordinary shares)	92,000	92,000
Issued and outstanding shares (ordinary shares)	91,440	91,440
Number of shares	87,300	87,300
Nominal value, KZT'000	266	266
Number of shares	2,780	2,780
Nominal value, KZT'000	5,000	5,000
Number of shares	1,360	1,360
Nominal value, KZT'000	50,000	50,000
Issued and fully paid, KZT'000	105,100,000	105,100,000

(b) Capital management

According to the Rules for the formation of a risk management and internal control system, as well as the formation of liabilities and the performance of actuarial calculations for them for the Export Credit Agency of Kazakhstan approved by the Order of the Minister of Trade and Integration of the Republic of Kazakhstan dated 29 March 2024 No. 160-NK, paragraph 10, in order to control financial stability the Agency, calculates the capital adequacy ratio on a monthly basis.

The capital adequacy ratio is calculated as the ratio of the Agency's equity to the Agency's liabilities and is at least two units.

As at 30 June 2025, the Agency complied with the capital adequacy ratio:

KZT'000	Unaudited	Ordinary shares
	30 June	31 December
	2025	2024
Equity	131,760,853	125,425,051
Liabilities	48,591,774	53,816,321
Capital adequacy ratio	2.71	2.33

(c) Dividends

In accordance with the legislation of the Republic of Kazakhstan, the right of the Agency's shareholders to distribute the Agency's dividends is limited to the amount of retained earnings reflected in the Agency's financial statements prepared in accordance with IFRS, or the amount of net profit for the current year, in case of accumulated loss, if the distribution of net income does not entail the Agency's insolvency or this would result in negative equity of the Agency as a result of the distribution.

During six months ended 30 June 2025 dividends of KZT 6,173,426 thousand or KZT 67,513.41 (unaudited) per share were declared, (during the year ended 31 December 2024: dividends of KZT 3,467,719 thousand tenge or 37,923.44 tenge per share, with total number of shares being 91,440 were declared and paid).

(d) Provision for unexpected risks

Unexpected risk reserve ("URR") is formed to cover possible future risks associated with insurance payments and loss settlement costs, if the reserve of unearned premium ("URR") calculated in accordance with IFRS 4 is insufficient. This reserve is formed monthly if the amount of net insurance payments, expenses on loss adjustment and changes in the loss reserve (excluding the reinsurer's share) exceeds 105% of the difference between net insurance premiums and changes in the ("URR") (excluding the reinsurer's share), if the amount of net insurance premiums under existing insurance contracts for this type of insurance is at least 5% of the total net insurance premiums as of the reporting date.

As of 30 June 2025, the ("URR") was zero, due to the fact that at the reporting date, the amount of net insurance payments, expenses on loss adjustment and changes in the loss reserve (excluding the reinsurer's share), combined with the difference between net insurance premiums and changes in the ("URR") (excluding the reinsurer's share), did not exceed 105% on loans and insurance of other financial losses. In addition, according to the type of "Losses of financial organizations", the share of the net premium from the total premium amount was less than 5%. In this regard, the ("URR") for all types of insurance has not been formed.

(e) Stabilisation reserve

The stabilization reserve is an assessment of the obligations of the insurance company related to the implementation of future insurance payments. The stabilization reserve is calculated separately for each insurance class based on the results of the completed financial year, and does not change until the end of the current financial year. The stabilization reserve on 30 June 2025 amounted to KZT 4,377,215 thousand (31 December 2024: KZT 4,123,978 thousand tenge).

The growth of the stabilization reserve on 30 June 2025 was due to the formation of a stabilization reserve for the class "insurance against other financial losses" in the amount of 122 million tenge, and an increase in the reserve for the class "loan insurance" by 130 million tenge.

(f) Provision for changes in the fair value of securities

The change in the amount of the securities reserve as of 30 June 2025 was due to a revaluation of the portfolio as a result of significant fluctuations in market interest rates and volatility in financial markets, which led to a decrease in the fair value of the bonds.

13 Risk disclosures

Management of risk is fundamental to the business of the Agency and forms an essential element of the Agency's operations. The major risks faced by the Agency are those related to market risk, credit risk and liquidity risk.

(a) Risk management policies and procedures

The Agency's risk management policies aim to identify, analyse, and manage the risks faced by the Agency, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Board of Directors has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The Management Board is responsible for monitoring and implementing risk mitigation measures and ensuring that the Agency operates within established risk parameters. The Head of the Risk Management Department is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing, and reporting both financial and non-financial risks.

Both external and internal risk factors are identified and managed throughout the organisation. Particular attention is given to identifying the full range of risk factors and determining the level of adequacy of the current risk mitigation procedures.

Apart from the standard credit and market risk analysis, the Risk Management Department monitors financial and non-financial risks by holding regular meetings with operational units in order to obtain expert judgments in their respective areas of expertise.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Agency's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk, yield curve risk and other price risks. Market risk arises from open positions in interest rate and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

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

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

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Agency is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event that unexpected movements occur.

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

Interest rate risk is managed principally through monitoring interest rate gaps. Interest gap position for investment securities measured at fair value through other comprehensive income with carrying amount of KZT 3,477,532 thousand (31 December 2024: KZT 3,829,919 thousand) is within the period from to 6 months.

(ii) Currency risk

The Agency has assets and liabilities denominated in several foreign currencies. Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The structure of financial assets and liabilities by currency as at 30 June 2025 may be presented as follows:

Unaudited KZT'000	KZT	USD	RUB	Other	Total
Assets					
Cash and cash equivalents	71,943,829	4,277	397	-	71,948,503
Placements with banks	35,081,900	21,100,141	-	-	56,182,041
Investment securities:					
- measured at fair value through other comprehensive income	40,844,470	-	-	303,729	41,148,199
- at amortised cost	1,026,718	5,846,384	-	-	6,873,102
Insurance contract assets	377,810	-	-	-	377,810
Reinsurance contract assets	402,600	-	-	-	402,600
Total assets	149,677,327	26,950,802	397	303,729	176,932,255
Liabilities					
Insurance contract liabilities	(41,777,011)	-	-	-	(41,777,011)
Reinsurance contract liabilities	(282,417)	-	-	-	(282,417)
Other liabilities	(6,341,527)	-	(281)	-	(6,341,808)
Total liabilities	(48,400,955)	-	(281)	-	(48,401,236)
Net position as at 30 June 2025	101,276,372	26,950,802	116	303,729	128,531,019

The structure of financial assets and liabilities by currency as at 31 December 2024 may be presented as follows:

KZT'000	KZT	USD	RUB	Other	Total
Assets					
Cash and cash equivalents	79,339,105	2,189,880	4,196	-	81,533,181
Placements with banks	13,322,149	18,680,985	-	-	32,003,134
Investment securities:	-	-	-	-	-
- measured at fair value through other comprehensive income	45,527,736	-	-	290,348	45,818,084
- measured at amortised cost	10,138,749	5,935,332	-	-	16,074,081
Insurance contract assets	179,871	-	-	-	179,871
Reinsurance contract assets	1,388,351	-	-	-	1,388,351
Total assets	149,895,961	26,806,197	4,196	290,348	176,996,702
Liabilities					
Insurance contract liabilities	(52,722,522)	-	(1,045)	-	(52,723,567)
Reinsurance contract liabilities	(314,105)	-	-	-	(314,105)
Other liabilities	(321,365)	(26,256)	-	-	(347,621)
Total liabilities	(53,357,992)	(26,256)	(1,045)	-	(53,385,293)
Net position as at 31 December 2024	96,537,969	26,779,941	3,151	290,348	123,611,409

A weakening of the KZT, as indicated below, against the following currencies at 30 June 2025 and 31 December 2024 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Agency considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular, interest rates, remain constant.

KZT'000	Unaudited 30 June	
	2025	2024
30% appreciation of USD (2024: 30%)	8,085,241	8,033,983
30 % appreciation of RUB (2024: 30%)	35	945
10 % appreciation of other currencies (2024: 10%)	30,373	29,035

A strengthening of the KZT against the above currencies at 30 June 2025 and 31 December 2024 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

(iii) Liquidity risk

The estimation of the present value of future contractual cash flows as at 30 June 2025

The estimation of the present value of future contractual cash flows (Unaudited)							
30 June 2025	1 year and less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total as at 30 June 2025
Insurance and reinsurance contract assets	539,382	93,165	41,209	9,439	-	-	683,195
Insurance and reinsurance contract liabilities	(31,438,314)	(3,350,332)	(1,374,152)	(358,749)	(268,806)	(174,460)	(36,964,812)

* - the amounts are indicated taking into account the time value of the money. Discounting is applied based on the assumption that the cash flow will occur in the middle of the period

The estimation of the present value of future contractual cash flows as at 31 December 2024

The estimation of the present value of future contractual cash flows							
31 December 2024	1 year and less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total as at 31 December 2024
Insurance and reinsurance contract assets	667,189	558,827	12,130	-	-	-	1,238,147
Insurance and reinsurance contract liabilities	(29,640,534)	(8,013,424)	(4,881,770)	(1,939,744)	(793,592)	(557,592)	(45,826,654)

14 Contingencies

(a) Litigation

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

(b) Taxation contingencies

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

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

15 Financial assets and liabilities: fair values and accounting classifications

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

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

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

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

(a) Fair value hierarchy

The Agency measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.

- Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

This category includes instruments that are measured based on quoted prices for similar instruments where significant unobservable adjustments or judgements to reflect differences between the instruments are required.

As at 30 June 2025 and 31 December 2024, the fair value of all financial instruments, except for other financial assets and other liabilities, was classified in Level 2.

(b) Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2025 (unaudited):

	Measured at amortised cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Total carrying amount	Fair value
KZT'000					
Cash and cash equivalents	71,948,503	-	-	71,948,503	71,948,503
Placements with banks	56,182,041	-	-	56,182,041	55,921,783
Investment securities:					
- measured at fair value through other comprehensive income	-	41,148,199	-	41,148,199	41,148,199
- measured at amortised cost	6,873,102	-	-	6,873,102	6,861,844
Total assets	135,003,646	41,148,199	-	176,151,845	175,880,329
Other liabilities	(6,341,808)	-	-	(6,341,808)	(6,341,808)
Total financial liabilities	(6,341,808)	-	-	(6,341,808)	(6,341,808)

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2024:

	Measured at amortised cost	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	Total carrying amount	Fair value
KZT'000					
Cash and cash equivalents	81,533,180	-	-	81,533,180	81,533,180
Placements with banks	32,003,135	-	-	32,003,135	31,870,187
Investment securities:					
- measured at fair value through other comprehensive income	-	45,818,084	-	45,818,084	45,818,084
- measured at fair value through profit or loss	-	-	-	-	-
- measured at amortised cost	16,074,081	-	-	16,074,081	16,094,114
Total assets	129,610,396	45,818,084	-	175,428,480	175,315,565
Other financial liabilities	(347,621)	-	-	(347,621)	(347,621)
Total Financial liabilities	(347,621)	-	-	(347,621)	(347,621)

16 Related party transactions

(a) Control relationship

The Agency's parent company is National Management Holding "Baiterek" JSC. The Agency's ultimate shareholder is the Government of the Republic of Kazakhstan.

The Agency's parent company presents the condensed interim financial information available to external users.

(b) Transactions with key management personnel

Total remuneration included in general and administrative expenses for six months ended 30 June 2025 and 2024 is as follows:

KZT'000	Unaudited Six months ended 30 June 2025	Unaudited Six months ended 30 June 2024
Members of the Board of Directors	10,353	10,167
Members of the Management Board	189,503	153,974
	199,856	164,141

(c) Transactions with other related parties

In the first half of the year, an insurance payment was made in the amount of 639,797 thousand tenge under the loan insurance contract to the beneficiary, who is a member of the Baiterek Group.

Other related parties comprise the government companies that are not part of Baiterek Group.

As at 30 June 2025, balances with related parties were:

Unaudited KZT'000	Parent company	Fellow subsidiaries	Other entities, incl. government- related entities	Total
Assets				
Placements with banks	-	23,108,559	-	23,108,559
Investment securities:				
- measured at fair value through other comprehensive income	47,350	6,028,145	26,229,005	32,304,500
- measured at amortised cost	-	-	5,397,684	5,397,684
Current tax asset	-	-	2,299,392	2,299,392
Deferred tax assets	-	-	7,467	7,467
Other assets	-	-	1,340,902	1,340,902
Liabilities				
Insurance contract liabilities	-	4,187	84,436	88,623
Other liabilities	6,173,426	21,456	27,861	6,222,743

As at 31 December 2024, balances with related parties were:

KZT'000	Parent company	Fellow subsidiaries	Other entities, incl. government- related entities	Total
Assets				
Investment securities:				
- measured at fair value through other comprehensive income	54,608	5,666,742	30,366,599	36,087,949
- at amortised cost	10,138,750	-	5,482,527	15,621,277
Current tax asset	-	-	1,020,417	1,020,417
Deferred tax assets	-	-	72,991	72,991
Other assets	-	-	1,495,042	1,495,042
Liabilities				
Insurance contract liabilities	-	12,931	43,218	56,149
Other liabilities	-	21,024	2,110	23,134

The following amounts are included in the condensed interim statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 and 2024:

KZT'000	Unaudited Six months ended 30 June 2025		Unaudited Six months ended 30 June 2024		Other entities, incl. government-related entities		Fellow subsidiaries		Other entities, incl. government-related entities	
	Parent company	Fellow subsidiaries	Parent company	Fellow subsidiaries	Parent company	Fellow subsidiaries	Parent company	Fellow subsidiaries	Parent company	Fellow subsidiaries
Profit	-	10,675	-	48,793	-	-	-	-	-	-
Insurance revenue	-	-	-	-	-	-	-	-	-	-
Insurance service expense	-	-	-	-	-	-	-	-	-	-
Net expenses from reinsurance contracts held	-	-	(5,871)	-	-	-	-	-	-	-
Interest income calculated using the effective interest rate	539,500	525,667	1,708,589	14,835	141,531	14,835	14,835	14,835	14,835	620,566
Impairment losses on financial assets	-	(15,608)	-	(1)	-	(1)	-	(1)	-	-
Administrative expenses	-	(128,551)	(162,907)	(124,871)	-	(124,871)	-	(124,871)	-	(113,632)
Other operating expenses, net	-	-	(54,140)	-	-	-	-	-	-	3,614
Income tax expense	-	-	(1,013,685)	-	-	-	-	-	-	(512,449)

17 Events after the reporting period

On 15 July 2025, the Head of State approved amendments to the current Tax Code of the Republic of Kazakhstan concerning the extension of corporate income tax provisions to the Agency by analogy with insurance and reinsurance organizations. These amendments will enter into force retrospectively, starting from 1 January 2024. The Company is currently assessing the impact of these amendments on its financial results.

On 25 July 2025, the Agency, in accordance with the decision of the Board of JSC National Managing Holding Baiterek No. 20/25 dated 30 April 2025, paid dividends to the Sole Shareholder in full.

