

**Joint Stock Company Affiliated Bank
“Bank of China Kazakhstan”**

Financial statements

*for 2025
together with independent auditor's report*

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Independent auditor's report

To the Shareholder and Board of Directors of
Joint Stock Company Affiliated bank "Bank of China Kazakhstan"

Opinion

We have audited the financial statements of Joint Stock Company Affiliated bank "Bank of China Kazakhstan" (hereinafter, the "Bank"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Republic of Kazakhstan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



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Auditor's responsibilities for the audit of the financial statements

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

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

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



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

Ernst & Young LLP



Mukan Otegen
Auditor / Acting General Director

Auditor Qualification Certificate
№ МФ-0001859 dated 11 August 2021

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

26 May 2026



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

STATEMENT OF FINANCIAL POSITION**As at 31 December 2025***(In thousands of tenge)*

	<i>Note</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
Assets			
Cash and cash equivalents	5	471,401,608	346,588,095
Amounts due from banks and other financial institutions	6	15,426,209	1,025,000
Loans to customers	7	64,790,122	58,576,036
Investment securities	8	25,602,480	68,534,783
Property and equipment and right-of-use assets	9	2,369,931	2,201,548
Intangible assets		77,206	93,993
Deferred corporate income tax assets	10	40,712	28,971
Other assets		127,878	46,029
Total assets		579,836,146	477,094,455
Liabilities			
Amounts due to other banks	11	95,001,083	52,228,866
Other borrowed funds	12	14,474,621	-
Amounts due to customers	13	341,144,013	310,618,631
Lease liabilities		45,931	26,792
Other liabilities	14	966,078	726,764
Total liabilities		451,631,726	363,601,053
Equity			
Share capital	15	5,485,008	5,485,008
Additional paid-in capital		89,144	89,144
Retained earnings		118,796,918	104,085,900
General reserve	15	3,833,350	3,833,350
Total equity		128,204,420	113,493,402
Total liabilities and equity		579,836,146	477,094,455

Signed and authorised for release on behalf of the Management Board of the Bank:




Hou Yuanming

Chairman of the Management Board



Zh.I. Suleimenova

Chief Accountant - Member of the Management Board

26 May 2026

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

(In thousands of tenge)

	<i>Note</i>	<i>2025</i>	<i>2024</i>
Interest revenue calculated using the effective interest method			
Cash and cash equivalents		31,775,927	21,964,922
Amounts due from banks and other financial institutions		12,110	-
Loans to customers		6,854,947	6,334,863
Investment securities		1,474,678	1,896,973
		<u>40,117,662</u>	<u>30,196,758</u>
Interest expense			
Amounts due to other banks and other borrowed funds		(11,637)	(157,612)
Amounts due to customers		(7,512,542)	(4,457,613)
		<u>(7,524,179)</u>	<u>(4,615,225)</u>
Net interest income before credit loss expense		32,593,483	25,581,533
Credit loss expense	19	(289,592)	(52,240)
Net interest income		<u>32,303,891</u>	<u>25,529,293</u>
Net fee and commission income	17	1,559,675	1,282,811
Net gains/(losses) from foreign currencies:			
- dealing		5,400,562	4,407,920
- translation differences		84,798	(299,142)
Other income		29,875	1,974
Non-interest income		<u>7,074,910</u>	<u>5,393,563</u>
Personnel expenses	18	(1,791,209)	(1,556,851)
Other administrative expenses	18	(1,204,215)	(1,131,014)
Depreciation and amortisation		(198,490)	(193,572)
Taxes other than corporate income tax		(227,495)	(161,774)
Non-interest expense		<u>(3,421,409)</u>	<u>(3,043,211)</u>
Profit before corporate income tax expense		35,957,392	27,879,645
Corporate income tax expense	10	(9,887,827)	(5,162,555)
Profit for the year		<u>26,069,565</u>	<u>22,717,090</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>26,069,565</u>	<u>22,717,090</u>

The accompanying notes on pages 5 to 40 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2025***(In thousands of tenge)*

	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Retained earnings</i>	<i>General reserve</i>	<i>Total equity</i>
As at 1 January 2024	5,485,008	89,144	92,571,878	3,833,350	101,979,380
Profit for the year	–	–	22,717,090	–	22,717,090
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income for the year	–	–	22,717,090	–	22,717,090
Dividends declared (<i>Note 15</i>)	–	–	(11,203,068)	–	(11,203,068)
As at 31 December 2024	5,485,008	89,144	104,085,900	3,833,350	113,493,402
Profit for the year	–	–	26,069,565	–	26,069,565
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income for the year	–	–	26,069,565	–	26,069,565
Dividends declared (<i>Note 15</i>)	–	–	(11,358,547)	–	(11,358,547)
As at 31 December 2025	5,485,008	89,144	118,796,918	3,833,350	128,204,420

The accompanying notes on pages 5 to 40 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS**For the year ended 31 December 2025***(In thousands of tenge)*

	<i>Note</i>	<i>2025</i>	<i>2024</i>
Operating activities			
Interest received		41,486,148	31,347,580
Interest paid		(7,588,647)	(4,967,557)
Fees and commissions received		1,665,459	1,354,008
Fees and commissions paid		(88,658)	(76,105)
Net realised gains from foreign currencies		5,400,562	4,407,920
Other expenses paid		107	(302)
Personnel expenses paid		(1,749,562)	(1,542,765)
Other administrative expenses paid		(1,299,546)	(930,197)
Taxes other than corporate income tax paid		(225,728)	(174,691)
Cash flows from operating activities before changes in operating assets and liabilities		37,600,135	29,417,891
<i>Net (increase)/ decrease in operating assets</i>			
Amounts due from banks and other financial institutions		(14,580,136)	–
Loans to customers		(6,811,723)	(9,773,353)
Other assets		67,474	25,300
<i>Net increase/(decrease) in operating liabilities</i>			
Amounts due to other banks		42,878,862	33,389,513
Amounts due to customers		41,995,566	(17,468,767)
Other liabilities		30,080	(27,766)
Net cash flows from operating activities before corporate income tax		101,180,258	35,562,818
Corporate income tax paid		(9,899,568)	(5,167,304)
Net cash from operating activities		91,280,690	30,395,514
Investing activities			
Purchase of property and equipment		(293,148)	(128,168)
Proceeds from sale of property and equipment		33,340	2,550
Purchase of intangible assets		(21,791)	(12,810)
Purchase of investment securities		(26,734,559)	–
Proceeds from redemption of investment securities		67,378,935	–
Net cash from/(used in) investing activities		40,362,777	(138,428)
Financing activities			
Proceeds from other borrowed funds	12	14,587,680	–
Dividends paid to shareholder of the Bank	15	(11,358,547)	(11,203,068)
Payment of principal portion of lease liabilities		(29,603)	(23,809)
Net cash from/(used in) financing activities		3,199,530	(11,226,877)
Effect of expected credit losses on cash and cash equivalents	19	(2,295)	(1,498)
Effect of exchange rates changes on cash and cash equivalents		(10,027,189)	21,472,309
Net increase in cash and cash equivalents		124,813,513	40,501,020
Cash and cash equivalents, beginning		346,588,095	306,087,075
Cash and cash equivalents, ending	5	471,401,608	346,588,095

The accompanying notes on pages 5 to 40 are an integral part of these financial statements.

(In thousands of tenge, unless otherwise indicated)

1. Principal activities

Joint Stock Company Affiliated bank “Bank of China Kazakhstan” (the “Bank”) was established on 19 April 1993 in accordance with laws of the Republic of Kazakhstan. The Bank provides banking services to its retail and corporate clients in the Republic of Kazakhstan. As at 31 December 2025 and 2024, the sole shareholder of the Bank is Bank of China Limited (the “Parent bank”), which is incorporated and operates in the People’s Republic of China (“PRC”). As at 31 December 2025 and 2024, the ultimate controlling party of the Bank is the People’s Republic of China (the “Shareholder”). Details of related parties’ transactions are disclosed in *Note 23*.

The Bank operates under a license for conducting banking and other activities No. 1.1.181 issued by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (the “ARDFM”) on 3 February 2020.

The Bank accepts deposits from the public and legal entities and extends credit, transfers payments in Kazakhstan and abroad, exchanges currencies and provides other banking services to its commercial and retail customers.

Its head office is located in Almaty. The Bank’s registered legal address is 71-b, Zhetysu-2 microdistrict, Auezov district, 050063, Almaty, Republic of Kazakhstan. The Bank has two branches in Astana and Aktobe.

2. Basis of preparation

General

These financial statements have been prepared in accordance with IFRS accounting standards.

The financial statements are prepared under the historical cost convention except as mentioned in Summary of material accounting policies.

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

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

The financial statements were authorised for issue by the management of the Bank on 26 May 2026.

Geopolitical events

As a result of the conflict between the Russian Federation and Ukraine many countries have imposed, and continue to impose, new sanctions on specific Russian entities and individuals. Sanctions have also been imposed on Republic of Belarus.

Volatility in stock and currency markets, restrictions to imports and exports, availability of local materials and services and access to local resources, will directly impact entities that have significant operations or exposures with the Russian Federation, Republic of Belarus or Ukraine. However, the consequence of the current situation may directly or indirectly impact entities other than those with direct interests in the involved in conflict countries.

In order to manage country risk, the Bank controls transactions with counterparties within the limits set by the collegiate body of the Bank, which are reviewed on a regular basis.

Inflation and the current economic environment

The impact of the macroeconomic and geopolitical environment has exacerbated inflationary pressures in almost all economies around the world. High and rising energy prices are having a negative impact on the cost of other goods and services, resulting in significant consumer-price increases in many countries.

Prices of many commodities, including food, remain high. In 2025, according to the Bureau of national statistic inflation in Kazakhstan was 12.3% (in 2024: 8.6%). On 28 November 2025, the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan (the “NBRK”) made a decision to approve the base rate at 18.0% per annum with an interest band of +/-1%.

The management of the Bank continues to assess the effect of the changing economic conditions on its activities, financial position and financial results.

Current inflationary pressures, macroeconomic and geopolitical uncertainty affect the assumptions and estimation uncertainty associated with the measurement of assets and liabilities.

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies

Changes in accounting policies

The Bank applied for the first time certain amendments to standards, which are effective for annual periods beginning on or after 1 January 2025.

- Amendments to IAS 21 - *Lack of exchangeability*.

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

The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

Financial assets and liabilities

Initial recognition

Date of recognition

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

Initial measurement

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

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Financial assets and liabilities (continued)

Initial measurement (continued)

Measurement categories of financial assets and liabilities

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

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

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

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading or the fair value designation is applied.

Amounts due from banks and other financial institutions, loans to customers, investment securities and other financial assets measured at amortised cost

The Bank measures amounts due from banks and other financial institutions, loans to customers, investment securities and other financial assets at amortised cost if both of the following conditions are met:

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

The details of these conditions are outlined below.

Business model assessment

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

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

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

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Financial assets and liabilities (continued)

Initial measurement (continued)

The SPPI test (continued)

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

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

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

Financial guarantees and undrawn loan commitments

The Bank issues financial guarantees and has loan commitments.

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in profit or loss, and an expected credit loss (ECL) provision.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these commitments are in the scope of the ECL requirements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, correspondent accounts and term deposits in the NBRK that mature within three months from origination, correspondent accounts with other banks free from contractual encumbrances.

Borrowings

Borrowings are classified as liabilities, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. Such instruments include amounts due to other banks and amounts due to clients. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when liabilities are derecognised, as well as through the amortisation process.

Offsetting of financial assets and liabilities

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

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

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

Renegotiated loans

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions.

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Renegotiated loans (continued)

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit-impaired (POCI). When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan;
- Change in counterparty;
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Bank records a modification gain or loss, presented within interest revenue calculated using effective interest rate in profit or loss, to the extent that an impairment loss has not already been recorded.

For modifications not resulting in derecognition, the Bank also reassesses whether there has been a significant increase in credit risk or whether the assets should be classified as credit-impaired. Once an asset has been classified as credit-impaired as the result of modification, it will remain in Stage 3 for a minimum 6-month probation period. In order for the restructured loan to be reclassified out of Stage 3, regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period in accordance with the modified payment schedule.

Derecognition of financial assets and liabilities

Financial assets

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

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

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

Write-off

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

Financial liabilities

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

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Leases

Bank as lessee

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

Right-of-use assets

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

Lease liabilities

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

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

Taxation

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

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

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

The Republic of Kazakhstan also has various operating taxes that are assessed on the Bank's activities. These taxes are recorded in the statement of comprehensive income as taxes other than corporate income tax.

Property and equipment

Property and equipment are carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment. Such cost includes the cost of replacing part of equipment when that cost is incurred if the recognition criteria are met.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Property and equipment (continued)

Depreciation of an asset begins when it is available for use. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Computer hardware	4-5
Vehicles	5
Other	<u>4-7</u>

The land has an indefinite useful life and is not amortised.

The assets' residual values, useful lives and methods are reviewed, and adjusted as appropriate, at each financial year-end.

Costs related to repairs and renewals are charged when incurred and included in other administrative expenses, unless they qualify for capitalisation.

Share capital

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

Dividends

Dividends are recognised as liabilities and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue.

Recognition of income and expenses

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

Interest and similar income and expense

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

When a financial asset becomes credit-impaired, the Bank calculates interest revenue by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cure and is no longer credit-impaired, the Bank reverts to calculating interest revenue on a gross basis.

For POCI financial assets, the Bank calculates interest revenue by calculating the credit adjusted effective interest rate and applying that rate to the amortised cost of the financial asset. The credit-adjusted effective interest rate is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Fee and commission income

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

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Fee and commission income (continued)

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

Fee and commission income obtained for rendering the services during a certain period of time are accrued during this period. These fees include commission income for agency services, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan.

Fee and commission income from providing transaction services

Fees and commission income arising from settlement transactions, transactions with cash and other services are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria. When the contract provides for a variable consideration, fee and commission income is only recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur until the uncertainty associated with the variable consideration is subsequently resolved.

Foreign currency translation

The financial statements are presented in tenge, which is the Bank’s functional and presentation currency. Transactions in foreign currencies are initially translated into functional currency at the official exchange rate at the date of the transaction established by the Kazakhstan Stock Exchange (hereinafter – the “KASE”) and published by the NBRK. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Gains and losses resulting from the translation of foreign currency transactions are recognised in profit or loss as net gains from foreign currencies - translation differences. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the official exchange rates at the date when the fair value was determined.

Difference between the contractual exchange rate of transactions in a foreign currency and the exchange rate established by KASE on the date of such transactions are included in net gains from dealing in foreign currencies. The official exchange rate established by KASE as at 31 December 2025 were KZT 505.53 to USD 1 and KZT 72.33 to Chinese Yuan 1 (as at 31 December 2024: KZT 525.11 to USD 1 and KZT 71.94 to Chinese Yuan 1), respectively.

Standards issued but not yet effective

The new standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank’s financial statements are disclosed below. The Bank plans to adopt these new standards, amendments and interpretations if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories (whereof the first three are new): operating, investing, financing, income taxes and discontinued operations.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

(In thousands of tenge, unless otherwise indicated)

3. Summary of material accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments;
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income.

These amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, specifically for amendments related to the classification of financial assets and related disclosures. At the moment, the Bank is assessing the impact of the amendments.

Below listed standards and amendments to the standards which are not expected to have a material impact on the financial statements of the Bank:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.

4. Significant accounting judgements and estimates

Estimation uncertainty

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

Expected credit losses on financial assets

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

Elements of the ECL models that are considered accounting judgements and estimates include:

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

(In thousands of tenge, unless otherwise indicated)

4. Significant accounting judgements and estimates (continued)

Taxation

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

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

5. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Cash on hand	950,887	1,063,072
Cash with the NBRK rated at BBB-		
- Correspondent accounts	144,315,835	87,155,756
- Term deposits placed up to three months	276,217,560	241,968,021
Cash on correspondent accounts in other banks		
- rated at A+	26,302,243	3,692,609
- rated at A	23,375,036	12,456,019
- rated at BBB	206,866	230,392
- not rated	39,889	26,813
	<u>471,408,316</u>	<u>346,592,682</u>
Less: ECL allowance	(6,708)	(4,587)
Total cash and cash equivalents	<u>471,401,608</u>	<u>346,588,095</u>

The credit ratings indicated in the table above are presented by reference to the credit ratings of Standard & Poor’s credit rating agency or analogues of similar international agencies.

As at 31 December 2025 and 2024 amounts on correspondent accounts in other banks with not rated represent amounts held with Joint-Stock Commercial Bank “Bank of China” (Russia).

Minimum reserve requirements

Under Kazakh legislation, the Bank is required to maintain obligatory reserves, which are computed as a percentage of certain liabilities of the Bank. Such reserves must be held in tenge on the correspondent accounts with the NBRK or cash on hand computed based on average balances of the aggregate of cash balances on current account with the NBRK or cash on hand during the period of reserve creation. As at 31 December 2025 and 2024, the Bank’s reserve assets amounted to KZT 36,140,138 thousand and KZT 10,305,803 thousand, respectively.

All balances of cash equivalents are allocated to Stage 1 for ECL measurement purposes. An analysis of changes in the ECL allowance during 2025 and 2024 is as follows:

	<i>2025</i>	<i>2024</i>
ECL allowance as at 1 January	(4,587)	(2,491)
Net change in ECL (<i>Note 19</i>)	(2,295)	(1,498)
Foreign exchange differences	174	(598)
As at 31 December	<u>(6,708)</u>	<u>(4,587)</u>

*(In thousands of tenge, unless otherwise indicated)***6. Amounts due from banks and other financial institutions**

Amounts due from banks and other financial institutions comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Amounts due from banks		
- rated at BBB	14,420,151	-
Amounts due from other financial institutions		
- KASE participant's deposit provided as collateral, not rated	1,000,000	1,000,000
- Guarantee fee for a KASE participant, not rated	25,000	25,000
	<u>15,445,151</u>	<u>1,025,000</u>
Less: ECL allowance	(18,942)	-
Total amounts due from banks and other financial institutions	<u>15,426,209</u>	<u>1,025,000</u>

In December 2025, the Bank provided a loan to a second-tier Kazakhstan bank in the amount of CNY 200,000 thousand, equivalent to KZT 14,588,000 thousand, with a maturity date until December 2028 and an interest rate of 2.99% per annum.

KASE does not have a credit rating, as it is the organizer of securities trading on the stock exchange. The NBRK is the majority shareholder of KASE, which owns about 47% of all KASE shares. The deposit was placed to participate in trading on the KASE. n

All balances with banks and other financial institutions have been classified as Stage 1 for the purposes of assessing expected credit losses (ECL). The analysis of movements in ECL allowances for 2025 and 2024 is presented below:

	<i>2025</i>	<i>2024</i>
ECL allowance as at 1 January	-	-
Net change in ECL (<i>Note 19</i>)	(18,829)	-
Foreign exchange differences	(113)	-
As at 31 December	<u>(18,942)</u>	<u>-</u>

7. Loans to customers

Loans to customers comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Large businesses lending	54,039,210	55,103,976
Medium and small businesses lending	10,920,619	3,565,682
Gross loans to customers at amortised cost	<u>64,959,829</u>	<u>58,669,658</u>
Less: ECL allowance	(169,707)	(93,622)
Total loans to customers	<u>64,790,122</u>	<u>58,576,036</u>

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****ECL allowance of loans to customers**

An analysis of changes in gross carrying value and corresponding ECL allowance in relation to large businesses lending for the year ended 31 December 2025 is as follows:

<i>Large businesses lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying value as at 1 January 2025	55,103,976	–	–	55,103,976
New assets originated	42,598,873	–	–	42,598,873
Assets repaid	(43,025,787)	–	–	(43,025,787)
Foreign exchange differences	(637,852)	–	–	(637,852)
As at 31 December 2025	54,039,210	–	–	54,039,210
ECL allowance as at 1 January 2025	(89,633)	–	–	(89,633)
New assets originated	(30,105)	–	–	(30,105)
Assets repaid	37,192	–	–	37,192
Impact on ECL at the end of the period as a result of changes in inputs used to measure ECL during the period	44,190	–	–	44,190
Foreign exchange differences	(447)	–	–	(447)
As at 31 December 2025	(38,803)	–	–	(38,803)

An analysis of changes in gross carrying value and corresponding ECL allowance in relation to medium and small businesses lending for the year ended 31 December 2025 is as follows:

<i>Medium and small businesses lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying value as at 1 January 2025	3,565,682	–	–	3,565,682
New assets originated	8,126,069	–	–	8,126,069
Assets repaid	(555,515)	–	–	(555,515)
Foreign exchange differences	(215,617)	–	–	(215,617)
As at 31 December 2025	10,920,619	–	–	10,920,619
ECL allowance as at 1 January 2025	(3,989)	–	–	(3,989)
New assets originated	(127,251)	–	–	(127,251)
Assets repaid	85	–	–	85
Impact on ECL at the end of the period as a result of changes in inputs used to measure ECL during the period	251	–	–	251
As at 31 December 2025	(130,904)	–	–	(130,904)

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****ECL allowance of loans to customers (continued)**

An analysis of changes in gross carrying value and corresponding ECL allowance in relation to large businesses lending for the year ended 31 December 2024 is as follows:

<i>Large businesses lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying value as at 1 January 2024	33,026,259	–	–	33,026,259
New assets originated	39,177,932	–	–	39,177,932
Assets repaid	(31,574,324)	–	–	(31,574,324)
Foreign exchange differences	2,421,806	–	–	2,421,806
Change in classification of borrowers	12,052,303	–	–	12,052,303
As at 31 December 2024	55,103,976	–	–	55,103,976
ECL allowance as at 1 January 2024	(18,624)	–	–	(18,624)
New assets originated	(75,481)	–	–	(75,481)
Assets repaid	18,153	–	–	18,153
Impact on ECL at the end of the period as a result of changes in inputs used to measure ECL during the period	(679)	–	–	(679)
Foreign exchange differences	(9,133)	–	–	(9,133)
Change in classification of borrowers	(3,869)	–	–	(3,869)
As at 31 December 2024	(89,633)	–	–	(89,633)

An analysis of changes in gross carrying value and corresponding ECL allowance in relation to medium and small businesses lending for the year ended 31 December 2024 is as follows:

<i>Medium and small businesses lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying value as at 1 January 2024	13,671,709	–	–	13,671,709
New assets originated	10,999,263	–	–	10,999,263
Assets repaid	(9,052,987)	–	–	(9,052,987)
Change in classification of borrowers	(12,052,303)	–	–	(12,052,303)
As at 31 December 2024	3,565,682	–	–	3,565,682
ECL allowance as at 1 January 2024	(5,979)	–	–	(5,979)
New assets originated	(6,510)	–	–	(6,510)
Assets repaid	3,392	–	–	3,392
Impact on ECL at the end of the period as a result of changes in inputs used to measure ECL during the period	1,239	–	–	1,239
Change in classification of borrowers	3,869	–	–	3,869
As at 31 December 2024	(3,989)	–	–	(3,989)

As at 31 December 2025 and 2024, loans to customers were not overdue.

Concentration of loans to customers

As at 31 December 2025, the Bank had a concentration of loans represented by KZT 32,011,140 thousand issued by the Bank to two largest independent borrowers or 49% of the total gross value of loans to customers (as at 31 December 2024: KZT 22,060,262 thousand or 38% of the total gross value of loans to customers). As at 31 December 2025, ECL allowance of KZT 8,744 thousand was recognised against these loans (as at 31 December 2024: KZT 18,692 thousand).

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****Concentration of loans to customers (continued)**

Loans are mainly extended to the customers in the Kazakhstan in the following industry sectors:

	<i>2025</i>	<i>2024</i>
Financial services	19,624,953	15,054,697
Communication	15,383,957	6,216,275
Production	9,819,930	4,150,278
Mining industry	8,091,375	7,881,392
Trade of oil and gas products	5,552,501	8,055,972
Oil and gas industry	3,043,134	5,237,907
Pipeline transport	1,751,178	9,993,161
Transport	1,523,094	1,986,354
Total loans to customers	64,790,122	58,576,036

Collateral and other credit enhancements

The amount and type of collateral required by the Bank depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

- For lending to legal entities – collateral of residential and commercial premises, rights of claims, guarantees;
- For retail lending – collateral of residential premises.

The Bank monitors the market value of collateral obtained during its review of the adequacy of the allowance for expected credit losses.

As at 31 December 2025 and 2024, there are no Stage 3 customers requiring collateral or other credit enhancements for ECL allowance on loans to customers.

8. Investment securities

Investment securities comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
<i>Debt securities measured at amortised cost</i>		
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan rated at BBB-	25,626,499	68,570,896
	25,626,499	68,570,896
Less: ECL allowance	(24,019)	(36,113)
Total investment securities	25,602,480	68,534,783

The credit ratings indicated in the table above are presented by reference to the credit ratings of Standard & Poor's credit rating agency or analogues of similar international agencies.

At 31 December 2025 and 2024, debt securities measured at amortised cost are unsecured.

All debt securities at amortised cost are allocated to Stage 1 for ECL measurement purposes. An analysis of changes in ECL allowance in relation to debt securities at amortised cost is as follows:

	<i>2025</i>	<i>2024</i>
ECL allowance as at 1 January	(36,113)	(43,472)
Net change in ECL (<i>Note 19</i>)	9,353	14,727
Foreign exchange differences	2,741	(7,368)
As at 31 December	(24,019)	(36,113)

(In thousands of tenge, unless otherwise indicated)

9. Property and equipment and right-of-use assets

Movement of property and equipment and right-of-use assets in 2025 and 2024 is presented as follows:

	<i>Land</i>	<i>Buildings</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Other</i>	<i>Right-of-use assets</i>	<i>Total</i>
Cost							
As at 1 January 2024	75,189	2,574,933	336,137	75,427	231,727	45,934	3,339,347
Additions	–	–	92,439	–	34,956	–	127,395
Disposals	–	–	–	(5,693)	–	–	(5,693)
As at 31 December 2024	75,189	2,574,933	428,576	69,734	266,683	45,934	3,461,049
Additions	–	–	59,549	27,990	194,537	59,579	341,655
Disposals	–	–	(47,204)	(57,168)	(20,300)	(45,934)	(170,606)
As at 31 December 2025	75,189	2,574,933	440,921	40,556	440,920	59,579	3,632,098
Accumulated depreciation							
As at 1 January 2024	–	(658,384)	(223,191)	(69,373)	(161,871)	–	(1,112,819)
Depreciation charge	–	(51,499)	(49,529)	(6,054)	(22,326)	(22,967)	(152,375)
Disposals	–	–	–	5,693	–	–	5,693
As at 31 December 2024	–	(709,883)	(272,720)	(69,734)	(184,197)	(22,967)	(1,259,501)
Depreciation charge	–	(51,498)	(55,219)	–	(28,694)	(26,378)	(161,789)
Disposals	–	–	47,204	57,168	20,300	34,451	159,123
As at 31 December 2025	–	(761,381)	(280,735)	(12,566)	(192,591)	(14,894)	(1,262,167)
Net book value							
As at 1 January 2024	75,189	1,916,549	112,946	6,054	69,856	45,934	2,226,528
As at 31 December 2024	75,189	1,865,050	155,856	–	82,486	22,967	2,201,548
As at 31 December 2025	75,189	1,813,552	160,186	27,990	248,329	44,685	2,369,931

As at 31 December 2025, the cost of fully depreciated property and equipment in use of the Bank amounted to KZT 453,570 thousand (as at 31 December 2024: KZT 380,570 thousand).

Right-of-use assets are represented by the right to use office premises.

10. Taxation

The corporate income tax expense comprise the following:

	<i>2025</i>	<i>2024</i>
Current corporate income tax charge	9,899,568	5,167,304
Deferred corporate income tax credit - origination and reversal of temporary differences	(11,741)	(4,749)
Corporate income tax expense	9,887,827	5,162,555

The Republic of Kazakhstan is the only tax jurisdiction in which the Bank's income is taxable. In accordance with tax legislation the applied corporate income tax rate is 20% in 2025 and 2024.

(In thousands of tenge, unless otherwise indicated)

10. Taxation (continued)

The reconciliation between the corporate income tax expense in the accompanying financial statements and profit before corporate income tax multiplied by the statutory tax rate for the years, ended 31 December, is as follows:

	2025	2024
Profit before corporate income tax expense	35,957,392	27,879,645
Statutory tax rate	20%	20%
Theoretical corporate income tax expense at the statutory rate	7,191,478	5,575,929
Non-taxable income on state securities and securities officially listed on KASE	(294,936)	(379,395)
Gains on financial instruments taxed at the increased rate	2,995,307	–
Other non-taxable income	(4,022)	(33,979)
Corporate income tax expense	9,887,827	5,162,555

On 18 July 2025, the President of the Republic of Kazakhstan signed the Law “On Amendments and Supplements to Certain Legislative Acts of the Republic of Kazakhstan on Taxation”, and amended the Tax Code of the Republic of Kazakhstan. In accordance with the new provisions of the Tax Code, an additional corporate income tax rate of 10% was established on the following types of income earned in 2025:

- Capital gains from government-issued securities (net of losses from disposal of government-issued securities);
- Income from foreign exchange and interest rate swap transactions concluded for a term of up to one year (net of losses from foreign exchange and interest rate swap transactions concluded for a term of up to one year), as determined in accordance with Article 279 of the Tax Code;
- Interest income on repurchase (repo) transactions concluded for a term of up to one year (net of interest expense on repurchase transactions concluded for a term of up to one year);
- Interest income on government-issued securities;
- Interest income on deposits placed with the National Bank of Kazakhstan for a term of up to one year.

The Bank assessed the impact of these amendments on its current income tax liabilities for the year ended 31 December 2025 and recognised the corresponding adjustments in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities

Temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the amounts used for the purposes of calculation of taxable base, give rise to net deferred tax assets and liabilities as at 31 December 2025 and 2024. The future tax benefits will only be received in the event that there are no changes in the legislation of Kazakhstan that would adversely affect the Bank’s ability to utilise such benefits in future periods.

On 18 July 2025, the President of the Republic of Kazakhstan signed the Law “On Amendments and Supplements to Certain Legislative Acts of the Republic of Kazakhstan on Taxation” and amended the Tax Code of the Republic of Kazakhstan. In accordance with the new provisions of the Tax Code, effective 1 January 2026, the corporate income tax rate for second-tier banks will be 20% for income from lending to businesses and 25% for income from other activities. The value-added tax exemption for banking financial transactions and some exemptions for reducing taxable income based on the amount of income from remuneration and capital gains on government securities officially listed on KASE will also be cancelled. The VAT rate has been increased to 16%.

As at 31 December 2025 the Bank estimated the effect of the changes in the Tax legislation on its deferred tax assets and liabilities and recorded the result of the corresponding adjustments in the statement of comprehensive income. The Bank continues to assess the impact of the changes to tax legislation.

*(In thousands of tenge, unless otherwise indicated)***10. Taxation (continued)****Deferred tax assets and deferred tax liabilities(continued)**

Deferred corporate income tax assets and liabilities as at 31 December and their movements for the respective years comprise:

	<i>Origination and reversal of temporary differences in</i>		<i>Origination and reversal of temporary differences in</i>		
	<i>2023</i>	<i>profit or loss</i>	<i>2024</i>	<i>profit or loss</i>	<i>2025</i>
Tax effect of temporary differences					
Accrued administrative expenses	47,904	1,190	49,094	22,654	71,748
Deferred corporate income tax assets	47,904	1,190	49,094	22,654	71,748
Property and equipment and intangible assets	(23,682)	3,559	(20,123)	(10,913)	(31,036)
Deferred corporate income tax liabilities	(23,682)	3,559	(20,123)	(10,913)	(31,036)
Net deferred corporate income tax assets	24,222	4,749	28,971	11,741	40,712

11. Amounts due to other banks

As at 31 December 2025 and 2024, current accounts comprise cash placed by the Parent bank and companies under common control of the Parent bank in the total amount of KZT 19,567,112 thousand and KZT 9,938,601 thousand, respectively (*Note 23*).

As at 31 December 2025, the Bank had two banks (as at 31 December 2024: one bank), which balances exceed 10% of equity. As at 31 December 2025, the carrying value of these balances is KZT 49,141,657 thousand or 52% of the total amounts due to other banks (as at 31 December 2024: KZT 17,041,368 thousand or 33%).

12. Other borrowed funds

As at 31 December 2025, other borrowed funds comprised a loan obtained from the Parent bank Macau branch in the amount of KZT 14,474,621 thousand, denominated in Chinese Yuan, with a maturity date of 18 December 2026 and a nominal interest rate of 1.65% per annum. The loan is repayable at maturity (*Note 23*).

Movements in liabilities arising from financing activities

	<u>2025</u>
As at 1 January	–
Proceeds from other borrowed funds	14,587,680
Foreign exchange differences	(121,360)
Changes in accrued interest	8,301
As at 31 December	<u>14,474,621</u>

*(In thousands of tenge, unless otherwise indicated)***13. Amounts due to customers**

Amounts due to customers comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Current accounts and on demand accounts		
Corporate customers	193,850,598	158,153,154
Individuals	2,417,044	3,947,317
	<u>196,267,642</u>	<u>162,100,471</u>
Time deposits		
Corporate customers	144,852,850	148,492,230
Individuals	23,521	25,930
	<u>144,876,371</u>	<u>148,518,160</u>
Total amounts due to customers	<u>341,144,013</u>	<u>310,618,631</u>
Held as collateral against guarantees issued		
Corporate customers	840,256	726,259
Total amounts due to customers held as collateral against guarantees (Note 16)	<u>840,256</u>	<u>726,259</u>

As at 31 December 2025, the Bank had ten largest customers, which accounted for 69% of the total amounts due to customers (as at 31 December 2024: 70%). The total aggregate amount due to such customers as at 31 December 2025 was KZT 236,800,830 thousand (as at 31 December 2024: KZT 217,785,242 thousand).

In accordance with the Civil Code of the Republic of Kazakhstan, the Bank is obliged to repay such deposits upon demand of a depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, interest on deposit is paid in the amount determined in accordance with terms of bank deposit agreement between the depositor and the Bank.

An analysis of customer accounts by economic sector follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Oil and gas industry	152,586,884	167,217,925
Construction	75,488,344	29,074,973
Trade	37,115,699	9,343,984
Manufacturing	34,112,774	13,302,610
Transport and communication	20,766,794	51,698,709
Consumer services	9,227,909	23,619,017
Mining industry	6,987,681	11,364,870
Individuals	2,440,565	3,973,247
Other	2,417,363	1,023,296
Total amounts due to customers	<u>341,144,013</u>	<u>310,618,631</u>

(In thousands of tenge, unless otherwise indicated)

14. Other liabilities

Other liabilities comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Other financial liabilities		
Accrued administrative, fee and commission expenses	408,300	433,562
ECL allowance on credit related commitments (<i>Note 16</i>)	208,748	7,515
Commissions received on guarantees issued	13,470	1,934
Other financial liabilities	303	–
	630,821	443,011
Other non-financial liabilities		
Accrued expenses on employee benefits	222,713	195,467
Prepayment for agency services	72,123	67,292
Taxes payable, other than corporate income tax	17,577	19,180
Other non-financial liabilities	22,844	1,814
	335,257	283,753
Total other liabilities	966,078	726,764

15. Equity

Share capital

As at 31 December 2025 and 2024 authorised and outstanding common shares in the amount of 5,150 pieces were fully paid by the Parent bank at placement value of KZT 1,065,050 per one common share. As at 31 December 2025 and 2024, all issued shares are owned by the Parent bank. Each common share is entitled to one vote and shares rank equally for dividends.

Dividends

In accordance with the decision of the shareholder of the Bank held on 30 June 2025, the Bank declared and paid dividends in cash in the amount of KZT 11,358,547 thousand or KZT 2,205,543 per 1 common share for 2024.

In accordance with the decision of the shareholder of the Bank held on 25 June 2024, the Bank declared and paid dividends in cash in the amount of KZT 11,203,068 thousand or KZT 2,175,353 per 1 common share for 2023.

General reserve

As at 31 December 2025 and 2024, the amount of general banking reserve to cover unforeseen risks and future losses is KZT 3,833,350 thousand. The funds from the general banking reserve could be allocated only upon the Parent bank’s official authorisation.

16. Commitments and contingencies

Political and economic environment

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

In 2025, the volatility of world crude oil prices and tenge exchange rate against major global currencies continued to negatively affect the Kazakhstan economy. Interest rates of attracting funds in tenge remain high. Combination of these factors resulted in limited access to capital, a high cost of capital and increased uncertainty regarding further economic growth, which could negatively affect the Bank’s future financial position, results of operations and business prospects.

The management of the Bank believes that its taking appropriate measures to support the sustainability of the Bank’s business in the current circumstances.

(In thousands of tenge, unless otherwise indicated)

16. Commitments and contingencies (continued)

Taxation

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

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

Legal matters

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

Commitments and contingencies

At 31 December 2025 and 2024 the Bank’s financial commitments and contingencies comprised the following:

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Credit related commitments		
Guarantees issued	55,168,241	23,338,228
Undrawn loan commitments	30,841,155	15,975,000
	<u>86,009,396</u>	<u>39,313,228</u>
Less: ECL allowance on credit related commitments (<i>Note 14</i>)	(208,748)	(7,515)
Less: amounts held as security against guarantees (<i>Note 13</i>)	(840,256)	(726,259)
Commitments and contingencies	<u>84,960,392</u>	<u>38,579,454</u>

The total outstanding contractual amount of commitments on undrawn loans and guarantees does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded. The Bank requires collateral to support credit-related financial instruments when it is deemed necessary.

Financial guarantees and undrawn loan commitments are allocated to Stage 1 for ECL measurement purposes.

An analysis of changes in ECL allowances for 2025 and 2024 is as follows:

<i>Financial guarantees</i>	<i>2025</i>	<i>2024</i>
ECL allowance as at 1 January	(791)	(301)
Net change in ECL (<i>Note 19</i>)	(752)	(490)
As at 31 December	<u>(1,543)</u>	<u>(791)</u>
<i>Undrawn loan commitments</i>	<i>2025</i>	<i>2024</i>
ECL allowance as at 1 January	(6,724)	(1,197)
Net change in ECL (<i>Note 19</i>)	(201,431)	(5,093)
Foreign exchange differences	950	(434)
As at 31 December	<u>(207,205)</u>	<u>(6,724)</u>

*(In thousands of tenge, unless otherwise indicated)***17. Net fee and commission income**

Fee and commission income and expenses for the years ended 31 December comprised the following:

	<u>2025</u>	<u>2024</u>
Guarantees and letters of credits	494,917	386,292
Settlement operations	471,729	415,425
Agency services	414,875	488,552
Maintenance of customers' bank accounts	30,966	30,732
Cash operations	9,364	9,370
Other	227,057	30,045
Fee and commission income	1,648,908	1,360,416
Payment of membership fees	(36,536)	(36,916)
Brokerage services	(27,818)	(19,740)
Settlement operations	(24,774)	(20,906)
Other	(105)	(43)
Fee and commission expenses	(89,233)	(77,605)
Net fee and commission income	1,559,675	1,282,811

The Bank provides agency services for the administration of loans issued to residents of the Republic of Kazakhstan by the Parent bank. In this connection, the respective loans are not recognised as the Bank's assets in the statement of financial position. As at 31 December 2025, such loans amounted to KZT 44,486,640 thousand (as at 31 December 2024: KZT 62,631,302 thousand).

Revenue from contracts with customers

The Bank's revenue from contracts with customers is mostly represented by fee and commission income. Revenue from contracts with customers recognised in profit or loss for the years ended 31 December 2025 and 2024 amounted to KZT 1,648,908 thousand and KZT 1,360,416 thousand, respectively.

As at 31 December 2025 and 2024, the Bank recognised contract liabilities related to contracts with customers in the amount of KZT 85,593 thousand and KZT 69,226 thousand, respectively, in the statement of financial position within other liabilities. As at 31 December 2025, these liabilities are represented by commissions received on guarantees in the amount of KZT 13,470 thousand (as at 31 December 2024: KZT 1,934 thousand) and agency services in the amount of KZT 72,123 thousand (as at 31 December 2024: KZT 67,292 thousand) (*Note 1+*), which are recognised in profit or loss on a straight-line basis at the time of fulfilment of the obligation.

The Bank usually collects fees and commissions in advance of completion of the underlying transaction or shortly thereafter (for contracts where performance obligation is satisfied point in time, such as settlement and cash transactions).

18. Personnel and other administrative expenses

Personnel and other administrative expenses for the years ended 31 December, comprise:

	<u>2025</u>	<u>2024</u>
Salaries and bonuses	1,580,201	1,396,265
Social security contributions	211,008	160,586
Personnel expenses	1,791,209	1,556,851
Information services	756,113	654,865
Professional services	105,516	115,234
Security	80,465	71,149
Repair and maintenance of property and equipment	77,554	106,817
Business trip expenses	47,008	51,099
Household expenses	44,884	48,052
Representation expenses	23,024	28,234
Rent expenses	10,541	10,697
Deposits guarantee insurance costs	8,416	4,439
Transportation expenses	5,911	5,736
Cash collection	1,406	1,519
Other	43,377	33,173
Other administrative expenses	1,204,215	1,131,014

For the year ended 31 December 2025 amount of audit fees charged to the Bank by all EY member firms amounted to KZT 22,209 thousand, exclusive of VAT. In 2025, no non-audit services were provided by EY member firms.

(In thousands of tenge, unless otherwise indicated)

19. Credit loss expense

The table below shows the ECL charges on financial instruments recognised in profit or loss for the year ended 31 December 2025:

	<i>Note</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Cash and cash equivalents	5	(2,295)	–	–	(2,295)
Amounts due from banks and other financial institutions	6	(18,829)	–	–	(18,829)
Loans to customers	7	(75,638)	–	–	(75,638)
Investment securities	8	9,353	–	–	9,353
Financial guarantees	16	(752)	–	–	(752)
Undrawn loan commitments	16	(201,431)	–	–	(201,431)
Total credit loss expense		(289,592)	–	–	(289,592)

The table below shows the ECL charges on financial instruments recognised in profit or loss for the year ended 31 December 2024:

	<i>Note</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Cash and cash equivalents	5	(1,498)	–	–	(1,498)
Loans to customers	7	(59,886)	–	–	(59,886)
Investment securities	8	14,727	–	–	14,727
Financial guarantees	16	(490)	–	–	(490)
Undrawn loan commitments	16	(5,093)	–	–	(5,093)
Total credit loss expense		(52,240)	–	–	(52,240)

20. Risk management

Introduction

Risk is inherent in the Bank’s activities. The Bank manages these risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank’s continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. It is also subject to operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Bank’s strategic planning process.

Risk management structure

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

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

Management Board

The Management Board has the responsibility to monitor the overall risk process within the Bank.

The Risk and Internal Controls Committee of the Board of Directors of the Bank

The Risk and Internal Controls Committee of the Board of Directors of the Bank has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions.

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)

Introduction (continued)

Risk Management

The Risk Management Unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process.

The Risk Management Unit is responsible for monitoring compliance with risk principles, policies and limits, across the Bank, for the independent control of risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This unit also ensures the complete capture of the risks in risk measurement and reporting systems.

Assets and Liabilities Management Committee

Assets and Liabilities Management Committee of the Bank is responsible for managing the Bank’s assets and liabilities and the overall financial structure. Treasury and Yuan Trade Development Department is also primarily responsible for the liquidity and funding risks of the Bank.

Internal audit

Risk management processes throughout the Bank are audited annually by the internal audit department that examines both the adequacy of the procedures and the Bank’s compliance with the procedures. Internal Audit department discusses the results of all assessments with management, and reports its findings and recommendations to the Internal Audit Committee under the Board of Directors of the Bank.

Risk measurement and reporting systems

The Bank’s risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks are primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected industries. In addition, the Bank monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Management Board and the head of each business division. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, liquidity ratios and risk profile changes. On a monthly basis detailed reporting of industry and customer risks takes place.

Excessive risk concentration

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

In order to avoid excessive concentrations of risks, the Bank’s policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk

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

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)

Credit risk (continued)

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Credit-related commitments risks

The Bank makes available to its customers guarantees/letters of credit, which may require that the Bank make payments on their behalf. Such payments are collected from customers based on the terms of the guarantee/letter of credit. They expose the Bank to risks similar to loans and these are mitigated by the same control processes and policies.

The carrying amount of components of the statement of financial position without the influence of risk mitigation through the use of master netting agreements and collateral agreements, most accurately reflects the maximum credit exposure on these components.

For more detail on the maximum exposure to credit risk for each class of financial instrument, references shall be made to the specific notes.

Impairment assessment

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

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

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

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Bank groups its loans as described below:

Stage 1:	When loans are first recognised, the Bank recognises an allowance based on 12m ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3:	Loans considered credit-impaired. The Bank recognises an allowance for the LTECL.

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)

Credit risk (continued)

Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 60 days past due on its contractual payments. The Bank considers amounts due from banks defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

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

- Internal rating of the borrower indicating default or near-default;
- The loan restructuring due to financial difficulties of the borrower one or more times in the last 12 (twelve) months;
- The borrower is deceased;
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application or declaring bankruptcy.

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 after a repayment period for at least 12 consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Loss given default

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

In determining LGD, the Bank consider the type of financial instrument, collateral value, applicable discounts, liquidity ratios, expected terms of collateral realisation, as well as minimum LGD values and external recovery benchmarks.

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

Significant increase in credit risk

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

Grouping financial assets measured on a collective basis

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

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

- All Stage 3 assets, regardless of the class of financial assets;
- Exposures that have been classified as POCI.

*(In thousands of tenge, unless otherwise indicated)***20. Risk management (continued)****Credit risk (continued)***Grouping financial assets measured on a collective basis (continued)*

Asset classes where the Bank calculates ECL on a collective basis include all Stage 1 and Stage 2, regardless of the class of financial assets.

The Bank groups these financial assets into depending on the similarity of credit risk characteristics.

Forward-looking information and multiple economic scenarios

In its ECL models, the Bank uses the following forward-looking information as key economic inputs:

- Foreign exchange rates;
- Oil price.

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Bank's internal rating system based on both quantitative and qualitative characteristics of borrowers. For financial assets for which external credit ratings are available, such ratings may be considered by the Bank as an additional source of information in assessing credit quality. Analysis of credit quality is disclosed in respective notes to the financial statements of the Bank.

Collateral is usually not held against requirements for investments in securities, amounts due from banks and other financial institutions.

The Bank's internal credit rating grades are as follows:

<i>Internal rating grade</i>	<i>Internal rating description</i>	<i>12 month PD</i>
0-20	Stable	0.27%
21-30	Good	1.00%
31-40	Positive	3.59%
41-50	Satisfactory	12.09%
More than 50	Bad	100.00%

Analysis of credit quality on loans to customers

The following tables provides information on the credit quality of loans to customers as at 31 December 2025 based on rating model:

		<i>Stable</i>	<i>Good</i>	<i>Positive</i>	<i>Satisfactory</i>	<i>Bad</i>	<i>Total</i>
Loans to customers							
- Large businesses lending	Stage1	45,404,772	8,595,635	-	-	-	54,000,407
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
- Medium and small businesses lending	Stage 1	-	3,006,514	605,475	7,177,726	-	10,789,715
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-

The following tables provides information on the credit quality of loans to customers as at 31 December 2024 based on rating model:

		<i>Stable</i>	<i>Good</i>	<i>Positive</i>	<i>Satisfactory</i>	<i>Bad</i>	<i>Total</i>
Loans to customers							
- Large businesses lending	Stage1	38,125,615	13,293,879	-	3,594,849	-	55,014,343
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
- Medium and small businesses lending	Stage 1	-	3,561,693	-	-	-	3,561,693
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Below is the geographical concentration of the Bank's financial assets and liabilities as at 31 December 2025:

	31 December 2025				
	Kazakhstan	United States of America	People's Republic of China	Other countries	Total
Assets					
Cash and cash equivalents	421,685,131	8,810,492	40,856,583	49,402	471,401,608
Amounts due from banks and other financial institutions	15,426,209	—	—	—	15,426,209
Loans to customers	64,790,122	—	—	—	64,790,122
Investment securities	25,602,480	—	—	—	25,602,480
	527,503,942	8,810,492	40,856,583	49,402	577,220,419
Liabilities					
Amounts due to other banks	(75,429,325)	—	(19,567,112)	(4,646)	(95,001,083)
Other borrowed funds	—	—	(14,474,621)	—	(14,474,621)
Amounts due to customers	(338,718,565)	—	(2,255,869)	(169,579)	(341,144,013)
Lease liabilities	(45,931)	—	—	—	(45,931)
Other financial liabilities	(257,691)	—	(373,130)	—	(630,821)
	(414,451,512)	—	(36,670,732)	(174,225)	(451,296,469)
Net position on financial assets and liabilities	113,052,430	8,810,492	4,185,851	(124,823)	125,923,950
Financial guarantees	(822,352)	—	(54,345,889)	—	(55,168,241)
Undrawn loan commitments	(30,841,155)	—	—	—	(30,841,155)
Net position on financial assets and liabilities	81,388,923	8,810,492	(50,160,038)	(124,823)	39,914,554

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

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

	31 December 2024				Total
	Kazakhstan	United States of America	People's Republic of China	Other countries	
Assets					
Cash and cash equivalents	330,413,152	2,223,247	13,887,089	64,607	346,588,095
Amounts due from banks and other financial institutions	1,025,000	—	—	—	1,025,000
Loans to customers	58,576,036	—	—	—	58,576,036
Investment securities	68,534,783	—	—	—	68,534,783
	458,548,971	2,223,247	13,887,089	64,607	474,723,914
Liabilities					
Amounts due to other banks	(41,587,853)	—	(9,921,926)	(719,087)	(52,228,866)
Amounts due to customers	(306,516,824)	—	(3,657,107)	(444,700)	(310,618,631)
Lease liabilities	(26,792)	—	—	—	(26,792)
Other financial liabilities	(54,310)	—	(388,701)	—	(443,011)
	(348,185,779)	—	(13,967,734)	(1,163,787)	(363,317,300)
	110,363,192	2,223,247	(80,645)	(1,099,180)	111,406,614
Net position on financial assets and liabilities					
Financial guarantees	(708,771)	—	(22,629,457)	—	(23,338,228)
Undrawn loan commitments	(15,975,000)	—	—	—	(15,975,000)
Net position on financial assets and liabilities	93,679,421	2,223,247	(22,710,102)	(1,099,180)	72,093,386

Assets and liabilities and credit related commitments have been based on the country in which the counterparty is registered. Other countries comprise mainly European Union countries.

*(In thousands of tenge, unless otherwise indicated)***20. Risk management (continued)****Liquidity risk and funding management**

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances. In order to limit this risk the management ensured availability of different funding sources in addition to the existing minimal amount of bank deposits. Management also controls assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Bank is obliged to comply with liquidity requirements established by the regulators including requirements of the NBRK represented by obligatory norms. The Bank monitors a number of internal indicators on a daily basis. The Bank's Treasury Department manages short-term liquidity on an on-going basis using cash position and portfolio of highly marketable securities.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank's financial liabilities at 31 December 2025 and 2024, based on contractual undiscounted payments. Repayments, which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

	<i>On demand and less than 1 month</i>	<i>From 1 to 3 months</i>	<i>From 3 to 12 months</i>	<i>From 1 to 5 years</i>	<i>Total</i>
31 December 2025					
Amounts due to other banks	95,001,083	–	–	–	95,001,083
Other borrowed funds	–	–	14,474,621	–	14,474,621
Amounts due to customers	277,882,980	21,085,902	42,368,913	–	341,337,795
Lease liabilities	8,208	–	41,040	–	49,248
Other financial liabilities	630,821	–	–	–	630,821
Total undiscounted financial liabilities	373,523,092	21,085,902	56,884,574	–	451,493,568
	<i>On demand and less than 1 month</i>	<i>From 1 to 3 months</i>	<i>From 3 to 12 months</i>	<i>From 1 to 5 years</i>	<i>Total</i>
31 December 2024					
Amounts due to other banks	52,228,866	–	–	–	52,228,866
Amounts due to customers	228,870,491	41,853,424	39,952,269	–	310,676,184
Lease liabilities	6,714	–	20,143	–	26,857
Other financial liabilities	443,011	–	–	–	443,011
Total undiscounted financial liabilities	281,549,082	41,853,424	39,972,412	–	363,374,918

The table below shows the contractual expiry by maturity of the Bank's contractual commitments and contingencies. Each undrawn commitment on lending is included in the time band containing the earliest date it can be drawn down. In the case of financial guarantee contracts the maximum amount of guarantee applies to the earliest period in which this guarantee may be called.

	<i>Less than 3 months</i>	<i>From 3 months to 1 year</i>	<i>From 1 year to 5 years</i>	<i>Total</i>
2025	86,009,396	–	–	86,009,396
2024	39,313,228	–	–	39,313,228

The Bank expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges, and equity prices. The Bank is exposed to market risk on trading portfolio. Non-trading positions are managed and monitored using other sensitivity analysis. Except for the concentrations within foreign currency, the Bank has no significant concentration of market risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Bank’s statement of comprehensive income.

Effective interest rates

The table below summarises interest rates by assets and liabilities held at 31 December 2025 and 2024.

	31 December 2025			31 December 2024		
	Effective interest rates, %			Effective interest rates, %		
	Tenge	US Dollars	Other currencies	Tenge	US Dollars	Other currencies
Assets						
Cash and cash equivalents	17.00-18.00	0.10-3.14	0.32-0.72	14.25-15.25	0.10-4.08	0.35-0.72
Amounts due from banks and other financial institutions	–	–	2.99	–	–	–
Loans to customers	10.80-20.00	3.00-6.01	3.70-4.30	10.80-19.00	5.50-6.51	3.70
Investment securities	–	4.67	–	–	5.13	–
Liabilities						
Other borrowed funds	–	–	1.65	–	5.41-5.42	–
Amounts due to customers	1.50-12.60	0.15-4.00	0.02-1.30	2.00-12.30	0.20-4.00	0.50

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate of non-trading financial assets and financial liabilities held at 31 December 2025 and 2024.

	2025	2024
	Sensitivity of profit or loss	Sensitivity of profit or loss
Increase by 1%	(278,593)	(314,897)
Decrease by 1%	278,593	314,897

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Management Board has set limits on positions by currency based on the NBRK regulations. Foreign currency positions are monitored on a daily basis.

(In thousands of tenge, unless otherwise indicated)

20. Risk management (continued)**Market risk (continued)***Currency risk (continued)*

The table below presents financial assets and liabilities by currencies:

<i>31 December 2025</i>	<i>Tenge</i>	<i>US Dollars</i>	<i>Chinese Yuan</i>	<i>Other currencies</i>	<i>Total</i>
Assets					
Cash and cash equivalents	231,302,793	142,560,373	97,476,141	62,301	471,401,608
Amounts due from banks and other financial institutions	1,025,000	–	14,401,209	–	15,426,209
Loans to customers	42,689,981	12,885,687	9,214,454	–	64,790,122
Investment securities	–	25,602,480	–	–	25,602,480
Total financial assets	275,017,774	181,048,540	121,091,804	62,301	577,220,419
Liabilities					
Amounts due to other banks	(19,567,114)	(115,358)	(75,318,611)	–	(95,001,083)
Other borrowed funds	–	–	(14,474,621)	–	(14,474,621)
Amounts due to customers	(131,056,856)	(179,325,226)	(30,740,759)	(21,172)	(341,144,013)
Lease liabilities	(45,931)	–	–	–	(45,931)
Other financial liabilities	(630,821)	–	–	–	(630,821)
Total financial liabilities	(151,300,722)	(179,440,584)	(120,533,991)	(21,172)	(451,296,469)
Net position	123,717,052	1,607,956	557,813	41,129	125,923,950

<i>31 December 2024</i>	<i>Tenge</i>	<i>US Dollars</i>	<i>Chinese Yuan</i>	<i>Other currencies</i>	<i>Total</i>
Assets					
Cash and cash equivalents	194,419,877	100,101,853	51,989,926	76,439	346,588,095
Amounts due from banks and other financial institutions	1,025,000	–	–	–	1,025,000
Loans to customers	31,868,730	23,112,459	3,594,847	–	58,576,036
Investment securities	–	68,534,783	–	–	68,534,783
Total financial assets	227,313,607	191,749,095	55,584,773	76,439	474,723,914
Liabilities					
Amounts due to other banks	(9,938,601)	(119,849)	(42,170,416)	–	(52,228,866)
Amounts due to customers	(106,370,669)	(191,084,593)	(13,134,490)	(28,879)	(310,618,631)
Lease liabilities	(26,792)	–	–	–	(26,792)
Other financial liabilities	(442,823)	(188)	–	–	(443,011)
Total financial liabilities	(116,778,885)	(191,204,630)	(55,304,906)	(28,879)	(363,317,300)
Net position	110,534,722	544,465	279,867	47,560	111,406,614

The tables below indicate the currencies to which the Bank has significant exposure at 31 December 2025 and 2024 on its non-trading assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the tenge on profit or loss (due to the fair value of currency sensitive non-trading assets and liabilities). The effect on equity does not differ from the effect on the profit or loss. All other parameters are held constant. The negative amount in the table reflects a potential net reduction in statement of comprehensive income or equity, while a positive amount reflects a net potential increase.

<i>Currency</i>	<i>Change in exchange rate, in % 2025</i>	<i>Effect on profit before tax 2025</i>	<i>Change in exchange rate, in % 2024</i>	<i>Effect on profit before tax 2024</i>
US Dollar	15.88	255,343	9.09	49,492
Chinese Yuan	15.88	88,581	8.55	23,929

*(In thousands of tenge, unless otherwise indicated)***20. Risk management (continued)****Market risk (continued)***Currency risk (continued)*

<i>Currency</i>	<i>Change in exchange rate, in % 2025</i>	<i>Effect on profit before tax 2025</i>	<i>Change in exchange rate, in % 2024</i>	<i>Effect on profit before tax 2024</i>
US Dollar	-6.68	(107,411)	-7.34	(39,964)
Chinese Yuan	-12.53	(69,894)	-13.22	(36,998)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When internal controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but through an internal control framework and by monitoring and responding to potential risks, the Bank is able to manage the risks. Internal controls should include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

21. Fair value measurements**Fair value measurement procedures**

For the purpose of disclosing the fair values, the Bank determined classes of assets and liabilities based on the assets and liabilities nature, characteristics and risks as well as the hierarchy of fair value sources. The fair value was assessed as at 31 December for the following assets and liabilities:

<i>At 31 December 2025</i>	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant non- observable inputs (Level 3)</i>	
Assets for which fair value is disclosed				
Cash and cash equivalents	950,887	470,450,721	—	471,401,608
Amounts due from banks and other financial institutions	—	15,426,209	—	15,426,209
Loans to customers	—	—	64,516,839	64,516,839
Investment securities	—	24,853,605	—	24,853,605
Liabilities for which fair value is disclosed				
Amounts due to other banks	—	95,001,083	—	95,001,083
Other borrowed funds	—	14,474,621	—	14,474,621
Amounts due to customers	—	340,018,088	—	340,018,088
Lease liabilities	—	—	45,931	45,931
Other financial liabilities	—	—	630,821	630,821

*(In thousands of tenge, unless otherwise indicated)***21. Fair value measurements (continued)****Fair value measurement procedures (continued)**

<i>31 December 2024</i>	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant non-observable inputs (Level 3)</i>	
Assets for which fair value is disclosed				
Cash and cash equivalents	1,063,072	345,525,023	—	346,588,095
Amounts due from banks and other financial institutions	—	1,025,000	—	1,025,000
Loans to customers	—	—	52,441,491	52,441,491
Investment securities	—	66,305,640	—	66,305,640
Liabilities for which fair value is disclosed				
Amounts due to other banks	—	52,228,866	—	52,228,866
Amounts due to customers	—	309,455,938	—	309,455,938
Lease liabilities	—	—	26,792	26,792
Other financial liabilities	—	—	443,011	443,011

Financial instruments not carried at fair value in the statement of financial position

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial assets and liabilities that are not carried at fair value in the statement of financial position.

The table does not include the fair values of non-financial assets and non-financial liabilities.

	<i>2025</i>			<i>2024</i>		
	<i>Carrying value</i>	<i>Fair value</i>	<i>Unrecognised gain/(loss)</i>	<i>Carrying value</i>	<i>Fair value</i>	<i>Unrecognised gain/(loss)</i>
Financial assets						
Cash and cash equivalents	471,401,608	471,401,608	—	346,588,095	346,588,095	—
Accounts with financial institutions	15,426,209	15,426,209	—	1,025,000	1,025,000	—
Loans to customers	64,790,122	64,516,839	(273,283)	58,576,036	52,441,491	(6,134,545)
Investment securities	25,602,480	24,853,605	(748,875)	68,534,783	66,305,640	(2,229,143)
Financial liabilities						
Amounts due to other banks	95,001,083	95,001,083	—	52,228,866	52,228,866	—
Other borrowed funds	14,474,621	14,474,621	—	—	—	—
Amounts due to customers	341,144,013	340,018,088	(1,125,925)	310,618,631	309,455,938	(1,162,693)
Lease liabilities	45,931	45,931	—	26,792	26,792	—
Other financial liabilities	630,821	630,821	—	443,011	443,011	—
Total unrecognised change in unrealised fair value			(2,148,083)			(9,526,381)

Methods of measurement and assumptions

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

Assets and liabilities for which fair value approximates to carrying value

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

*(In thousands of tenge, unless otherwise indicated)***21. Fair value measurements (continued)****Methods of measurement and assumptions (continued)***Financial assets and liabilities carried at amortised cost*

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

22. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. See Note 20 “Risk management” for the Bank’s contractual undiscounted repayment obligations.

	2025			2024		
	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>
Assets						
Cash and cash equivalents	471,401,608	–	471,401,608	346,588,095	–	346,588,095
Amounts due from banks and other financial institutions	1,037,015	14,389,194	15,426,209	1,025,000	–	1,025,000
Loans to customers	39,493,253	25,296,869	64,790,122	26,921,214	31,654,822	58,576,036
Investment securities	610,630	24,991,850	25,602,480	68,534,783	–	68,534,783
Property and equipment and right-of-use assets	–	2,369,931	2,369,931	–	2,201,548	2,201,548
Intangible assets	–	77,206	77,206	–	93,993	93,993
Deferred corporate income tax assets	–	40,712	40,712	–	28,971	28,971
Other assets	127,878	–	127,878	46,029	–	46,029
Total assets	512,670,384	67,165,762	579,836,146	443,115,121	33,979,334	477,094,455
Liabilities						
Amounts due to other banks	95,001,083	–	95,001,083	52,228,866	–	52,228,866
Other borrowed funds	14,474,621	–	14,474,621	–	–	–
Amounts due to customers	341,144,013	–	341,144,013	310,618,631	–	310,618,631
Lease liabilities	45,931	–	45,931	26,792	–	26,792
Other liabilities	966,078	–	966,078	726,764	–	726,764
Total liabilities	451,631,726	–	451,631,726	363,601,053	–	363,601,053
Net position	61,038,658	67,165,762	128,204,420	79,514,068	33,979,334	113,493,402

The maturity analysis does not reflect the historical stability of current accounts. Their liquidation has historically taken place over a longer period than indicated in the tables above. These balances are included in amounts due “Within one year” in the table.

Included in amounts due to customers are term deposits of individuals. In accordance with the Civil Code of the Republic of Kazakhstan, the Bank is obliged to repay such deposits upon demand of a depositor.

23. Related party transactions

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

Related parties may enter into transactions which unrelated parties might not.

(In thousands of tenge, unless otherwise indicated)

23. Related party transactions (continued)

Transactions with PRC government-related entities

The Shareholder controls the activities of the Bank through the Parent bank. The financial statements disclose transactions with the Parent bank and operations with the state entities and companies under common control where the share of the PRC government constitutes 50% and more. The Bank makes banking transactions with these entities including acceptance of deposits and extension of loans, issuance of guarantees.

Balance of related party transactions as at 31 December 2025 and 2024 is presented below:

	2025				2024			
	Parent bank	Banks under common control of the Parent bank	Key management personnel	Entities under common control of the Shareholder	Parent bank	Banks under common control of the Parent bank	Key management personnel	Entities under common control of the Shareholder
Assets								
Cash and cash equivalents	23,374,470	26,342,007	51	206,866	12,456,019	3,719,422	–	230,392
Loans to customers	–	–	–	6,332,788	–	–	–	15,231,067
Liabilities								
Amounts due to other banks	19,567,112	–	–	–	9,938,601	–	–	–
Other borrowed funds	14,474,621	–	–	–	–	–	–	–
Amounts due to customers	–	–	–	260,835,228	–	–	5,741	256,308,219
Other financial liabilities	373,132	–	–	72,123	388,701	–	–	46,011
Contingent liabilities								
Guarantees issued	–	–	–	–	–	–	–	57,551

The income and expenses on transactions with related parties for the years ended 31 December 2025 and 2024 were as follows:

	2025				2024			
	Parent bank	Banks under common control of the Parent bank	Key management personnel	Companies under control of the Shareholder	Parent bank	Banks under common control of the Parent bank	Key management personnel	Companies under control of the Shareholder
Interest income	362,156	192,846	–	1,013,576	132,262	63,419	–	410,388
Interest expense	(8,708)	–	–	(6,156,194)	(156,972)	–	–	(3,990,579)
Fee and commission income	22,877	2,266	–	397,077	42,889	–	–	445,219
Fee and commission expenses	(2,092)	(18)	–	–	–	–	–	–
Net (loss)/gains from foreign currencies	(650,924)	(557,602)	–	–	66,644	(1,584)	–	–
General and administrative expenses	(386,739)	–	–	–	(369,000)	–	–	–

As at 31 December 2025, interest rates on loans issued to entities under common control of the Shareholder were 5.75%-17.00% per annum, interest rates on amounts placed by entities under common control of the Shareholder were 0.20%-13.00% per annum (as at 31 December 2024: 0.20%-12.30% per annum), interest rates on other borrowed funds obtained from the Parent bank Macau branch were 1.65% per annum.

In 2025, the remuneration to 9 members of key management personnel (in 2024: 10 members) comprised:

	2025	2024
Salary and other short-term benefits	143,022	155,056
Social security contributions	14,956	15,377
	<u>157,978</u>	<u>170,433</u>

(In thousands of tenge, unless otherwise indicated)

24. Capital adequacy

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank’s capital is monitored using, among other measures, the norms established by the NBRK in supervising the Bank.

The primary objectives of the Bank’s capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders’ value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. Compared to prior years, there have been no changes in the objectives, policies, and procedures for capital management.

The equity is the sum of Tier 1 and Tier 2 capitals.

Various further limits and qualifying criteria are applied to the above elements of the capital base.

In accordance with the current requirements established by the NBRK, banks must maintain the following ratios:

- A ratio of basic capital to the sum of credit risk-weighted assets, contingent liabilities and market risk-weighted assets and contingent claims and liabilities and quantified operational risk (K1);
- A ratio of Tier 1 capital to the sum of credit risk-weighted assets, contingent liabilities and market risk-weighted assets and contingent claims and liabilities and quantified operational risk (K1-2);
- A ratio of equity to the sum of credit risk-weighted assets, contingent liabilities and market risk-weighted assets and contingent claims and liabilities and quantified operational risk (K2).

As at 31 December 2025 and 31 December 2024, the minimum level of ratios as applicable to the Bank are as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
K1	8.0%	8.0%
K1-2	9.0%	9.0%
K2	10.5%	10.5%

As at 31 December 2025 and 2024, the Bank’s capital adequacy ratio, computed in accordance with the NBRK requirements comprise the following:

	<i>2025</i>	<i>2024</i>
Minimal amount of equity	10,000,000	10,000,000
Equity / Tier 1 capital / Common equity	128,127,214	113,399,409
Capital adequacy ratio K1	73.01%	108.90%
Capital adequacy ratio K1-2	73.01%	108.90%
Capital adequacy ratio K2	73.01%	108.90%