



JSC Halyk Bank

Consolidated Financial Statements
and Independent Auditor's Report
For the Year Ended 31 December 2025

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**Statement of Management's Responsibilities
for the Preparation and Approval
of the Consolidated Financial Statements
for the Year ended 31 December 2025**

Management of JSC Halyk Bank is responsible for the preparation of the consolidated financial statements that present fairly the financial position of JSC Halyk Bank (hereinafter - "the Bank") and its subsidiaries (collectively – "the Group") as at 31 December 2025, the related consolidated statement of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and of material accounting policies and notes to the consolidated financial statements (hereinafter - "the consolidated financial statements") in compliance with International Financial Reporting Standards (hereinafter - "IFRS Accounting Standards").

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

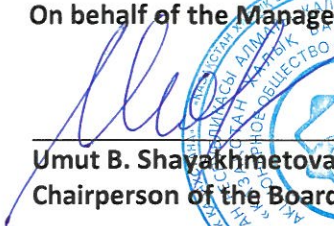
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS Accounting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

Management is also responsible for:

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

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by the Management Board on 4 March 2026.

On behalf of the Management Board:


Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan


Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of JSC Halyk Bank

Opinion

We have audited the consolidated financial statements of JSC Halyk Bank and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

Key Audit Matters

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

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
<i>Individual assessment of the expected credit losses on loans to customers</i> Expected credit losses on certain Stage 3 loans to customers which are subject to individual impairment assessment with operating cash flows are calculated using future cash flows under different scenarios. Due to the complexity and subjectivity of management's judgements in estimation of future cash flows from operating activities of borrowers and calculation of the allowance for expected credit losses for such loans, we identified the individual assessment of ECL for credit-impaired loans as a key audit matter. Refer to Notes 4, 11 and 29 to the consolidated financial statements for the description of impairment indicators on individually significant loans and disclosure of gross carrying amounts and related allowances for such loans.	We obtained an understanding of the loan origination business process. We assessed the Group's definitions of significant increase in credit risk and credit-impairment for assessment of individual loans' ECL. We also evaluated the design and implementation of internal controls related to individual assessment of the ECL on loans to customers. For a sample of loans identified as stage 1, we performed a detailed credit review and challenged the Group's analysis of whether there was a significant increase in credit risk (stage 2) or default (stage 3). In order to evaluate whether the loans have been appropriately classified to the respective stage, we analysed internal credit ratings (scoring), credit risk factors and checked if relevant impairment events, such as delinquency of interest or principal, restructuring events, external information and certain financial performance indicators had been identified on a timely manner. On a sample basis, we re-performed calculations of allowances for ECL for individually significant loans in stage 3, including reviewing the Group's documented credit assessment of the borrowers, challenging assumptions underlying the ECL calculation, such as estimated future cash flows and the fair value of collateral. We evaluated the adequacy and completeness of disclosures in the consolidated financial statements relating to the loans to customers in accordance with IFRS Accounting Standards requirements.

Other Information – Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of an assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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



Kamila Muratova
Auditor
Qualification certificate
No. MF-0000324
dated 25 February 2016

Mark Smith
Engagement Partner

4 March 2026
Almaty, Republic of Kazakhstan



Zhangir Zhilylsbayev
General Director
Deloitte LLP
State Audit License of the
Republic of Kazakhstan #0000015,
type MFU-2, issued by the Ministry of Finance
of the Republic of Kazakhstan
dated 13 September 2006

Consolidated Statement of Financial Position
as at 31 December 2025 and 2024
(millions of Kazakhstani Tenge)

	Notes	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	5	1,694,431	1,473,802
Obligatory reserves	6	862,148	306,330
Financial assets at fair value through profit or loss	7	920,946	822,817
Amounts due from credit institutions	8	181,288	156,966
Financial assets at fair value through other comprehensive income	9	2,285,192	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	10	1,141,573	766,937
Loans to customers	11, 33	13,110,917	11,465,649
Investment property		27,614	37,822
Commercial property		50,965	57,378
Assets classified as held for sale		8,896	8,833
Current income tax assets	18	6,131	3,506
Deferred tax assets	18	388	418
Property and equipment and intangible assets	12	355,790	285,299
Insurance contract assets	13	3,445	2,314
Reinsurance contract assets		33,681	38,400
Other assets	14, 33	225,051	197,183
TOTAL ASSETS		20,908,456	18,548,414
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	15, 33	14,338,804	12,990,043
Amounts due to credit institutions	16	1,270,128	814,069
Financial liabilities at fair value through profit or loss	7	8,433	6,973
Debt securities issued	17, 33	970,098	879,212
Current income tax liability	18	16,215	26,829
Deferred tax liability	18	36,062	22,024
Provisions	21	6,276	10,964
Insurance contract liabilities	13	491,471	430,320
Reinsurance contract liabilities		1,160	-
Other liabilities	19	269,458	299,931
Total liabilities		17,408,105	15,480,365
EQUITY			
Share capital	20	209,027	209,027
Share premium reserve		8,962	8,769
Treasury shares	20	(290,255)	(263,625)
Share-based payment reserve		8,374	10,000
Retained earnings and other reserves		3,564,229	3,103,866
Total equity attributable to owners of the Group		3,500,337	3,068,037
Non-controlling interest		14	12
Total equity		3,500,351	3,068,049
TOTAL LIABILITIES AND EQUITY		20,908,456	18,548,414

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss
for the years ended 31 December 2025 and 2024
(millions of Kazakhstani Tenge)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Interest income calculated using the effective interest method	22, 33	2,621,610	2,116,154
Other interest income	22	73,347	54,632
Interest expense	22, 33	(1,407,219)	(1,062,876)
NET INTEREST INCOME BEFORE CREDIT LOSS EXPENSE	22	1,287,738	1,107,910
Expected credit loss expense	11, 14	(161,155)	(129,348)
NET INTEREST INCOME		1,126,583	978,562
Fee and commission income	23	238,954	211,734
Fee and commission expense	23	(98,805)	(86,450)
Fees and commissions, net		140,149	125,284
Net gain on financial assets and liabilities at fair value through profit or loss	24	64,566	104,369
Net realised (loss)/gain from financial assets at fair value through other comprehensive income		(32)	2,503
Net foreign exchange gain	25	139,137	110,043
Recovery of other credit loss expense		4,947	876
Insurance revenue	13, 26	294,791	259,923
Share in profit of associate	33	16,000	15,526
Income on non-banking activities		22,741	24,419
Other income/(expense)		29,178	(46,188)
OTHER NON-INTEREST INCOME		571,328	471,471
Operating expenses	27, 33	(307,993)	(264,510)
(Impairment loss)/reversal of impairment of non-financial assets		(3)	1,137
Impairment loss on assets held for sale		-	(60)
Insurance service expense	13, 26	(151,894)	(148,200)
Net insurance finance expense	13	(20,354)	(26,266)
Net reinsurance expense		(59,579)	(35,525)
NON-INTEREST EXPENSES		(539,823)	(473,424)
PROFIT FOR THE YEAR BEFORE TAX		1,298,237	1,101,893
Income tax expense	18	(239,817)	(180,902)
NET INCOME		1,058,420	920,991
Attributable to:			
Non-controlling interest		3	3
Common shareholders		1,058,417	920,988
		1,058,420	920,991
EARNINGS PER SHARE (in Kazakhstani Tenge)			
Basic and diluted earnings per share	28	97.17	84.50

On behalf of the Management Board:

Umur B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

**Consolidated Statement of Other Comprehensive Income
for the years 31 December 2025 and 2024
(millions of Kazakhstani Tenge)**

	Year ended 31 December 2025	Year ended 31 December 2024
Net income	1,058,420	920,991
Other comprehensive income:		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Gain resulting on revaluation of property and equipment (2025 and 2024 – net of tax – KZT nil and KZT 3,559 million, respectively)	18	14,152
Gain/(loss) on revaluation of equity financial assets at fair value through other comprehensive income	1,066	(221)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
(Loss)/gain on revaluation of debt financial assets at fair value through other comprehensive income, including impaired during the period (2025 and 2024 – net of tax – KZT 505 million and KZT 1,195 million, respectively)	(56,153)	25,730
Reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period (2025 and 2024 - net of tax – KZT nil)	32	(2,503)
Share of other comprehensive loss of associate on revaluation of debt financial assets at fair value through other comprehensive income	(546)	(989)
Foreign exchange differences on translation of foreign operation	2,151	8,639
Other comprehensive (loss)/income for the year	(53,432)	44,808
Total comprehensive income for the year	1,004,988	965,799
Attributable to:		
Non-controlling interest	2	3
Common shareholders	1,004,986	965,796
	1,004,988	965,799

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
for the years ended 31 December 2025 and 2024
(Millions of Kazakhstani Tenge)

	Share capital Common shares	Share premium reserve	Treasury common shares	Share-based payment reserve	Cumulative translation reserve*	Revaluation reserve of financial assets at fair value through other comprehensive income*	Property revaluation reserve*	Retained earnings*	Total equity	Non-controlling interest	Total equity
31 December 2024	209,027	8,769	(263,625)	10,000	12,098	(3,281)	52,580	3,042,469	3,068,037	12	3,068,049
Net income	-	-	-	-	-	-	-	1,058,417	1,058,417	3	1,058,420
Other comprehensive income/(loss)	-	-	-	-	2,151	(55,600)	18	-	(53,431)	(1)	(53,432)
Total comprehensive income	-	-	-	-	2,151	(55,600)	18	1,058,417	1,004,986	2	1,004,988
Treasury shares purchased (Note 20)	-	-	(40,474)	-	-	-	-	-	(40,474)	-	(40,474)
Treasury shares sold (Note 20)	-	193	13,844	-	-	-	-	-	14,037	-	14,037
Dividends – common shares (Note 20)	-	-	-	-	-	-	-	(552,464)	(552,464)	-	(552,464)
Accrued and released stock options	-	-	-	(1,626)	-	-	-	7,841	6,215	-	6,215
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	-	(2,079)	2,079	-	-	-
31 December 2025	209,027	8,962	(290,255)	8,374	14,249	(58,881)	50,519	3,558,342	3,500,337	14	3,500,351

* These amounts are included within Retained earnings and other reserves in the consolidated statement of financial position.

Consolidated Statement of Changes in Equity (continued)
for the years ended 31 December 2025 and 2024
(Millions of Kazakhstani Tenge)

	Share capital Common shares	Share premium reserve	Treasury common shares	Share-based payment reserve	Cumulative translation reserve*	Revaluation reserve of financial assets at fair value through other comprehensive income*	Property revaluation reserve*	Retained earnings*	Total equity	Non-controlling interest	Total equity
31 December 2023	209,027	8,667	(258,514)	-	3,459	(25,299)	41,125	2,498,479	2,476,944	10	2,476,954
Net income	-	-	-	-	-	-	-	920,988	920,988	3	920,991
Other comprehensive income/(loss)	-	-	-	-	8,639	22,018	14,152	-	44,809	(1)	44,808
Total comprehensive income	-	-	-	-	8,639	22,018	14,152	920,988	965,797	2	965,799
Treasury shares purchased (Note 20)	-	(99)	(6,445)	-	-	-	-	-	(6,544)	-	(6,544)
Treasury shares sold (Note 20)	-	201	1,334	-	-	-	-	-	1,535	-	1,535
Dividends – common shares (Note 20)	-	-	-	-	-	-	-	(381,434)	(381,434)	-	(381,434)
Accrued stock options	-	-	-	10,000	-	-	-	-	10,000	-	10,000
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets	-	-	-	-	-	-	(1,901)	1,901	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(796)	2,535	1,739	-	1,739
31 December 2024	209,027	8,769	(263,625)	10,000	12,098	(3,281)	52,580	3,042,469	3,068,037	12	3,068,049

* These amounts are included within Retained earnings and other reserves in the consolidated statement of financial position.

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
for the years ended 31 December 2025 and 2024
(Millions of Kazakhstani Tenge)

	Year ended 31 December 2025	Year ended 31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received from financial assets at fair value through profit or loss	64,528	36,884
Interest received from cash and cash equivalents and amounts due from credit institutions	266,551	173,897
Interest received on financial assets at fair value through other comprehensive income	189,516	166,244
Interest received on debt securities at amortised cost, net of allowance for expected credit losses	63,160	52,341
Interest received from loans to customers	1,889,613	1,586,960
Interest paid on amounts due to customers	(1,263,527)	(930,565)
Interest paid on amounts due to credit institutions	(60,174)	(46,703)
Interest paid on debt securities issued	(53,120)	(32,694)
Interest paid on deposit insurance and other liabilities	(24,144)	(15,054)
Fee and commission received	237,741	210,399
Fee and commission paid	(99,659)	(83,782)
Receipts from financial derivatives	52,765	37,459
Other income received/(expense paid)	51,919	(21,770)
Operating expenses paid	(278,199)	(217,778)
Cash from insurance activities, net	127,368	69,618
Net reinsurance service expenses paid	(59,579)	(35,525)
Cash flows from operating activities before changes in net operating assets	1,104,759	949,931
Changes in operating assets and liabilities:		
Decrease/(increase) in operating assets:		
Obligatory reserves	(555,819)	(61,464)
Financial assets at fair value through profit or loss	(85,932)	(152,404)
Amounts due from credit institutions	(26,776)	59,524
Loans to customers	(1,761,854)	(1,991,575)
Assets classified as held for sale	6,427	4,182
Insurance contract assets	50,403	18,264
Other assets	(1,956)	23,630
Increase/(decrease) in operating liabilities:		
Amounts due to customers	1,622,779	1,763,948
Amounts due to credit institutions	498,521	(213,861)
Financial liabilities at fair value through profit or loss	1,460	2,771
Insurance contract liabilities	13,521	141,860
Other liabilities	43,885	26,308
Net cash inflow from operating activities before income tax	909,418	571,114
Income tax paid	(238,988)	(193,165)
Net cash inflow from operating activities	670,430	377,949

Consolidated Statement of Cash Flows (continued)
for the years ended 31 December 2025 and 2024
(Millions of Kazakhstani Tenge)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
CASH FLOWS FROM INVESTING ACTIVITIES:			
Disposal of subsidiaries		-	(33,559)
Purchase and prepayments for property and equipment and intangible assets		(84,806)	(66,884)
Proceeds on sale of property and equipment and intangible assets		4,494	211
Proceeds on sale of investment property		3,882	4,942
Proceeds on sale of commercial property		7,861	17,265
Proceeds from sale of financial assets at fair value through other comprehensive income		1,067,257	535,270
Purchase of financial assets at fair value through other comprehensive income		(457,360)	(735,186)
Proceeds from sale of debt securities at amortised cost, net of allowance for expected credit losses		100,168	206,895
Purchase of debt securities at amortised cost, net of allowance for expected credit losses		(469,833)	(220,392)
Capital expenditures on commercial property		(1)	(49)
Net cash inflow/(outflow) from investing activities		171,662	(291,487)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from syndicated loan		-	157,533
Repayment of syndicated loan		(54,134)	-
Proceeds on sale of treasury shares		14,037	1,535
Purchase of treasury shares		(40,474)	(6,544)
Dividends paid – common shares	20	(625,308)	(308,595)
Redemption and repayment of debt securities issued	17	(778,439)	(136,155)
Proceeds from issue of debt securities issued	17	887,087	294,736
Repayment of lease liabilities		(2,297)	(3,325)
Net cash outflow from financing activities		(599,528)	(815)
Effect of changes in foreign exchange rates on cash and cash equivalents		(21,935)	10,840
Net change in cash and cash equivalents		220,629	96,487
CASH AND CASH EQUIVALENTS, beginning of the year	5	1,473,802	1,377,315
CASH AND CASH EQUIVALENTS, end of the year	5	1,694,431	1,473,802

During the years ended 31 December 2025 and 2024, there were non-cash transfers, which were excluded from the consolidated statement of cash flows and were disclosed in Notes 11, 12 and 18.

On behalf of the Management Board:


Umut B. Shayakhmetova
 Chairperson of the Board

4 March 2026
 Almaty, Kazakhstan


Dana S. Talzhanova
 Chief Accountant

4 March 2026
 Almaty, Kazakhstan

The accompanying notes are an integral part of these consolidated financial statements.

**Notes to the Consolidated Financial Statements
for the years ended 31 December 2025 and 2024
(Millions of Kazakhstani Tenge)**

1. Principal activities

JSC Halyk Bank of Kazakhstan ("Halyk Bank" or "the Bank") was established in 1923 and is registered in the Republic of Kazakhstan. Together with its subsidiaries (collectively, "the Group"), Halyk Bank is the largest and most diversified financial services group in Kazakhstan. The Group's activities include B2C and B2B banking, as well as insurance, leasing, brokerage, asset management and lifestyle services.

The Group operates both through the fully digital integrated ecosystem, represented by the rapidly advancing digital platforms Halyk Super-App for B2C clients and Onlinebank for B2B clients, and the most extensive branch network with 531 branches and service outlets as at 31 December 2025 (542 – 31 December 2024) across nationwide. The address of the Bank's registered office is: 40 Al-Farabi Avenue, Almaty, A26M3K5, Republic of Kazakhstan.

As at 31 December 2025, the Bank held the leading market position in Kazakhstan by total assets, net loan portfolio, customer deposits and net income.

The Group's B2C activities include retail lending (unsecured consumer loans, mortgages and car loans), deposits, card products, digital wallets, payments and transfers, instalment and buy-now-pay-later solutions, investment and brokerage services, life and non-life insurance products, as well as lifestyle services, primarily delivered through the Halyk Super-App.

The Group's B2B activities include services to corporate and SME clients, such as daily banking, lending, deposits, cash management, FX transactions and contracts, guarantees and performance bonds, custody services, brokerage and asset management, insurance, leasing, merchant and internet acquiring, POS services, cash collection, cloud and telecommunications services, business registration, counterparty verification tools and sector-specific ecosystem services.

In addition to its operations in Kazakhstan, the Group operates in Georgia and Uzbekistan. The Group also holds a 40% stake in JSC Altyn Bank, a subsidiary of China CITIC Bank Corporation Limited.

The Bank has the highest investment grade ratings among privately owned banks in Kazakhstan without foreign participation – Baa1 / BBB- / BBB- from Moody's / S&P / Fitch.

The Bank has been listed on the Kazakhstan Stock Exchange since 1998, the London Stock Exchange since 2006, and the Astana International Exchange since October 2019. The Bank's ordinary shares are listed on KASE and AIX. Global Depositary Receipts ("GDRs"), each representing an interest in the Bank's 40 ordinary shares, are admitted to trading on the London Stock Exchange, KASE and AIX.

The Bank was initially registered with the authorities of justice of the Republic of Kazakhstan on 20 January 1994 and operates under banking license No. 1.2.47/230/38/1, renewed by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market on 23 June 2023. The Bank is a member of the mandatory deposit insurance system administered by JSC Kazakhstan Deposit Insurance Fund and acts as a non-exclusive agent of the Government of the Republic of Kazakhstan in channeling certain budgetary payments and pensions through its branch network.

As at 31 December 2025 and 2024, the Group is ultimately controlled by Timur Kulibayev and his wife Dinara Kulibayeva via JSC "Holding Group Almex".

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As at 31 December 2025, the number of the Group's employees was 16,718 (31 December 2024 – 16,656).

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue by the Management Board on 4 March 2026.

Legal proceedings

From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly, no provision has been made in these consolidated financial statements.

Operating environment

Kazakhstan is one of the emerging economies, which are often characterised by high levels of GDP growth, an emerging financial infrastructure, and a significant share of state participation. At the same time, emerging markets are subject to political, social, and legislative risks that differ from those of more developed markets. Kazakhstan is integrated into the global economy, while geographically adjacent to large economic markets, thereby occupying the position of the main "transit hub" in the Central Asian region.

Due to the fact that the economy of Kazakhstan is export-oriented, changes in world prices for raw materials have a significant impact on it. In addition to world prices for energy resources, the further development of the Kazakh economy also largely depends on fiscal discipline and the geopolitical situation in the region.

During the year 2025, the average price of Brent oil was around 63.08 USD per barrel (80.70 USD per barrel during the year 2024). According to the short-term economic indicator, for the period from January to December 2025, the economy of Kazakhstan grew by 9.4% compared to the same period of the previous year. The GDP growth in 2025 was 6.5%, according to current data. Annual inflation in December 2025 amounted to 12.3%.

On 13 October 2025, the Monetary Policy Committee of the National Bank of Republic of Kazakhstan ("NBRK") decided to increase the base rate to 18.0% per annum with a corridor of +/- 1 pp. This decision was made against the backdrop of ongoing inflationary pressure due to the implementation of tariff reforms, liberalization of the fuel market, stable consumer demand, and increased inflation expectations due to the implementation of tax reform. In December, annual inflation slowed to 12.3%, but inflationary pressure is expected to continue in the first quarter of 2026 due to tightening tax conditions. In September 2025, the NBRK increased minimum reserve requirements ("MRR") for second-tier banks. The changes are aimed at reducing excess liquidity in the banking sector and strengthening anti-inflation measures within the NBRK's monetary policy. The new MRR requirements will be implemented gradually over the course of the year.

Management of the Group is monitoring developments in the economic and political situation, including any sanctions related risks, and taking measures it considers necessary to support the sustainability and development of the Group's business for the foreseeable future.

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On 12 July 2023, the Law of the Republic of Kazakhstan "On the Return of Illegally Acquired Assets to the State" (the "Law") was signed. The Law entered into force on 24 July 2023, with the exception of Articles 7, 12-31, which entered into force on 12 September 2023.

The Asset Recovery Committee of the Prosecutor General's Office of the Republic of Kazakhstan (the "Committee") is the authorised body for asset recovery. The objectives of the Committee are the identification and return of illegally acquired assets, the development of international legal cooperation in this area, the identification and elimination of the causes and conditions that contributed to the illegal concentration of economic resources and the illegal withdrawal of assets, as well as other tasks in accordance with the legislative acts of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan. The Group's management believes that this Law does not have a material impact on the Group's activities, including the Group's loan portfolio.

Ownership

As at 31 December 2025 and 2024, the Group was owned by the following shareholders, which own individually more than 5% of the issued shares of the Group:

	31 December 2025		31 December 2024	
	Total shares (Common shares)	Stake in total shares in circulation	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	6,756,738,228	62.4%	7,583,538,228	69.7%
GDR holders	3,742,974,040	34.5%	3,075,090,560	28.3%
Other	336,246,282	3.1%	221,345,828	2.0%
Total shares in circulation (on consolidated basis)	10,835,958,550	100%	10,879,974,616	100%

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB").

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

These consolidated financial statements are presented in millions of Kazakhstani Tenge ("KZT" or "Tenge"), except for earnings per share amounts and unless otherwise indicated.

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are accounted for at fair value and insurance contract liabilities which are accounted at their fulfillment value in accordance with IFRS 17 based on actuarial calculations and certain property and equipment which are carried at revalued cost less depreciation and impairment as explained in the accounting policies below.

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

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

In addition, for financial reporting purposes, fair value measurement is classified on the basis of a fair value hierarchy (Level 1, 2 or 3). The levels correspond to the possibility of direct determination of fair value based on market data and reflect the significance of the input data used in estimating fair value as a whole:

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

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the date of the consolidated statement of financial position (current) and more than 12 months after the date of the consolidated statement of financial position (non-current) is presented in Note 29.

Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Bank is KZT. The presentation currency of the consolidated financial statements is KZT.

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Consolidated subsidiaries

These consolidated financial statements include the following subsidiaries:

Subsidiaries	Holding %		Country	Industry
	31 December 2025	31 December 2024		
JSC Halyk-Leasing	100	100	Kazakhstan	Leasing
JSC Kazteleport	100	100	Kazakhstan	Telecommunications
JSC Halyk Finance	100	100	Kazakhstan	Broker and dealer activities
LLC Halyk Collection	100	100	Kazakhstan	Cash collection services
JSC Halyk-Life	100	100	Kazakhstan	Life insurance
JSC Halyk Bank Georgia	100	100	Georgia	Banking
JSC Halyk Global Markets	100	100	Kazakhstan	Broker and dealer activities
LLP Halyk Activ	100	100	Kazakhstan	Management of doubtful and loss assets
LLP Halyk Finservice	100	100	Kazakhstan	Payment card processing and other related services
JSC Halyk Lab	100	100	Kazakhstan	Development, implementation and support of software
JSCB Tenge Bank	100	100	Uzbekistan	Banking
JSC Insurance Company Halyk	99.99	99.86	Kazakhstan	General insurance
LLP KUSA Halyk	-	100	Kazakhstan	Management of doubtful and loss assets

On 31 July 2025, LLP KUSA Halyk ceased operations due to reorganisation by merging with LLP Halyk Activ.

On 10 December 2025, the Group has entered into agreement to acquire 100% of the equity interest in LLP Comrun. As of the date of issuance of these consolidated financial statements, the transaction has not been completed due to pending regulatory approvals.

Investments in associates

On 23 July 2025, the Group entered into a strategic agreement to acquire 49% of shares in JSC Click, as well as to sell 49% of shares in its subsidiary bank in Uzbekistan, JSCB Tenge Bank, to shareholders of JSC Click. As of the date of this consolidated financial statements, the signed transaction documentation has expired, and the transaction has not been completed. The parties continue to discuss options and terms for further cooperation.

3. Material accounting policies

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Bank and entities (its subsidiaries) controlled by the Bank and its subsidiaries. Control is achieved when the Bank:

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

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

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

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

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

The profit or loss and each component of other comprehensive income are attributed to the owners of the Bank and to any non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to any non-controlling interests even if this results in any non-controlling interests having a deficit balance.

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. Transactions with non-controlling shareholders are presented as financing activities in the consolidated statement of cash flows.

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, unrestricted balances on correspondent accounts and amounts due from credit institutions and reverse repo agreements with original maturities within three months.

Obligatory reserves

Obligatory reserves represent funds in correspondent accounts with the National Banks of Kazakhstan and Georgia and cash which are not available to finance the Group's current operations and, hence, are not considered as part of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Amounts due from credit institutions

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

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets and liabilities are recognised using settlement date accounting. Where regular way purchases of financial instruments will be subsequently measured at fair value, the Group accounts for any change in the fair value of the asset between trade date and settlement date in the same way it accounts for acquired instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. The accounting policies for subsequent re-measurement of these items are disclosed in the respective accounting policies set out below.

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Financial assets

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

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

Specifically:

- *Retention of an asset to obtain the cash flows stipulated by the contract.* This business model suggests financial asset management aims to realize cash flows by receiving principal and interest payments over the life of the financial instrument. Within the framework of this business model, holding a financial asset to maturity is a priority, but early disposal is not prohibited.
- *Retention of an asset with a view for obtaining contractual cash flows and sale of financial assets.* This business model assumes that the management of financial assets is aimed at both obtaining contractual cash flows and sale of financial assets. Within the framework of this business model, the receipt of cash from the sale of a financial asset is a priority, which is characterized by a greater frequency and volume of sales compared to "retention of an asset to obtain the cash flows stipulated by the contract" business model.
- *Retention of an asset for other purposes.* Within the framework of this business model, financial assets can be managed with the following purposes:
 - management with a view to selling cash flows through the sale of financial assets;
 - liquidity management to meet daily funding needs;
 - a portfolio, which management and performance is measured on a fair value basis;
 - a portfolio, which matches the definition of held for trading. Financial assets are deemed to be held for trading if they were acquired mainly with a view to subsequent disposal in the near future (up to 180 days), gaining short-term profit, or represent derivative financial instruments (except for a financial guarantee or derivative financial instrument that was designated as a hedging instrument).

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

- bank loans classified as assets at amortised cost are contained within the framework of a business model which aims to receive cash flows exclusively for repayment of unpaid interest and principal stipulated by loan agreement and that have contractual cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding;
- balances on correspondent accounts, interbank loans/deposits, repo transactions are classified, as a rule, as assets, estimated at amortised cost, since they are managed within the framework of a business model, which aims to receive cash flows stipulated by the contract, and that have contractual cash flows that are SPPI;
- debt securities may be classified into any of the three classification categories, taking into account the selected business model and compliance with the SPPI criterion;
- equity securities are generally classified as instruments at fair value through profit or loss;
- trading securities and derivatives are classified as financial assets at fair value through profit or loss.

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Financial assets or financial liabilities at fair value through profit or loss

Financial assets at FVTPL are:

- Assets with contractual cash flows that are not SPPI; or/and
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at FVTPL using the fair value option.
- Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

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

Financial assets and financial liabilities at fair value through profit or loss are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in net (loss)/gain on financial assets and liabilities at fair value through profit or loss. Interest earned or incurred is accrued in interest income or expense, respectively, according to the terms of the contract, while dividend income is recorded in "Other income" when the right to receive the payment has been established.

Debt instruments at amortised cost or at fair value through other comprehensive income ("FVTOCI")

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

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

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

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

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An assessment of business models for managing financial assets is performed at the date of initial application of IFRS 9 to determine the classification of a financial asset. The business model is applied retrospectively to all financial assets existing at the date of initial application of IFRS 9. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments that reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

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

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

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

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

Reclassification of financial assets

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on *"Modification and derecognition of financial asset"* described below.

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Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

Where possible, the Group 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. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously monitors renegotiated loans to ensure that they are performing and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. Renegotiated terms are evidence of impairment for loans assessed for impairment on an individual basis, for which deterioration of the financial position is observed.

The Group renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Group has an established forbearance policy, which applies for corporate and retail lending.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants.

When a financial asset is modified due to commercial reasons, the Group considers various qualitative factors (change in currency, interest rate, maturity) and on that basis concludes whether old loan should be derecognised and new loan should be recognised at fair value.

In the case where the financial asset is derecognized the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit-impaired asset. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default, which has not been reduced by the modification. Please also refer to Note 11 for more details.

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Impairment

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

- In order to calculate the ECL, the Bank performs a loan assessment on an individual basis and on a group basis depending on general credit risk features.
- ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.
- Calculations are based on justified and verified information, which may be received without any significant costs or efforts. Calculation of the present value of the expected future cash flows of the secured financial asset reflects the cash flow that may result from foreclosure, less the cost of obtaining and selling collateral, regardless of whether the recovery is probable or not. The allowance is based on the Group's own experience in assessing losses and management assumptions about the level of losses likely to be recognised on assets in each category of a credit risk, based on debt servicing capabilities and borrower's credit track record.
- Impairment for treasury operations (investments in debt securities, reverse repurchase transactions, interbank loans and deposits, correspondent account transactions, accounts receivable under treasury transactions) is calculated taking into account the counterparty's rating, probability of default, duration of a transaction and the extent of loss in case of a default.
- The estimated credit losses for treasury operations are estimated on an individual basis (except for individual claims in the form of receivables).

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

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

Allowances for expected credit losses

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

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

For more details about staging refer to Notes 11 and 14.

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

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default, which affects both the measurement of ECLs and the identification of a significant increase in credit risk (Note 4).

For the details of supportable forward-looking information, please refer to Note 29 for more details.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated 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. In accounting for a transfer of a financial asset that does not qualify for derecognition, the Group does not offset the transferred asset and the associated liability. Income and expense is not offset in the consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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It may not be possible to identify a single discrete event instead; the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes signs of the absence of probability of payment and the expiration of the payment term (if 90 days or more are overdue). The decision to use cross-default is based on case-by-case assessment of client's facility conditions such as collateral and materiality of exposure.

Purchased or originated credit-impaired ("POCI") financial assets.

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favorable change for such assets creates an impairment gain (recovery of credit loss expense).

Derecognition of financial assets and liabilities

Financial assets

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

- the rights to receive cash flows from the asset have expired;
- the Group 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 Group 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.

A financial asset is derecognised when it has been transferred and the transfer qualifies for derecognition. A transfer requires that the Group either: (a) transfers the contractual rights to receive the asset's cash flows; or (b) retains the right to the asset's cash flows but assumes a contractual obligation to pay those cash flows to a third party. After a transfer, the Group reassesses the extent to which it has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards have been retained, the asset remains on the consolidated statement of financial position. If substantially all of the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been neither retained nor transferred, the Group assesses whether or not it has retained control of the asset. If it has not retained control, the asset is derecognised. Where the Group has retained control of the asset, it continues to recognise the asset to the extent of its continuing involvement.

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Modification and derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Taxation

The current income tax expense is calculated in accordance with the regulations of Kazakhstan and other countries where the Group operates.

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

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year 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. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also charged or credited directly to other comprehensive income or equity.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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Deferred tax assets and deferred tax liabilities are offset and reported net in the consolidated statement of financial position if:

- The Group has a legally enforceable right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Kazakhstan and other countries where the Group operates also have various operating taxes that are assessed on the Group's activities. These taxes are recorded as taxes other than income tax.

The Group records a provision for uncertain tax positions if it is probable that the Group will have to make a payment to tax authorities upon their examination of a tax position. This provision is measured at the Group's best estimate of the amount expected to be paid. Provisions are reversed to income in provision for (recovery of) income taxes in the period in which management determines they are no longer required or as determined by statute.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment, except for any buildings and construction which are carried at revalued amount, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation of an asset begins when it becomes available for use. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

	Years
Buildings and constructions	20-100
Vehicles	5-7
Computers and banking equipment	5-10
Other	7-10

Depreciation of improvements to leased property is calculated over the useful life of the corresponding leased assets. Maintenance and overhaul expenses are recognised in the consolidated income statement as operating expenses in the period in which they are incurred, unless they meet capitalisation requirements.

The carrying amount of property and equipment is analysed at each reporting date for a possible excess of the recorded amount over their recoverable amount, and if the carrying amount exceeds such estimated recoverable amount, the value of the assets is reduced to recoverable amount. An impairment loss is recognised in the relevant period and included in operating expenses.

Buildings and construction held for use in supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional independent appraisers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

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Any revaluation increase arising on the revaluation of such buildings and construction is credited to the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the consolidated statement of profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such buildings and construction is charged as an expense to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and construction is charged to the consolidated statement of profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Construction in progress is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such construction in progress is classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Amounts due to customers and credit institutions

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

Debt securities issued

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

Equity

The Group classifies a financial instrument that it issues as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement. An instrument is classified as a liability if it is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities on potentially unfavorable terms. An instrument is classified as equity if it evidences a residual interest in the assets of the Group, after the deduction of liabilities.

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The components of a compound financial instrument issued by the Group are classified and accounted for separately as financial assets, financial liabilities or equity instruments as appropriate.

Share capital

External costs directly attributable to the issue of new shares, other than in a business combination, are shown as a deduction from the proceeds in equity. Prior to 13 May 2003, any excess of the fair value of consideration received over the nominal value of shares issued was recognised as share premium reserve. Effective 13 May 2003, upon a change in the law concerning “Joint Stock Companies”, the nominal amount concept was restricted to placement of shares only between the founders of an entity. For all other investors, share capital is recorded at placement value being the consideration received by an entity for its shares.

Treasury shares

When the Group acquires its own share capital, the amount of the consideration paid, including directly attributable costs, net of any related tax benefit, is recognised as a change in equity. Repurchased shares are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued and weighted average number of shares, and the cost price of the shares is presented as a deduction from total equity. Dividends on shares purchased by the Group’s subsidiaries are eliminated upon consolidation.

Dividends

Dividends are recognised as a liability and deducted from equity on the date they are declared. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the consolidated financial statements are authorised for issue.

Share-based payments

The Group recognised a provision for share-based payments as part of equity in the consolidated statement of financial position. The awards offered are equity-settled share-based payment transactions and are therefore within the scope of IFRS 2 Share-based Payments. The fair value of the services received is measured based on the fair value of the share options initially at the grant date and thereafter at each reporting date. The fair value of the options is calculated based on the Black-Scholes-Merton model, which includes, among other things, the market value of the shares as of the decision date, the volatility of the shares and the dividend yield rate. The cost of employee services received in respect of share options granted is recognised in the consolidated income statement as operating expenses during the period in which the services are rendered, after which the share rights are transferred. A stock-based payment allowance is recognised at the current fair value of the option at each reporting date.

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Equity reserves

The reserves recorded in equity (other comprehensive income) on the Group's consolidated statement of financial position include:

- Revaluation reserve of financial assets at fair value through other comprehensive income which comprises changes in fair value of financial assets at fair value through other comprehensive income and allowances for expected credit losses on debt financial assets at fair value through other comprehensive income;
- Cumulative translation reserve which is used to record foreign exchange differences arising from the translation of the net investment in foreign operations;
- Property revaluation reserve, which comprises revaluation reserve of land and buildings.

Contingencies

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

Recognition of income and expense

Interest income and expense for all financial instruments, except for financial assets measured or designated at fair value through profit or loss are recognised in 'Net interest income' as 'Interest income calculated using the effective interest method' and 'Interest expense' in the profit or loss account using the effective interest method.

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

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

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

The interest income/interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). For financial assets POCI the EIR reflects the expected credit losses in determining the future cash flows expected to be received from the financial asset.

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Loan origination fees for loans issued to customers are (together with related direct costs) recognised as an adjustment to the effective yield of the loans. Where it is probable that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are deferred, together with the related direct costs, and recognised as an adjustment to the effective interest rate of the resulting loan. Where it is unlikely that a loan commitment will lead to a specific lending arrangement, the loan commitment fees are recognised in profit or loss over the remaining period of the loan commitment. Where a loan commitment expires without resulting in a loan, the loan commitment fee is recognised in profit or loss on expiry.

Fee and commission income

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

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

Fee and commission income from maintenance of customer accounts and cash operations include fees earned from deposit products in lieu of compensating balances, service charges for transactions performed upon depositors' request, as well as fees earned from performing cash management activities. Service charges on deposit products are recognized over the period in which the related service is provided, typically monthly. Service fees are recognized at a point in time upon completion of the requested service transaction. Fees on cash management products are recognized over time as services are provided.

Plastic cards operations fee and commission income include interchange income from credit and debit card transactions and are recognized at a point in time upon settlement by the associated network. Interchange rates are generally set by the associated network based on purchase volume and other factors. Other card-related fees are recognized at a point in time upon completion of the transaction.

Other banking fees include fees for various transactional banking activities such as bank transfers, letters of credit fees and other transactional services. These fees are recognized in a manner that reflects the timing of when transactions occur and as services are provided. Letter of credit fees primarily includes fees received related to letter of credit agreements and are generally recognized upon execution of the contract.

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Foreign currency translation

The consolidated financial statements are presented in KZT, which is the functional currency of the Bank and each of its subsidiaries, except for foreign subsidiaries. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the currency rate of exchange as quoted by KASE as at the reporting date. Gains and losses resulting from the translation of foreign currency transactions into functional currency are recognised in the consolidated statement of profit or loss as net foreign exchange gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into the Group's presentation currency at the exchange rates as at the consolidated statement of financial position date, and their statements of profit or loss are translated at the average exchange rates for the year. Exchange differences arising on translation are taken directly to a separate component of equity. On disposal of a foreign subsidiary, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Differences between the contractual exchange rate of a transaction in a foreign currency and the market exchange rate on the date of the transaction are included in net foreign exchange gain or loss. The market exchange rate at 31 December 2025 was – KZT 505.53 to USD 1, KZT 6.34 to RUB 1, KZT 593.44 to EUR 1 (31 December 2024 – 525.11 KZT to USD 1, KZT 4.88 to RUB 1, KZT 546.74 to EUR 1).

Insurance contracts

A. Key types of insurance contracts issued and reinsurance contracts held

The Group issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

Life business – non-participating contracts including:

- Term life insurance contracts providing level or decreasing sum assured coverage for a limited period of time in exchange for non-renewable fixed premiums.

This group of contracts include the following material products of the Group – voluntary accumulative life insurance “Halyk Kazyna”, voluntary accumulative life insurance “Baiterek”, voluntary accumulative life insurance “Bolashak Life”, voluntary life insurance “Halyk Retail”, voluntary life insurance “Halyk MB” (small business), voluntary life insurance “Halyk Eurasia” and others.

The Group accounts for these policies using the General Model.

- Fixed annuity contracts providing the annuitant with a guaranteed income payout for life.

This group of contracts include the following material products of the Group – pension annuity and annuities under employer liability. The Group accounts for these policies applying the General Model.

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Motor and property insurance policies:

These comprise comprehensive and third-party liability car insurance policies as well as property insurance policies for contents and buildings and other properties with coverage of one year or more. This group of contracts includes the following significant products of the Group: compulsory motor vehicle liability insurance, property insurance, and motor vehicle and liability insurance. The Group accounts for these contracts applying the Premium Allocation Approach (PAA).

B. Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

C. Combining a set or series of contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Group is unable to measure one contract without considering the other

D. Separating components from insurance and reinsurance contracts

In addition to the provision of the insurance coverage service, some insurance contracts issued by the Group have other components such as an investment component.

The Group assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other IFRS Accounting Standards. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying IFRS 17.

Separating investment components

The Group issues certain life insurance policies. These include an investment component under which the Group is required to repay to a policyholder in all circumstances, regardless of an insured event occurring.

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In assessing whether an investment component is distinct and therefore required to be accounted for separately applying IFRS 9, the Group considers if the investment and insurance components are highly interrelated or not. A contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities, including those issuing insurance contracts.

When the investment component meets the definition of an investment contract with discretionary participation features, it is then accounted for applying IFRS 17.

In determining whether investment and insurance components are highly interrelated the Group assesses whether the Group is unable to measure one component without considering the other and whether the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other. The Group has not identified any distinct investment components. The Group applies IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

Separating insurance components of a single insurance contract

Once investment components are separated, the Group assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts to reflect the substance of the transaction. To determine whether insurance components should be recognised and measured separately, the Group considers whether there is an interdependency between the different risks covered, whether components can lapse independently of each other and whether the components can be priced and sold separately. When the Group enters into one legal contract with different insurance components operating independently of each other, insurance components are recognised and measured separately applying IFRS 17.

E. Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. Some products issued by different entities within the Group are considered as being managed at the issuing entity level. This is because the management of the solvency capital management, which supports the issuance of these contracts, is ring-fenced within these entities.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into two groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently

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The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Group applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed. See Note 13 below for the accounting policy on levels of aggregation for contracts that existed as at the transition date to IFRS 17.

For property insurance contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future. If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model.

If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

F. Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous

The Group recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised. Investment contracts with discretionary participation features are initially recognised at the date the Group becomes a party to the contract.

Investment treaties with discretionary participation conditions are initially recognised when the Group becomes a party to the contract.

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G. Contract boundaries

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

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, the Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Group's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Group considers all risks that policyholders would transfer had the Group issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Group's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance. The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Group exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

In estimating expected future cash flows of a group of contracts, the Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

Cash flows are within the boundaries of investment contracts with discretionary participation features if they result from a substantive obligation of the Group to deliver cash at a present or future date. The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

H. Measurement of insurance contracts issued

H.1 Measurement on initial recognition for contracts other than PAA

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

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Fulfilment cash flows within contract boundary

The fulfilment cash flows are the best estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way. When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums;
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- Claim handling costs;
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows);
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities;
- Other costs specifically chargeable to the policyholder under the terms of the contract.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Group has elected the accounting policy to present the time value of money separately in profit or loss. The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).

A mix of the bottom-up and top-down approaches was applied in the determination of the discount rates for different products. Bottom-up approach is used for cash flows denominated in foreign currencies. Top-down approach is used for cash flows denominated in KZT. Discount rates determined at the reporting date are disclosed in Note 13.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk.

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In calculating the risk adjustment coefficient, the impact of the following actuarial assumptions on the level of insurance risk is taken into account:

- Probability of death by gender and age;
- Amount of administrative expenses;
- Probability of termination (if any);
- Probability of prolongation.

The calculation is made using the Value at Risk (VaR) method. Under this approach, the Group calculates the present value of future cash flows under a number of different scenarios (each scenario representing uncertainty resulting from non-financial risks) in order to reproduce the distribution of risks. The risk adjustment for non-financial risk is taken to be equal to the difference between the cost measure of risk at a given level of confidence and the average value - its best estimate. The reliability equal to 75% are accepted.

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group
- Any other asset or liability previously recognised for cash flows related to the group
- Any cash flows that have already arisen on the contracts as of that date

If a group of contracts is onerous, the Group recognises a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts. See Note 13.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

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The Group recognises an asset in respect of costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of the group of insurance contracts to which these costs relate. The Group recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfilment cash flows of the associated group of contracts when the group is initially recognised. When only some of the insurance contracts expected to be included within the group are recognised as at the end of the reporting period, the Group determines the related portion of the asset that is derecognised and included in the group's fulfilment cash flows. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in the group.

At each reporting date, the Group reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Group adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

H.2 Subsequent measurement under the General Model

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

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

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

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Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows); or
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items. At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the contractual service margin

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

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

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

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- Changes in the fulfilment cash flows relating to the LIC;
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

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

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

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition;
- The changes in fulfilment cash flows related to future service, except:
 - Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous
 - Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM;
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract;
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future;
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

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

Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Group applies the following methods:

For term life (with level or decreasing sum assured) and fixed annuity policies, a method based on the expected coverage period and maximum contractual cover in each period is applied. This method is appropriate as there is variability in the contractual cover in each period and, therefore, variability in the amount of the service provided in each period.

The amount of CSM allocated to each coverage unit changes over time, as the amount of CSM changes. The allocation of the CSM to coverage units is done at the end of the period, after reflecting all other CSM adjustments (the accretion of interest and the effect of change in assumptions relating to future coverage), but before any of it is released to profit or loss. The amount of CSM remaining at the end of the reporting period is allocated equally to the coverage units provided in the period and the remaining coverage units relating to future periods.

H.3 Insurance contracts measured under the premium allocation approach

The Group applies the PAA to the measurement of motor and property insurance contracts with a coverage period of each contract in the group of one year or less. The Group applies the PAA to the measurement of motor and property insurance contracts with a coverage period of each contract in the group of more than one year if PAA model is applied.

On initial recognition, the Group measures the LRC at the amount of premiums received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, the Group applies a policy of amortising all insurance acquisition cash flows over the contract's coverage period.

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Group has determined that there is no significant financing component in motor and property insurance contracts with a coverage period of one year or less. The Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

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The Group also applies the PAA to the all-quota share property and motor reinsurance contracts held. The coverage period of such reinsurance contracts held is 15 months or less. As the coverage period exceeds one year, the Group at initial recognition assesses whether the PAA is a reasonable approximation of the General Model.

For motor and property reinsurance contracts held with a coverage period longer than one year, the Group exercises judgement to determine whether a significant financing component exists. For groups of reinsurance contracts held with a significant financing component, the Group adjusts the LRC for the time value of money using discount rates determined at initial recognition.

For both motor and property insurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the General Model, except that:

- For claims that the Group expects to be paid within one year or less from the date of incurrence, the Group does not adjust future cash flows for the time value of money and the effects of financial risks;
- For claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time. The Group applies judgement in determining the basis of allocation.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

H.4 Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing on a best estimate of future expected cashflows including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

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For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense;
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period;
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC.

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the loss component only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component);
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component);
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component;
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted;
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

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1. Modification and derecognition

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

- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:
 - Is outside of the scope of IFRS 17;
 - Results in a different insurance contract due to separating components from the host contract;
 - Results in a substantially different contract boundary;
 - Would be included in a different group of contracts.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

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

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

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

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

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

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled);
- Modified and the derecognition criteria are met.

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

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

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

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

J. Presentation

The Group has presented separately in the consolidated statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss into insurance revenue and insurance service expenses. The Group has voluntarily included the net insurance finance income or expenses line in insurance revenue.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and nonfinancial portion. It includes the entire change as part of the insurance service result.

J.1 Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - Amounts allocated to the loss component
 - Repayments of investment components
 - Insurance acquisition expenses
 - Amounts relating to risk adjustment for non-financial risk
- The change in the risk adjustment for non-financial risk, excluding:
 - Changes that relate to future service that adjust the CSM
 - Amounts allocated to the loss component
- The amount of CSM for the services provided in the period.

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

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When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

J.2 Insurance service expenses

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

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components;
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- Other directly attributable insurance service expenses incurred in the period;
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue;
- Loss component of onerous groups of contracts initially recognised in the period;
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Financial guarantee contracts and letters of credit issued

Financial guarantee contracts and letters of credit issued by the Group are credit insurance that provides for specified payments to be made to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due under the original or modified terms of a debt instrument. Such financial guarantee contracts and letters of credit issued are initially recognised at fair value. Subsequently, they are measured at the higher of (a) the amount recognised as a provision and (b) the amount initially recognised less, where appropriate, cumulative amortisation of initial premium revenue received over the financial guarantee contracts or letters of credit issued.

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

The following amendments and interpretations are effective for the Group effective 1 January 2025:

<i>Amendments to IAS 21 – Lack of Exchangeability</i>	<i>1 January 2025</i>
<i>Amendments to SASB Standards to enhance their international applicability</i>	<i>1 January 2025</i>

The above standards and interpretations were reviewed by the Group's management, but did not have a significant effect on the consolidated financial statements of the Group.

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

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

<i>New or revised standard or interpretation</i>	<i>Applicable to annual reporting periods beginning on or after</i>
<i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i>	<i>1 January 2026</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>1 January 2026</i>
<i>IFRS 18 – Presentation and Disclosures in Financial Statements</i>	<i>1 January 2027</i>
<i>IFRS 19 – Subsidiaries without Public Accountability: Disclosures</i>	<i>1 January 2027</i>

The Group is currently assessing the potential impact of the above IFRS standards. Until the Group completes its analysis, it is not possible to make a reasonable estimate of the financial effect.

4. Significant accounting estimates

The preparation of the Group's consolidated financial statements requires management to make estimates and judgements that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting year. Management evaluates its estimates and judgements on an ongoing basis. Management bases its estimates and judgements on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following estimates and judgements are considered important to the portrayal of the Group's financial condition.

Significant increase of credit risk

As explained in Note 3, ECL are measured as an allowance equal to 12-month ECL (for assets in Stage 1) assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information (refer to Note 29 for more details).

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario

For treasury operations, the Bank calculates ECL on a financial asset based not only on the current estimates of the credit quality of the counterparty/issuer at the reporting date, but also taking into account possible deterioration of the financial condition due to the adverse macroeconomic factors of the counterparty's/issuer's environment in the future. In particular, the level of ECL for treasury operations is affected by the rating outlook (positive, stable, negative) assigned by international rating agencies, which affects the probability of default.

For bank loans, the calculation of ECL takes into account the possible estimated effects of changes in macroeconomic parameters on forecasted cash flows, migration of collective loans and collateral coverage.

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When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to Note 29 for more details.

The key inputs used for measuring ECL are:

- Probability of default (“PD”);
- Loss given default (“LGD”); and
- Exposure at default (“EAD”).

Probability of default

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

PD for treasury operations is determined according to the Default Study from international rating agencies (S&P, Fitch, Moody’s), which publish tabular data with the values of the probabilities of default. The probabilities of default are maintained up to date and are updated on a periodic basis as the default statistics are updated.

PD for individually assessed loans of corporate, small and medium businesses is estimated using an internal rating model based on the quantitative and qualitative characteristics of the borrower. The calculation of PD on loans assessed on a collective basis is carried out on the basis of historical data using the migration matrices and roll-rates.

Loss Given Default

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

LGD for treasury operations is determined according to the Default Study data from international rating agencies (S&P, Fitch and Moody’s) and depends on the type of debt on the financial asset: senior secured/unsecured, subordinated and sovereign. In addition, LGD may be adjusted if collateral is provided for the asset, as well as if there are indications of impairment for the financial asset (Stage 2 or Stage 3).

LGD for collectively assessed loans is calculated based on an estimate of the recoverability of debt in case of the pledged collateral sale with a discount period that corresponds to the pledged collateral implementation terms.

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Exposure at Default

EAD 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, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilization of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Models and assumptions used

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See Notes 11, 14 and 29 for more details on allowances for ECL and Note 32 for more details on fair value measurement.

The Group makes estimates and judgements, which are constantly analyzed based on statistical data, actual and forecast information, as well as management experience, including expectations regarding future events that are reasonable in current circumstances.

In 2025, the allowances for ECL of financial assets in the consolidated financial statements have been determined on the basis of existing economic and political conditions and available forward-looking information.

The carrying amount of the allowance for ECL of loans to customers as at 31 December 2025 is KZT 603,804 million (31 December 2024: KZT 573,219 million).

Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Group uses valuation models to determine the fair value of its financial instruments. Refer to Note 32 for more details on fair value measurement.

Taxation

Kazakhstan tax, currency and customs legislations are subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and state authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

As at 31 December 2025, management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained. Significant additional actual taxes, penalties and interest may be assessed following any challenges by the relevant authorities, which could have a material impact on the Group's reported net income.

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5. Cash and cash equivalents

Cash and cash equivalents comprise:

	31 December 2025	31 December 2024
Cash on hand	267,868	271,019
Correspondent accounts with Organisation for Economic Co-operation and Development countries (the "OECD") based banks	462,530	237,969
Correspondent accounts with non-OECD based banks	52,571	84,877
Correspondent accounts with Kazakhstan banks	37,887	18,161
Correspondent accounts with NBRK	-	2
Overnight deposits with non-OECD based banks	16,115	3,562
Overnight deposits with OECD based banks	140	79
Short-term deposits with NBRK	800,992	800,985
Short-term deposits with banks (incl. loans under reverse repurchase agreements)	56,228	55,117
Short-term deposits with non-OECD based banks	100	2,031
Total cash and cash equivalents	1,694,431	1,473,802

As at 31 December 2025 and 2024, allowance for expected credit losses on cash and cash equivalents comprised KZT 28 million and KZT 27 million, respectively.

Interest rates and currencies in which interest earning cash and cash equivalents are denominated are as follows:

	31 December 2025		31 December 2024	
	KZT	Foreign currencies	KZT	Foreign currencies
Overnight deposits with OECD based banks	-	1.1%	-	6.3%
Overnight deposits with non-OECD based banks	-	8.0-12.0%	-	6.3%-20.0%
Short-term deposits with NBRK	17.0%-18.0%	-	15.3%	-
Short-term deposits with banks (incl. loans under reverse repurchase agreements)	15.0% -17.8%	3.0%-17.3%	13.9%-15.5%	13.5%
Short-term deposits with non-OECD based banks	18.5%	-	-	9.0%

Fair value of assets pledged and carrying amounts of loans under reverse repurchase agreements as at 31 December 2025 and 2024 are as follows:

	31 December 2025		31 December 2024	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	40,951	40,720	37,747	37,733
Bonds of JSC Development Bank of Kazakhstan	6,890	6,928	518	529
Corporate bonds	5,264	5,424	633	631
Bonds of Kazakhstan banks	3,123	3,137	3,018	3,109
Treasury bills of the Ministry of Finance of the Republic of Uzbekistan	-	-	10,022	10,023
Eurobonds of the foreign states	-	-	3,179	3,228
	56,228	56,209	55,117	55,253

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As at 31 December 2025 and 2024, maturities of loans under reverse repurchase agreements are less than one month.

6. Obligatory reserves

Obligatory reserves comprise:

	31 December 2025	31 December 2024
Cash and due from banks allocated to obligatory reserves	862,148	306,330
	862,148	306,330

The obligatory reserves represent the minimum reserve deposits and cash on hand balances required by the National Banks of the Republic of Kazakhstan, Republic of Uzbekistan and Georgia and used for calculation of the minimum reserve requirements. As at 31 December 2025, obligatory reserves of the Bank comprised KZT 856,484 million (31 December 2024 – comprised KZT 294,421 million).

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

Financial assets at fair value through profit or loss comprise:

	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss:		
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	242,563	183,327
Corporate bonds	220,479	218,794
Eurobonds of foreign states	93,572	150,714
Equity securities of foreign corporations	90,477	42,847
Bonds of international financial organisations	80,408	9,529
Bonds of foreign organisations	73,061	66,346
Bonds of Kazakhstan banks	54,502	44,974
Derivative financial instruments	26,872	30,487
Equity securities of Kazakhstan corporations	24,816	34,737
Bonds of JSC Development Bank of Kazakhstan	13,199	24,919
Notes of NBRK	997	16,143
Total financial assets at fair value through profit or loss	920,946	822,817

Financial liabilities at fair value through profit or loss comprise:

	31 December 2025	31 December 2024
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments	8,433	6,973

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Interest rates on financial assets at fair value through profit or loss are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective financial assets:

	31 December 2025	31 December 2024
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	13.0%	13.0%
Corporate bonds	12.1%	12.6%
Eurobonds of foreign states	4.1%	5.0%
Bonds of international financial organisations	4.5%	11.2%
Bonds of foreign organisations	6.7%	6.7%
Bonds of Kazakhstan banks	15.9%	15.9%
Bonds of JSC Development Bank of Kazakhstan	13.2%	13.3%
Notes of NBRK	16.0%	14.3%

As at 31 December 2025 and 2024, financial assets at fair value through profit or loss included bonds with a fair value of KZT 34,291 million and KZT 7,554 million, respectively, pledged under repurchase agreements with other banks (see Note 16). All repurchase agreements as at 31 December 2025 and 2024 matured before 6 January 2026 and 17 January 2025, respectively.

Derivative financial instruments comprise:

	31 December 2025			31 December 2024		
	Notional amount	Fair value Asset	Liability	Notional amount	Fair value Asset	Liability
Foreign currency contracts						
Swaps	1,455,309	9,600	5,206	545,598	29,453	4,630
Forwards	770,457	15,890	1,923	128,663	190	350
Spots	140,817	1,382	1,304	35,976	844	1,993
	2,366,583	26,872	8,433	710,237	30,487	6,973

As at 31 December 2025 and 2024, the Group used quotations from observable independent sources of information to determine the fair value of financial assets measured at fair value through profit or loss, excluding derivative financial instruments that were measured on the basis of observable market data from valuation models.

8. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	31 December 2025	31 December 2024
Deposit pledged as collateral	67,964	66,596
Term deposits and restricted accounts	62,756	53,495
Loans to credit institutions	50,800	37,027
	181,520	157,118
Less - Allowance for expected credit losses	(232)	(152)
Total amounts due from credit institutions	181,288	156,966

As at 31 December 2025 and 2024, allowance for expected credit losses on amounts due to credit institutions comprised KZT 232 million and KZT 152 million, respectively.

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Interest rates and maturities of amounts due from credit institutions are as follows:

	31 December 2025		31 December 2024	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Deposit pledged as collateral	1.8%-3.7%	2026-2046	1.8%-4.6%	2025-2046
Term deposits and restricted accounts	9.0%-19.5%	2026	7.0%-20.0%	2025-2026
Loans to credit institutions	1.6%-19.5%	2026-2027	1.3%-8.5%	2025-2027

9. Financial assets at fair value through other comprehensive income

Debt securities comprise:

	31 December 2025	31 December 2024
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	1,645,825	2,017,155
Corporate bonds	184,593	256,684
Bonds of JSC Development Bank of Kazakhstan	161,055	222,438
Bonds of foreign organisations	144,753	229,093
Eurobonds of foreign states	68,944	120,848
Bonds of international financial organisations	32,116	31,184
Bonds of Kazakhstan banks	19,737	20,668
Local municipal bonds	11,337	11,328
Bonds of the Ministry of Finance of the Republic of Uzbekistan	4,240	-
Treasury bills of the Central Bank of the Republic of Uzbekistan	-	3,878
	2,272,600	2,913,276

Equity securities comprise:

	31 December 2025	31 December 2024
Equity securities of Kazakhstan corporations	12,592	11,484
	12,592	11,484
Total financial assets at fair value through other comprehensive income	2,285,192	2,924,760

As at 31 December 2025 and 2024, financial assets measured at fair value through other comprehensive income included bonds of Goldman Sachs International with a fair value of KZT 57,529 million and bonds of J.P. Morgan Securities PLC, Goldman Sachs International with a fair value of KZT 196,881 million, respectively, pledged under repurchase agreements with other banks (Note 16). All repurchase agreements as at 31 December 2025 and 2024 matured before 12 January 2026 and 17 November 2025, respectively.

As at 31 December 2025 and 2024, the allowance for expected credit losses on financial assets at fair value through other comprehensive income comprised KZT 1,641 million and KZT 4,364 million, respectively.

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Interest rates and maturities of financial assets at fair value through other comprehensive income are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective securities.

	31 December 2025		31 December 2024	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	8.3%	2026-2045	7.0%	2025-2045
Corporate bonds	10.5%	2026-2047	9.2%	2025-2047
Bonds of JSC Development Bank of Kazakhstan	4.7%	2026-2035	6.4%	2025-2032
Bonds of foreign organisations	6.7%	2026-2030	5.0%	2025-2029
Eurobonds of the foreign states	4.1%	2026-2034	3.8%	2025-2034
Bonds of international financial organisations	9.2%	2026-2030	8.7%	2025-2030
Bonds of Kazakhstan banks	12.5%	2026-2029	11.5%	2026-2029
Local municipal bonds	10.8%	2026	10.8%	2026
Bonds of the Ministry of Finance of the Republic of Uzbekistan	14.9%	2028	-	-
Treasury bills of the Central Bank of Republic Uzbekistan	-	-	7.0%	2028-2029

10. Debt securities at amortised cost, net of allowance for expected credit losses

Debt securities at amortised cost, net of allowances for expected credit losses comprise:

	31 December 2025	31 December 2024
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	612,674	521,807
Corporate bonds	306,918	217,839
Bonds of the foreign states	110,572	-
Bonds of JSC Development Bank of Kazakhstan	77,931	-
Treasury bonds of the Central Bank of the Republic of Uzbekistan	11,186	20,995
Bonds of international financial organisations	11,158	-
Bonds of foreign organisations	10,011	4,004
Notes of National Bank of Georgia	1,123	2,292
Total debt securities at amortised cost, net of allowances for expected credit losses	1,141,573	766,937

As at 31 December 2025 and 2024, the allowance for expected credit losses on debt securities at amortised cost comprised KZT 744 million and KZT 577 million, respectively.

As at 31 December 2025 and 2024, debt securities at amortised cost, net of allowances for expected credit losses, included bonds at fair value of KZT 237,521 million and KZT 37,607 million, respectively, pledged under repurchase agreements with the other banks (see Note 16). All repurchase agreements as at 31 December 2025 and 2024 matured before 12 January 2026 and 5 January 2025, respectively.

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Interest rates and maturities of debt securities at amortised cost, net of allowance for expected credit losses are presented in the table below. Interest rates in the table below are calculated as weighted average of the effective interest rates for the respective securities.

	31 December 2025		31 December 2024	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	8.8%	2026-2037	9.0%	2026-2027
Corporate bonds	7.4%	2026-2030	4.0%	2027
Bonds of the foreign states	4.2%	2026	-	-
Bonds of JSC Development Bank of Kazakhstan	6.3%	2026-2030	-	-
Treasury bonds of the Central Bank of the Republic of Uzbekistan	14.6%	2026	15.7%	2025
Bonds of international financial organisations	13.6%	2027-2028	-	-
Bonds of foreign organisations	6.1%	2031	5.5%	2025
Notes of National Bank of Georgia	8.9%	2028	9.7%	2025-2028

11. Loans to customers

Loans to customers comprise:

	31 December 2025	31 December 2024
Loans to customers	13,693,394	12,016,120
Overdrafts	21,327	22,748
	13,714,721	12,038,868
Stage 1	12,554,180	11,209,639
Stage 2	106,545	66,208
Stage 3	1,034,695	743,676
Purchased or originated credit-impaired assets ("POCI")	19,301	19,345
Total	13,714,721	12,038,868
Less – Allowance for expected credit losses	(603,804)	(573,219)
Total loans to customers	13,110,917	11,465,649

During the year ended 31 December 2025, the Group reclassified certain corporate customers from stage 1 to stage 3 due to an increase in credit risk that was caused by a temporary deterioration in the operating performance of these customers. The Group will monitor further dynamics in the operating performance of customers for the purposes of accounting for the impact on the Group's assets.

The average interest rate on loans to customers is calculated as interest income on loans to customers divided by monthly average balances of loans to customers. For the year ended 31 December 2025, average interest rate on loans was 17.3% (for the year ended 31 December 2024 – 16.9%).

As at 31 December 2025, the Group's loan concentration to the ten largest borrowers was KZT 2,605,135 million, which comprised 19% of the Group's total gross loan portfolio (as at 31 December 2024 – KZT 2,151,550 million, 18%) and 74% of the Group's total equity (as at 31 December 2024 – 70%). As at 31 December 2025, the allowance for expected credit losses created against these loans was KZT 62,217 million (as at 31 December 2024 – KZT 18,548 million).

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

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions – cash or securities;
- For commercial lending – charges over real estate properties, equipment, guarantees of legal entities with external rating not lower than ‘B’;
- For retail lending – mortgages over residential properties, motor vehicles.

The Group obtained the following financial and non-financial assets during the year by taking possession of collateral held as security against loans and advances and held at the year end. The Group’s policy is to realise collateral on a timely basis. The primary purpose of collateral is to reduce the potential credit loss in case of default. Management monitors the market value of collateral obtained during its review of the adequacy of the allowance for expected credit losses.

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

	31 December 2025	31 December 2024
Loans collateralised by pledge of real estate or rights thereon	2,640,412	2,265,402
Loans collateralised by mixed types of collateral	2,565,469	2,453,005
Consumer loans issued within the framework of payroll projects*	2,294,140	2,146,331
Loans collateralised by guarantees	1,524,058	1,223,814
Loans collateralised by pledge of vehicles	911,544	738,174
Loans collateralised by cash	600,434	629,848
Loans collateralised by pledge of securities	425,122	399,194
Loans collateralised by pledge of equipment	338,978	293,390
Loans collateralised by pledge of inventories	165,286	164,479
Unsecured loans	2,249,278	1,725,231
	13,714,721	12,038,868
Less – Allowance for expected credit losses	(603,804)	(573,219)
Loans to customers	13,110,917	11,465,649

*These loans are collateralised by cash to be received in the future from the employees of companies within the framework of salary projects.

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Loans are granted to the following sectors:

	31 December 2025	%	31 December 2024	%
Retail loans:				
- consumer loans	4,015,027	30%	3,640,391	30%
- mortgage loans	583,536	4%	508,879	4%
	4,598,563		4,149,270	
Services	1,515,064	12%	1,143,985	10%
Energy	917,685	7%	763,144	6%
Wholesale trade	867,746	6%	920,217	8%
Retail trade	745,502	5%	662,041	5%
Mining	741,917	5%	341,200	3%
Metallurgy	715,497	5%	613,974	5%
Construction	420,939	3%	380,757	3%
Food industry	380,495	3%	328,982	3%
Financial services	364,156	3%	357,826	3%
Machinery	356,580	3%	351,955	3%
Agriculture	333,002	2%	336,138	3%
Transportation	327,436	2%	310,993	2%
Real estate	326,240	2%	357,828	3%
Chemical industry	303,214	2%	317,733	3%
Oil and gas	242,535	2%	283,334	2%
Communication	160,594	1%	106,599	1%
Hotel industry	147,571	1%	107,878	1%
Light industry	90,463	1%	75,725	1%
Other	159,522	1%	129,289	1%
	13,714,721	100%	12,038,868	100%

Restructured and modified loans to customers

The Bank derecognises a financial asset, such as a loan to a customer, if the terms of the contract are renegotiated in such a way that it effectively becomes a new loan and the difference is recognized as a gain or loss on derecognition before an impairment loss is recognized. On initial recognition, loans to customers are classified in Stage 1 for the purpose of estimating expected credit losses, unless the loan originated is considered POCI. If the modification does not result in a significant change in cash flows, then derecognition does not occur. No material gain/(loss) on modification of loans to customers was recognised in 2025 and 2024.

As at 31 December 2025, accrued interest on loans comprised KZT 358,450 million (31 December 2024 – KZT 268,373 million).

During the years ended 31 December 2025 and 2024, the Group received financial and non-financial assets by taking possession of collateral it held as security. As at 31 December 2025 and 2024, such assets of KZT 6,042 million and KZT 6,157 million, respectively, were included in assets classified as held for sale.

As at 31 December 2025 and 2024, loans to customers included loans of KZT 350,437 million and KZT 354,105 million, respectively, for which terms were renegotiated. Otherwise, these loans would be past due.

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The following is a reconciliation of the gross carrying amounts at the beginning and end of year:

	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	11,209,639	66,208	743,676	19,345	12,038,868
Transfer to Stage 1	91,418	(32,572)	(58,846)	-	-
Transfer to Stage 2	(375,425)	380,458	(5,033)	-	-
Transfer to Stage 3	(300,352)	(316,658)	617,010	-	-
New originations or purchases of financial assets	11,023,248	-	-	-	11,023,248
Assets derecognised or repaid	(5,653,908)	(65,910)	(86,155)	(497)	(5,806,470)
Write-offs	-	-	(176,915)	(939)	(177,854)
Changes in the gross value of financial assets*	(3,440,440)	75,019	958	1,392	(3,363,071)
At the end of the year	12,554,180	106,545	1,034,695	19,301	13,714,721

	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate Business					
At the beginning of the year	5,600,143	20,095	337,672	15,970	5,973,880
Transfer to Stage 1	27,486	(1,962)	(25,524)	-	-
Transfer to Stage 2	(172,416)	172,416	-	-	-
Transfer to Stage 3	(15,475)	(179,395)	194,870	-	-
New originations or purchases of financial assets	6,281,472	-	-	-	6,281,472
Assets derecognised or repaid	(3,704,017)	(18,046)	(22,979)	(201)	(3,745,243)
Write-offs	-	-	(51,091)	(641)	(51,732)
Changes in the gross value of financial assets*	(1,650,835)	32,100	(19,494)	1,742	(1,636,487)
At the end of the year	6,366,358	25,208	413,454	16,870	6,821,890

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	31 December 2025				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	3,847,416	32,404	269,187	263	4,149,270
Transfer to Stage 1	47,367	(19,096)	(28,271)	-	-
Transfer to Stage 2	(138,384)	142,581	(4,197)	-	-
Transfer to Stage 3	(225,168)	(97,855)	323,023	-	-
New originations or purchases of financial assets	2,459,302	-	-	-	2,459,302
Assets derecognised or repaid	(850,228)	(43,483)	(22,449)	-	(916,160)
Write-offs	-	-	(99,288)	-	(99,288)
Changes in the gross value of financial assets*	(1,053,116)	43,202	15,344	9	(994,561)
At the end of the year	4,087,189	57,753	453,349	272	4,598,563

	31 December 2025				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	1,762,080	13,709	136,817	3,112	1,915,718
Transfer to Stage 1	16,565	(11,514)	(5,051)	-	-
Transfer to Stage 2	(64,625)	65,461	(836)	-	-
Transfer to Stage 3	(59,709)	(39,408)	99,117	-	-
New originations or purchases of financial assets	2,282,474	-	-	-	2,282,474
Assets derecognised or repaid	(1,099,663)	(4,381)	(40,727)	(296)	(1,145,067)
Write-offs	-	-	(26,536)	(298)	(26,834)
Changes in the gross value of financial assets*	(736,489)	(283)	5,108	(359)	(732,023)
At the end of the year	2,100,633	23,584	167,892	2,159	2,294,268

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	31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	8,992,052	51,860	700,518	30,368	9,774,798
Transfer to Stage 1	96,999	(34,764)	(62,235)	-	-
Transfer to Stage 2	(127,638)	137,065	(9,427)	-	-
Transfer to Stage 3	(229,332)	(82,039)	311,371	-	-
New originations or purchases of financial assets	10,194,661	-	-	-	10,194,661
Assets derecognised or repaid	(5,067,182)	(9,950)	(158,938)	(9,992)	(5,246,062)
Write-offs	-	-	(59,715)	(5,297)	(65,012)
Changes in the gross value of financial assets*	(2,649,921)	4,036	22,102	4,266	(2,619,517)
At the end of the year	11,209,639	66,208	743,676	19,345	12,038,868

	31 December 2024				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	4,620,873	13,307	385,026	24,368	5,043,574
Transfer to Stage 1	12,139	(1,997)	(10,142)	-	-
Transfer to Stage 2	(11,080)	11,826	(746)	-	-
Transfer to Stage 3	(41,318)	(1,458)	42,776	-	-
New originations or purchases of financial assets	5,304,179	-	-	-	5,304,179
Assets derecognised or repaid	(3,220,172)	(2,071)	(48,815)	(7,500)	(3,278,558)
Write-offs	-	-	-	(5,147)	(5,147)
Changes in the gross value of financial assets*	(1,064,478)	488	(30,427)	4,249	(1,090,168)
At the end of the year	5,600,143	20,095	337,672	15,970	5,973,880

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	31 December 2024				
Retail Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	2,890,959	20,966	198,334	2,146	3,112,405
Transfer to Stage 1	56,371	(22,281)	(34,090)	-	-
Transfer to Stage 2	(84,754)	91,064	(6,310)	-	-
Transfer to Stage 3	(135,288)	(56,665)	191,953	-	-
New originations or purchases of financial assets	2,852,099	-	-	-	2,852,099
Assets derecognised or repaid	(849,161)	(3,081)	(73,427)	(2,046)	(927,715)
Write-offs	-	-	(50,225)	(59)	(50,284)
Changes in the gross value of financial assets*	(882,810)	2,401	42,952	222	(837,235)
At the end of the year	3,847,416	32,404	269,187	263	4,149,270

	31 December 2024				
SME Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	1,480,220	17,587	117,158	3,854	1,618,819
Transfer to Stage 1	28,489	(10,486)	(18,003)	-	-
Transfer to Stage 2	(31,804)	34,175	(2,371)	-	-
Transfer to Stage 3	(52,726)	(23,916)	76,642	-	-
New originations or purchases of financial assets	2,038,383	-	-	-	2,038,383
Assets derecognised or repaid	(997,849)	(4,798)	(36,696)	(446)	(1,039,789)
Write-offs	-	-	(9,490)	(91)	(9,581)
Changes in the gross value of financial assets*	(702,633)	1,147	9,577	(205)	(692,114)
At the end of the year	1,762,080	13,709	136,817	3,112	1,915,718

* Changes in the gross value of financial assets include changes in gross carrying amount related to partial repayment of debt, accrual of interest income and foreign exchange differences, as well as repayment of debt previously written off against credit loss expenses.

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The movements in accumulated allowances for expected credit losses of loans to customers were as follows:

	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(142,185)	(14,934)	(409,882)	(6,218)	(573,219)
Transfer to Stage 1	(20,442)	3,700	16,742	-	-
Transfer to Stage 2	9,684	(11,039)	1,355	-	-
Transfer to Stage 3	19,031	67,673	(86,704)	-	-
Changes in risk parameters*	64,858	(59,311)	(152,320)	4,147	(142,626)
New originations or purchases of financial assets*	(99,534)	-	-	-	(99,534)
Derecognition of financial assets*/**	45,865	1,836	23,631	189	71,521
Recoveries of allowances on previously written-off assets	(2,391)	(24)	(29,521)	(4,992)	(36,928)
Write-offs	-	-	176,915	939	177,854
Foreign exchange differences and other movements	(63)	(70)	(780)	41	(872)
At the end of the year	(125,177)	(12,169)	(460,564)	(5,894)	(603,804)

	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
Corporate Business					
At the beginning of the year	(22,190)	(8,233)	(207,562)	(5,623)	(243,608)
Transfer to Stage 1	(6,949)	-	6,949	-	-
Transfer to Stage 2	724	(724)	-	-	-
Transfer to Stage 3	60	40,462	(40,522)	-	-
Changes in risk parameters*	11,094	(37,473)	12,148	3,694	(10,537)
New originations or purchases of financial assets*	(25,278)	-	-	-	(25,278)
Derecognition of financial assets*/**	15,406	982	4,118	-	20,506
Recoveries of allowances on previously written-off assets	(215)	-	(9,177)	(4,002)	(13,394)
Write-offs	-	-	51,091	641	51,732
Foreign exchange differences and other movements	272	56	(88)	39	279
At the end of the year	(27,076)	(4,930)	(183,043)	(5,251)	(220,300)

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Retail Business	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(97,596)	(4,547)	(145,998)	(71)	(248,212)
Transfer to Stage 1	(11,521)	2,681	8,840	-	-
Transfer to Stage 2	6,852	(8,127)	1,275	-	-
Transfer to Stage 3	16,775	14,835	(31,610)	-	-
Changes in risk parameters*	43,045	(10,137)	(134,160)	(4)	(101,256)
New originations or purchases of financial assets*	(51,055)	-	-	-	(51,055)
Derecognition of financial assets*/**	19,761	309	7,086	-	27,156
Recoveries of allowances on previously written-off assets	(1,530)	(23)	(17,740)	-	(19,293)
Write-offs	-	-	99,288	-	99,288
Foreign exchange differences and other movements	(17)	(13)	(91)	-	(121)
At the end of the year	(75,286)	(5,022)	(213,110)	(75)	(293,493)

SME Business	31 December 2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(22,399)	(2,154)	(56,322)	(524)	(81,399)
Transfer to Stage 1	(1,972)	1,019	953	-	-
Transfer to Stage 2	2,108	(2,188)	80	-	-
Transfer to Stage 3	2,196	12,376	(14,572)	-	-
Changes in risk parameters*	10,719	(11,701)	(30,308)	457	(30,833)
New originations or purchases of financial assets*	(23,201)	-	-	-	(23,201)
Derecognition of financial assets*/**	10,698	545	12,427	189	23,859
Recoveries of allowances on previously written-off assets	(646)	(1)	(2,604)	(990)	(4,241)
Write-offs	-	-	26,536	298	26,834
Foreign exchange differences and other movements	(318)	(113)	(601)	2	(1,030)
At the end of the year	(22,815)	(2,217)	(64,411)	(568)	(90,011)

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	31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(122,149)	(7,362)	(347,655)	(12,760)	(489,926)
Transfer to Stage 1	(23,624)	4,790	18,834	-	-
Transfer to Stage 2	5,722	(8,989)	3,267	-	-
Transfer to Stage 3	13,692	14,534	(28,226)	-	-
Changes in risk parameters*	53,354	(18,706)	(119,264)	988	(83,628)
New originations or purchases of financial assets*	(116,935)	-	-	-	(116,935)
Derecognition of financial assets*/**	50,577	643	21,344	7,050	79,614
Recoveries of allowances on previously written-off assets	(1,120)	(33)	(14,872)	(6,441)	(22,466)
Write-offs	-	-	59,716	5,296	65,012
Foreign exchange differences and other movements	(1,702)	189	(3,026)	(351)	(4,890)
At the end of the year	(142,185)	(14,934)	(409,882)	(6,218)	(573,219)

	31 December 2024				
Corporate Business	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(21,561)	(3,010)	(194,810)	(11,770)	(231,151)
Transfer to Stage 1	(431)	3	428	-	-
Transfer to Stage 2	73	(274)	201	-	-
Transfer to Stage 3	351	100	(451)	-	-
Changes in risk parameters*	9,070	(5,236)	(17,120)	799	(12,487)
New originations or purchases of financial assets*	(23,401)	-	-	-	(23,401)
Derecognition of financial assets*/**	15,146	-	12,203	6,443	33,792
Recoveries of allowances on previously written-off assets	(22)	-	(5,378)	(5,900)	(11,300)
Write-offs	-	-	-	5,146	5,146
Foreign exchange differences and other movements	(1,415)	184	(2,635)	(341)	(4,207)
At the end of the year	(22,190)	(8,233)	(207,562)	(5,623)	(243,608)

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Retail Business	31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(81,229)	(3,326)	(116,332)	(169)	(201,056)
Transfer to Stage 1	(19,338)	3,670	15,668	-	-
Transfer to Stage 2	4,877	(7,836)	2,959	-	-
Transfer to Stage 3	11,722	10,498	(22,220)	-	-
Changes in risk parameters*	32,528	(7,801)	(75,876)	328	(50,821)
New originations or purchases of financial assets*	(69,157)	-	-	-	(69,157)
Derecognition of financial assets*/**	23,877	312	4,490	293	28,972
Recoveries of allowances on previously written-off assets	(809)	(24)	(4,623)	(578)	(6,034)
Write-offs	-	-	50,225	59	50,284
Foreign exchange differences and other movements	(67)	(40)	(289)	(4)	(400)
At the end of the year	(97,596)	(4,547)	(145,998)	(71)	(248,212)

SME Business	31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
At the beginning of the year	(19,359)	(1,026)	(36,513)	(821)	(57,719)
Transfer to Stage 1	(3,855)	1,117	2,738	-	-
Transfer to Stage 2	772	(879)	107	-	-
Transfer to Stage 3	1,619	3,936	(5,555)	-	-
Changes in risk parameters*	11,756	(5,669)	(26,268)	(139)	(20,320)
New originations or purchases of financial assets*	(24,377)	-	-	-	(24,377)
Derecognition of financial assets*/**	11,554	331	4,651	314	16,850
Recoveries of allowances on previously written-off assets	(289)	(9)	(4,871)	37	(5,132)
Write-offs	-	-	9,491	91	9,582
Foreign exchange differences and other movements	(220)	45	(102)	(6)	(283)
At the end of the year	(22,399)	(2,154)	(56,322)	(524)	(81,399)

* Line "Recovery/(Credit loss expense)" in the consolidated statement of profit or loss is comprised from "Changes in risk parameters", "New originations or purchases of financial assets" and "Derecognition of financial assets".

*/** Derecognition of financial assets includes changes in the amount of allowances for expected credit losses on fully repaid loans to customers.

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During the years ended 31 December 2025 and 2024, the Group has written off loans of KZT 177,854 million and KZT 65,012 million, respectively, without being considered forgiveness of the loan for tax purposes and are therefore not subject to corporate income tax.

Allowance for expected credit losses and provisions

For the year ended 31 December 2025, credit loss expense on loans to customers comprised KZT 170,639 million (for the year ended 31 December 2024: KZT 120,949 million).

Internal rating model for loans to customers

Loans to customers are classified based on internal assessments and other analytical procedures. The respective business units classify loans according to their risk and the exposure that they potentially present to the Group, and this classification is verified by the risk management function.

The Bank and its subsidiaries are using an internal rating model to classify loans in different risk categories. The model assists to assess the risk category based on a borrowers' financial performance, credit history, quality of accounts receivable, liquidity of the borrower, market risks relating to the borrower, industry of the borrower and other factors. At the same time, the rating is an auxiliary criterion in assessing the level of risk and impairment. In addition to the rating, the Bank takes into account such factors as cash flows on the project, the presence of solvent guarantors, a positive credit history, liquid collateral, own participation in the project, etc. The information entered into the system and the assessment of the amount of the expected credit loss is verified by the risk management department.

The following classifications are used by the rating model:

- Rating score 1 - superior loan rating, minimal credit risk;
- Rating score 2 - very high quality of loan, very low credit risk;
- Rating score 3 - high quality of loan, low credit risk;
- Rating score 4 - satisfactory quality of loan, insignificant risk;
- Rating score 5 - credit risk can increase at economic variation;
- Rating score 6 - high risk at economic variation;
- Rating score 7 - high risk of default, in the absence of other factors mentioned above, paying capacity of the borrower depends on favorable economic circumstances;
- Rating score 8 - 10 - very high risk of default/default.

Pools of homogeneous loans – loans to customers are included in groups of loans with similar credit risk characteristics (i.e. the characteristics include sector of the economy, borrower activities, type of loan program, level of defaults, internal ratings and other factors). Pools of homogeneous loans include assets that have been assessed collectively.

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An analysis of the Group's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following table. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

31 December 2025					
Rating score	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
1-3	-	-	-	-	-
4	2,277,284	-	-	-	2,277,284
5	3,795,163	20,389	18,157	10,054	3,843,763
6	210,463	4,412	109,957	4,512	329,344
7	1,013	-	73,611	-	74,624
8-10	-	-	212,229	2,304	214,533
Loans to corporate customers that are individually assessed	6,283,923	24,801	413,954	16,870	6,739,548
Loans to SME customers and retail business that are individually assessed	1,107,579	12,494	92,157	1,137	1,213,367
Loans to customers that are collectively assessed	5,162,678	69,250	528,584	1,294	5,761,806
	12,554,180	106,545	1,034,695	19,301	13,714,721
Less – Allowance for expected credit losses	(125,177)	(12,169)	(460,564)	(5,894)	(603,804)
Loans to customers	12,429,003	94,376	574,131	13,407	13,110,917

31 December 2024					
Rating score	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
1-3	-	-	-	-	-
4	1,548,130	-	-	-	1,548,130
5	3,694,038	4,241	8,446	10,311	3,717,036
6	305,689	13,961	174,447	4,715	498,812
7	-	1,895	45,239	1	47,135
8-10	-	-	109,540	943	110,483
Loans to corporate customers that are individually assessed	5,547,857	20,097	337,672	15,970	5,921,596
Loans to SME customers and retail business that are individually assessed	1,003,462	8,071	71,508	1,756	1,084,797
Loans to customers that are collectively assessed	4,658,320	38,040	334,496	1,619	5,032,475
	11,209,639	66,208	743,676	19,345	12,038,868
Less – Allowance for expected credit losses	(142,185)	(14,934)	(409,882)	(6,218)	(573,219)
Loans to customers	11,067,454	51,274	333,794	13,127	11,465,649

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Analysis by credit quality of loans to retail business and SME customers that are collectively and individually assessed for impairment as at 31 December 2025 and 2024 is as follows:

As at 31 December 2025	Gross loans	Allowances for expected credit losses	Net loans
Loans to retail business			
Not past due	4,089,786	(92,534)	3,997,252
Overdue:			
up to 30 days	86,979	(10,563)	76,416
31 to 60 days	37,285	(5,804)	31,481
61 to 90 days	27,192	(4,904)	22,288
91 to 180 days	77,975	(41,319)	36,656
over 181 days	254,374	(133,966)	120,408
Loans to retail business that are collectively and individually assessed	4,573,591	(289,090)	4,284,501
Loans to SME customers			
Not past due	2,165,459	(45,585)	2,119,874
Overdue:			
up to 30 days	33,307	(3,869)	29,438
31 to 60 days	10,760	(3,260)	7,500
61 to 90 days	7,852	(2,845)	5,007
91 to 180 days	14,187	(5,378)	8,809
over 181 days	62,703	(29,074)	33,629
Loans to SME customers that are collectively and individually assessed	2,294,268	(90,011)	2,204,257
Loans to SME customers and retail business that are collectively and individually assessed	6,867,859	(379,101)	6,488,758
Loans to corporate customers that are collectively and individually assessed	6,821,890	(220,300)	6,601,590
Loans related to card transactions	24,972	(4,403)	20,569
Loans to customers	13,714,721	(603,804)	13,110,917

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As at 31 December 2024	Gross loans	Allowances for expected credit losses	Net loans
Loans to retail business			
Not past due	3,799,291	(101,495)	3,697,796
Overdue:			
up to 30 days	83,794	(12,314)	71,480
31 to 60 days	29,826	(5,606)	24,220
61 to 90 days	24,691	(5,434)	19,257
91 to 180 days	53,947	(36,592)	17,355
over 181 days	131,768	(82,422)	49,346
Loans to retail business that are collectively and individually assessed for impairment	4,123,317	(243,863)	3,879,454
Loans to SME customers			
Not past due	1,792,340	(31,532)	1,760,808
Overdue:			
up to 30 days	31,409	(3,379)	28,030
31 to 60 days	6,612	(2,061)	4,551
61 to 90 days	5,746	(2,670)	3,076
91 to 180 days	9,806	(6,635)	3,171
over 181 days	69,805	(35,122)	34,683
Loans to SME customers that are collectively and individually assessed for impairment	1,915,718	(81,399)	1,834,319
Loans to SME customers and retail business that are collectively and individually assessed for impairment	6,039,035	(325,262)	5,713,773
Loans to corporate customers that are collectively and individually assessed for impairment	5,973,880	(243,608)	5,730,272
Loans related to card transactions	25,953	(4,349)	21,604
Loans to customers	12,038,868	(573,219)	11,465,649

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12. Property and equipment and intangible assets

The movements in property and equipment and intangible assets are as follows:

	Buildings and construction	Vehicles	Computers and banking equipment	Construction in progress	Other	Right-of-use assets	Intangible assets	Total
Revalued/initial cost:								
31 December 2024	155,906	9,917	85,705	37,780	38,394	8,574	36,709	372,985
Additions	3,292	1,619	22,058	44,217	9,641	4,622	12,961	98,410
Disposals	(2,186)	(460)	(5,012)	-	(889)	(3,396)	(2,229)	(14,172)
Reclassification to assets classified as held for sale	(100)	(28)	(2)	-	(3)	-	-	(133)
Transferred from investment property	686	-	-	-	-	-	-	686
Transfers	1,282	-	548	(1,824)	(6)	-	-	-
Translation differences	(27)	11	96	405	191	33	(87)	622
31 December 2025	158,853	11,059	103,393	80,578	47,328	9,833	47,354	458,398
Accumulated depreciation:								
31 December 2024	721	4,285	37,859	-	19,646	4,687	20,488	87,686
Charge	2,688	1,077	10,550	-	3,855	2,971	3,048	24,189
Disposals	(16)	(444)	(4,926)	-	(868)	(3,120)	(99)	(9,473)
Write-off during reclassification to assets classified as held for sale	-	(6)	-	-	-	-	-	(6)
Transfers	47	3	3	-	(53)	-	-	-
Translation differences	(3)	8	59	-	52	40	56	212
31 December 2025	3,437	4,923	43,545	-	22,632	4,578	23,493	102,608
Net book value:								
31 December 2025	155,416	6,136	59,848	80,578	24,696	5,255	23,861	355,790

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	Buildings and construction	Vehicles	Computers and banking equipment	Construction in progress	Other	Right-of-use assets	Intangible assets	Total
Revalued/initial cost:								
31 December 2023	137,637	6,574	61,585	21,732	31,316	8,734	32,134	299,712
Additions	975	3,078	22,433	19,120	4,109	2,958	6,876	59,549
Disposals	(505)	(108)	(4,754)	(10)	(790)	(3,371)	(540)	(10,078)
Revaluation	13,909	-	-	(259)	-	-	-	13,650
Reclassification from/(to) assets classified as held for sale	1,508	-	-	-	(1)	-	-	1,507
Transferred from investment property	570	57	-	-	-	-	-	627
Transfers	1,618	19	1,830	(3,883)	339	-	77	-
Translation differences	194	47	345	1,080	1,047	253	(1,530)	1,436
Other changes	-	250	4,266	-	2,374	-	(308)	6,582
31 December 2024	155,906	9,917	85,705	37,780	38,394	8,574	36,709	372,985
Accumulated depreciation:								
31 December 2023	3,377	3,262	28,998	-	14,839	4,279	18,787	73,542
Charge	2,294	796	9,123	-	3,043	2,481	2,423	20,160
Disposals	(52)	(61)	(4,655)	-	(762)	(2,168)	(507)	(8,205)
Written off during revaluation	(4,903)	-	-	-	-	-	-	(4,903)
Transfers	2	17	(14)	-	(5)	-	-	-
Translation differences	16	23	176	-	218	107	198	738
Other changes	(13)	248	4,231	-	2,313	(12)	(413)	6,354
31 December 2024	721	4,285	37,859	-	19,646	4,687	20,488	87,686
Net book value:								
31 December 2024	155,185	5,632	47,846	37,780	18,748	3,887	16,221	285,299

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As of 31 December 2025, the increase in construction in progress in the amount of KZT 44,217 million (31 December 2024 - KZT 19,120 million) is due to the construction of the Bank's administrative buildings in Astana and Tashkent, as well as the construction of the Data Center in Astana.

The Group's revaluation policy requires the entire asset class of buildings and construction to be revalued every three years. In the event of significant changes in specific market or property indicators, the Group may opt to perform revaluations more regularly.

The Group had its buildings and properties revalued during 2024 by independent appraisers. The independent appraisers used three approaches to identify the fair value of the property and equipment - the income approach with the income capitalisation method, the comparative approach, using market information to identify the fair value of buildings and properties under active market conditions, and the cost approach when no active market existed for items subject to revaluation.

As at 31 December 2025, when calculating the fair value of the Group's buildings and structures, the measurements were allocated to level 2 in the amount of KZT 155,416 million (31 December 2024: KZT 155,185 million). The description of the calculation hierarchy is disclosed in Note 32.

As at 31 December 2025, the carrying amount of property and equipment that would have been recognised had the assets been carried under the cost model is KZT 114,777 million (31 December 2024: KZT 116,039 million).

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13. Insurance contract assets and liabilities

Liabilities for the remaining part of the insurance coverage and liabilities for incurred insurance losses at the beginning and end of the reporting period:

	31 December 2025				
	Liabilities for the remaining portion of coverage		Liabilities for incurred claims using the premium allocation method		Total
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	
Liabilities under insurance contracts at the beginning	340,908	7,365	71,402	10,645	430,320
Assets under insurance contracts at the beginning	-	-	(2,314)	-	(2,314)
Total as at 31 December 2024	340,908	7,365	69,088	10,645	428,006
Insurance revenue	(294,791)	-	-	-	(294,791)
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance and restoration services	-	-	98,534	1,715	100,249
Changes attributed to past periods	43,742	-	-	-	43,742
Losses under groups of onerous contracts and restoration of such losses	-	-	3,151	(314)	2,837
Amortisation of acquisition cash flows	-	5,066	-	-	5,066
Total expenses for insurance services taken into account in the assessment of liabilities	43,742	5,066	101,685	1,401	151,894
Result of insurance activities	(251,049)	5,066	101,685	1,401	(142,897)
Financial expenses from insurance contracts issued	17,358	2,119	750	127	20,354
(Income)/ expenses from the revaluation of foreign currency	(1,827)	185	-	-	(1,642)
Total amounts recognized in profit or loss	(235,518)	7,370	102,435	1,528	(124,185)
Other changes	(19,995)	-	19,995	-	-
Cash flows for the period:					
Premiums received under insurance contracts issued	360,284	-	-	-	360,284
Payments for insurance losses and other expenses for insurance services paid under issued insurance contracts	-	-	(117,564)	-	(117,564)
Acquisition cash flows	(58,515)	-	-	-	(58,515)
Total cash flows	301,769	-	(117,564)	-	184,205
Change in reserves for the year	46,256	7,370	4,866	1,528	60,020
Liabilities under insurance contracts at the end of the period	391,303	14,735	73,338	12,095	491,471
Assets under insurance contracts at the end of the period	(4,139)	-	616	78	(3,445)
Total as at 31 December 2025	387,164	14,735	73,954	12,173	488,026

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	31 December 2024				
	Liabilities for the remaining portion of coverage		Liabilities for incurred claims using the premium allocation method		Total
	Excluding loss component	Loss Component	Present value of future cash flows	Risk adjustment for non-financial risk	
Liabilities under insurance contracts at the beginning	199,401	7,451	49,849	16,364	273,065
Assets under insurance contracts at the beginning	(10,289)	-	-	-	(10,289)
Total as at 31 December 2024	189,112	7,451	49,849	16,364	262,776
Insurance revenue	(259,923)	-	-	-	(259,923)
Insurance expense:					
Incurred insurance losses and other incurred costs for insurance and restoration services	-	-	70,821	(227)	70,594
Changes attributed to past periods	-	-	10,150	(1,367)	8,783
Losses under groups of onerous contracts and restoration of such losses	-	(377)	-	-	(377)
Amortisation of acquisition cash flows	69,200	-	-	-	69,200
Total expenses for insurance services taken into account in the assessment of liabilities	69,200	(377)	80,971	(1,594)	148,200
Result of insurance activities	(190,723)	(377)	80,971	(1,594)	(111,723)
Financial expenses or income from insurance contracts issued	20,602	495	9,295	(4,126)	26,266
Expenses/(income) from the revaluation of foreign currency	5,269	(204)	-	-	5,065
Total amounts recognized in profit or loss	(164,852)	(86)	90,266	(5,720)	(80,392)
Other changes	(8,037)	-	8,037	-	-
Cash flows for the period:					
Premiums received under insurance contracts issued	394,396	-	-	-	394,396
Payments for insurance losses and other expenses for insurance services paid under issued insurance contracts	-	-	(84,304)	-	(84,304)
Acquisition cash flows	(70,279)	-	-	-	(70,279)
Total cash flows	324,117	-	(84,304)	-	239,813
Change in reserves for the year	151,228	(86)	13,999	(5,720)	159,421
Liabilities under insurance contracts at the end of the period	340,908	7,365	71,402	10,645	430,320
Assets under insurance contracts at the end of the period	-	-	(2,314)	-	(2,314)
Total as at 31 December 2024	340,908	7,365	69,088	10,645	428,006

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The table below shows the carrying amounts of portfolio assets and liabilities under insurance and reinsurance contracts as of the end of the reporting period for each class of activity:

31 December 2025											
	Employer liability annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Assets under issued insurance contracts	-	-	-	-	(2)	-	-	-	(116)	(3,327)	(3,445)
Liabilities under issued insurance contracts	28,846	261,000	35,745	2,931	66,664	2,693	33,851	28,286	9,132	22,323	491,471
Net amount	28,846	261,000	35,745	2,931	66,662	2,693	33,851	28,286	9,016	18,996	488,026
31 December 2024											
	Employer liability annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Assets under issued insurance contracts	-	-	-	-	(4)	(1,313)	(325)	(55)	(405)	(212)	(2,314)
Liabilities under issued insurance contracts	28,742	202,279	34,388	10,742	76,107	2,669	13,304	35,542	10,757	15,790	430,320
Net amount	28,742	202,279	34,388	10,742	76,103	1,356	12,979	35,487	10,352	15,578	428,006

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The Group used the following yield curves to discount cash flows:

		Life insurance					General insurance				
		1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years
31 December 2025	Currency										
Insurance contracts	KZT	16.5%	15.4%	14.2%	13.9%	13.9%	17.9%	17.6%	17.2%	-	-
	USD	3.8%	3.8%	4.2%	4.7%	4.6%	-	-	-	-	-
31 December 2024	Currency										
Insurance contracts	KZT	13.6%	11.5%	11.3%	11.3%	11.3%	14.9%	11.9%	9.6%	-	-
	USD	4.6%	4.4%	4.4%	4.5%	4.2%	-	-	-	-	-

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An analysis of the concentration of the Group's insurance risks (both before and after reinsurance) by business class and by region is given in the following tables:

	31 December 2025			31 December 2024		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Employer liability annuities	28,846	-	28,846	28,742	-	28,742
Pension annuities	261,000	-	261,000	202,279	-	202,279
Endowment insurance	35,745	-	35,745	34,388	-	34,388
Term life insurance	2,931	(435)	2,496	10,742	(7,967)	2,775
Short-term contracts	66,662	(1,879)	64,783	76,103	(6,621)	69,482
Health insurance	2,693	(692)	2,001	1,356	(73)	1,283
Mandatory liability insurance for vehicle owners	33,851	-	33,851	12,979	-	12,979
Property insurance	28,286	(18,417)	9,869	35,487	(14,896)	20,591
Motor transport and liability insurance	9,016	(113)	8,903	10,352	(92)	10,260
Other	18,996	(10,985)	8,011	15,578	(8,751)	6,827
Total	488,026	(32,521)	455,505	428,006	(38,400)	389,606

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	31 December 2025			31 December 2024		
	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount	Net assets and liabilities under insurance contracts issued	Net assets and liabilities under reinsurance contracts held	Net amount
Concentration by region						
Kazakhstan	459,054	3,407	455,647	379,531	17,705	361,826
OECD	(14,259)	14,732	(28,991)	214	8,938	(8,724)
Non-OECD	6,309	12,995	(6,686)	2,284	5,504	(3,220)
	451,104	31,134	419,970	382,029	32,147	349,882

	31 December 2025			31 December 2024		
	Liabilities for incurred losses	Reinsurance assets for losses incurred	Net amount	Liabilities for incurred losses	Reinsurance assets for losses incurred	Net amount
Concentration by region						
Kazakhstan	36,922	1,387	35,535	45,977	6,253	39,724
	36,922	1,387	35,535	45,977	6,253	39,724

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The table below summarizes actual claims compared to historical estimates of undiscounted claims. The Group discloses the gross and net amounts of claims arising during the 10 years prior to the reporting period. The Group reconciles the liabilities for incurred claims presented in the table with the aggregate carrying value of groups of insurance contracts.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimates of undiscounted gross claims												
At the end of the year of the insured event	2,319	3,167	11,157	36,322	19,354	24,807	36,920	35,839	46,083	69,021	79,781	-
after one year	2,727	2,510	8,368	64,245	20,039	23,561	35,642	41,852	52,249	70,989	-	-
after two years	2,376	3,335	9,550	103,198	20,160	23,111	39,489	41,502	53,309	-	-	-
after three years	2,366	3,701	9,981	102,609	20,425	20,938	36,195	40,716	-	-	-	-
after four years	2,504	3,559	7,908	102,397	20,660	20,467	37,309	-	-	-	-	-
after five years	2,424	3,653	7,673	101,282	20,232	21,385	-	-	-	-	-	-
after six years	2,637	3,491	6,973	100,986	21,533	-	-	-	-	-	-	-
after seven years	2,520	2,961	6,896	101,743	-	-	-	-	-	-	-	-
after eight years	2,301	2,821	7,340	-	-	-	-	-	-	-	-	-
after nine years	2,242	3,150	-	-	-	-	-	-	-	-	-	-
after ten years	2,370	-	-	-	-	-	-	-	-	-	-	-
Cumulative gross amount of claims paid	(1,997)	(2,598)	(6,458)	(100,580)	(20,086)							
Gross amount of liabilities for the period of the insured event from 2015 to 2025	373	552	882	1,163	1,447	1,758	3,255	5,168	12,553	17,547	38,545	83,243
Gross amount of liabilities for the years preceding the insured event	-	-	-	-	-	-	-	-	-	-	-	11
Discounting effect	-	-	-	-	-	-	-	-	-	-	-	(6,321)
Gross liability for claims incurred	-	-	-	-	-	-	-	-	-	-	-	76,933

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Net amount of claims

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimates of undiscounted gross claims												
At the end of the year of the insured event	1,847	1,721	6,307	10,511	17,209	20,373	27,337	33,551	43,827	65,255	76,211	-
after one year	1,570	2,191	6,382	12,018	18,543	21,383	31,592	38,152	46,640	55,463	-	-
after two years	1,384	2,412	6,726	11,837	18,748	21,912	32,185	38,422	47,924	-	-	-
after three years	1,497	2,734	6,007	11,509	18,476	19,792	29,314	37,633	-	-	-	-
after four years	1,629	2,595	6,126	11,726	17,135	19,444	30,320	-	-	-	-	-
after five years	1,566	2,665	6,301	10,733	16,767	20,260	-	-	-	-	-	-
after six years	1,824	2,789	5,708	10,470	17,695	-	-	-	-	-	-	-
after seven years	1,699	2,344	5,581	11,155	-	-	-	-	-	-	-	-
after eight years	1,546	2,228	5,971	-	-	-	-	-	-	-	-	-
after nine years	1,469	2,507	-	-	-	-	-	-	-	-	-	-
after ten years	1,610	-	-	-	-	-	-	-	-	-	-	-
Cumulative gross amount of claims paid	(1,278)	(2,035)	(5,210)	(10,178)	(16,361)	(18,608)	(27,817)	(32,695)	(36,420)	(39,781)	(40,434)	(230,817)
Gross amount of liabilities for the period of the insured event from 2015 to 2025	332	472	761	977	1,334	1,652	2,503	4,938	11,504	15,682	35,777	75,932
Gross amount of liabilities for the years preceding the insured event	-	-	-	-	-	-	-	-	-	-	-	67,169
Discounting effect	-	-	-	-	-	-	-	-	-	-	-	(6,321)
Gross liability for claims incurred	-	-	-	-	-	-	-	-	-	-	-	60,848

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Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that represent liabilities

The following disclosure notes do not include the complete information required by IFRS 7. In order to better understand the specifics of the disclosures required by IFRS 17, some of the disclosures required by IFRS 7 for financial instruments have been included. IFRS 17:132(b) provides entities with two options for maturity analysis: (a) by the estimated maturity of the remaining undiscounted net cash flows contractually contemplated; or (b) the estimated timing of valuations of the present value of future cash flows.

The following table discloses information only in relation to insurance products, which have a material long-term component.

31 December 2025	Book value	Less than a year	1-5 years	5-10 years	10-20 years	More than 20 years
Pension annuities	227,405	81,710	126,917	10,928	6,343	1,507
Halyk Kazyna	20,066	2,912	14,420	2,034	700	-
Total	247,471	84,622	141,337	12,962	7,043	1,507

31 December 2024	Book value	Less than a year	1-5 years	5-10 years	10-20 years	More than 20 years
Pension annuities	164,405	19,886	118,600	11,531	10,189	4,199
Halyk Kazyna	17,715	830	14,471	1,796	618	-
Total	182,120	20,716	133,071	13,327	10,807	4,199

14. Other assets

Other assets include:

	31 December 2025	31 December 2024
Other assets:		
Debtors for banking activities	98,622	78,456
Investments in associated organisations	70,327	59,227
Finance lease receivables	22,251	26,852
Prepaid taxes, excluding income tax	12,211	9,767
Debtors for non-banking activities	11,848	10,877
Prepayment for investment property	6,783	3,863
Accrued commission income	6,606	7,819
Prepayment for property and equipment	4,732	18,336
Other	21,616	18,228
	254,996	233,425
Less – Allowance for expected credit losses	(29,945)	(36,242)
Total other assets	225,051	197,183

As at 31 December 2025, investments in associated organisations include investments in JSC Altyn Bank (SB of China CITIC Bank Corporation Ltd.) in the amount of KZT 70,272 million and Open Travel Networks Ltd in the amount of KZT 55 million (31 December 2024 – KZT 59,092 million and KZT 135 million, respectively).

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Below is a reconciliation of gross book value of other financial assets at the beginning and end of the year:

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	31,007	1,098	92,014	124,119
Transfer to Stage 1	703	-	(703)	-
Transfer to Stage 2	(1,136)	1,136	-	-
Transfer to Stage 3	(5)	-	5	-
Changes in risk parameters*	30,691	(1,114)	(9,580)	19,997
Write-offs	-	-	(5,008)	(5,008)
Foreign exchange differences and other movements	53	39	314	406
At the end of the period	61,313	1,159	77,042	139,514

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	23,445	34	89,943	113,422
Transfer to Stage 2	-	62	(62)	-
Transfer to Stage 3	39	-	(39)	-
Changes in risk parameters*	7,443	1,002	3,874	12,319
Write-offs	-	-	(2,179)	(2,179)
Foreign exchange differences and other movements	80	-	477	557
At the end of the period	31,007	1,098	92,014	124,119

Movements in accumulated provisions for expected credit losses on other assets are as follows:

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(1,162)	(1,004)	(34,076)	(36,242)
Transfer to Stage 1	(703)	-	703	-
Transfer to Stage 2	113	(113)	-	-
Transfer to Stage 3	6	-	(6)	-
Changes in risk parameters*	640	441	5,341	6,422
Recoveries of allowances on previously written-off assets	-	-	(347)	(347)
Write-offs	-	-	2,118	2,118
Foreign exchange differences and other movements	(1)	(19)	(1,876)	(1,896)
At the end of the period	(1,107)	(695)	(28,143)	(29,945)

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
At the beginning of the period	(584)	(6)	(31,066)	(31,656)
Transfer to Stage 2	-	(163)	163	-
Transfer to Stage 3	57	-	(57)	-
Changes in risk parameters*	(627)	(846)	(5,173)	(6,646)
Recoveries of allowances on previously written-off assets	-	-	(1,053)	(1,053)
Write-offs	-	-	2,185	2,185
Foreign exchange differences and other movements	(8)	11	925	928
At the end of the period	(1,162)	(1,004)	(34,076)	(36,242)

* The item "Expected credit loss expense" in the consolidated income statement consists of the following items: "Changes in risk parameters", "New issues or acquisitions of financial assets" and "Derecognition of financial assets".

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15. Amounts due to customers

Amounts due to customers include the following:

	31 December 2025	31 December 2024
Recorded at amortised cost:		
Term deposits:		
Individuals	6,781,175	6,063,129
Legal entities	4,675,777	3,811,441
	11,456,952	9,874,570
Current accounts:		
Legal entities	1,686,576	1,978,239
Individuals	1,195,276	1,137,234
	2,881,852	3,115,473
Total amount due to customers	14,338,804	12,990,043

As at 31 December 2025, the Group's ten largest groups of related customers accounted for approximately 11% of the total amounts due to customers (31 December 2024 – 8%), where each group of related customers represents customers related to each other within that group.

As at 31 December 2025, amounts due to customers included amounts held as collateral of KZT 263,708 million (31 December 2024 – KZT 186,619 million).

Management believes that in the event of withdrawal of funds, the Group would be given sufficient notice so as to release its liquid assets to enable repayment.

During the year ended 31 December 2024, the Group recognised the loss in amount of KZT 66,114 million due to the early repayment of the deposit of JSC Kazakhstan Sustainability Fund.

An analysis of customer accounts by sector is as follows:

	31 December 2025	%	31 December 2024	%
Individuals and entrepreneurs	7,976,451	56%	7,200,363	55%
Wholesale trade	1,050,170	7%	1,020,073	8%
Other consumer services	757,283	5%	825,805	6%
Metallurgy	751,331	5%	387,855	3%
Construction	668,886	5%	544,728	4%
Financial sector	548,497	4%	418,183	3%
Transportation	481,201	3%	422,244	3%
Oil and gas	438,601	3%	588,046	5%
Healthcare and social services	316,208	2%	295,352	2%
Education	235,001	2%	191,908	1%
Energy	165,730	1%	232,073	2%
Government and state-controlled companies	136,789	1%	131,667	1%
Communication	129,290	1%	106,650	1%
Insurance and pension funds activity	39,366	1%	18,799	1%
Other	644,000	4%	606,297	5%
	14,338,804	100%	12,990,043	100%

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16. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	31 December 2025	31 December 2024
Recorded at amortised cost:		
Loans and deposits from non-OECD based banks	298,052	196,089
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	240,764	47,683
Loans from JSC Entrepreneurship Development Fund DAMU	184,569	91,839
Loans and deposits from OECD based banks (incl. loans under repurchase agreements)	172,531	157,222
Correspondent accounts	148,958	136,803
Loans from JSC Development Bank of Kazakhstan	80,096	80,605
Loans from JSC Agrarian Credit Corporation	75,763	65,378
Deposits of JSC Eurasian Development Bank	44,421	16,960
Loans from JSC Industrial Development Fund	12,627	17,352
Deposits of JSC National Payment Corporation of the National Bank of the Republic of Kazakhstan	12,318	4,138
Loans from other financial organisations	29	-
Total amounts due to credit institutions	1,270,128	814,069

As at 31 December 2025 and 2024, loans and deposits from non-OECD based banks included syndicated loan in the amount of USD 200 million and USD 300 million with maturity on 16 September 2027 and 16 September 2025, respectively.

As at 31 December 2025, loans from JSC Entrepreneurship Development Fund DAMU ("DAMU") included long-term loans of KZT 80,714 million at a 1.0% - 4.5% interest rate maturing in 2026 – 2035 with an early recall option (31 December 2024: KZT 84,830 million). These loans were received in accordance with the Government program ("the Program") to finance small and medium enterprises ("SME") operating in certain industries. According to the loan agreements between DAMU and the Group, the Group is responsible to extend loans to SME borrowers, eligible to participate in the Program, up to 10 years at a 8.5% interest rate.

As at 31 December 2025, the Group also entered into an agreement with DAMU for a conditional placement of funds in second-tier banks for subsequent financing of micro, SMEs under the "Orleu" program, with a 45%/55% interest rate mix. Under the agreement, a loan of KZT 96,222 million was received at a rate of 2.0% per annum with a maturity date of 2033-2040. According to the terms of the loan agreement, loans are issued to clients at interest rate 12.6% subject to program requirements.

As at 31 December 2025, loans from JSC Development Bank of Kazakhstan (hereinafter referred to as "DBK") included long-term loans of KZT 36,981 million (31 December 2024: KZT 36,981 million) at a rate of 2.0% per annum maturing in 2034-2035, the loans are to be used for on-lending to large business entities ("LB") operating in the manufacturing industry; and long-term loans of KZT 43,115 million (31 December 2024: KZT 43,624 million) at a rate of 1.0% per annum maturing in 2029-2037 to finance the purchase of cars by the Group's retail customers. According to the loan agreement between DBK and the Group, the Group is responsible for providing loans to corporate borrowers eligible to participate in the Program at a rate of 6.0% with a repayment term of no more than 10 years, and to retail borrowers at a rate of 4.0% with a repayment term of no more than 5 years.

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As at 31 December 2025, loans from JSC Agrarian Credit Corporation under the annual Ken Dala program included short-term loans of KZT 75,763 million (31 December 2024 – KZT 65,378 million) at a rate of 1.5% per annum with a maturity date of 10 March 2027. The loans should be used for subsequent lending to entities of the agro-industrial complex for spring sowing and harvesting work with an interest rate of up to 5.0% per annum for the end borrower. According to the loan agreements between JSC Agrarian Credit Corporation and the Group, loans are provided to replenish working capital for spring sowing and harvesting work.

As at 31 December 2025, loans from Industrial Development Fund JSC (“IDF”) included long-term loans of KZT 11,311 million (31 December 2024 – KZT 15,630 million) at a rate of 1.0% per annum maturing in 2030 to finance the purchase of domestically produced cars by the Group's retail customers. According to the loan agreements between IDF and the Group, the Group is responsible for providing loans to retail borrowers at a rate of 4.0% with a maturity of no more than 7 years. On 23 April 2024, IDF and the Group entered into Additional Agreement No. 4, according to which the terms were changed in terms of terminating financing of second-tier banks of end borrowers under the revolving mechanism and reducing the loan term to 31 July 2030.

The management of the Group believes that there are no other similar financial instruments and, due to their special nature, these loans from DAMU, DBK, JSC Agrarian Credit Corporation and IDF represent separate segments in the lending market for agricultural entities and SME. As a result, the loans from DAMU, DBK, JSC Agrarian Credit Corporation and IDF were received as part of an orderly transaction and, as such, were recorded at fair value at the date of recognition, which was determined to be the cash consideration transferred to the customers.

Interest rates and maturities of amounts due to credit institutions are as follows:

	31 December 2025		31 December 2024	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Loans and deposits from non-OECD based banks	1.3%-17.0%	2026-2028	2.5%-12.8%	2025-2027
Loans and deposits from Kazakhstan banks (incl. loans under repurchase agreements)	2.8 %-17.5%	2026	8.0%-15.1%	2025-2026
Loans from JSC Entrepreneurship Development Fund DAMU	1.0%-13.0%	2026-2040	1.0%-13.0%	2025-2035
Loans and deposits from OECD based banks (incl. loans under repurchase agreements)	4.1%-16.8%	2026	5.0%-6.8%	2025
Loans from JSC Development Bank of Kazakhstan	1.0%-2.0%	2029-2037	1.0%-2.0%	2029-2037
Loans from JSC Agrarian Credit Corporation	1.5%	2026-2027	1.5%	2025-2026
Deposits of JSC Eurasian Development Bank	17.0%	2026	1.2%-5.0%	2025
Loans from JSC Industrial Development Fund	1.0%-17.0%	2029-2030	1.0%-17.0%	2029-2030
Deposits of JSC National Payment Corporation of the National Bank of the Republic of Kazakhstan	17.0%	2026	13.8%	2025
Loans from other financial organisations	18.0%	2030	-	-

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The fair value of assets pledged (Notes 7, 9 and 10) and the carrying value of loans included in loans and deposits from Kazakhstan banks under repurchase agreements as at 31 December 2025 and 2024, are as follows:

	31 December 2025		31 December 2024	
	Fair value of collateral	Carrying amount of loans	Fair value of collateral	Carrying amount of loans
Financial assets at fair value through profit or loss (Note 7)	84,167	82,342	7,554	7,666
Financial assets at fair value through other comprehensive income (Note 9)	7,654	7,680	196,881	159,045
Debt securities at amortised cost, net of allowance for expected credit losses (Note 10)	237,521	235,922	37,607	37,581
	329,342	325,944	242,042	204,292

Details of transferred financial assets that are not derecognised in their entirety as at 31 December 2025 and 2024 are disclosed below.

In accordance with the contractual terms of the loans from certain OECD based banks, the Group is required to maintain certain financial ratios. Loans under repurchase agreements are used by the Group to provide current cash flows in KZT within the Group's operating activities. The Group regularly uses this type of instrument to attract short-term liquidity and plans to continue raising funds through loans under repurchase agreements when necessary.

The Group has determined that it retains substantially all the risks and rewards of these securities, which include credit risk and market risk, and therefore it has not amortised them. In addition, the Group recognises financial liabilities in respect of cash received as collateral.

	Financial assets at fair value at value through profit or loss (Note 7)	Financial assets at fair value through other comprehensive income (Note 9)	Debt securities at amortised cost, net of allowances for expected credit loss (Note 10)
As at 31 December 2025:			
Fair value of transferred assets	84,167	7,654	237,521
Carrying amount of associated liabilities	82,342	7,680	235,922
As at 31 December 2024:			
Fair value of transferred assets	7,554	196,881	37,607
Carrying amount of associated liabilities	7,666	159,045	37,581

Certain of the Group's outstanding financing agreements include covenants restricting the Group's ability to create security interests over its assets. Should the Group default under these covenants, this could result in cross-accelerations and cross-defaults under the terms of the Group's other financing arrangements.

The Group's management believes that as at 31 December 2025 and 2024, the Group was in compliance with the covenants.

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17. Debt securities issued

Debt securities issued comprise:

	31 December 2025	31 December 2024
Recorded at amortised cost:		
Subordinated debt securities issued:		
KZT denominated bonds, fixed rate	-	98,747
Total subordinated debt securities outstanding	-	98,747
Unsubordinated debt securities issued:		
USD denominated bonds	760,343	484,287
KZT denominated bonds	209,755	296,178
Total unsubordinated debt securities outstanding	970,098	780,465
Total debt securities outstanding	970,098	879,212

On 4 June 2024, the Group issued bonds listed on KASE in the total amount of KZT 290,000 million with a floating interest rate, of which KZT 39,135 million was placed on 25 July 2024, KZT 100,828 million on 20 December 2024, KZT 207 million on 24 December 2024, KZT 6,400 million on 5 February 2025 and KZT 35,575 million on 29 December 2025 with a coupon rate of 18.6% per annum for the third coupon period. As at 31 December 2025, KZT 182,143 million were placed (31 December 2024 - KZT 140,169 million).

On 17 October 2024, the Group issued green bonds for a total amount of KZT 20,000 million with a floating interest rate, listed on the KASE, of which KZT 20,000 million was placed on 3 December 2024, with a coupon rate of TONIA Compounded plus a margin of 1.3% per annum. As at 31 December 2025 and 2024, KZT 20,000 million were placed.

On 25 November 2024, the Group fully repaid ten-year coupon bonds with a par value of KZT 100,000 million and a coupon rate of 7.5%.

On 21 February 2025, the Group fully repaid ten-year coupon bonds with a par value of KZT 131,652 million and a coupon rate of 7.5%.

On 19 May 2025, the Group fully repaid two-year bonds listed on AIX with a par value of USD 200 million and a coupon rate of 3.5%.

On 20 May 2025, the Group issued bonds listed on AIX in the total amount of USD 200 million with a coupon rate of 3.5%, of which as at 31 December 2025 USD 196.5 million were placed.

On 29 May 2025, the Group fully repaid three-year bonds listed on AIX with a par value of USD 1.8 million and a coupon rate of 4.0%.

On 29 May 2025, the Group fully repaid two-year bonds listed on AIX with a par value of USD 300 million and a coupon rate of 3.5%.

On 30 May 2025, the Group issued bonds listed on AIX in the total amount of USD 800 million with a coupon rate of 3.5%, of which as at 31 December 2025 USD 799.6 million were placed.

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On 3 July 2025, the Group fully repaid two-year bonds listed on AIX with a par value of USD 500 million and a coupon rate of 3.5%.

On 4 July 2025, the Group issued two-year bonds listed on AIX with a par value of USD 500 million and a coupon rate of 3.5%, of which as at 31 December 2025 USD 496.4 million were placed.

On 31 October 2025, the Group fully repaid ten-year subordinated coupon bonds with a par value of KZT 101,144 million and a coupon rate of 9.5%.

The coupon rates and maturities of these debt securities issued are as follows:

	31 December 2025		31 December 2024	
	Coupon rate, %	Maturity, year	Coupon rate, %	Maturity, year
Subordinated debt securities issued:				
KZT denominated bonds, fixed rate	-	-	9.5%	2025
Unsubordinated debt securities issued:				
USD denominated bonds	3.5%	2027	3.5%-4.0%	2025
KZT denominated bonds	17.8%- 18.6%	2027-2031	7.5%-15.0%	2025-2031

As at 31 December 2025, accrued interest on debt securities issued was KZT 22,536 million (as at 31 December 2024 – KZT 18,209 million).

Subordinated securities are unsecured obligations of the Group and are subordinated in right of payments to all present and future senior indebtedness and certain other obligations of the Group. Coupon payments on debt securities issued are payable on a semi-annual and an annual basis.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2025	Cash changes			Non-cash changes	31 December 2025
		Issuance of the debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	
Debt securities issued	879,212	887,087	(778,439)	(24,593)	6,831	970,098

	1 January 2024	Cash changes			Non-cash changes	31 December 2024
		Issuance of the debt securities	Redemption and repayment of debt securities	Foreign exchange movement	Changes in amortised cost	
Debt securities issued	653,393	294,736	(136,155)	58,794	8,444	879,212

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18. Taxation

The Bank and its subsidiaries are subject to taxation in accordance with the tax law of the country where the Group operates.

The income tax expense comprises:

	Year ended 31 December 2025	Year ended 31 December 2024
Current income tax expense	225,244	223,498
Deferred income tax expense/(benefit)	14,573	(42,596)
Total income tax expense	239,817	180,902

Deferred income tax benefit relating to temporary differences is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Fair value of derivatives and financial assets at fair value through other comprehensive income	1,298	(154)
Property and equipment, accrued depreciation	7,400	315
Loans to customers, (reversal)/allowance for expected credit losses	(301)	1,657
Adjustment of deferred tax liability of insurance subsidiaries	9,518	-
Deferred tax asset on financial instruments	-	(26,535)
Deferred tax asset on deposits held at JSC "Fund of Problem Loans"	-	(16,421)
Other	(3,342)	(1,458)
Deferred income tax expense/(benefit) recognized in profit or loss	14,573	(42,596)

The income tax rate for Kazakhstan legal entities was 20% during the years ended 31 December 2025 and 2024.

On 18 July 2025, a new Tax Code was approved, which is effective starting from 1 January 2026, so that starting from 1 January 2026 the income tax rate for second-tier banks will be 20% and 25% on different operations.

As at 31 December 2025, the Group recognised deferred income tax at 25%. In addition, transitional provisions of new Tax Code require the recognition of deferred tax on the difference between profit under IFRS 4 and profit under IFRS 17 for insurance and reinsurance companies, therefore the Group recorded the adjustment of deferred tax in the amount of KZT 9,518 million.

In addition, in connection with the new provision of the Tax Code, valid until 18 July 2025, the Group has recognised the income tax on excess income at a rate of 10% in the current income tax expense in the amount of KZT 39,262 million.

The effective income tax rate is different from the statutory income tax rate. The Group has offset deferred tax assets and liabilities on the consolidated statement of financial position where a right of offset existed.

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Below is the calculation for adjusting income tax expenses calculated at the statutory rate of 20% in accordance with the reported income tax expense:

	Year ended 31 December 2025	Year ended 31 December 2024
Income before income tax expense	1,298,237	1,101,893
Statutory tax rate	20%	20%
Income tax expense at the statutory rate	259,647	220,379
Tax-free income on government securities and other securities and derivatives on which income is not taxable	(68,770)	(55,460)
Tax effect of modification of tax rate	39,262	-
Tax effect of modification of deposits	-	13,223
Non-deductible expenditures:		
- other provisions	2,260	3,583
- general and administrative expenses	523	889
Other	6,895	(1,712)
Income tax expense	239,817	180,902

Deferred tax assets and liabilities comprise:

	31 December 2025	31 December 2024
Tax effect of deductible temporary differences:		
Bonuses accrued	11,195	8,359
Fair value of derivatives	(400)	907
Vacation pay accrual	1,202	881
Other	459	57
Deferred tax asset	12,456	10,204
Tax effect of taxable temporary differences:		
Property and equipment, accrued depreciation	(30,991)	(23,591)
Allowance for loans to customers	(2,673)	(2,974)
Fair value of derivatives, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss	(4,855)	(5,151)
Adjustment of deferred tax liability of insurance subsidiaries	(9,518)	-
Other	(93)	(94)
Deferred tax liability	(48,130)	(31,810)
Net deferred tax liability	(35,674)	(21,606)

Current income tax assets and liabilities comprise:

	31 December 2025	31 December 2024
Current income tax asset	6,131	3,506
Current income tax liability	(16,215)	(26,829)
Current income tax liability	(10,084)	(23,323)

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The Group has offset deferred tax assets and liabilities on the consolidated statement of financial position where a right of offset existed. The amounts presented after offset comprise:

	31 December 2025	31 December 2024
Deferred tax asset	388	418
Deferred tax liability	(36,062)	(22,024)
Net deferred tax liability	(35,674)	(21,606)

Kazakhstan and other countries where the Group operates currently have a number of laws related to various taxes imposed by both state and regional government authorities. Applicable taxes include value added tax, income tax, social taxes, and others. Implemented regulations are often unclear or nonexistent and few precedents have 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, as well as other areas of legal regulation (e.g., customs and currency controls), are overseen by several agencies, which are legally empowered to impose substantial fines and penalties for violations they deem to be committed. These facts create substantially more significant tax risks in Kazakhstan than typically found in countries with more developed tax systems.

Commercial legislation of the countries where the Group operates, including tax legislation, may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgements of business activities. If a particular treatment, based on management's judgement of the Group's business activities, was to be challenged by the tax authorities, the Group may be assessed additional taxes, penalties and interest.

Such uncertainty may relate to the valuation of financial instruments and the market pricing of deals. Additionally, such uncertainty may relate to the valuation of temporary differences on the provision and recovery of the provision for impairment losses on loans to customers and receivables, as an underestimation of the taxable profit.

In Kazakhstan, tax years remain open for review by the tax authorities for five years. However, tax authorities may perform additional reviews, if considered necessary. In accordance with judicial rulings, the period of review can be altered, if the court acknowledges the fact of interdiction to conducting the tax review by the tax authorities.

Management believes that the Group is in compliance with the tax laws affecting its operations; however, the risk that relevant authorities could take differing positions with regard to interpretive issues remains.

Movements in net deferred tax liability:

	31 December 2025	31 December 2024
Net deferred tax liability at the beginning of the year	21,606	59,448
Deferred tax expense/(benefit) recognized in profit or loss	14,573	(42,596)
Deferred tax (benefit)/expense recognized in other comprehensive income	(505)	4,754
Net deferred tax liability at the end of the year	35,674	21,606

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19. Other liabilities

Other liabilities include:

	31 December 2025	31 December 2024
Liabilities from continuing involvement	105,428	103,786
Accrual for settlements with employees, bonuses and vacations	50,992	44,232
Banking creditors	26,213	26,393
Tax debts other than income tax	19,042	14,232
Other advances received	17,620	15,331
Creditors for non-banking activities	15,275	12,170
Creditors on commercial property	13,621	3,683
Lease liabilities	5,917	4,383
General and administrative expenses payable	2,631	2,882
Dividends accrued but not paid	-	72,839
Other	12,719	-
Total other liabilities	269,458	299,931

As at 31 December 2024, the Bank's other liabilities included the amount of accrued but not paid dividends on the Bank's ordinary shares based on the results of operations for 2023 and amounted to KZT 72,839 million. The payment of dividends was carried out in accordance with the requirements of the legislation of the Republic of Kazakhstan and as of the date of issue of the consolidated financial statements, the Bank has no obligations to pay dividends on ordinary shares of the Bank to shareholders.

The liability from continuing involvement represents obligations towards JSC Kazakhstan Sustainability Fund (hereinafter referred to as the "Operator") associated with the state mortgage program "7-20-25" and other programs. In accordance with the terms of this program, the Bank provides mortgage loans to borrowers and transfers the rights of claim on the loans to the Program Operator. In accordance with the program and the trust management agreement, the Bank carries out trust management of the transferred mortgage loans. At the same time, the Bank is obliged to redeem the rights of claim on the transferred mortgage loans if there is a delay in the principal debt and interest on loans for more than 90 calendar days. The repurchase is carried out at the nominal value of the loan on the date of purchase.

The Bank has determined that it has not transferred nor retained all the risks and rewards of ownership of these assets, in particular credit risk, but has retained control of the transferred assets and continues to recognize loans to the extent of its continuing involvement in them. The extent of the continuing involvement is limited to the maximum amount of consideration received that the Bank may be required to repay because the Bank's continuing involvement takes the form of a guarantee over the transferred asset. Because the Bank continues to recognize an asset to the extent of its continuing involvement in loans to customers, the Bank also recognizes an associated liability.

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20. Equity

The number of shares authorized, issued and fully paid as at 31 December 2025 and 2024, were as follows:

	Share capital authorised	Share authorized and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
31 December 2025:					
Ordinary shares	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,611,588,152)	10,835,956,630
31 December 2024:					
Ordinary shares	25,000,000,000	(11,552,455,218)	13,447,544,782	(2,567,570,166)	10,879,974,616

All shares are KZT denominated. Movements of shares outstanding are as follows:

	Number of shares Ordinary	Nominal (placement) amount (millions of KZT) Ordinary
31 December 2023	10,902,171,591	(49,487)
Repurchase of treasury shares	(30,970,744)	(6,445)
Sale of treasury shares	8,773,769	1,334
31 December 2024	10,879,974,616	(54,598)
Repurchase of treasury shares	(204,873,099)	(40,474)
Sale of treasury shares	160,855,113	14,037
31 December 2025	10,835,956,630	(81,035)

Ordinary shares

As at 31 December 2025 and 2024, share capital comprised KZT 209,027 million.

As at 31 December 2025, the Group held 2,611,588,152 shares of the Group's ordinary shares as treasury shares for KZT 290,255 million (31 December 2024 – 2,567,570,166 for KZT 263,625 million).

Each ordinary share outstanding is entitled to one vote and dividends. Treasury shares are not entitled to any vote or dividends.

Dividends paid for the previous financial years were as follows:

	Paid in 2025 for the year ended 31 December 2024	Paid in 2024 for the year ended 31 December 2023
Dividends declared during the period	552,464	381,434
Dividend paid per one ordinary share, KZT	50.64	35.00

Share premium reserve

Share premium reserve represents an excess of contributions received over the nominal value of shares issued.

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21. Financial commitments and contingencies

The Group's financial commitments and contingencies comprise the following:

	31 December 2025	31 December 2024
Guarantees issued	993,048	984,144
Commercial letters of credit	102,839	113,993
Commitments to extend credit	84,500	109,307
Financial commitments and contingencies	1,180,387	1,207,444
Less: cash collateral against letters of credit	(38,033)	(37,606)
Less: provisions	(6,276)	(10,964)
Financial commitments and contingencies, net	1,136,078	1,158,874

Guarantees issued represent bank guarantees issued by the Group by order of its clients, and which are in effect as at the reporting date. As at 31 December 2025, uncovered guarantees issued for the ten largest groups of customers/groups of customers accounted for 45% of the Group's total financial guarantees (31 December 2024 – 49%) and represented 13% of the Group's total equity (31 December 2024 – 16%).

Commercial letters of credit represent letters of credit issued by the Group by order of its clients, and under which, as at the reporting date, the payment has not yet been made. As at 31 December 2025, the ten largest unsecured letters of credit accounted for 57% of the Group's total commercial letters of credit (31 December 2024 – 62%) and represented 2% of the Group's total equity (31 December 2024 – 2%).

The Group requires collateral to support credit-related financial instruments, when it is deemed necessary. The Group typically requires collateral support unless it is determined to be not necessary through a review of the credit risk of the borrower or an analysis of other deposit accounts held by the Group. Collateral held varies, but may include deposits held with banks, government securities and other assets.

Provision represents other credit loss expenses against letters of credit and guarantees issued.

Deferred liabilities for capital expenditures

As at 31 December 2025, the Group's contingent capital commitments in respect of construction in progress amounted to KZT 3,386 million, of which KZT 2,995 million relates to construction in progress of administrative buildings in Astana and Tashkent (31 December 2024 - KZT 24,398 million, KZT 19,288 million, respectively).

Operating lease commitments

There were no material operating lease commitments under irrevocable operating leases outstanding as at 31 December 2025 and 2024.

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22. Net interest income

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income:		
Loans to customers	2,062,013	1,682,472
- <i>Retail business</i>	899,121	709,631
- <i>Corporate business</i>	823,609	690,416
- <i>SME business</i>	339,283	282,425
Cash and cash equivalents and amounts due from credit institutions	266,518	175,376
Financial assets at fair value through other comprehensive income	208,513	196,034
Debt securities at amortised cost, net of allowance for expected credit losses	75,245	54,316
Other financial assets	9,321	7,956
Interest income calculated using effective interest method	2,621,610	2,116,154
Financial assets at fair value through profit or loss	73,347	54,632
Other interest income	73,347	54,632
Total interest income	2,694,957	2,170,786
Interest expense:		
Amounts due to customers	(1,255,260)	(945,176)
- <i>Individuals</i>	(640,045)	(501,048)
- <i>Legal entities</i>	(615,215)	(444,128)
Amounts due to credit institutions	(67,404)	(53,134)
Debt securities issued	(59,951)	(48,188)
Deposit insurance	(23,353)	(15,054)
Other financial liabilities	(1,251)	(1,324)
Total interest expense	(1,407,219)	(1,062,876)
Net interest income before credit loss expense	1,287,738	1,107,910

Other financial liabilities include loss on initial recognition of long-term financial accounts receivable.

For the year ended 31 December 2025 the total interest income calculated using the effective interest rate ("EIR") method for financial assets measured at amortised cost is KZT 2,413,097 million (31 December 2024: KZT 1,920,120 million).

23. Fees and commissions

Fee and commission income is derived from the following sources:

	Year ended 31 December 2025	Year ended 31 December 2024
Transactional income of individuals	159,342	143,451
Transactional income of legal entities	52,499	42,688
Letters of credit and guarantees issued	29,532	26,946
Other	11,762	10,029
Loyalty program	(14,181)	(11,380)
Total fee and commission income	238,954	211,734

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Fee and commission expense is derived from the following sources:

	Year ended 31 December 2025	Year ended 31 December 2024
Transactional expense of individuals	(85,334)	(75,648)
Transactional expense of legal entities	(6,620)	(5,271)
Other	(6,851)	(5,531)
Total fee and commission expense	(98,805)	(86,450)

Transactional income of individuals and legal entities includes fee and commission income derived from bank transfers on settlements and salary projects, maintenance of customer accounts and plastic card operations, cash operations and servicing customers' pension payments.

Transactional expense of individuals and legal entities includes fee and commission expense derived from payment cards, bank transfers and cash operations.

24. Net gain on financial assets and liabilities at fair value through profit or loss

Net gain on financial assets and liabilities at fair value through profit or loss comprises:

	Year ended 31 December 2025	Year ended 31 December 2024
Net gain on financial assets and liabilities at fair value through profit or loss:		
Net (loss)/gain on trading operations	(357)	59,789
Realized net gain on derivative operations	52,765	37,459
Unrealized net gain on derivative operations	12,158	7,121
Total net gain on financial assets and liabilities at fair value through profit or loss	64,566	104,369

25. Net foreign exchange gain

Net foreign exchange gain comprises:

	Year ended 31 December 2025	Year ended 31 December 2024
Dealing, net	141,976	136,465
Translation differences, net	(2,839)	(26,422)
Total net foreign exchange gain	139,137	110,043

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26. Insurance revenue/(insurance service expense)

The following tables illustrate an analysis of insurance revenue recognized during this period:

Year ended 31 December 2025											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance revenue	5,542	877	6,454	628	63,584	11,680	17,683	96,385	16,466	28,672	247,971
Release of risk adjustment	16	3,527	(3)	(32)	-	-	-	-	-	-	3,508
CSM amortisation	1,345	5,064	1,063	9,670	-	-	-	-	-	-	17,142
Amortisation of acquisition expenses	142	15,328	207	10,493	-	-	-	-	-	-	26,170
Total insurance revenue	7,045	24,796	7,721	20,759	63,584	11,680	17,683	96,385	16,466	28,672	294,791

Year ended 31 December 2024											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance revenue	3,411	442	2,284	707	100,805	12,843	13,247	56,214	13,496	28,193	231,642
Release of risk adjustment	25	2,921	(814)	236	-	-	-	-	-	-	2,368
CSM amortisation	1,105	4,910	674	16	-	-	-	-	-	-	6,705
Amortisation of acquisition expenses	27	9,264	899	9,018	-	-	-	-	-	-	19,208
Total insurance revenue	4,568	17,537	3,043	9,977	100,805	12,843	13,247	56,214	13,496	28,193	259,923

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Year ended 31 December 2025											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance service expense:											
incurred insurance claims and other incurred insurance service expenses	(6,125)	(541)	(6,731)	(378)	(10,882)	(13,125)	(28,229)	(23,080)	(7,562)	(3,596)	(100,249)
Amortisation of acquisition cash flows	(142)	(7,178)	(207)	(10,493)	(10,341)	(574)	(299)	(4,508)	(6,090)	(3,910)	(43,742)
changes in fulfilment cash flows relating to liabilities for incurred claims	-	-	124	(3)	5,299	(40)	(1,986)	(9,803)	1,052	2,520	(2,837)
Losses on onerous groups of contracts and reversal of such losses	(657)	687	(696)	852	-	-	(6,152)	-	900	-	(5,066)
Total insurance services expenses	(6,924)	(7,032)	(7,510)	(10,022)	(15,924)	(13,739)	(36,666)	(37,391)	(11,700)	(4,986)	(151,894)

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Year ended 31 December 2024											
	Employer Liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term contracts	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Insurance service expense:											
incurred insurance claims and other incurred insurance service expenses	(4,182)	(2,734)	(1,157)	(916)	(15,093)	(10,259)	(15,707)	(8,678)	(6,974)	(4,894)	(70,594)
Amortisation of acquisition cash flows	(27)	(9,264)	(899)	(9,018)	(30,525)	(1,524)	(4,665)	(4,853)	(5,009)	(3,416)	(69,200)
changes in fulfilment cash flows relating to liabilities for incurred claims	-	(126)	(800)	660	5,532	360	(1,389)	(10,805)	588	(2,803)	(8,783)
Losses on onerous groups of contracts and reversal of such losses	21	145	(576)	94	-	-	(1,034)	-	1,727	-	377
Total insurance services expenses	(4,188)	(11,979)	(3,432)	(9,180)	(40,086)	(11,423)	(22,795)	(24,336)	(9,668)	(11,113)	(148,200)

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27. Operating expenses

Operating expenses comprises:

	Year ended 31 December 2025	Year ended 31 December 2024
Salaries and bonuses	189,199	160,056
Depreciation and amortisation expenses	23,569	19,821
Taxes other than income tax	15,284	14,583
Information services	12,797	8,752
Advertisement	9,132	6,672
Communication	8,833	8,361
Repair and maintenance	6,611	5,961
Utilities expenses	6,198	5,768
Security	5,829	5,474
Charity	5,409	5,640
Lease	3,896	3,563
Professional services	3,422	3,962
Stationery and office supplies	1,938	2,591
Other	15,876	13,306
Total operating expenses	307,993	264,510

Salaries and bonuses include the costs of the long-term incentive program. In December 2024, the Extraordinary Meeting of Shareholders decided to pay remuneration to members of the Board of Directors and incentives to employees with the Bank's shares without the right of pre-emption, in the amount of up to 1% of the total number of outstanding (net of repurchased) shares of the Bank as of the date of the decision.

28. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net income for the year attributable to equity holders of the parent by the weighted average number of participating shares outstanding during the year.

According to Kazakhstan legislation on Joint Stock Companies, dividend payments on common shares may not exceed dividend payments on preferred shares for the same year. Therefore, net profit for the year is allocated to the ordinary shares and the preferred shares in accordance with their legal and contractual dividend rights to participate in retained earnings.

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The following table presents basic and diluted earnings per share:

	Year ended 31 December 2025	Year ended 31 December 2024
Basic and diluted earnings per share		
Net profit for the year attributable to equity holders of the parent	1,058,417	920,988
Earnings attributable to common shareholders	1,058,417	920,988
Weighted average number of common shares for the purposes of basic earnings per share	10,892,252,951	10,898,649,882
Basic and diluted earnings per share (in Tenge)	97.17	84.50

As required by KASE rules for listed companies, the book value of one common share as at 31 December 2025 and 2024 is disclosed as follows:

	31 December 2025		
Class of shares	Number of outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,835,956,630	3,476,490	320.8
		3,476,490	

	31 December 2024		
Class of shares	Number of outstanding shares	Equity (as calculated per KASE rules)	Book value of one share, in KZT
Common	10,879,974,616	3,051,826	280.5
		3,051,826	

Equity attributable to common shares is calculated as the difference between the total equity and total net book value of intangible assets.

The management of the Group believes that it fully complies with the requirement of KASE as at the reporting date.

29. Financial risk management

Risk management is fundamental to the Group's financial activities. The main risks inherent in the Group's operations are those related to:

- Credit risk;
- Liquidity risk;
- Operational risk; and
- Market risk.

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The Group recognises that it is essential to have efficient and effective risk management processes in place. To enable this, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. Through the risk management framework, the Group manages the following risks.

Risk appetite management

Risk appetite is the aggregate level of significant risks that the Bank is ready to accept in the implementation of strategic objectives and business plan.

In order to build an effective system for managing the Bank's risk appetite, the risk appetite strategy of JSC Halyk Bank was developed and approved.

The risk appetite strategy defines clear boundaries of the volume of accepted significant risks in which the Bank operates as part of the implementation of the overall development strategy of Halyk Group, and also determines the risk profile of the Bank's activities in order to prevent the risks or minimize their negative impact on the financial position of the Bank.

As part of the development and implementation of the risk appetite strategy for each significant level of risk, the Board of Directors approved the levels of risk appetite (for credit risk, market risk, liquidity risk, operational risk), taking into account the adopted business model, scale of activities, types and complexity of the Bank's operations.

Internal process for assessing capital adequacy

In accordance with the requirements of the rules for the formation of a risk management and internal control system for second-tier banks, the Group developed and implemented an internal process for assessing capital adequacy, which was approved by the Board of Directors. The internal capital adequacy assessment process (the "ICAAP") is a set of processes for managing significant risks, taking into account the volume of assets, the nature and level of complexity of the activity, the organisational structure, strategic plans, risk profile, regulatory framework, assessment and aggregation of such risks in order to determine target level of the Group's capital adequacy to maintain a stable financial position and solvency.

The purpose of the ICAAP development is to identify, assess, aggregate and control significant types of risks inherent in the Group's activities in order to determine the required level of capital sufficient to cover them, including: credit risk, market risk, liquidity risk and operational risk. The Group assesses the adequacy of its equity capital, taking into account the current level of risk appetite and development strategy, based on the approved budget. Equity capital adequacy is assessed taking into account the results of stress testing of the Group's risks. The internal process for assessing capital adequacy is subject to continuous review of both quantitative and qualitative indicators, including the application of its results, approaches to stress testing, risk identification and information collection process, validation of risk assessment models.

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Credit risk

Credit risk is the likelihood that the Group will incur losses due to the borrower's/counterparty's non-fulfillment, untimely or incomplete fulfillment of its financial obligations to the Group in accordance with the terms of the bank loan agreement.

The risk management department plays an important role in managing and controlling the credit risk. This department is responsible for credit risk identification, evaluation and implementation of control and monitoring measures. As part of the credit risk management system, the Group maintains a sufficient level of allowances for expected credit losses, controls the credit risk assessment process, takes the necessary measures to ensure the completeness and reliability of information in order to make decisions, adhere to internal policies and procedures, and maintains a credit assessment procedures independent of the business units risks.

The risk management department is directly involved in the process of making credit decisions, agreeing on lending rules and programs, providing independent recommendations on taking measures to minimize credit risk, controlling limits, monitoring credit risks, the level of risk appetite for credit risk, reporting, as well as ensuring compliance with both external and internal legislative regulatory requirements and procedures.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower/counterparty, or groups of borrowers, and to industry (and geographical) segments. Limits on the level of credit risk concentration by industry sector are approved and controlled by the Commercial Directorate (the "CD"). The Group sets the levels of risk appetite for the concentration of the loan portfolio by types of lending: corporate business, small and medium business, retail business to the Bank's loan portfolio, portfolio concentration by 10 large borrowers of the Bank, the concentration of the portfolio on foreign currency loans, the concentration of the loan portfolio by the acceptable rating level, PD level and NPL level in small and retail business in the loan portfolio by lending segment. Limits on credit risk exposure with respect to credit programs (SME and retail) are approved by the Management Board. The exposure to any one borrower, including banks and brokers, covers on and off-balance sheet exposures, which are reviewed by the Credit Committees and Assets and Liabilities Management Committee (the "ALMC"). Actual exposures against limits are monitored daily.

The risk that the counterparty will not meet its obligations is restricted by the limits covering on and off-balance sheet exposure.

Off-balance sheet credit liabilities represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk for off-balance sheet financial instruments is defined as a probability of losses due to the inability of a counterparty to comply with the contractual terms and conditions. In relation to the credit risk associated with off-balance sheet financial instruments, the Group potentially incurs a loss equal to the total amount of undrawn credit lines. However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon counterparties maintaining specific creditworthiness standards. The Group applies the same credit policy to the contingent liabilities as it does to the financial instruments recorded in the consolidated statement of financial position (i.e. the policy based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring). The Group controls the maturity of loans, as long-term liabilities carry a higher credit risk compared to short-term liabilities.

Structure and authorities of credit committees

Credit committees, the ALMC, the Management Board, Risk Committee and the Board of Directors are credit authorities responsible for the implementation of the Bank's Credit Policy and credit decision making process.

Commercial Directorate

A collegial body of the Bank, the main task of which is to implement the Bank's internal credit policy on credit operations and credit applications of corporate clients.

Branch Credit Committee and Branch Network Credit Committee ("BCC", "BNCC")

The primary goal of the BCC and the BNCC is the implementation of the Bank's Credit Policy in terms of granting financial instruments via branches to SME customers.

Delegated credit authority limits for the BCC and the BNCC are established by the Management Board. The BCC makes credit decisions within its limits. If the loan application exceeds the relevant credit limit or the authorities of the BCC, the final decision has to be taken by the BNCC. The procedure of the decision-making by the BNCC involves consideration of a package of documents, including complex analysis and assessments of the potential borrowers conducted by the Bank's experts.

Retail Branch Credit Committee of the Head Office ("RCCHO") and Decision Making Center ("DMC")

The primary goal of the RCCHO and the DMC is the implementation of the Bank's Credit Policy in terms of granting retail financial instruments via branches.

The DMC is comprised of credit underwriters with delegated credit authorities based on a four eyes principle. The DMC makes credit decisions within their authorities and limits established by the Management Board and the RCCHO, respectively. The RCCHO is authorised to consider loan applications that exceed relevant credit limits or the authorities of the DMC, as well as other matters within the authorities established by the Management Board.

Along with the functioning of the DMC and RCCHO, there is an automated approach for making decisions when lending to individuals. Automation of decision making is based on a risk-based approach, including Risk Based Pricing and the use of additional parameters when assessing customer solvency. Based on the results of consideration of applications, loan proposals are formed both according to the requested conditions and by offering alternative solutions for all segments of applicants for individuals (participants/non-participants of the salary project, pensioners, etc.). This approach takes into account the risk profile of the potential borrower and allows minimising the credit risk exposure in the decision making process.

Decision Making Center for Small Business ("DMC for SB")

The main task of DMC for SB is to consider loan applications in the small business sector in an amount not exceeding KZT 400 million.

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The DMC for SB consists of credit underwriters with delegated decision-making powers based on the four eye principle. The Decision Making Center for Small Business takes decisions within the framework of the authority approved by the Board of the Bank and the limits approved by the BNCC, respectively.

Problem loans committee of the Head Office, branches

Collegial bodies of the Bank, the main task of which is to implement the Bank's internal credit policy in terms of organizing and controlling the activities of the Bank and its branches in managing, servicing and ensuring the repayment of funds on problem loans.

Authorised credit authorities of the Bank's subsidiaries

Consideration and approval of loan applications of subsidiaries is carried out by the authorized/collegial body of the subsidiary in accordance with the internal documents of the subsidiary. Excess and above-limit loan applications are approved by the Board of Directors of the subsidiary during preliminary consideration by the relevant Credit Committee of the Parent Bank in the manner prescribed by the internal regulatory documents of the Bank.

ALMC

The primary goal of the ALMC is profit maximisation and to limit the risks of banking activities related to raising and allocating funds and the establishment of a medium-term policy for the management of assets and liabilities. The main tasks of the ALMC are liquidity management, market risk management, ensuring effective control over the activities of the Bank's executive bodies on financial risk management and determining priority areas for minimizing the Bank's risks.

The ALMC is also responsible for establishing country and counterparty-bank limits. The ALMC reports to the Board of Directors.

The Management Board

For loan applications exceeding the authorities of the Head Office Credit Committee, the BNCC and the RCCHO, or exceeding the relevant limits of the BNCC and the RCCHO, have to be considered by the Management Board.

Risk Committee

The Committee is a collegial body under the Board of Directors and assists in the implementation of functions related to the formation of an effective risk management and internal control system in the Bank, ensuring its functioning and informing the Board of Directors about the level of risks assumed by the Bank.

The Board of Directors

If the loan application exceeds 5% of the Bank's equity capital or the potential borrower is a related party, such applications have to be considered by the Board of Directors.

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Maximum Exposure

The Group's maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market risks.

The following table presents the maximum exposure to credit risk of financial assets and contingent liabilities. For financial assets in the statement of financial position, the maximum exposure equals the carrying value of those assets prior to any offset or collateral. For financial guarantees and other contingent liabilities, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the guarantee was called on, or in the case of commitments, if the loan amount was called on (Note 21). The collateral pledged is represented by the carrying amount of a financial instrument for which the collateral was received as security.

	31 December 2025	
	Maximum exposure and net exposure after offset	Collateral pledged
Cash equivalents*	1,370,335	56,228
Obligatory reserves	862,148	-
Financial assets at fair value through profit or loss (less equity securities)	805,653	-
Amounts due from credit institutions	181,288	-
Financial assets at fair value through other comprehensive income (less equity securities)	2,272,600	-
Debt securities at amortised cost, net of allowance for expected credit losses	1,141,573	-
Loans to customers	13,110,917	10,861,640
Other financial assets	109,569	-
Commitments and contingencies (less provisions)	1,174,111	38,033
	31 December 2024	
	Maximum exposure and net exposure after offset	Collateral pledged
Cash equivalents*	1,418,685	55,117
Obligatory reserves	306,330	-
Financial assets at fair value through profit or loss (less equity securities)	745,233	-
Amounts due from credit institutions	156,966	-
Financial assets at fair value through other comprehensive income (less equity securities)	2,913,276	-
Debt securities at amortised cost, net of allowance for expected credit losses	766,937	-
Loans to customers	11,465,649	9,740,418
Other financial assets	87,877	-
Commitments and contingencies (less provisions)	1,196,480	37,606

*Amount represents the short-term loans and deposits with original maturities of not more than 90 days, which are included within cash and cash equivalents in the statement of financial position.

As at 31 December 2025 and 2024, there is no any difference between maximum exposure and net exposure after offset.

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Significant increase in credit risk

As explained in Note 4, the Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analyzed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative.

For treasury operations (interbank transactions, securities, reverse repurchase agreements), a significant increase in credit risk is determined individually for each financial asset on the basis of quantitative indicators (rating downgrades by 3 or more steps since initial recognition, overdue by 1 day or more since initial recognition) and qualitative indicators (negative information relating to the issuer/counterparty, including deterioration of financial condition, change of shareholders, the realization of the risk of loss of reputation, the systematic violation of prudential standards) since initial recognition.

For bank loans assessed on a collective basis, a significant increase in credit risk is determined on the basis of increase in lifetime probability of default since initial recognition over defined thresholds for segmented homogeneous portfolios and for loans with an overdue more than 30 days since initial recognition, for loans assessed on an individual basis - additionally in case of the decrease of internal credit rating and increase in lifetime PD on 10 percentage points in accordance with the internal rating model (the presence of restructuring during deterioration of the financial position for classification to Stage 3), expert opinions of the Bank's specialists based on the changes in the qualitative and quantitative indicators of the borrower, a significant deterioration of collateral and other objective evidence of significant financial difficulties since initial recognition.

Stage 3 is determined for loans that are assessed on a collective basis with an overdue of over 60 - 90 days, for loans assessed on an individual basis - over 60 days past due, restructuring related to the deterioration of financial condition, deterioration of the internal credit rating and expert opinion of the Bank's specialists.

The Group considers that certain financial instruments with low credit risk at the reporting date have not experienced a significant increase in credit risk. The Group applies this policy to financial instruments issued to sovereign and financial institutions only. The Group considers a financial instrument to have low credit risk when their external credit risk rating is equivalent to definition of 'investment grade' by international rating agencies.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECL.

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The incorporation of forward-looking elements reflects the expectations of the Group and involves the creation of two scenarios (“base case” and “downside” scenarios), including an assessment of the probability for each scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses. The “base case” scenario enters with a probability of 75% and the “downside” scenario with a probability of 25%.

Development of forecasting was carried out by JSC Halyk Finance using internal and external information for creating “base case” and “downside” scenarios of future forecasting of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

When applying these stress factors, the results of stress testing performed at the end of 2025 and 2024 show a slight decrease in certain financial indicators of the Group (growth in allowance for expected credit losses, decrease in net profit and outflow of customer accounts).

At the same time, given that, the Group has a sufficient amount of equity and liquid assets, significant deterioration in the financial position of the Group and violation of regulatory requirements and norms are not predicted.

In general, a worsening of forecasted macroeconomic variables for each scenario or an increase in the probability of the “downside” scenario occurring will both increase the number of loans migrating from Stage 1 to Stage 2 and increase the estimated allowances for expected credit losses. In contrast, an improvement in the outlook on forecasted macroeconomic variables or an increase in the probability of the “base case” scenario occurring will have a positive impact. It is not possible to meaningfully isolate the impact of changes in the various macroeconomic variables for a particular scenario due to the interrelationship between the variables as well as the interrelationship between the level of pessimism inherent in a particular scenario and its probability of occurring.

The table below summarizes the principal macroeconomic indicators included in economic scenarios as at 31 December 2025 and 2024 for Kazakhstan, which is the country where the Group operates and therefore is the country that has a material impact in ECLs.

List of macro variables used	31 December 2025		31 December 2024	
	Definition	Range	Definition	Range
GDP growth	% change	Between 0% and 4.5%	% change	4.8%
Inflation	Inflation %	Between 10.0% and 18.0%	Inflation %	Between 8.3% and 9.5%
Oil price	Price per barrel	Between USD 44 and USD 64	Price per barrel	Between USD 70 and USD 80

Financial assets are graded according to the current credit rating that have been issued by an international rating agency or in accordance with the Group’s internal rating system. The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB. Financial assets which have ratings lower than BBB are classified as speculative grade.

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The following table details the credit ratings of financial assets held by the Group (except for loans to customers, which are disclosed in Note 11), before any allowances for expected credit losses:

							31 December 2025
	AA	AA-	A	BBB	<BBB	Not Rated	Total
Cash and cash equivalents*	140	552,072	71,372	712,849	40,905	49,253	1,426,591
Obligatory reserves	-	-	-	856,483	5,665	-	862,148
Financial assets at fair value through profit or loss	183,298	32,293	127,587	283,464	235,332	58,972	920,946
Amounts due from credit institutions	460	75,075	13,548	21,734	63,688	7,015	181,520
Financial assets at fair value through other comprehensive income	37,884	75,374	76,445	2,017,846	66,492	11,151	2,285,192
Debt securities at amortised cost	11,159	110,574	-	993,154	22,348	5,082	1,142,317
Other financial assets	-	-	-	-	-	139,514	139,514
Commitments and contingencies	-	-	-	-	-	1,180,387	1,180,387
							31 December 2024
	AA	AA-	A	BBB	<BBB	Not Rated	Total
Cash and cash equivalents*	184	103,044	32,819	973,164	88,686	4,913	1,202,810
Obligatory reserves	-	-	-	294,421	11,909	-	306,330
Financial assets at fair value through profit or loss	64,743	54,779	27,465	502,532	83,538	89,760	822,817
Amounts due from credit institutions	-	31,225	45,658	32,417	42,442	5,376	157,118
Financial assets at fair value through other comprehensive income	63,980	129,427	146,451	2,543,785	40,678	439	2,924,760
Debt securities at amortised cost	-	-	-	525,317	24,211	217,986	767,514
Other financial assets	-	-	-	-	-	124,119	124,119
Commitments and contingencies	-	-	-	-	-	1,207,444	1,207,444

*Amount represents the short-term loans and deposits with original maturities of not more than 90 days, which are included within cash and cash equivalents in the statement of financial position.

The banking industry is generally exposed to credit risk through its financial assets and contingent liabilities. Credit risk exposure of the Group is concentrated within the Republic of Kazakhstan. The exposure is monitored on a regular basis to ensure that the credit limits and creditworthiness guidelines established by the Group's risk management policy are not breached.

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The following table details the carrying value of assets that are impaired and for those that are past due but not impaired:

	Financial assets that have been individually assessed for impairment				Financial assets that have been collectively assessed for impairment		31 December 2025 Total
	Unimpaired financial assets		Impaired financial assets				
	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	
Amounts due from credit institutions	181,520	(232)	-	-	-	-	181,288
Financial assets at fair value through other comprehensive income	2,283,902	(1,639)	-	-	2,931	(2)	2,285,192
Debt securities at amortised cost	1,141,193	(744)	-	-	1,125	(1)	1,141,573
Loans to customers	7,435,225	(38,315)	518,756	(211,838)	5,760,740	(353,651)	13,110,917
Other financial assets	61,165	(1,803)	78,349	(28,142)	-	-	109,569
	Financial assets that have been individually assessed for impairment				Financial assets that have been collectively assessed for impairment		
	Unimpaired financial assets		Impaired financial assets				
	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses	31 December 2024 Total
Amounts due from credit institutions	156,957	(152)	-	-	161	-	156,966
Financial assets at fair value through other comprehensive income	2,926,050	(4,362)	-	-	3,074	(2)	2,924,760
Debt securities at amortised cost	765,221	(576)	-	-	2,293	(1)	766,937
Loans to customers	6,435,223	(35,627)	571,170	(236,610)	5,032,475	(300,982)	11,465,649
Other financial assets	3,739	(1)	36,495	(26,650)	83,885	(9,591)	87,877

As at 31 December 2025, the carrying amount of unimpaired overdue loans was KZT 76,527 million (31 December 2024 – KZT 90,801 million). The overdue period for these loans is no more than 90 days.

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Liquidity risk

Liquidity risk is the likelihood of financial losses arising from the Group's failure to ensure that there are sufficient cash to meet its obligations over time without significant losses. The Group's liquidity risk arises from the mismatch (mismatch) of the maturity of claims on active transactions with the maturity of liabilities.

In accordance with the requirements of the Rules for the formation of a risk management and internal control system for second-tier banks, the Group has developed and implemented an internal process for assessing liquidity adequacy ("IPALA"), which was approved by the Board of Directors. IPALA is a set of liquidity risk management processes in order to maintain an adequate level of liquidity and implement an appropriate liquidity risk management system at different time intervals depending on the type of activity, currency. IPALA was developed in accordance with the risk appetite strategy, taking into account the current market and economic situation, the risk profile and the requirements of the legislation of the Republic of Kazakhstan in terms of the formation of a risk management and internal control system for second-tier banks, as well as the internal needs of the Bank in determining the main approaches and principles of the process assessing the adequacy of liquidity. In order to determine the risk appetite, the Board of Directors approves the levels of risk appetite for liquidity risk, and also uses a quantitative internal indicator of liquidity adequacy within the IPALA, which limits the risks of current, short-term, medium-term and long-term liquidity. In order to identify weaknesses, the IPALA is subject to continuous review at least once a year, which is submitted for approval by the Board of Directors.

As part of the risk management system, liquidity risk is measured and controlled through the following tools:

- monitoring compliance with regulatory (prudential) liquidity ratios;
- setting and regular monitoring of internal limits and triggers for liquidity risk: risk appetite level, IPALA ratio, limit on GAP, liability concentration limits, early warning indicators of liquidity risk;
- analysis of contractual maturities (GAP-analysis) and cash flow forecasting, including: planned transactions, projected rollover of attracted customer funds (taking into account the calculation of the stable part of funding);
- analysis of the concentration of funding sources (by largest depositors, by currency, by funding maturity, by funding source);
- indicators of early warning about liquidity risk, allowing to monitor and control liquidity risk;
- analysis of the volume of assets that can be used as collateral to raise liquidity;
- development and regular testing of a contingency financing plan in unforeseen circumstances with a description of the process of eliminating liquidity shortage in emergency situations;
- stress testing of the impact of changes in various macroeconomic and other factors and parameters on liquidity.

Short-term liquidity needs are managed by the Group's treasury function collecting daily cash inflow/outflow forecasts. Long-term liquidity management is performed by the ALMC by analysing longer term liquidity positions and making decisions on managing significant gaps through various available means.

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In order to manage liquidity risk, the Group analyses and evaluates cash inflows and outflows to determine the potential shortage of liquid assets in the future. The Group measures and forecasts estimated cash flows for assets and liabilities, including off-balance sheet claims and liabilities, which analyzes the structure of gaps between cash flows for financial assets and financial liabilities (GAP analysis). In a GAP analysis, cash flows are grouped into time buckets based on the following principles:

- assets and liabilities are allocated into economically homogeneous and significant items;
- securities at fair value through profit or loss are classified in the column “Less than 1 month” because they are available to meet the Group's short-term liquidity needs;
- part of long-term loans provided to customers are classified in the column “From 3 months to 1 year”, because for them, the Group has the right to unilaterally withdraw within ten months after due notice issued by the Group;
- loans to customers, amounts due from credit institutions, financial assets at fair value through other comprehensive income, debt securities at amortised cost, other financial assets, amounts due to customers, amounts due to credit institutions, debt securities issued, other financial liabilities included in analysis of the liquidity position based on expected contractual maturities;
- Assets and liabilities other than those listed above are generally classified according to the payment schedule and the remaining period from the reporting date to the earliest contractual payment date or available maturity date.

For the purposes of effective control, the Group divides liquidity management into:

- management of current (intraday)/short-term liquidity – management of assets and liabilities with a maturity of less than 3 months;
- management of mid-term/long-term liquidity – management of assets and liabilities with maturity from 3 months to 1 year and more than 1 year.

Liquidity risk management is generally carried out by ALMC, whose main tasks are to control the implementation of the asset and liability management policy and the liquidity management policy, and to determine the need for liquid funds. The treasury department directly manages the Bank's cash flows and short-term liquidity within the established level of risk appetite for liquidity risk and the limits established by ALMC. The treasury department develops and implements measures for operational liquidity management. The risk management division is responsible for the implementation of the liquidity risk management process, for identifying, measuring, monitoring, controlling and analyzing liquidity risk as part of periodic management reporting on the current state of liquidity risk with related analysis, and, if necessary, provides its recommendations for minimizing risks. The risk management division also conducts stress testing of the impact of changes in various macroeconomic and other factors and parameters on liquidity, including taking into account the scenario of the outflow of customer funds. Liquidity risk management (identification, measurement, monitoring, control and analysis of liquidity risk) is carried out in accordance with the IPALA and the liquidity risk management policy, as well as regulatory requirements.

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The following tables provide an analysis of financial assets and liabilities grouped based on the above principles.

	31 December 2025					
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	1,694,431	-	-	-	-	1,694,431
Obligatory reserves	438,947	128,151	198,050	67,323	29,677	862,148
Financial assets at fair value through profit or loss	857,776	-	-	63,170	-	920,946
Amounts due from credit institutions	80,479	5,198	17,295	44,640	33,676	181,288
Financial assets at fair value through other comprehensive income	47,515	74,876	319,297	996,061	847,443	2,285,192
Debt securities at amortised cost, net of allowance for expected credit losses	30,513	55,231	332,493	622,598	100,738	1,141,573
Loans to customers*	375,818	822,966	7,186,082	3,986,088	739,963	13,110,917
Other financial assets	60,869	1,577	17,169	25,226	4,728	109,569
	3,586,348	1,087,999	8,070,386	5,805,106	1,756,225	20,306,064
FINANCIAL LIABILITIES:						
Amounts due to customers	7,625,624	2,431,938	3,834,939	225,364	220,939	14,338,804
Amounts due to credit institutions	700,712	42,577	11,121	292,955	222,763	1,270,128
Financial liabilities at fair value through profit or loss	6,481	920	421	611	-	8,433
Debt securities issued	-	-	-	773,439	196,659	970,098
Other financial liabilities	161,373	1,581	3,094	1,996	144	168,188
	8,494,190	2,477,016	3,849,575	1,294,365	640,505	16,755,651
Net position	(4,907,842)	(1,389,017)	4,220,811	4,510,741	1,115,720	3,550,413
Accumulated gap	(4,907,842)	(6,296,859)	(2,076,048)	2,434,693	3,550,413	

	31 December 2024					
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	1,473,802	-	-	-	-	1,473,802
Obligatory reserves	155,375	36,419	87,331	17,977	9,228	306,330
Financial assets at fair value through profit or loss	796,114	-	-	26,703	-	822,817
Amounts due from credit institutions	107,311	201	28,194	20,914	346	156,966
Financial assets at fair value through other comprehensive income	85,452	58,855	796,077	1,207,152	777,224	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	47	9,534	41,011	716,345	-	766,937
Loans to customers*	411,039	910,887	5,907,457	3,656,734	579,532	11,465,649
Other financial assets	38,342	4,448	13,192	28,251	3,644	87,877
	3,067,482	1,020,344	6,873,262	5,674,076	1,369,974	18,005,138
FINANCIAL LIABILITIES:						
Amounts due to customers	6,807,195	1,623,880	3,599,228	754,614	205,126	12,990,043
Amounts due to credit institutions	311,045	43,262	123,989	178,042	157,731	814,069
Financial liabilities at fair value through profit or loss	6,463	-	-	510	-	6,973
Debt securities issued	11,547	124,061	582,554	20,920	140,130	879,212
Other financial liabilities	210,534	1,610	9,398	569	343	222,454
	7,346,784	1,792,813	4,315,169	954,655	503,330	14,912,751
Net position	(4,279,302)	(772,469)	2,558,093	4,719,421	866,644	3,092,387
Accumulated gap	(4,279,302)	(5,051,771)	(2,493,678)	2,225,743	3,092,387	

*Loans to customers in the column "3 months to 1 year" also include loans with non-standard repayment schedule.

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The change in liquidity Gaps during the reporting period is associated with a change in the volume and/or structure of liquid assets, a change in the maturity structure of the Group's assets and liabilities, including due to a change in the maturity of assets (reduction/increase in the maturity of the portfolio of securities, loans to customers) and liabilities (reduction/increase in funds of amounts due to customers, amounts due to credit institutions, for debt securities issued).

As at 31 December 2025 and 2024 the Group complies with main liquidity ratios and regulatory liquidity requirements.

The analysis of liabilities by maturity does not reflect the historical stability of customer current account balances, which have traditionally been repaid over a longer period than indicated in the tables above. In this regard, Management believes that although a substantial portion of current accounts and customer deposits are on demand and mature in less than one month, diversification of these deposits by number and type of depositors, and the past experience of the Group, indicate that these deposits provide a long-term and stable source of funding for the Group. Therefore, an essential part of the Group's current accounts is considered to be stable resources for the purposes of liquidity analysis and management. Additionally, the accumulated gap can be sufficiently covered by refinancing with the repurchase agreements and sale of liquid government and other high-quality rated securities or attracting long-term debt funding on capital markets when necessary.

A further analysis of the liquidity risk is presented in the following tables in accordance with IFRS 7. The amounts disclosed in these tables do not correspond to the amounts recorded on the consolidated statement of financial position, as the presentation below includes a maturity analysis for financial liabilities and contingent liabilities based on the remaining contractual payments (including interest payments).

						31 December 2025
	Up to	1 to	3 months	1 to	Over	Total
FINANCIAL AND CONTINGENT LIABILITIES	1 month	3 months	to 1 year	5 years	5 years	
Amounts due to customers	7,701,165	2,454,783	3,895,259	231,902	295,326	14,578,435
Amounts due to credit institutions	727,367	47,656	15,450	300,386	222,764	1,313,623
Debt securities issued	-	-	-	773,439	196,660	970,099
Other financial liabilities	158,509	208	618	1,267	55	160,657
Guarantees issued	993,048	-	-	-	-	993,048
Commercial letters of credit	102,839	-	-	-	-	102,839
Commitments to extend credit	84,500	-	-	-	-	84,500
	9,767,428	2,502,647	3,911,327	1,306,994	714,805	18,203,201
Derivative financial assets	1,609,756	49,528	109,952	22,380	-	1,791,616
Derivative financial liabilities	1,590,907	49,192	102,856	21,150	-	1,764,105

						31 December 2024
	Up to	1 to	3 months	1 to	Over	Total
FINANCIAL AND CONTINGENT LIABILITIES	1 month	3 months	to 1 year	5 years	5 years	
Amounts due to customers	6,935,920	1,648,092	3,713,555	862,150	280,963	13,440,680
Amounts due to credit institutions	322,636	51,783	136,024	218,311	167,721	896,475
Debt securities issued	11,547	121,428	610,634	25,274	140,130	909,013
Other financial liabilities	210,534	1,610	9,398	569	343	222,454
Guarantees issued	984,144	-	-	-	-	984,144
Commercial letters of credit	113,993	-	-	-	-	113,993
Commitments to extend credit	109,307	-	-	-	-	109,307
	8,688,081	1,822,913	4,469,611	1,106,304	589,157	16,676,066
Derivative financial assets	486,472	-	3,846	64,718	-	555,036
Derivative financial liabilities	489,908	-	3,783	46,968	-	540,659

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Transactions with government agencies and government-controlled companies

In the course of its operations, the Group enters into transactions with the National Bank of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan represented by the Ministry of Finance of the Republic of Kazakhstan and government agencies, as well as with government-controlled companies (with an equity stake of 50% or more). The Group provides these customers with banking services, including, but not limited to: placing deposits, providing loans, transactions for the sale and purchase of securities, accepting funds for deposits, etc.

The balances of transactions with government agencies and government-controlled companies that were significant in terms of their carrying value (TOP 10) as at 31 December 2025 and 2024 are as follows:

31 December 2025

Counterparty/Issuer	Cash and cash equivalents	Loans to customers	Securities	Amounts due to customers/due to credit institutions	As at 31 December 2025 Total
NBRK	1,530,353	-	997	240	1,531,590
Government of the Republic of Kazakhstan	40,607	-	2,498,965	70,773	2,610,345
Other government agencies and government-controlled companies	6,058	224,297	578,263	1,347,425	2,156,043
Including: <i>funds of state programs</i>	-	-	-	91,615	91,615
	1,577,018	224,297	3,078,225	1,510,053	6,389,593

31 December 2024

Counterparty/Issuer	Cash and cash equivalents	Loans to customers	Securities	Amounts due to customers/due to credit institutions	As at 31 December 2024 Total
NBRK	813,453	-	16,143	122	829,718
Government of the Republic of Kazakhstan	33,090	12,852	2,711,198	35,678	2,792,818
Other government agencies and government-controlled companies	578	741,401	677,612	862,730	2,282,321
Including: <i>funds of state programs</i>	-	-	-	96,235	96,235
	847,121	754,253	3,404,953	994,765	6,001,092

Cash and cash equivalents include balances on nostro accounts and term deposits with the NBRK in national and foreign currencies.

Loans to customers represent transactions for the financing of government-controlled companies, concluded on the terms of payment, urgency, repayment.

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Securities are represented by debt and equity financial instruments denominated in national and foreign currencies, evaluated at fair value or amortised cost, depending on the purpose of acquisition.

Amounts due to credit institutions / due to customers represent liabilities to government-controlled companies in the form of current account balances, term deposits, funds placed under government financing programs small and medium-sized businesses, as well as conditional deposits placed by quasi-state companies as part of subsoil use operations.

In order to manage liquidity risk, including monitoring the concentration of assets and liabilities, the Group sets concentration limits for certain groups of customers, both in terms of claims to customers and liabilities to them (by the largest depositors / borrowers, by currency baskets, by source of funding); on a regular basis monitors the fulfillment of the specified limits, analyzes the dynamics of changes in indicators, and, if necessary, develops action plans to reduce the risk of concentration.

Additionally, on a regular basis, the Group conducts stress testing on the impact of potential changes in various macroeconomic and other indicators on the financial stability of the Group. One of the scenarios that must be considered and analyzed is a stressful outflow of customer funds (withdrawals from current accounts, early termination of term deposits), as well as the conversion of customer funds into foreign currency (from tenge to foreign currency), based on the results of a stress test, if necessary preventive measures are being developed to prevent a negative impact on the Group's operations.

The results of monitoring limits on the concentration of assets and liabilities and the results of stress testing are mandatory submitted for consideration by the authorized collegial bodies to get acquainted with the current level of the main types of risk inherent in the Group's activities and take corrective measures to minimize the risk, if necessary.

Market risk

Market risk is the probability of financial losses on the Group's balance sheet and off-balance sheet items due to adverse changes in the market situation, expressed in changes in market interest rates, foreign exchange rates, market value of financial instruments and commodities.

The Group is exposed to market risks, which include the following components:

- Risk of changes in interest rates (interest rate risk);
- Risk of changes in foreign exchange rates (currency risk);
- Risk of changes in securities prices (price risk).

The objective of market risk management is to optimise risk/return, minimise losses in case of adverse events and decrease deviation of factual financial results from expected financial results.

Market risk management includes security portfolio management and control of open positions on currencies, interest rates and derivatives. For these purposes, the ALMC fixes limits on security portfolios, open positions, stop-loss limits, VaR and ES limits, and other limitations. Market risk limits are subject to review on at least an annual basis and should be monitored continuously.

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Interest rate risk

The Group is exposed to the risk of changes in interest rates. Interest rate risk is defined as the probability of a decrease in interest income, an increase in interest expenses or a negative impact on capital as a result of adverse changes in market interest rates.

The Group determines two types of interest rate risk:

- Interest rate risk related to changes in fair values of securities portfolios, which are reflected through other comprehensive income;
- Interest rate risk resulting from assets and liabilities maturity dates (dates of interest rate repricing) mismatch that are sensitive to interest rate changes (risk of interest rate changes).

The ALMC manages interest rate risks and market risks through the management of the Group's position on interest rates to reach positive interest margins.

The Group manages interest rates by determining the Group's exposure to the interest rate risk using the approach described by the Basel Committee on the principles for the management and supervision of interest rate risk. This approach identifies the Group's exposure to interest rate risk by testing the impact of a parallel movement in interest rates on assets and liabilities.

Sensitivity analysis of interest rate risk

The following table presents a sensitivity analysis of interest rate risk, which has been determined based on "reasonably possible changes in the risk variable". The Group assesses the reasonably possible changes in interest rates in tenge and foreign currencies separately, in which financial assets and liabilities are denominated due to the different volatility of interest rates. Particularly, a scenario of interest rate changes in tenge takes into account the dynamics of market interest rates (loans/deposits, NBRK base rate etc.).

The impact on profit before tax is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and liabilities held as at 31 December 2025 and 2024 and the effect of revaluing instruments with fixed rates accounted for at fair value. The management of the Group believes income tax not to have a substantial effect for the purpose of interest rate risk management.

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The impact on profit before tax based on assets and liabilities values as at 31 December 2025 and 2024, which would have corresponding effect on equity, is as follows:

	31 December 2025		31 December 2024	
	Interest rate	Interest rate	Interest rate	Interest rate
	KZT +3.75% CCY +2%	KZT -3.75% CCY -2%	KZT +3.75% CCY +2%	KZT -3.75% CCY -2%
FINANCIAL ASSETS:				
Financial assets at fair value through profit or loss	(50,798)	50,798	673	(673)
<i>KZT</i>	(38,004)	38,004	672	(672)
<i>CCY</i>	(12,794)	12,794	1	(1)
Amounts due from credit institutions	168	(168)	1,191	(1,191)
<i>CCY</i>	168	(168)	1,191	(1,191)
Financial assets at fair value through other comprehensive income	-	-	230	(230)
<i>KZT</i>	-	-	229	(229)
<i>CCY</i>	-	-	1	(1)
Loans to customers	45,203	(45,203)	21,700	(21,700)
<i>KZT</i>	30,193	(30,193)	2,920	(2,920)
<i>CCY</i>	15,010	(15,010)	18,780	(18,780)
Net impact on profit before tax	(5,427)	5,427	23,794	(23,794)

The impact on equity from the assumed changes in interest rates due to the effect of revaluation of financial assets at fair value through other comprehensive income as at 31 December 2025 and 2024 is as follows:

	31 December 2025		31 December 2024	
	Interest rate	Interest rate	Interest rate	Interest rate
	KZT +3.75% CCY +2%	KZT -3.75% CCY -2%	KZT +3.75% CCY +2%	KZT -3.75% CCY -2%
FINANCIAL ASSETS:				
Financial assets at fair value through other comprehensive income	(207,311)	207,311	(211,511)	211,511
<i>KZT</i>	(75,075)	75,075	(103,442)	103,442
<i>CCY</i>	(132,236)	132,236	(108,069)	108,069
Net impact on equity	(207,311)	207,311	(211,511)	211,511

Currency Risk

The Group is exposed to currency risk. Currency risk arises from open positions in foreign currency and adverse movements of market exchange rates that may have a negative impact on the financial performance of the Group.

The ALMC monitors currency risk by determining the open currency position based on the estimations of KZT devaluation and other macroeconomic indicators, which gives the Group an opportunity to minimise losses from significant currency rate fluctuations of national and foreign currencies.

The treasury department performs daily monitoring of the Group's open currency positions, with the aim to comply with the requirements of the regulatory authority.

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The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates (primarily USD) on its financial positions, results of operations and cash flows, which are monitored daily. The ALMC sets limits on the level of exposure by currencies within the authority approved by the Board of Directors. These limits also comply with the minimum requirements of the regulator authority.

The Group's principal cash flows are generated in KZT and USD. As a result, potential movements in the exchange rate between KZT and USD will affect the carrying value of the Group's USD denominated monetary assets and liabilities. Currency risk is assessed in relation to the consolidated statement of financial position and off-balance sheet positions. Currently, the Group's sensitivity to fluctuations in exchange rates is acceptable, due to the fact that the off-balance sheet items significantly neutralise the consolidated statement of financial position.

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The Group's exposure to foreign currency exchange rate risk is as follows:

31 December 2025

	USD	EURO	RUB	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	531,442	54,564	30,894	75,726	692,626	1,001,805	1,694,431
Obligatory reserves	128,853	12,483	6,015	15,735	163,086	699,062	862,148
Financial assets at fair value through profit or loss	385,379	30	7	621	386,037	534,909	920,946
Amounts due from credit institutions	120,105	-	5,983	32,392	158,480	22,808	181,288
Financial assets at fair value through other comprehensive income	855,406	258,499	2,700	4,241	1,120,846	1,164,346	2,285,192
Debt securities at amortised cost, net of allowance for expected credit losses	491,701	-	-	12,309	504,010	637,563	1,141,573
Loans to customers	2,853,485	171,942	69	272,662	3,298,158	9,812,759	13,110,917
Other financial assets	19,501	256	5,175	11,883	36,815	72,754	109,569
	5,385,872	497,774	50,843	425,569	6,360,058	13,946,006	20,306,064
FINANCIAL LIABILITIES							
Amounts due to customers	3,504,958	322,685	46,945	186,021	4,060,609	10,278,195	14,338,804
Amounts due to credit institutions	384,435	19,224	128,687	121,453	653,799	616,329	1,270,128
Financial liabilities at fair value through profit or loss	763	499	156	-	1,418	7,015	8,433
Debt securities issued	760,343	-	-	-	760,343	209,755	970,098
Other financial liabilities	14,046	1,137	1,953	2,088	19,224	148,964	168,188
	4,664,545	343,545	177,741	309,562	5,495,393	11,260,258	16,755,651
Net position – on-balance	721,327	154,229	(126,898)	116,007	864,665	2,685,748	3,550,413
Net position – off-balance	(406,755)	(146,461)	114,009	19,863	(419,344)	447,181	
Net position	314,572	7,768	(12,889)	135,870	445,321	3,132,929	

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31 December 2024

	USD	EURO	RUB	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	303,453	76,454	26,787	79,777	486,471	987,331	1,473,802
Obligatory reserves	48,259	8,891	3,190	3,394	63,734	242,596	306,330
Financial assets at fair value through profit or loss	311,360	7,368	14	160	318,902	503,915	822,817
Amounts due from credit institutions	118,842	2	2,081	21,936	142,861	14,105	156,966
Financial assets at fair value through other comprehensive income	1,404,657	239,007	7,664	-	1,651,328	1,273,432	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	220,923	-	-	24,207	245,130	521,807	766,937
Loans to customers	2,122,954	174,601	6,280	128,380	2,432,215	9,033,434	11,465,649
Other financial assets	2,185	592	1,511	2,086	6,374	81,503	87,877
	4,532,633	506,915	47,527	259,940	5,347,015	12,658,123	18,005,138
FINANCIAL LIABILITIES							
Amounts due to customers	3,570,187	246,083	42,582	157,989	4,016,841	8,973,202	12,990,043
Amounts due to credit institutions	438,384	24,676	10,157	17,733	490,950	323,119	814,069
Financial liabilities at fair value through profit or loss	840	-	510	-	1,350	5,623	6,973
Debt securities issued	484,287	-	-	-	484,287	394,925	879,212
Other financial liabilities	1,865	1,343	72	1,104	4,384	218,070	222,454
	4,495,563	272,102	53,321	176,826	4,997,812	9,914,939	14,912,751
Net position – on-balance	37,070	234,813	(5,794)	83,114	349,203	2,743,184	3,092,387
Net position – off-balance	120,411	(204,932)	9,348	(26,664)	(101,837)	117,062	
Net position	157,481	29,881	3,554	56,450	247,366	2,860,246	

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Sensitivity analysis of currency risk

The table below indicates the currencies in which the Group had significant exposure at 31 December 2025 and 2024 and its forecasted cash flows. The analysis calculates the effect of a reasonable possible movement of the currency rate, with all other variables held constant on the consolidated statement of profit or loss. A negative amount in the table reflects a potential net reduction in the consolidated statement of profit or loss, while a positive amount reflects a net potential increase. Sensitivity of currency risk is assessed based on balance sheet and off-balance sheet open currency positions. The management of the Group believes income tax not to have a substantial effect for the purpose of currency risk management.

The impact on profit before tax and equity, based on assets and liabilities values as at 31 December 2025 and 2024 was calculated using the annual analysis of the exchange rate volatility based on historical data of the exchange rate dynamics over the last two years; see the details in the following table:

	31 December 2025		31 December 2024	
	+30%	-30%	+30%	-30%
	KZT/USD	KZT/USD	KZT/USD	KZT/USD
Impact on financial result/equity	94,372	(94,372)	47,244	(47,244)

	31 December 2025		31 December 2024	
	+30%	-30%	+30%	-30%
	KZT/EURO	KZT/EURO	KZT/EURO	KZT/EURO
Impact on financial result/equity	2,330	(2,330)	8,964	(8,964)

	31 December 2025		31 December 2024	
	+30%	-30%	+30%	-30%
	KZT/RUB	KZT/RUB	KZT/RUB	KZT/RUB
Impact on financial result/equity	(3,867)	3,867	1,066	(1,066)

Limitations of sensitivity analysis

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

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

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Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

Price risk

Price risk is the probability of financial losses as a result of changes in the market prices of financial instruments, regardless of whether these changes are caused by factors specific to an individual security or its issuer, or by factors affecting all securities traded on the market. The Group is exposed to price risk due to the impact of general or specific market changes on its products.

To limit price risk, the Group determines limits for maximum losses (stop-loss) on securities from the trade portfolio to minimise potential losses of the trade portfolio.

Price risk assessment is also performed on the basis of the Value At Risk ("VaR") method, through the establishment of Expected Shortfall ("ES") limits on the level of expected losses, which the Bank is able to undertake within one day in a situation when factual losses may exceed the level of VaR.

Calculation of VaR is based on the following parameters:

- Reporting period – 252 working days;
- Confidence interval – 99%;
- The method of measurement – historical and parametric simulation.

The Group estimates the price risk at 31 December 2025 and 2024 to be not material and therefore quantitative information is not disclosed.

30. Capital risk management

The Group is subject to prudential regulation by the NBRK. The Group's capital adequacy is monitored in accordance with the requirements for banking conglomerates established by NBRK.

The Group's capital management objectives, which are a broader concept than the "equity" on the face of the consolidated statement of financial position, are as follows:

- To comply with the capital requirements set by NBRK;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain its own funds to support the development of the development of its business.

The required level of capital is determined during the annual budgeting process, taking into account the above objectives, and is approved by the Management Board and the Board of Directors. As of the current date, the Group's capital adequacy is calculated in accordance with the prudential standards prescribed for banks by the Kazakh regulatory authority, taking into account the recommendations of the Basel Committee.

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As at 31 December 2025, in accordance with the changes in the requirements of the NBRK effective from October 2025, the regulatory capital is represented by:

- Consolidated equity based on the balance sheet of the bank holding company (if any) or the bank calculated on a consolidated basis;
- Subordinated debt, net of regulatory capital adjustments, is included in the equity of a banking conglomerate;
- The capital adequacy ratio for the Bank is reflected taking into account the supervisory buffer based on the results of the supervisory review and evaluation process ("SREP") or based on the results of the SREP and regulators' asset quality review ("AQR").

The assets, commitments and contingencies of Group members that are banks (including banks non-resident of the Republic of Kazakhstan) are weighted by risk level. For the purposes of risk weighting, assets, commitments and contingencies are reduced by the amount of special reserves (provisions) created for them. The calculation of the total assets, commitments and contingencies of banking conglomerate members, weighted by risk, does not include claims between banking conglomerate members.

The table below summarises the regulatory capital composition and capital adequacy ratios of the Group for the year ended 31 December 2025. During the year 2025, Management believes that the individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	31 December 2025
The sum of assets, commitments and contingencies of the participants of a banking conglomerate that are banks, weighted by risk level	19,074,455
Capital adequacy ratio	2.1
Minimum level of capital adequacy ratio	1.0

As at 31 December 2025, the Group's capital adequacy ratio exceeds the minimum level of capital adequacy ratios by 2.1 times.

As at 31 December 2024, regulatory capital was represented by:

- Tier 1 capital, which is required to maintain the normal operating activity of the Bank and absorb losses as they arise. It consists of the base and additional capital of the first level, which include ordinary shares issued by the bank, share premium, retained earnings, other accumulated comprehensive income and disclosed reserves, regulatory adjustments (deductions);
- Tier 2 capital, which is required to absorb losses in case of the bank's liquidation. This part of capital consists of instruments issued by the bank and deductions.

Risk-weighted assets were split into five different groups, based on the risk level of the investment and its possible impairment, and were weighted according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment was adopted for off-balance sheet exposure, with some adjustments made to reflect the more contingent nature of the potential losses.

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The table below summarises the regulatory capital composition and capital adequacy ratios of the Group for the year ended 31 December 2024. During the year 2024, individual entities within the Group and the Group complied with all of the externally imposed capital requirements to which they are subject.

	31 December 2024
Capital adequacy ratio:	
Risk-weighted assets	16,011,836
CET 1 capital adequacy ratio	18.8%
Tier 1 capital adequacy ratio	18.8%
Total capital adequacy ratio	18.9%

As at 31 December 2024 prudential norms on the NBRK, which apply certain principles and methods prescribed by Basel III committee, set minimum CET 1 capital, Additional Tier 1 capital and total capital adequacy ratios at 9.5%, 10.5% and 12.0%, respectively.

As at 31 December 2025 and 2024, the Bank had complied with NBRK's capital requirements.

31. Segment analysis

The Group is managed and reported on the basis of four main operating segments – corporate banking, SME banking, retail banking and investment banking. These segments are strategic business units that offer different products and services and are managed separately.

Retail banking represents private banking services to individuals, including private customer current accounts, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages, cash and foreign currency related services to individuals.

Corporate banking represents banking services to corporate clients and financial organisations including current accounts and correspondent accounts, deposits, custody, overdrafts, loans and other credit facilities, documentary operations, including guarantees and letters of credit, trade finance products, interbank operations, as well as cash services and foreign exchange transactions.

SME banking represents banking services to SME clients and individual entrepreneurs, including current accounts, deposits, overdrafts, loans and other credit facilities, documentary operations and guarantees, foreign exchange transactions and trade finance products.

Investment banking represents services on sale and purchase of securities on the market.

Unallocated amounts are account balances and classes of transactions which are not allocated to a particular segment, not initiated by any business function and relate to the current activity of the Group. Unallocated assets include fixed assets, intangible assets, non-current assets held for sale, cash on hand and other unallocated assets. Unallocated liabilities include deferred tax liabilities and other unallocated liabilities. Unallocated income includes other income from main and non-operating activities and insurance income. Unallocated expenses include the allowances for expected credit losses on accounts receivable, operating overhead expenses, insurance expenses and income tax.

The segment information below is based on financial information used for performance evaluation by the Bank's Chairman of the Management Board, the Group's chief operating decision maker, in accordance with IFRS 8. The Group's management reviews discrete financial information for each segment, including the evaluation of operating segment results, assets and liabilities. Segment result is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

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Segment information for the main reportable operating segments of the Group as at 31 December 2025 and 2024 and for the years then ended, is set out below:

	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 31 December 2025 and for the year then ended						
External revenues	1,064,163	1,284,462	429,342	338,508	388,796	3,505,271
Total revenues	1,064,163	1,284,462	429,342	338,508	388,796	3,505,271
Total revenues comprise:						
- Interest income	899,121	1,088,242	346,671	347,132	13,791	2,694,957
- Fee and commission income, including:	147,974	42,300	43,593	-	5,087	238,954
<i>Transactional income of individuals</i>	159,342	-	-	-	-	159,342
<i>Transactional income of legal entities</i>	-	15,646	36,853	-	-	52,499
<i>Letters of credit and guarantees issued</i>	-	21,154	8,378	-	-	29,532
<i>Other</i>	916	5,500	259	-	5,087	11,762
<i>Loyalty program</i>	(12,284)	-	(1,897)	-	-	(14,181)
- Net gain/(loss) on financial assets at fair value through profit or loss	-	73,008	-	(8,624)	182	64,566
- Net foreign exchange gain	17,067	75,690	39,356	-	7,024	139,137
- Recovery of other credit loss expense/(other credit loss expense)	1	5,222	(278)	-	2	4,947
- Share in profit of associate	-	-	-	-	16,000	16,000
- Insurance revenue, income on non-banking activities and other (expense)/income	-	-	-	-	346,710	346,710
Total revenues	1,064,163	1,284,462	429,342	338,508	388,796	3,505,271
- Interest expense	(662,754)	(491,412)	(190,958)	(59,951)	(2,144)	(1,407,219)
- Net realised loss from financial assets at fair value through other comprehensive income	-	-	-	(32)	-	(32)
- (Expected credit loss expense)/recovery expected credit loss expense	(123,130)	(5,900)	(38,428)	10,546	(4,243)	(161,155)
- Fee and commission expense	(89,647)	(3,565)	(4,057)	-	(1,536)	(98,805)
- Operating expenses	(162,904)	(25,671)	(35,001)	(3,705)	(80,712)	(307,993)
- Impairment loss of non-financial assets	-	-	-	-	(3)	(3)
- Insurance service expense	-	-	-	-	(151,894)	(151,894)
- Net finance insurance expense	-	-	-	-	(20,354)	(20,354)
- Net reinsurance expense	-	-	-	-	(59,579)	(59,579)
Total expenses	(1,038,435)	(526,548)	(268,444)	(53,142)	(320,465)	(2,207,034)
Segment result	25,728	757,914	160,898	285,366	68,331	1,298,237
Income before income tax expense	25,728	757,914	160,898	285,366	68,331	1,298,237
Income tax expense	-	-	-	-	(239,817)	(239,817)
Net income	25,728	757,914	160,898	285,366	(171,486)	1,058,420
Total segment assets	4,308,116	9,088,033	2,219,777	4,284,244	1,008,286	20,908,456
Total segment liabilities	7,686,344	5,245,173	2,614,662	970,098	891,828	17,408,105
Other segment items:						
Capital expenditures						(84,806)
Depreciation and amortisation						(23,569)
Investment in associates						70,327

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	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
As at 31 December 2024 and for the year then ended						
External revenues	858,483	1,023,075	361,339	308,224	300,367	2,851,488
Total revenues	858,483	1,023,075	361,339	308,224	300,367	2,851,488
Total revenues comprise:						
- Interest income	709,672	873,950	284,135	296,436	6,593	2,170,786
- Fee and commission income, including:	131,658	36,580	39,449	132	3,915	211,734
<i>Transactional income of individuals</i>	143,451	-	-	-	-	143,451
<i>Transactional income of legal entities</i>	-	11,909	30,647	132	-	42,688
<i>Letters of credit and guarantees issued</i>	-	20,003	6,943	-	-	26,946
<i>Other</i>	699	4,872	543	-	3,915	10,029
<i>Loyalty program</i>	(11,176)	(204)	-	-	-	(11,380)
- Net gain on financial assets at fair value through profit or loss	-	92,572	-	11,656	141	104,369
- Net foreign exchange gain/(loss)	17,152	85,875	37,099	-	(30,083)	110,043
- Recovery of other credit loss expense/(other credit loss expense)	1	212	656	-	7	876
- Share in profit of associate	-	-	-	-	15,526	15,526
- Insurance revenue, income on non-banking activities and other (expense)/income	-	(66,114)	-	-	304,268	238,154
Total revenues	858,483	1,023,075	361,339	308,224	300,367	2,851,488
- Interest expense	(501,048)	(343,433)	(155,263)	(48,187)	(14,945)	(1,062,876)
- (Expected credit loss expense)/recovery expected credit loss expense	(93,757)	(793)	(28,222)	(2,135)	(4,441)	(129,348)
- Fee and commission expense	(79,077)	(2,756)	(3,735)	(861)	(21)	(86,450)
- Operating expenses	(145,958)	(19,397)	(31,246)	(2,719)	(65,190)	(264,510)
- Net realised gain from financial assets at fair value through other comprehensive income	-	-	-	2,503	-	2,503
- Reversal of impairment of non-financial assets	-	-	-	-	1,137	1,137
- Impairment loss on assets held for sale	-	-	-	-	(60)	(60)
- Insurance service expense	-	-	-	-	(148,200)	(148,200)
- Net finance insurance expense	-	-	-	-	(26,266)	(26,266)
- Net reinsurance expense	-	-	-	-	(35,525)	(35,525)
Total expenses	(819,840)	(366,379)	(218,466)	(51,399)	(293,511)	(1,749,595)
Segment result	38,643	656,696	142,873	256,825	6,856	1,101,893
Income before income tax expense	38,643	656,696	142,873	256,825	6,856	1,101,893
Income tax expense	-	-	-	-	(180,902)	(180,902)
Net income	38,643	656,696	142,873	256,825	(174,046)	920,991
Total segment assets	3,901,850	7,488,151	1,831,990	4,420,694	905,729	18,548,414
Total segment liabilities	6,952,536	4,289,967	2,482,390	879,212	876,260	15,480,365
Other segment items:						
Capital expenditures					(66,884)	(66,884)
Depreciation and amortisation					(19,821)	(19,821)
Investment in associates					59,227	59,227

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Geographical information

Information for the main geographical areas of the Group is set out below as at 31 December 2025 and 2024 and for the years then ended.

	Kazakhstan	OECD	Non-OECD	Total
31 December 2025				
Total assets	19,058,534	1,124,464	725,458	20,908,456
External revenues	3,294,305	104,236	106,730	3,505,271
Capital expenditure	(84,806)	-	-	(84,806)
31 December 2024				
Total assets	17,003,325	836,324	708,765	18,548,414
External revenues	2,704,939	70,395	76,154	2,851,488
Capital expenditure	(57,894)	-	(8,990)	(66,884)

External revenues, assets and credit related commitments have generally been allocated based on the domicile of the counterparty. Cash on hand, property and equipment and capital expenditure have been allocated based on the country in which they are physically held.

32. Fair values of financial instruments

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

The fair values of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Management's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The Group considers that the accounting estimate related to the valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (i) it is highly susceptible to changes from year to year, as it requires management to make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterparty, valuation adjustments and specific features of transactions and (ii) the impact that recognising a change in the valuations would have on the assets reported on the consolidated statement of financial position, as well as, the related profit or loss reported on the consolidated statement of profit or loss, could be material.

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The table below summarises the Group's financial assets and liabilities held at fair value by valuation methodology as at 31 December 2025 and 2024, before any allowances for expected credit losses.

Financial Assets/Liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2025	31 December 2024				
Non-derivative financial assets at fair value through profit or loss (Note 7)	250,217	258,592	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss (Note 7)	615,847	521,032	Level 2	Quoted prices in a market that is not sufficiently active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through profit or loss, excluding options (Note 7)	28,010	12,706	Level 3	Valuation model based on internal rating model. Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period).	Percentage discount	The greater discount - the smaller fair value
Derivative financial assets at fair value through profit or loss, excluding options (Note 7)	26,872	30,487	Level 2		Not applicable	Not applicable
Total financial assets at fair value through profit or loss	920,946	822,817				
Derivative financial liabilities at fair value through profit or loss, excluding options (Note 7)	8,433	6,973	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting year).	Not applicable	Not applicable
Total financial liabilities at fair value through profit or loss	8,433	6,973				
Non-derivative financial assets at fair value through other comprehensive income (Note 9)	553,817	730,682	Level 1	Quoted prices in an active market.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income (Note 9)	1,693,542	2,150,894	Level 2	Quoted prices in a market that is not active.	Not applicable	Not applicable
Non-derivative financial assets at fair value through other comprehensive income – unquoted equity securities (Note 9)	37,833	43,184	Level 3	Unquoted equity securities	Percentage discount	The greater discount - the smaller fair value
Financial assets at fair value through other comprehensive income	2,285,192	2,924,760				

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There were no transfers between Levels 1 and 2, during the years ended 31 December 2025 and 2024.

During the years ended 31 December 2025 and 2024, there was a transfer between Levels 2 and 3 due to the lack of up-to-date information on market prices due to the lack of an active market for transactions.

	Non-derivative financial assets at fair value through other comprehensive income – unquoted equity securities (Level 3)	Non-derivative financial assets at fair value through profit or loss (Level 3)
31 December 2023	53	132,682
Settlements*	-	(132,672)
Purchase	24,547	6,438
Transfer from Level 2	18,584	6,258
31 December 2024	43,184	12,706
Settlements*	(4,965)	-
Purchase	-	9,325
Transfer from Level 2	1,654	6,556
Expense recognised in profit or loss	(2,040)	(577)
31 December 2025	37,833	28,010

*As at 31 December 2025 and 2024, the settlements include written-off bonds of Kazakhstani corporations.

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

The following methods and assumptions are used by the Group to estimate the fair value of financial instruments not carried at fair value.

Amounts due to and from credit institutions

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

Loans to customers

The estimate was made by discounting the scheduled future cash flows of the individual loans through the estimated maturity using prevailing market rates as at the respective year-end.

Amounts due to customers

Interest rates charged to customers closely approximate market interest rates and accordingly, the carrying amounts approximate fair values.

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Debt securities issued

Market values have been used to determine the fair value of debt securities traded on an active market. For other debt securities, the fair value was estimated as the present value of estimated future cash flows, discounted at the year-end market rates.

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

	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Amounts due from credit institutions	181,288	175,616	156,966	159,886
Debt securities at amortised cost, net of allowance for expected credit losses	1,141,573	1,112,920	766,937	723,439
Loans to customers	13,110,917	12,943,891	11,465,649	11,567,889
Financial liabilities				
Amounts due to customers	14,338,804	14,320,575	12,990,043	13,074,197
Amounts due to credit institutions	1,270,128	1,287,674	814,069	834,992
Debt securities issued	970,098	967,866	879,212	875,975

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Amounts due from credit institutions	-	175,616	-	175,616
Debt securities at amortised cost, net of allowance for expected credit losses	203,610	677,262	232,048	1,112,920
Loans to customers	-	-	12,943,891	12,943,891
Financial liabilities				
Amounts due to customers	-	14,320,575	-	14,320,575
Amounts due to credit institutions	-	1,287,674	-	1,287,674
Debt securities issued	-	967,866	-	967,866

	31 December 2024		
	Level 2	Level 3	Total
Financial assets			
Amounts due from credit institutions	159,886	-	159,886
Debt securities at amortised cost, net of allowance for expected credit losses	720,340	3,099	723,439
Loans to customers	-	11,567,889	11,567,889
Financial liabilities			
Amounts due to customers	13,074,197	-	13,074,197
Amounts due to credit institutions	834,992	-	834,992
Debt securities issued	875,975	-	875,975

The carrying amounts of cash and cash equivalents, obligatory reserves, other financial assets and other financial liabilities approximates fair value due to the short-term nature of such financial instruments.

Notes to the Consolidated Financial Statements (Continued)
for the years ended 31 December 2025 and 2024
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33. Related party transactions

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

During 2025 and 2024, the Group entered into arm-length transactions with entities where the Group’s shareholders were one of the participants. Management believes that any control of these entities is with unrelated parties as per IFRS Accounting Standards through the level of holding control or trust management arrangements, which are in compliance with Kazakhstan legislation. As such, these transactions are not disclosed as being with related parties.

Considering each possible related party not only their legal status is taken into account but also the substance of the relationship between these parties. The Group had the following balances outstanding as at 31 December 2025 and 2024 with related parties:

	31 December 2025		31 December 2024	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Loans to customers before allowance for expected credit losses	30,693	13,714,721	12,197	12,038,868
- <i>entities with joint control or significant influence over the entity</i>	30,486		11,923	
- <i>key management personnel of the entity or its parent</i>	192		259	
- <i>other related parties</i>	15		15	
Allowance for expected credit losses	(142)	(603,804)	(37)	(573,219)
- <i>entities with joint control or significant influence over the entity</i>	(139)		(33)	
- <i>key management personnel of the entity and its parent</i>	(2)		(3)	
- <i>other related parties</i>	(1)		(1)	
Other assets	70,327	225,051	59,227	197,183
- <i>Investments in associates</i>	70,327		59,227	
Amounts due to customers	172,014	14,338,804	263,054	12,990,043
- <i>the parent</i>	98,411		207,429	
- <i>entities with joint control or significant influence over the entity</i>	54,693		47,450	
- <i>key management personnel of the entity or its parent</i>	3,338		2,978	
- <i>other related parties</i>	15,572		5,197	
Debt securities issued	585,909	970,098	339,659	879,212
- <i>entities with joint control or significant influence over the entity</i>	583,473		338,604	
- <i>key management personnel of the entity or its parent</i>	2,029		1,055	
- <i>other related parties</i>	407		-	

Notes to the Consolidated Financial Statements (Continued)
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Included in the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024, are the following amounts which arose due to transactions with related parties:

	Year ended 31 December 2025		Year ended 31 December 2024	
		Total category as per financial statements caption		Total category as per financial statements caption
	Related party transactions		Related party transactions	
Interest income calculated using effective interest method	1,951	2,621,610	1,313	2,116,154
- entities with joint control or significant influence over the entity	1,933		1,291	
- key management personnel of the entity or its parent	17		21	
- other related parties	1		1	
Interest expense	(17,469)	(1,407,219)	(12,944)	(1,062,876)
- the parent	(12,785)		(10,288)	
- entities with joint control or significant influence over the entity	(4,258)		(2,243)	
- key management personnel of the entity or its parent	(189)		(140)	
- other related parties	(237)		(273)	
Share in profit of associate	16,000	16,000	15,526	15,526
Operating expenses	(2,000)	(307,993)	(4,200)	(264,510)
- entities with joint control or significant influence over the entity	(2,000)		(4,200)	
	Year ended 31 December 2025		Year ended 31 December 2024	
		Total category as per financial statements caption		Total category as per financial statements caption
	Related party transactions		Related party transactions	
Key management personnel compensation:	(6,320)	(189,199)	(4,776)	(160,056)
- Salaries and other employee benefits	(6,320)		(4,776)	

34. Subsequent events

On 21 January 2026 the General Meeting of Shareholders of Open Travel Networks Ltd resolved to proceed with voluntary liquidation.