United Group Alatau Joint Stock Company (formerly – First Heartland Securities Joint Stock Company)

Consolidated financial statements

for 2025
together with independent auditor's report

CONTENTS

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Independent auditor's report

To the Shareholder and Board of Directors of United Group Alatau Joint Stock Company

Opinion

We have audited the consolidated financial statements of United Group Alatau Joint Stock Company and its subsidiaries (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and 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.

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)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Republic of Kazakhstan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.

The Board of Directors is 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 judgment 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.

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- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young LLP

Olga Khegay Auditor	Rustamzhan Sattarov General Director Ernst & Young LLP
Auditor Qualification Certificate No. МФ-0000286 dated 25 September 2015	State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2, № 0000003, issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

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30 April 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(in KZT million)

	Note	*2025*	*2024*
Interest revenue calculated using the effective interest method	5	**503,001**	452,630
Other interest income	5	**2,016**	2,221
Interest expense	5	**(223,197)**	(188,453)
Net interest income before credit loss expense		**281,820**	266,398
Credit loss expense	6	**(51,699)**	(54,868)
Net interest income		**230,121**	211,530
Fee and commission income	7	**49,695**	57,588
Fee and commission expense	7	**(34,561)**	(35,630)
Net fee and commission income		**15,134**	21,958
Revenue from insurance contracts	20	**37,600**	31,273
Insurance service expense	20	**(30,374)**	(35,174)
Net expense from reinsurance contracts held		**(3,176)**	(224)
Net finance expenses for insurance contracts issued		**(2,733)**	(1,676)
Net finance income for reinsurance contracts held		**27**	76
Net insurance service result		**1,344**	(5,725)
Net gains from financial instruments at fair value through profit or loss	8	**20,709**	6,951
Net losses on derecognition of investment securities measured at fair value through other comprehensive income		**(102)**	(12)
Net gains from foreign currencies	9	**32,086**	72,265
Dividend income	18	**133**	2,284
Net gains on initial recognition of financial instruments		**–**	2,669
Other income	10	**24,592**	46,207
Other operating income		**77,418**	130,364
Personnel expenses	11	**(74,756)**	(66,155)
Other general and administrative expenses	12	**(56,627)**	(61,894)
Other impairment and provisions		**2,920**	(353)
Impairment loss on other intangible assets		**–**	(176)
Other expenses	10	**(1,876)**	(26,081)
Other operating expenses		**(130,339)**	(154,659)
Profit before corporate income tax expense		**193,678**	203,468
Corporate income tax expense	13	**(45,646)**	(17,379)
Profit for the year		**148,032**	186,089
Attributable to:			
Company shareholder		**129,405**	149,129
Non-controlling interests		**18,627**	36,960
		148,032	186,089

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2025

(in KZT million)

	Note	*2025*	*2024*
Profit for the year		**148,032**	186,089
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Net change in fair value of debt securities measured at fair value through other comprehensive income	32	**(6,178)**	2,513
Change in allowance for expected credit losses of debt securities measured at fair value through other comprehensive income	32	**24**	48
Reclassification of cumulative losses on disposal of debt securities measured at fair value through other comprehensive income to profit or loss	32	**102**	12
Exchange differences on translation of foreign operations	32	**(4,760)**	14,761
Total other comprehensive income to be reclassified to profit or loss in subsequent periods		**(10,812)**	17,334
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Revaluation of land and buildings, net of corporate income tax	32	**7,198**	767
(Losses)/gains on equity instruments measured at fair value through other comprehensive income	32	**(7)**	36,684
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods		**7,191**	37,451
Other comprehensive income for the year		**(3,621)**	54,785
Total comprehensive income for the year		**144,411**	240,874
Attributable to:			
- Company shareholder		**128,301**	192,753
- Non-controlling interests		**16,110**	48,121

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

Olzhas Kurmanov Chairman of the Management Board

Timur Bekenev Chief Accountant

30 April 2026

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(in KZT million)

	Note	*31 December 2025*	*31 December 2024*
Assets			
Cash and cash equivalents	14	**1,017,736**	857,819
Derivative financial assets	15	**831**	60
Amounts due from banks and other financial institutions	16	**169,024**	75,845
Trading securities	17	**25,954**	50,117
Investment securities	18	**1,120,633**	1,289,475
Investment securities pledged under repurchase agreements	18	**162,019**	43,025
Loans to customers	19	**1,076,262**	1,139,015
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan		**89,362**	122,212
Reinsurance contract assets	20	**3,619**	3,549
Property and equipment and right-of-use assets	21	**85,234**	85,539
Intangible assets	21	**6,288**	8,014
Non-current assets held for sale	22	**2,791**	1,672
Investment property	23	**20,816**	50,680
Current corporate income tax assets		**1,119**	4,688
Deferred corporate income tax assets	13	**357**	241
Assets of a disposal group classified as held for sale	22	**–**	11,448
Other assets	24	**80,294**	97,021
Total assets		**3,862,339**	3,840,420
Liabilities			
Amounts due to banks and other financial institutions	25	**84,705**	121,643
Amounts payable under repurchase agreements	26	**162,018**	43,025
Derivative financial liabilities	15	**511**	1,073
Amounts due to customers	27	**1,882,172**	1,955,720
Debt securities issued	28	**294,817**	304,486
Subordinated debt	29	**57,297**	118,116
Liabilities to the mortgage institution	30	**6,253**	7,810
Lease liabilities		**6,977**	4,224
Current corporate income tax liabilities		**4,157**	586
Deferred corporate income tax liabilities	13	**175,917**	168,798
Insurance contract liabilities	20	**26,973**	39,298
Liabilities of a disposal group classified as held for sale	22	**–**	3,462
Other liabilities	31	**41,553**	56,041
Total liabilities		**2,743,350**	2,824,282

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2025

(in KZT million)

	Note	*31 Decemer 2025*	*31 December 2024*
Equity			
Share capital	32	**89,937**	89,937
Treasury shares		**(149)**	(149)
Property and equipment revaluation reserve	32	**10,451**	3,856
Fair value reserve	32	**23,732**	27,579
Foreign currency translation reserve	32	**5,921**	10,376
Retained earnings		**987,392**	686,967
Total equity attributable to shareholder of the Company		**1,117,284**	818,566
Non-controlling interests		**1,705**	197,572
Total equity		**1,118,989**	1,016,138
Total equity and liabilities		**3,862,339**	3,840,420

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(in KZT million)

		Attributable to the shareholder of the Company								
	Note	*Share capital*	*Treasury shares*	*Property and equipment revaluation reserve*	*Fair value reserve*	*Foreign currency translation reserve*	*Retained earnings*	*Total*	*Non-controlling interests*	*Total equity*
At 31 December 2023		89,937	(149)	5,636	6,310	(1,378)	525,457	625,813	149,555	775,368
Profit for the year		–	–	–	–	–	149,129	149,129	36,960	186,089
Other comprehensive income for the year		–	–	611	31,259	11,754	–	43,624	11,161	54,785
Total comprehensive income for the year		–	–	611	31,259	11,754	149,129	192,753	48,121	240,874
Other changes										
Transfer of accumulated profit on disposal of equity instruments measured at fair value through other comprehensive income	32	–	–	–	(9,990)	–	9,990	–	–	–
Depreciation of revaluation reserve for property	32	–	–	(2,391)	–	–	2,391	–	–	–
Dividends		–	–	–	–	–	–	–	(104)	(104)
At 31 December 2024		**89,937**	**(149)**	**3,856**	**27,579**	**10,376**	**686,967**	**818,566**	**197,572**	**1,016,138**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**129,405**	**129,405**	**18,627**	**148,032**
Other comprehensive income for the year		**–**	**–**	**7,198**	**(3,847)**	**(4,455)**	**–**	**(1,104)**	**(2,517)**	**(3,621)**
Total comprehensive income for the year		**–**	**–**	**7,198**	**(3,847)**	**(4,455)**	**129,405**	**128,301**	**16,110**	**144,411**
Other changes										
Reduction in non-controlling interests		**–**	**–**	**–**	**–**	**–**	**170,417**	**170,417**	**(211,802)**	**(41,385)**
Depreciation of revaluation reserve for property	32	**–**	**–**	**(603)**	**–**	**–**	**603**	**–**	**–**	**–**
Dividends		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(175)**	**(175)**
At 31 December 2025		**89,937**	**(149)**	**10,451**	**23,732**	**5,921**	**987,392**	**1,117,284**	**1,705**	**1,118,989**

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(in KZT million)

	Note	2025	2024
Cash flows from operating activities			
Interest received	5	**452,091**	379,461
Interest paid	5	**(159,069)**	(150,973)
Fees and commissions received		**50,324**	59,628
Fees and commissions paid		**(35,206)**	(35,254)
Income received from insurance contracts		**37,594**	30,256
Expenses paid under insurance contracts		**(36,260)**	(37,045)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	8	**16,516**	(2,564)
Net realised gains from trading securities		**144**	902
Net realised gains from foreign exchange transactions	9	**43,402**	45,620
Personnel and other general and administrative expenses paid		**(122,261)**	(111,919)
Other income received		**6,681**	32,491
Other expenses paid		**(1,378)**	(19,745)
Cash flows from operating activities before changes in operating assets and liabilities		**252,578**	190,858
Net (increase)/decrease in operating assets			
Derivative financial instruments		**(887)**	198
Amounts due from banks and other financial institutions		**(94,930)**	7,938
Trading securities		**26,517**	(17,644)
Loans to customers		**(9,912)**	(82,953)
Reinsurance contract assets		**(2,251)**	(56)
Other assets		**9,334**	8,901
Net (decrease)/increase in operating liabilities			
Amounts due to banks and other financial institutions		**(45,212)**	28,348
Amounts due to customers		**(57,235)**	238,922
Amounts payable under repurchase agreements		**120,684**	(2,961)
Insurance contract liabilities		**(10,188)**	4,572
Liabilities to the mortgage organisation		**(1,557)**	(1,509)
Other liabilities		**(4,973)**	10,303
Net cash flows from operating activities before corporate income tax		**181,968**	384,917
Corporate income tax paid		**(33,129)**	(17,955)
Net cash flow from operating activities		**148,839**	366,962

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2025

(in KZT million)

	Note	*2025*	*2024*
Cash flows from investing activities			
Purchase of investment securities measured at amortised cost	18	**(273,287)**	(385,925)
Redemption of investment securities measured at amortised cost	18	**348,464**	236,910
Purchase of investment securities measured at fair value through other comprehensive income	18	**(1,407,492)**	(2,702,778)
Sale and redemption of investment securities measured at fair value through other comprehensive income		**1,432,281**	2,557,558
Dividends received	17, 18	**133**	2,284
Proceeds from sale of non-current assets held for sale		**9,168**	–
Purchase of property and intangible assets		**(6,658)**	(19,958)
Proceeds from sale of property and equipment		**54**	7,743
Proceeds from sale of non-current assets held for sale		**45,987**	3,310
Redemption of the obtained right of claim against the Ministry of Finance of the Republic of Kazakhstan under a promissory note,		**28,196**	–
Reduction in non-controlling interests	1	**(41,385)**	–
Net cash from/(used in) investing activities		**135,461**	(300,856)
Cash flows from financing activities			
Dividends paid		**(171)**	–
Redemption of debt securities issued	28	**(19,747)**	–
Repurchase of debt securities issued	28	**(20,000)**	–
Repayment of principal portion of lease liabilities		**(1,990)**	(1,500)
Redemption of subordinated debt	29	**(61,775)**	(100,000)
Repurchase of subordinated debt	29	**(30,000)**	–
Issue of debt securities	28	**250**	100,000
Net cash used in financing activities		**(133,433)**	(1,500)
Effect of exchange rates changes on cash and cash equivalents		**8,961**	48,572
Effect of expected credit losses on cash and cash equivalents	14	**89**	773
Net increase in cash and cash equivalents		**159,917**	113,951
Cash and cash equivalents, beginning		**857,819**	743,868
Cash and cash equivalents, ending	14	**1,017,736**	857,819

The accompanying notes on pages 8 to 100 are an integral part of these consolidated financial statements.

(in KZT million, unless otherwise is stated)

1. Principal activities

Corporate structure and activities

These consolidated financial statements include financial statements of United Group Alatau Joint Stock Company (formerly – First Heartland Securities Joint Stock Company) and its subsidiary (hereinafter, the "Group").

United Group Alatau Joint Stock Company (hereinafter, the "Company") was incorporated on 21 March 2008 as Zurich Invest Management Joint Stock Company in line with the applicable legislation of the Republic of Kazakhstan. On 3 April 2014, Zurich Invest Management JSC was re-registered following a change of the name to ZIM Capital JSC. On 3 March 2018, ZIM Capital JSC was re-registered following a change of name to First Heartland Securities JSC. The Company is a banking holding company, having obtained regulatory approval pursuant to the Resolution No. 218 of the Management Board of the National Bank of the Republic of Kazakhstan (the "NBRK") dated 15 November 2017 and Resolution No. 24 of the Management Board of the NBRK dated 1 February 2019. The Company's registered address is 242 Nazarbayev Avenue, Medeusky District, Almaty, Republic of Kazakhstan.

Subsidiaries

Alatau City Bank JSC (the "Bank") is the subsidiary of the Company, registered as Tsesnabank Open Joint Stock Company on 17 January 1992 under the laws of the Republic of Kazakhstan. As a result of changes made to the legislation in 2003, the Bank was re-registered as JSC on 26 December 2003.

On 6 February 2019, the Company, representing investment subdivision of the financial holding company owned by Nazarbayev Fund Private Fund and the group of autonomous educational organisations Nazarbayev University and Nazarbayev Intellectual Schools, purchased 99.80% of ordinary shares of Tsesnabank JSC.

On 26 April 2019, the Company completed the rebranding of the Bank. After rebranding, the Bank was named First Heartland Jýsan Bank JSC with the retail trade name of 'Jýsan Bank'.

On 16 March 2021, the general meeting of shareholders made a decision to change the Bank's trade name, First Heartland Jýsan Group, for 'First Heartland Jýsan Bank', with the retail trade name of 'Jýsan Bank'.

On 28 May 2021, the Republic State Institution Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (the "ARDFM") decided to issue a permission to the Bank for voluntary reorganisation in the form of a takeover of its subsidiary ATFBank JSC.

On 15 May 2025, the general meeting of the Bank's shareholders approved a change of the Bank's corporate name from First Heartland Jusan Bank JSC to Alatau City Bank JSC. On 16 June 2025, the Bank completed respective state re-registration.

The Bank operates under banking licence No. 1.1.35 dated 18 July 2025 for conducting banking and other operations and securities market activity licence No. 3.3.259/48 dated 3 July 2025, both reissued by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market in connection with the change of the Bank's name.

The principal activities of the Bank comprise commercial banking operations, including the provision of loans and guarantees, acceptance of deposits, opening and maintenance of customer accounts, settlement and cash services, and transactions in securities and foreign currency. The Bank's issued securities are listed on the Kazakhstan Stock Exchange (the 'KASE') and the Astana International Financial Centre Exchange (the 'AIX').

The Bank is a participant of the Kazakhstan Deposit Guarantee Fund (the 'KDGF'). The principal objective of the KDGF is to protect the interests of depositors in the event of the compulsory liquidation of a member bank. As at 31 December 2025, the maximum amount of deposit insurance coverage amounted to KZT 20 million for savings deposits in the national currency, up to KZT 10 million for card accounts, current accounts and other deposits in the national currency, and up to KZT 5 million for deposits in foreign currencies (31 December 2024: KZT 20 million, KZT 10 million and KZT 5 million, respectively).

As at 31 December 2025, the Company holds 100.00% of ordinary voting shares of the Bank (31 December 2024: 79.63%). On 4 February 2025, the Company repurchased 413,296 ordinary shares of the Bank from non-controlling shareholders for a total consideration of KZT 522 million, increasing its ownership interest from 79.63% to 79.89% (131,077,135 shares). On 10 July 2025, the Company completed the acquisition of ordinary shares of the Bank, further acquiring a 20.11% interest previously held by Mr. Yesenov G.Sh. for a total consideration of KZT 40,863 million, thereby increasing its ownership interest from 79.89% to 100.00% (164,078,731 shares).

The majority of the Bank's assets and liabilities are located in the Republic of Kazakhstan.

(in KZT million, unless otherwise is stated)

1. Principal activities (continued)

The Bank's subsidiaries

As at 31 March 2025 and 31 December 2024, the Group includes the following subsidiaries of the Group:

Name	Country of incorporation	Principal activity	Ownership interest, % 31 December 2025	Ownership interest, % 31 December 2024
First Heartland Capital JSC	Republic of Kazakhstan	Investment portfolio management	**100.00**	100.00
ACB Development LLP (formerly Jusan Development LLP)	Republic of Kazakhstan	Management of doubtful and bad assets	**100.00**	100.00
Titan Inkassatsiya LLP	Republic of Kazakhstan	Encashment	**100.00**	100.00
IC Alatau City Garant JSC (formerly IC Jusan Garant JSC),	Republic of Kazakhstan	Insurance	**100.00**	100.00
Alatau City Invest JSC (formerly First Heartland Jusan Invest JSC)	Republic of Kazakhstan	Brokerage and dealing activities	**100.00**	100.00
Optima Bank OJSC	Kyrgyz Republic	Banking	**97.14**	97.14
OUSA YUG LLP	Republic of Kazakhstan	Management of doubtful and bad assets	**–**	100.00
Jusan Property LLP	Republic of Kazakhstan	Management of doubtful and bad assets	**–**	100.00

During 2025, the Group decided to reorganize OUSA Yug LLP and Jusan Property LLP through a voluntary merger by way of accession to ACB Development LLP.

Shareholders of the Bank

As at 31 December 2025 and 2024, the following shareholders owned ordinary shares of the Bank:

Shareholders	Share, % 31 December 2025	Share, % 31 December 2024
United Group Alatau JSC	**100.00**	79.63
Yesenov G,Sh,	**–**	20.11
Other shareholders	**–**	0.25
Total	**100.00**	100.00

As at 31 December 2025, Mr. Kim V. K. was the ultimate controlling shareholder of the Group (31 December 2024: Mr. Yesenov G.Sh.).

These consolidated financial statements of the Group for the year 2025 has been authorised for issue by the Management Board of the Company on 30 April 2026.

Geopolitical events

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

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

For the purpose of managing the country risk, the Group controls transactions with counterparties within the limits set by the Bank's collegial body, which are reviewed regularly.

(in KZT million, unless otherwise is stated)

1. Principal activities (continued)

Geopolitical events (continued)

As at 31 December 2025, the concentration of exposure to Russian counterparties, represented by cash and cash equivalents and investment securities before deduction of the allowance for expected credit losses, as well as trading securities, amounted to KZT 3,103 million (31 December 2024: KZT 19,083 million).

Inflation and the current economic environment

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

Prices of many commodities, including food, remain high. In 2025, according to the National Bank of the Republic of Kazakhstan (hereinafter to as 'NBRK'), inflation in the Republic of Kazakhstan amounted to 12.3% per annum.

On 1 December 2025, the Monetary Policy Committee of the NBRK made a decision to raise the base rate to 18.0% per annum with an interest band of +/-1%.

The Group continues to assess the effect of these events and changes in economic conditions on its operations.

Current inflationary pressures, macroeconomic and geopolitical uncertainty, including the impacts of the conflict in Ukraine, affect the assumptions and estimation uncertainty associated with the measurement of assets and liabilities.

2. Basis of preparation

General

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

The Group presented the items in the consolidated statement of financial position in the order of their liquidity, based on its intentions and the expected ability to recover/repay most of the assets/liabilities under the corresponding item in the consolidated financial statements. An analysis of the recovery or repayment within 12 months after the reporting date (current assets and current liabilities) and for more than 12 months after the reporting date (non-current assets and non-current liabilities) is presented in *Note 39*.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss for the period, investment securities measured at fair value through other comprehensive income, property and equipment (land and buildings) at revalued cost and investment property at fair value.

Functional and presentation currency of consolidated financial statements

The functional currency of the Company and its subsidiary is the Kazakhstani tenge ("KZT") as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of underlying events and circumstances relevant to them. Functional currency of Optima Bank OJSC is Kyrgyz som ("KGS")

The Kazakhstani Tenge is also the presentation currency for the purposes of these consolidated financial statements.

All information presented in tenge has been rounded to the nearest million tenge, unless otherwise stated.

(in KZT million, unless otherwise is stated)

3. Material accounting policies

Changes in accounting policies

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

- Amendments to IAS 21 - *Effect of changes in foreign exchange rates.*

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

The Group has not early adopted any standards, interpretations or amendment that has been issued but is not yet effective.

Basis of consolidation

Subsidiaries, which are those entities which are controlled by the Group, are consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- the Group's exposure, or rights, to variable returns from its involvement with the investee;
- the Group's ability to use its power over the investee to affect the amount of returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all significant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in full; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. If necessary, the accounting policies of subsidiaries are changed to bring it into conformity with the accounting policies of the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interests, the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

Funds management

The Group manages and administers assets held in unit trusts and other investment vehicles on behalf of investors.

The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Foreign currency transactions

The consolidated financial statements are presented in tenge, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate established by KASE and published by NBRK ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognised in profit or loss as net gains from foreign currencies - translation differences. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the official exchange rates at the date when the fair value was determined.

Differences between the contractual exchange rate of a transaction in a foreign currency and the official KASE exchange rate on the date of the transaction are included in gains less losses from dealing in foreign currencies.

As at 31 December 2025, the official exchange rate of KASE was KZT 505,53 to USD 1 (as at 31 December 2024: KZT 525.11 to USD 1).

As at the reporting date, the assets and liabilities of the entities whose functional currency is different from the presentation currency of the Group are translated into tenge at the rate of exchange ruling at the reporting date and, their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken to other comprehensive income.

Fair value measurement

The Group measures financial instruments at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI), and non-financial assets such as property and equipment (buildings and land) and investment property at fair value at each reporting date. Information on fair value of financial instruments measured at amortised cost is disclosed in *Note 37*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Financial assets and liabilities

Initial recognition

Date of recognition

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

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

Measurement categories of financial assets and liabilities

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

- Amortised cost;
- FVOCI;
- FVPL.

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

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

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

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

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

Business model assessment

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

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

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

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Financial assets and liabilities (continued)

Initial recognition (continued)

Business model assessment (continued)

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

The SPPI test

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

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

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

At the same time, contractual terms that have more than a negligible effect on the exposure to risks or the volatility of the contractual cash flows, and that are unrelated to a basic lending arrangement, do not give rise to contractual cash flows that are solely payments of principal and interest on the outstanding principal amount. In such cases, the financial asset is required to be measured at FVTPL.

Debt instruments at FVOCI

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest revenue and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

The expected credit losses (ECL) for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remain at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the asset.

Equity instruments at FVOCI

Sometimes, upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as other income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument. in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal of such instruments, accumulated revaluation reserve is transferred to retained earnings.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Financial assets and liabilities (continued)

Initial measurement (continued)

Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

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

Commitments to provide letters of credit are contractual commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similarly to financial guarantee contracts, the ECL measurement requirements apply. Commitments to provide loans are contractual commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Loan commitments are described in IFRS 9 as firm commitments to provide credit under specified terms and conditions. The requirements for assessing ECL apply to such obligations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, amounts due from the NBRK, reverse repurchase agreements and amounts due from financial institutions that mature within ninety days of the date of origination and are free from contractual encumbrances.

Repurchase and reverse repurchase agreements and securities lending

Sale and repurchase agreements ("repos") are treated as secured financing transactions. Securities sold under sale and repurchase agreements are retained in the consolidated statement of financial position and, in case the transferee has the right by contract or custom to sell or repledge them, reclassified as securities pledged under sale and repurchase agreements. The corresponding liability is presented within payables under repurchase agreements. Securities purchased under reverse repurchase agreements are recorded as amounts due from credit institutions or cash and cash equivalents as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties are retained in the consolidated statement of financial position. Securities borrowed are not recorded in the consolidated statement of financial position, unless these are sold to third parties.

Derivative financial instruments

In the normal course of business, the Group enters into various derivative financial instruments on currency markets. Such financial instruments are held for trading and are recorded at fair value. The fair values are estimated based on quoted market prices or pricing models that take into account the current market and contractual prices of the underlying instruments and other factors. Derivatives are carried as assets when their fair value is positive and as liabilities when it is negative. Gains and losses on transactions with these instruments are recorded within net gains from foreign currencies in the consolidated statement of profit or loss and other comprehensive income as part of net gains on financial instruments at fair value through profit or loss.

Borrowings

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

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Offsetting of financial instruments

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

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

This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Restructured loans

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.

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

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss that is presented within interest revenue calculated using EIR in the statement of profit or loss and other comprehensive income, to the extent that an impairment loss has not already been recorded.

For modifications not resulting in derecognition, the Group also reassesses whether here has been a significant increase in credit risk or whether the assets should be classified as credit-impaired. Once an asset has been classified as credit-impaired as the result of modification, it will remain in Stage 3 until the debt is repaid that results in a decrease in the gross carrying amount of the financial asset in the loan currency at the date of creation of provisions (reserves) to a level equal to or lower than the outstanding amount in the loan currency at the time the financial asset is transferred to Stage 3, and if there are no events at the measurement date that provide objective evidence of impairment based on indications of impairment of the financial asset.

Derecognition of financial assets and liabilities

Financial assets

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

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

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial assets (continued)

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

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value. In this case the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Write-offs

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

Financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Insurance and reinsurance contracts

Classification of contracts

Contracts under which the Group assumes significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers material insurance risk related to the underlying insurance contracts are classified as reinsurance contracts.

The Group classifies insurance contracts into one of the following categories:

- Insurance contracts classified as insurance contracts;
- Issued reinsurance contracts classified as insurance contracts;
- Held reinsurance contracts classified as reinsurance contracts.

Criteria for identification of insurance contracts

In order to classify an issued contract as an 'insurance contract', the Group verifies that the following conditions are met simultaneously:

- Significant insurance risk is transferred under the contract;
- The insured event specified in the contract has adverse consequences for the insured.

Criteria for identification of reinsurance contracts held

For reinsurance contracts held, the Group applies the same criteria as for insurance contracts issued.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Insurance and reinsurance contracts (continued)

Aggregation and recognition of insurance and reinsurance contracts

The Group analyses issued insurance contracts and reinsurance contracts held to identify portfolios of insurance contracts and reinsurance contracts. A portfolio of insurance contracts comprises contracts subject to similar risks and managed together.

Contracts included in one portfolio of insurance contracts are grouped according to the following characteristics at initial recognition and cannot subsequently be reclassified to another group:

- Contracts that are onerous at initial recognition;
- Contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- Remaining contracts in the portfolio.

The Group accepts that contracts measured using the premium allocation approach ("PAA") are not onerous at initial recognition, unless the facts and circumstances indicate otherwise.

The Group annually forms cohorts based on the dates of issue of contracts and considers the date of issue of the contract to be the date of its conclusion.

Contracts in the same portfolio that fall into different groups simply because the law or regulatory requirements in some way limit the entity's practical ability to set different rates or levels of benefits for policyholders with different features are included in the single group.

The Group divides portfolios of reinsurance contracts based on features at initial recognition into:

- Reinsurance contracts held on which there is a net gain at initial recognition;
- Reinsurance contracts held on which at initial recognition there is no significant possibility of a net gain arising subsequently;
- Reinsurance contracts held on which at initial recognition there is significant possibility of a net gain arising subsequently.

For insurance contracts issued, the Group recognises a group of contracts issued at the earliest of:

- The beginning of the coverage period of the group of insurance contracts;
- The date the first payment from a policyholder in the group becomes due; or
- For a group of onerous contracts, when the group becomes onerous.

If the contract does not provide for a specific date of the first payment, then such date is the date of the first actual payment from the policyholder under this contract.

The approaches applied to reinsurance contracts issued do not differ from the approaches applied to insurance contracts issued.

When a contract is recognised, it is included in an existing group of contracts, or, if the contract does not meet the criteria of an existing group, it forms a new group into which subsequent contracts are included. Groups of contracts are formed at initial recognition, and their composition is not revised after all contracts are included in the group.

For reinsurance contracts held, the Group recognises a group of reinsurance contracts held at the earliest of:

- The beginning of the coverage period of the group of reinsurance contracts held;
- The date when an entity recognises a group of underlying onerous insurance contracts if a relevant reinsurance contract included in the group of reinsurance contracts was entered into on or before that date.

The Group postpones the recognition of a group of reinsurance contracts enabling a proportionate insurance coverage until the date of initial recognition of the underlying insurance contract if that date is later than the date of the coverage period for the group of reinsurance contracts held.

3. Material accounting policies (continued)

Insurance and reinsurance contracts (continued)

Insurance acquisition cash flows

Acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and an unbiased analysis of all valid and verifiable information available without undue cost or effort.

If acquisition cash flows are directly related to a group of contracts (e.g., a non-refundable commission on the issuance of a contract), then they are allocated to this group.

If acquisition cash flows are directly related to a portfolio of insurance contracts rather than to a group of contracts, they are allocated to groups within the portfolio using a systematic and rational method.

Acquisition cash flows arising before the relevant group of contracts are recognised as an asset. Acquisition cash flows arise when they are paid or when it is necessary to recognise a liability in accordance with a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which acquisition cash flows are allocated. An asset is derecognised, in whole or in part, for acquisition cash flows when those acquisition cash flows are included in the measurement of the relevant group of insurance contracts.

At each reporting date, the Group reviews the amounts allocated to groups to carry any changes in assumptions that determine the inputs to the allocation method used. The amounts allocated to the group are not revised after all contracts are included in the group.

Contract boundaries

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

Cash flows are within the boundary of an insurance contract if they are attributable to valid rights and obligations existing in the reporting period during which the Group may oblige the policyholder to pay premiums or during which the Group has an effective obligation to provide services.

The actual obligation to provide services ends when:

- The Group has a practical ability to reassess the risks of a particular policyholder and can set a rate or level of benefits that fully reflect those risks; or
- The Group has a practical ability to reassess the risks of the portfolio of insurance contracts in which the contract is included and may set a rate or level of benefit that fully reflect the relevant risk in that portfolio and has not taken into account risks that relate to periods after the date of revaluation in the pricing of premiums up to the date on which the risks are reassessed.

Risk reassessment takes into account only the risks transferred to the Group from policyholders, which may include both insurance and financial risks, but do not include the risk of shortening the term of the contract and the risk of increased costs.

Cash flows are within a reinsurance contract boundary f they arise from substantive rights and obligations of the entity that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The substantive right to receive services from the reinsurer ends when the reinsurer:

- Has a practical ability to reassess the risks of a particular policyholder and can set a rate or level of benefits that fully reflect those risks; or
- Has a substantive right to terminate the insurance cover.

At each reporting date, the contract boundaries are reassessed to take into account the impact of changes in circumstances on the Group's substantive rights and obligations, and therefore the contract boundaries may change over time.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Insurance and reinsurance contracts (continued)

Measurement − Contracts measured under the Premium Allocation Approach (PAA)

The Group applies the premium allocation approach to simplify the measurement of a group of insurance contracts if at the date of inception of the contractual terms the following criteria are met:

- The coverage period for each contract in the group of insurance and reinsurance contracts is one year or less;
- The Group reasonably expects that a measurement of the liability for remaining coverage for the group of insurance and reinsurance contracts in accordance with PAA would not differ materially from the one that would be produced applying the General Measurement Model (GMM).

The Group conducted a test to ensure compliance with the requirements for issued reinsurance contracts, under which property is primarily insured, as well as with issued third-party liability, other liability and other property insurance.

Insurance contracts

At initial recognition of each group of contracts, the carrying amount of the liability for the remaining coverage is measured as premiums received at initial recognition minus any acquisition cash flows allocated to the group at that date and adjusted for the value of the asset or liability previously recognised for the cash flows associated with that group that were derecognised at that date (including assets recognised in respect of acquisition cash flows).

Accordingly, the carrying amount of the liability for the remaining coverage is increased by the amount of premiums received and the amortisation of acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for insurance services provided and by additional acquisition cash flows allocated after initial recognition. Liabilities for the remaining coverage are also adjusted to reflect the time value of money and the impact of financial risk.

If, at any time during the period of coverage, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss and increases the liability for the remaining coverage to the extent that the current estimate of the cash flows of the contracts relating to the remaining coverage exceeds the carrying amount of the obligation for the remaining part of the coverage. Cash flows from the fulfilment of contracts are discounted (using current rates).

The Group recognises the liability for insured losses incurred in a group of insurance contracts in the amount of cash flows for the fulfilment of contracts related to the insured losses incurred. Future cash flows are discounted (using current rates).

Reinsurance contracts held

The Group applies the same accounting policies to measure the group of reinsurance contracts held, which are modified, as necessary, to reflect characteristics that differ from those of insurance contracts.

If a loss recovery component is generated for reinsurance contracts held measured using the PPA, the Group adjusts the carrying amount of the asset for the remaining coverage instead of adjusting the contractual service margin (CSM).

Derecognition and modification of a contract

The Group derecognises a contract when it is extinguished, i.e. when the obligation under the insurance contract is expired, discharged or cancelled.

The Group derecognises a contract if its terms have been modified in such a way that the accounting for the contract would have changed materially if the new terms had always existed, in which case a new contract is recognised as modified. If the contract modification does not result in derecognition, the Group accounts for the changes in the cash flows resulting from the modification as changes in estimates of the cash flows for the performance of the contract.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Insurance and reinsurance contracts (continued)

Derecognition and modification of a contract (continued)

Upon termination of recognition of an insurance contract that is part of the group of contracts not evaluated using the PPA:

- Cash flows from the performance of contracts allocated to this group are adjusted to exclude cash flows related to rights and obligations that have been derecognised in the group of contracts;
- The CSM for this group of contracts is adjusted to take into account changes in cash flows from the performance of contracts, except for cases where such changes are attributed to the loss component; and
- The number of coverage units for the expected remaining services under the insurance contract is adjusted to reflect the derecognition of coverage units in the group.

If the derecognition relates to a modification of conditions, the CSM is also adjusted to reflect the premium that would have accrued if the Group had entered into a contract on the new terms at the date of the modification, minus any additional premium accrued in connection with the modification. A new recognised contract is measured using the assumption that, at the date of the modification, the Company has received the premium that it would have accrued minus any additional premium accrued in connection with the modification.

Presentation

Portfolios of insurance contracts issued that are assets and insurance contracts that are liabilities, as well as portfolios of reinsurance contracts held that are assets and reinsurance contracts held that are liabilities, are presented separately in the statement of financial position. The carrying amount of any assets or liabilities recognised for cash flows arising before the relevant group of contracts (including any assets for acquisition cash flows) is included in the carrying amount of the relevant portfolios of contracts.

The Group disaggregates the amounts recognised in the statement of profit or loss into:

- An insurance service result (comprising insurance revenue and insurance service expenses);
- Insurance finance income or expenses.

Income or expenses under reinsurance contracts held are presented separately from income or expenses under insurance contracts. Income and expenses under reinsurance contracts held, except for finance income or insurance expenses, are presented on a net basis as 'Net expense from reinsurance contracts held' within the insurance service result.

The Group does not disaggregate the change in the non-financial risk adjustment by the amount attributable to the insurance service result and the amount attributable to finance income or insurance expenses. The entire amount of change in the risk adjustment for non-financial risk is accounted for within the insurance service result.

Revenue from insurance contracts – Contracts measured using the PAA

For contracts measured using the PAA, revenue from insurance contracts for each period is the sum of expected premiums for the provision of services attributed to that period. The Group allocates the expected premium receipts for each period of the provision of services under the insurance contract in proportion to the passage of time. However, if the expected pattern of release of risk differs significantly from the passage of time, the expected premium receipts are allocated to each period of coverage on the basis of the expected timing of incurred insurance service expenses.

Expenses from insurance contracts

Expenses from insurance contracts are recognised in profit or loss mainly as incurred. They exclude payments of investment components and include the following items.

- Incurred insurance losses and other insurance service expenses;
- Amortisation of acquisition cash flows: for contracts measured using the PPA, the Group amortises acquisition cash flows evenly in the period of insurance coverage of the group of contracts;
- Losses on onerous contracts and reversal of such losses;
- Adjustments to liabilities for incurred insurance claims that do not arise due to the influence of the time value of money, financial risk and changes therein.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Insurance and reinsurance contracts (continued)

Presentation (continued)

Net expenses from reinsurance contracts held

Net expenses from reinsurance contracts held represent the allocated reinsurance premiums paid less amounts received from reinsurers.

The Group recognises the allocated reinsurance premiums paid in profit or loss in the group of reinsurance contracts held as services are received. For contracts measured using the PPA, the amount of allocated reinsurance premiums paid for each period is the sum of the expected premium payments for services received attributable to that period.

Finance income and insurance expenses

Financial income and insurance expenses are the amount of changes in the carrying amount of groups of insurance and reinsurance contracts arising from the effect of the time value of money, financial risk and changes therein.

The Group presents finance income and insurance expenses in profit or loss for all groups of insurance contracts.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Such grants are deducted from the related expense when recognised in the consolidated financial statements.

A benefit from a loan provided by the government at a below market rate of interest are treated as a government grant. These financial liabilities are recognised and measured in accordance with IFRS 9 *Financial Instruments*. The benefit from using a below market rate of interest is measured as the difference between the original carrying amount of the loan determined in accordance with IFRS 9, and the proceeds received.

Taxation

The current income tax expense is calculated in accordance with the regulations of the Republic of Kazakhstan and the Kyrgyz Republic.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for consolidated 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. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Property, plant and equipment

Items of Property and equipment except for land and administrative buildings are stated at cost, excluding day-to-day maintenance costs, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of equipment when that cost is incurred if the recognition criteria are met.

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

Following initial recognition at cost, land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Property, plant and equipment (continued)

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus is credited to the revaluation reserve for property and equipment included in other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognised within profit or loss. In which case the increase is recognised in the financial result. A revaluation deficit is recognised in profit or loss, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the revaluation reserve for property and equipment.

An annual transfer from the revaluation reserve for property and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, the relevant amount included within revaluation reserve is transferred to retained earnings.

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

	Years
Administrative buildings	20-100
Production buildings	25-55
Computers	5-10
Vehicles	7
Other property and equipment	2-20

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

Costs related to repairs and renewals are expensed as incurred and included in other operating expenses, unless they qualify for capitalisation.

Intangible assets

Intangible assets include computer software and licenses.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic lives of 2 to 30 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Licences, patents, trademarks and permits valid within 12 (twelve) months are accounted for by the Group as deferred expenses and recognised in the consolidated statement of profit or loss and other comprehensive income over the useful life of the asset.

Investment property

Investment property is property held either to earn rental income or for capital appreciation, but not for use by the Group or sale in normal course of business. Property that is being constructed or developed or redeveloped for future use as investment property is also classified as investment property.

Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value reflecting market conditions at the end of the reporting period. Fair value of the Group's investment property is determined on the basis of various sources including reports of independent appraisers, who hold a recognised and relevant professional qualification and who have experience in valuation of property of similar location and category.

Provisions

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

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Equity

Share capital

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

Preference shares

IAS 32 *Financial instruments: Presentation* requires that preference shares or their components be classified as financial liabilities or equity instruments in accordance with the essence of contractual agreement and definitions of financial liability and equity instrument.

Preference shares which carry a mandatory dividend payment are classified as subordinated debt and are carried at amortised cost. Dividends on preference shares are recognised in the consolidated statement of profit or loss and other comprehensive income within interest expense.

Treasury shares

Where the Bank or its subsidiaries purchase the Bank's shares, the consideration paid, including any attributable transaction costs, net of income taxes, is deducted from total equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received is included in equity. Treasury shares are measured at a price determined with reference to the Bank's equity.

Dividends

The ability of the Group to declare and pay dividends is subject to the rules and regulations of Kazakh legislation.

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

Segment reporting

An operating segment is a component of the Group's activities that engages in business activities from which the Group earns revenues and incurs expenses, whose operating results are regularly reviewed by the chief operating decision maker for the purposes of allocating resources and assessing its financial performance, and for which discrete financial information is available.

Contingent asset and liabilities

Contingent liabilities are not recognised in the consolidated statement of financial position; however, information about them is disclosed in the consolidated financial statements, except where an outflow of resources required to settle the obligation is remote. Contingent assets are not recognised in the consolidated statement of financial position; however, information about them is disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Recognition of income and expenses

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

Interest and similar income and expense

The Group calculates interest revenue on debt financial assets measured at amortised cost or at FVOCI by applying the EIR to the gross carrying amount of financial assets other than credit-impaired financial assets. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Recognition of income and expenses (continued)

Interest and similar income and expense (continued)

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

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

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

Interest revenue on all financial assets at FVTPL is recognised using the contractual interest rate in "Other interest income" in the consolidated statement of profit or loss and other comprehensive income.

Fee and commission income

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

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

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

Fee and commission income from providing transaction services

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

Standards issued but not yet effective

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

(in KZT million, unless otherwise is stated)

3. Material accounting policies (continued)

Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

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

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027. Early adoption is permitted, provided that this fact is disclosed. IFRS 18 will apply retrospectively.

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

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

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 *Classification and Measurement of Financial Instruments*. The Amendments include:

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

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently not intending to early adopt the Amendments.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.

4. Significant accounting judgments and estimates

Estimation uncertainty

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

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. More details are provided in *Note 37*.

4. Significant accounting judgments and estimates (continued)

Estimation uncertainty (continued)

Expected credit losses on financial assets

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

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis;
- The segmentation of the Group's financial assets when their ECL is assessed on a collective basis;
- Development of ECLs calculation models, including various formulas and selection of input data;
- Determination of associations between macroeconomic scenarios and PDs, EADs and LGDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

The amount of the ECL allowance for loans to customers recognised in the consolidated statement of financial position as at 31 December 2025 was KZT 103,825 million (31 December 2024: KZT 220,926 million). More details are provided in *Note 19*.

Contractual cash flows

Contractual cash flows include:

- Estimates of future cash flows;
- Adjusting for the time value of money and financial risks associated with future cash flows, to the extent that financial risks are not included in the estimate of future cash flows; and
- Risk adjustment for non-financial risk.

The Group's objective in assessing cash flows is to determine the expected value of a range of scenarios that reflect the full range of possible outcomes. To calculate the expected present value, the cash flows in each scenario are discounted and weighted based on an estimate of probability of occurrence of such outcome.

(in KZT million, unless otherwise is stated)

5. Net interest income

Net interest income comprises:

	2025	*2024*
Interest revenue calculated using the effective interest method		
Cash and cash equivalents	**80,397**	70,013
Amounts due from banks and other financial institutions	**7,298**	2,571
Investment securities measured at FVOCI	**88,450**	71,664
Investment securities measured at amortised cost	**38,884**	37,863
Loans to customers measured at amortised cost	**278,443**	264,577
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	**4,168**	4,406
Other financial assets	**5,361**	1,536
	503,001	452,630
Other interest income		
Trading securities	**1,725**	2,015
Finance lease receivables	**291**	206
	2,016	2,221
Total interest revenue	**505,017**	454,851
Interest expense		
Amounts due to banks and other financial institutions	**(1,649)**	(2,299)
Amounts payable under repurchase agreements	**(8,983)**	(18,096)
Amounts due to customers	**(128,379)**	(112,421)
Debt securities issued (*Note 28*)	**(46,240)**	(26,884)
Subordinated debt (*Note 29*)	**(34,799)**	(26,129)
Lease liabilities	**(391)**	(460)
Liabilities to the mortgage organisation	**(326)**	(400)
Other financial liabilities	**(2,430)**	(1,764)
Total interest expenses	**(223,197)**	(188,453)
Net interest income	**281,820**	266,398

Interest income receipts comprise:

	2025	*2024*
Cash and cash equivalents	**80,397**	70,013
Amounts due from banks and other financial institutions	**3,969**	1,763
Investment securities measured at FVOCI	**53,686**	34,109
Investment securities measured at amortised cost	**34,821**	16,732
Loans to customers measured at amortised cost	**274,782**	251,727
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	**4,338**	4,329
Trading securities	**98**	781
Other financial assets	**–**	7
Total	**452,091**	379,461

Interest expense payments comprise:

	2025	*2024*
Amounts due to banks and other financial institutions	**(503)**	(1,110)
Amounts payable under repurchase agreements	**(8,972)**	(18,116)
Amounts due to customers	**(128,860)**	(112,147)
Debt securities issued (*Note 28*)	**(16,368)**	(9,359)
Subordinated debt (*Note 29*)	**(3,843)**	(9,650)
Liabilities to the mortgage organisation	**(328)**	(400)
Lease liabilities	**(186)**	(170)
Other financial liabilities	**(9)**	(21)
Total	**(159,069)**	(150,973)

(in KZT million, unless otherwise is stated)

6. Credit loss expense

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

	Note	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
Cash and cash equivalents	14	**27**	**62**	**–**	**–**	**89**
Amounts due from banks and other financial institutions	16	**(281)**	**–**	**–**	**–**	**(281)**
Investment securities	18	**216**	**–**	**–**	**–**	**216**
Loans to customers measured at amortised cost	19	**4,486**	**(42,248)**	**(44,347)**	**29,493**	**(52,616)**
Financial guarantees and letters of credit	36	**(103)**	**1**	**(331)**	**–**	**(433)**
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan		**(8)**	**–**	**–**	**–**	**(8)**
Total credit loss expense		**4,337**	**(42,185)**	**(44,678)**	**29,493**	**(53,033)**

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

	Note	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
Cash and cash equivalents	14	4	769	–	–	773
Amounts due from banks and other financial institutions	16	48	–	–	–	48
Investment securities	18	(682)	–	–	–	(682)
Loans to customers measured at amortised cost	19	(9,191)	(31,430)	(28,532)	18,017	(51,136)
Financial guarantees and letters of credit	36	163	2	614	–	779
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan		(37)	–	–	–	(37)
Total credit loss expense		(9,695)	(30,659)	(27,918)	18,017	(50,255)

In 2025, credit loss expenses in the consolidated statement of profit or loss and other comprehensive income include expenses for other financial assets in the amount of KZT 1,334 million (2024: expenses in the amount of KZT 4,613 million) *(Note 24)*.

(in KZT million, unless otherwise is stated)

7. Fee and commission income and expense

Fee and commission income and expense comprise:

	2025	***2024***
Fee and commission income		
Transfer and acquiring operations	**25,448**	34,558
Maintenance of customer current accounts and deposits	**14,824**	14,073
Cash operations	**3,593**	2,954
Guarantees and letters of credits	**1,560**	2,041
Foreign exchange transactions	**627**	841
Brokerage services	**527**	509
Fiduciary services	**322**	324
Safe deposit transaction services	**244**	254
Agency services	**–**	463
Other	**2,550**	1,571
Total fee and commission income	**49,695**	57,588
Fee and commission expense		
Transfer and acquiring operations	**(24,009)**	(29,269)
Client card account maintenance fees	**(6,705)**	(4,099)
Correspondents account maintenance	**(1,408)**	(426)
Broker services	**(690)**	(562)
Foreign exchange transactions	**(602)**	(511)
Agency services	**(102)**	(130)
Guarantees and letters of credits	**(12)**	–
Other	**(1,033)**	(633)
Total fee and commission expense	**(34,561)**	(35,630)
Net fee and commission income	**15,134**	21,958

Revenue from contracts with customers recognised in the consolidated statement of comprehensive income for the years ended 31 December 2025 is primarily represented by fee and commission income in the amount of KZT 49,695 million (2024: fee and commission income in the amount of KZT 57,588 million), as well as revenue from sale of finished goods and consumer goods recognised as other income *(Note 10)*.

Contract assets and contract liabilities

The following table provides information about receivables from contracts with customers.

Fees and commissions receivable *(Note 24)*	**3,318**	3,648
Trade and other receivables *(Note 24)*	**–**	512
Total receivables	**3,318**	4,160

The Group usually collects fees and commissions in advance of completion of the underlying transaction or shortly thereafter (for contracts where performance obligation is satisfied point in time, such as settlement transactions). The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

8. Net gains from financial instruments at fair value through profit or loss

	2025	***2024***
Net realised gain/(loss) on foreign currency derivative financial instruments (*Note 15*)	**16,516**	(2,564)
Net (loss)/gain from change in fair value of loans to customers at fair value through profit or loss	**(113)**	4,757
Net unrealised gain/(loss) on foreign currency derivative financial instruments (*Note 15*)	**1,423**	(1,089)
Gain from change in fair value of trading securities	**2,883**	5,847
Total	**20,709**	6,951

(in KZT million, unless otherwise is stated)

9. Net gains from foreign currencies

	2025	**2024**
Dealing operations, net	**43,402**	45,620
Translation differences, net	**(11,316)**	26,645
Total	**32,086**	72,265

10. Other income and expenses

	2025	**2024**
Other income		
Income from remeasurement of investment property, net *(Note 23)*	**5,551**	–
Income from sale of other non–financial assets	**4,787**	1,349
Rental income	**4,147**	4,278
Income on disposal of a subsidiary	**3,255**	–
Income from sale of non–current assets held for sale, net	**3,116**	6,443
Revenue from contracts with customers	**–**	27,937
Income from cash collection services	**–**	1,952
Other	**3,736**	4,248
Total other income	**24,592**	46,207
Other expenses		
Loss on change in net realisable value of foreclosed collateral	**(1,094)**	(316)
Cost of sale of goods, works and services	**–**	(23,787)
Loss on instalment sale of equity securities measured at fair value through other comprehensive income (*Note 18*)	**–**	(1,545)
Other	**(782)**	(433)
Total other expenses	**(1,876)**	(26,081)

As at 31 December 2025 and 2024, all lease contracts in which the Group acts as a lessor were concluded for a term of up to one year.

Revenue from contracts with customers and cost of sales for the year ended 31 December 2024 relate to the Bank's subsidiary, ACB Development LLP. More than 90% of the revenue of ACB Development LLP comprised revenue from the sale of finished goods and merchandise, including flour, groats, cereals, bread, bakery products, confectionery and pasta. The cost of sales of goods, works and services for 2024 included raw materials and supplies in the amount of KZT 14,073 million, utilities and lease expenses amounting to KZT 3,505 million, and transportation services and other expenses amounting to KZT 6,209 million.

As at 31 December 2025, income from the disposal of a subsidiary included proceeds from the sale of a 100% interest in the authorised capital of JFOOD Kazakhstan LLP, a subsidiary of ACB Development LLP.

Sale of goods

All contracts for the sale of finished products have one performance obligation. Revenue is recognised when the goods are delivered and picked up at their destination. Invoices are generally payable either on a 100% prepayment basis or within up to 30 days. Current contracts with buyers do not contain a significant financing component.

Revenue is measured on the basis of the consideration specified in the contract with the buyer. All stand–alone selling prices are based on observable prices according to the price lists for each type of product, as the Group regularly sells each item to customers separately.

Some contracts with buyers allow buyers to purchase at trade or volume discounts. Allowances, discounts and bonuses are mainly represented by discounts for the fulfilment of the volume of purchased goods, which are applied retrospectively to all purchases under the contract after the volume minimum thresholds are reached. These discounts and bonuses provided to customers are variable reimbursement elements and are reflected in the net amount of revenue from sales. The Group assesses the volumes to be purchased, and the discount provided when determining the transaction price, and updates these estimates during the term of the contract. Discounts and bonuses are not separate performance obligations.

(in KZT million, unless otherwise is stated)

10. Other income and expenses (continued)

Sale of goods (continued)

For contracts that allow the customer to return the goods, revenue is recognised to the extent that there is a very high probability that it will not be necessary to reverse this amount at a later date and reflect a significant decrease in the total amount of revenue recognised. Therefore, the amount of revenue recognised is adjusted for the amount of expected returns of goods, which is estimated on the basis of historical data for specific types of goods/products.

11. Personnel expenses

Personnel expenses comprise:

	2025	*2024*
Employee benefits	**(64,812)**	(58,260)
Social contributions and payroll related taxes	**(9,944)**	(7,895)
Total	**(74,756)**	(66,155)

12. Other general and administrative expenses

Other general and administrative expenses comprise:

	2025	*2024*
Charity and sponsorship	**(12,032)**	(16,384)
Depreciation and amortisation *(Note 21)*	**(10,651)**	(10,792)
Repair and maintenance	**(7,172)**	(8,726)
Taxes other than corporate income tax	**(4,814)**	(6,050)
Professional services	**(4,464)**	(4,245)
Contributions to the guarantee fund	**(3,267)**	(1,569)
Security	**(2,548)**	(2,214)
Communication and information services	**(2,494)**	(2,300)
Advertising and marketing services	**(1,388)**	(1,480)
Lease	**(1,320)**	(869)
Encashment	**(1,002)**	(330)
Stationery and office equipment supplies	**(583)**	(597)
Business trips expenses	**(398)**	(392)
Transportation costs	**(329)**	(345)
Postal and courier services	**(260)**	(185)
Insurance	**(215)**	(388)
Recruitment and training	**(165)**	(93)
Representation expenses	**(44)**	(41)
Fines and penalties	**(22)**	(155)
Revaluation of property and intangible assets *(Note 21)*	**1,554**	–
Others	**(5,013)**	(4,739)
Total	**(56,627)**	(61,894)

In 2025, charitable expenses mainly comprised contributions in support of sports events and support for the activities of educational institutions (2024: mainly contributions provided as assistance to those affected by floods in the regions of the Republic of Kazakhstan and support for the activities of educational institutions).

13. Corporate income tax expenses

Corporate income tax expenses comprise the following:

	2025	*2024*
Current corporate income tax expense	**(40.697)**	(15.299)
Adjustment of corporate income tax of prior years	**25**	–
Deferred corporate income tax expense – origination and reversal of temporary differences	**(4.974)**	(2.080)
Corporate income tax expenses	**(45.646)**	(17.379)

(in KZT million, unless otherwise is stated)

13. Corporate income tax expense (continued)

In 2025, amendments were introduced to the tax legislation of the Republic of Kazakhstan by Law of the Republic of Kazakhstan No. 208−VIII dated 15 July 2025, as a result of which the Tax Code was supplemented by Section 26 'Transitional Provisions'. In accordance with Article 783 of this Section, effective from 1 January 2025, certain types of income became subject to additional corporate income tax at a rate of 10%.

On 18 July 2025, a new Tax Code of the Republic of Kazakhstan was adopted, which comes into force on 1 January 2026 and foresees the introduction of differentiated corporate income tax rates for second−tier banks. The procedure for determining taxable income from banking activities is established by the joint order of the Ministry of Finance of the Republic of Kazakhstan dated 18 September 2025 No. 508 and the resolution of the Board of the National Bank of the Republic of Kazakhstan dated 26 September 2025 No. 55, both effective from 1 January 2026. These Rules regulate the procedure for determining taxable income from lending activities to business entities and from other activities of second−tier banks for the purposes of calculating corporate income tax at rates of 20% and 25%.

The Group assessed the impact of these changes on deferred tax assets and liabilities in accordance with the requirements of IFRS (IAS) 12 *Income Taxes* and recognised the corresponding effect in the consolidated financial statements for 2025.

The income of the Company and its subsidiaries, except Optima Bank OJSC, is subject to taxation in the Republic of Kazakhstan. Kazakhstan legal entities must file corporate income tax returns to the tax authorities. The statutory corporate income tax rate in 2025 and 2024 was 20%.

The income of Optima Bank OJSC is subject to taxation in the Kyrgyz Republic. The statutory income tax rate in 2025 and 2024 in the Kyrgyz Republic was 10%.

The reconciliation between the corporate income tax expense calculated at the statutory rate to corporate income tax expense reported in the consolidated financial statements is as follows:

	2025	*2024*
Profit before tax	**193,678**	203,468
Statutory corporate income tax rate	**20%**	20%
Theoretical corporate income tax expense at the statutory rate	**(38,736)**	(40,694)
Effect of changes in the statutory corporate income tax rate	**(18,548)**	–
Income from financial instruments subject to increased tax rates	**(12,915)**	–
Non−deductible charity expenses	**(81)**	(1,070)
Non−deductible expenses from change in fair value of financial assets	**–**	(1,201)
Non−deductible credit loss expenses	**–**	(1,093)
Other non−deductible expenses	**(587)**	(2,765)
Tax−exempt income from government securities and securities included in the official list of the Kazakhstan Stock Exchange (KASE),	**22,136**	16,428
Profit of subsidiary taxed at different rate	**1,672**	1,482
Non−taxable income from remeasurement of the fair value of financial instruments	**818**	–
Non−taxable income from reversal of impairment losses on other financial assets	**629**	–
Adjustment of tax losses of prior periods	**27**	–
Adjustment of tax losses carried forward	**–**	2,375
Non−taxable dividend income	**1**	1,437
Other non−taxable income	**–**	1,744
Change in unrecognised deferred tax assets	**(62)**	5,978
Corporate income tax expenses	**(45,646)**	(17,379)

13. Corporate income tax expense (continued)

Deferred corporate income tax assets and liabilities

Temporary differences between the carrying amounts of assets and liabilities recorded in the consolidated financial statements and the amounts used for the purposes of calculation of taxable base, give rise to net deferred tax liabilities as at 31 December 2025 and 31 December 2024. Deferred tax assets in respect of tax losses carried forward are recognised in these consolidated financial statements. The future tax benefits will only be received in the event that the Group obtains a profit against which the unused tax loss can be offset and there are no changes in the legislation of Kazakhstan that adversely affect the Group's ability to use the above benefits in future periods.

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

In 2025, the Group fully used tax losses carried forward for 2017−2019.

(in KZT million, unless otherwise is stated)

13. Corporate income tax expense (continued)

Deferred corporate income tax assets and liabilities (continued)

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

	31 December 2023	*Origination and reversal of temporary differences in profit or loss*	*31 December 2024*	*Origination and reversal of temporary differences in profit or loss*	*Origination and reversal of temporary differences in other comprehensive income*	*31 December 2025*
Tax effect of deductible temporary differences						
Tax losses carried forward	12,968	(12,868)	100	**(100)**	**–**	**–**
Investment securities	–	4,652	4,652	**867**	**–**	**5,519**
Loans to customers	–	546	546	**(423)**	**–**	**123**
Derivative financial instruments	13	152	165	**31**	**–**	**196**
Lease liabilities	278	(6)	272	**(12)**	**–**	**260**
Expenses from reinsurance contracts held	–	–	–	**215**	**–**	**215**
Other assets	1,749	(1,677)	72	**653**	**–**	**725**
Other liabilities	–	–	–	**2,528**	**–**	**2,528**
Deferred tax assets	15,008	(9,201)	5,807	**3,759**	**–**	**9,566**
Less: deferred tax assets not recorded in the consolidated statement of financial position	(5,978)	5,978	–	**(62)**	**–**	**(62)**
Deferred tax assets	9,030	(3,223)	5,807	**3,697**	**–**	**9,504**
Tax effect of taxable temporary differences						
Insurance contract liabilities	–	–	–	**(1,820)**	**–**	**(1,820)**
Debt securities issued	(96,354)	(1,960)	(98,314)	**(7,109)**	**–**	**(105,423)**
Subordinated debt	(66,662)	3,171	(63,491)	**1,976**	**–**	**(61,515)**
Amounts due to banks and other financial institutions	(3,915)	204	(3,711)	**(256)**	**–**	**(3,967)**
Amounts due to customers	(5,859)	46	(5,813)	**(1,399)**	**–**	**(7,212)**
Property and equipment and intangible assets	(2,717)	(318)	(3,035)	**(63)**	**(2,029)**	**(5,127)**
Deferred tax liability	(175,507)	1,143	(174,364)	**(8,671)**	**(2,029)**	**(185,064)**
Total deferred corporate income tax liabilities	(166,477)	(2,080)	(168,557)	**(4,974)**	**(2,029)**	**(175,560)**
Deferred corporate income tax assets	110	131	241	**116**	**–**	**357**
Deferred corporate income tax liabilities	(166,587)	(2,211)	(168,798)	**(5,090)**	**(2,029)**	**(175,917)**

(in KZT million, unless otherwise is stated)

14. Cash and cash equivalents

	31 December 2025	*31 December 2024*
Cash on hand	**97,341**	105,210
Cash on current accounts with NBRK rated BBB−	**148,576**	43,810
Cash on current accounts with the National Bank of Kyrgyz Republic rated B+	**29,267**	23,126
Cash on current accounts with other banks and other financial institutions:		
− rated from AA− to AA+	**1,572**	911
− rated from A− to A+	**48,289**	26,324
− rated from BBB− to BBB+	**9,244**	35,020
− rated from BB− to BB+	**5,800**	24,844
− rated from B− to B+	**–**	1
− not rated	**9,237**	11,032
Precious metals	**–**	135
Term deposits with NBRK with contractual maturity of less than 90 days rated BBB−	**280,356**	179,135
Term deposits with NBRK with contractual maturity of less than 90 days rated B+	**72,828**	79,124
Short−term notes of the National Bank of Kyrgyz Republic rated B+	**5,606**	–
Term deposits with other banks with contractual maturity of less than 90 days		
− rated from AA− to AA+	**12,185**	15,374
− rated from A− to A+	**118,780**	132,289
− rated from BBB− to BBB+	**19,209**	5,258
− rated from BB− to BB+	**–**	1,127
− rated from B− to B+	**–**	1
− not rated	**1,949**	–
Reverse repurchase agreements with contractual maturities of less than 90 days	**157,526**	175,181
	1,017,765	857,902
Less: ECL allowance	**(29)**	(83)
Total cash and cash equivalents	**1,017,736**	857,819

The credit ratings indicated in the table above are presented by reference to the credit ratings of international rating agencies.

All cash and cash equivalents are categorised as Stage 1 under the credit risk grading, except for cash and cash equivalents amounting to KZT 328 million, which are categorised as Stage 2 (31 December 2024: KZT 14,822 million).

As at 31 December 2025 and 2024, cash categorised into Stage 2 of the credit risk grading were presented by balances on accounts with Russian banks.

As at 31 December 2025, current account balances with other non−rated banks and other financial institutions comprise balances on accounts with Central Securities Depository JSC, foreign banks and payment systems in the amount of KZT 11,185 million (31 December 2024: KZT 11,032 million).

As at 31 December 2025, the Group had entered into reverse repurchase agreements on the KASE using the auto−repo method, with a carrying amount of KZT 157,526 million (31 December 2024: KZT 175,181 million). The subject of these agreements are bonds of the Ministry of Finance of the Republic of Kazakhstan and corporate bonds with the total fair value of KZT 158,752 million as at 31 December 2025 (31 December 2024: KZT 174,581 million).

Minimum reserve requirements

Minimum reserve requirements are calculated in accordance with regulations issued by the NBRK. In order to meet the minimum reserve requirements, the Group places funds in reserve assets, which are required to be maintained at a level not lower than the average of the amount of cash on hand in the national currency and the balance on the current account with the NBRK in the national currency over a four−week period. This average is calculated based on a prescribed minimum level of deposits and balances on customers' current accounts of residents and non−residents of the Republic of Kazakhstan, as well as other liabilities and state support funds of the Bank.

As at 31 December 2025, the amount of minimum reserve requirements in accordance with the requirements of the NBRK amounted to KZT 158,050 million (31 December 2024: KZT 40,768 million), while reserve assets amounted to KZT 158,925 million (31 December 2024: KZT 47,048 million).

(in KZT million, unless otherwise is stated)

14. Cash and cash equivalents (continued)

Minimum reserve requirements (continued)

Optima Bank OJSC calculates minimum reserve requirements in accordance with the rules of the National Bank of the Kyrgyz Republic (the "NBKR"). As at 31 December 2025, Optima Bank OJSC complies with the mandatory reserve requirements, with the minimum reserve amounting to KZT 26,822 million (31 December 2024: KZT 25,041 million).

The analysis below presents the movements in the ECL allowance for cash and cash equivalents for the year ended 31 December 2025:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
ECL as at 1 January 2025	**(59)**	**(24)**	**–**	**(83)**
Reversal for the year *(Note 6)*	**27**	**62**	**–**	**89**
Write–offs	**(6)**	**(31)**	**–**	**(37)**
Foreign exchange adjustments	**2**	**–**	**–**	**2**
ECL as at 31 December 2025	**(36)**	**7**	**–**	**(29)**

The table below provides an analysis of the changes in allowances for ECL on cash and cash equivalents for the year ended 31 December 2024:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
ECL as at 1 January 2024	(68)	(775)	–	(843)
Reversal for the year *(Note 6)*	4	769	–	773
Foreign exchange adjustments	5	(18)	–	(13)
ECL at 31 December 2024	(59)	(24)	–	(83)

Concentration of cash and cash equivalents

As at 31 December 2025 and 2024 cash and cash equivalents comprised amounts on accounts with NBRK whose balances exceeded 10% of the Group's total equity (31 December 2024: funds on the accounts with NBRK and NBKR). The total value of these balances as at 31 December 2025 amounted to KZT 428,932 million (31 December 2024: KZT 325,195 million).

15. Derivative financial instruments

Foreign currency contracts

The Group enters into derivative financial instruments for trading purposes. The table below presents the fair values of derivative financial instruments recognised as assets or liabilities in the consolidated financial statements, as well as their notional amounts. The notional amounts, presented on a gross basis, represent the amount of the underlying asset of the derivative instrument, the underlying rate or index, and are used as the basis for measuring changes in the value of derivative instruments. The notional amounts represent the volume of transactions that remain outstanding at the end of the year and do not represent credit risk.

	31 December 2025			*31 December 2024*		
	Notional amount	*Fair value*		*Notional amount*	*Fair value*	
		Asset	*Liability*		*Asset*	*Liability*
Foreign currency contracts						
Currency swaps – domestic contracts	**141,007**	**829**	**(511)**	76,262	60	(130)
Currency swaps – foreign contracts	**297**	**–**	**–**	14,640	–	(943)
Options	**2**	**2**	**–**	–	–	–
Forwards – foreign contracts	**–**	**–**	**–**	914	–	–
Total	**141,306**	**831**	**(511)**	91,816	60	(1,073)

Foreign contracts in the table above stand for contracts concluded with RK non–resident entities and domestic contracts mean contracts concluded with RK resident entities.

(in KZT million, unless otherwise is stated)

15. Derivative financial instruments (continued)

Forwards

A forward contract is a contract to buy or sell a certain financial instrument at a specified price on a specified future date. Forwards are the specialised contracts traded in an OTC market.

Options

Options are contractual agreements that give the buyer the right, but not the obligation, to buy or sell a specified quantity of a financial instrument at a fixed price either on a specified future date or at any time during an agreed period.

Swaps

Swaps are contractual agreements between two parties to exchange movements in foreign currency rates based on notional amounts.

In 2025 net profit on operations with foreign currency instruments amounted to KZT 17,939 million (2024: net loss amounted to KZT 3,653 million) (*Note 8*).

16. Amounts due from banks and other financial institutions

	31 December 2025	***31 December 2024***
Restricted cash with NBRK rated BBB−	**29**	41
Deposit with NBKR rated at B+	**1,235**	1,324
Loans and deposits with other banks and other financial institutions		
− rated from A− to A+	**40,377**	25,474
− rated from BBB− to BBB+	**73,145**	542
− rated from BB− to BB+	**26,607**	2,734
− rated from B− to B+	**10,247**	−
− not rated	**16,480**	44,524
Amounts due from banks and other financial institutions before ECL allowance	**168,120**	74,639
Precious metals	**1,224**	−
Foreign currency contracts (spot)	**9**	1,257
Less: ECL allowance	**(329)**	(51)
Total amounts due from banks and other financial institutions	**169,024**	75,845

The credit ratings indicated in the table above are presented by reference to the credit ratings of international rating agencies.

As at 31 December 2025 and 2024 all balances due from banks and other financial institutions are categorised into Stage 1 for ECL measurement purposes.

In July 2025, the Group granted a long−term loan to an international financial institution with a credit rating ranging from 'A−' to 'A+' in the amount of USD 44 million (equivalent to KZT 24,000 million), with a maturity date in 2028 and an interest rate of 6.00% per annum.

In September 2025, the Group provided a long−term loan to a quasi−sovereign bank of the Republic of Kazakhstan with a credit rating ranging from 'BBB−' to 'BBB+' in the amount of KZT 50,000 million, with a maturity date in 2028 and an interest rate of 17.5% per annum.

In May and June 2025, the Group provided a short−term loan to a Kazakhstan bank with a credit rating ranging from 'BB−' to 'BB+' in the amount of KZT 25,000 million and an interest rate of 19.25% per annum.

In November 2025, the Group provided a short−term loan to a Kazakhstan bank with a credit rating ranging from 'B−' to 'B+' in the amount of KZT 10,000 million, with a maturity date in November 2026 and an interest rate of 20.5% per annum.

In January 2024, the Group provided a short−term syndicated loan to a foreign bank with a credit rating of "BB−" in the amount of USD 5 million, equivalent to KZT 2,241 million.

(in KZT million, unless otherwise is stated)

16. Amounts due from banks and other financial institutions (continued)

As at 31 December 2025, loans to and deposits with other banks without assigned credit ratings included deposits related to transactions with international payment system service providers amounting to KZT 14,168 million, which are restricted in use, and deposits with other financial institutions amounting to KZT 2,312 million (31 December 2024: guarantee contributions and margin collateral with the Kazakhstan Stock Exchange amounting to KZT 21,086 million, deposits related to transactions with international payment system service providers amounting to KZT 14,101 million, and deposits with other financial institutions amounting to KZT 9,337 million).

The table below provides an analysis of the changes in allowance for ECL on amounts due from banks and other financial institutions (not rated) for the years ended 31 December:

	2025	*2024*
ECL at 1 January	**(51)**	(73)
Net change in ECL for the year (*Note 6*)	**(281)**	48
Foreign exchange adjustments	**3**	(26)
ECL at 31 December	**(329)**	(51)

Concentration of amounts due from banks and other financial institutions

As at 31 December 2025 and 2024, the Group had no funds placed with other banks or other financial institutions for which the aggregate balance exceeded 10% of the Group's equity.

17. Trading securities

Trading securities comprise:

	31 December 2025	*31 December 2024*
Debt securities		
Government bonds		
Bonds of Kazakhstan Sustainability Fund JSC with a credit rating of 'BBB−'	**9,500**	–
Bonds of the Ministry of Finance of the Republic of Kazakhstan rated at BBB−	**18**	19
US Department of the Treasury bonds with a credit rating of AA+	**–**	34,500
Notes of NBRK rated BBB−	**–**	4,033
Total government bonds	**9,518**	38,552
Corporate bonds		
− rated from A− to A+	**556**	–
− rated from BBB− to BBB+	**3,997**	734
− rated from BB− to BB+	**3,204**	–
− rated from B− to B+	**1,004**	–
− not rated	**2,918**	3,044
Total corporate bonds	**11,679**	3,778
International structural notes	**–**	1
Debt securities	**21,197**	42,331
Equity securities		
Corporate shares	**4,365**	7,492
Units	**335**	200
ETF	**57**	94
Equity securities	**4,757**	7,786
Trading securities	**25,954**	50,117

The credit ratings indicated in the table above are presented by reference to the credit ratings of international rating agencies.

As at 31 December 2025, unrated corporate bonds comprised Eurobonds of Russian issuers with a total carrying amount of KZT 2,775 million and corporate securities of Kazakh issuers with a total carrying amount of KZT 143 million (31 December 2024: Eurobonds of Russian issuers with a total carrying amount of KZT 3,044 million).

(in KZT million, unless otherwise is stated)

17. Trading securities (continued)

In 2025, the negative fair value remeasurement arising from changes in foreign exchange rates on trading securities, included in "Net gains on foreign exchange operations" in the consolidated statement of profit or loss and other comprehensive income, amounted to KZT 114 million. In 2024, the negative fair value remeasurement arising from changes in foreign exchange rates on trading securities, included in "Net gains on foreign exchange operations" in the consolidated statement of profit or loss and other comprehensive income, amounted to KZT 4,434 million. Dividend income recognised in respect of equity trading securities amounted to KZT 6 million (2024: KZT 222 million).

18. Investment securities

Investment securities comprise:

	31 December 2025	*31 December 2024*
Investment securities measured at FVOCI	**963,230**	939,486
Investment securities measured at amortised cost	**319,422**	393,014
Investment securities	**1,282,652**	1,332,500

Investment securities measured at FVOCI comprise:

	31 December 2025	*31 December 2024*
Debt securities		
Government and quasi−government bonds		
US Department of the Treasury bonds with a credit rating of AA+	**120,207**	125,119
Bonds of the Ministry of Finance of the Republic of Kazakhstan rated at BBB−	**124,107**	283,035
Eurobonds of MFRK rated BBB−	**83,667**	50,681
Notes of NBRK rated BBB−	**83,518**	110,440
Bonds of Kazakhstan Sustainability Fund JSC with a credit rating of 'BBB−'	**61,672**	78,147
Bonds of NMH Baiterek JSC rated BBB−	**58,037**	54,473
Bonds of SWF Samruk−Kazyna JSC rated BBB−	**5,302**	6,118
Total government and quasi−government bonds	**536,510**	708,013
Corporate bonds		
− rated from AAA− to AAA+	**2,033**	−
− rated from AA− to AA+	**18,490**	17,294
− rated from A− to A+	**61,543**	30,736
− rated from BBB− to BBB+	**133,249**	62,733
− rated from BB− to BB+	**6,671**	12,889
− rated from B− to B+	**12,381**	−
− not rated	**2,275**	3,299
Total corporate bonds	**236,642**	126,951
Equity securities		
Corporate shares of Kcell JSC	**61,477**	61,484
Unquoted shares	**67**	13
Total equity securities	**61,544**	61,497
Debt securities pledged under repurchase agreements		
Government and quasi−government bonds		
Notes of NBRK rated BBB−	**47,034**	20,159
Bonds of the Ministry of Finance of the Republic of Kazakhstan rated at BBB−	**31,639**	−
Bonds of SWF Samruk−Kazyna JSC rated BBB−	**19,455**	18,808
Bonds of Kazakhstan Sustainability Fund JSC rated BBB−	**10,051**	−
Eurobonds of MFRK rated BBB−	**−**	537
Corporate bonds		
Bonds of Eurasian Development Bank (not rated)	**3,506**	3,521
Corporate bonds	**16,849**	−
Total investment securities pledged under repurchase agreements	**128,534**	43,025
Investment securities measured at FVOCI	**963,230**	939,486

(in KZT million, unless otherwise is stated)

18. Investment securities (continued)

The credit ratings indicated in the table above are presented by reference to the credit ratings of international rating agencies.

As at 31 December 2025, the Group pledged bonds of Samruk−Kazyna National Welfare Fund JSC, bonds of the Ministry of Finance of the Republic of Kazakhstan, bonds of the Kazakhstan Sustainability Fund JSC and notes of the National Bank of the Republic of Kazakhstan, as well as bonds of the Eurasian Development Bank and corporate bonds measured at fair value through other comprehensive income, with a total fair value of KZT 128,534 million, as collateral under repurchase ("REPO") agreements concluded on the Kazakhstan Stock Exchange (31 December 2024: bonds of Samruk−Kazyna National Welfare Fund JSC, bonds of the Ministry of Finance of the Republic of Kazakhstan and notes of the National Bank of the Republic of Kazakhstan with a total fair value of KZT 43,025 million) *(Note 26)*.

In 2025, dividend income recognised for equity securities measured at fair value through other comprehensive income amounted to KZT 133 million (2024: KZT 2,284 million).

In December 2024, the Group sold shares of Kazakhtelecom JSC in the number of 983,350 shares at KZT 43,497.82 per ordinary share with instalment payments until 24 March 2025. The difference between the carrying value of the shares at the time of the transaction and the fair value of the consideration received amounted to KZT 1,545 million and was recognised in other expenses of the consolidated statement of profit or loss and other comprehensive income (*Note 10*). As at 31 December 2025, the receivables were fully settled. As at 31 December 2024, the outstanding balance amounted to KZT 31,265 million and was recognised within other assets in the consolidated statement of financial position.

As at 31 December 2025, all balances of investment securities measured at fair value through other comprehensive income were classified as Stage 1 for the purposes of ECL measurement.

As at 31 December 2024, the Group held securities measured at fair value through other comprehensive income issued by entities registered in the Russian Federation, which were classified as Stage 2 for expected credit loss ("ECL") assessment purposes. As at 31 December 2024, the total fair value of these securities amounted to KZT 1,217 million. The allowance for ECL recognised in respect of these securities amounted to KZT 1 million.

An analysis of changes in the gross carrying values and associated allowances for ECLs in relation to debt securities at FVOCI is as follows:

Investment securities measured at FVOCI	*2025*	*2024*
Gross carrying amount at 1 January	**939,486**	727,591
Assets purchased	**1,407,492**	2,702,778
Assets sold or redeemed	**(1,399,508)**	(2,590,286)
Net change in accrued interest	**34,764**	46,705
Change in fair value	**(6,185)**	39,197
Foreign exchange adjustments	**(12,819)**	13,501
At 31 December	**963,230**	939,486

Investment securities measured at FVOCI	*2025*	*2024*
ECL at 1 January	**(467)**	(408)
Net change in ECL for the year (*Note 6)*	**(24)**	(48)
Foreign exchange adjustments	**24**	(11)
At 31 December	**(467)**	(467)

(in KZT million, unless otherwise is stated)

18. Investment securities (continued)

Investment securities measured at amortised cost comprise:

	31 December 2025	*31 December 2024*
Debt securities		
Government and quasi−government bonds		
Bonds of the Ministry of Finance of the Republic of Kazakhstan rated at BBB−	**80,134**	183,492
Notes of NBRK rated BBB−	**8,228**	−
Bonds of Kazakhstan Sustainability Fund JSC rated BBB−	**−**	38,990
Treasury bonds of the Ministry of Finance of Kyrgyz Republic rated at B+	**7,035**	7,107
Total government and quasi−government bonds	**95,397**	229,589
Corporate bonds		
− rated from AAA− to AAA+	**22,491**	30,450
− rated from AA− to AA+	**66,046**	−
− rated from BBB− to BBB+	**26,544**	59,210
− rated from BB− to BB+	**75,939**	74,510
Total corporate bonds	**191,020**	164,170
Debt investment securities pledged under repurchase agreements		
Bonds of the Ministry of Finance of the Republic of Kazakhstan rated at BBB−	**33,485**	−
Total investment securities transferred in the form of securities under repurchase agreements	**33,485**	−
Investment securities measured at amortised cost before ECL allowance	**319,902**	393,759
Less: ECL allowance	**(480)**	(745)
Investment securities measured at amortised cost	**319,422**	393,014

The credit ratings presented in the table above are based on the standards of Standard & Poor's or equivalent standards of other international credit rating agencies.

As at 31 December 2025, the Group pledged bonds of the Ministry of Finance of the Republic of Kazakhstan measured at amortised cost, with a total carrying amount of KZT 33,485 million and a total fair value of KZT 32,128 million, as collateral under repurchase agreements concluded on the KASE *(Note 26)*.

In November 2024, the Group acquired coupon bonds with nominal value of KZT 100,000 million with a coupon rate of 8% per annum and maturity in 2034. The fair value at initial recognition of these bonds was determined by discounting contractual future cash flows using a market interest rate of 13.22% per annum. The loss on initial recognition of these bonds amounted to KZT 23,422 million and was recognised within net gains from the initial recognition of financial instruments in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2025 and 2024 all balances of investment securities at amortised cost are allocated to Stage 1 for ECL measurement purposes.

Investment securities measured at amortised cost	*2025*	*2024*
Gross carrying amount at 1 January	**393,759**	237,839
Assets purchased	**273,287**	385,925
Assets repaid	**(348,464)**	(236,910)
Net change in accrued interest	**4,064**	11,200
Loss on initial recognition	**−**	(23,395)
Foreign exchange adjustments	**(2,744)**	19,100
At 31 December	**319,902**	393,759

Investment securities measured at amortised cost	*2025*	*2024*
ECL at 1 January	**(745)**	(160)
Net change in ECL for the year *(Note 6)*	**240**	(634)
Foreign exchange adjustments	**25**	49
At 31 December	**(480)**	(745)

(in KZT million, unless otherwise is stated)

19. Loans to customers

As at 31 December 2025 and 2024, loans to customers comprise:

	31 December 2025	*31 December 2024*
Loans to customers measured at amortised cost	**1,179,055**	1,358,681
Less: ECL allowance	**(103,825)**	(220,926)
Loans to customers measured at amortised cost	**1,075,230**	1,137,755
Loans to customers at fair value through profit or loss	**1,032**	1,260
Total loans to customers	**1,076,262**	1,139,015

Loans to customers measured at amortised cost

Loans to customers measured at amortised cost comprise:

	31 December 2025				
	Stage 1	*Stage 2*	*Stage 3*	*POCI*	*Total*
Loans to corporate customers					
Loans to large corporates	**40,130**	**3,271**	**7,760**	**18,853**	**70,014**
Loans to small and medium–sized businesses	**403,993**	**10,938**	**30,999**	**53,914**	**499,844**
Total loans to corporate customers	**444,123**	**14,209**	**38,759**	**72,767**	**569,858**
Loans to retail customers					
Express loans	**438,594**	**27,220**	**97,184**	**21**	**563,019**
Mortgage loans	**24,219**	**218**	**1,010**	**3,079**	**28,526**
Consumer loans	**11,692**	**909**	**2,560**	**1,715**	**16,876**
Credit cards	**274**	**25**	**215**	**–**	**514**
Car loans	**82**	**–**	**105**	**75**	**262**
Total loans to retail customers	**474,861**	**28,372**	**101,074**	**4,890**	**609,197**
Loans to customers before ECL allowance	**918,984**	**42,581**	**139,833**	**77,657**	**1,179,055**
Allowance for expected credit losses	**(18,943)**	**(6,654)**	**(39,465)**	**(38,763)**	**(103,825)**
Loans to customers net of ECL allowance	**900,041**	**35,927**	**100,368**	**38,894**	**1,075,230**

	31 December 2024				
	Stage 1	*Stage 2*	*Stage 3*	*POCI*	*Total*
Loans to corporate customers					
Loans to large corporates	39,430	2,774	9,435	32,728	84,367
Loans to small and medium–sized businesses	380,335	6,102	23,342	157,776	567,555
Total loans to corporate customers	419,765	8,876	32,777	190,504	651,922
Loans to retail customers					
Express loans	577,185	24,233	43,508	79	645,005
Mortgage loans	27,519	217	2,164	3,810	33,710
Consumer loans	20,201	1,036	3,230	2,395	26,862
Credit cards	339	4	360	–	703
Car loans	213	4	162	100	479
Total loans to retail customers	625,457	25,494	49,424	6,384	706,759
Loans to customers before ECL allowance	1,045,222	34,370	82,201	196,888	1,358,681
Allowance for expected credit losses	(25,486)	(9,151)	(44,913)	(141,376)	(220,926)
Loans to customers net of ECL allowance	1,019,736	25,219	37,288	55,512	1,137,755

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Loans to customers measured at amortised cost (continued)

In 2019 the Group reclassified certain previously existing loans to customers to POCI loans. This resulted in derecognition of the previously recognised instruments and recognition of new POCI loans.

However, due to the limitations of the automated banking information system of the Group, the related consolidated financial statement disclosures reflect the historic gross value of the existing loan contracts, prior to their derecognition, together with a related allowance for expected credit losses. The additional gross disclosure of the historic loan amount does not affect the carrying amount of the newly recognised POCI loans in the Group's consolidated statement of financial position.

As at 31 December 2025, the gross carrying amount of the Group's corporate PSCO loans recognised in the consolidated statement of financial position amounted to KZT 20,322 million (31 December 2024: KZT 67,113 million), and the related positive ECL allowance amounted to KZT 18,572 million (31 December 2024: negative ECL allowance of KZT 11,601 million).

Impairment allowance for loans to customers, measured at amortised cost

Below is an analysis of changes in gross carrying amount and corresponding ECL allowance for loans to corporate customers for the year ended 31 December 2025:

Loans to corporate customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
Gross carrying amount as at 1 January 2025	**419,765**	**8,876**	**32,777**	**190,504**	**651,922**
New assets originated or purchased	**377,287**	**–**	**–**	**2,796**	**380,083**
Assets repaid, disposed or derecognised due to modification	**(311,259)**	**(7,094)**	**(11,730)**	**(34,555)**	**(364,638)**
Transfers to Stage 1	**14,266**	**(14,086)**	**(180)**	**–**	**–**
Transfers to Stage 2	**(40,090)**	**44,001**	**(3,911)**	**–**	**–**
Transfers to Stage 3	**(8,798)**	**(22,698)**	**31,496**	**–**	**–**
Unwinding of discount (recognised in interest revenue)	**–**	**–**	**3,662**	**1,393**	**5,055**
Change in accrued interest	**(5,035)**	**5,620**	**2,438**	**(11,962)**	**(8,939)**
Changes in contractual cash flows due to modification not resulting in derecognition	**(185)**	**31**	**16**	**(103)**	**(241)**
Write–offs	**–**	**–**	**(16,988)**	**(88,441)**	**(105,429)**
Recoveries	**–**	**–**	**1,889**	**14,915**	**16,804**
Foreign exchange adjustments	**(1,828)**	**(441)**	**(710)**	**(1,780)**	**(4,759)**
At 31 December 2025	**444,123**	**14,209**	**38,759**	**72,767**	**569,858**

Loans to corporate customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
ECL as at 1 January 2025	**(6,075)**	**(1,237)**	**(15,306)**	**(138,248)**	**(160,866)**
New assets originated or purchased	**(1,676)**	**–**	**–**	**(46)**	**(1,722)**
Assets repaid or derecognised due to modification	**3,012**	**1,011**	**3,206**	**16,565**	**23,794**
Transfers to Stage 1	**(1,431)**	**1,254**	**177**	**–**	**–**
Transfers to Stage 2	**1,258**	**(2,386)**	**1,128**	**–**	**–**
Transfers to Stage 3	**376**	**6,611**	**(6,987)**	**–**	**–**
Impact on ECL of exposures transferred between stages and changes in inputs	**1,182**	**(7,521)**	**(8,623)**	**11,165**	**(3,797)**
Unwinding of discount (recognised in interest revenue)	**–**	**–**	**(3,662)**	**(1,393)**	**(5,055)**
Write–offs	**–**	**–**	**16,988**	**88,441**	**105,429**
Recoveries	**–**	**–**	**(1,889)**	**(14,915)**	**(16,804)**
Foreign exchange adjustments	**229**	**30**	**372**	**1,395**	**2,026**
At 31 December 2025	**(3,125)**	**(2,238)**	**(14,596)**	**(37,036)**	**(56,995)**

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Impairment allowance for loans to customers, measured at amortised cost (continued)

Below is an analysis of changes in gross carrying amount and corresponding ECL allowance for loans to retail customers for the year ended 31 December 2025:

Loans to retail customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
Gross carrying amount as at 1 January 2025	**625,457**	**25,494**	**49,424**	**6,384**	**706,759**
New assets originated or purchased	**304,840**	**–**	**–**	**163**	**305,003**
Assets repaid or derecognised due to modification	**(301,058)**	**(4,616)**	**(24,399)**	**(988)**	**(331,061)**
Transfers to Stage 1	**33,355**	**(33,059)**	**(296)**	**–**	**–**
Transfers to Stage 2	**(170,839)**	**179,951**	**(9,112)**	**–**	**–**
Transfers to Stage 3	**(24,378)**	**(142,747)**	**167,125**	**–**	**–**
Unwinding of discount (recognised in interest revenue)	**–**	**–**	**10,054**	**1,744**	**11,798**
Change in accrued interest	**11,610**	**4,385**	**1,839**	**(1,090)**	**16,744**
Changes in contractual cash flows due to modification not resulting in derecognition	**(1,890)**	**(1,005)**	**1,212**	**2**	**(1,681)**
Write–offs	**–**	**–**	**(108,632)**	**(1,650)**	**(110,282)**
Recoveries	**–**	**–**	**14,093**	**326**	**14,419**
Foreign exchange adjustments	**(2,236)**	**(31)**	**(234)**	**(1)**	**(2,502)**
At 31 December 2025	**474,861**	**28,372**	**101,074**	**4,890**	**609,197**

Loans to retail customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
ECL as at 1 January 2025	**(19,411)**	**(7,914)**	**(29,607)**	**(3,128)**	**(60,060)**
New assets originated or purchased	**(6,990)**	**–**	**–**	**(92)**	**(7,082)**
Assets repaid or derecognised due to modification	**9,777**	**2,287**	**21,969**	**386**	**34,419**
Transfers to Stage 1	**(8,328)**	**7,999**	**329**	**–**	**–**
Transfers to Stage 2	**7,658**	**(12,801)**	**5,143**	**–**	**–**
Transfers to Stage 3	**2,266**	**44,032**	**(46,298)**	**–**	**–**
Impact on ECL of exposures transferred between stages and changes in inputs	**(819)**	**(38,025)**	**(60,899)**	**1,515**	**(98,228)**
Unwinding of discount (recognised in interest revenue)	**–**	**–**	**(10,054)**	**(1,744)**	**(11,798)**
Write–offs	**–**	**–**	**108,632**	**1,650**	**110,282**
Recoveries	**–**	**–**	**(14,093)**	**(326)**	**(14,419)**
Foreign exchange adjustments	**29**	**6**	**9**	**12**	**56**
At 31 December 2025	**(15,818)**	**(4,416)**	**(24,869)**	**(1,727)**	**(46,830)**

In 2025, the amounts written off included the write–off of accrued interest on credit–impaired loans granted to customers with expired contractual maturities, amounting to KZT 15,726 million.

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Impairment allowance for loans to customers, measured at amortised cost (continued)

Below is an analysis of changes in gross carrying amount and corresponding ECL allowance for loans to corporate customers for the year ended 31 December 2024:

Loans to corporate customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
Gross carrying amount as at 1 January 2024	511,943	9,582	33,334	277,918	832,777
New assets originated or purchased	400,405	–	–	2,142	402,547
Assets repaid, disposed or derecognised due to modification	(504,058)	(14,202)	(15,476)	(34,835)	(568,571)
Transfers to Stage 1	44,675	(44,675)	–	–	–
Transfers to Stage 2	(48,680)	68,488	(19,808)	–	–
Transfers to Stage 3	(13,005)	(15,535)	28,540	–	–
Unwinding of discount (recognised in interest revenue)	–	–	4,465	4,085	8,550
Change in accrued interest	1,570	4,585	2,212	823	9,190
Changes in contractual cash flows due to modification not resulting in derecognition	(938)	(64)	70	(88)	(1,020)
Write–offs	–	–	(4,647)	(77,043)	(81,690)
Recoveries	–	–	1,426	7,349	8,775
Foreign exchange adjustments	27,853	697	2,661	10,153	41,364
At 31 December 2024	419,765	8,876	32,777	190,504	651,922

Loans to corporate customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
ECL as at 1 January 2024	(4,706)	(1,088)	(13,979)	(211,652)	(231,425)
New assets originated or purchased	(8,313)	–	–	(411)	(8,724)
Assets repaid or derecognised due to modification	1,372	469	6,428	8,086	16,355
Transfers to Stage 1	(1,577)	1,577	–	–	–
Transfers to Stage 2	1,239	(4,867)	3,628	–	–
Transfers to Stage 3	148	3,250	(3,398)	–	–
Impact on ECL of exposures transferred between stages and changes in inputs	5,911	(493)	(5,613)	10,041	9,846
Unwinding of discount (recognised in interest revenue)	–	–	(4,465)	(4,085)	(8,550)
Write–offs	–	–	4,647	77,043	81,690
Recoveries	–	–	(1,426)	(7,349)	(8,775)
Foreign exchange adjustments	(149)	(85)	(1,128)	(9,921)	(11,283)
At 31 December 2024	(6,075)	(1,237)	(15,306)	(138,248)	(160,866)

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Impairment allowance for loans to customers, measured at amortised cost (continued)

Below is an analysis of changes in gross carrying amount and corresponding ECL allowance for loans to retail customers for the year ended 31 December 2024:

Loans to retail customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
Gross carrying amount as at 1 January 2024	439,255	11,770	43,637	8,669	503,331
New assets originated or purchased	666,744	–	–	16	666,760
Assets repaid or derecognised due to modification	(389,771)	(3,002)	(19,696)	(2,669)	(415,138)
Transfers to Stage 1	39,727	(39,727)	–	–	–
Transfers to Stage 2	(132,225)	136,605	(4,380)	–	–
Transfers to Stage 3	(7,033)	(80,858)	87,891	–	–
Unwinding of discount (recognised in interest revenue)	–	–	11,400	60	11,460
Change in accrued interest	4,402	1,421	(223)	(15)	5,585
Changes in contractual cash flows due to modification not resulting in derecognition	(1,613)	(45)	769	(16)	(905)
Write–offs	–	–	(82,819)	(452)	(83,271)
Recoveries	–	–	12,555	734	13,289
Foreign exchange adjustments	5,971	(670)	290	57	5,648
At 31 December 2024	625,457	25,494	49,424	6,384	706,759

Loans to retail customers	*Stage 1*	*Stage 2*	*Stage 3*	*POCI*	*Total*
ECL as at 1 January 2024	(10,993)	(3,514)	(31,704)	(3,275)	(49,486)
New assets originated or purchased	(49,159)	–	–	(2)	(49,161)
Assets repaid or derecognised due to modification	2,142	1,807	16,949	976	21,874
Transfers to Stage 1	(11,289)	11,289	–	–	–
Transfers to Stage 2	10,998	(13,506)	2,508	–	–
Transfers to Stage 3	410	29,228	(29,638)	–	–
Impact on ECL of exposures transferred between stages and changes in inputs	38,856	(33,213)	(46,296)	(673)	(41,326)
Unwinding of discount (recognised in interest revenue)	–	–	(11,400)	(60)	(11,460)
Write–offs	–	–	82,819	452	83,271
Recoveries	–	–	(12,555)	(734)	(13,289)
Foreign exchange adjustments	(376)	(5)	(290)	188	(483)
At 31 December 2024	(19,411)	(7,914)	(29,607)	(3,128)	(60,060)

In 2025, the Group revised the probability of default (PD) model for loans granted to corporate customers and the loss given default (LGD) model for loans granted to retail customers. In addition, the Group revised the composition of macroeconomic factors based on the significance of their impact on the probability of default forecasts. As at 31 December 2025, the decrease in ECL resulting from the revision of calculation models and changes in the composition of macroeconomic factors for loans to customers measured at amortised cost amounted to KZT 6,425 million.

In 2024, the Group has performed an analysis of macroeconomic factors and forward–looking information used for calculation of ECL on loans to customers measured at amortised cost. Based on the analysis, the Group revised the composition of macroeconomic factors based on the significance of their impact on default probability forecast. The increase in ECL from the revision of the composition of macroeconomic factors on ECLs on loans to customers measured at amortised cost as at 31 December 2024 amounted to KZT 1,500 million. A more detailed description of the forward–looking information used for the assessment of expected credit losses as at 31 December 2025 and 2024 is presented in *Note 34*.

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Credit quality of loans to customers measured at amortised cost

The following table provides information on the credit quality of loans to customers measured at amortised cost as at 31 December 2025:

Loans to customers	*Loans to large corporates*	*Loans to small and medium–sized businesses*	*Express loans*	*Mortgage loans*	*Consumer loans*	*Credit cards*	*Car loans*	*Total*
– not overdue	**56,057**	**408,526**	**429,941**	**25,348**	**12,084**	**28**	**83**	**932,067**
– overdue for less than 30 days	**–**	**7,979**	**33,193**	**412**	**573**	**272**	**2**	**42,431**
– Overdue from 30 to 89 days	**3,271**	**5,674**	**29,425**	**107**	**511**	**1**	**–**	**38,989**
– Overdue from 90 to 179 days	**174**	**6,367**	**21,183**	**47**	**443**	**10**	**–**	**28,224**
– overdue for more than 180 days and less than 1 year	**896**	**7,665**	**31,914**	**61**	**542**	**11**	**–**	**41,089**
– overdue more than 1 year	**9,616**	**63,633**	**17,363**	**2,551**	**2,723**	**192**	**177**	**96,255**
Total loans to customers before ECL allowance	**70,014**	**499,844**	**563,019**	**28,526**	**16,876**	**514**	**262**	**1,179,055**
Allowance for expected credit losses	**(17,892)**	**(39,103)**	**(42,546)**	**(951)**	**(2,950)**	**(255)**	**(128)**	**(103,825)**
Total loans to customers less ECL allowance	**52,122**	**460,741**	**520,473**	**27,575**	**13,926**	**259**	**134**	**1,075,230**

The following table provides information on the credit quality of loans to customers measured at amortised cost as at 31 December 2024:

Loans to customers	*Loans to large corporates*	*Loans to small and medium–sized businesses*	*Express loans*	*Mortgage loans*	*Consumer loans*	*Credit cards*	*Car loans*	*Total*
– not overdue	61,966	457,513	548,112	29,506	19,812	277	221	1,117,407
– overdue for less than 30 days	–	5,326	33,820	360	1,161	61	–	40,728
– Overdue from 30 to 89 days	764	6,105	24,238	283	783	5	–	32,178
– Overdue from 90 to 179 days	707	4,359	25,878	117	991	11	–	32,063
– overdue for more than 180 days and less than 1 year	826	4,321	10,144	106	651	17	4	16,069
– overdue more than 1 year	20,104	89,931	2,814	3,338	3,463	332	254	120,236
Total loans to customers before ECL allowance	84,367	567,555	645,006	33,710	26,861	703	479	1,358,681
Allowance for expected credit losses	(25,350)	(135,516)	(53,514)	(2,004)	(4,022)	(363)	(157)	(220,926)
Total loans to customers less ECL allowance	59,017	432,039	591,492	31,706	22,839	340	322	1,137,755

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Collateral and other credit enhancements

The amount and type of collateral required by the Group 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 corporate lending, charges over residential properties, equipment, vehicles and inventories;
- For retail lending, charges over residential properties, vehicles.

The Group also obtains guarantees from parent companies and other related parties of borrowers for loans to corporate customers.

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

In the absence of collateral or other credit enhancements, ECLs for loans to customers of Stage 3 measured at amortised cost and POCI as at 31 December 2025 and 2024 would be higher by:

	31 December 2025	*31 December 2024*
Loans to corporate customers	**59,894**	69,727
Loans to retail customers	**5,944**	11,027
	65,838	80,754

Repossessed collateral

During the year ended 31 December 2025, the Group obtained certain assets by taking possession of collateral for loans to customers with a carrying amount of KZT 13,050 million (2024: KZT 7,554 million) and disposed of repossessed collateral for a total amount of KZT 19,416 million (2024: KZT 8,113 million).

Modified and restructured loans

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless the new loan is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on changes in cash flows discounted at the initial effective interest rate, the Group recognises profit or loss from modification before impairment loss is recognised.

The table below includes Stage 2 and 3 assets that were modified during the period and accounted for as restructured loans, with the related modification loss suffered by the Group:

	2025	*2024*
Loans to customers measured at amortised cost, modified during the period		
Amortised cost before modification	**102,122**	64,629
Net gain on modification	**153**	626

In 2025, the net loss from the modification of financial assets measured at amortised cost that did not result in derecognition, recognised within interest income calculated using the effective interest method in the consolidated statement of profit or loss and other comprehensive income, included a loss arising from changes in the contractual terms of loans to customers amounting to KZT 1,923 million (2024: KZT 1,925 million).

(in KZT million, unless otherwise is stated)

19. Loans to customers (continued)

Concentration of loans to customers measured at amortised cost

As at 31 December 2025 and 2024, the Group did not have any borrowers or groups of related borrowers whose loans measured at amortised cost exceeded 10% of the Group's equity.

Loans were mainly issued to customers located within the Republic of Kazakhstan, who operate in the following economic sectors:

	31 December 2025		*31 December 2024*	
	Amount	*%*	*Amount*	*%*
Individuals	**609,197**	**51.67%**	706,759	52.01%
Trade	**177,517**	**15.06%**	159,872	11.77%
Encashment	**142,315**	**12.07%**	161,440	11.88%
Production	**79,297**	**6.73%**	104,968	7.73%
Finance and insurance	**47,126**	**4.00%**	13,468	0.99%
Construction	**46,082**	**3.91%**	109,471	8.06%
Transport	**20,642**	**1.75%**	39,277	2.89%
Education	**18,805**	**1.59%**	23,398	1.72%
Agriculture	**18,058**	**1.53%**	24,436	1.80%
Other	**20,016**	**1.70%**	15,592	1.15%
Total loans to customers measured at amortised cost before ECL allowance	**1,179,055**	**100%**	1,358,681	100%
Less: ECL allowance	**(103,825)**	**–**	(220,926)	–
Total loans to customers measured at amortised cost	**1,075,230**	**–**	1,137,755	–

Loans to customers at fair value through profit or loss

Loans to customers measured at fair value through profit or loss primarily comprise loans provided to finance non–recourse projects due to economic reasons or contractual terms, as well as loans with embedded derivatives whose terms are not closely related to those of the host loan contract. Information on the measurement of the fair value of loans to customers measured at fair value through profit or loss is disclosed in *Note 37*.

Loans to customers measured at fair value through profit or loss as at 31 December 2025 and 2024 include the following items:

	31 December 2025	*31 December 2024*
Loans to small and medium–sized businesses	**1,032**	1,260
Total loans to customers at fair value through profit or loss	**1,032**	1,260

As at 31 December 2025 and 2024, loans to customers measured at fair value through profit or loss were past due for more than 360 days.

(in KZT million, unless otherwise is stated)

20. Insurance and reinsurance contracts

As at 31 December 2025 and 2024, assets and liabilities arising from issued insurance and reinsurance contracts, as well as from held reinsurance contracts, comprise the following:

	General Measurement Model (GMM)		Premium Allocation Approach (PAA)									
31 December 2025	**Subsoil users' liability insurance**	**Reinsurance contracts held**	**Vehicle owners' civil liability insurance**	**Other civil liability insurance**	**Property damage reinsurance contracts issued**	**Property damage insurance**	**Motor vehicle insurance**	**Other liability insurance**	**Other property insurance**	**Other**	**Reinsurance contracts held**	**Total**
Insurance contract liabilities	**(1,102)**	**–**	**(9,149)**	**(764)**	**(790)**	**(4,996)**	**(2,562)**	**(5,281)**	**(773)**	**(1,556)**	**–**	**(26,973)**
Expenses from reinsurance contracts held	**–**	**522**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,097**	**3,619**

	General Measurement Model (GMM)		Premium Allocation Approach (PAA)									
31 December 2024	**Subsoil users' liability insurance**	**Reinsurance contracts held**	**Vehicle owners' civil liability insurance**	**Other civil liability insurance**	**Property damage reinsurance contracts issued**	**Property damage insurance**	**Motor vehicle insurance**	**Other liability insurance**	**Other property insurance**	**Other**	**Reinsurance contracts held**	**Total**
Insurance contract liabilities	(846)	–	(12,632)	(1,268)	(11,610)	(1,702)	(1,323)	(7,906)	(703)	(1,308)	–	(39,298)
Expenses from reinsurance contracts held	–	2,497	–	–	–	–	–	–	–	–	1,052	3,549

(in KZT million, unless otherwise is stated)

20. Insurance and reinsurance contracts (continued)

The revenue under insurance and reinsurance contracts for the years ended 31 December 2025 and 2024 comprises:

2025	*Subsoil users' liability insurance*	*Vehicle owners' civil liability insurance*	*Other civil liability insurance*	*Property damage insurance*	*Motor vehicle insurance*	*Other liability insurance*	*Other property insurance*	*Other*	*Total*
Contracts measured using the PAA	**–**	**15,910**	**488**	**8,556**	**3,995**	**3,287**	**1,167**	**4,156**	**37,559**
Contracts measured using the GMM	**41**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**41**
	41	**15,910**	**488**	**8,556**	**3,995**	**3,287**	**1,167**	**4,156**	**37,600**

2024	*Subsoil users' liability insurance*	*Vehicle owners' civil liability insurance*	*Other civil liability insurance*	*Property damage insurance*	*Motor vehicle insurance*	*Other liability insurance*	*Other property insurance*	*Other*	*Total*
Contracts measured using the PAA	–	17,856	519	2,915	1,902	3,886	1,952	1,360	30,390
Contracts measured using the GMM	883	–	–	–	–	–	–	–	883
	883	17,856	519	2,915	1,902	3,886	1,952	1,360	31,273

Insurance contract expenses for the years ended 31 December 2025 and 2024 comprise:

	2025	*2024*
Payments and claims	**(21,316)**	(29,246)
Amortisation of acquisition cash flows	**(8,443)**	(7,408)
Other insurance expenses	**(530)**	(1,560)
Change in loss component	**(85)**	3,040
Total insurance service expense	**(30,374)**	(35,174)

(in KZT million, unless otherwise is stated)

21. Property and equipment, right–of–use assets and intangible assets

Movement in property and equipment was presented as follows:

	Note	*Land*	*Administrative buildings*	*Production buildings*	*Computers*	*Vehicles*	*Construction in progress*	*Other property and equipment*	*Right–of–use assets*	*Total*	*Intangible assets*
Cost or revalued cost											
At 31 December 2023		6,463	42,769	3,244	9,333	3,394	1,926	18,476	5,929	91,534	12,138
Additions		1,155	13,111	–	882	1,272	1,147	1,191	1,963	20,721	3,240
Disposals		(1,443)	(64)	(1,607)	(564)	(2,861)	–	(2,933)	(2,045)	(11,517)	(2,837)
Transfer to other assets		27	(1,053)	–	–	–	–	8	–	(1,018)	–
Transfers between categories		–	(4)	–	309	(1)	(1,021)	717	–	–	–
Impairment		–	–	–	–	–	–	–	–	–	(176)
Foreign exchange difference		–	587	–	1,335	317	227	2,450	1,042	5,958	1,896
At 31 December 2024		6,202	55,346	1,637	11,295	2,121	2,279	19,909	6,889	105,678	14,261
Additions		**3**	**4,230**	**–**	**1,634**	**318**	**3,049**	**996**	**6,020**	**16,250**	**881**
Disposals and write–off		**(961)**	**(1,167)**	**(1)**	**(488)**	**(980)**	**–**	**(1,673)**	**(3,298)**	**(8,568)**	**(176)**
Effect of remeasurement recognised in other comprehensive income		**4,775**	**1,572**	**–**	**–**	**–**	**–**	**–**	**–**	**6,347**	**–**
Effect of remeasurement recognised in profit or loss	**12**	**144**	**1,410**	**–**	**–**	**–**	**–**	**–**	**–**	**1,554**	**–**
Transfers between categories		**–**	**–**	**–**	**995**	**–**	**(1,780)**	**785**	**–**	**–**	**–**
Transfers to other assets		**(61)**	**(936)**	**–**	**–**	**–**	**–**	**(84)**	**–**	**(1,081)**	**–**
Transfers to assets available–for–sale		**(982)**	**(11,783)**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,765)**	**–**
Foreign exchange difference		**–**	**(282)**	**–**	**(224)**	**(41)**	**(111)**	**(280)**	**(277)**	**(1,215)**	**(212)**
At 31 December 2025		**9,120**	**48,390**	**1,636**	**13,212**	**1,418**	**3,437**	**19,653**	**9,334**	**106,200**	**14,754**
Accumulated depreciation and impairment											
At 31 December 2023		–	(2,038)	(599)	(649)	(257)	–	(6,214)	(2,231)	(11,988)	(3,582)
Depreciation charge	**12**	–	(996)	(17)	(2,237)	(181)	–	(3,299)	(1,539)	(8,269)	(2,523)
Disposals		–	107	582	274	200	–	1,436	1,460	4,059	1,416
Transfers between categories		–	–	–	1	–	–	(1)	–	–	–
Foreign exchange difference		–	40	–	(965)	(227)	–	(2,056)	(733)	(3,941)	(1,558)
At 31 December 2024		–	(2,887)	(34)	(3,576)	(465)	–	(10,134)	(3,043)	(20,139)	(6,247)
Depreciation charge	**12**	**–**	**(952)**	**(16)**	**(1,973)**	**(217)**	**–**	**(3,408)**	**(1,632)**	**(8,198)**	**(2,453)**
Disposals and write–off		**–**	**526**	**–**	**–**	**295**	**–**	**431**	**2,464**	**3,716**	**108**
Effect of remeasurement recognised in other comprehensive income		**–**	**2,880**	**–**	**–**	**–**	**–**	**–**	**–**	**2,880**	**–**
Transfers to other assets		**–**	**162**	**–**	**–**	**–**	**–**	**34**	**–**	**196**	**–**
Foreign exchange difference		**–**	**12**	**–**	**117**	**22**	**–**	**360**	**68**	**579**	**126**
At 31 December 2025		**–**	**(259)**	**(50)**	**(5,432)**	**(365)**	**–**	**(12,717)**	**(2,143)**	**(20,966)**	**(8,466)**
Carrying amount											
At 31 December 2023		6,463	40,731	2,645	8,684	3,137	1,926	12,262	3,698	79,546	8,556
At 31 December 2024		6,202	52,459	1,603	7,719	1,656	2,279	9,775	3,846	85,539	8,014
At 31 December 2025		**9,120**	**48,131**	**1,586**	**7,780**	**1,053**	**3,437**	**6,936**	**7,191**	**85,234**	**6,288**

(in KZT million, unless otherwise is stated)

21. Property and equipment, right–of–use assets and intangible assets (continued)

As at 31 December 2025, fully depreciated property, plant and equipment still in use by the Group amounted to KZT 22,343 million (31 December 2024: KZT 20,108 million).

As at 31 December 2025, buildings with a total carrying amount of KZT 652 million were pledged as collateral for obligations under loans received from the Russian−Kyrgyz Development Fund (31 December 2024: KZT 676 million).

The Group measures the fair value of land plots and buildings once every three years in accordance with the Group's accounting policy. In case of significant change in specific market or property indicators, the Group can perform revaluation more often.

In December 2025, the Group carried out a revaluation of land plots and buildings in accordance with the requirements of IFRS (IAS) 16. Fair value was determined primarily using the income approach, based on an analysis of cash flows prepared using data from internal information sources, including the Group's forecasts, as well as publicly available statistical information from various published sources, reference materials and other sources. The revaluation resulted in an increase in the carrying amount of land plots and buildings of KZT 7,853 million, recognised in other comprehensive income, and KZT 1,554 million, recognised in profit or loss of the Group.

The fair values of the land plots and buildings are categorised into Level 3 of the fair value hierarchy.

If land plots and buildings had been measured using the cost model, their carrying amount as at 31 December 2025 would have amounted to KZT 51,266 million (31 December 2024: KZT 60,442 million).

22. Assets held for sale

Assets held for sale include the following items:

	31 December 2025	*31 December 2024*
Other non−current assets held for sale	**2,791**	1,672
Assets of a disposal group	**–**	11,448
Total non−current assets held for sale	**2,791**	13,120

On 20 December 2024, the Group's management decided to sell a 100% stake in the share capital of JFOOD Kazakhstan LLP, a subsidiary of Jusan Development LLP. As at 31 December 2024, the assets and liabilities of JFOOD Kazakhstan LLP were consolidated in the consolidated financial statements as a disposal group held for sale.

On 8 January 2025, the Group completed the transaction for the sale of its subsidiary, JFOOD Kazakhstan LLP. The transfer of control over the Company to the new owner took place in accordance with the terms of the agreement.

The main categories of assets and liabilities of JFOOD Kazakhstan LLP as at 31 December 2024 are presented below:

Assets	*31 December 2024*
Cash and cash equivalents	25
Amounts due from banks and other financial institutions	300
Non−current assets held for sale	11,123
Assets held for sale	11,448
Liabilities	
Trade accounts payable	(561)
Deferred corporate income tax liabilities	(311)
Other liabilities	(2,590)
Liabilities directly associated with assets held for sale	(3,462)
Net assets of the disposal group	7,986

(in KZT million, unless otherwise is stated)

22. Assets held for sale (continued)

Other non−current assets held for sale comprise the equity shares in the charter capital of the companies and real estate accepted by the Group in exchange for its rights of claim in relation to impaired loans to customers.

Movements in other non−current assets held for sale are presented as follows:

	2025	*2024*
At 1 January	**1,672**	6,985
Transfers from property and equipment	**12,765**	1,536
Transfer from other assets	**10,426**	−
Transfer from investment property	**38,107**	−
Transfer to investment property	**−**	(4,057)
Disposals	**(60,179)**	(2,792)
At 31 December	**2,791**	1,672

In February 2025, the Bank's Management Board approved a plan to sell an item of property, plant and equipment − the CDC business centre, comprising a land plot, a building, equipment and furniture. During 2025, the Bank actively sought potential buyers and, as a result, the asset was disposed in the reporting period.

In 2025, disposals of assets held for sale mainly comprised an exhibition centre, a shopping and entertainment centre, a hotel building, a non−residential building in the city of Astana, and a land plot in the city of Shymkent.

23. Investment property

Movements in investment property for the years ended 31 December are presented as follows:

	2025	*2024*
At 1 January	**50,680**	42,861
Additions	**2,692**	3,499
Transfer from assets held for sale	**−**	4,057
Transfer from other assets	**−**	3,637
Disposals	**−**	(3,374)
Transfer to assets held for sale	**(38,107)**	−
Revaluation	**5,551**	−
At 31 December	**20,816**	50,680

The Group has no restrictions on the disposal of its investment property, nor does it have any contractual obligations to acquire, construct or develop investment property, or to repair, maintain or enhance such investment property.

(in KZT million, unless otherwise is stated)

24. Other assets

Other assets comprise:

	31 December 2025	*31 December 2024*
Financial assets		
Receivables from sale of owned assets	**30,636**	39,598
Receivables for transfer and payment operations	**5,079**	4,662
Fees and commissions receivable *(Note 7)*	**3,318**	3,648
Receivables from international payment systems	**1,657**	2,944
Security deposit	**1,456**	1,176
Other investments	**1,289**	1,289
Receivables from guarantees issued	**1,076**	2,002
Collateral for participation in auctions	**788**	807
Receivables on non−performing securities	**–**	2,760
Trade and other receivables *(Note 7)*	**–**	512
Other receivables	**3,233**	6,177
	48,532	65,575
Less: ECL allowance	**(3,522)**	(8,860)
Total other financial assets	**45,010**	56,715
Non−financial assets		
Repossessed collateral	**29,410**	34,881
Prepayments	**11,259**	9,950
Materials and supplies	**659**	748
Prepayments for intangible assets	**149**	10
Other non−financial assets	**149**	1,487
	41,626	47,076
Less: loss allowance	**(6,342)**	(6,770)
Total other non−financial assets	**35,284**	40,306
Total other assets	**80,294**	97,021

The movements in allowance for ECL on other financial assets for the years ended 31 December are as follows:

	2025	*2024*
ECL at 1 January	**(8,860)**	(4,831)
Net change in ECL for the year (*Note 6)*	**1,334**	(4,613)
Write−offs	**3,949**	878
Foreign exchange adjustments	**55**	(294)
ECL at 31 December	**(3,522)**	(8,860)

(in KZT million, unless otherwise is stated)

24. Other assets (continued)

Movements in impairment allowance for other non–financial assets for the years ended 31 December are as follows:

	2025	*2024*
At 1 January	**(6,770)**	(6,686)
Net change in reserve for the year	**432**	(199)
Write−offs	**–**	121
Foreign exchange adjustments	**(4)**	(6)
At 31 December	**(6,342)**	(6,770)

25. Amounts due to banks and other financial institutions

Amounts due to banks and other financial institutions comprise:

	31 December 2025	*31 December 2024*
Correspondent accounts of other banks	**28,998**	79,451
Term deposits from banks and other financial institutions	**43,384**	28,736
Loans from the state−owned companies	**11,586**	11,397
Loans from banks and other financial institutions	**711**	2,054
	84,679	121,638
Foreign currency contracts (spot)	**26**	5
Total amounts due to banks and other financial institutions	**84,705**	121,643

As at 31 December 2025, loans received from government organisations included funds received from the Entrepreneurship Development Fund Damu JSC ("DAMU") amounting to KZT 8,172 million and from the Development Bank of Kazakhstan JSC ("DBK") amounting to KZT 3,414 million (31 December 2024: DAMU – KZT 7,348 million, DBK – KZT 3,265 million, and the Ministry of Finance of the Kyrgyz Republic – KZT 784 million).

Loans received from DAMU and DBK are denominated in tenge, bear nominal interest rates ranging from 0.1% to 2.00% per annum and have contractual maturities in 2034−2035.

As at 31 December 2024, loans provided by the Ministry of Finance of the Kyrgyz Republic are denominated in Kyrgyz som, bear nominal interest rates ranging from 1.5% to 2.0% per annum and have maturities in 2025.

As at 31 December 2025 and 2024, the Group did not have funds from banks and other financial institutions for which the aggregate balance exceeded 10% of the Group's equity.

26. Amounts payable under repurchase agreements

As at 31 December 2025, the Group entered into repurchase agreements at KASE with total carrying amount of KZT 162,018 million (31 December 2024: KZT 43,025 million). Repurchase agreements are used by the Group to manage short−term liquidity.

As at 31 December 2025, the subject matter of these agreements comprised investment securities measured at fair value through other comprehensive income and investment securities measured at amortised cost, the total fair value of which as at 31 December 2025 amounted to KZT 128,534 million and KZT 33,485 million, respectively (31 December 2024: investment securities measured at fair value through other comprehensive income with a total fair value of KZT 43,025 million) *(Note 18)*.

Master netting agreements allow the Group to offset liabilities against existing assets in the event of default. The right to offset is the legal right to repay or otherwise reduce all or part of the amount at the expense of the amount received from the same counterparty, thus reducing exposure to credit risk. As at 31 December 2025 and 2024, the Group did not record offsets in the consolidated statement of financial position.

(in KZT million, unless otherwise is stated)

27. Amounts due to customers

Amounts due to customers comprise:

	31 December 2025	*31 December 2024*
Current accounts and demand deposits		
− Corporate	**422,221**	437,852
− Retail	**207,579**	206,527
Term deposits		
− Corporate	**527,864**	526,664
− Retail	**595,708**	716,356
Savings deposits		
− Corporate	**29,027**	49,124
− Retail	**99,773**	19,197
Total amounts due to customers	**1,882,172**	1,955,720
Held as security against loans to customers	**(5,325)**	(7,275)
Held as security of guarantees and letters of credit *(Note 36)*	**(1,041)**	(2,028)

As at 31 December 2025 the corporate term deposits comprise deposits for the total amount of KZT 13,787 million received from KSF as part of the state programme for refinancing of residential mortgage loans approved by NBRK (as at 31 December 2024: 13,639 million). Deposits are denominated in tenge, bear nominal interest rates of 0.10%−2.99% per annum and are repayable in 2045−2050.

Concentration of amounts due to customers

As at 31 December 2025 and 2024, the Group did not have any customers or groups of related customers whose aggregate balances of current accounts and deposits exceeded 10% of the Group's equity.

28. Debt securities issued

Debt securities issued comprise:

	Date of issue	*Year of maturity*	*Coupon rate*	*Effective rate*	*31 December 2025*	*31 December 2024*
KZT bonds of the sixth issue	13.11.2024	13.11.2034	8.00%	13.07%	**76,550**	75,143
Third bond issue as part of the fifth program	14.03.2019	14.03.2026	10.95%	13.44%	**61,146**	60,072
KZT bonds of the first issue	15.10.2018	15.01.2034	0.10%	11.50%	**51,025**	45,875
KZT bonds of the fourth issue	22.01.2019	22.01.2034	0.10%	11.50%	**35,575**	31,993
KZT bonds of the fifth issue	11.12.2020	05.10.2045	0.10%	12.50%	**31,646**	28,427
KZT bonds of the third issue	28.01.2019	28.01.2034	0.10%	11.50%	**30,486**	27,414
KZT bonds of the fourth issue	28.01.2019	28.01.2034	0.10%	11.50%	**4,209**	11,359
KZT bonds of the first issue	11.07.2007	11.07.2027	7.50%	10.90%	**3,380**	3,255
KZT bonds of the second issue	22.01.2019	22.01.2034	0.10%	11.50%	**549**	508
U.S. dollar−denominated commercial paper, first tranche	28.07.2025	26.01.2026	−	3.96%	**195**	−
U.S. dollar−denominated commercial paper, second tranche	28.07.2025	28.07.2026	−	4.00%	**56**	−
First issue of bonds as part of the fourth bond program	10.02.2015	10.02.2025	9.90%	13.41%	**−**	20,440
					294,817	304,486

(in KZT million, unless otherwise is stated)

28. Debt securities issued (continued)

The Group's debt securities issued are quoted at KASE and AIX.

On 10 February 2025, the Group redeemed the first issue of bonds under the fourth bond programme upon their maturity. The total redemption amount for the issued securities amounted to KZT 19,747 million.

In July 2025, the Group placed two issues of commercial papers on the AIX. In the amount of USD 100 million at an issue price of 96.15% with a tenor of one year, and in the amount of USD 100 million at an issue price of 98.08% with a tenor of six months.

In September 2025, the Group repurchased issued debt securities of the fourth issue in the amount of 20,000,000,000 securities at a price of KZT 1 per security, for a total consideration of KZT 20,000 million. A loss resulting from the early repurchase of the issued debt securities in the amount of KZT 11,899 million was recognised within interest expense in the consolidated statement of profit or loss and other comprehensive income

In November 2024, under the sixth bond programme, the Group registered and placed an issue of coupon bonds with a nominal value of KZT 100,000 million, bearing a coupon rate of 8% per annum and with a maturity in 2034. The fair value of these bonds was determined by discounting contractual future cash flows using a market interest rate of 13.07% per annum. A gain on the initial recognition of bonds amounting to KZT 26,064 million was recognised within net gains from the initial recognition of financial instruments.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025	*2024*
At 1 January	**304,486**	213,052
Issue of debt securities	**250**	100,000
Redemption of debt securities issued	**(19,747)**	–
Repurchase of debt securities issued	**(20,000)**	–
Discount recognition	**–**	(26,091)
Finance costs (*Note 5*)	**46,240**	26,884
Dividends paid (*Note 5*)	**(16,368)**	(9,359)
Foreign exchange adjustments	**(44)**	–
At 31 December	**294,817**	304,486

29. Subordinated debt

Subordinated debt comprises:

	31 December 2025	*31 December 2024*
Subordinated bonds	**56,822**	117,806
Debt component of preferred shares	**475**	310
Total subordinated debt	**57,297**	118,116

As at 31 December 2025 and 2024, subordinated debt comprised issued bonds and the debt component of cumulative preference shares in the amount of 2,500,000 shares for total amount of KZT 475 million (31 December 2024: KZT 310 million).

In the event of bankruptcy, subordinated debt is repayable after the Group has fully settled all its other liabilities, but prior to the settlement of preference shares.

(in KZT million, unless otherwise is stated)

29. Subordinated debt (continued)

Subordinated debt comprises:

	Date of issue	*Year of maturity*	*Coupon rate*	*Effective rate*	*31 December 2025*	*31 December 2024*
Unsecured registered coupon subordinated bonds denominated in Kazakhstani tenge.	22.12.2020	01.11.2035	0.10%	15.29%	**17,109**	14,899
KZT bonds of the sixth issue	11.12.2020	25.10.2040	0.10%	14.60%	**9,708**	12,191
Unsecured registered coupon subordinated bonds denominated in Kazakhstani tenge.	11.12.2020	01.11.2040	0.10%	15.29%	**12,693**	11,100
Unsecured registered coupon subordinated bonds denominated in Kazakhstani tenge.	23.12.2020	01.11.2040	0.10%	15.29%	**9,507**	8,312
KZT bonds of the eighth issue	04.06.2013	04.06.2028	9.00%	10.01%	**4,915**	4,881
KZT bonds of the second issue	11.12.2020	26.10.2040	0.10%	14.60%	**2,890**	2,541
First issue of bonds as part of the second bond program	10.02.2015	10.02.2025	10.00%	14.93%	**–**	42,043
Second issue of bonds as part of the second bond program	10.02.2015	10.02.2025	10.00%	14.93%	**–**	21,839
					56,822	117,806

On 10 February 2025, the Group redeemed the first and second issues of subordinated bonds upon their maturity, using the Group's own funds. The total amount of payments made in respect of the above subordinated bonds amounted to KZT 61,775 million.

In September 2025, the Group repurchased 30,000,000 subordinated bonds of the sixth issue at a price of KZT 1,000 per security, for a total amount of KZT 30,000 million. A loss arising from the early repurchase of the issued debt securities in the amount of KZT 26,051 million was recognised within interest expense in the consolidated statement of profit or loss and other comprehensive income.

On 9 April 2024, under the sixth bond programme, the Group carried out an early redemption of the first issue of subordinated bonds using the Group's own funds. The total amount of payments made in respect of these bonds amounted to KZT 100,000 million. The holder of these bonds is Samruk–Kazyna National Welfare Fund JSC. As a result of the early redemption of the subordinated bonds, the Group recognised a loss in the amount of KZT 7,106 million within interest expense in the consolidated statement of profit or loss and other comprehensive income.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025	*2024*
At 1 January	**118,116**	201,637
Repayment	**(61,775)**	(100,000)
Repurchase	**(30,000)**	–
Finance costs (*Note 5*)	**34,799**	26,129
Dividends paid (*Note 5*)	**(3,843)**	(9,650)
At 31 December	**57,297**	118,116

(in KZT million, unless otherwise is stated)

29. Subordinated debt (continued)

Cumulative non–redeemable preference shares

Holders of cumulative non−redeemable preference shares receive a minimum cumulative dividends of KZT 100 per share. The preference shares do not carry the right to vote unless the dividend is in arrears. All shares rank equally with regard to distribution of residual value of the Group's net assets, except that preference shareholders participate only to the extent of the face value of the shares adjusted for any dividends in arrears. All preference shares in the number of 2,500,000 pieces were issued and fully paid at price of KZT 1,000 each.

Due to the amendments to the Law of the Republic of Kazakhstan "On Groups and Grouping Activities in the Republic of Kazakhstan", the Group, which financial stability and recovery require use of the funds allocated from the national budget, National Fund of the Republic of Kazakhstan (hereinafter, "NFRK"), NBRK and its subsidiaries, from the date of making decision to provide funds from the state budget, NFRK, NBRK and its subsidiaries and until the Group discharges its obligations to repay the funds received in full, shall distribute profit, accrue dividends on ordinary and preference shares, as well as repurchase its own shares, subject to compliance with the terms and conditions prescribed by the regulatory legal act of the authorised body. The Group neither declared nor paid dividends for 2025 and 2024, including on preference shares.

30. Liabilities to the mortgage organisation

In 2018 and 2019, the NBRK approved the residential mortgage programmes "Mortgage Program "7−20−25" and "Baspana Hit". The main goal of the program is to provide the population with the opportunity to purchase primary housing and increase the interest of banks in financing. According to the conditions of the "Mortgage Program "7−20−25", loans are issued in tenge at a nominal rate of 7.0% per annum for a period of up to 25 years and down payment of 20%. Under the terms of the "Mortgage Program "Baspana Hit", loans are granted in tenge at a nominal annual interest rate equal to the base rate of the National Group of the Republic of Kazakhstan +175 basis points, with maturities of up to 15 years and a minimum down payment of 20%. Loan origination and servicing fees are not charged.

Under the programmes, the Group originated mortgage loans to customers and transferred them to Kazakhstan Sustainability Fund JSC (the "Operator") in exchange for cash in an amount equal to the nominal value of the loans. The Group legally acts as an agent for this program and receives a fee of 4.0% per annum from received interest payments.

In accordance with the terms of the transfer of the Group's assets to the Operator, in the event of a default on the transferred loans, the Group is obliged to repurchase the transferred loans from the Operator. As a result, the Group retains credit risks in respect of the loans transferred and retains all benefits on these loans, and therefore the Group continues recognising these loans as part of its assets.

As at 31 December 2025, the carrying amount of the transferred loans amounted to KZT 6,244 million (31 December 2024: KZT 8,155 million), and the carrying amount of the liabilities to the Operator amounted to KZT 6,253 million (31 December 2024: KZT 7,810 million).

(in KZT million, unless otherwise is stated)

31. Other liabilities

Other liabilities comprise:

	31 December 2025	*31 December 2024*
Financial liabilities		
ECL allowance on guarantees and letters of credit issued *(Note 36)*	**3,451**	3,018
Payables arising from a foreign currency liability	**2,326**	2,416
Liabilities on electronic money issued	**2,266**	3,905
Trade and other payable	**1,057**	1,293
Accrued fee and commission expense	**763**	889
Liabilities to the deposit guarantee fund	**598**	247
Insurance and reinsurance payables	**–**	783
Other	**8,768**	8,243
Total other financial liabilities	**19,229**	20,794
Non−financial liabilities		
Provision for vacations and other amounts due to employees	**9,063**	7,247
Prepayments	**5,165**	10,411
Other tax liabilities	**5,035**	4,535
Deferred income on guarantees and letters of credit issued	**972**	1,501
Provisions	**530**	6,393
Other	**1,559**	5,160
Total non−financial liabilities	**22,324**	35,247
Total other liabilities	**41,553**	56,041

In 2025, the Group reversed provisions in the total amount of KZT 5,863 million following the completion of the relevant court proceedings recognised within other gains/(losses) from impairment and reversal/(recognition) of provisions.

32. Equity

Share capital

As at 31 December 2025 and 2024, The ordinary shares issues comprising the share capital of the Group consist of 8,433,359 ordinary shares, of which 8,283,873 ordinary shares are outstanding.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual and general meetings of the Group shareholders.

For the years ended 31 December 2025 and 2024, the Company neither declared, nor paid dividends.

Fair value reserve

Fair value reserve comprises change in the fair value of financial assets measured at fair value through other comprehensive income.

Revaluation reserve for property

The revaluation reserve for property is used to record increase in fair value of land and buildings and decrease of this cost but only to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of the Group's foreign subsidiaries.

(in KZT million, unless otherwise is stated)

32. Equity (continued)

Foreign currency translation reserve (continued)

Movement in provision items for 2025 and 2024 is as follows:

	Revaluation reserve for property	*Fair value reserve*	*Currency translation reserve*	*Total*
At 1 January 2024	5,636	6,310	(1,378)	10,568
Amortisation in revaluation reserve for Property, plant and equipment, excluding corporate income tax	(2,391)	–	–	(2,391)
Change in revaluation reserve for property, excluding corporate income tax	611	–	–	611
Net change in fair value of debt instruments at FVOCI	–	2,001	–	2,001
Change in the ECL allowance for debt instruments measured at FVOCI	–	38	–	38
Reclassification of cumulative loss on disposal of debt instruments measured at FVOCI	–	9	–	9
Net change in fair value of debt instruments at FVOCI	–	29,211	–	29,211
Transfer of accumulated gains on disposal of equity instruments measured at FVOCI to retained earnings.	–	(9,990)	–	(9,990)
Exchange differences arising from the translation of foreign operations from other currencies	–	–	11,754	11,754
At 31 December 2024	3,856	27,579	10,376	41,811
Amortisation in revaluation reserve for Property, plant and equipment, excluding corporate income tax	**(603)**	**–**	**–**	**(603)**
Change in the revaluation reserve for property and equipment	**7,198**	**–**	**–**	**7,198**
Net change in fair value of debt instruments at FVOCI	**–**	**(4,215)**	**–**	**(4,215)**
Change in the ECL allowance for debt instruments measured at FVOCI	**–**	**34**	**–**	**34**
Reclassification of cumulative loss on disposal of debt instruments	**–**	**91**	**–**	**91**
Losses on equity instruments at FVOCI	**–**	**243**	**–**	**243**
Exchange differences arising from the translation of foreign operations from other currencies	**–**	**–**	**(4,455)**	**(4,455)**
At 31 December 2025	**10,451**	**23,732**	**5,921**	**40,104**

(in KZT million, unless otherwise is stated)

33. Segment analysis

Dividends

In accordance with Kazakhstan legislation and the Company's charter documents, distributable reserves are subject to the rules and regulations of the Republic of Kazakhstan.

The Group has six reportable segments which, as described below, represent the Group's principal operating activities. These segments offer different products and services and are managed separately, as they require the application of different technologies and market strategies. A brief description of the operations of each reportable segment is presented below:

- Corporate business (CB) – provision of loans, overdrafts, credit lines and other types of financing to corporate customers and financial institutions; opening and maintenance of current and term accounts; custody services; non−cash settlement services; foreign currency transactions; and documentary operations;
- Small and medium−sized business (SME) – provision of loans, credit lines, overdrafts and other types of financing to small and medium−sized enterprises, individual entrepreneurs and farming enterprises; opening and maintenance of current and term accounts; transactional services; documentary operations; and electronic banking services;
- Retail business (RB) – services for individuals, including consumer loans; opening and maintenance of current accounts, savings accounts and deposits; safekeeping services; credit and debit cards; and cash− and foreign−currency−related services;
- Investment activities – responsible for funding the Group's operations (REPO transactions, funding from banks and financial institutions, bond issuances, subordinated loan), securities transactions, the use of derivative financial instruments and foreign currency operations;
- Insurance − conducting insurance and reinsurance activities;
- Other – includes other transactions with debtors and creditors related to non−core activities, property, plant and equipment and intangible assets, balances on transit accounts, and other operations that are not attributable to the Group's business segments.

Information on the results of each reportable segment is presented below. Segment performance is evaluated based on the profit earned by the segment before income tax, as they are included in the internal reports provided to management and reviewed by Management. Segment profit is used to assess performance, as management considers this information to be the most relevant for evaluating the results of individual segments in comparison with other entities operating in the same industries. Pricing of transactions between segments is determined on an arm's length basis. As the majority of each segment's profit is derived from interest income, the Management relies primarily on net interest income when assessing segment performance and making decisions regarding the allocation of resources among segments.

The Group operates in the Republic of Kazakhstan and the Kyrgyz Republic. The majority of revenue from transactions with external customers is derived from operations with residents of the Republic of Kazakhstan.

(in KZT million, unless otherwise is stated)

33. Segment analysis (continued)

Dividends (continued)

The table below presents segment information for the principal reportable segments for the year ended 31 December 2025:

	Corporate business	*Small and medium business*	*Retail Grouping*	*Investing activities*	*Insurance*	*Others*	*Total*
Assets							
Cash and cash equivalents	**17,728**	**326,143**	**56,822**	**575,484**	**24,858**	**16,701**	**1,017,736**
Derivative financial assets	**–**	**–**	**–**	**831**	**–**	**–**	**831**
Amounts due from banks and other financial institutions	**–**	**–**	**–**	**168,819**	**205**	**–**	**169,024**
Trading securities	**–**	**–**	**–**	**16,136**	**309**	**9,509**	**25,954**
Investment securities	**–**	**–**	**–**	**1,253,614**	**29,038**	**–**	**1,282,652**
Loans to customers	**52,122**	**461,773**	**562,367**	**–**	**–**	**–**	**1,076,262**
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	**–**	**–**	**–**	**89,362**	**–**	**–**	**89,362**
Reinsurance contract assets	**–**	**–**	**–**	**–**	**3,619**	**–**	**3,619**
Property and equipment and right–of–use assets	**–**	**–**	**–**	**–**	**–**	**85,234**	**85,234**
Intangible assets	**–**	**–**	**–**	**–**	**–**	**6,288**	**6,288**
Non–current assets held for sale	**–**	**–**	**–**	**–**	**–**	**2,791**	**2,791**
Investment property	**–**	**–**	**–**	**–**	**–**	**20,816**	**20,816**
Current corporate income tax assets	**–**	**–**	**–**	**305**	**631**	**183**	**1,119**
Deferred corporate income tax assets	**–**	**–**	**–**	**244**	**–**	**113**	**357**
Other assets	**–**	**–**	**–**	**241**	**3,170**	**76,883**	**80,294**
Total assets	**69,850**	**787,916**	**619,189**	**2,105,036**	**61,830**	**218,518**	**3,862,339**
Liabilities							
Amounts due to banks and other financial institutions	**–**	**–**	**–**	**84,705**	**–**	**–**	**84,705**
Amounts payable under repurchase agreements	**–**	**–**	**–**	**162,018**	**–**	**–**	**162,018**
Derivative financial liabilities	**–**	**–**	**–**	**511**	**–**	**–**	**511**
Amounts due to customers	**364,687**	**614,425**	**903,060**	**–**	**–**	**–**	**1,882,172**
Debt securities issued	**–**	**–**	**–**	**294,817**	**–**	**–**	**294,817**
Subordinated debt	**–**	**–**	**–**	**57,297**	**–**	**–**	**57,297**
Liabilities to the mortgage organisation	**–**	**–**	**6,253**	**–**	**–**	**–**	**6,253**
Lease liabilities	**–**	**–**	**–**	**–**	**–**	**6,977**	**6,977**
Current corporate income tax liabilities	**–**	**–**	**–**	**–**	**–**	**4,157**	**4,157**
Deferred corporate income tax liabilities	**9,319**	**1,116**	**995**	**161,300**	**1,546**	**1,641**	**175,917**
Insurance contract liabilities	**–**	**–**	**–**	**–**	**26,973**	**–**	**26,973**
Other liabilities	**3,555**	**7,284**	**4,876**	**385**	**1,223**	**24,230**	**41,553**
Total Liabilities	**377,561**	**622,825**	**915,184**	**761,033**	**29,742**	**37,005**	**2,743,350**

(in KZT million, unless otherwise is stated)

33. Segment analysis (continued)

Dividends (continued)

	Corporate business	*Small and medium business*	*Retail Grouping*	*Investing activities*	*Insurance*	*Others*	*Eliminations*	*Total*
Interest revenue	24,709	99,223	189,229	176,326	6,226	9,304	–	505,017
Transfer income	40,229	50,956	93,646	177,030	–	3,698	(365,559)	–
Interest expense	(32,361)	(27,046)	(68,851)	(92,027)	–	(2,912)	–	(223,197)
Transfer expenditures	(22,196)	(41,254)	(91,489)	(194,971)	–	(15,649)	365,559	–
Net interest income before credit loss expense	10,381	81,879	122,535	66,358	6,226	(5,559)	–	281,820
Credit loss expense	3,083	15,192	(70,891)	(437)	22	1,332	–	(51,699)
Net interest income	13,464	97,071	51,644	65,921	6,248	(4,227)	–	230,121
Fee and commission income	2,752	30,161	11,611	2,842	–	2,329	–	49,695
Transfer and acquiring operations	*1,787*	*19,343*	*3,963*	*214*	–	141	–	25,448
Maintenance of customer current accounts and deposits	*36*	*7,304*	*6,489*	*475*	–	520	–	14,824
Cash operations	*131*	*2,405*	*835*	*106*	–	116	–	3,593
Guarantees and letters of credits	*798*	*682*	*59*	*10*	–	11	–	1,560
Other	–	*427*	*265*	*2,037*	–	1,541	–	4,270
Fee and commission expense	(1,648)	(17,166)	(12,387)	(2,639)	–	(721)	–	(34,561)
Net fee and commission income	1,104	12,995	(776)	203	–	1,608	–	15,134
Revenue from insurance contracts	–	–	–	–	37,600	–	–	37,600
Insurance service expense	–	–	–	–	(30,374)	–	–	(30,374)
Net expense from reinsurance contracts held	–	–	–	–	(3,176)	–	–	(3,176)
Net finance expenses for insurance contracts issued	–	–	–	–	(2,733)	–	–	(2,733)
Net finance income for reinsurance contracts held	–	–	–	–	27	–	–	27
Net insurance service result	–	–	–	–	1,344	–	–	1,344
Net gains from financial instruments at fair value through profit or loss	–	–	–	20,324	–	385	–	20,709
Net losses from derecognition of investment securities at fair value through other comprehensive income	–	–	–	(97)	(5)	–	–	(102)
Net gains from foreign currencies	1,702	20,289	9,434	898	(910)	673	–	32,086
Dividend income	–	–	–	127	–	6	–	133
Other income	125	(140)	1,139	5,598	389	17,481	–	24,592
Other operating income	1,827	20,149	10,573	26,850	(526)	18,545	–	77,418
Personnel expenses	(4,898)	(31,895)	(22,745)	(11,196)	(1,385)	(2,637)	–	(74,756)
Other general and administrative expenses	(3,791)	(17,708)	(20,480)	(9,483)	(1,425)	(3,740)	–	(56,627)
Other impairment and provisions	10	2,615	402	5	(1,259)	1,147	–	2,920
Other expenses	–	(148)	(90)	(63)	(158)	(1,417)	–	(1,876)
Other operating expenses	(8,679)	(47,136)	(42,913)	(20,737)	(4,227)	(6,647)	–	(130,339)
Profit before corporate income tax expense	7,716	83,079	18,528	72,237	2,839	9,279	–	193,678
Corporate income tax expense	2,737	(3,804)	(5,996)	(28,836)	(459)	(9,288)	–	(45,646)
Profit for the year	10,453	79,275	12,532	43,401	2,380	(9)	–	148,032

(in KZT million, unless otherwise is stated)

33. Segment analysis (continued)

Dividends (continued)

The table below presents segment information for the principal reportable segments for the year ended 31 December 2024:

	Corporate business	*Small and medium business*	*Retail Grouping*	*Investing activities*	*Insurance*	*Others*	*Total*
Assets							
Cash and cash equivalents	19,506	187,430	123,611	493,665	18,350	15,257	857,819
Derivative financial assets	–	–	–	60	–	–	60
Amounts due from banks and other financial institutions	2,711	–	–	73,020	112	2	75,845
Trading securities	–	–	–	49,813	304	–	50,117
Investment securities	–	–	–	1,285,372	47,128	–	1,332,500
Loans to customers	59,017	433,299	646,699	–	–	–	1,139,015
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	122,212	–	–	–	–	–	122,212
Reinsurance contract assets	–	–	–	–	3,549	–	3,549
Property and equipment and right–of–use assets	–	–	–	8	–	85,531	85,539
Intangible assets	–	–	–	11	–	8,003	8,014
Non–current assets held for sale	–	–	–	–	–	1,672	1,672
Investment property	–	–	–	–	–	50,680	50,680
Current corporate income tax assets	–	–	–	321	736	3,631	4,688
Deferred corporate income tax assets	–	–	–	201	–	40	241
Assets of a disposal group classified as held for sale	–	–	–	–	–	11,448	11,448
Other assets	–	6,267	1,910	44,929	2,333	41,582	97,021
Total assets	203,446	626,996	772,220	1,947,400	72,512	217,846	3,840,420
Liabilities							
Amounts due to banks and other financial institutions	96,877	21,783	–	2,983	–	–	121,643
Amounts payable under repurchase agreements	–	–	–	43,025	–	–	43,025
Derivative financial liabilities	–	–	–	1,073	–	–	1,073
Amounts due to customers	414,226	599,414	942,080	–	–	–	1,955,720
Debt securities issued	–	–	–	304,486	–	–	304,486
Subordinated debt	–	–	–	118,116	–	–	118,116
Liabilities to the mortgage organisation	–	–	7,810	–	–	–	7,810
Lease liabilities	–	–	–	–	–	4,224	4,224
Current corporate income tax liabilities	–	–	–	75	–	511	586
Deferred corporate income tax liabilities	11,570	15,174	34,364	97,794	1,407	8,489	168,798
Insurance contract liabilities	–	–	–	–	39,298	–	39,298
Liabilities of a disposal group classified as held for sale	–	–	–	–	–	3,462	3,462
Other liabilities	3,669	9,724	5,063	3,031	1,667	32,887	56,041
Total liabilities	526,342	646,095	989,317	570,583	42,372	49,573	2,824,282

(in KZT million, unless otherwise is stated)

33. Segment analysis (continued)

Dividends (continued)

	Corporate business	Small and medium business	Retail Grouping	Investing activities	Insurance	Others	Eliminations	Total
Interest revenue	22,285	65,697	183,572	168,534	6,952	7,811	–	454,851
Transfer income	35,246	43,231	78,287	185,034	–	4,299	(346,097)	–
Interest expense	(24,363)	(20,150)	(67,257)	(73,389)	–	(3,294)	–	(188,453)
Transfer expenditures	(15,409)	(38,065)	(93,795)	(176,838)	–	(21,990)	346,097	–
Net interest income before credit loss expense	17,759	50,713	100,807	103,341	6,952	(13,174)	–	266,398
Credit loss expense	5,850	12,400	(68,613)	145	(37)	(4,613)	–	(54,868)
Net interest income	23,609	63,113	32,194	103,486	6,915	(17,787)	–	211,530
Fee and commission income	3,020	36,790	12,962	2,377	–	2,439	–	57,588
Transfer and acquiring operations	*2,282*	*26,392*	*5,407*	425	–	*52*	–	34,558
Maintenance of customer current accounts and deposits	*34*	*6,621*	*6,685*	448	–	*285*	–	14,073
Cash operations	*125*	*2,045*	*627*	95	–	*62*	–	2,954
Guarantees and letters of credits	*579*	*1,387*	*55*	12	–	*8*	–	2,041
Other	–	*345*	*188*	1,397	–	*2,032*	–	3,962
Fee and commission expense	(1,593)	(18,494)	(14,159)	(1,063)	–	(321)	–	(35,630)
Net fee and commission income	1,427	18,296	(1,197)	1,314	–	2,118	–	21,958
Revenue from insurance contracts	–	–	–	–	31,273	–	–	31,273
Insurance service expense	–	–	–	–	(35,174)	–	–	(35,174)
Net expense from reinsurance contracts held	–	–	–	–	(224)	–	–	(224)
Net finance expenses for insurance contracts issued	–	–	–	–	(1,676)	–	–	(1,676)
Net finance income for reinsurance contracts held	–	–	–	–	76	–	–	76
Net insurance service result	–	–	–	–	(5,725)	–	–	(5,725)
Net gains from financial instruments at fair value through profit or loss	(254)	–	(1)	2,447	–	4,759	–	6,951
Net losses on derecognition of investment securities measured at fair value through other comprehensive income	–	–	–	(17)	5	–	–	(12)
Net gains from foreign currencies	894	11,586	5,462	50,336	3,585	402	–	72,265
Dividend income	–	–	–	2,284	–	–	–	2,284
Net gains from initial recognition of financial instruments	–	–	–	2,669	–	–	–	2,669
Other income	66	355	1,008	4,598	265	39,915	–	46,207
Other operating income	706	11,941	6,469	62,317	3,855	45,076	–	130,364
Personnel expenses	(4,369)	(25,657)	(19,726)	(5,313)	(1,469)	(9,621)	–	(66,155)
Other general and administrative expenses	(3,313)	(16,751)	(16,765)	(19,643)	(1,057)	(4,365)	–	(61,894)
Other impairment and provisions	(1)	89	252	(1,387)	–	694	–	(353)
Impairment loss on other intangible assets	–	–	–	(176)	–	–	–	(176)
Other expenses	(506)	(51)	(28)	(1,592)	(50)	(23,854)	–	(26,081)
Other operating expenses	(8,189)	(42,370)	(36,267)	(28,111)	(2,576)	(37,146)	–	(154,659)
Profit before corporate income tax expense	17,553	50,980	1,199	139,006	2,469	(7,739)	–	203,468
Corporate income tax expense	180	(2,570)	(1,280)	(9,214)	(1,803)	(2,692)	–	(17,379)
Profit for the year	17,733	48,410	(81)	129,792	666	(10,431)	–	186,089

(in KZT million, unless otherwise is stated)

34. Risk management

Introduction

Activities of the Group are exposed to the risks. The Group manages these risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non−trading risks. The Group is also exposed to operational risks.

The Group's risk management policies aimed at creating comprehensive risk management system that is appropriate to the nature and scope of the Group's operations, the profile of the risks to be taken, and the needs of further business development.

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

Risk management structure

The Bank has established a multi−level risk management system that ensures effective identification, assessment, monitoring and control of risks.

The Bank applies the 'three lines of defence' principle, which provides for a clear segregation of responsibilities between risk−taking units, the risk management function and internal audit.

Board of Directors

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

Management Board

The Management Board has the responsibility to monitor the overall risk process within the Bank. The Bank's Management Board is responsible for managing the Bank's day−to−day operations based on the selected business model, the scale and nature of operations, the level of the risk profile, and in accordance with the internal policies approved by the Bank's Board of Directors.

Risk management

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

The primary objective of the financial risk management function (credit risk, liquidity risk, market risk) is to establish risk limits and then ensure that exposure to risks stays within these limits. Management of operational risks, risks of information technology and information security, legal and compliance risks should ensure proper functioning of internal processes and procedures in order to minimise the Group's exposure to internal and external risks.

Bank Treasury

Treasury is responsible for managing the Bank's assets and liabilities by implementing the decisions of the Asset and Liability Management Committee. Treasury is also primarily responsible for managing short−term liquidity risk and is involved in managing the Group's funding risk.

Internal audit

Risk management processes throughout the Group are audited annually by the internal audit group that examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

34. Risk management (continued)

Introduction (continued)

Risk measurement and reporting systems

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

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

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Management Board, the Risk Committee, and the head of each business division. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, liquidity ratios and risk profile changes. The information on risks by industry, business segments, products, currency, types of collateral, terms of financing and regions is provided on a monthly basis. The Board of Directors receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

Risk mitigation

Credit risk reduction is provided by regular extended monitoring of financial condition and collateral of clients with control over implementation of covenants established during initial financing. Also, as part of its overall risk management, the Group uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies and exposures arising from forecast transactions.

Excessive risk concentration

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

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

Credit risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Group manages credit risk (for recognised financial assets and unrecognised contractual commitments) through the adoption of approved policies and procedures, requiring setting and meeting the limits of credit risk concentration as well as by means of establishing the credit committee whose functions include monitoring of a credit risk. The credit policy is reviewed and approved by the Board of Directors.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

The credit policy establishes and determines the major requirements to be followed in lending activity, including:

- Aims and objectives of the Group's lending activity;
- Priorities and restrictions in lending;
- Credit risk allowable level;
- System of the credit risk limits;
- Terms of granting loans to the individuals and legal entities, including entities having special relations with the Group;
- Stages and participants of the lending process;
- Decision−making system;
- Key principles and methods of credit risk management in the Group;
- Internal control system for the credit risk management process.

On the basis of the Credit Policy, which covers the key directions of the Group's activity and the system of the credit risk management instruments, the Group has built a more efficient lending process in the segments of the corporate business, small and medium−sized business and retail business, as described below. The Group has established several credit committees which approve credit limits for borrowers:

Applications from corporate customers and small and medium−sized enterprise (SME) customers for loans are reviewed, respectively, by the Corporate Business Unit, and SME lending units at branch level, which are responsible for assessing the creditworthiness and solvency of customers.

Subsequently, for consideration of the transaction by the authorised decision−making body, opinions of the Group's relevant functions are submitted, including legal, security, collateral and risk management opinions.

For the purposes of effective risk management, during the assessment of proposed transactions the risk management function assigns a rating (probability of default) to the borrower.

The Group currently applies rating and scoring models for each business segment, including small, medium and corporate businesses, as well as for retail customers.

Based on the conclusions provided, the decision is made by the Credit Committee depending on the level of decision−making authority. Transactions exceeding 5% of the Bank's equity are approved exclusively by a decision of the Bank's Board of Directors.

Loan applications from individuals are reviewed by the Retail Lending Department. In this process, models and data verification procedures developed jointly with the Credit Risk Department are applied.

To achieve the Group's key performance indicators, while setting the interest rates for the customers from the corporate business, SME and retail business, the level of credit risk accepted under each transaction is taken into account, and at least the following factors are analysed:

- Rating/scoring (probability of default of the borrower);
- Losses if the borrower defaults;
- Funding costs;
- Cost of capital;
- The Group's overheads.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

To ensure the effective risk management at the portfolio level the Group uses such methods as diversification of the loan portfolio and system of management reporting, which allows exercising the regular monitoring of the Group lending activity, identifying the major problems and implementing the risk minimisation instruments as well as stress−testing of credit risk.

The Group has improved the system of credit risk limits, which comprises:

- Credit risk allowable level;
- Limits by the categories of borrowers;
- Limits on the types of lending;
- Limits for the retail segment, comprising the portfolio limits and individual limits;
- Limits on lending in terms of the industries, etc.

Monitoring and control are exercised periodically, and findings are submitted for consideration to the Management Board/Board of Directors of the Bank.

This instrument enables the Group to control its lending activities based on defined strategic development indicators, as well as the level of risk appetite adopted by the Group in specific areas.

The system of management reporting is functioning within the Group, the purpose of which is to provide the high quality, reliable and accurate information on the credit risk level and its deviation from the set value. Management reporting is prepared both for the Group as a whole and by individual segments on a monthly/quarterly basis and is submitted for review by the Bank's Management Board and Board of Directors.

The Group applies the methodology of credit risk stress testing, which is performed using a scenario analysis and sensitivity analysis. While performing the stress testing, the Group uses the following scenarios:

- General business scenario, which is based on assessment of influence of deterioration of the economic situation in the country, including decline in economic growth in general and in separate industries;
- Scenario specific to the Group's business, which is based on assessment of influence of the local stress factors, including those related to the specifics of the Group's lending activity and structure of its loan portfolio.

Credit risk stress testing makes it possible to respond on a timely basis to changes in macroeconomic and other indicators that may adversely affect the Group's operations, and to forecast the impact of these factors and develop risk mitigation methods.

The maximum exposure to credit risk for the components of the consolidated statement of financial position, before the effect of mitigation through the use of master netting and collateral agreements, is best represented by their carrying amounts.

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

Collateral is generally not held against claims for investments in securities, due from banks and other financial organizations unless the securities are held under reverse repurchase agreements and borrowings secured by securities. An analysis of credit quality in respect of contingent contractual obligations as at the reporting date is presented in *Note 36*.

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(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

Impairment assessment

The Group calculates ECL based on several probability−weighted scenarios with due account for the expected cash discounted using the EIR. The main elements of calculating the ECL are as follows:

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

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

1. Stage 1 − financial assets for which there are no indicators of a significant increase in the credit risk and impairment;
2. Stage 2 − financial assets with a significant increase in credit risk and with no impairment indicators;
3. Stage 3 − financial assets with a significant increase in credit risk and having at least one impairment and default risk.
4. POCI − purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit−adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses. ECL are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

Significant Increase in Credit Risk

In assessing whether there has been a significant increase in credit risk for a financial instrument since its initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The assessment includes both quantitative and qualitative information, as well as analysis based on the Group's historical experience, expert judgement of credit quality, and forward−looking information.

The Group uses following criteria for determining whether there has been a significant increase in credit risk:

- Quantitative factor based on changes in the probability of default (for each risk group of a financial instrument, allowable thresholds are set for a relative increase in the probability of default from 100% to 200%);
- Qualitative indicators; and
- 30−day delinquency threshold.

34. Risk management (continued)

Credit risk (continued)

Impairment assessment (continued)

Significant increase in credit risk (continued)

The Group assesses whether credit risk has increased significantly since initial recognition in each reporting period. The criteria for determining a significant increase in credit risk vary depending on different types of lending, in particular, for corporate and retail customers, as well as on the portfolio, and include both quantitative changes in the values of the probability of default and qualitative factors, including the "limiter" of the period of delay.

The Group considers that the credit risk of a particular position exposed to credit risk has increased significantly since its initial recognition if, on the basis of the Group's modelling methods, it is determined that there are objective factors that lead to a deterioration in the financial and economic condition of the counterparty. When assessing whether there is a significant increase in credit risk, the expected credit losses for the remaining entire period are adjusted to changes in the maturity.

An increase in credit risk can be considered significant if it is indicated by qualitative factors linked to the Group's credit risk management process, the effect of which cannot be fully identified in a timely manner during quantitative analysis. The assessment of these qualitative factors is carried out on the basis of professional judgment and taking into account the relevant past experience.

As a backstop indicator of a significant increase in credit risk since initial recognition, the Group considers an asset to be past due for more than 30 days, except for bank account balances, and for investment securities, where a past−due status of more than three days is applied. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

Definition of default and cure

The Group considers a financial instrument to be in default and, accordingly, classifies it as Stage 3 (credit−impaired assets) for ECL calculation purposes whenever the borrower is past due on contractual payments by 90 days or more, except for balances on bank accounts. For investment securities, default is deemed to have occurred when they are past due by more than 30 days.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group performs a thorough analysis to determine whether the event results in a default and whether the assets should be classified as Stage 3 for ECL calculation purposes, or whether Stage 2 classification is more appropriate. Such events include:

- It is unlikely that the borrower's loan obligations to the Group will be repaid in full without the Group taking measures such as the sale of collateral (if any);
- Loan is being restructured due to deterioration of financial condition of the borrower;
- Probability of bankruptcy of the borrower arises;
- Breach of covenants;
- Overdue debts and default on other obligations to the Group by the same issuer;
- Other information obtained from own and external sources.

If there is evidence that there is no longer a significant increase in credit risk or default relative to the time of initial recognition, the loss allowance for the relevant instrument will again be measured at 12−month ECLs. Some qualitative factors of increased credit risk may indicate an increased risk of default, which continues to occur after the factor itself has ceased to exist.

34. Risk management (continued)

Credit risk (continued)

Impairment assessment (continued)

Definition of default and cure (continued)

In these cases, the Group designates a 'probationary period' of 3 months, during which payments on the financial asset must be made on time and in specified amounts to demonstrate that the credit risk of the asset has been sufficiently reduced. Where contractual loan terms have been changed, evidence that the criteria for recognising a lifetime ECL are no longer met shall include statistics on timely payments in accordance with the modified contractual terms.

In the case of restructured financial assets, the Group has defined a 'probationary period' of 12 months, during which payments on the financial asset must be made on time and in specified amounts before the financial asset is no longer classified as credit impaired.

Forward–looking information and economic scenarios

The Group includes forward–looking information both in the assessment for a significant increase in credit risk since the initial recognition of the financial instrument and in the assessment of expected credit losses. In assessing forward–looking information, the Group relies on information obtained from external sources.

The Group has identified and formally documented the key factors affecting the assessment of credit risk and credit losses for each portfolio of financial instruments and, using historical data analysis, has assessed the relationship between macroeconomic variables, credit risk and credit losses.

Forward–looking ratios between the key indicator and default events and loss levels for various portfolios of financial assets were developed using the analysis of historical data over the past 5 years.

Historical data on selected macroeconomic factors are used from external sources, which are available without undue cost or effort. The Group's ECL models use the following main macroeconomic factors such as price of oil, GDP growth and consumer prices.

Key drivers	***ECL Scenario***	***Assigned probabilities, %***	***2026***	***2027***
	Upside	**20.00**	10.50%	9.90%
	Base	**60.00**	12.10%	10.40%
Consumer price index	Downside	**20.00**	13.50%	11.80%
	Upside	**20.00**	71.00	70.62
	Base	**60.00**	62.00	64.41
Oil prices, in US dollars	Downside	**20.00**	51.00	58.20
	Upside	**20.00**	106.72%	106.21%
Real GDP growth/decline compared to the	Base	**60.00**	105.70%	105.39%
corresponding period of the previous year, cumulative.	Downside	**20.00**	104.45%	104.63%

Key drivers	***ECL Scenario***	***Assigned probabilities, %***	***2025***	***2026***
	Upside	20.00	8.43%	7.27%
	Base	60.00	8.95%	7.78%
Consumer price index	Downside	20.00	9.46%	8.24%
	Upside	20.00	81.61	81.54
	Base	60.00	73.6	73.54
Oil prices, in US dollars	Downside	20.00	64.08	64.02
	Upside	20.00	153,765	171,727
	Base	60.00	153,653	171,998
GDP, in billions of tenge	Downside	20.00	153,333	171,919

To forecast scenarios and determine the probability of their development, historical forecast macroeconomic indicators and actual results for the maximum possible period are analysed from the same sources that were used for scenario forecasting.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

Impairment assessment (continued)

Treasury and interbank relationships

For financial instruments (correspondent accounts, interbank loans and deposits, securities), a significant increase in credit risk is determined individually for each financial asset based on quantitative indicators (downgrading of the rating determined by international rating agencies since initial recognition) and qualitative indicators (negative information concerning the issuer/counterparty, including deterioration of financial condition, change of shareholders, implementation of the risk of loss of reputation, the systematic violation of prudential regulations) from the moment of initial recognition.

Large corporate lending

In the case of commercial lending, the borrowers are assessed by the Group's special Credit Risk Department. The credit risk assessment is based on a credit scoring model that takes into account various historical, current and forward−looking information such as:

- Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention;
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond prices or press releases and articles;
- Any macro−economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates;
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the borrower's performance.

All significant financial assets with a carrying amount of more than 0.2% of the Group's equity are individually assessed (each consolidated financial asset) at the reporting date. Financial assets that are not significant are collectively assessed for groups with similar risk characteristics.

The Group uses the following levels of internal credit rating for the assets from treasury and interbank operations and loans to corporates.

Rating similar to that of the international rating agency (S&P)	*Internal rating description*	*Lifetime PD*
AA+ to AAA AA A+ to AA− A− to A BBB+ BBB BBB−	High rating	0.00% − 0.07%
BB+ BB− to BB B− to B+	Standard rating	0.07% − 6.65%
CCC CCC−	Sub−standard rating	6.65% − 47.47%
D	Impaired	100.00%

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

Impairment assessment (continued)

Small and medium business and retail lending

The Group uses data collected to analyse maturities that reflect the historical migration of loans consolidated into groups on a collective basis. The depth of the calculation period is at least 60 months from the current reporting date. Then, a model is used to measure the relationship between macroeconomic factors and the probability of default.

When calculating the discounted value of estimated future cash flows for a financial asset, the Group also takes into account cash flows that may arise as a result of the transfer of ownership of the Group to collateral. If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition

Credit quality by class of financial assets

The Group manages the credit quality of financial assets using an internal rating system, one of the components of which is rating assigned by the international rating agencies. Analysis of credit quality is disclosed in respective notes to the consolidated financial statements of the Group.

The table below shows the credit quality by class of assets. Credit card commitments, letters of credit and financial guarantees are presented at their contractual amounts.

31 December 2025	*Note*	*Stage*	*High rating*	*Standard rating*	*Sub−standard rating*	*Impairment*	*Not rated*	*Total*
Cash and cash equivalents, other than cash on hand	14	Stage 1	**187,650**	**721,588**	–	–	**11,157**	**920,395**
Amounts due from banks and other financial institutions	16	Stage 1	**41,601**	**111,263**	–	–	**16,160**	**169,024**
Loans to customers measured at amortised cost:								
		Stage 1	–	**14,869**			**26,008**	**40,877**
		Stage 2	–	–	–	–	**2,657**	**2,657**
		Stage 3	–	–	–	**761**	**3,276**	**4,037**
− Loans to large corporates		POCI	–	–	–	**3,989**	**562**	**4,551**
Debt investment securities:	18							
− measured at FVOCI		Stage 1	**202,273**	**676,783**	–	–	**22,630**	**901,686**
− measured at amortised cost	18	Stage 1	**88,523**	**230,899**	–	–	–	**319,422**
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan		Stage 1	–	**89,362**	–	–	–	**89,362**
		Stage 1	**226**	**18**	**15**	–	**1**	**260**
Credit card commitments	36	Stage 3	**1**	–	–	**1**	–	**2**
Letters of credit	36	Stage 1	**32**	**1,289**	–	–	**462**	**1,783**
		Stage 1	**41,322**	**2,312**	–	–	**6,819**	**50,453**
		Stage 2	–	–	–	–	**373**	**373**
Financial guarantees	36	Stage 3	–	–	–	**2,937**	–	**2,937**
Total			561,628	1,848,383	15	7,688	90,105	2,507,819

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

31 December 2024	*Note*	*Stage*	*High rating*	*Standard rating*	*Sub−standard rating*	*Impairment*	*Not rated*	*Total*
Cash and cash equivalents,		Stage 1	174,897	558,091	−	−	4,799	737,787
other than cash on hand	14	Stage 2	5,205	3,331	−	−	6,286	14,822
Amounts due from banks and other financial institutions	16	Stage 1	25,474	4,641	−	−	45,730	75,845
Loans to customers measured at amortised cost:								
		Stage 1	−	−	23,206	−	17,838	41,044
		Stage 2	−	−	345	−	2,198	2,543
		Stage 3	−	−	−	2,192	4,195	6,387
− Loans to large corporates		POCI	−	−	−	7,351	1,692	9,043
Debt investment securities:								
		Stage 1	173,149	698,020	−	−	5,604	876,773
− measured at FVOCI		Stage 2	−	−	−	−	1,216	1,216
− measured at amortised cost	18	Stage 1	30,392	362,622	−	−	−	393,014
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan		Stage 1	−	122,212	−	−	−	122,212
		Stage 1	1,931	204	8	−	6	2,149
		Stage 2	−	−	2	2	−	4
Credit card commitments	36	Stage 3	−	−	−	52	−	52
Letters of credit	36	Stage 1	−	1,947	−	−	425	2,372
		Stage 1	52,290	2,853	−	−	4,317	59,460
		Stage 2	−	−	−	−	357	357
Financial guarantees	36	Stage 3	−	−	−	2,937	−	2,937
Total			463,338	1,753,921	23,561	12,534	94,663	2,348,017

As at 31 December 2024, the highly rated cash equivalents classified as Stage 2 are represented by funds in the accounts of UniCredit Group JSC registered in the Russian Federation

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Credit risk (continued)

Geographical concentration

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

	Kazakhstan	*OECD*	*Others*	*Total*
Assets				
Cash and cash equivalents	**675,147**	**123,725**	**218,864**	**1,017,736**
Derivative financial assets	**829**	**2**	**–**	**831**
Amounts due from banks and other financial institutions	**108,348**	**22,975**	**37,701**	**169,024**
Trading securities	**25,288**	**666**	**–**	**25,954**
Investment securities	**980,107**	**225,728**	**76,817**	**1,282,652**
Loans to customers	**841,698**	**211**	**234,353**	**1,076,262**
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	**89,362**	**–**	**–**	**89,362**
Reinsurance contract assets	**3,619**	**–**	**–**	**3,619**
Other financial assets	**34,449**	**422**	**10,139**	**45,010**
	2,758,847	**373,729**	**577,874**	**3,710,450**
Liabilities				
Amounts due to banks and other financial institutions	**16,964**	**1,510**	**66,231**	**84,705**
Amounts payable under repurchase agreements	**162,018**	**–**	**–**	**162,018**
Derivative financial liabilities	**–**	**–**	**511**	**511**
Amounts due to customers	**1,390,182**	**24,571**	**467,419**	**1,882,172**
Debt securities issued	**294,817**	**–**	**–**	**294,817**
Subordinated debt	**57,297**	**–**	**–**	**57,297**
Liabilities to the mortgage organisation	**6,253**	**–**	**–**	**6,253**
Lease liabilities	**1,480**	**–**	**5,497**	**6,977**
Insurance contract liabilities	**26,973**	**–**	**–**	**26,973**
Other financial liabilities	**13,153**	**1,534**	**4,542**	**19,229**
	1,969,137	**27,615**	**544,200**	**2,540,952**
Net balance sheet position	**789,710**	**346,114**	**33,674**	**1,169,498**

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

	Kazakhstan	*OECD*	*Others*	*Total*
Assets				
Cash and cash equivalents	504,730	146,747	206,342	857,819
Derivative financial assets	60	–	–	60
Amounts due from banks and other financial institutions	21,707	22,358	31,780	75,845
Trading securities	46,219	1,286	2,612	50,117
Investment securities	1,124,345	173,964	34,191	1,332,500
Loans to customers	958,100	169	180,746	1,139,015
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	122,212	–	–	122,212
Reinsurance contract assets	3,549	–	–	3,549
Other financial assets	46,066	802	9,847	56,715
	2,826,988	345,326	465,518	3,637,832
Liabilities				
Amounts due to banks and other financial institutions	16,757	432	104,454	121,643
Amounts payable under repurchase agreements	43,025	–	–	43,025
Derivative financial liabilities	–	943	130	1,073
Amounts due to customers	1,505,560	31,013	419,147	1,955,720
Debt securities issued	304,486	–	–	304,486
Subordinated debt	118,116	–	–	118,116
Liabilities to the mortgage organisation	7,810	–	–	7,810
Lease liabilities	2,201	–	2,023	4,224
Insurance contract liabilities	39,298	–	–	39,298
Other financial liabilities	10,286	4,795	5,713	20,794
	2,047,539	37,183	531,467	2,616,189
Net balance sheet position	779,449	308,143	(65,949)	1,021,643

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges, and equity prices. Except for the concentrations within foreign currency, the Group has no significant concentration of market risk.

Market risk management is carried out through the management of asset and liability positions, pricing of financial instruments to ensure a positive interest margin and expected return, management of open foreign exchange positions, continuous monitoring of market risks, and control over established risk appetite limits for the relevant transactions.

The Group manages its market risk by setting open position limits in relation to consolidated financial instruments, interest rate maturity and currency positions and stop−loss limits.

During 2025 and 2024 the Group implemented the following measures: improved the market risk management procedures; improved procedures of the market risk stress testing; improved the system of the market risk management reporting; revised internal limits form market risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Board has set limits on foreign currency positions below the regulatory limits, in accordance with the Group's own risk appetite in the current environment.

Below is the analysis of financial assets and liabilities by foreign currencies as at 31 December 2025:

	KZT	*USD*	*EUR*	*RUB*	*Other currencies **	*Total*
Assets						
Cash and cash equivalents	**613,012**	**161,828**	**73,418**	**19,366**	**150,112**	**1,017,736**
Amounts due from banks and other financial institutions	**87,911**	**74,447**	**485**	**–**	**6,181**	**169,024**
Trading securities	**16,249**	**4,948**	**–**	**–**	**–**	**21,197**
Investment securities	**887,985**	**317,965**	**–**	**–**	**15,158**	**1,221,108**
Loans to customers	**827,864**	**109,234**	**–**	**–**	**139,164**	**1,076,262**
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan **	**–**	**89,362**	**–**	**–**	**–**	**89,362**
Reinsurance contract assets	**522**	**3,097**	**–**	**–**	**–**	**3,619**
Other financial assets	**36,238**	**3,457**	**132**	**138**	**5,045**	**45,010**
	2,469,781	**764,338**	**74,035**	**19,504**	**315,660**	**3,643,318**
Liabilities						
Amounts due to banks and other financial institutions	**18,978**	**43,503**	**6,201**	**1,814**	**14,209**	**84,705**
Amounts payable under repurchase agreements	**124,176**	**37,842**	**–**	**–**	**–**	**162,018**
Amounts due to customers	**1,081,927**	**479,645**	**66,219**	**18,082**	**236,299**	**1,882,172**
Debt securities issued	**294,566**	**251**	**–**	**–**	**–**	**294,817**
Subordinated debt	**57,297**	**–**	**–**	**–**	**–**	**57,297**
Liabilities to the mortgage organisation	**6,253**	**–**	**–**	**–**	**–**	**6,253**
Lease liabilities	**1,231**	**5,265**	**–**	**–**	**481**	**6,977**
Insurance contract liabilities	**26,183**	**790**	**–**	**–**	**–**	**26,973**
Other financial liabilities	**9,550**	**4,718**	**452**	**2**	**4,507**	**19,229**
	1,620,161	**572,014**	**72,872**	**19,898**	**255,496**	**2,540,441**
Impact of derivative instruments held for the purpose of risk management	**117,191**	**(101,043)**	**2,872**	**510**	**(18,007)**	**1,523**
Net foreign currency position	**966,811**	**91,281**	**4,035**	**116**	**42,157**	**1,104,400**

* *Other currencies mainly include KGS for Optima Bank OJSC's transactions.*

** *Promissory notes of the Ministry of Finance of the Republic of Kazakhstan are denominated in KZT, but all payments, including interest, are indexed to the change in US Dollar to KZT exchange rate from the date of issue of the promissory notes.*

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Market risk (continued)

Currency risk (continued)

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

	KZT	*USD*	*EUR*	*RUB*	*Other currencies**	*Total*
Assets						
Cash and cash equivalents	406,745	151,177	95,664	42,801	161,432	857,819
Amounts due from banks and other financial institutions	1,470	63,267	447	–	10,661	75,845
Trading securities	5,437	36,387	507	–	–	42,331
Investment securities	1,005,788	258,207	–	–	7,008	1,271,003
Loans to customers	921,802	117,987	5	–	99,221	1,139,015
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan **	–	122,212	–	–	–	122,212
Reinsurance contract assets	2,561	988	–	–	–	3,549
Other financial assets	49,461	897	60	499	5,798	56,715
	2,393,264	**751,122**	**96,683**	**43,300**	**284,120**	**3,568,489**
Liabilities						
Amounts due to banks and other financial institutions	14,434	46,494	15,345	9,210	36,160	121,643
Amounts payable under repurchase agreements	23,680	19,345	–	–	–	43,025
Amounts due to customers	1,145,112	533,515	77,155	24,261	175,677	1,955,720
Debt securities issued	304,486	–	–	–	–	304,486
Subordinated debt	118,116	–	–	–	–	118,116
Liabilities to the mortgage organisation	7,810	–	–	–	–	7,810
Lease liabilities	1,952	1,792	–	–	480	4,224
Other financial liabilities	9,900	4,807	423	1	5,663	20,794
	1,625,490	605,953	92,923	33,472	217,980	2,575,818
Impact of derivative instruments held for the purpose of risk management	58,278	(48,295)	2,286	(9,609)	(1,708)	952
Net foreign currency position	826,052	96,874	6,046	219	64,432	993,623

* *Other currencies mainly include KGS for Optima Bank OJSC's transactions.*

** *Promissory notes of the Ministry of Finance of the Republic of Kazakhstan are denominated in KZT, but all payments, including interest, are indexed to the change in US Dollar to KZT exchange rate from the date of issue of the promissory notes.*

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Market risk (continued)

Currency risk (continued)

The sensitivity analysis is based on the internal report on open currency positions, including derivative financial instruments, for assessing possible changes in profit and cost of capital.

The table below shows the change in the financial result as a result of possible changes in exchange rates used at the reporting date. This analysis was carried out before deduction of taxes, while all other variables are held constant:

	2025		*2024*	
Currency	***Increase in currency rate in %***	***Effect on profit before tax***	***Increase in currency rate in %***	***Effect on profit before tax***
USD	**15.88**	**14,495**	9.09	8,806
EUR	**22.29**	**899**	9.00	544
RUB	**32.26**	**37**	19.82	43

	2025		*2024*	
Currency	***Decrease in currency rate in %***	***Effect on profit before tax***	***Decrease in currency rate in %***	***Effect on profit before tax***
USD	**(6.68)**	**(6,098)**	(7.34)	(7,111)
EUR	**(4.26)**	**(172)**	(5.95)	(360)
RUB	**(37.70)**	**(44)**	(38.53)	(84)

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulties in meeting its financial obligations, under normal and unforeseen conditions, in a timely manner. The Group is exposed to the risk due to the daily need to use available funds for settlements on overnight deposits, customer accounts, repayment of deposits, loans, guarantees and derivative financial instruments that are settled in cash. The Group maintains a sufficient level of cash based on its accumulated operating experience and with a reasonably high degree of accuracy in forecasting the liquidity required to meet its obligations.

As a protective measure in the event of a cash flow disruption, the Group maintains a portfolio of highly liquid assets that can be easily sold.

The key objectives of the Group's liquidity risk management are as follows:

- To ensure that the Group is able to discharge its liabilities in time and in full scope;
- To invest the Group's free cash flows in high income earning and highly liquid assets.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Liquidity risk (continued)

In the process of managing liquidity risk the Group is governed by the following principles:

- Liquidity is managed on a day−to−day basis and continuously;
- Sound management of assets and liabilities;
- Management of access to the interbank market;
- Diversification and stability of liabilities;
- Application of the methods and instruments for the liquidity risk assessment, which do not contradict the regulatory legal acts of the NBRK;
- Clear split of the powers and responsibility for liquidity management between the bodies of the Group, its officials and business units;
- Setting of limits that ensure the adequate level of liquidity and meet the size, nature of business and financial position of the Group;
- In case of a conflict between the liquidity and returns, to make decision in favour of liquidity;
- Planning of the liquidity requirements;
- Regular monitoring of the decisions to provide liquidity, which have been made before.

Liquidity risk management policy provides for assessment of the total liquidity requirement under both normal and stressed conditions, taking into account the following:

- The Group's strategy and those types of activity, which expose the Group to the liquidity risk;
- The Group's risk appetite strategy;
- Size, nature and complexity of the Group's business;
- Size of the Group's exposure to liquidity risk and assessment of its impact on the Group's financial position;
- The results of the risk assessment, including those obtained through stress testing;
- The effectiveness of the liquidity risk management procedures previously applied by the Group;
- Expectations of internal organisational and/or external changes in market conditions;
- Legislation of the Republic of Kazakhstan.

To manage the liquidity risk, a system of the liquidity risk management is established, which is based on the Rules for the Formation of the Risk Management and Internal Control System for second−tier banks, approved by Resolution No.188 of the NBRK's Management Board of dated 12 November 2019, and standards and instruments recommended by Basel Committee on Group Supervision and complies with the requirements of the banking laws and best global practices. The liquidity risk management system meets the current market situation, strategy, size and level of complexity of the Bank's operations and ensures the efficient identification, measurement, monitoring and control of the Group's liquidity risk, with due consideration of the intra−group transactions.

To manage the liquidity risk, the Group seeks to actively support a diversified and stable funding base comprising debt securities in issue, long− and short−term loans from other banks, core corporate and retail customer deposits, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and efficiently to unforeseen liquidity requirements.

The liquidity position is monitored on a daily basis and liquidity forecasting is performed on a regular basis by the Strategic Risks Department both under normal and stress market conditions. Under normal market conditions, liquidity reports covering the liquidity position are presented to senior management on a daily basis. Decisions on liquidity management are made by the authorised collegial body and implemented by the Strategic Risks Department.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December 2025 based on contractual undiscounted repayment obligations:

	On demand	*1–3 months*	*3–12 months*	*1–5 years*	*Over 5 years*	*Without maturity*	*Total gross amount outflow*	*Book value*
Liabilities								
Amounts due to banks and other financial institutions	**72,613**	**155**	**426**	**204**	**29,146**	**–**	**102,544**	**84,705**
Amounts payable under repurchase agreements	**160,849**	**1,404**	**–**	**–**	**–**	**–**	**162,253**	**162,018**
Amounts due to customers	**937,509**	**308,906**	**618,907**	**36,424**	**22,029**	**–**	**1,923,775**	**1,882,172**
Debt securities issued	**617**	**62,705**	**8,486**	**38,148**	**726,937**	**–**	**836,893**	**294,817**
Subordinated debt	**–**	**–**	**882**	**6,993**	**336,756**	**–**	**344,631**	**57,297**
Liabilities to the mortgage organisation	**–**	**–**	**7**	**514**	**5,732**	**–**	**6,253**	**6,253**
Lease liabilities	**167**	**303**	**770**	**3,430**	**2,307**	**–**	**6,977**	**6,977**
Insurance contract liabilities	**1,140**	**–**	**21,434**	**4,238**	**161**	**–**	**26,973**	**26,973**
Other financial liabilities	**11,090**	**333**	**8,911**	**1,112**	**566**	**–**	**22,012**	**19,229**
Total	**1,183,985**	**373,806**	**659,823**	**91,063**	**1,123,634**	**–**	**3,432,311**	**2,540,441**
Credit related commitments	**12,107**	**6,950**	**13,167**	**23,522**	**62**	**–**	**55,808**	**55,808**

Future interest payments for non–redeemable cumulative preference shares, which are payable annually, are not included in the table above.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December 2024 based on contractual undiscounted repayment obligations:

	On demand	*1–3 months*	*3–12 months*	*1–5 years*	*Over 5 years*	*Without maturity*	*Total gross amount outflow*	*Book value*
Liabilities								
Amounts due to banks and other financial institutions	109,277	1,481	810	130	29,355	–	141,053	121,643
Amounts payable under repurchase agreements	43,074	–	–	–	–	–	43,074	43,025
Amounts due to customers	792,551	428,399	711,796	38,707	27,434	–	1,998,887	1,955,720
Debt securities issued	440	23,979	11,685	101,148	755,935	–	893,187	304,486
Subordinated debt	–	64,864	891	7,563	367,420	260	440,998	118,116
Liabilities to the mortgage organisation	–	–	5	463	7,342	–	7,810	7,810
Lease liabilities	145	316	786	2,944	33	–	4,224	4,224
Insurance contract liabilities	956	–	20,856	17,227	259	–	39,298	39,298
Other financial liabilities	18,403	330	1,835	226	–	–	20,794	20,794
Total	964,846	519,369	748,664	168,408	1,187,778	260	3,589,325	2,615,116
Credit related commitments	14,492	7,041	6,783	39,004	11	–	67,331	67,331

Future interest payments for non–redeemable cumulative preference shares, which are payable annually, are not included in the table above.

An analysis of the expected maturities of assets and liabilities as at 31 December 2025 and 2024 is presented in *Note 39*.

The following tables contain information on undiscounted cash flows on non−derivative financial liabilities, including financial guarantees issued and unrecognised credit commitments, relating to the earliest maturity date possible in accordance with the terms of the contract. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

In accordance with Article 765 of the Civil Code of the Republic of Kazakhstan, depositors can withdraw their term, savings, escrow and demand deposits from the Group on demand, generally losing, in most of the cases, the accrued interest. The Bank is obliged to return term and/or escrow deposits or part thereof not later than seven calendar days from the date of receipt of the depositor's request, and savings deposits − not earlier than thirty calendar days from the date of receipt of the depositor's request. In accordance with the legislation of the Kyrgyz Republic, individuals are entitled to withdraw their term deposits at any time, in most cases forfeiting the accrued interest.

However, management believes that in spite of this early withdrawal option and the fact that a substantial portion of customer accounts are on demand, diversification of these customer accounts and deposits by number and type of depositors, and the past experience of the Group indicates that these customer accounts provide a long–term and stable source of funding.

Management expects that the cash flows from certain assets and liabilities will be different from their contractual terms, either because management has the discretionary ability to manage the cash flows, or because past experience indicates that cash flows will differ from contractual terms.

34. Risk management (continued)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. The Group manages operational risk in accordance with internal policies and procedures developed taking into account regulatory requirements.

Operational risk includes, among other things, risks related to information technology and information security. Information technology risks include risks associated with the operation of information systems, change management, the reliability of IT infrastructure, as well as dependence on external service providers. Information security risks include risks of unauthorised access, data leakage, cyber threats, and breaches of the confidentiality, integrity and availability of information.

Operational risk management comprises the identification, assessment, monitoring and mitigation of risks, maintenance of an operational risk event database, application of key risk indicators, and implementation of risk mitigation measures. The Group implements measures aimed at ensuring the resilience and continuity of key processes, including the maintenance and testing of business continuity and recovery plans.

The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access rights, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Compliance risk

The compliance risk comprises risks associated with non−compliance with regulatory requirements and legislation. The compliance risk is the risk that the Group will be exposed to financial or reputational risk arising from fines or other penalties for non−compliance with applicable laws and regulations or unfair business practices (including violations of ethical standards). The Bank's Compliance Unit strives to improve the effectiveness of managing this risk and the corresponding controls. The Group operates in a market where there is a significant level of variability in the regulatory framework, therefore, the risk associated with non−compliance with regulatory requirements refers to the areas of attention of senior management. The Bank's Compliance Unit monitors this risk by applying indicators relevant to the Group, review and analysis of reports on violations, risk analysis and controls related to the first and second lines of protection, the results of state audits and analysis of the results of internal and external audits.

Insurance risk

Insurance risk management is critical to the Group's operations. For insurance contracts, the goal is to select assets with a maturity and repayment amount that match the expected cash flows from insurance claims in those portfolios.

The main insurance and reinsurance activities carried out by the Group involve the acceptance of risk of loss from individuals and organisations that are immediately exposed to the risk. Such risks may involve property, liability, accident, cargo, health, financial or other risks that may arise from the insured event. At the same time, the Group is exposed to uncertainty risk related to the timing and severity of claims under the contract.

The Group manages its insurance risk by limiting the sum insured; procedures for approving transactions that involve new products or exceed certain limits, pricing guidelines, centralised reinsurance management and monitoring of emerging issues.

Probability theory is applied to the pricing and calculation of reserves for insurance contracts. The key risk is that the frequency and severity of insurance claims may be higher than expected. Insured events are inherently rare, and the actual number and size of the event within one year may differ from those calculated using normal statistical methods.

Concentration of insurance risks

The key aspect of insurance risk that the Group faces is the degree of concentration of insurance risk that may exist if a certain event or series of events may have a significant impact on the Group's obligations. Such concentrations may arise from a single insurance contract or a small number of related insurance contracts and relate to circumstances in which significant obligations may arise. An important aspect of the concentration of insurance risk is that it may arise as a result of the accumulation of risks within a number of individual insurance classes or a series of contracts.

Risk concentrations may arise both as a result of events that occur rarely but have a high degree of severity, such as natural disasters, and in situations where insurance activity deviates towards a certain group, for example, a certain geographical location or demographic trends.

(in KZT million, unless otherwise is stated)

34. Risk management (continued)

Insurance risk (continued)

Concentration of insurance risks (continued)

The main methods the Group applies to manage these risks are of a dual nature. First, risk management is carried out through appropriate underwriting. Underwriters are not allowed to insure risks if the expected profit is not commensurate with the risks taken. Secondly, risk management is carried out through the use of reinsurance. The Group acquires reinsurance coverage for various classes of its liabilities and property insurance. The Group regularly assesses the costs and benefits associated with the reinsurance program.

Total credit exposure

The Group determines the total risk exposure that it is willing to accept in relation to the concentration of risk. The Group monitors these exposures, both at the time of risk assessment and on a monthly basis, by analysing reports that show the main portfolios of risks to which the Group is exposed. The Group uses a number of modelling tools to assess the effectiveness of reinsurance programmes and the Group's net exposure.

Sensitivity analysis

The following table shows an analysis of how profit or loss would have been increased/(decreased) if there had been changes in underwriting risk variables reasonably possible at the reporting date. The analysis shows sensitivity both before and after risk reduction as a result of reinsurance and is based on the assumption that all other variables remain constant.

	Profit or loss		***Equity***	
2025				
Final claims	***Gross amount***	***Net amount***	***Gross amount***	***Net amount***
(Increase by 5%)	**(1,504)**	**(1,463)**	**(1,504)**	**(1,463)**
(Decrease by 5%)	**1,873**	**1,825**	**1,873**	**1,825**

	Profit or loss		***Equity***	
2024				
Final claims	***Gross amount***	***Net amount***	***Gross amount***	***Net amount***
(Increase by 5%)	(1,569)	(479)	(1,569)	(479)
(Decrease by 5%)	994	880	994	880

35. Capital management

On 17 March 2025, pursuant to Order No. B−65 dated 14 March 2025 of the Deputy Chairman of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan, the licence for conducting activities in the securities market No. 3.1.1.224 dated 27 March 2018, previously granted to the Company, was terminated. The decision was made based on the voluntary appeal of United Group Alatau JSC.

As at 31 December 2024, the Company was performing active management of capital to cover risks inherent in the business. The Company's capital adequacy is monitored, among other methods, using prudential ratios established by the NBRK. During 2024, the Company was in line with the requirements of NBRK related to the capital.

As at 31 December 2024, the primary objective of the Company's capital management was to ensure compliance with externally imposed capital requirements, maintain a high credit rating and capital adequacy ratios necessary to support its operations and maximise shareholder value. In accordance with the requirements of the NBRK, the capital adequacy ratio for brokerage and/or dealer organisations shall be no less than 1.

As at 31 December 2024, the capital adequacy ratio of the Company exceeded regulatory minimum.

(in KZT million, unless otherwise is stated)

35. Capital management (continued)

On 31 December 2024, capital adequacy ratio of the Company calculated in line with the requirements of NBRK, was as follows:

	31 December 2025	*31 December 2024*
Liquid assets	–	48,484
Liabilities	–	(2,609)
Net liquid assets	–	45,875
Minimum equity requirement established by the NBRK	–	282
Capital adequacy ratio	–	163

36. Commitments and contingencies

Political and operating environment

Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The stability of Kazakhstan's economy will largely depend on the progress of these reforms, as well as on the effectiveness of the measures undertaken by the Government in the areas of economic, fiscal and monetary policy.

In 2025, volatility of world prices for crude oil and the tenge's exchange rate against major global currencies continued to have a negative impact on the Kazakhstan economy. Interest rates of attracting funds in tenge remain high. Combination of these factors resulted in limited access to capital, a high cost of capital and increased uncertainty regarding further economic growth, which could negatively affect the Group's future financial position, results of operations and business prospects. Management of the Group believes it is taking appropriate measures to support the economic sustainability of the Group in the current circumstances.

Legal

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

In May 2025, within the framework of the bankruptcy proceedings of Region–Stroy LLC, by a ruling of the Arbitration Court of the city of Moscow, the Group was held jointly and severally liable on a subsidiary basis in the amount of RUB 4,4 billion. Based on the ruling of the Arbitration Court of the city of Moscow, Region–Stroy LLC filed an application with the Specialised Interdistrict Economic Court of the city of Almaty to recognise and enforce the ruling of the Arbitration Court in the Republic of Kazakhstan. On 23 June 2025, the Judicial Panel for Civil Cases of the Almaty City Court refused to enforce the ruling of the Moscow Arbitration Court, with the right to file a cassation appeal by 23 December 2025. As at 31 December 2025 and up to the date of approval of these consolidated financial statements, Region–Stroy LLC had not filed a cassation appeal with the cassation court of the Republic of Kazakhstan.

At the same time, the Group is implementing a set of legal measures aimed at reviewing the judicial act and terminating the recovery process against the Group in the courts of the Russian Federation. The Group has filed a relevant application with the Arbitration Court of the city of Moscow seeking a review of the case on the imposition of joint and several subsidiary liability on the Group. The case is under consideration by the panel.

As at 31 December 2025 and 2024, the Group's management assessed the probability of an outflow of resources in respect of the claim brought by Region–Stroy LLC as remote.

Accordingly, as at 31 December 2025 and 2024, no provisions were recognised in the consolidated financial statements in relation to this claim.

(in KZT million, unless otherwise is stated)

36. Commitments and contingencies (continued)

Taxation

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

These circumstances may create tax risks in the Republic of Kazakhstan that are substantially more significant than in other countries. In management's opinion, tax liabilities have been fully recognised in these consolidated financial statements based on management's interpretation of the effective tax legislation of the Republic of Kazakhstan, official interpretations of regulatory guidance, and relevant court decisions. However, taking into account that interpretations of tax legislation by various regulatory authorities may differ from management's view, the impact of any enforcement actions by the regulatory authorities on these consolidated financial statements could be material.

Insurance

The insurance industry in the Republic of Kazakhstan is in a developing stage and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its premises and equipment, business interruption, or third−party liability in respect of property or environmental damage arising from accidents on its property or relating to the Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position of the Group.

Credit related commitments

The Group has commitments to provide credit resources. The Group provides financial guarantees to ensure that their customers' obligations to third parties are met.

When providing credit−related commitments and financial guarantees, the Group applies the same risk management policies and procedures as those applied when granting loans to customers.

The contractual amounts of credit related contingencies are set out in the table by category. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if counterparties failed to fulfil their contractual obligations. The amounts shown in the table for credit related commitments imply that these contingencies will be fully settled. The total outstanding contractual amount of commitments to extend loans and guarantees does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded. The loan commitment agreements stipulate the right of the Group to unilaterally withdraw from the agreement should any conditions unfavourable to the Group arise, including change of the refinance rate, inflation, exchange rates and other conditions.

At 31 December the Group's commitments and contingencies comprised the following:

	31 December 2025	*31 December 2024*
Credit related commitments		
Undrawn loan commitments	**256,710**	229,845
Credit card commitments	**262**	2,205
Financial guarantees	**53,763**	62,754
Letters of credit	**1,783**	2,372
Commitments and contingencies (before deducting collateral)	**312,518**	297,176
ECL allowance for credit related commitments *(Note 31)*	**(3,451)**	(3,018)
Deposits held as security for credit related commitments *(Note 27)*	**(1,041)**	(2,028)

(in KZT million, unless otherwise is stated)

36. Commitments and contingencies (continued)

Credit related commitments (continued)

Below is an analysis of changes in allowances for ECL for the year ended 31 December 2025:

Credit related contingencies	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
ECL as at 1 January 2025	**220**	**–**	**2,798**	**3,018**
New liabilities	**64**	**–**	**–**	**64**
Liabilities repaid	**(102)**	**–**	**(5)**	**(107)**
Expired liabilities	**(99)**	**–**	**–**	**(99)**
Impact of changes in assumptions.	**240**	**(1)**	**336**	**575**
Foreign exchange adjustments	**(8)**	**2**	**6**	**–**
At 31 December 2025	**315**	**1**	**3,135**	**3,451**

Below is an analysis of changes in allowances for ECL for the year ended 31 December 2024:

Credit related contingencies	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
ECL as at 1 January 2024	314	2	3,420	3,736
New liabilities	6	–	127	133
Liabilities repaid	(193)	–	(2,562)	(2,755)
Expired liabilities	(10)	–	(540)	(550)
Impact of changes in assumptions.	40	(2)	2,361	2,399
Foreign exchange adjustments	63	–	(8)	55
At 31 December 2024	220	–	2,798	3,018

37. Fair value measurement

Management of the Group establishes policies and procedures for the periodic assessment of fair value.

Independent valuers are engaged to assess significant assets, such as land and administrative buildings included in property, plant and equipment. The decision to engage external valuers is made annually by the Group's management following discussion with, and approval by, the Bank's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management of the Group analyses the movements in the values of assets and liabilities which are required to be re–measured or re–assessed as per the Group's accounting policies. For this analysis, management of the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group's management, in conjunction with the Group's external valuers, also compares any change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the Group's management and the external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

The table below analyses assets measured at fair value as at 31 December 2025, by levels in the fair value hierarchy:

	Measurement date	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets					
Derivative financial assets	31 December 2025	**2**	**829**	**–**	**831**
Trading securities	31 December 2025	**10,681**	**12,498**	**2,775**	**25,954**
Investment securities measured at FVOCI					
– Equity securities	31 December 2025	**61,477**	**67**	**–**	**61,544**
– Debt securities	31 December 2025	**433,296**	**468,390**	**–**	**901,686**
Loans to customers at fair value through profit or loss	31 December 2025	**–**	**–**	**1,032**	**1,032**
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	31 December 2025	**–**	**89,362**	**–**	**89,362**
Investment property	31 December 2025	**–**	**–**	**20,816**	**20,816**
Property and equipment (land and buildings)	31 December 2025	**–**	**–**	**57,251**	**57,251**
		505,456	**571,146**	**81,874**	**1,158,476**
Liabilities					
Derivative financial liabilities	31 December 2025	**–**	**511**	**–**	**511**
		–	**511**	**–**	**511**

(in KZT million, unless otherwise is stated)

37. Fair value measurement (continued)

The table below analyses assets measured at fair value as at 31 December 2024, by levels in the fair value hierarchy:

	Measurement date	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets					
Derivative financial assets	31 December 2024	–	60	–	60
Trading securities	31 December 2024	46,354	674	3,089	50,117
Investment securities measured at FVOCI					
− Equity securities	31 December 2024	61,484	13	–	61,497
− Debt securities	31 December 2024	585,916	292,073	–	877,989
Loans to customers at fair value through profit or loss	31 December 2024	–	–	1,260	1,260
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	31 December 2024	–	122,212	–	122,212
Investment property	31 December 2024	–	–	50,680	50,680
Property and equipment (land and buildings)	31 December 2022	–	–	58,661	58,661
		693,754	**415,032**	**113,690**	**1,222,476**
Liabilities					
Derivative financial liabilities	31 December 2024	–	1,073	–	1,073
		–	**1,073**	**–**	**1,073**

(in KZT million, unless otherwise is stated)

37. Fair value measurement (continued)

Securities quoted on the Kazakhstan Stock Exchange but not having an active market as at 31 December 2025 and 2024 are classified as Level 2 of the fair value hierarchy. As at 31 December 2025, financial instruments classified as Level 2 included government and corporate securities amounting to KZT 468,390 million (31 December 2024: KZT 292,073 million) and an acquired receivable from the Ministry of Finance of the Republic of Kazakhstan under a promissory note amounting to KZT 89,362 million (31 December 2024: KZT 122,212 million).

In many cases all significant inputs into the valuation techniques are observable, for example by reference to information from similar transactions in the currency market. In cases where not all inputs are observable, for example due to the absence of observable transactions with similar risk characteristics as at the reporting date, the Group applies valuation techniques that are based on unobservable inputs.

Changes in Level 3 assets and liabilities measured at fair value

The following table presents a reconciliation of the amounts recognised at the beginning and at the end of the reporting period for Level 3 assets and liabilities measured at fair value.

	31 December 2024	*Total gains recognised in profit or loss*	*Interest expense*	*Repayment*	*Transfers from Level 2*	*Other changes*	*31 December 2025*
Financial assets							
Trading securities	3,089	**571**	**–**	**(793)**	**–**	**(92)**	**2,775**
Loans to customers at fair value through profit or loss	1,260	**(113)**	**(55)**	**–**	**–**	**(60)**	**1,032**
Total financial assets of Level 3	4,349	**458**	**(55)**	**(793)**	**–**	**(152)**	**3,807**

The following table presents a reconciliation of the amounts recognised at the beginning and at the end of the previous reporting period for Level 3 assets and liabilities measured at fair value.

	31 December 2023	*Total gains recognised in profit or loss*	*Interest expense*	*Repayment*	*Transfers from Level 2*	*Other changes*	*31 December 2024*
Financial assets							
Trading securities	5,283	3,962	(435)	(6,269)	81	467	3,089
Investment securities measured at FVOCI	16	–	–	(16)	–	–	–
Loans to customers at fair value through profit or loss	9,009	4,757	(3,047)	(9,551)	–	92	1,260
Total financial assets of Level 3	14,308	8,719	(3,482)	(15,836)	81	559	4,349

Gains recognised in profit or loss comprise net gains on fair value revaluation, foreign currency revaluation and interest revenue on financial assets measured at fair value through profit or loss.

(in KZT million, unless otherwise is stated)

37. Fair value measurement (continued)

Significant unobservable inputs and sensitivity of Level 3 financial instruments measured at fair value to changes in key assumptions

The following table shows the quantitative information about significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy:

31 December 2025	*Book value*	*Valuation techniques*	*Unobservable input*	*Range (weighted average)*
Trading securities	**2,775**	Cash price method based on a securities database Comparative analysis method	Liquidity risk and country risk	**+/− 10.00%**
Loans to customers measured at FVTPL	**1,032**	Discounting of expected cash flows	Discount rate	**24.11%**

31 December 2024	*Book value*	*Valuation techniques*	*Unobservable input*	*Range (weighted average)*
Trading securities	3,089	Cash price method based on a securities database	Bid−ask spreads, liquidity risk and country risk	+/− 10.00%
Loans to customers measured at FVTPL	1,260	Discounting of expected cash flows	Internal rate of discounting	20.21%

To determine possible alternative assumptions, the Group adjusted the key unobservable inputs to the models presented above as follows:

- In respect of loans to customers, the Group adjusted the internal discount rate upward/downward by 1 percentage point;
- In respect of trading securities, the Group adjusted the average bid−ask spread within the range of observed values.

The following table shows the effect of reasonably possible alternative assumptions on the fair value of Level 3 instruments:

	At 31 December 2025			*At 31 December 2024*		
		Impact of possible alternative assumptions			*Impact of possible alternative assumptions*	
	Book value	*Favourable changes*	*Unfavourable changes*	*Book value*	*Favourable changes*	*Unfavourable changes*
Trading securities	**2,775**	**35**	**(33)**	3,089	251	(286)
Loans to customers measured at FVTPL	**1,032**	**30**	**(26)**	1,260	75	(75)

(in KZT million, unless otherwise is stated)

37. Fair value measurement (continued)

Fair value of financial assets and liabilities not carried at fair value

The table below presents an analysis of the fair value and carrying amount of financial assets and liabilities for which fair value is disclosed as at 31 December 2025 and 2024, by level of the fair value hierarchy:

At 31 December 2025	*Level 1*	*Level 2*	*Level 3*	*Total fair value*	*Total carrying amount*
Assets					
Cash and cash equivalents	**–**	**1,017,736**	**–**	**1,017,736**	**1,017,736**
Amounts due from banks and other financial institutions	**–**	**169,024**	**–**	**169,024**	**169,024**
Investment securities measured at amortised cost	**132,951**	**203,177**	**–**	**336,128**	**319,422**
Loans to customers measured at amortised cost	**–**	**–**	**1,415,475**	**1,415,475**	**1,075,230**
Other financial assets	**–**	**–**	**45,010**	**45,010**	**45,010**
	132,951	**1,389,937**	**1,460,485**	**2,983,373**	**2,626,422**
Liabilities					
Amounts due to banks and other financial institutions	**–**	**81,778**	**–**	**81,778**	**84,705**
Amounts payable under repurchase agreements	**–**	**162,018**	**–**	**162,018**	**162,018**
Amounts due to customers	**–**	**1,811,075**	**–**	**1,811,075**	**1,882,172**
Debt securities issued	**–**	**223,279**	**–**	**223,279**	**294,817**
Subordinated debt	**–**	**47,420**	**–**	**47,420**	**57,297**
Lease liabilities	**–**	**–**	**6,977**	**6,977**	**6,977**
Other financial liabilities	**–**	**2332**	**16,897**	**19,229**	**19,229**
	–	**2,327,902**	**23,874**	**2,351,776**	**2,507,215**

At 31 December 2024	*Level 1*	*Level 2*	*Level 3*	*Total fair value*	*Total carrying amount*
Assets					
Cash and cash equivalents	–	857,819	–	857,819	857,819
Amounts due from banks and other financial institutions	–	75,845	–	75,845	75,845
Investment securities measured at amortised cost	183,468	236,349	–	419,817	393,014
Loans to customers measured at amortised cost	–	–	1,469,553	1,469,553	1,137,755
Other financial assets	–	–	56,715	56,715	56,715
	183,468	1,170,013	1,526,268	2,879,749	2,521,148
Liabilities					
Amounts due to banks and other financial institutions	–	120,778	–	120,778	121,643
Amounts payable under repurchase agreements	–	43,025	–	43,025	43,025
Amounts due to customers	–	1,940,204	–	1,940,204	1,955,720
Debt securities issued	–	275,583	–	275,583	304,486
Subordinated debt	–	135,063	–	135,063	118,116
Lease liabilities	–	–	4,224	4,224	4,224
Other financial liabilities	–	2,439	18,355	20,794	20,794
	–	2,517,092	22,579	2,539,671	2,568,008

Valuation techniques and assumptions

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

(in KZT million, unless otherwise is stated)

37. Fair value measurement (continued)

Valuation techniques and assumptions(continued)

Assets for which fair value approximates their carrying amount

For financial assets and financial liabilities that are liquid or have a short−term maturity (less than three months), it is assumed that the carrying amount approximates their fair value. This assumption is also applied to deposits and amounts due to customers without a specific maturity.

Derivative financial assets

Derivative financial assets valued using valuation models with market observable inputs are mainly currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Loans at fair value through profit or loss

Loans at fair value through profit or loss are valued using a combination of approaches. Where appropriate, loans are valued with reference to observable prices of debt securities issued by the borrower or by comparable entities. In other cases, valuation is performed using internal models based on present value techniques or, in some circumstances (for example, in respect of cash flow from assets held as collateral), external valuation reports. The non−observable inputs to the models include adjustments for credit, market and liquidity risks associated with the expected cash flows from the borrower's operations or in respect of collateral valuation.

Financial assets and financial liabilities at amortised cost

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

The following assumptions are used by the Management to estimate the fair values of financial instruments as at 31 December 2025:

- Discount rates of 17.26%−23.97% p.a. and 15.00%−26.00% p.a. are used for discounting future cash flows from loans to corporate customers denominated in KZT, KZS and USD, respectively (31 December 2024: 16.00%−24.90% p.a. and 6.00%−28.00% p.a., respectively);

- Discount rates ranging from 7.70% to 31.10% p.a. and from 10.00% to 30.00% p.a. are used to discount future cash flows on loans to retail customers denominated in USD, KZT and KZS, respectively (31 December 2024: from 3.90% to 34.60% p.a. and from 10.00% to 30.50% p.a., respectively);

- Discount rates ranging from 16,36% to 18,36% p.a. and from 6.93% to 6.98% p.a. are used to discount future cash flows on issued debt securities denominated in KZT and USD, respectively (31 December 2024: from 12.30% to 14.10% p.a. for debt securities denominated in KZT);

- Discount rates of 16.39% – 18.50% p.a. are used for discounting future cash flows from subordinated bonds denominated in KZT (31 December 2024: 12.60% – 14.10% p.a.).

(in KZT million, unless otherwise is stated)

37. Fair value measurement (continued)

Valuation techniques and assumptions (continued)

Property and equipment (land and buildings) and investment property

Fair value of the properties was determined by using comparable method and income method.

This means that valuations are based on market transaction prices, significantly adjusted for difference in the nature, location or condition of the specific property. In determining the cost of a similar building, the Group applies judgement on the impact on the market value of the following aspects:

- Bargaining adjustment;
- Adjustment for area of the building;
- Location adjustment;
- Other adjustments.

In fair value measurement of real estate using the income approach, capitalisation rates ranging from 18.34% to 25.60% p.a. were applied to discount future cash flows denominated in tenge, and capitalisation rates ranging from 5.00% to 11.00% were applied to discount future cash flows denominated in U.S. dollars. The increase in capitalisation rate would reduce the fair value of buildings.

Income method is based on the following assumptions:

- Rental rates used by the appraiser were calculated based on the analysis of rental rates (rental offers) for comparative objects;
- When calculating the potential gross income, the total area of the premises was used as a typical for the analysed local non−residential real estate markets;
- The average market rental rate applied within the income approach takes into account the population size and the level of development of the commercial real estate market for specific localities where the appraisal properties are located.

(in KZT million, unless otherwise is stated)

38. Related party transactions

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

Related parties may enter into transactions which unrelated parties might not. Prices and terms of such transactions may differ from prices and terms of transactions between unrelated parties.

As at 31 December 2025 and for the year then ended, related party account balances, and related gains or losses on transactions with related parties were as follows:

	Company shareholder	*Entities under common control*	*Subsidiary of the Company*	*The Bank's subsidiaries*	*Key management personnel*	*Total*
Consolidated statement of financial position						
Assets						
Cash and cash equivalents	–	–	**294**	**3**	–	**297**
Liabilities						
Other liabilities	–	–	**2**	–	–	**2**
Consolidated statement of profit or loss and other comprehensive income						
Interest revenue calculated using the effective interest method	–	–	**23**	–	–	**23**
Fee and commission expense	–	–	**(21)**	**(28)**	–	**(49)**
Personnel expenses	–	–	–	–	–	–

(in KZT million, unless otherwise is stated)

38. Related party transactions (continued)

As at 31 December 2024 and for the year then ended, related party account balances, and related gains or losses on transactions with related parties were as follows:

	Company shareholder	*Entities under common control*	*Subsidiary of the Company*	*The Bank's subsidiaries*	*Key management personnel*	*Total*
Consolidated statement of financial position						
Assets						
Cash and cash equivalents	–	–	75	–	–	75
Liabilities						
Other liabilities	–	–	4	–	–	4
Consolidated statement of profit or loss and other comprehensive income						
Fee and commission income	–	2	–	2	–	4
Fee and commission expense	–	–	(38)	–	–	(38)
Personnel expenses	–	–	–	–	196	196
Other general administrative expenses	–	–	(4)	–	–	(4)

(in KZT million, unless otherwise is stated)

39. Maturity analysis of assets and liabilities

The following table shows the expected maturities of assets and liabilities as at 31 December 2025 and 2024:

	2025			*2024*		
	Within one year	*More than one year*	*Total*	*Within one year*	*More than one year*	*Total*
Assets						
Cash and cash equivalents	**1,017,736**	**–**	**1,017,736**	857,819	–	857,819
Derivative financial instruments	**831**	**–**	**831**	60	–	60
Amounts due from banks and other financial institutions	**72,945**	**96,079**	**169,024**	54,619	21,226	75,845
Trading securities	**23,101**	**2,853**	**25,954**	47,073	3,044	50,117
Investment securities	**367,337**	**753,296**	**1,120,633**	784,082	505,393	1,289,475
Investment securities transferred in the form of securities under repurchase agreements	**162,019**	**–**	**162,019**	43,025	–	43,025
Loans to customers	**189,372**	**886,890**	**1,076,262**	213,000	926,015	1,139,015
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	**89,362**	**–**	**89,362**	122,212	–	122,212
Reinsurance contract assets	**2,811**	**808**	**3,619**	3,445	104	3,549
Property and equipment and intangible assets	**14**	**91,508**	**91,522**	19	93,534	93,553
Non−current assets held for sale	**2,791**	**–**	**2,791**	1,672	–	1,672
Investment property	**–**	**20,816**	**20,816**	–	50,680	50,680
Current corporate income tax assets	**1,119**	**–**	**1,119**	4,688	–	4,688
Deferred corporate income tax assets	**73**	**284**	**357**	–	241	241
Assets of a disposal group classified as held for sale	**–**	**–**	**–**	11,448	–	11,448
Other assets	**43,122**	**37,172**	**80,294**	55,409	41,612	97,021
Total assets	**1,972,633**	**1,889,706**	**3,862,339**	2,198,571	1,641,849	3,840,420
Liabilities						
Amounts due to banks and other financial institutions	**72,613**	**12,092**	**84,705**	108,946	12,697	121,643
Amounts payable under repurchase agreements	**162,018**	**–**	**162,018**	43,025	–	43,025
Derivative financial instruments	**511**	**–**	**511**	1,073	–	1,073
Amounts due to customers	**1,829,668**	**52,504**	**1,882,172**	1,902,667	53,053	1,955,720
Debt securities issued	**63,018**	**231,799**	**294,817**	23,766	280,720	304,486
Subordinated debt	**182**	**57,115**	**57,297**	63,941	54,175	118,116
Liabilities to the mortgage organisation	**11**	**6,242**	**6,253**	8	7,802	7,810
Lease liabilities	**1,240**	**5,737**	**6,977**	1,247	2,977	4,224
Current corporate income tax liabilities	**4,157**	**–**	**4,157**	586	–	586
Deferred corporate income tax liabilities	**–**	**175,917**	**175,917**	–	168,798	168,798
Insurance contract liabilities	**22,574**	**4,399**	**26,973**	21,812	17,486	39,298
Liabilities of a disposal group classified as held for sale	**–**	**–**	**–**	3,462	–	3,462
Other liabilities	**40,467**	**1,086**	**41,553**	54,252	1,789	56,041
Total Liabilities	**2,196,459**	**546,891**	**2,743,350**	2,224,785	599,497	2,824,282
Net position	**(223,826)**	**1,342,815**	**1,118,989**	(26,214)	1,042,352	1,016,138

(in KZT million, unless otherwise is stated)

39. Maturity analysis of assets and liabilities (continued)

The negative liquidity gap is mainly related to customers' current accounts and deposits. Despite the available early withdrawal option and the fact that substantial portion of customer accounts are on demand, the management of the Group believes that customers' accounts provide a long–term and stable source of funding due to diversified portfolio of customers.

The management of the Group expects that the cash flows from certain financial assets and liabilities will be different from their contractual terms. The Group performs regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions. Based on the results of the stress testing the management estimates that the Group has sufficient liquidity to cover negative current liquidity gap, without incurring unacceptable losses or damage to the Group's reputation.

40. Event after the reporting period

On 13 February, pursuant to the decision of the Sole Shareholder, it was resolved to change the Company's name from First Heartland Securities JSC to United Group Alatau JSC. The corresponding state re–registration of the legal entity with the justice authorities was completed on 27 February 2026.

In April 2026, the Group redeemed the third issue of bonds under the fifth bond programme upon their maturity. The total redemption amount for the issued securities amounted to KZT 60,000 million.