



Citibank Kazakhstan JSC

Financial Statements
for the year ended
31 December 2025

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«КПМГ Аудит» жауапкершілігі
шектеулі серіктестік
Қазақстан, А25D6Т5, Алматы,
Достық д-лы, 180,
+7 (727) 298-08-98

KPMG Audit LLC
180 Dostyk Avenue, Almaty,
A25D6T5, Kazakhstan

Independent Auditors' Report

To the Shareholders and the Board of Directors of Citibank Kazakhstan JSC

Opinion

We have audited the financial statements of Citibank Kazakhstan JSC (the "Bank"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements in 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 Those Charged with Governance for the Financial Statements

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



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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



The engagement partner on the audit resulting in this independent auditors' report is:



Kristina Issakova
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
№ MΦ-0001878 of 18 December 2024

KPMG Audit LLC

State License to conduct audit #0000024 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan



Mukhit Kossayev
General Director of KPMG Audit LLC
acting on the basis of the Charter

23 April 2026

Citibank Kazakhstan JSC
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025


	Note	2025 '000 KZT	2024 '000 KZT
Interest income calculated using the effective interest method	4	161,029,368	121,509,605
Other interest income	4	2,976,451	8,015,875
Interest expense	4	(32,364,681)	(27,091,762)
Net interest income		131,641,138	102,433,718
Fee and commission income	5	6,253,787	4,682,199
Fee and commission expense	6	(6,195,766)	(1,898,862)
Net fee and commission income		58,021	2,783,337
Net foreign exchange gain	7	25,292,506	27,929,495
Net (loss)/gain on derivative financial instruments		(3,253,467)	7,586,155
Net realized gain/(loss) on investment securities		15,995	(407,050)
Net (loss)/gain on financial assets at fair value through profit or loss		(2,971,085)	2,380,415
Other operating (expenses)/income, net		(1,675,923)	1,369,753
Operating income		149,107,185	144,075,823
Impairment charge on debt financial assets and credit related commitments	8	41,552	233,180
Other income		25,864	51,668
General administrative expenses	9	(34,956,649)	(27,006,560)
Profit before taxes		114,217,952	117,354,111
Income tax expense	10	(36,083,314)	(18,775,148)
Profit for the year		78,134,638	98,578,963
Other comprehensive income/(loss), net of income tax			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Movement in fair value reserve (debt instruments):			
- Net change in fair value		622,760	(988,425)
- Net change in expected credit losses		76,035	(59,814)
Other comprehensive income/(loss) for the year		698,795	(1,048,239)
Total comprehensive income for the year		78,833,433	97,530,724

These financial statements as set out on pages 6 to 53 were approved by Management and were signed on its behalf by:



Saule Zhakayeva
Chief Executive Officer

23 April 2026
Almaty, Kazakhstan

Madina Omurzakova
Chief Accountant

23 April 2026
Almaty, Kazakhstan

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the financial statements.

Citibank Kazakhstan JSC
Statement of Financial Position as at 31 December 2025

	31 December 2025	31 December 2024
Note	‘000 KZT	‘000 KZT
ASSETS		
Cash and cash equivalents	871,846,405	663,203,751
Placements with banks	-	266,324,768
Derivative instruments at fair value through profit or loss	11,762,249	5,291,025
Financial assets at fair value through profit or loss	25,314,300	82,072,171
Investment securities		
- Pledged under REPO deals	997,213	-
- Not pledged under REPO deals	132,772,787	-
Loans to customers	135,658,808	152,688,821
Property, equipment and intangible assets	1,085,964	1,280,451
Current tax assets	2,823,142	3,008,649
Other assets	7,956,289	605,819
Total assets	1,190,217,157	1,174,475,455
LIABILITIES		
Derivative instruments at fair value through profit or loss	4,768,140	984,594
Deposits and balances from banks and other financial institutions	211,993,987	20,153,852
Current accounts and deposits from customers	874,520,979	1,037,255,368
Amounts payable under repurchase agreements	1,005,491	-
Deferred tax liabilities	426,606	737,488
Other liabilities	6,108,918	4,205,587
Total liabilities	1,098,824,121	1,063,336,889
EQUITY		
Share capital	12,497,625	12,497,625
Additional paid-in capital	61,975	61,975
Fair value reserve	698,795	-
Retained earnings	78,134,641	98,578,966
Total equity	91,393,036	111,138,566
Total liabilities and equity	1,190,217,157	1,174,475,455

The statement of financial position is to be read in conjunction with the notes to, and forming part of, the financial statements.

Citibank Kazakhstan JSC
Statement of Cash Flows for the year ended 31 December 2025

	2025	2024
	‘000 KZT	‘000 KZT
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	163,286,591	129,179,925
Interest payments	(32,264,753)	(27,204,878)
Dividends received	25,864	51,668
Fee and commission receipts	5,909,108	4,656,620
Fee and commission payments	(6,237,210)	(1,894,046)
Net (payments)/receipts from foreign exchange and derivatives	(3,536,874)	47,876,773
Net (loss)/gain on financial assets at fair value through profit or loss	(2,971,085)	2,380,415
Other (payments)/receipts	(1,675,923)	1,369,752
General administrative payments	(34,527,077)	(26,574,798)
(Increase)/decrease in operating assets		
Financial assets at fair value through profit or loss	54,612,660	(50,222,344)
Placements with banks	262,555,000	(51,184,600)
Loans to customers	15,250,691	(22,730,833)
Other assets	(6,995,309)	8,539,480
Increase/(decrease) in operating liabilities		
Deposits and balances from banks and other financial institutions	203,226,812	(13,357,841)
Current accounts and deposits from customers	(154,644,623)	36,276,120
Amounts payable under repurchase agreements	994,710	-
Other liabilities	1,867,818	(2,069,689)
Net cash from operating activities before income tax paid	464,876,400	35,091,724
Income tax paid	(36,208,689)	(18,316,370)
Cash flows from operating activities	428,667,711	16,775,354
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(147,103,298)	(128,101,336)
Sales and redemption of investment securities	20,956,857	224,160,141
Purchases of property, equipment and intangible assets	(235,084)	(202,879)
Cash flows (used in)/from investing activities	(126,381,525)	95,855,926
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid (Note 20)	(98,578,963)	(110,464,765)
Cash flows used in financing activities	(98,578,963)	(110,464,765)
Net increase in cash and cash equivalents	203,707,223	2,166,516
Effect of changes in exchange rates on cash and cash equivalents	4,938,388	61,231,736
Impairment charge on cash and cash equivalents	(2,957)	225,029
Cash and cash equivalents at 1 January	663,203,751	599,580,470
Cash and cash equivalents at 31 December (Note 11)	871,846,405	663,203,751

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements.

Citibank Kazakhstan JSC
Statement of Changes in Equity for the year ended 31 December 2025

‘000 KZT	Share capital	Additional paid-in capital	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2024	12,497,625	61,975	1,048,239	110,464,768	124,072,607
Profit for the year	-	-	-	98,578,963	98,578,963
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
-Net change in fair value	-	-	(988,425)	-	(988,425)
-Net change in expected credit losses	-	-	(59,814)	-	(59,814)
Total other comprehensive loss	-	-	(1,048,239)	-	(1,048,239)
Total comprehensive income for the year	-	-	(1,048,239)	98,578,963	97,530,724
Transactions with owners, recorded directly in equity					
Dividends declared and paid (Note 20)	-	-	-	(110,464,765)	(110,464,765)
Balance at 31 December 2024	12,497,625	61,975	-	98,578,966	111,138,566
Balance at 1 January 2025	12,497,625	61,975	-	98,578,966	111,138,566
Profit for the year	-	-	-	78,134,638	78,134,638
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
-Net change in fair value	-	-	622,760	-	622,760
-Net change in expected credit losses	-	-	76,035	-	76,035
Total other comprehensive income	-	-	698,795	-	698,795
Total comprehensive income for the year	-	-	698,795	78,134,638	78,833,433
Transactions with owners, recorded directly in equity					
Dividends declared and paid (Note 20)	-	-	-	(98,578,963)	(98,578,963)
Balance at 31 December 2025	12,497,625	61,975	698,795	78,134,641	91,393,036

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements.

1 Background

(a) Principal activities

Citibank Kazakhstan JSC (the “Bank”) was established as a joint stock company in the Republic of Kazakhstan. The Bank was granted its general banking license in 1998 and the license for conduction of operations on the securities market in 1999 and these licenses were updated in February 2020. The Bank is a member of the state deposit insurance system in the Republic of Kazakhstan.

The principal activities of the Bank are corporate deposit taking, corporate lending, cash management, custody operations, operations with government securities, money market and foreign exchange transactions. The activities of the Bank are regulated by the National Bank of the Republic of Kazakhstan (the “NBRK”) and Agency of the Republic of Kazakhstan for regulation and development of the financial market (the “Agency”).

The address of the Bank’s registered office is: Park Palace, Building A, 2nd floor, 26/41 Zenkova Str., Almaty, A25T0A1, Republic of Kazakhstan. The majority of the Bank’s assets and liabilities are located in the Republic of Kazakhstan.

(b) Shareholder

The Bank is wholly owned by Citibank N.A. (the “Shareholder Bank”). As a result, the Bank is economically dependent upon the Shareholder Bank. In addition, the activities of the Bank are closely linked with the requirements of the Shareholder Bank and determination of the pricing of the Bank’s services to the Shareholder Bank is undertaken in conjunction with other Shareholder Bank companies.

(c) Kazakhstan business environment

The Bank’s operations are primarily located in Kazakhstan. Consequently, the Bank is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. Depreciation of the Kazakhstan Tenge, volatility in global oil prices, the ongoing military conflict between the Russian Federation and Ukraine, as well as geopolitical tensions in the Middle East, continue to increase the level of uncertainty in the business environment.

The financial statements reflect management’s assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Bank. The future business environment may differ from management’s assessment.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

(b) Assessment of the Bank’s ability to continue as a going concern

The accompanying financial statements have been prepared on assumption that the Bank will continue as a going concern.

(c) Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss, derivatives, and investment securities at fair value through other comprehensive income are stated at fair value.

(d) Functional and presentation currency

The functional currency of the Bank is the Kazakhstan 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 the Bank.

The KZT is also the Bank’s presentation currency for the purposes of these financial statements.

Financial information presented in KZT is rounded to the nearest thousand.

(e) Use of estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Bank’s accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding – Note 3(c);
- estimates of fair values of financial assets and liabilities – Note 27.

3 Material accounting policies

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Interest

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ measured at amortised cost is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, see Note 3(e).

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes:

- interest on financial assets measured at amortised cost;
- interest on debt instruments measured at FVOCI.

Other interest income presented in the statement of profit or loss and other comprehensive income includes interest income on non-derivative debt financial instruments measured at FVTPL.

Interest expense presented in the statement of profit or loss and other comprehensive income includes:

- Financial liabilities measured at amortised cost.

(b) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances (nostro accounts) held with the NBRK and other banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(c) Financial assets and financial liabilities

Classification and Measurement

(i) Financial Assets – Derivatives and Equity Instruments

Under IFRS 9, derivatives and in-scope equity instruments are measured at fair value, with changes reflected through the profit and loss account (FVTPL). Exceptions can only apply if the derivative is part of a hedge accounting programme and equity financial assets designated at FVOCI at initial recognition.

(ii) Financial Assets – Debt Instruments

Under IFRS 9, the following primary classification and measurement categories exist for financial assets-debt instruments:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

In addition, IFRS 9 provides special designation options for financial assets-debt instruments that are either measured at 'amortized cost' or 'FVOCI'. An entity has an option to designate such instruments at FVTPL only where this designation eliminates or significantly reduces an accounting mismatch.

The following paragraphs explain the classification criteria for the 3 categories in more detail.

Amortised Cost

A financial asset-debt instrument shall be classified and subsequently measured at amortized cost (unless designated under FVTPL) only if both of the following conditions are met:

- a) Business Model test: the financial asset-debt instrument is held in a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) SPPI test: the contractual terms of the financial asset-debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

FVOCI

A financial asset shall be classified and measured at FVOCI (unless designated at FVTPL) if both of the following conditions are met:

- a) Business Model test: the financial asset is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) SPPI test: 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).

FVTPL

Any financial instrument that does not fall into either of the above categories shall be classified and measured at fair value through profit and loss. For example, where the asset is not held within a business model whose objective is to hold to collect the contractual cash flows or within a business model whose objective is both to collect the cash flows and to sell the assets, then the asset will be classified as FVTPL.

Moreover, any instrument for which the contractual cash flow characteristics do not comprise solely payments of principal and interest (that is, they fail the SPPI test) must be classified in the FVTPL category.

Business Model Assessment

The Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Bank's business model does not depend on management's intentions for an individual instrument (i.e., it is not an instrument-by-instrument assessment). This assessment is performed at a higher level of aggregation. The level of aggregation is at a level which is reviewed by key management personnel, enabling them to make strategic decisions for the business. The Bank has more than one business model for managing its financial instruments.

The assessment of the business model requires judgment based on facts and circumstances, considering quantitative factors and qualitative factors.

The Bank considers all relevant evidence that is available at the date of the assessment. Such relevant evidence includes, but is not limited to:

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

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment of whether the contractual cash flows are solely payments of principal and interest

If an instrument is held in either a hold to collect or a or hold to collect and sell business model, then an assessment to determine whether contractual cash flows are solely payments of principal and interest on the principal outstanding (SPPI) is required to determine classification. For SPPI, interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a period of time. It can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period of time and a profit margin that is consistent with a basic lending arrangement. Other contractual features that result in cash flows that are not payments of principal and interest result in the instrument being measured at FVTPL.

Contractual terms that give rise to exposure or volatility in contractual cash flows that are not related to the underlying loan agreement, such as exposure to changes in stock prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal debt and interest on the principal amount outstanding.

The contractual cash flow test must be performed at initial recognition of the financial asset and, if applicable, as at the date of any subsequent changes to the contractual provisions of the instrument.

(iii) *Financial Liabilities*

There are two measurement categories for financial liabilities: at amortized cost and at fair value through profit or loss (including the additional category of fair value measurement).

(iv) *Reclassifications*

Financial asset classification is determined at initial recognition and reclassifications are expected to be extremely rare. A financial asset can only be reclassified if the business model for managing the financial asset changes.

Reclassification of financial liabilities is not permitted. Reclassification of financial instruments designated under FVTPL or FVOCI is also not permitted.

(v) *Modifications*

Financial assets

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Bank shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss.

As the Bank classifies a financial asset at initial recognition on the basis of the contractual terms over the life of the instrument, reclassification on the basis of a financial asset's contractual cash flows is not permitted, unless the asset is sufficiently modified that it is derecognised.

Financial Liabilities

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(d) Derivative financial instruments

Derivative financial instruments include swaps, forwards, futures and options in interest rates, foreign exchanges, precious metals and stock markets, and any combinations of these instruments, which values are dependent upon or derived from one or more underlying assets.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivatives are recognised immediately in profit or loss.

Although the Bank trades in derivative instruments for risk hedging purposes, these instruments do not qualify for hedge accounting.

(e) Impairment

The IFRS 9 impairment standard applies to any debt instruments measured at amortised cost or at fair value through other comprehensive income and also to off balance sheet loan commitments and financial guarantees, including:

- Investments in debt instruments measured at amortised cost. Such investments will include:
 - Corporate loans (including overdrafts and credit cards);
 - Placements with banks; and
 - Reverse repurchase agreements (“reverse REPO”).
- Investments in debt instruments measured at fair value through other comprehensive income (FVOCI);
- All irrevocable loan commitments that are not measured at FVTPL;
- Written financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at FVTPL;
- Trade receivables in the scope of IFRS 15 (Revenue contracts with customers); and
- Any other receivables (e.g., brokerage receivables).

Expected credit loss impairment model

Credit loss allowances are measured on each reporting date according to a three-Stage expected credit loss impairment model under which each financial asset is classified in one of the stages below:

- Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults expected over the next 12 months. Interest is calculated based on the gross carrying amount of the asset.
- Stage 2 – Following a significant increase in credit risk relative to the risk at initial recognition of the financial asset, a loss allowance is recognised equal to the full credit losses expected over the remaining life of the asset. Interest is calculated based on the gross carrying amount of the asset.

The credit losses for financial assets in Stage 1 and Stage 2 are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive):

- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance equal to the full lifetime expected credit losses will be recognised. Credit losses are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. Interest is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

Evidence that a financial asset is impaired includes observable data that comes to the attention of the Bank such as:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - adverse changes in the payment status of borrowers in the portfolio; and
 - national or local economic conditions that correlate with defaults on the assets in the portfolio.

Loans are written off when there is no realistic probability of recovery.

The estimation of an expected credit loss (ECL) is required to be unbiased and probability weighted, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The estimate also considers the time value of money.

The measurement of an ECL is primarily determined by an assessment of the financial asset's probability of default (PD), loss given default (LGD) and exposure at default (EAD) where the cash shortfalls are discounted to the reporting date. For a financial asset in Stage 1, the Bank utilises a 12-month PD, whereas a financial asset within Stage 2 and Stage 3 will utilise a lifetime PD in order to estimate an impairment allowance.

Wholesale Classifiably Managed Exposures

An impairment allowance estimated for Corporate loans utilising sophisticated models depending on the relative size, quality and complexity of the portfolios.

Other Financial Assets Simplified Approaches

For other financial assets, being short term and simple in nature, the Bank applies a simplified measurement approach that may differ from what is described above. This approach leverages existing models currently used globally for stress-testing and regulatory capital reporting purposes, but incorporates specifically developed components to make the estimates compliant with IFRS 9.

Significant increase in credit risk (SICR)

A financial asset will move from Stage 1 to Stage 2 if there has been a significant increase in credit risk relative to initial recognition. The Bank assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. Determining whether there has been a significant increase in credit risk requires significant judgement. When making this assessment, the Bank considers the increase in the risk of default (both in relative terms and absolute terms) over the expected life of the financial asset. A given change in absolute terms of the risk of a default since initial recognition will be more significant for a financial instrument with a lower initial risk of default compared to one with a higher initial risk of default. A change in the probability of default of the obligor is driven primarily by the obligor risk rating. Internal credit risk rating categories capture the further qualitative indicators that act as backstops.

As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

- the lifetime PD is above 20 basis points; and
- there has been an increase in the lifetime PD between origination and the reporting date of more than one standard deviation of the normal distribution for the lifetime PD at origination.

Staging

Financial assets can move in both directions through the Stages of the IFRS 9 impairment model depending on whether the assessment of whether there is a significant increase of credit risk since initial recognition or whether the asset is credit impaired subsequently changes.

In order to determine the ECL reporting stage for an obligation, Bank checks whether the asset is already credit-impaired (Stage 3) or not (Stage 1 and 2). Stage 2 is determined by the existence of a significant credit deterioration (or credit improvement) compared with the credit rating at initial recognition. Stage 1 assets that do not have significant credit deterioration compared with that at initial recognition. All newly acquired or originated financial assets that are not purchased or originated credit impaired (POCI) are recognised in Stage 1 initially. The existence of a (statistically) significant deterioration/improvement is combined with the materiality of the probability of default to determine whether a transfer in stages is required. The Bank does not rebut the presumption that exposures 30 days past due are deemed to have incurred a significant increase in credit risk. Additional qualitative reviews are also performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in credit risk.

Changes in the required credit loss allowance, including the impact of movements between Stage 1 (12-month expected credit losses) and Stage 2 (lifetime expected credit losses), are recorded in profit or loss as an adjustment of the provision for credit losses.

Expected life

When measuring ECL, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk, including possible drawdowns and the expected maturity of the financial asset. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Bank is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Stage 3 definition of default

As mentioned above, to determine whether an instrument should move to a lifetime ECL, the change in the risk of a default occurring over the expected life of the financial instruments are considered.

The Bank applies a default definition that is consistent with that used for internal credit risk management purposes for the relevant financial instrument and consider qualitative indicators (for example, financial covenants) when appropriate. The definition of default used for this purpose is applied consistently to all financial instruments unless information becomes available that demonstrates another default definition is more appropriate for a particular financial instrument.

The Bank classifies an exposure as a Non-Performing Exposure (NPE) if it satisfies either or both of the following criteria:

- There are material exposures which are more than 90 days past-due;
- The obligor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.

A default is considered to have occurred when an exposure is classified as a NPE unless the exposure meets the following criteria:

- The obligor is a subsidiary of an investment grade or BB+ (equivalent) rated parent company; and
- There are no arrears >30 DPD unless due to a dispute or administrative reason; and
- The obligor is being made non-performing solely on the grounds of significant financial difficulty when evaluated on a standalone basis; and
- There is evidence to indicate that the parent or other group companies intend to provide support in order to mitigate the significant financial difficulty of the obligor; and
- There is no expectation of Bank incurring a credit loss from its exposures with the obligor.

Forward Looking Information and multiple economic scenarios

Estimates consider information about past events, current conditions and reasonable and supportable forecasts around future events and economic conditions. The application of forward-looking information (FLI) requires significant judgment. The Bank has developed models that include multiple economic scenarios that consider the variability and uncertainty in expected losses including factors such as GDP growth rates and unemployment rates, provided by the economists in Citi's Global Country Risk Management (GCRM). These estimates are based on portfolio data that reflect the current risk attributes of obligors and debt instruments combined with loss projections derived from the rating migration, PD and loss models built for estimating stress credit losses for wholesale portfolios. As mentioned above, these models have incorporated specifically developed components to make the estimates compliant with IFRS 9. The PD, LGD and Credit Conversion Factor (CCF) models are calibrated to the observed historical patterns of defaults and losses over several years and linked to economic drivers. The model reflects different loss likelihood and loss severity as a function of different economic forecasts. The Bank does not use the best case or worst case scenario, but assesses a representative number of scenarios (at least 3 when applying a sophisticated approach and where multiple scenarios are deemed to have a material non-linear impact) and probability weights these scenarios to determine the ECL.

(f) Loans to customers

'Loans to customers' caption in the statement of financial position include:

- loans to customers measured at amortised cost (see Note 3(c)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

(g) Investment securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (see Note 3(c)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI (see Note 3(c)).

(h) Financial assets at fair value through profit or loss

The 'financial assets at fair value through profit or loss' caption in the statement of financial position includes investment securities, the aim of which is a trading.

(i) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured as follows:

- at the higher of the loss allowance determined in accordance with IFRS 9 (see Note 3(e)) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Bank has issued no loan commitments that are measured at FVTPL.

For other loan commitments:

- the Bank recognises a loss allowance (see Note 3(e)).

Provisions for financial liabilities recognized in respect of issued financial guarantee contracts and commitments to provide loans are included in other liabilities.

(j) Fee and commission expense

The Bank purchases financial guarantees from related parties in accordance with its risk management policy to cover risks associated with loans issued, credit-related commitments, and guarantees issued. The Bank applies accounting policy in which it has determined that these financial guarantees are not an integral part of the related loans, as they are entered into as separate contracts. Thus, financial guarantees are accounted for as premiums payable independently of the underlying debt instruments.

(k) New standards

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Bank has not early adopted the new or amended standards in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Bank is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Bank's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Bank is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Other accounting standards

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

- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).*
- *Annual Improvements to IFRS Accounting Standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7).*

4 Net interest income

	2025 ‘000 KZT	2024 ‘000 KZT
Interest income		
Interest income calculated using the effective interest method		
Cash and cash equivalents	124,210,068	78,340,127
Loans to customers	22,166,488	18,036,479
Investment securities	8,848,961	16,451,563
Placements with banks	5,803,851	8,681,425
Reverse repurchase agreements	-	11
	161,029,368	121,509,605
Other interest income		
Financial assets at fair value through profit or loss	2,976,451	8,015,875
	2,976,451	8,015,875
Interest expense		
Current accounts and deposits from customers	(16,610,368)	(18,708,927)
Amounts payable under repurchase agreements	(8,284,043)	(3,072,735)
Deposits and balances from banks and other financial institutions	(7,433,726)	(5,264,417)
Operating lease	(36,544)	(45,683)
	(32,364,681)	(27,091,762)
Net interest income	131,641,138	102,433,718

5 Fee and commission income

	2025 ‘000 KZT	2024 ‘000 KZT
Transfers	2,144,883	1,762,475
Custodian fees	1,875,127	1,326,463
Guarantees issued	1,047,517	1,009,963
Letters of credit provided	696,672	221,590
Brokerage fees	462,410	323,089
Accounts maintenance	19,682	16,315
Credit cards	6,648	18,648
Other	848	3,656
	6,253,787	4,682,199

Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

6 Fee and commission expense

	2025	2024
	‘000 KZT	‘000 KZT
Guarantee and letter of credit issuance fees*	5,135,782	957,708
Transaction fees	619,216	527,643
Credit cards	108,718	133,188
Membership fees	96,819	96,925
Custodian fees	86,424	57,750
Brokerage fees	3,979	11,155
Other	144,828	114,493
	6,195,766	1,898,862

*Guarantee and letter of credit issuance fees include fees for guarantee-related services obtained from related parties. These fees are paid on a monthly basis as an agreed percentage of the portfolio of loans issued, credit-related commitments, and guarantees issued that are subject to coverage (Note 26).

7 Net foreign exchange gain

	2025	2024
	‘000 KZT	‘000 KZT
Net forex trading gain	2,404,271	41,152,816
Revaluation of foreign currency denominated instruments	22,888,235	(13,223,321)
	25,292,506	27,929,495

Concentrations of net forex exchange gain

In 2025, the Bank had 1 customer (2024: 1 customer) with whom net forex exchange gain exceeded 5% of equity. Total net forex trading gain with this counterparty amounted to KZT 7,135,799 thousand (2024: KZT 6,408,499 thousand). In addition, the Bank had 1 counterparty (2024: 1 counterparty) with whom net forex trading loss exceeded 5% of equity; total net forex trading loss with this counterparty amounted to KZT 51,958,563 thousand (2024: KZT 8,741,414 thousand).

8 Impairment charge on debt financial assets and credit related commitments

	2025	2024
	‘000 KZT	‘000 KZT
Cash and cash equivalents	(2,957)	225,029
Placements with banks	292,702	(129,013)
Investment securities	(76,035)	59,814
Loans to customers (Note 16)	(116,200)	120,311
Loan commitments and financial guarantee contracts	(49,168)	(44,581)
Other	(6,790)	1,620
	41,552	233,180

9 General administrative expenses

	2025	2024
	‘000 KZT	‘000 KZT
Administrative support provided by related banks*	20,589,449	15,102,783
Employee compensation	5,680,629	4,922,704
Taxes other than on income	5,643,968	4,323,326
Taxes related to employees	643,475	468,190
Administration	450,875	550,851
Cash collection	410,258	339,780
Depreciation and amortisation	300,078	299,256
Communications and information services	228,867	121,158
Professional services**	198,198	128,539
Repairs and maintenance	196,270	121,511
Depreciation expense on right of use asset	129,493	132,505
Representative expenses	128,352	142,792
Travel expenses	100,739	95,509
Office supplies	56,685	78,439
Rent	42,862	27,984
Security	30,878	29,351
Advertising and marketing	23,013	17,803
Other	102,560	104,079
	34,956,649	27,006,560

*Administrative support expenses provided by related banks mainly consist of the following services: business administrative services, IT services, system development, compliance services, finance services, HR services, cash operations service and other services. Administrative support expenses also consist of transformational costs with services related to global Citi-wide “Transformation”, senior management services costs and business management charges relating to reorganization.

**Professional services include KZT 52,600 thousand excluding VAT fees for the audit of the Bank's financial statements (including non-audit services for support in the translation of financial statements into Russian, formatting and proofreading), prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2025 (2024: KZT 47,900 thousand).

10 Income tax expense

	2025	2024
	‘000 KZT	‘000 KZT
Current tax expense		
Current year	35,893,362	18,326,405
Overprovided in prior years	500,834	91,594
	36,394,196	18,417,999
Deferred tax expense		
Origination and reversal of temporary differences	(310,882)	357,149
Total income tax expense	36,083,314	18,775,148

Reconciliation of effective tax rate:

	2025		2024	
	'000 KZT	%	'000 KZT	%
Profit before tax	114,217,952	100	117,354,111	100
Income tax at the applicable tax rate	22,843,591	20.00	23,470,822	20.00
Income tax in accordance with Article 783 of the Tax Code*	13,686,032	11.98	-	-
Current tax expense over provided in prior years	500,834	0.44	91,594	0.08
Change in temporary differences (resulting from an increase in the corporate income tax rate)**	153,776	0.13	-	-
Non-taxable income on securities	(1,633,946)	(1.43)	(5,267,730)	(4.49)
Non-deductible expenses	533,027	0.47	480,462	0.41
	36,083,314	31.59	18,775,148	16.00

Deferred tax asset and liability

The applicable tax rate for the Bank is 20% in 2025, which represents the legally established income tax rate for Kazakhstani companies (2024: 20%).

On 18 July 2025 the President of the Republic of Kazakhstan signed amendments to the Tax Code of the Republic of Kazakhstan as well as a new Tax Code and the related Law “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan related to Tax Issues”. These legislative changes introduced a number of significant tax measures affecting the financial sector and the broader economy.

*Among other changes, the amendments introduced an additional tax on certain income of financial institutions at a rate of 10%, which applies to specific types of income, including capital gains from the sale of government securities, interest income from government securities, interest income less interest expenses on repo transactions, income less expenses on foreign currency swaps and interest rate swaps and interest income on deposits placed with the National Bank of the Republic of Kazakhstan (“NBRK”) with maturities of up to one year. In accordance with these requirements, the Bank recognised additional tax expenses at the rate of 10% in 2025, which are presented within current income tax expenses.

The new Tax Code also introduces broader changes to the taxation framework in Kazakhstan, including a simplification of tax administration and redistribution of the tax burden across sectors. Under the new Tax Code, effective from 1 January 2026, the corporate income tax rate for the banking sector will increase to 25%, while a 20% rate will continue to apply to income derived from lending to business entities. In addition, the VAT exemption for certain banking financial transactions will be abolished, certain corporate income tax benefits related to interest income and gains on government securities will be cancelled, and the VAT rate will increase from 12% to 16%.

**Accordingly, temporary differences as of December 31, 2025, are calculated based on these rates. The change in the amount of temporary differences for the years ended December 31, 2025, and December 31, 2024, can be presented as follows:

	Balance 1 January 2025	Recognised in profit or loss	Balance 31 December 2025
'000 KZT			
Financial instruments at fair value through profit or loss	(840,720)	195,970	(644,750)
Property and equipment	(39,264)	6,017	(33,247)
Right-of-use asset	(69,088)	16,073	(53,015)
Other assets	180,772	121,248	302,020
Lease liability	30,812	(28,426)	2,386
Net deferred tax liabilities	(737,488)	310,882	(426,606)

‘000 KZT	Balance 1 January 2024	Recognised in profit or loss	Balance 31 December 2024
Financial instruments at fair value through profit or loss	(482,897)	(357,824)	(840,721)
Property and equipment	(58,976)	19,712	(39,264)
Right-of-use asset	8,949	(78,036)	(69,087)
Other assets	199,843	(19,071)	180,772
Lease liability	(47,258)	78,070	30,812
Net deferred tax liabilities	(380,339)	(357,149)	(737,488)

11 Cash and cash equivalents

Cash and cash equivalents at the end of the financial year are composed of the following items:

	31 December 2025 ‘000 KZT	31 December 2024 ‘000 KZT
Current accounts in the National Bank of the Republic of Kazakhstan	57,620,470	24,976,633
Current accounts in other banks and financial institutions:		
- rated AA- to AA+	54,666	1,646
- rated A- to A+	90,171,247	35,930,574
- rated BB- to BB+	52,033	31,153
- non-rated	-	130,970
Total current accounts in other banks and financial institutions	90,277,946	36,094,343
Overnight and term deposits with original maturity of less than 90 days in the National Bank of the Republic of Kazakhstan	716,404,306	589,041,380
Margin collateral*:		
- rated AA- to AA+	-	2,447
- rated A- to A+	2,356	-
- rated BBB- to BBB+	7,582,950	-
- non-rated	-	13,127,750
Total placements in financial institutions:	7,585,306	13,130,197
	871,888,028	663,242,553
Loss allowances	(41,623)	(38,802)
Total cash and cash equivalents	871,846,405	663,203,751

The credit ratings are presented with reference to the credit ratings of Standard&Poor’s credit ratings agency or analogues of similar international agencies.

None of the cash and cash equivalents are credit-impaired or past due. All amounts of cash and cash equivalents are classified into Stage 1 for the purpose of loss allowance determination.

Concentration of cash and cash equivalents

As at 31 December 2025 the Bank has 3 organizations (2024: 3 organizations) whose balances exceed 10% of equity, carrying amount of which is KZT 859,300,550 thousand as at 31 December 2025 (2024: KZT 654,771,741 thousand).

Current accounts amounting to KZT 90,173,603 thousand as at 31 December 2025 (2024: KZT 36,063,991 thousand) are placed with entities of Citigroup Inc. No overnight placements.

*On 31 December 2025 the Bank pledged a margin deposit as collateral for the fulfillment of obligations under derivative financial instruments in the amount of KZT 7,585,306 thousand (31 December 2024: KZT 13,130,197 thousand), including a deposit on the KASE Clearing Center JSC in the amount of KZT 7,582,950 thousand (31 December 2024: KZT 13,127,750 thousand), which is disclosed as “from BBB- to BBB+” and as non-rated at 31 December 2024 (internal rating: Rating 4, investment grade) .

Minimum reserve requirements of the National Bank of the Republic of Kazakhstan

Minimum reserve requirements are calculated in accordance with regulations issued by the NBRK and should be maintained as average of cash on hand and balances on current account with the NBRK for the four-week period calculated as certain minimum level of residents’ and non-residents’ customer deposits and current accounts balances as well as other bank liabilities. As at 31 December 2025 the minimum reserve requirements equaled KZT 56,426,314 thousand (31 December 2024: KZT 26,650,779 thousand).

On 25 July 2025, the Board of the National Bank of the Republic of Kazakhstan approved the Resolution “On Amendments and Additions to Certain Resolutions of the Board of the National Bank of the Republic of Kazakhstan on Minimum Reserve Requirements” (the “MRR Resolution”). The changes to the MRR mechanism were introduced as part of strengthening the anti-inflationary orientation and enhancing the monetary policy instruments of the NBRK.

The MRR ratios, determined depending on whether the Bank’s liabilities are classified into the first, second or third category, were increased as follows: for liabilities denominated in tenge, from 0%–2% to 3.5%, and for foreign currency liabilities, from 1%–3% to 10%.

During the reserve asset maintenance periods from 14 April 2026 to 31 August 2026, the MRR ratios for liabilities of the first and second categories were further increased: for liabilities denominated in tenge, to 5%, and for foreign currency liabilities, to 12% for banks of the first group and 15% for banks of the second group. For liabilities of the third category, the MRR ratios remained unchanged at 3.5% for liabilities denominated in tenge and 10% for foreign currency liabilities.

For reserve asset maintenance periods beginning on 1 September 2026, the MRR ratio will be set at 15% for foreign currency liabilities of the first and second categories for all banks, while the ratios for liabilities of the third category will remain unchanged.

12 Placements with banks

Placements with banks at the end of the financial year are composed of the following items:

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Placements with the National Bank of the Republic of Kazakhstan	-	266,617,470
	-	266,617,470
Loss allowances	-	(292,702)
Total placements with banks	-	266,324,768

As of 31 December 2024 none of the placements with banks are credit-impaired or past due. All amounts of placements with banks are classified into Stage 1 for the purpose of loss allowance determination. As at 31 December 2025, no active placements with banks were outstanding, as all balances had matured and were settled during the reporting period.

13 Derivative instruments at fair value through profit or loss

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Assets		
Derivative financial instruments		
Forward exchange contracts	11,762,249	5,291,025
Liabilities		
Derivative financial instruments		
Forward exchange contracts	4,768,140	984,594

The table below summarises, by major currency, the contractual amounts of the Bank's forward exchange contracts outstanding at 31 December 2025 and 31 December 2024 with details of the contracted exchange rates and remaining periods to maturity. Foreign currency amounts presented below are translated at forward exchange rates at the reporting date. The resultant unrealised gains and losses on these unmatured contracts, have been recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

	Notional amount				Weighted average contracted exchange rates	
	2025 '000 KZT		2024 '000 KZT		2025	2024
	Receivables	Payables	Receivables	Payables		
Buy USD sell KZT						
Less than three months	646,710,535	(642,407,472)	361,001,122	(356,313,051)	502.16	518.29
Sell USD buy KZT						
Less than three months	174,914,003	(174,535,139)	262,814,691	(263,096,624)	506.70	524.74
Between three months and one year	536,960	(528,750)	494,320	(537,423)	528.75	494.32
Buy KZT sell EUR						
Less than three months	16,389,929	(15,489,250)	5,186,704	(5,121,444)	644.65	561.08
Between three months and one year	13,969,265	(12,967,279)	1,624,019	(1,637,374)	672.48	561.56
Buy EUR sell USD						
Less than three months	77,950,098	(77,931,996)	45,973,359	(46,120,002)	1.17	1.04
Between three months and one year	21,743,642	(21,771,927)	1,577,006	(1,658,576)	1.18	1.10
Buy USD sell EUR						
Less than three months	10,149,823	(10,022,954)	-	-	1.19	-
Between three months and one year	7,037,210	(6,948,423)	-	-	1.20	-
Buy KZT sell RUB						
Less than three months	5,339,654	(5,196,000)	-	-	6.5	-
Buy RUB sell USD						
Less than three months	5,125,866	(5,007,923)	-	-	83.02	-
Buy GBP sell USD						
Less than three months	-	-	3,293,974	(3,294,401)	-	1.25
Buy other currencies sell KZT						
Less than three months	690,964	(675,702)	56,296	(53,352)	55.08	45.44
Between three months and one year	415,554	(444,631)	814,220	(761,224)	65.36	46.43
Buy KZT sell other currencies						
Between three months and one year	-	-	1,284,262	(1,178,832)	-	80.00
Buy USD sell other currencies						
Less than three months	688,041	(734,829)	57,866	(54,058)	9.86	10.29
Between three months and one year	668,128	(675,582)	826,472	(775,724)	9.23	10.25
Buy other currencies sell USD						
Between three months and one year	216,743	(214,449)	1,170,676	(1,266,471)	9.22	7.18
Net	982,546,415	(975,552,306)	686,174,987	(681,868,556)		
		6,994,109		4,306,431		

The following table provides information on the credit quality of foreign currency contracts, which are assets:

	2025	2024
	‘000 KZT	‘000 KZT
Large OECD banks	8,626,099	4,957,705
Medium and small Kazakhstan companies	3,136,150	333,320
	11,762,249	5,291,025

No financial instruments at fair value through profit or loss are past due as at 31 December 2025 (2024: none).

14 Financial assets at fair value through profit or loss

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Bonds issued by the Ministry of Finance of the Republic of Kazakhstan (Country sovereign rating: BBB-)	25,312,100	82,069,971
Other investments	2,200	2,200
	25,314,300	82,072,171

Investments in securities measured at FVTPL are held within the Bank’s trading portfolio, with the objective of capturing gains on the purchase and sale of financial assets.

15 Investment securities

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Investment securities at fair value through other comprehensive income		
Bonds issued by the Ministry of Finance of the Republic of Kazakhstan (Country sovereign rating: BBB-)	133,770,000	-
	133,770,000	-
Allowance for expected credit losses	(76,035)	-
Net investment securities at fair value through other comprehensive income	133,770,000	-

Investments in securities measured at FVOCI are held for liquidity management purposes and treasury-related activities.

The credit ratings are presented with reference to the credit ratings of Standard&Poor’s credit ratings agency or analogues of similar international agencies.

No assets are past due or credit-impaired as at 31 December 2025. All investment securities are classified into Stage 1 for the purpose of loss allowance determination. The loss allowance on debt investment securities at FVOCI is not recognised in the statement of financial position because the carrying amount of such securities is their fair value.

As at 31 December 2025, bonds with a fair value of KZT 997,213 thousand issued by the Ministry of Finance of the Republic of Kazakhstan were pledged for REPO transactions, and the related amount recognised within “Amounts payable under repurchase agreements” was KZT 1,005,491 thousand.

16 Loans to customers

	31 December 2025 ‘000 KZT	31 December 2024 ‘000 KZT
Loans to large corporates	135,968,278	152,884,589
	135,968,278	152,884,589
Loss allowances	(309,470)	(195,768)
Loans to customers	135,658,808	152,688,821

(a) Analysis of movements in loss allowance

The following tables provide reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

‘000 KZT	2025		
	12-month ECL	Lifetime ECL not credit-impaired	Total
Loans to large corporates			
Balance at 1 January	195,762	6	195,768
Net change of loss allowance	(190,172)	(6)	(190,178)
New financial assets originated or purchased	306,356	22	306,378
Foreign exchange and other movements	(2,498)	-	(2,498)
Balance at 31 December	309,448	22	309,470

‘000 KZT	2024		
	12-month ECL	Lifetime ECL not credit-impaired	Total
Loans to large corporates			
Balance at 1 January	312,933	1	312,934
Net change of loss allowance	(313,699)	(1)	(313,700)
New financial assets originated or purchased	193,383	6	193,389
Foreign exchange and other movements	3,145	-	3,145
Balance at 31 December	195,762	6	195,768

During the year ended 31 December 2025 most loans were repaid due to the short-term nature of the loans and the amount of KZT 1,182,699,700 thousand were newly issued (2024: KZT 817,215,517 thousand). That change in gross amount of loans issued to corporate customers contributed to the change in loss allowance. All these loans were classified as Stage 1 of the credit risk grading 2025 and 2024 years respectively.

No contractual amount outstanding on financial assets that were written-off during the year ended 31 December 2025 and 31 December 2024 and that are still subject to enforcement activity.

(b) Credit quality analysis

The Bank has an internal risk rating system that accurately and reliably differentiates between degrees of credit risk for classifiable managed exposures.

To differentiate among degrees of credit risk, the Bank must be able to make meaningful and consistent distinctions among credit exposures along two dimensions:

- default risk - obligors are assigned to rating grades that approximately reflect likelihood of default, and
- loss severity rating grades (or loss given default estimates) that approximately reflect the loss severity expected in the event of default during economic downturn conditions.

The Obligor Risk Rating (ORR) represents the probability that an obligor will default within a one-year time horizon. Risk ratings for obligors are assigned on a scale of 1 to 10, with sub-grades, where “1” is the best quality risk and “7” is the worst for obligors that are not in default. ORRs of “8” to “10” are assigned to obligors meeting the definition of default: i.e. the obligor is either 90 days past due on material exposure to the Bank and/or the Bank considers that the obligor is unlikely to pay its credit obligations to the Bank in full without recourse by the Bank to actions such as realizing security (if held), collecting against a guarantee or other forms of support, or filing a claim against the insurer.

Obligors assigned ORR of “4-” and better are considered Investment Grade obligors, which have low default risk based on their strength of capacity to meet financial commitments.

The table below provides an indicative comparison of the Bank's internal risk ratings with Standard & Poor's PD and external credit ratings as at 31 December 2025 and 31 December 2024:

Risk Rating		Average Probability of Default (%)	External Rating
Rating 1 to 4-:	Investment Grade	0.001- 0.34	AAA to BBB-
Rating 5+ to 6-:	Non-investment Grade	0.89 - 12.16	BB+ to B-
Rating 7+ to 7-:	Higher Risk	16.64 to 22.13	CCC+ to CCC-
Rating 8 to 10:	Credit Impaired	Loss estimate on individual basis	to SD/D

The following tables provide information on the credit quality of loans issued to customers:

'000 KZT	2025		
	Stage 1	Stage 2	Total
Loans to customers			
Rating 1 to 4-	54,887,605	-	54,887,605
Rating 5+ to 6-	81,078,347	2,326	81,080,673
Total	135,965,952	2,326	135,968,278
Expected credit loss	(309,448)	(22)	(309,470)
Balance as at 31 December 2025	135,656,504	2,304	135,658,808

'000 KZT	2024		
	Stage 1	Stage 2	Total
Loans to customers			
Rating 1 to 4-	59,665,778	-	59,665,778
Rating 5+ to 6-	93,217,502	1,309	93,218,811
Total	152,883,280	1,309	152,884,589
Expected credit loss	(195,762)	(6)	(195,768)
Balance as at 31 December 2024	152,687,518	1,303	152,688,821

The Bank has no overdue loans as at 31 December 2025 (2024: nil).

- (c) The majority of loans to large corporates are secured by guarantees from both related and third parties. These guarantees are not incorporated into the ECL measurement assumptions.

Industry and geographical analysis of the loan portfolio

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

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Trade	117,192,908	94,822,058
Finance	10,414,781	23,292,510
Leasing	4,401,736	4,312,066
Manufacturing	3,725,755	5,159,496
Miscellaneous services	135,266	110,955
Transportation	97,712	14,083,299
Food production	120	1,083
Agriculture	-	11,103,122
	135,968,278	152,884,589
Loss allowance	(309,470)	(195,768)
Carrying amount	135,658,808	152,688,821

(d) Significant credit exposures

As at 31 December 2025 the Bank had 5 borrowers (2024: 6), whose loan balances exceeded 10% of equity. The gross value of these loans as at 31 December 2025 was KZT 105,366,713 thousand (2024: KZT 107,303,116 thousand).

17 Other assets and liabilities

Below is the breakdown of other assets:

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Debtors under letters of credit and guarantees*	6,900,693	-
Debtors for banking activities	225,466	183,027
Accrued commission income	372,216	27,677
Settlements with professional securities market participants	55,000	55,000
Other financial assets	149,324	55,831
Total financial assets	7,702,699	321,535
Prepayments	205,625	256,531
Receivables from employees	31,737	17,842
Other non-financial assets	16,228	9,911
Total non-financial assets	253,590	284,284
Total other assets	7,956,289	605,819

All financial assets were classified as Stage 1 of the credit risk grading as at 31 December 2025 and 31 December 2024, with no amounts past due.

*As at 31 December 2025 debtors under letters of credit amounted to KZT 6,907,482 thousand (2024: nil) represented by receivables from 1 counterparty with an internal credit rating assigned 5.

Below is the breakdown of other liabilities:

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Other financial liabilities	609,814	563,485
Other creditors for banking activities	482,221	342,951
Lease liabilities	225,994	348,771
Issued guarantees	180,371	130,847
Accrued commission expense	12,203	53,648
Total financial liabilities	1,510,603	1,439,702
Taxes other than income tax	3,397,687	1,856,859
Payables to employees	1,029,779	731,617
Vacation reserve	169,046	175,618
Loss allowance on contingent liabilities	1,803	1,289
Future period income	-	502
Total non-financial liabilities	4,598,315	2,765,885
Total other liabilities	6,108,918	4,205,587

18 Deposits and balances from banks and other financial institutions

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Vostro accounts	24,990,597	15,879,860
Term deposits	187,003,390	4,273,992
	211,993,987	20,153,852

Concentration of deposits and balances from banks and other financial institutions

As at 31 December 2025 the Bank has two financial institutions (2024: none), whose balances exceed 10% of equity. The balances on accounts and deposits of these banks and other financial institutions as at 31 December 2025 amount to KZT 187,149,945 thousand.

19 Current accounts and deposits from customers

	31 December 2025	31 December 2024
	‘000 KZT	‘000 KZT
Current accounts and demand deposits		
- Corporate	643,640,568	792,719,598
- Retail	-	2,814
Term deposits		
- Corporate	230,880,411	244,532,956
	874,520,979	1,037,255,368

Concentrations of current accounts and customer deposits

As at 31 December 2025, the Bank had 18 customers (2024: 16 customers) whose balances exceeded 10% of equity. These balances as at 31 December 2025 amount to KZT 332,745,026 thousand (2024: KZT 440,327,830 thousand).

The customers did not have minimum balance requirement for current accounts and deposits from customers for both years.

20 Equity

(a) Issued capital

As at 31 December 2025 and 31 December 2024 the authorised, issued and outstanding share capital comprises 621 ordinary shares. All shares have a par value of KZT 20,125 thousand. During 2025 and 2024 the Bank did not issue ordinary shares.

(b) Dividends

In accordance with Kazakhstan legislation the Bank's distributable reserves are limited to the balance of retained earnings as recorded in the Bank's statutory financial statements prepared in accordance with IFRS Accounting Standards or profit for the year if there is an accumulated loss brought forward. A distribution cannot be made if this would result in negative equity or the Bank's insolvency. Under Kazakhstan legislation, as at the reporting date, reserves available for distribution amounted to KZT 78,134,641 thousand (2024: KZT 98,578,966 thousand). During 2025 there were dividends declared and paid-in the total amount of KZT 98,578,963 thousand (2024: KZT 110,464,765 thousand).

Summary of dividends declared and paid in during 2025 and 2024 is presented as follows:

'000 KZT	Amount of dividends declared and paid-in	Dividend per share
Declared on 29/05/2025 and paid on 29 May 2025	49,280,000	79,356
Declared on 30/07/2025 and paid on 31 July 2025	24,650,000	39,694
Declared on 15/12/2025 and paid on 15 December 2025	24,648,963	39,692
	98,578,963	
'000 KZT	Amount of dividends declared and paid-in	Dividend per share
Declared on 30/03/2024 and paid on 30 March 2024	27,600,000	44,444
Declared on 31/07/2024 and paid on 31 July 2024	27,600,000	44,444
Declared on 01/10/2024 and paid on 1 October 2024	27,600,000	44,444
Declared on 29/11/2024 and paid on 29 November 2024	27,600,000	44,444
Declared on 06/12/2024 and paid on 6 December 2024	64,765	104
	110,464,765	

21 Risk management

Risk Management is fundamental to the Bank's business and is an essential element of the Bank's operations. The major risks faced by the Bank are those related to market risk, which includes price, interest rate and currency risks, credit risk and liquidity risk.

(a) Risk management policies and procedures

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

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

The Management Board of the Bank is responsible for monitoring and implementing risk mitigation measures and ensuring that the Bank operates within established risk parameters.

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

The Bank calculates mandatory ratios on a daily basis in accordance with the requirement of the NBRK. As at 31 December 2025 and 2024 the mandatory ratios were in compliance with limits set by the NBRK.

(b) Market risk

Market risk - the probability of financial losses on balance sheet and off-balance sheet items from adverse changes in the market situation, expressed in changes in market interest rates, foreign exchange rates, market value of financial instruments and other. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates.

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

The Bank manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions and stop-loss limits. These are monitored on a regular basis and reviewed and approved by the Management Board. In addition, the Bank uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the Bank's overall position. Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by the Bank include risk factor stress testing, where stress movements are applied to each risk category and ad hoc stress testing, which includes applying possible stress events to specific positions.

(c) Interest rate risk

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

As the Bank's relevant financial instruments are predominantly subject to fixed interest rates, their repricing profile is substantially aligned with their contractual maturity profile. Accordingly, no separate interest rate gap analysis is presented.

Average interest rates

The table below displays average effective interest rates for interest bearing assets and liabilities as at 31 December 2025 and 2024.

	2025			2024		
	Average effective interest rate, %			Average effective interest rate, %		
	KZT	USD	Other currencies	KZT	USD	Other currencies
Interest bearing assets						
Cash and cash equivalents	17.84	-	-	15.05	4.08	-
Placements with banks	-	-	-	-	5.08	-
Loans to customers	18.05	5.92	-	16.10	6.91	4.91
Investment securities	13.84	-	-	-	-	-
Financial assets at fair value through profit and loss	14.72	-	-	11.47	-	-
Interest bearing liabilities						
Deposits and balances from banks and other financial institutions						
- Term deposits	9.57	3.75	-	11.50	-	-
Current accounts and deposits from customers						
- Term deposits	9.86	1.47	0.50	7.37	1.18	0.50
Amounts payable under repurchase agreements	17.2	-	-	-	-	-

Interest rate sensitivity analysis

The management of interest rate risk, based on an interest rate gap analysis, is supplemented by monitoring the sensitivity of financial assets and liabilities. An analysis of the sensitivity of net profit or loss and equity (net of taxes) to changes in interest rates (repricing risk), based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 31 December 2025 and 31 December 2024, is as follows:

‘000 KZT	2025		2024	
	Net income	Equity	Net income	Equity
100 bp parallel increase	3,007,391	3,007,391	3,895,134	3,895,134
100 bp parallel decrease	(3,007,391)	(3,007,391)	(3,895,134)	(3,895,134)

Fair value interest rate sensitivity analysis

An analysis of the sensitivity of net profit or loss and equity (net of taxes) as a result of changes in the fair value of financial instruments at fair value through profit or loss and investment securities due to changes in the interest rates, based on positions existing as at 31 December 2025 and 2024 and a simplified scenario of a 100 bp symmetrical fall or rise in all yield curves, is as follows:

‘000 KZT	2025		2024	
	Net income	Equity	Net income	Equity
100 bp parallel increase	(568,566)	(1,813,966)	(1,563,589)	(1,563,589)
100 bp parallel decrease	626,500	1,861,063	1,693,944	1,693,944

(d) Currency risk

The Bank has assets and liabilities denominated in several foreign currencies. Foreign currency risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency. For further information on the Bank’s exposure to currency risk at year end refer to Note 28.

An analysis of sensitivity of the Bank’s net income for the year and equity (net of taxes) to changes in the foreign currency exchange rates based on positions existing as at 31 December 2025 and 2024 and a simplified scenario of a +/-20% change in USD and other currencies to Kazakhstan Tenge exchange rates is as follows:

‘000 KZT	2025		2024	
	Net income	Equity	Net income	Equity
20% appreciation of USD against KZT (2024: 20%)	(71,282)	(71,282)	774,211	774,211
20% depreciation of USD against KZT (2024: 20%)	71,282	71,282	(774,211)	(774,211)
20% appreciation of other currencies against KZT (2024: 20%)	30,787	30,787	44,843	44,843
20% depreciation of other currencies against KZT (2024: 20%)	(30,787)	(30,787)	(45,567)	(45,567)

(e) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank has policies and procedures in place to manage credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee which approves credit extension. The Bank’s credit policy is reviewed and approved by the Board of Directors.

The credit policy establishes:

- procedures for reviewing and approving loan credit applications;
- methodology for the credit assessment of corporate borrowers and/or issuers;

- methodology for the credit assessment of counterparties;
- methodology for the evaluation of collateral;
- credit documentation requirements.

Credit approval requests are originated by the relevant client managers and are then passed for approval to the Credit Committee in form of Credit Package. Client manager collects inputs from Credit Risk, Legal and Compliance to form the credit package. The Credit Committee reviews the Credit Approval requests on the basis of submissions by the Corporate Business.

The Bank continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. The review is based on the customer's most recent financial statements and other information submitted by the borrower, or otherwise obtained by the Bank.

Apart from individual customer analysis, the credit portfolio is assessed by the Risk Department with regard to credit concentration risk.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and unrecognised contractual commitment amounts and pre-settlement value of derivative transactions. The impact of the possible netting of assets and liabilities to reduce potential credit exposure is not significant. The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in Note 23.

The Bank monitors concentrations of credit risk by type of obligors and by industry/sector. For the analysis of concentration of credit risk in respect of loans and advances to customers refer to Note 16 "Loans to customers".

The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	31 December 2025	31 December 2024
	'000 KZT	'000 KZT
ASSETS		
Cash and cash equivalents	871,846,405	663,203,751
Loans to customers	135,658,808	152,688,821
Financial assets at fair value through profit or loss	25,314,300	82,072,171
Investment securities	133,770,000	-
Placements with banks	-	266,324,768
Other financial assets	7,702,699	321,535
Total maximum exposure	1,174,292,212	1,164,611,046

(f) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Bank's statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

Similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the table below, unless they are offset in the statement of financial position

The Bank conducts derivative transactions that are not transacted on the exchange through a central counterparty. Management believes that such settlements are, in effect, equivalent to net settlement, and that the Bank meets the net settlement criterion as this gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and that the Bank will process receivables and payables in a single settlement process or cycle.

The Bank receives and accepts collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale and repurchase, and reverse sale and repurchase agreements; and
- securities lending and borrowing.

Such collateral is subject to the standard industry terms of the International Derivative Swaps and Dealers Association (ISDA) Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral.

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2025:

'000 KZT	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position	Net amount
Types of financial assets/liabilities					
Derivative instruments at fair value through profit or loss - assets	11,762,249	-	11,762,249	(4,768,140)	6,994,109
Derivative instruments at fair value through profit or loss - liabilities	(4,768,140)	-	(4,768,140)	4,768,140	-
Amounts payable under repurchase agreements	(1,005,491)	-	(1,005,491)	997,213	(8,278)

The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2024:

'000 KZT	Gross amounts of recognised financial asset/liability	Gross amount of recognised financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position	Net amount
Types of financial assets/liabilities					
Derivative instruments at fair value through profit or loss - assets	5,291,025	-	5,291,025	(984,594)	4,306,431
Derivative instruments at fair value through profit or loss - liabilities	(984,594)	-	(984,594)	984,594	-

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the statement of financial position on the following basis:

- derivative assets and liabilities – fair value;
- assets and liabilities resulting from sale and repurchase agreements, reverse sale and repurchase agreements and securities lending and borrowing – amortised cost.

The amounts in the above tables that are offset in the statement of financial position are measured on the same basis.

(g) Liquidity risk

Liquidity risk is the probability that financial losses occur as a result of the Bank's inability to fulfil its obligations in a timely manner without significant losses. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity management. It is unusual for financial institutions ever to be completely matched, since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The Bank maintains the necessary level of liquidity in order to constantly ensure the availability of funds to pay its obligations. The Bank's liquidity policy is reviewed and approved by the Board of Directors.

The Bank seeks to actively support a diversified and stable funding base comprising short-term deposits 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 risk management policy establishes an effective process for identifying, assessing, monitoring and controlling liquidity risk. The liquidity risk management policy also defines the requirements for:

- projecting cash flows by major currencies and taking into account the level of liquid assets necessary in relation thereto;
- maintaining a diversified structure of funding sources;
- managing the concentration and structure of borrowed funds;
- developing an annual funding and liquidity plan and a contingency plan;
- intraday liquidity management;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as a protective measure in the event of a break in a cash liquidity;
- monitoring liquidity ratios against regulatory requirements.

The Treasury Department receives information from business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury Department then provides for an adequate portfolio of short-term liquid assets to be maintained, largely made up of short-term liquid trading securities, loans to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions, is performed by the Treasury Department.

The Bank also calculates mandatory liquidity ratios on a daily basis in accordance with the requirements of the NBRK. The Bank was in compliance with these ratios as at 31 December 2025 and 2024.

To manage the liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, short-term state securities for which there is a liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Bank believes that it is not necessary to disclose a maturity analysis in respect of these assets to enable users to evaluate the nature and extent of liquidity risk.

In accordance with Kazakhstan legislation, depositors can withdraw their term deposits at any time, losing in most of the cases the accrued interest. These deposits are classified in accordance with their stated maturity dates.

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

The following tables show the undiscounted cash flows of non-derivative financial liabilities, on the basis of their earliest possible contractual maturity. The total gross amount (inflow)/outflow disclosed in the table is the contractual, undiscounted cash flow on the financial liability.

Management expects that the cash flows for certain financial liabilities may differ from those specified in the contracts, either because management has the power to manage the cash flows or because past experience indicates that the timing of the cash flows of those financial liabilities may differ from those stipulated in the contracts.

The following tables set out the remaining contractual maturities of financial liabilities as at 31 December 2025 can be presented as follows:

‘000 KZT	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Gross cash inflow (outflow)	Carrying amount
Non-derivative liabilities							
Deposits and balances from banks and other financial institutions	211,997,132	-	-	-	-	211,997,132	211,993,987
Current accounts and deposits from customers	874,804,114	2,633	60,906	-	-	874,867,653	874,520,979
Amounts payable under repurchase agreements	1,005,491	-	-	-	-	1,005,491	1,005,491
Other financial liabilities	1,510,603	-	-	-	-	1,510,603	1,510,603
Derivatives							
- Inflow	(885,863,395)	(43,320,976)	(40,367,216)	(1,232,579)	-	(970,784,166)	-
- Outflow	886,808,944	45,192,321	42,216,379	1,334,662	-	975,552,306	4,768,140
Total	1,090,262,889	1,873,978	1,910,069	102,083	-	1,094,149,019	1,093,799,200
Credit related commitments	65,750,871	-	-	-	-	65,750,871	-

The following tables set out the remaining contractual maturities of financial liabilities as at 31 December 2024 can be presented as follows:

‘000 KZT	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Gross cash inflow (outflow)	Carrying amount
Non-derivative liabilities							
Deposits and balances from banks and other financial institutions	20,164,557	-	-	-	-	20,164,557	20,153,852
Current accounts and deposits from customers	1,037,497,731	517	60,785	-	-	1,037,559,033	1,037,255,368
Other financial liabilities	1,439,702	-	-	-	-	1,439,702	1,439,702
Derivatives							
- Inflow	(169,250,640)	(8,076,266)	(2,701,177)	(1,428,591)	-	(181,456,674)	-
- Outflow	169,687,996	8,373,871	2,852,751	1,526,650	-	182,441,268	984,594
Total	1,059,539,346	298,122	212,359	98,059	-	1,060,147,886	1,059,833,516
Credit related commitments	73,016,941	-	-	-	-	73,016,941	-

The following table provides an analysis of the carrying amounts assets and liabilities (by expected maturities) recognized in the statement of financial position as at 31 December 2025:

‘000 KZT	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Total
Assets							
Cash and cash equivalents	871,846,405	-	-	-	-	-	871,846,405
Derivative instruments at fair value through profit or loss	5,920,807	2,853,736	2,987,706	-	-	-	11,762,249
Financial assets at fair value through profit or loss	-	40,628	1,663,136	21,294,333	2,314,003	2,200	25,314,300
Investment securities	-	643,125	44,947,528	88,179,347	-	-	133,770,000
Loans to customers	45,100,713	48,896,197	38,517,284	3,144,614	-	-	135,658,808
Property, equipment and intangible assets	-	-	-	-	-	1,085,964	1,085,964
Current tax assets	-	-	2,823,142	-	-	-	2,823,142
Other assets	3,980,130	2,634,600	1,341,559	-	-	-	7,956,289
Total assets	926,848,055	55,068,286	92,280,355	112,618,294	2,314,003	1,088,164	1,190,217,157
Liabilities							
Derivative instruments at fair value through profit or loss	945,549	1,871,345	1,951,246	-	-	-	4,768,140
Deposits and balances from banks and other financial institutions	211,993,987	-	-	-	-	-	211,993,987
Current accounts and deposits from customers	874,460,505	-	60,474	-	-	-	874,520,979
Amounts payable under repurchase agreements	1,005,491	-	-	426,606	-	-	1,005,491
Deferred tax liabilities	-	-	-	-	-	-	426,606
Other liabilities	6,108,918	-	-	-	-	-	6,108,918
Total liabilities	1,094,514,450	1,871,345	2,011,720	426,606	-	-	1,098,824,121

The following table provides an analysis of the carrying amounts assets and liabilities (by expected maturities) recognized in the statement of financial position as at 31 December 2024:

‘000 KZT	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Total
Assets							
Cash and cash equivalents	663,203,751	-	-	-	-	-	663,203,751
Placements with banks	-	-	266,324,768	-	-	-	266,324,768
Derivative instruments at fair value through profit or loss	4,976,506	89,533	224,986	-	-	-	5,291,025
Financial assets at fair value through profit or loss	1,781	1,955,647	11,786,140	65,644,181	2,682,222	2,200	82,072,171
Loans to customers	59,901,075	38,505,088	47,201,714	7,080,944	-	-	152,688,821
Property, equipment and intangible assets	-	-	-	-	-	1,280,451	1,280,451
Current tax assets	-	-	3,008,649	-	-	-	3,008,649
Other assets	605,819	-	-	-	-	-	605,819
Total assets	728,688,932	40,550,268	328,546,257	72,725,125	2,682,222	1,282,651	1,174,475,455
Liabilities							
Derivative instruments at fair value through profit or loss	437,356	297,605	249,633	-	-	-	984,594
Deposits and balances from banks and other financial institutions	20,153,852	-	-	-	-	-	20,153,852
Current accounts and deposits from customers	1,037,194,940	-	60,428	-	-	-	1,037,255,368
Deferred tax liabilities	-	-	-	737,488	-	-	737,488
Other liabilities	4,205,587	-	-	-	-	-	4,205,587
Total liabilities	1,061,991,735	297,605	310,061	737,488	-	-	1,063,336,889

22 Capital management

The NBRK sets and monitors capital requirements for the Bank.

The Bank defines as capital the following items defined by statutory regulation as capital for banks:

- Tier 1 capital, which is comprised of common equity and additional capital. Common equity comprises a share capital in the form of ordinary shares, additional paid-in capital, retained earnings of current year and prior periods and provisions less ordinary treasury shares, intangible assets including goodwill, current year and prior period losses, deferred tax asset less deferred tax liability and other revaluation reserves. Additional capital comprises perpetual financial instruments and paid-in preferred stock less adjustments for the Bank's investments in its own perpetual financial instruments and preferred treasury stock;
- Tier 2 capital, which comprises the subordinated debt denominated in the national currency, less investments in the subordinated debt of the financial organisations, in which the Bank owns 10% and more of the issued shares (interests in the charter capital) of a legal entity.

The equity is the sum of tier 1 capital, tier 2 capital.

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

Under the current capital requirements set by the NBRK banks have to maintain:

- a ratio of common equity to the sum of assets and contingent liabilities, financial derivatives weighted by the level of credit risk, assets, contingent assets and liabilities, calculated based on the market risk and a quantitative measure of operational risk (k1);
- a ratio of tier 1 capital to the sum of assets and contingent liabilities, financial derivatives weighted by the level of credit risk, assets, contingent assets and liabilities, calculated based on the market risk and a quantitative measure of operational risk (k1-2);
- a ratio of total capital to the sum of assets and contingent liabilities, financial derivatives weighted by the level of credit risk, assets, contingent assets and liabilities, calculated based on the market risk and a quantitative measure of operational risk (k2).

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

- k1 – 8.0%;
- k1-2 – 9.0%;
- k2 – 10.5%.

The Bank has complied with all externally imposed capital requirements as at 31 December 2025 and 2024.

The following table shows the composition of the Bank's capital position calculated in accordance with the NBRK Management Board decree #170 dated 13 September 2017, as at 31 December 2025 and 31 December 2024:

	2025	2024
	'000 KZT	'000 KZT
Common equity	91,317,002	111,138,566
Tier 1 capital	91,317,002	111,138,566
Total statutory equity	91,317,002	111,138,566

	2025 ‘000 KZT	2024 ‘000 KZT
Risk-weighted statutory assets, contingent liabilities, operational and market risks		
Risk-weighted statutory assets	27,623,692	37,373,406
Risk-weighted contingent liabilities	32,268,763	63,732,842
Risk weighted derivative financial instruments	8,210,981	8,274,366
Operational risk	124,046,201	104,601,726
Market risk	7,080,688	23,097,863
Total statutory risk weighted assets, contingent liabilities, operational and market risk	199,230,325	237,080,203
k1 ratio	45.8%	46.9%
k1-2 ratio	45.8%	46.9%
k2 ratio	45.8%	46.9%

The Bank’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders’ return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

23 Credit related commitments

The Bank has outstanding credit related commitments to extend loans. These credit related commitments take the form of approved loans and credit card limits and overdraft facilities.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to ten years.

The Bank applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans to customers.

The contractual amounts of credit related commitments are set out in the following table by category. The amounts reflected in the table for credit related commitments assume that amounts are fully advanced. 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 completely to perform as contracted.

	31 December 2025 ‘000 KZT	31 December 2024 ‘000 KZT
Contracted amount		
Unused credit related commitments to extend loans to customers		
<i>Committed</i>	16,788,614	9,305,522
<i>Uncommitted</i>	448,879,392	385,970,124
	465,668,006	395,275,646
Guarantees and letters of credit	48,962,257	63,711,419
	48,962,257	63,711,419

These obligations may be terminated without their partial or complete fulfillment. As a result, the liabilities referred to above do not represent expected cash outflows. The majority of commitments to extend loans and lines of credit do not represent unconditional commitments by the Bank.

As at 31 December 2025 collateralized guarantees and letters of credit covered by protective counter-guarantees was KZT 35,154,123 thousand (2024: KZT 41,382,888 thousand).

The following tables show credit quality analysis of guarantees and letters of credit:

‘000 KZT	2025		
	Stage 1	Stage 2	Total
Credit lines on committed loans			
Rating 1 to 4-	16,073,705	-	16,073,705
Rating 5+ to 6-	691,959	22,950	714,909
Balance as at 31 December	16,765,664	22,950	16,788,614
Expected credit loss	(1,780)	(22)	(1,802)
Balance at 31 December without loss allowance	16,763,884	22,928	16,786,812

‘000 KZT	2024		
	Stage 1	Stage 2	Total
Credit lines on committed loans			
Rating 1 to 4-	8,415,078	-	8,415,078
Rating 5+ to 6-	868,753	21,691	890,444
Balance as at 31 December	9,283,831	21,691	9,305,522
Expected credit loss	(1,096)	(18)	(1,114)
Balance at 31 December without loss allowance	9,282,735	21,673	9,304,408

‘000 KZT	2025		
	Stage 1	Stage 2	Total
Guarantees and letters of credit			
Rating 1 to 4-	43,654,853	-	43,654,853
Rating 5+ to 6-	5,307,404	-	5,307,404
Balance as at 31 December	48,962,257	-	48,962,257
Expected credit loss	(128,104)	-	(128,104)
Balance at 31 December without loss allowance	48,834,153	-	48,834,153

‘000 KZT	2024		
	Stage 1	Stage 2	Total
Guarantees and letters of credit			
Rating 1 to 4-	58,830,459	-	58,830,459
Rating 5+ to 6-	4,178,845	702,115	4,880,960
Balance as at 31 December	63,009,304	702,115	63,711,419
Expected credit loss	(79,923)	(3,790)	(83,713)
Balance at 31 December without loss allowance	62,929,381	698,325	63,627,706

Concentration of guarantees and letters of credit

As at 31 December 2025 the Bank has 2 customer whose balances exceed 10% of total guarantees and letters of credit (31 December 2024: 3 customer). The balances under guarantees and letters of credit of these customers as at 31 December 2025 was KZT 33,633,954 thousand (2024: KZT 44,868,791 thousand).

24 Contingencies

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Bank 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 Bank property or relating to the Bank's operations. Until the Bank 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.

(b) Litigation

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

(c) Taxation contingencies

The taxation system in the Republic of Kazakhstan continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities who have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the five subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Republic of Kazakhstan suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

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

25 Custody activities

The Bank provides custody services to its customers, whereby it holds securities on behalf of customers and receives fee income for providing these services. These securities are not assets of the Bank and are not recognised in the statement of financial position.

26 Related party transactions

(a) Control relationships

The Bank is wholly owned by the Shareholder Bank which is ultimately owned by Citigroup Inc., a public company listed on several stock exchanges. Both entities produce publicly available financial statements.

Related parties include the Parent as well as other Citigroup entities, members of the Board of Directors and members of the Management Board.

(b) Transactions with members of the Board of Directors and the Management Board

Total remuneration included in employee compensation (refer Note 9) represents short-term employee benefits:

	2025 ‘000 KZT	2024 ‘000 KZT
Members of the Management Board	470,687	402,743
Members of the Board of Directors	28,133	25,362
	498,820	428,105

The above amounts include non-cash benefits in respect of the Management Board.

(c) Transactions with other related parties

The outstanding balances and the related average interest rates as at 31 December 2025 and 31 December 2024 and related income statement amounts of transactions for the years ended 31 December 2025 and 2024 with other related parties were as follows.

Statement of financial position	The Shareholder Bank			Other Citigroup entities			Total		
	'000 KZT	Average interest rate, %		'000 KZT	Average interest rate, %		'000 KZT		
		2025	2024		2025	2024	2025	2024	
Assets									
Cash and cash equivalents	60,702,073	27,622,627	6.65%	29,450,657	8,425,577	4.21%	7.58%	90,152,730	36,048,204
Derivative instruments at fair value through profit or loss	8,625,451	4,886,313	-	-	-	-	-	8,625,451	4,886,313
Other assets	20,364	76,009	-	20,245	15,478	-	-	40,609	91,487
Liabilities									
Derivative instruments at fair value through profit or loss	3,857,783	527,904	-	-	-	-	-	3,857,783	527,904
Deposits and balances from banks and other financial institutions	186,097,515	167,552	3.75%	462,746	414,946	-	-	186,560,261	582,498
Current accounts and deposits from customers	-	-	-	173,278	424,714	-	-	173,278	424,714
Other liabilities	561,927	36,410	-	4,927	2,876	-	-	566,854	39,286
Items not recognised in the statement of financial position									
Guarantees granted	317,878	976,138	-	4,593,687	2,535,503	-	-	4,911,565	3,511,641
Guarantees received	505,662,261	456,314,605	-	4,634,094	2,568,858	-	-	510,296,355	458,883,463
Commitments to buy foreign currency	807,303,943	503,798,157	-	-	-	-	-	807,303,943	503,798,157
Commitments to sell foreign currency	(802,536,275)	(499,439,748)	-	-	-	-	-	(802,536,275)	(499,439,748)

As at 31 December 2025 derivative instruments at fair value through profit or loss include the fair value of deliverable agreements to buy KZT and sell USD in the amount of KZT 104,554,260 thousand and USD 205,911 thousand, respectively (31 December 2024: deliverable agreements on buy KZT and sell USD in the amount of KZT 127,711,500 thousand and USD 243,015 thousand). These amounts are also presented within commitments to sell foreign currency above.

As at 31 December 2025 guarantees granted were provided for period from 4.10 to 60.87 months with applied interest rate from 0.9% till 1.0% p.a. and minimum fee of USD 500 and USD 1,000 (31 December 2024: period from 1.30 months to 60.87 months with applied interest rate from 0.9% till 1.0% p.a. and minimum fee of USD 500 and USD 1,000).

As at 31 December 2025 the guarantees received under loans to customers and unused credit commitments were provided for a period of 2.80 months to 97.27 months at annual interest rate of 1.02% (31 December 2024: period of 1.87 months to 61.43 months at annual interest rate of 0.15%) (Note 23 and Note 16).

'000 KZT	The Shareholder Bank		Other Citigroup entities		Total	
	2025	2024	2025	2024	2025	2024
Statement of Profit or Loss and Other Comprehensive Income						
Interest income calculated using the effective interest method	3,867,439	4,626,769	1,116,755	1,518,618	4,984,194	6,145,387
Interest expense	(6,675,577)	(3,120,748)	(6)	(635,458)	(6,675,583)	(3,756,206)
Net gain (loss) on derivative financial instruments	(13,096,514)	15,751,418	-	-	(13,096,514)	15,751,418
Fee and commission income	48,795	25,678	455,472	189,868	504,267	215,546
Fee and commission expense	(5,283,746)	(94,693)	(221,363)	(233,641)	(5,505,109)	(328,334)
General administrative expenses	(15,174,763)	(9,983,101)	(5,414,686)	(5,119,682)	(20,589,449)	(15,102,783)
Net forex trading (loss)/gain	(51,958,563)	(8,741,414)	12,937	6,913	(51,945,626)	(8,734,501)
Revaluation of foreign currency denominated instruments	(5,117,008)	4,021,975	7,199,880	3,980,159	2,082,872	8,002,134
Other operating (expenses)/income	(1,993,070)	1,140,904	557,689	226,215	(1,435,381)	1,367,119

During 2025 there were dividends declared and paid-in the total amount of KZT 98,578,963 thousand (2024: KZT 110,464,765 thousand) (Note 20).

27 Fair value of financial instruments

Accounting classifications

The estimated fair values of all financial instruments approximate their carrying values at 31 December 2025 and 31 December 2024.

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

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

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

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

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

For more complex instruments, the Bank uses proprietary valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include certain loans and securities for which there is no active market, and certain over the counter structured derivatives.

The following assumptions are used by management to estimate the fair value of financial instrument:

- quoted market value is used to determine the fair value of investment securities at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Fair value hierarchy

The Bank measures fair values for financial instruments recorded on the statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

The Bank has a control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models;
- quarterly calibration and back testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, Product Control assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

The table below analyses financial instruments measured at fair value at 31 December 2025 by the level in the fair value hierarchy into which the fair value measurement is categorised:

‘000 KZT	Level 2
ASSETS	
Financial assets at fair value through other comprehensive income	133,770,000
Derivative instruments at fair value through profit or loss	11,762,249
Financial assets at fair value through profit or loss	25,314,300
LIABILITIES	
Derivative instruments at fair value through profit or loss	4,768,140

The table below analyses financial instruments measured at fair value at 31 December 2024 by the level in the fair value hierarchy into which the fair value measurement is categorised:

‘000 KZT	Level 2
ASSETS	
Derivative instruments at fair value through profit or loss	5,291,025
Financial assets at fair value through profit or loss	82,072,171
LIABILITIES	
Derivative instruments at fair value through profit or loss	984,594

For the rest of financial instruments, not measured at fair value, estimated fair values approximate their carrying values due to their predominantly short-term nature or market interest rates at period end as determined by reference to inputs from observable market data. The fair values of these financial instruments are categorized into Level 2 of the fair value hierarchy.

28 Currency analysis

The following table shows the currency structure of financial assets and liabilities at 31 December 2025:

‘000 KZT	KZT	USD	Other currencies*	Total
Assets				
Cash and cash equivalents	774,007,434	63,387,366	34,451,605	871,846,405
Financial assets at fair value through profit or loss	25,314,300	-	-	25,314,300
Financial assets at fair value through other comprehensive income	133,770,000	-	-	133,770,000
Loans to customers	96,743,292	38,915,516	-	135,658,808
Property, equipment and intangible assets	1,085,964	-	-	1,085,964
Current tax asset	2,823,142	-	-	2,823,142
Other financial assets	7,496,980	205,565	154	7,702,699
Total assets	1,041,241,112	102,508,447	34,451,759	1,178,201,318
Liabilities				
Deposits and balances from banks and other financial institutions	27,733,678	184,239,542	20,767	211,993,987
Current accounts and deposits from customers	479,503,409	310,337,496	84,680,074	874,520,979
Amounts payable under repurchase agreements	1,005,491	-	-	1,005,491
Deferred tax liability	426,606	-	-	426,606
Other financial liabilities	916,137	594,445	21	1,510,603
Total liabilities	509,585,321	495,171,483	84,700,862	1,089,457,666
Net position as at 31 December 2025	531,655,791	(392,663,036)	(50,249,103)	88,743,652
The effect of derivatives held for risk management purposes	(434,892,403)	392,217,521	50,441,520	7,766,638
Net position after derivatives held for risk management purposes as at 31 December 2025	96,763,388	(445,515)	192,417	96,510,290

The following table shows the currency structure of financial assets and liabilities at 31 December 2024:

‘000 KZT	KZT	USD	Other currencies*	Total
Assets				
Cash and cash equivalents	508,253,875	138,913,611	16,036,265	663,203,751
Placements with banks	-	266,324,768	-	266,324,768
Financial assets at fair value through profit or loss	82,072,171	-	-	82,072,171
Loans to customers	111,317,738	39,730,985	1,640,098	152,688,821
Property, equipment and intangible assets	1,280,451	-	-	1,280,451
Current tax asset	3,008,649	-	-	3,008,649
Other financial assets	140,046	181,339	150	321,535
Total assets	706,072,930	445,150,703	17,676,513	1,168,900,146
Liabilities				
Deposits and balances from banks and other financial institutions	14,851,840	5,178,162	123,850	20,153,852
Current accounts and deposits from customers	494,591,541	481,096,380	61,567,447	1,037,255,368
Deferred tax liability	737,488	-	-	737,488
Other financial liabilities	966,162	468,543	4,997	1,439,702
Total liabilities	511,147,031	486,743,085	61,696,294	1,059,586,410
Net position as at 31 December 2024	194,925,899	(41,592,382)	(44,019,781)	109,313,736
The effect of derivatives held for risk management purposes	(86,160,428)	46,431,199	44,300,050	4,570,821
Net position after derivatives held for risk management purposes as at 31 December 2024	108,765,471	4,838,817	280,269	113,884,557

*As at 31 December 2025 and 31 December 2024, other currencies are mainly comprised of EUR denominated balances.