

Freedom Bank Kazakhstan JSC

Consolidated financial statements

*for the year ended 31 December 2025
together with independent auditor's report*

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**For the year ended 31 December 2025**

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Freedom Bank Kazakhstan Joint Stock Company (hereinafter, the "Bank") and its subsidiaries (together – the "Group") as at 31 December 2025, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and of material accounting policies and notes to the consolidated financial statements (hereinafter, the "consolidated financial statements") in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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

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

Management is also responsible for:

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

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue by the Management Board of the Group on 30 April 2026 and are subject for subsequent approval by the Board of Directors and the sole shareholder in accordance with the requirements of the legislation of the Republic of Kazakhstan.

On behalf of the Management Board:

Akhmetova G.A.
Chairperson of the Management Board

30 April 2026
Almaty, Kazakhstan



Kubeyeva D.K.
Chief Accountant

Independent auditor's report

To the Shareholder and Board of Directors of Freedom Bank Kazakhstan Joint Stock Company

Opinion

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

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

Basis for opinion

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

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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Key audit matter	How our audit addressed the key audit matter
<p>Allowance for expected credit losses on loans to customers</p> <p>Estimation of allowance for expected credit losses on loans to customers in accordance with IFRS 9 <i>Financial instruments</i> is a key area of the Group's management judgement. Identification of factors of significant increase in credit risk since initial recognition of an asset, determination of probability of default and loss given default rates require significant use of professional judgement, assumption and analysis of various historical, current and forward-looking information.</p> <p>The use of different models and assumptions may significantly affect the amount of allowance for expected credit losses on loans to customers.</p> <p>Due to substantial amount of loans to customers and the significant use of professional judgement, estimation of allowance for expected credit losses was the key audit matter.</p> <p>Information on expected credit losses on loans to customers and the Group's management approach to estimation of allowance for expected credit losses is presented in <i>Note 4 Significant accounting judgements and estimates</i>, <i>Note 7 Loans to customers</i> and <i>Note 33 Risk management</i> to the consolidated financial statements.</p>	<p>Our audit procedures included analysis of the methodology for estimation of expected credit losses on loans to customers. We also performed analysis and testing of controls on identification of factors of significant increase in credit risk since initial recognition of an asset and identification of default, including the period during which the debt is overdue and debt restructuring due to deterioration of credit quality of an asset.</p> <p>As part of our audit procedures we performed, on a sample basis, analysis of assumption and testing of input data used by the Group in estimating the allowance for expected credit losses on loans to customers on a collective basis, which comprised market statistical data on debt repayment and expected recoveries in the event of default as a result of repossession of collateral.</p> <p>In respect of an individual assessment of allowance for expected credit losses we analysed, on a sample basis, financial and non-financial information on borrowers, as well as the scenarios used by the Group in assessing the recoverable amount including expected recoveries from repossession of collateral.</p> <p>We also performed analysis of the forward-looking information, used by the Group in its expected credit loss model, including macroeconomic data selection. We have compared the input data with information, available in open sources, and performed mathematical recalculation of the macro-adjustment factor.</p> <p>On a sample basis, we have recalculated the allowance for expected credit losses.</p> <p>We have analysed information on allowance for expected credit losses on loans to customers disclosed in the Notes to the consolidated financial statements.</p>



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Other information included in The Group's 2025 Annual Report

Other information consists of the information included in The Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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



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

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

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

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



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

The partner in charge of the audit resulting in this independent auditor's report is Olga Khegay.

Ernst & Young LLP



Olga Khegay
Auditor

Auditor Qualification Certificate
No. МФ-0000286 dated 25 September 2015

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

30 April 2026



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 31 December 2025***(In thousands of tenge, unless otherwise indicated)*

	Note	31 December 2025	31 December 2024*
Assets			
Cash and cash equivalents	5	379,176,023	259,075,000
Amounts due from financial institutions	6	50,125,691	47,518,955
Derivative financial assets		–	397,649
Trading securities	8	478,326,932	447,781,951
Trading securities pledged under repurchase agreements	8	112,203,930	718,557,781
Investment securities	9	88,848,132	37,236,674
Investment securities pledged under repurchase agreements	9	381,240,525	216,773,116
Loans to customers	7	995,884,067	766,612,520
Amounts due from the microfinance organisation	13	9,627,264	–
Property and equipment	10	43,932,962	27,183,118
Right-of-use assets	11	3,810,281	4,261,838
Intangible assets	12	14,865,314	8,844,404
Current corporate income tax assets		960,699	230,844
Other assets	14	23,406,583	8,013,734
Total assets		2,582,408,403	2,542,487,584
Liabilities			
Derivative financial liabilities		101,039	–
Amounts payable under repurchase agreements	18	470,655,418	957,349,633
Amounts due to customers	17	1,511,370,644	1,083,562,195
Amounts due to financial institutions	16	63,199,834	26,535,021
Amounts payable to the mortgage organisation	21	263,076,372	248,307,105
Lease liabilities	20	4,722,975	4,844,101
Subordinated debt	19	1,040,000	1,000,000
Deferred corporate income tax liabilities	15	2,265,494	1,319,461
Other liabilities	22	18,928,048	11,236,620
Total liabilities		2,335,359,824	2,334,154,136
Equity			
Charter capital	23	111,856,152	87,356,148
Additional paid-in capital	23	2,400,340	2,400,340
Revaluation reserve for property and equipment	23	1,872,135	872,129
Other reserves		970,356	288,028
Retained earnings		129,949,596	117,416,803
Total equity		247,048,579	208,333,448
Total liabilities and equity		2,582,408,403	2,542,487,584


* Certain amounts presented in this column are not consistent with the consolidated financial statements for the year ended 31 December 2024 as they reflect the reclassifications made, disclosed in detail in Note 2.

On behalf of the Management Board:

Akhmetova G. Ch. 
Chairperson of the Management Board

30 April 2026
Almaty, Kazakhstan



Kubeyeva D.K. 
Chief Accountant

The notes on pages 7-71 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(In thousands of tenge, unless otherwise indicated)

	<i>Note</i>	<i>2025</i>	<i>2024*</i>
Interest revenue calculated using effective interest rate	24	185,864,898	121,792,950
Interest revenue on financial assets at fair value through profit or loss	24	67,375,683	140,131,384
Interest expense	24	(180,173,660)	(188,771,656)
Net interest income before credit loss expense		73,066,921	73,152,678
Credit loss expense	25	(6,726,869)	(15,477,175)
Net interest income		66,340,052	57,675,503
Fee and commission income	26	20,745,469	32,111,770
Fee and commission expense	26	(49,370,105)	(28,834,266)
Net fee and commission (expense)/income		(28,624,636)	3,277,504
Net gains on financial instruments at fair value through profit or loss	27	19,725,821	39,585,972
Net gains/(losses) from foreign currencies:			
- dealing		39,834,460	30,065,766
- translation differences		(5,218,069)	(22,299,147)
Compensation of losses	13	17,140,283	-
Other income	28	1,627,719	611,066
Non-interest income		73,110,214	47,963,657
Personnel expenses	29	(42,461,087)	(31,620,904)
Administrative and other operating expenses	30	(39,904,262)	(24,733,365)
Loss on derecognition of financial assets	13	(6,059,865)	-
Other expenses	28	(228,645)	(154,997)
Non-interest expense		(88,653,859)	(56,509,266)
Profit before corporate income tax expense		22,171,771	52,407,398
Corporate income tax expense	15	(9,652,368)	(176,113)
Profit for the year		12,519,403	52,231,285

The notes on pages 7-71 form an integral part of these consolidated financial statements.

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

For the year ended 31 December 2025

(In thousands of tenge, unless otherwise indicated)

	<i>Notes</i>	<i>2025</i>	<i>2024*</i>
Other comprehensive income			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		682,328	288,028
Total other comprehensive income to be reclassified to profit or loss in subsequent periods		682,328	288,028
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation of property and equipment, net of corporate income tax		1,013,396	–
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods		1,013,396	–
Other comprehensive income for the year, net of corporate income tax		1,695,724	288,028
Total comprehensive income for the year		14,215,127	52,519,313
Basic and diluted earnings per share (in tenge)	31	354.12	1,854.80

* Certain amounts presented in this column are not consistent with the consolidated financial statements for the year ended 31 December 2024 as they reflect the reclassifications made, disclosed in detail in Note 2.

On behalf of the Management Board:

Ақметова Г.А.
Chairperson of the Management Board

30 April 2026
Almaty, Kazakhstan




Кубеева Д.К.
Chief Accountant

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2025***(In thousands of tenge, unless otherwise indicated)*

	Note	Charter capital	Additional paid-in capital	Revaluation reserve for property and equipment	Other reserves	Retained earnings	Total equity
31 December 2023		62,356,145	2,400,340	886,737	–	65,170,910	130,814,132
Profit for the year		–	–	–	–	52,231,285	52,231,285
Other comprehensive income for the year		–	–	–	288,028	–	288,028
Total comprehensive income for the year		–	–	–	288,028	52,231,285	52,519,313
Increase in charter capital	23	25,000,003	–	–	–	–	25,000,003
Depreciation of revaluation reserve for property and equipment		–	–	(14,608)	–	14,608	–
31 December 2024		87,356,148	2,400,340	872,129	288,028	117,416,803	208,333,448
Profit for the year		–	–	–	–	12,519,403	12,519,403
Other comprehensive income for the year		–	–	1,013,396	682,328	–	1,695,724
Total comprehensive income for the year		–	–	1,013,396	682,328	12,519,403	14,215,127
Increase in charter capital	23	24,500,004	–	–	–	–	24,500,004
Depreciation of revaluation reserve for property and equipment		–	–	(13,390)	–	13,390	–
31 December 2025		111,856,152	2,400,340	1,872,135	970,356	129,949,596	247,048,579

On behalf of the Management Board:


 Akhmetova G.K.
 Chairperson of the Management Board
 30 April 2026
 Almaty, Kazakhstan


 Kubeyeva D.K.
 Chief Accountant

The notes on pages 7-71 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 December 2025***(In thousands of tenge, unless otherwise indicated)*

	<i>Notes</i>	<i>2025</i>	<i>2024*</i>
Cash flows from operating activities			
Interest received	24	252,529,955	252,988,330
Interest paid	24	(176,256,596)	(186,118,244)
Fee and commission received		20,808,244	11,991,434
Fee and commission paid		(49,378,818)	(8,815,073)
Net realised gains from financial instruments at fair value through profit or loss	27	47,373,213	105,406
Net realised gains from transactions with foreign currencies		39,834,460	30,065,766
Compensation of losses	13	7,054,969	-
Other income received		626,114	280,312
Dividends received	28	706,116	311,200
Personnel expenses paid		(40,824,860)	(27,234,278)
Administrative and other operating expenses paid		(28,414,253)	(20,252,822)
Cash flows from operating activities before changes in operating assets and liabilities		74,058,544	53,322,031
<i>(Increase)/ decrease in operating assets</i>			
Amounts due from financial institutions		(3,725,350)	721,618
Derivative financial assets		92,446	1,165,229
Trading securities		515,678,849	89,345,579
Loans to customers		(238,862,307)	(172,222,691)
Other assets		(7,210,874)	726,422
<i>Increase/ (decrease) in operating liabilities</i>			
Amounts due to financial institutions		36,238,438	4,395,951
Amounts due to customers		409,042,012	278,620,965
Accounts payable under repurchase agreements		(485,389,331)	(99,701,154)
Amounts payable to the mortgage organisation		14,769,267	23,521,143
Other liabilities		669,299	(278,949)
Net cash from operating activities before corporate income tax		315,360,993	179,616,144
Corporate income tax paid		(9,773,989)	(12,407)
Net cash flow from operating activities		305,587,004	179,603,737
Cash flows from investing activities			
Purchase of investment securities	9	(193,500,309)	(138,962,815)
Purchase of property and equipment		(20,624,386)	(15,799,220)
Proceeds from sale of property and equipment		100,575	-
Purchase of intangible assets		(6,884,141)	(4,528,691)
Net cash used in investing activities		(220,908,261)	(159,290,726)

The notes on pages 7-71 form an integral part of these consolidated financial statements.

(In thousands of tenge, unless otherwise indicated)

1. Principal activities

These consolidated financial statements include financial statements of Freedom Bank Kazakhstan Joint Stock Company (hereinafter, the “Bank”) and its subsidiaries (hereinafter, the “Group”).

The Bank was registered on 31 July 2009 under the laws of the Republic of Kazakhstan. The Bank operates under a general banking license No. 1.1.260 issued by the Agency for Regulation and Development of Financial Market (“the Agency”) dated 10 June 2011. On 25 June 2024, the Bank’s licence for conducting banking and other operations No. 1.1.108 was reissued due to the change of name and completion of the re-registration procedure. This license replaces the previous licences. On 22 October 2022, the Agency issued to the Bank the license to conduct banking and other activities provided for in the banking legislation of the Republic of Kazakhstan and performing activities in the securities market. The Bank’s activities are regulated by the Agency.

The Bank accepts deposits from the public and extends credit, transfers payments in the Republic of Kazakhstan and abroad, exchanges currencies and provides other banking services to its corporate entities and physical persons, who are clients of the Bank.

As at 31 December 2025, the Bank’s branch network comprises 17 branches located in the Republic of Kazakhstan (31 December 2024: 16 branches). Registered address of the Bank’s head office: Republic of Kazakhstan, Almaty, 61A; Kurmangazy Str.

The Bank is a participant of the Kazakhstan Deposit Insurance Fund (hereinafter, the “KDIF”). The primary objective of the KDIF is to protect interests of depositors in the event of forced liquidation of the participant bank. As at 31 December 2025 and 2024, depositors can receive limited insurance coverage for deposits up to a maximum of KZT 20 million per deposit, depending on the amount of the deposit.

Starting from November 2015, the Bank is a member of Kazakhstan Stock Exchange foreign exchange market (the “KASE”).

On 31 May 2018, the Bank established a subsidiary OUSA Nova Limited Liability partnership (OUSA Nova LLP) in accordance with the permission No. 17 dated 2 May 2018 of the National Bank of the Republic of Kazakhstan (hereinafter “NBRK”) to establish a subsidiary by the Bank. Principal activities of OUSA Nova LLP are the acquisition of doubtful and bad assets of the Bank, ad sublease of real estate taken onto the books of the Bank.

On 7 October 2024, the authorised capital of the subsidiary Bank Freedom Bank Tajikistan CJSC in Tajikistan was replenished. The Subsidiary Bank operates based on a banking license No. 0000328, issued by the National Bank of Tajikistan on 10 October 2024. The main activities of the Bank are accepting deposits of the population, issuing loans, making transfers and other banking services.

In 2024, bonds of Freedom Bank Kazakhstan JSC were included in the official list of KASE. As at 31 December 2025 and 2024, trading in these bonds was not opened.

As at 31 December 2025 and 2024, sole shareholder of the Bank owning 100% of outstanding shares is Freedom Finance JSC (hereinafter - “the Parent”).

The Bank is under the effective control of Mr. T.R. Turlov, who is the ultimate controlling party having the power to lead the Bank’s activities at his sole discretion and on his own account.

These consolidated financial statements of the Group for the year 2025 has been authorised for issue by the Management Board of the Bank on 15 April 2026.

Geopolitical developments

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

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

(In thousands of tenge, unless otherwise indicated)

1. Principal activities (continued)

Geopolitical events (continued)

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

As at 31 December 2025, the concentration of amount due from Russian counterparties represented by cash and cash equivalents, less ECL allowance, amounted to KZT 17,139,916 thousand (31 December 2024: KZT 13,643,452 thousand).

Inflation and the current economic environment

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

Prices of many commodities, including food, remain high. In 2025, the inflation rate in the Republic of Kazakhstan was 12.3%, according to the NBKR.

On 1 December 2025, the Monetary Policy Committee of the NBRK made a decision to maintain the base rate to 18% per annum with an interest band of +/-1 pp.

The Group continues to assess the effect of these events and changing economic conditions on its activities.

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

2. Basis of preparation of the consolidated financial statements

General provisions

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (hereinafter - "IFRS").

The consolidated financial statements have been prepared on the historical cost basis except that financial instruments measured at fair value, changes in the value of which are recognised in profit or loss for the period, and property, plant and equipment (land and buildings) measured at revalued amount.

The Group presented the items in the consolidated statement of financial position in the order of their liquidity, based on its provisions and the expected ability to recover/repay most of the assets/liabilities under the corresponding item in the consolidated financial statements. An analysis of the recovery or repayment within 12 months after the reporting date (current assets and current liabilities) and for more than 12 months after the reporting date (non-current assets and non-current liabilities) is presented in *Note 35*.

As of 31 December 2025, the Group has negative liquidity position for maturities up to one year. The Group manages liquidity risk by maintaining a portfolio of highly liquid assets, primarily comprising government securities, which can be readily liquidated to mitigate the impact of any disruption in cash flows, maintaining a diversified range of funding sources, and monitoring both forecast and actual cash flows and matching the maturities of financial assets and liabilities. Managing Group's liquidity ensures the availability of cash and cash equivalents for operations and further investments through appropriate budgeting, as well as access to financial support from the Parent, if required.

As at the date of approval of these consolidated financial statements, management has a reasonable expectation that the Group has adequate resources to continue as a going concern in the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

*(In thousands of tenge, unless otherwise indicated)***2. Basis of preparation of the consolidated financial statements (continued)****General provisions (continued)**

The functional currency of the Bank and OUSA Nova LLP is Tenge as, being the national currency of the Republic of Kazakhstan, it reflects the economic substance of the majority of the transactions of the Bank and OUSA Nova LLP and circumstances relevant to them affecting their activities. Functional currency of Freedom Bank Tajikistan CJSC is Tajik Somoni.

These consolidated financial statements are presented in thousands of Kazakh Tenge (“Tenge” or “KZT”), unless otherwise is stated.

Reclassification

The following changes were made to the consolidated statement of financial position for the year ended 31 December 2024 to align it with the 2025 presentation format:

Consolidated statement of financial position as at 31 December 2024

	<i>As previously reported</i>	<i>Reclassification amount</i>	<i>Adjusted amount</i>
Assets			
Trading securities	–	447,781,951	447,781,951
Trading securities transferred in the form of security under repurchase agreements	–	718,557,781	718,557,781
Investment securities	1,420,349,522	(1,383,112,848)	37,236,674
Investment securities transferred in the form of security under repurchase agreements	–	216,773,116	216,773,116
Total assets	2,542,487,584	–	2,542,487,584

Consolidated statement of financial position as at 1 January 2024

	<i>As previously reported</i>	<i>Reclassification amount</i>	<i>Adjusted amount</i>
Assets			
Trading securities	–	241,128,089	241,128,089
Trading securities transferred in the form of security under repurchase agreements	–	969,247,342	969,247,342
Investment securities	1,311,897,043	(1,294,162,242)	17,734,801
Investment securities transferred in the form of security under repurchase agreements	–	83,786,811	83,786,811
Total assets	2,196,217,748	–	2,196,217,748

In 2025, the Group decided to present trading securities, trading securities pledged as collateral under repurchase agreements, investment securities, and investment securities pledged as collateral under repurchase agreements as separate line items in the consolidated statement of financial position.

*(In thousands of tenge, unless otherwise indicated)***2. Basis of preparation of the consolidated financial statements (continued)****Reclassification (continued)**

The following changes were made to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 to align it with the 2025 presentation format:

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	<i>As previously reported</i>	<i>Reclassification amount</i>	<i>Adjusted amount</i>
Fee and commission income	–	32,111,770	32,111,770
Fee and commission expense	–	(28,834,266)	(28,834,266)
Net fee and commission income	3,277,504	–	3,277,504
Profit before corporate income tax expense	52,407,398	–	52,407,398
Profit for the year	52,231,285	–	52,231,285
Total comprehensive income for the year	52,519,313	–	52,519,313

Basic and diluted earnings per share (in tenge)	1,854.80	–	1,854.80
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In 2025, the Bank decided to present fees and commission income and expenses in separate items of the consolidated statement of profit or loss and other comprehensive income. Management of the Group believes that this presentation provides more useful information to users of the consolidated financial statements.

The following changes were made to the consolidated statement of cash flows for the year ended 31 December 2024 to align it with the 2025 presentation format:

Consolidated statement of cash flows for the year ended 31 December 2024

	<i>As previously reported</i>	<i>Reclassification amount</i>	<i>Adjusted amount</i>
Other income received	591,512	(311,200)	280,312
Dividends received	–	311,200	311,200
Cash flows from operating activities before changes in operating assets and liabilities	53,322,031	–	53,322,031
Net cash flows from operating activities before corporate income tax	179,616,144	–	179,616,144
Net cash flow from operating activities	179,603,737	–	179,603,737
Net increase in cash and cash equivalents	43,935,074	–	43,935,074
Cash and cash equivalents, beginning of the year	202,939,584	–	202,939,584
Cash and cash equivalents, ending of the year	259,075,000	–	259,075,000

In 2025, the Bank decided to present other incomes received and dividends receive in separate items of the consolidated statements of cash flows.

Management of the Group believes that this presentation provides more useful information to users of the consolidated financial statements.

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies

Changes in accounting policies

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

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

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

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

Basis of consolidation

Subsidiaries, which are entities controlled by the Bank, are consolidated. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular, the Bank controls an investee only if the following conditions are met:

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. In particular, the financial results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date on which the Group obtains control until the date on which the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between Group companies are eliminated on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

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

Fair value measurement

The Group measures financial instruments at fair value through profit or loss (FVPL) and fair value through other comprehensive income (FVOCI), and non-financial assets such as investment property at fair value at each reporting date.

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

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Fair value measurement (continued)

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

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

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

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

Financial assets and liabilities

Initial recognition

Date of recognition

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

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

Measurement categories of financial assets and liabilities

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

- Amortised cost;
- FVOCI;
- FVPL.

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

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

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Financial assets and financial liabilities (continued)

Initial measurement (continued)

The Group measures amounts due from credit institutions, loans to customers and other financial investments at amortised cost only if both of the following conditions are met:

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

The details of these conditions are outlined below.

Business model assessment

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

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

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

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

The 'solely payments of principal and interest on the outstanding principal amount' test (the SPPI test)

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

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

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

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

Financial guarantees, letters of credit and undrawn loan commitments

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

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Financial assets and financial liabilities (continued)

Initial measurement (continued)

Financial guarantees, letters of credit and undrawn loan commitments (continued)

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

Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group changes the business model for managing financial assets. Financial liabilities are never reclassified.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with the NBRK, amounts due from credit institutions and other financial organisations, and receivables from financial organisations arising from payment card transactions with original maturities of up to ninety days, that are not subject to any contractual restrictions.

Repurchase and reverse repurchase agreements and securities lending

Repurchase agreements are treated as secured financing transactions. Securities sold under repurchase agreements are retained in the consolidated statement of financial position and, in case the transferee has the right by contract or custom to sell or repledge them, reclassified as securities pledged under repurchase agreements. The associated liabilities are included in amounts due to credit institutions or customers. Securities purchased under reverse repurchase agreements to resell (“reverse repurchase agreements”) are recorded as amounts due from credit institutions or loans to customers as appropriate. The difference between the sale and repurchase prices is treated as interest income and is accrued over the life of repurchase agreement using the effective interest method.

Derivative financial instruments

In the ordinary course of business, the Group enters into various derivative financial instruments including forwards, and swaps in the foreign exchange. Such financial instruments are held for trading and are recorded at fair value. The fair values are estimated based on quoted market prices or pricing models that take into account the current market and contractual prices of the underlying instruments and other factors. Derivatives are carried as assets when their fair value is positive and as liabilities when it is negative. Gains and losses arising from transactions with these instruments are recognised in the consolidated statement of profit or loss and other comprehensive income as part of net gains/(losses) on financial instruments measured at fair value through profit or loss. Financial assets are classified based on the business model and SPPI assessments.

Borrowings

Borrowings are classified as liabilities if, under a contractual arrangement, the Group has an obligation either to deliver cash or another financial asset, or to settle the obligation in a manner other than by exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. Such instruments include amounts due to the NBRK, amounts of banks and other financial institutions, amounts due to customers, other borrowings and subordinated loans. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when liabilities are derecognised, as well as through the amortisation process.

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Leases

Group, as lessee

The Group applies a single recognition and measurement approach for all leases, other than short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group presents the right-of-use assets and lease liabilities as separate line items in the consolidated statement of financial position.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If the Group is not reasonably certain that the ownership of the leased asset will be transferred to the Group at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The right-of-use assets are subject to impairment.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a contractual lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group also applies the low value assets lease recognition exemption to contracts of lease of office equipment whose value is considered to be low (i.e. less than 5,000 US dollars). Lease payments on short-term leases and leases of low-value assets are recognised as rent expense on a straight-line basis over the lease term.

Offsetting of financial instruments

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

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

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Renegotiated loans

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

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

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate (“EIR”), the Group recognises a modification gain or loss, which is presented as a separate line item in the consolidated statement of comprehensive income, prior to the recognition of any impairment loss.

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

Derecognition of financial assets and liabilities

Financial assets

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

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

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

Write-offs

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

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

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

Taxation

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

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

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

Deferred income tax is recognised for temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, except when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

In addition, various operating taxes in the Republic of Kazakhstan apply to the Group's operations. These taxes are included as a component of other operating expenses.

Property and equipment

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

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

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

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Property, plant and equipment (continued)

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

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

	<u>Years</u>
Buildings	25-65
Furniture and office equipment	5-25
Computers	5-10
Motor vehicles	10
Leasehold improvements	<u>2-3</u>

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Intangible assets

Intangible assets include computer software and licenses.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic lives of 1 to 25 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with indefinite useful lives are reviewed at least at each financial year-end.

Provisions

Provisions are recognised when, as a result of a past event, the Group has a present legal or constructive obligation, the settlement of which is expected, with a high degree of probability, to result in an outflow of resources embodying future economic benefits, and the amount of the obligation can be measured reliably.

Charter capital

Common shares are presented within the charter capital. Costs of third-party services directly attributable to the issue of new shares, other than on a business combination, are recognised as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as charter capital.

Additional paid-in capital

Gains or losses arising from the derecognition of liabilities to the Parent due to the legal release from the obligation are treated as transactions with owners and are recognised in additional paid-in capital.

Segment reporting

Operating segment information provided to the Group's chief operating decision maker is based on the consolidated financial statements prepared in accordance with IFRS. Management of the Group determines banking activities as single material transaction and reporting segment.

The Group's revenue is derived primarily from external customers in the Republic of Kazakhstan, and no single customer accounts for 10% or more of the Group's total revenue.

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Contingent asset and liabilities

Contingent liabilities are not recognised in the consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. Contingent assets are not recognised in the consolidated statement of financial position; however, information about them is disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Recognition of income and expenses

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

Interest and similar income and expense

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

The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as interest income or expense

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

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

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

Fee and commission income

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

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

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

Fee and commission income from providing transaction services

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

(In thousands of tenge, unless otherwise indicated)

3. Material accounting policies (continued)

Recognition of income and expenses (continued)

Customer loyalty program

The Group operates the “Freedom” customer loyalty programme, under which cashback is awarded to customers on payment transactions carried out using payment cards. The accrual of cashback does not give rise to a separate performance obligation, as the cashback represents a reduction of the consideration for the underlying payment transaction. Cashback amounts are recognised as a reduction of fee and commission income from payment card transactions.

Fee and commission income is recognised net of cashback in the amount expected to be credited to customers in accordance with the programme terms at the time the relevant payment transaction occurs.

Net gains on financial instruments measured at FVTPL

Net gains on financial instruments measured at FVTPL include all gains and losses arising from changes in the fair value of financial assets and financial liabilities held for trading. The realised result from changes in fair value is determined as the difference between the disposal price of the financial asset and its fair value at the date of initial recognition. The unrealised result from changes in fair value reflects the change in the fair value of financial assets during the reporting period in respect of assets that remained in the Group’s portfolio as at the reporting date.

Foreign currency translation

The consolidated financial statements are presented in thousand Tenge, which is the Group’s presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Gains and losses arising on translation of foreign currency transactions are recognised in the consolidated statement of comprehensive income as ‘Net gains/(losses) on foreign currency transactions’. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date, the assets and liabilities of foreign subsidiaries are translated into the Group’s presentation currency at the exchange rates prevailing at the date of the consolidated statement of financial position, and the statements of profit or loss of subsidiaries are translated at the average exchange rates for the year. The resulting translation difference is recognised directly in a separate component of equity. On disposal of a foreign subsidiary, the cumulative amount of deferred exchange differences recognised in equity and attributable to that subsidiary is recognised in the consolidated statement of profit or loss and other comprehensive income.

Differences between the contractual exchange rate of a transaction in a foreign currency and the official KASE exchange rate on the date of the transaction are included in net gains and losses from dealing in foreign currencies. As of 31 December 2025 and 2024, official exchange rates of KASE were KZT 505.53 and KZT 525.11 to USD 1, respectively.

4. Significant accounting judgments and estimates

Estimation uncertainty

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

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. More details are provided in *Note 34*.

(In thousands of tenge, unless otherwise indicated)

4. Significant accounting judgments and estimates (continued)

Estimation uncertainty (continued)

Fair value of loans issued under the “Baspana 7-20-25” and “Keng Dala” programmes.

Management applied professional judgement in determining the fair value of mortgage loans issued under the “Baspana 7-20-25” programme, as well as loans granted to the agricultural sector under the “Keng Dala” programme.

These loan products are provided on terms that differ from those of the Group’s standard lending products, including lower interest rates. Management believes that such loan products constitute distinct lending market segments characterised by specific terms and target group of borrowers.

In view of the aforesaid, the Group resolved that issuance of indicated credits had been performed on the main market, for respective financial instruments and on terms that are customary for market participants at the date of initial recognition.

Accordingly, the consideration paid by borrowers under the above programmes is regarded as reflecting the fair value of the respective loans at the date of their initial recognition, and no additional fair value adjustment is required.

Expected credit losses (ECL)

The measurement of expected impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the ECL and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances for ECL. The Group’s ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. For the purposes of ECL calculation, the Group classifies financial assets into collective basis, grouped depending on the general characteristics of credit risk, and individual basis.

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

- The Group’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis;
- The segmentation of the Group’s financial assets when their ECL is assessed on a collective basis;
- Development of ECLs calculation models, including various formulas and selection of input data;
- Identification of relationships between macroeconomic data and their impact on probability of default (PD) and loss given default (LGD) indicators, considering collateral realisation periods and debt recovery timelines;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

Following judgements and estimations are applied to the separate financial statements:

- Qualitative criteria for deterioration in the borrower’s financial condition;
- Cash flow forecasts and expected timing for borrowers exhibiting indicators of a significant increase in credit risk and impairment.

The amount of the ECL allowance recognised in the consolidated statement of financial position as at 31 December 2025 was KZT 28,905,808 thousand (31 December 2024: KZT 21,260,164 thousand). More details are provided in *Note 7*.

*(In thousands of tenge, unless otherwise indicated)***5. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Cash on hand	42,842,696	22,449,431
Cash in transit	1,231,745	686,477
Cash on current accounts with the NBRK	120,888,563	75,607,685
Cash on current accounts in other banks	67,530,818	73,539,480
Requirements for financial institutions in respect of payment card transactions	78,827,418	59,200,253
Funds on current accounts with Central Securities Depository JSC	8,772	9,112
Cash on current accounts with brokerage organisations	5,693,722	277,576
Term deposits with NBRK with contractual maturity of 90 days or less:	–	15,005,937
Term deposits with other banks with contractual maturity of 90 days or less:	3,101,295	–
Accounts receivable under reverse repurchase agreements with contractual maturity of 90 days or less	59,270,470	12,399,265
Cash and cash equivalents before deduction of the allowance under ECL	379,395,499	259,175,216
Allowance for ECL	(219,476)	(100,216)
Total cash and cash equivalents	379,176,023	259,075,000

As at 31 December 2025, the Group entered into reverse repurchase agreements with a carrying amount of KZT 59,270,470 thousand at KASE (31 December 2024: KZT 12,399,265 thousand). Subject of the referred agreements is the bonds of the Ministry of Finance of the Republic of Kazakhstan and shares of Kazakh corporations, with the total fair value of KZT 59,245,567 thousand (31 December 2024: shares of Kazakh corporations with the fair value of KZT 12,635,321 thousand).

As at 31 December 2025, the concentration of amount due from Russian counterparties represented by cash and cash equivalents, less ECL allowance, amounted to KZT 17,139,916 thousand (31 December 2025: KZT 13,643,452 thousand).

As at 31 December 2025 and 2024, all balances of cash and cash equivalents are allocated to Stage 1 for ECL measurement purposes.

Minimum reserve requirements

In accordance with regulations issued by the NBRK, minimum reserve requirements are calculated as a percent of specified liabilities. Banks are required to comply with these requirements by maintaining an average level of reserve assets (cash in national currency and funds on current accounts with the NBRK), equal to or exceeding the average minimum reserve requirements. As at 31 December 2025, combined minimum reserve requirements of the Bank amount to KZT 93,015,289 thousand (31 December 2024: KZT 18,146,267 thousand), the amount of reserve assets amounted to KZT 123,511,157 thousand (31 December 2024: KZT 37,007,493 thousand).

Below is an analysis of changes in the allowance for ECL on cash and cash equivalents for the years ended 31 December:

	<i>2025</i>	<i>2024</i>
At 1 January	(100,216)	(131,148)
Net change in ECL for the year (<i>Note 25</i>)	(104,605)	(33,614)
Foreign exchange adjustments	(14,655)	64,546
At 31 December	(219,476)	(100,216)

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

Amounts due from financial institutions comprise:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Amounts held as collateral with financial institutions	50,218,925	47,595,535
Term deposit in foreign bank	1,302,373	1,170,868
Amounts due from financial institutions before ECL allowance	51,521,298	48,766,403
Allowance for ECL	(1,395,607)	(1,247,448)
Total amounts due from financial institutions	50,125,691	47,518,955

As at 31 December 2025, amounts provided as a collateral include MasterCard system participant insurance deposit amounting to KZT 20,575,037 thousand (31 December 2024: KZT 14,150,502 thousand), an insurance deposit of a Visa International system participant amounting to KZT 13,230,362 thousand (31 December 2024: KZT 5,427,252 thousand); funds placed with a second-tier bank for settlements with MasterCard and Visa International amounting to KZT 758,295 thousand (31 December 2024: KZT 787,665 thousand); a deposit serving as collateral for the Bank's obligations to the KASE amounting to KZT 14,534,425 thousand (31 December 2024: KZT 26,666,600 thousand); funds held with the National Bank of the Republic of Kazakhstan to guarantee money transfers resulting from clearing and payment acceptance in the instant payment system amounting to KZT 400,000 thousand (31 December 2024: KZT 300,000 thousand); as well as other insurance deposits amounting to KZT 720,806 thousand (31 December 2024: KZT 263,516 thousand).

As at 31 December 2025 and 2024, term deposit in the foreign bank denominated in EUR has contractual maturity of 90 days and interest rate 1.0% per annum.

As at 31 December 2025, term deposit in foreign bank is classified as Stage 3 for ECL measurement purposes. The ECL allowance recognised by the Group in respect of such deposit is KZT 1,302,272 thousand (31 December 2024: KZT 1,170,868 thousand).

Below is an analysis of changes in the allowance for ECL on funds placed with financial institutions for the year ended 31 December 2025:

	<i>Stage 1</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2025	(76,580)	(1,170,868)	(1,247,448)
Net change for the year (<i>Note 25</i>)	36,100	–	36,100
Foreign exchange adjustments	(52,754)	(131,505)	(184,259)
ECL as at 31 December 2025	(93,234)	(1,302,373)	(1,395,607)

Below is an analysis of changes in the allowance for ECL on funds placed with financial institutions for the year ended 31 December 2024:

	<i>Stage 1</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2024	(107,811)	(1,036,241)	(1,144,052)
Net change for the year (<i>Note 25</i>)	32,798	(42,556)	(9,758)
Foreign exchange adjustments	(1,567)	(92,071)	(93,638)
ECL at 31 December 2024	(76,580)	(1,170,868)	(1,247,448)

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

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

	<i>31 December 2025</i>	<i>31 December 2024</i>
Corporate loans		
Loans to legal entities under the credit facilities	149,513,175	66,618,719
Loans secured by cash collaterals	11,928,049	17,782,801
Others	15,847,837	1,196,372
Total loans to corporate customers	177,289,061	85,597,892
Retail lending		
Mortgage	544,768,434	425,093,109
Loans to individual entrepreneurs	97,608,879	118,418,510
Auto lending	75,826,695	84,810,600
Loans acquired from microfinance organisations	102,836,950	70,989,131
Loans to the individual entrepreneurs under the credit facilities	4,417,686	963,626
Refinancing	3,380,960	1,105,551
Credit cards	605,210	626,194
Others	18,056,000	268,071
Total loans to retail clients	847,500,814	702,274,792
Loans to customers before ECL allowance	1,024,789,875	787,872,684
Allowance for ECL	(28,905,808)	(21,260,164)
Total loans to customers	995,884,067	766,612,520

Other corporate loans mainly include loans to legal entities under the “Digital Loan” product. Other retail loans mainly include unsecured consumer loans granted to individuals.

Analysis of movements in gross carrying amount and related ECL

Below is an analysis of changes in gross carrying amount and related ECL on corporate loans for the year ended 31 December 2025:

<i>Corporate loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying amount as at 1 January 2025	83,420,445	–	2,177,447	85,597,892
Transfer to Stage 1	1,463,081	(1,463,081)	–	–
Transfer to Stage 2	(1,194,304)	2,370,646	(1,176,342)	–
Transfer to Stage 3	(1,023,038)	(891,544)	1,914,582	–
New assets originated or purchased	235,771,519	72,187	–	235,843,706
Derecognised or repaid assets (excluding write-offs)	(143,577,813)	(111,322)	(1,342,122)	(145,031,257)
Unwind of discount	–	–	43,430	43,430
Change in accrued interest	852,523	51,507	(39,279)	864,751
Write-offs	–	–	–	–
Foreign exchange adjustments	(29,461)	–	–	(29,461)
Gross carrying amount as at 31 December 2025	175,682,952	28,393	1,577,716	177,289,061

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****Analysis of movements in gross carrying amount and related ECL (continued)**

<i>Corporate loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2025	(672,064)	–	(208,614)	(880,678)
Transfer to Stage 1	(45,254)	45,254	–	–
Transfer to Stage 2	79,464	(97,332)	17,868	–
Transfer to Stage 3	927	158,271	(159,198)	–
New assets originated or purchased	(1,819,401)	(13,984)	–	(1,833,385)
Derecognised or repaid assets (excluding write-offs)	1,100,214	21,565	453,607	1,575,386
Impact on ECL of exposures transferred between stages and changes to models and inputs used	(252,663)	(124,742)	(563,788)	(941,193)
Unwind of discount	–	–	(43,430)	(43,430)
Write-offs	–	–	–	–
Foreign exchange adjustments	251	–	–	251
ECL as at 31 December 2025	(1,608,526)	(10,968)	(503,555)	(2,123,049)

Below is an analysis of changes in gross carrying amount and relevant ECL on retail loans for the year ended 31 December 2025:

<i>Retail lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying amount as at 1 January 2025	679,612,046	6,703,946	15,958,800	702,274,792
Transfer to Stage 1	20,742,389	(20,606,671)	(135,718)	–
Transfer to Stage 2	(61,080,600)	63,985,250	(2,904,650)	–
Transfer to Stage 3	(3,924,829)	(21,613,529)	25,538,358	–
New assets originated or purchased	504,846,395	–	–	504,846,395
Derecognised or repaid assets (excluding write-offs)	(322,815,302)	(20,287,339)	(14,075,832)	(357,178,473)
Unwind of discount	–	–	4,488,438	4,488,438
Change in accrued interest	710,333	586,330	(624,874)	671,789
Write-offs	–	–	(7,701,512)	(7,701,512)
Recoveries	–	–	99,385	99,385
Gross carrying amount as at 31 December 2025	818,090,432	8,767,987	20,642,395	847,500,814

<i>Retail lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2025	(8,711,614)	(2,421,660)	(9,246,212)	(20,379,486)
Transfer to Stage 1	(3,386,101)	3,338,057	48,044	–
Transfer to Stage 2	5,586,342	(6,478,923)	892,581	–
Transfer to Stage 3	134,442	9,433,934	(9,568,376)	–
New assets originated or purchased	(8,335,707)	–	–	(8,335,707)
Derecognised or repaid assets (excluding write-offs)	3,583,949	6,084,722	8,634,857	18,303,528
Impact on ECL of exposures transferred between stages and changes to models and inputs used	(312,774)	(13,453,422)	(5,718,553)	(19,484,749)
Unwind of discount	–	–	(4,488,438)	(4,488,438)
Write-offs	–	–	7,701,512	7,701,512
Recoveries	–	–	(99,385)	(99,385)
ECL as at 31 December 2025	(11,441,463)	(3,497,292)	(11,843,970)	(26,782,725)

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****Analysis of movements in gross carrying amount and related ECL (continued)**

Below is an analysis of changes in gross carrying amount and related ECL on corporate loans for the year ended 31 December 2024:

<i>Corporate loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying amount as at 1 January 2024	2,445,359	2,321	–	2,447,680
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	(1,676,634)	(649)	1,677,283	–
New assets originated or purchased	91,263,641	649	509,219	91,773,509
Derecognised or repaid assets (excluding write-offs)	(8,701,590)	(2,321)	(9,055)	(8,712,966)
Foreign exchange adjustments	89,669	–	–	89,669
Gross carrying amount as at 31 December 2024	83,420,445	–	2,177,447	85,597,892

<i>Corporate loans</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2024	(1,649)	(1,370)	–	(3,019)
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	314	(314)	–	–
Transfer to Stage 3	109,385	314	(109,699)	–
New assets originated or purchased	(947,147)	–	–	(947,147)
Derecognised or repaid assets (excluding write-offs)	9,922	1,370	–	11,292
Impact on ECL of exposures transferred between stages and changes to models and inputs used	157,676	–	(98,915)	58,761
Write-offs	–	–	–	–
Foreign exchange adjustments	(565)	–	–	(565)
ECL at 31 December 2024	(672,064)	–	(208,614)	(880,678)

Below is an analysis of changes in gross carrying amount and relevant ECL on retail loans for the year ended 31 December 2024:

<i>Retail lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying amount as at 1 January 2024	608,424,521	3,227,665	8,404,761	620,056,947
Transfer to Stage 1	6,094,802	(6,094,802)	–	–
Transfer to Stage 2	(20,771,557)	23,092,977	(2,321,420)	–
Transfer to Stage 3	(8,777,831)	(12,341,767)	21,119,598	–
New assets originated or purchased	285,129,297	–	–	285,129,297
Derecognised or repaid assets (excluding write-offs)	(190,487,186)	(1,180,127)	(3,455,900)	(195,123,213)
Write-offs	–	–	(7,788,239)	(7,788,239)
Gross carrying amount as at 31 December 2024	679,612,046	6,703,946	15,958,800	702,274,792

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****Analysis of movements in gross carrying amount and related ECL (continued)**

<i>Retail lending</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2024	(7,709,690)	(1,049,889)	(5,310,143)	(14,069,722)
Transfer to Stage 1	(894,523)	894,523	–	–
Transfer to Stage 2	814,162	(1,401,901)	587,739	–
Transfer to Stage 3	573,835	4,710,189	(5,284,024)	–
New assets originated or purchased	(6,075,381)	–	–	(6,075,381)
Derecognised or repaid assets (excluding write-offs)	3,479,926	453,153	736,187	4,669,266
Impact on ECL of exposures transferred between stages and changes to models and inputs used	1,100,057	(6,027,735)	(7,764,210)	(12,691,888)
Write-offs	–	–	7,788,239	7,788,239
ECL at 31 December 2024	(8,711,614)	(2,421,660)	(9,246,212)	(20,379,486)

Concentration of loans to customers

As at 31 December 2025 and 2024, the Group's ten largest borrowers accounted for 7% of the total gross loans to customers before deduction of the allowance for ECL. As at 31 December 2025, the total carrying amount of these loans amounted to KZT 76,243,548 thousand (31 December 2024: KZT 57,294,792 thousand). As at 31 December 2025, the allowance for ECL in respect of the aforementioned loans amounted to KZT 551,647 thousand (31 December 2024: KZT 551,102 thousand).

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

	<i>31 December 2025</i>		<i>31 December 2024</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Individuals	745,474,249	72.74%	582,892,656	73.94%
Wholesale and retail	101,087,482	9.86%	81,605,086	10.36%
Manufacturing industry	49,551,954	4.84%	25,910,656	3.29%
Transport and storage	28,940,965	2.82%	13,824,815	1.75%
Construction	20,143,378	1.97%	19,625,282	2.49%
Encashment	17,836,479	1.74%	9,651,269	1.22%
Real estate transactions	14,827,731	1.45%	12,016,041	1.53%
Agriculture, forestry and fisheries	6,469,721	0.63%	5,396,660	0.68%
Education	4,721,211	0.46%	4,991,767	0.63%
Health and social services	3,716,201	0.36%	1,508,800	0.19%
Professional, scientific and technical activities	2,505,344	0.24%	1,987,316	0.25%
Mining industry and quarrying	1,687,579	0.16%	1,688,101	0.21%
Art, entertainment and recreation	1,366,985	0.13%	1,278,263	0.16%
Information and communication	1,317,265	0.13%	1,042,299	0.13%
Others	25,143,331	2.46%	24,453,673	3.14%
Loans to customers before deduction of the allowance for ECL	1,024,789,875	100%	787,872,684	100%
Allowances for ECL	(28,905,808)	–	(21,260,164)	–
Total loans to customers	995,884,067	–	766,612,520	–

*(In thousands of tenge, unless otherwise indicated)***7. Loans to customers (continued)****Collateral and other credit enhancements**

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

The main types of collateral obtained are as follows:

- For corporate loans - guarantees and sureties, real estate, vehicles, and cash.
- For retail loans - guarantees and sureties, real estate, vehicles, and cash.

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

In the absence of collateral or other credit enhancement mechanisms, the ECL on loans granted to Stage 3 customers as at 31 December 2025 and 2024 would have been higher by:

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Loans to retail customers	5,016,482	4,872,708
Loans to corporate customers	1,074,162	1,968,833
	<u>6,090,644</u>	<u>6,841,541</u>

Loans acquired from microfinance organisation

In May 2021, the Bank entered into an agreement with Microfinance Organisation Freedom Finance Credit LLP (the “MFO”), a related party of the Bank, for the assignment of claims under unsecured loans granted on the basis of microloan agreements concluded with borrowers, by which the MFO transfers to the Bank the rights of claim under such microloans. Upon initial recognition, the Bank recognises the rights of claim under microloans at fair value, as determined by an independent valuation company (Note 13).

As at 31 December 2024, the limit on the total value of rights of claim under microloans was set at maximum KZT 130,000,000 thousand. As at 31 December 2025, agreement with MFO was terminated.

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

The table below provides information about quality of loans to customers as of 31 December 2025:

	<i>Not past due</i>	<i>Past due for less than 30 days</i>	<i>Past due from 30 to 89 days</i>	<i>Past due from 90 to 179 days</i>	<i>Past due for more than 180 days and less than 1 year</i>	<i>Past due for more than 1 year</i>	<i>Total</i>
Mortgage							
Stage 1	531,244,680	6,159,828	70,678	–	–	–	537,475,186
Stage 2	334,954	115,837	2,489,346	–	–	–	2,940,137
Stage 3	1,753,087	291,734	254,075	864,706	855,835	333,674	4,353,111
Loans granted under credit facilities to legal entities and individual entrepreneurs							
Stage 1	152,961,276	11,428	–	–	–	–	152,972,704
Stage 3	958,157	–	–	–	–	–	958,157
Loans acquired from microfinance organisations							
Stage 1	96,427,121	3,589,106	219,861	–	–	–	100,236,088
Stage 2	1,724	252	2,435,177	–	–	–	2,437,153
Stage 3	16,405	4,979	8,422	133,903	–	–	163,709
Loans to individual entrepreneurs							
Stage 1	83,160,204	2,899,223	6,804	–	–	–	86,066,231
Stage 2	24,480	–	2,582,073	–	–	–	2,606,553
Stage 3	1,713,313	386,589	546,944	2,433,429	2,566,897	1,288,923	8,936,095
Auto lending							
Stage 1	67,103,107	1,272,014	60,851	–	–	–	68,435,972
Stage 2	20,371	3,191	639,993	–	–	–	663,555
Stage 3	599,417	112,876	172,833	685,019	1,312,569	3,844,454	6,727,168
Refinancing							
Stage 1	3,111,347	53,127	–	–	–	–	3,164,474
Stage 2	–	–	49,418	–	–	–	49,418
Stage 3	39,836	–	–	64,402	45,359	17,471	167,068
Credit cards							
Stage 1	294,793	29,506	136	–	–	–	324,435
Stage 2	–	–	28,783	–	–	–	28,783
Stage 3	2,641	1,247	4,537	104,428	68,665	70,474	251,992
Loans secured by cash collaterals							
Stage 1	11,928,049	–	–	–	–	–	11,928,049
Others							
Stage 1	32,738,951	429,492	1,802	–	–	–	33,170,245
Stage 2	–	–	70,781	–	–	–	70,781
Stage 3	84,767	5,184	230,863	159,920	181,428	649	662,811
Total loans to customers before ECL allowance	984,518,680	15,365,613	9,873,377	4,445,807	5,030,753	5,555,645	1,024,789,875
Allowance for ECL	(13,932,841)	(1,630,512)	(4,278,435)	(2,909,470)	(3,091,085)	(3,063,466)	(28,905,808)
Total loans to customers	970,585,839	13,735,101	5,594,942	1,536,337	1,939,668	2,492,179	995,884,067

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

The table below provides information about quality of loans to customers as of 31 December 2024:

	<i>Not past due</i>	<i>Past due for less than 30 days</i>	<i>Past due from 30 to 89 days</i>	<i>Past due from 90 to 179 days</i>	<i>Past due for more than 180 days and less than 1 year</i>	<i>Past due for more than 1 year</i>	<i>Total</i>
Mortgage							
Stage 1	415,816,291	4,854,613	–	–	–	–	420,670,904
Stage 2	437,890	167,977	1,159,896	–	–	–	1,765,763
Stage 3	988,698	207,344	133,062	636,210	556,330	134,798	2,656,442
Loans granted under credit facilities to legal entities and individual entrepreneurs							
Stage 1	65,396,864	–	–	–	–	–	65,396,864
Stage 3	2,185,481	–	–	–	–	–	2,185,481
Loans acquired from microfinance organisations							
Stage 1	67,036,133	2,441,220	62,944	–	–	–	69,540,297
Stage 2	7,356	–	1,423,424	–	–	–	1,430,780
Stage 3	4,560	742	11,157	1,593	2	–	18,054
Loans to individual entrepreneurs							
Stage 1	106,179,607	2,777,542	328	–	–	–	108,957,477
Stage 2	21,044	8,352	2,523,475	–	–	–	2,552,871
Stage 3	707,182	159,132	255,819	3,877,815	1,671,198	237,016	6,908,162
Auto lending							
Stage 1	75,767,357	1,869,819	45,846	–	–	–	77,683,022
Stage 2	95,476	17,756	816,650	–	–	–	929,882
Stage 3	661,686	67,974	132,338	913,889	2,027,630	2,394,179	6,197,696
Refinancing							
Stage 1	1,085,555	4,464	–	–	–	–	1,090,019
Stage 2	–	–	6,682	–	–	–	6,682
Stage 3	–	–	–	8,850	–	–	8,850
Credit cards							
Stage 1	420,627	26,387	299	–	–	–	447,313
Stage 2	–	–	17,968	–	–	–	17,968
Stage 3	360	55	1,024	23,849	86,776	48,849	160,913
Loans secured by cash collaterals							
Stage 1	17,782,801	–	–	–	–	–	17,782,801
Others							
Stage 1	1,463,794	–	–	–	–	–	1,463,794
Stage 3	–	–	–	649	–	–	649
Total loans to customers before ECL allowance	756,058,762	12,603,377	6,590,912	5,462,855	4,341,936	2,814,842	787,872,684
Allowance for ECL	(9,804,607)	(1,122,725)	(2,685,322)	(3,809,540)	(2,472,002)	(1,365,968)	(21,260,164)
Total loans to customers	746,254,155	11,480,652	3,905,590	1,653,315	1,869,934	1,448,874	766,612,520

*(In thousands of tenge, unless otherwise indicated)***8. Trading securities**

Trading securities comprise:

	<i>31 December 2025</i>	<i>31 December 2024</i>
<i>Debt securities at fair value through profit or loss</i>		
Bonds of the Ministry of Finance of the Republic of Kazakhstan	258,404,863	792,207,098
Bonds of quasi-government corporations	242,970,113	294,112,789
Bonds of foreign corporations	52,602,749	17,984,628
Bonds of Kazakh corporations	16,443,276	16,418,251
Bonds of the US Treasury Department	13,829,705	34,889,343
Total debt securities at fair value through profit or loss	584,250,706	1,155,612,109
<i>Equity securities at fair value through profit and loss</i>		
Bonds of Kazakh corporations	6,280,156	10,727,623
Total equity securities at fair value through profit or loss	6,280,156	10,727,623
Total trading securities	590,530,862	1,166,339,732

As at 31 December 2025, the Group pledged bonds of quasi-government corporations with a total fair value of KZT 91,254,209 thousand and bonds of foreign corporations with a total fair value of KZT 20,949,721 thousand, classified as trading securities, as collateral under repurchase agreements concluded on the KASE (*Note 18*).

As at 31 December 2024, the Group pledged bonds of quasi-government corporations with a total fair value of KZT 241,619,354 thousand, bonds of the Ministry of Finance of the Republic of Kazakhstan with a total fair value of KZT 475,348,070 thousand, and bonds of foreign corporations with a total fair value of KZT 1,590,357 thousand, classified as trading securities, as collateral under repurchase agreements concluded on the KASE (*Note 18*).

In 2025, the total financial result on trading securities included dividend income amounting to KZT 706,116 thousand (2024: KZT 311,200 thousand), presented within the item “Other income” (*Note 28*), and a negative foreign exchange revaluation included in “Net gains/(losses) on foreign currency transactions” in the consolidated statement of profit or loss and other comprehensive income, amounting to KZT 2,092,130 thousand (2024: positive revaluation of KZT 12,874,467 thousand).

*(In thousands of tenge, unless otherwise indicated)***9. Investment securities**

Investment securities comprise:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Debt securities measured at amortised cost		
Bonds of the Ministry of Finance of the Republic of Kazakhstan	454,612,855	254,215,096
Bonds of quasi-government corporations	15,614,424	–
Bonds of foreign corporations	110,500	–
Total debt securities at amortised cost before ECL allowance	<u>470,337,779</u>	<u>254,215,096</u>
Allowance for ECL	(249,122)	(205,306)
Total debt securities measured at amortised cost	<u><u>470,088,657</u></u>	<u><u>254,009,790</u></u>

Bonds of quasi-government corporations are represented by bonds of a subsidiary of the NBRK, which carries out the repurchase of mortgage loans granted to individuals not related to entrepreneurial activities.

As at 31 December 2025, the Group pledged bonds of the Ministry of Finance of the Republic of Kazakhstan with a total fair value of KZT 357,974,848 thousand as collateral under repurchase agreements concluded on the Kazakhstan Stock Exchange (KASE) (*Note 18*) (31 December 2024: KZT 246,031,521 thousand).

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

Below is an analysis of changes in the gross carrying amount and the related expected credit losses (ECL) on investment securities:

<i>Investment securities measured at amortised cost</i>	<i>2025</i>	<i>2024</i>
Gross carrying amount at 1 January	254,215,096	101,602,739
Assets purchased	193,500,309	138,962,815
Net change in accrued interest	22,622,374	13,649,542
At 31 December	<u><u>470,337,779</u></u>	<u><u>254,215,096</u></u>
 <i>Investment securities measured at amortised cost</i>	 <i>2025</i>	 <i>2024</i>
ECL at 1 January	(205,306)	(81,127)
Net change for the year (<i>Note 25</i>)	(43,816)	(124,179)
At 31 December	<u><u>(249,122)</u></u>	<u><u>(205,306)</u></u>

*(In thousands of tenge, unless otherwise indicated)***10. Property and equipment**

Movement in property and equipment is presented as follows:

	<i>Land</i>	<i>Buildings</i>	<i>Furniture and office equipment</i>	<i>Computers</i>	<i>Vehicles</i>	<i>Leasehold improvements</i>	<i>Total</i>
Cost/revalued cost							
At 31 December 2023	460,004	4,112,003	4,392,287	4,881,693	65,899	2,351,467	16,263,353
Additions	–	6,280,032	2,994,096	3,601,608	119,537	2,361,604	15,356,877
Disposals	–	–	(41,693)	(11,195)	–	(3,003)	(55,891)
At 31 December 2024	460,004	10,392,035	7,344,690	8,472,106	185,436	4,710,068	31,564,339
Additions	–	2,870	4,306,692	13,578,372	–	1,052,821	18,940,755
Disposals	–	–	(85,936)	(215,606)	–	(18,493)	(320,035)
Effect of remeasurement recognised in other comprehensive income	611,588	520,017	–	–	–	–	1,131,605
Effect of remeasurement recognised in profit or loss	–	128,547	–	–	–	–	128,547
At 31 December 2025	1,071,592	11,043,469	11,565,446	21,834,872	185,436	5,744,396	51,445,211
Accumulated depreciation:							
At 31 December 2023	–	(74,312)	(1,033,455)	(1,113,484)	(18,973)	(257,008)	(2,497,232)
Charge	–	(75,743)	(598,804)	(666,425)	(9,578)	(574,761)	(1,925,311)
Disposals	–	–	33,470	4,942	–	2,910	41,322
At 31 December 2024	–	(150,055)	(1,598,789)	(1,774,967)	(28,551)	(828,859)	(4,381,221)
Charge	–	(69,535)	(680,890)	(1,793,493)	(18,543)	(1,077,785)	(3,640,246)
Disposals	–	–	74,636	214,992	–	–	289,628
Effect of remeasurement recognised in other comprehensive income	–	219,590	–	–	–	–	219,590
At 31 December 2025	–	–	(2,205,043)	(3,353,468)	(47,094)	(1,906,644)	(7,512,249)
Carrying amount:							
At 31 December 2023	460,004	4,037,691	3,358,832	3,768,209	46,926	2,094,459	13,766,121
At 31 December 2024	460,004	10,241,980	5,745,901	6,697,139	156,885	3,881,209	27,183,118
At 31 December 2025	1,071,592	11,043,469	9,360,403	18,481,404	138,342	3,837,752	43,932,962

As at 31 December 2024, the increase in buildings amounting to KZT 6,277,740 thousand was attributable to the acquisition of premises for the purpose of opening a branch in the city of Astana.

*(In thousands of tenge, unless otherwise indicated)***10. Property, plant and equipment (continued)**

In 2025, the Group carried out revaluation of fair value of the land and buildings under ownership of the Group. Fair value was determined using market valuation methods. Date of measurement - 31 October 2025. More details about the fair value of land and buildings are disclosed in *Note 34*.

If land and buildings had been accounted for at historical cost, the carrying amount of these items of property, plant and equipment as at 31 December would have been:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Initial cost	9,416,085	9,413,217
Accumulated depreciation	(1,085,294)	(876,985)
Carrying amount	8,330,791	8,536,232

As at 31 December 2025, the historical cost of fully depreciated assets that remain in use by the Group amounted to KZT 904,097 thousand (31 December 2024: KZT 886,009 thousand).

11. Right-of-use assets

The movement of right-of-use assets were as follows:

	<i>Buildings</i>
Initial cost:	
At 31 December 2023	3,762,393
Additions	1,382,437
Disposals	(275,111)
Modifications	1,169,484
At 31 December 2024	6,039,203
Additions	1,615,819
Disposals	(1,024,816)
Modifications	603,358
At 31 December 2025	7,233,564
Accumulated depreciation:	
At 31 December 2023	(638,897)
Charge	(1,292,075)
Disposals	153,607
At 31 December 2024	(1,777,365)
Charge	(1,866,201)
Disposals	220,283
At 31 December 2025	(3,423,283)
Carrying amount:	
At 31 December 2024	4,261,838
At 31 December 2025	3,810,281

As at 31 December 2025 and 2024, the Group leases buildings with the maximum contract lease term up to 5 years.

*(In thousands of tenge, unless otherwise indicated)***12. Intangible assets**

The movement of intangible assets was as follows:

	<i>Software</i>	<i>Software under development</i>	<i>Licenses</i>	<i>Total</i>
Initial cost:				
At 31 December 2023	5,759,212	97,515	208	5,856,935
Additions	1,839,038	2,563,256	–	4,402,294
Transfers between categories	361,120	(361,120)	–	–
At 31 December 2024	7,959,370	2,299,651	208	10,259,229
Additions	3,137,817	3,541,185	62,433	6,741,435
Disposals	(207,788)	–	–	(207,788)
Transfers between categories	645,412	(645,412)	–	–
At 31 December 2025	11,534,811	5,195,424	62,641	16,792,876
Accumulated depreciation:				
At 31 December 2023	(1,091,604)	–	(208)	(1,091,812)
Charge	(323,013)	–	–	(323,013)
At 31 December 2024	(1,414,617)	–	(208)	(1,414,825)
Charge	(570,948)	–	(1,927)	(572,875)
Disposals	60,138	–	–	60,138
At 31 December 2025	(1,925,427)	–	(2,135)	(1,927,562)
Carrying amount:				
At 31 December 2023	4,667,608	97,515	–	4,765,123
At 31 December 2024	6,544,753	2,299,651	–	8,844,404
At 31 December 2025	9,609,384	5,195,424	60,506	14,865,314

The bank continues to make investments to the intangible assets under digital transformation and enhance operational efficiency. As at 31 December 2025 and 2024, software under development mainly comprises a mobile application and internet banking for legal entities and individual entrepreneurs, software related to the “Digital Mortgage” and “Digital Loan for Legal Entities” credit products, card issuing systems, and digital channels for customer interaction. As at 31 December 2025 and 2024, the Group did not identify impairment of the software under development.

13. Amounts due from the microfinance organisation

In 2025, the Group acquired portfolio of retail consumer loans from the related party Microfinance Organisation Freedom Finance Credit LLP for the amount of KZT 108,896,815 thousand. In accordance with the terms of the assignment agreement, the Group had the right to resell the loans on any grounds within the established limit. On 30 December 2025, the Group terminated the assignment agreement and derecognised credits from microfinance organisations. Loss from derecognition of such loans amounted to KZT 6,059,865 thousand. On 31 December 2025, the Group entered into an agreement with Microfinance Organisation Freedom Finance Credit LLP for the payment of a penalty in respect of incurred losses amounting to KZT 12,120,028 thousand. The terms of the agreement provide for instalment payment of the penalty over a period of two years. As a result, the Group recognised income from loss compensation amounting to KZT 10,085,314 thousand.

As at 31 December 2025, the receivable from the microfinance organisation was not past due and amounted to KZT 10,085,314 thousand. The allowance for ECL recognised in respect of the aforementioned receivables amounted to KZT 458,050 thousand.

In addition, in 2025 the Group entered into an agreement with Microfinance Organisation Freedom Finance Credit LLP to compensate losses on previously acquired loans and recognised income amounting to KZT 7,054,969 thousand in the consolidated statement of profit or loss and other comprehensive income. As at 31 December 2025, this receivable was fully repaid.

*(In thousands of tenge, unless otherwise indicated)***14. Other assets**

Other assets comprise:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Other accounts receivable from bank activities	3,106,658	2,663,207
Accounts receivables on transactions with securities from KASE	2,229,692	2,353,884
Accounts receivables on transactions with securities from related parties	1,454,849	–
Insurance coverage asset on the loan portfolio	5,170,136	–
Receivables from sale of property on an instalment basis	–	101,027
Receivables from assets sold	886,565	–
Other	427,797	1,028,639
Total financial assets before allowance for ECL	13,275,697	6,146,757
Allowance for ECL	(3,418,253)	(3,235,681)
Total other financial assets	9,857,444	2,911,076
Allowance for ECL	5,173,819	–
Prepaid other administrative expenses	4,408,014	2,897,342
Property, plants and equipment and intangible assets	3,145,148	1,383,280
Inventories	759,794	713,001
Taxes prepaid other than corporate income tax	10,412	108,496
Other	51,952	539
Total other non-financial assets	13,549,139	5,102,658
Total other assets	23,406,583	8,013,734

As at 31 December 2025, receivables from securities transactions included amounts due from KASE and a brokerage firm in respect of coupon income on securities amounting to KZT 3,684,541 thousand (31 December 2024: KZT 2,353,884 thousand).

In June 2025, the Group insured a portfolio of loans granted to individual entrepreneurs with a total gross carrying amount of KZT 73,518,211 thousand. In accordance with IFRS 9, as the insurance contract is not an integral part of the loan agreements and is not linked to the initial recognition of the related loans to customers, the contract is accounted for as a separate asset, provided that receipt of insurance compensation is practically certain in the event of a credit loss on the respective loans.

In accordance with the terms of the insurance contract, the outstanding principal amount as at the date of occurrence of the insured event is subject to indemnification. As at 31 December 2025, the carrying amount of the insurance indemnification asset was assessed at KZT 5,170,136 thousand. As at 31 December 2025, prepaid expenses under the aforementioned insurance contract amounted to KZT 5,173,819 thousand.

As at 31 December 2025, other assets classified as Stage 3 for ECL measurement purposes, amounting to KZT 3,591,024 thousand, comprised receivables from banking activities and other receivables (31 December 2024: KZT 3,335,180 thousand). As at 31 December 2025, the allowance for expected credit losses (ECL) recognised in respect of the aforementioned receivables amounted to KZT 2,862,812 thousand (31 December 2024: KZT 3,196,979 thousand).

*(In thousands of tenge, unless otherwise indicated)***14. Other assets (continued)**

Below is an analysis of changes in gross carrying amount and relevant ECL on other financial assets for the year ended 31 December 2025:

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying amount as at 1 January 2025	2,743,599	67,978	3,335,180	6,146,757
Transfer to Stage 1	11,585	(2,722)	(8,863)	–
Transfer to Stage 2	(318,485)	318,578	(93)	–
Transfer to Stage 3	(657,560)	(134,834)	792,394	–
New assets originated or purchased	8,010,875	–	–	8,010,875
Derecognised or repaid assets (excluding write-offs)	(203,453)	(150,888)	(172,003)	(526,344)
Write-offs	–	–	(318,836)	(318,836)
Foreign exchange adjustments	–	–	(36,755)	(36,755)
Gross carrying amount as at 31 December 2025	9,586,561	98,112	3,591,024	13,275,697

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL as at 1 January 2025	(14,364)	(24,338)	(3,196,979)	(3,235,681)
Transfer to Stage 1	(10,224)	1,361	8,863	–
Transfer to Stage 2	196,173	(196,266)	93	–
Transfer to Stage 3	12,342	105,361	(117,703)	–
New assets originated or purchased	(665,375)	–	–	(665,375)
Derecognised or repaid assets (excluding write-offs)	9,076	17,168	154,868	181,112
Impact on ECL resulting from transfers between stages and changes to models and inputs used	15,011	(1,366)	(57,486)	(43,841)
Write-offs	–	–	318,836	318,836
Foreign exchange adjustments	–	–	26,696	26,696
ECL as at 31 December 2025	(457,361)	(98,080)	(2,862,812)	(3,418,253)

Below is an analysis of changes in gross carrying amount and relevant ECL on other financial assets for the year ended 31 December 2024:

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Gross carrying amount at 1 January	2,661,284	28,601	3,017,325	5,707,210
Transfer to Stage 1	55,480	(4,410)	(51,070)	–
Transfer to Stage 2	(178,007)	178,166	(159)	–
Transfer to Stage 3	(321,563)	(111,986)	523,549	–
New assets originated or purchased	38,362,350	–	–	38,362,350
Derecognised or repaid assets (excluding write-offs)	(39,105,194)	(22,393)	(152,100)	(39,279,687)
Write-offs	–	–	(120,235)	(120,235)
Effect of change in accrued interest	1,269,249	–	207,870	1,477,119
Gross carrying amount as at 31 December	2,743,599	67,978	3,335,180	6,146,757

*(In thousands of tenge, unless otherwise indicated)***14. Other assets (continued)**

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
ECL at 1 January	(30,443)	(19,862)	(2,859,146)	(2,909,451)
Transfer to Stage 1	(1,189)	1,171	18	–
Transfer to Stage 2	69	(228)	159	–
Transfer to Stage 3	14,981	69,623	(84,604)	–
New assets originated or purchased	(278,732)	–	–	(278,732)
Derecognised or repaid assets (excluding write-offs)	501,754	8,481	96,259	606,494
Impact on ECL resulting from transfers between stages and changes to models and inputs used	(220,975)	(83,523)	(277,330)	(581,828)
Write-offs	–	–	120,235	120,235
Effect of change in accrued interest	171	–	(192,570)	(192,399)
ECL at 31 December	(14,364)	(24,338)	(3,196,979)	(3,235,681)

15. Taxation

The corporate income tax expenses comprise:

	<i>2025</i>	<i>2024</i>
Current corporate income tax expense	(9,044,134)	–
Deferred corporate income tax benefit/(expenses) - origination and reversal of temporary differences	(608,234)	(176,113)
Corporate income tax expenses	(9,652,368)	(176,113)

The incomes of the Bank and its subsidiaries, other than Freedom Bank Tajikistan CJSC, are subject to taxation in the Republic of Kazakhstan. The statutory corporate income tax rate in 2025 and 2024 was 20%. The income of Freedom Bank Tajikistan CJSC is subject to taxation in the Republic of Tajikistan. The statutory corporate income tax rate in the Republic of Tajikistan was 18% in 2025 and 2024.

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

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

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

*(In thousands of tenge, unless otherwise indicated)***15. Taxation (continued)**

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

	<u>2025</u>	<u>2024</u>
Profit before corporate income tax expense	22,171,771	52,407,398
Statutory tax rate	20%	20%
Theoretical corporate income tax expense at the statutory rate	<u>(4,434,354)</u>	<u>(10,481,480)</u>
Tax-exempt income from government securities and securities included in the official list of the Kazakhstan Stock Exchange (KASE),	6,950,966	11,178,727
Income from financial instruments subject to increased tax rates	(9,245,724)	–
Non-deductible administrative and other operating expenses	(923,284)	(653,390)
Non-deductible tax expenses, other than corporate income tax	(466,855)	–
Effect on change of statutory corporate income tax rate	(1,063,697)	–
Non-deductible credit loss expenses	(49,422)	(49,174)
Non-deductible interest expense on subordinated debt	(16,000)	(16,000)
Other	(403,998)	(154,796)
Corporate income tax expense	<u><u>(9,652,368)</u></u>	<u><u>(176,113)</u></u>

Deferred corporate income tax assets and liabilities, and their movement for respective years comprised the following as at 31 December:

	<u>2023</u>	<i>Origination and reversal of temporary differences in profit or loss</i>	<u>2024</u>	<i>Origination and reversal of temporary differences in profit or loss</i>	<i>Origination and reversal of temporary differences in other comprehensive income</i>	<u>2025</u>
Tax effect of deductible temporary differences						
Loans to customer	254,631	229,351	483,982	1,165,539	–	1,649,521
Lease liabilities	512,558	165,852	678,410	502,334	–	1,180,744
Other liabilities	183,353	877,433	1,060,786	787,247	–	1,848,033
Amounts due from the Microfinance organisations	–	–	–	509,429	–	509,429
Other assets	3,891	(128)	3,763	(3,763)	–	–
Deferred tax assets	<u>954,433</u>	<u>1,272,508</u>	<u>2,226,941</u>	<u>2,960,786</u>	–	<u>5,187,727</u>
Tax effect of taxable temporary differences						
Property and equipment and intangible assets	(1,473,057)	(1,220,977)	(2,694,034)	(2,010,691)	(337,799)	(5,042,524)
Trading securities	–	–	–	(201,590)	–	(201,590)
Right-of-use assets	(624,724)	(227,644)	(852,368)	(100,202)	–	(952,570)
Other assets	–	–	–	(1,256,537)	–	(1,256,537)
Deferred tax liability	<u>(2,097,781)</u>	<u>(1,448,621)</u>	<u>(3,546,402)</u>	<u>(3,059,591)</u>	<u>(337,799)</u>	<u>(6,943,792)</u>
Deferred corporate income tax liabilities	<u>(1,143,348)</u>	<u>(176,113)</u>	<u>(1,319,461)</u>	<u>(608,234)</u>	<u>(337,799)</u>	<u>(2,265,494)</u>

*(In thousands of tenge, unless otherwise indicated)***16. Amounts due to financial institutions**

Amounts due from financial institutions comprise:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Loans from financial institutions	47,350,635	6,967,372
Correspondent accounts of other banks	12,198,974	14,094,507
Deposits of quasi-government organisations	3,043,589	4,843,010
Deposits received as collateral	606,636	630,132
Total amounts due from financial institutions	63,199,834	26,535,021

As at 31 December 2025, loans received from financial institutions included funds obtained from Agrarian Credit Corporation JSC amounting to KZT 21,641,993 thousand and from Entrepreneurship Development Fund Damu JSC amounting to KZT 25,708,642 thousand (31 December 2024: funds obtained from Agrarian Credit Corporation JSC amounting to KZT 6,967,372 thousand).

As at 31 December 2025, the funds obtained from Agrarian Credit Corporation JSC were intended for subsequent lending to entities operating in the agro-industrial complex and agricultural production cooperatives. These loans are denominated in tenge, bearing nominal interest rate of 1.5-2.0% per annum (31 December 2024: 1.5% per annum) and maturing in 2026 and 2040 (31 December 2024: in 2025 and 2026).

As at 31 December 2025, the amounts received from the Development of Entrepreneurship Fund Demu JSC are denominated in tenge, bearing nominal interest rate of 2.0-3.5% per annum and maturing in 2031-2040. These funds are aimed at supporting small and medium-sized enterprises through subsequent lending on preferential terms, with the objective of stimulating entrepreneurship and promoting economic development in the Republic of Kazakhstan.

As at 31 December 2025, correspondent accounts on the amount of KZT 12,198,974 thousand were received from seventeen foreign financial institutions (31 December 2024: KZT 14,094,507 thousand from twelve foreign banks).

As at 31 December 2025, deposits from quasi-government organisations comprised deposits amounting to KZT 3,043,589 thousand received from Kazakhstan Sustainability Fund JSC under the state programme for refinancing mortgage loans to customers (31 December 2024: KZT 4,843,010 thousand), maturing in 2036-2050 and interest rates from 0.1% to 2.99% per annum.

As at 31 December 2025 and 2024, the Group had three counterparties, each of which individually accounted for more than 10% of the total amount of funds from financial institutions. As at 31 December 2025, the aggregate balance of funds held on the accounts of these counterparties amounted to KZT 58,721,031 thousand (31 December 2024: KZT 25,740,174 thousand).

17. Amounts due to customers

The amounts due to customers include the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Current accounts and demand deposits		
- Corporate customers	289,840,516	202,414,642
- Retail customers	64,512,320	47,139,536
Term deposits		
- Corporate customers	311,317,729	269,233,961
- Retail customers	820,913,302	540,621,232
Security deposit		
- Corporate customers	20,053,099	21,265,507
- Retail customers	4,733,678	2,887,317
Total amounts due to customers	1,511,370,644	1,083,562,195
Held as security against loans to customers	19,497,852	22,080,318
Held as security against guarantees (<i>Note 32</i>)	5,288,925	2,702,637

*(In thousands of tenge, unless otherwise indicated)***17. Amounts due to customers (continued)**

Below is the breakdown of due to customers by industry sectors:

	<i>31 December 2025</i>		<i>31 December 2024</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Individuals	889,287,223	58.86%	590,232,945	54.47%
Financial services	156,280,288	10.34%	110,510,347	10.20%
Construction	79,228,969	5.24%	61,304,126	5.66%
Trade	71,732,735	4.75%	54,343,127	5.02%
Activities of holding companies	44,137,954	2.92%	45,317,019	4.18%
Professional services	46,486,005	3.08%	43,088,139	3.98%
Mining industry	48,934,488	3.24%	28,155,785	2.60%
Communication and information	32,610,081	2.16%	25,803,583	2.38%
Production	32,827,188	2.17%	25,169,016	2.32%
Education	23,371,015	1.55%	20,034,249	1.85%
Leases	8,105,650	0.54%	14,396,719	1.33%
Real estate	11,245,537	0.74%	12,606,365	1.16%
Transportation	17,440,742	1.15%	7,763,182	0.72%
Medical services	10,769,045	0.71%	6,819,023	0.63%
Agriculture	4,455,083	0.30%	6,493,474	0.60%
Electric power industry	4,783,254	0.32%	5,271,865	0.49%
Insurance	5,620,729	0.37%	1,884,940	0.17%
Asset management	386,622	0.03%	224,286	0.02%
Other	23,668,036	1.57%	24,144,005	2.23%
Total amounts due to customers	1,511,370,644	100.0%	1,083,562,195	100.0%

As at 31 December 2025 the Group had ten major customers, which accounted for 23.03% of the gross balance of current accounts and deposits of customers (31 December 2024: 12%). As at 31 December 2025, the aggregate balance of funds held on the referred accounts amounted to KZT 199,095,743 thousand (31 December 2024: KZT 131,321,485 thousand).

In accordance with the Civil Code of the Republic of Kazakhstan, the Bank is obliged to repay the deposit upon demand of a depositor. In accordance with the applicable deposit terms and conditions, where a term deposit is withdrawn at the depositor's request prior to maturity, interest is paid for the actual period during which the deposit was placed.

18. Amounts payable under repurchase agreements

As at 31 December 2025 and 2024, the Group entered into the repurchase agreements on the KASE. Transactions under repurchase agreements are used by the Group to manage short-term liquidity. An analysis of payables under repurchase agreements by type of underlying instruments as at 31 December 2025 is presented below:

	<i>31 December 2025</i>	
	<i>Carrying amount of the liability</i>	<i>Fair value of the collateral held</i>
Bonds of the Ministry of Finance of the Republic of Kazakhstan	359,560,649	357,974,848
Bonds of quasi-government corporations	90,357,637	91,254,209
Bonds of foreign corporations	20,737,132	20,949,721
Total	470,655,418	470,178,778

*(In thousands of tenge, unless otherwise indicated)***18. Amounts payable under repurchase agreements (continued)**

An analysis of payables under repurchase agreements by type of underlying instruments as at 31 December 2024 is presented below:

	<i>31 December 2024</i>	
	<i>Carrying amount of the liability</i>	<i>Fair value of the collateral held</i>
Bonds of the Ministry of Finance of the Republic of Kazakhstan	718,456,616	721,379,591
Bonds of quasi-government corporations	237,329,233	241,619,354
Bonds of foreign corporations	1,563,784	1,590,357
Total	957,349,633	964,589,302

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

19. Subordinated debt

In December 2010, the Group placed 1,000,000 preferred shares at an issue price of KZT 1,000 per share. These preferred shares do not have any voting rights unless payment of preferred dividends has been delayed for three months and carry a cumulative dividend of a minimum of 8% per annum, but not less than dividends on common shares.

In accordance with IAS 32 Financial Instruments: Presentation, where a non-redeemable preference share gives rise to a contractual right to receive dividends, it contains a financial liability component in respect of those dividends. As a result, the net present value of the obligation to pay dividends is recognised as a liability, with the residual proceeds from the issue recognised as equity. In 2025 and 2024, dividend expenses on preference shares amounted to KZT 80,000 thousand and were presented within interest expense in the consolidated statement of profit or loss and other comprehensive income in accordance with IAS 32.

20. Lease liabilities

Lease liabilities are presented as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Maturity analysis:		
Year 1	2,525,260	1,959,684
Year 2	1,983,797	1,920,913
Year 3	654,454	1,488,873
Year 4	388,466	338,626
Year 5	44,151	74,273
Net of financial expenses for future periods	(873,153)	(938,268)
Total lease liabilities	4,722,975	4,844,101
Type of maturity of liabilities:		
Current	2,010,995	1,476,300
Non-current	2,711,980	3,367,801
Total lease liabilities	4,722,975	4,844,101
Lease liabilities	2025	2024
Gross carrying amount at 1 January	4,844,101	3,281,866
Additions	1,615,819	1,382,437
Disposals	(912,022)	(153,966)
Payments	(2,377,045)	(1,377,940)
Interest expenses (<i>Note 24</i>)	948,764	542,220
Modification effect	603,358	1,169,484
Carrying amount as at 31 December	4,722,975	4,844,101

*(In thousands of tenge, unless otherwise indicated)***21. Amounts payable to the mortgage organisation**

In 2018 and 2019, the NBRK approved the residential mortgage programmes “Mortgage Program “7-20-25”. The main goal of this program is to provide the population with the opportunity to purchase primary housing and increase the interest of banks in financing. According to the conditions of the “Mortgage Program “7-20-25”, loans are issued in tenge at a nominal rate of 7.0% per annum for a period of up to 25 years and down payment of 20%. Loan origination and servicing fees are not charged.

Under the programmes, the Group originated mortgage loans to customers and transferred them to Kazakhstan Sustainability Fund JSC (the “Operator”) in exchange for cash in an amount equal to the nominal value of the loans. The Bank legally acts as an agent for this program and receives a fee of 2.5-4.0% per annum from received interest payments.

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

As at 31 December 2025, the carrying amount of the transferred loans amounted to KZT 262,964,944 thousand (31 December 2024: KZT 248,271,027 thousand), and the carrying amount of the liability to the Operator amounted to KZT 263,076,372 thousand (31 December 2024: KZT 248,307,105 thousand).

22. Other liabilities

Other liabilities comprise:

	<i>31 December 2024</i>	<i>31 December 2024</i>
Payables to suppliers	3,024,179	1,781,400
Payables for insurance premium payments to a related party	2,091,726	–
Allowance for ECL on issued guarantees (<i>Note 32</i>)	162,871	80,461
Accrued fee and commission expense	1,562	10,275
Other financial liabilities	1,963,744	1,697,763
Other financial liabilities	7,244,082	3,569,899
Accrued employee bonus expenses	5,031,169	4,210,235
Accrued expenses for unused leaves	1,908,539	1,093,695
Prepaid interest on loans to customers	1,618,907	921,380
Accrued mandatory contributions to the KDIF	1,257,314	527,303
Payables for other taxes and charges, other than corporate income tax	1,149,281	461,683
Mandatory budgetary payments	555,199	–
Provisions (<i>Note 32</i>)	–	368,015
Deferred commission income on issued guarantees	9,736	84,332
Other non-financial liabilities	153,821	78
Other non-financial liabilities	11,683,966	7,666,721
Total other liabilities	18,928,048	11,236,620

23. Equity

As at 31 December 2025 and 2024, the Bank has 53,500,000 declared ordinary shares. Par value per share is KZT 1,000.

As at 31 December 2025, 36,094,842 pcs of issued ordinary shares were fully paid to the shareholders at the placement price (31 December 2024: 31,942,299 pcs).

On 23 September 2024 Freedom Finance JSC acquired 952,381 ordinary shares of the Bank at the placement price of KZT 5,250 per share. On 23 September 2024 Freedom Finance JSC acquired 3,389,831 ordinary shares of the Bank at the placement price of KZT 5,900 per share. On 27 March 2025, Freedom Finance JSC acquired 4,152,543 ordinary shares of Freedom Bank Kazakhstan JSC at placement price KZT 5,900 per share for total price of KZT 24,500,004 thousand.

*(In thousands of tenge, unless otherwise indicated)***23. Equity (continued)**

As at 31 December 2025, charter capital amounted to KZT 111,856,152 thousand (31 December 2024: KZT 87,356,148 thousand).

There were no dividends declared or paid on ordinary shares during 2025 and 2024.

The carrying amount of one ordinary share calculated in accordance with the methodology indicated in the Listing Rules of Kazakhstan Stock Exchange as at 31 December 2025 and 2024 is presented below:

Type of shares	31 December 2025			31 December 2024		
	<i>Number of outstanding shares</i>	<i>Net assets</i>	Book value per share (tenge)	<i>Number of outstanding shares</i>	<i>Net assets</i>	<i>Book value per share (tenge)</i>
Ordinary	36,094,842	232,183,265	6,432.59	31,942,299	199,489,044	6,245.29

Type of shares	31 December 2025			31 December 2024		
	<i>Number of outstanding shares</i>	<i>Book value of shares</i>	<i>Book value per share (tenge)</i>	<i>Number of outstanding shares</i>	<i>Net assets</i>	<i>Book value per share (tenge)</i>
Preference (<i>Note 18</i>)	1,000,000	1,040,000	1,040	1,000,000	1,000,000	1,000

The Group discloses the carrying amount of ordinary and preference shares calculated in accordance with the methodology set out in the KASE Listing Rules. Disclosure of this information is not required in line with IFRS Accounting Standards.

Additional paid-in capital

In 2021, the Bank and Freedom Holding Corp. signed the agreements to terminate subordinated debt agreements, according to which Freedom Holding Corp. made a full forgiveness of the subordinated debt, which was reflected in the additional paid-in capital of the Bank in the amount of KZT 2,400,340 thousand as of 31 December 2026 and 2024.

Revaluation reserve for property

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

As of 31 December 2024, the Group's property, plant and equipment revaluation reserve is KZT 1,872,135 thousand (as of 31 December 2023: KZT 872,129 thousand).

Other reserves

Other reserves include the foreign currency translation reserve, which is used to recognise exchange differences arising on the translation of the financial statements of the Bank's foreign subsidiaries.

*(In thousands of tenge, unless otherwise indicated)***24. Net interest income**

Net interest income comprises:

	<i>2025</i>	<i>2024</i>
Interest income calculated using the effective interest rate		
Cash and cash equivalents	7,138,850	3,621,581
Amounts due from financial institutions	1,007,461	656,910
Investment securities measured at amortised cost	46,580,807	19,142,343
Loans to customer	131,119,794	98,316,826
Other assets	17,986	55,290
Total interest income calculated using the effective interest rate	185,864,898	121,792,950
Interest gain on financial assets at fair value through profit or loss		
Trading securities	67,375,683	140,131,384
Total other interest revenue	253,240,581	261,924,334
Interest expense		
Amounts due to financial institutions	(383,449)	(562,048)
Amounts due to customers	(81,951,685)	(37,047,702)
Accounts payable under repurchase agreements	(87,988,723)	(142,837,840)
Subordinated debt	(80,000)	(80,000)
Amounts payable to the mortgage institution lease liabilities (<i>Note 20</i>)	(8,821,039)	(7,701,846)
	(948,764)	(542,220)
Total interest expense	(180,173,660)	(188,771,656)
Net interest income	73,066,921	73,152,678

Interest income receipts comprise:

	<i>2025</i>	<i>2024</i>
Cash and cash equivalents	7,136,307	3,640,004
Amounts due from financial institutions	965,464	670,566
Trading securities	96,583,717	146,421,894
Investment securities measured at amortised cost	23,958,433	5,492,801
Loans to customer	123,886,034	96,763,065
Total	252,529,955	252,988,330

Interest expense payments comprise:

	<i>2025</i>	<i>2024</i>
Amounts due to financial institutions	(383,449)	(562,048)
Amounts due to customers	(77,369,714)	(34,896,509)
Accounts payable under repurchase agreements	(88,693,630)	(142,837,840)
Subordinated debt	(40,000)	(120,000)
Amounts payable to the mortgage institution	(8,821,039)	(7,701,847)
Lease liabilities	(948,764)	-
Total	(176,256,596)	(186,118,244)

*(In thousands of tenge, unless otherwise indicated)***25. Credit loss expense**

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

	<i>Note</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Cash and cash equivalents	5	(104,605)	–	–	(104,605)
Amounts due from financial institutions	6	36,100	–	–	36,100
Loans to customer	7	(6,036,382)	(7,485,861)	2,806,123	(10,716,120)
Investment securities	9	(43,816)	–	–	(43,816)
Amounts due from the Microfinance organisations	13	(458,050)	–	–	(458,050)
Other financial assets	14	(641,288)	15,802	97,382	(528,104)
Credit related contingencies		(82,410)	–	–	(82,410)
Total credit loss expense		(7,330,451)	(7,470,059)	2,903,505	(11,897,005)

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

	<i>Note</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Cash and cash equivalents	5	(33,614)	–	–	(33,614)
Amounts due from financial institutions	6	32,798	–	(42,556)	(9,758)
Loans to customer	7	(2,274,947)	(5,573,212)	(7,126,938)	(14,975,097)
Investment securities	9	(124,179)	–	–	(124,179)
Other financial assets	14	2,047	(75,042)	(181,071)	(254,066)
Credit related contingencies		(80,461)	–	–	(80,461)
Total credit loss expense		(2,775,033)	(5,566,864)	(7,135,278)	(15,477,175)

In 2025, credit loss expenses in the consolidated statement of profit or loss and other comprehensive income included income arising from the recognition of an insurance coverage asset on the loan portfolio amounting to KZT 5,170,136 thousand (*Note 14*).

26. Net fee and commission (expense)/income

Net fee and commission income comprises:

	<i>2025</i>	<i>2024</i>
Payment cards	41,584,181	25,207,672
Settlements transactions	30,580,503	9,784,513
Opening and maintenance of customer accounts	2,095,158	146,259
Agency services	1,871,059	15,922
Cash operations	1,175,776	955,324
Guarantees issued	247,312	102,800
Foreign exchange transactions	144,049	87,145
Cashback	(59,164,439)	(4,492,696)
Other	2,211,870	304,831
Total fee and commission income	20,745,469	32,111,770
Transactions on customers' card accounts	(44,119,150)	(26,556,357)
Transactions with securities	(3,409,431)	(1,487,812)
Settlements transactions	(1,713,529)	(534,529)
Agency services	(127,984)	(241,589)
Foreign exchange transactions	(11)	(13,979)
Total fee and commission expense	(49,370,105)	(28,834,266)
Net fee and commission (expense)/income	(28,624,636)	3,277,504

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

*(In thousands of tenge, unless otherwise indicated)***26. Net fee and commission (expense)/income (continued)**

In September 2024, the Group launched a loyalty programme under which customers are granted cashback on payment card transactions ranging from 1% to 4% of the transaction amount, as well as increased cashback of up to 30% for purchases within the “Freedom” ecosystem. These expenses are recognised as part of variable consideration related to fee income from payment card transactions and are recognised by the Group as a reduction of fee and commission income at the time the relevant transaction is performed by the customer.

In 2025, the Group incurred loyalty programme expenses amounting to KZT 59,164,439 thousand (2024: KZT 4,492,696 thousand). In accordance with the Group’s accounting policy and IFRS requirements, these expenses were recognised within fee and commission income through a reduction of the respective income. These expenses were included in the Group’s approved budget and were incurred in the normal course of business as part of the Group’s ongoing activities aimed at customer acquisition and retention.

27. Net gains on financial instruments at fair value through profit or loss

Net gains from transactions with financial instruments at fair value through profit or loss is comprised of the following positions:

	<i>2025</i>	<i>2024</i>
Net unrealised (loss)/gain on trading securities	(27,499,200)	38,012,287
Net realised gain on trading securities	45,539,417	1,003,205
Net unrealised (loss)/gain on derivative financial instruments	(148,192)	1,468,279
Net realised gain/(loss) on derivative financial instruments	1,833,796	(897,799)
Total net gains from transactions with financial instruments at fair value through profit or loss	19,725,821	39,585,972

28. Other income and expenses

Other income and expenses are presented as follows:

	<i>2025</i>	<i>2024</i>
Other income		
Dividend income	706,116	311,200
Other	921,603	299,866
Total other income	1,627,719	611,066
Other expenses		
Expenses on disposal of property, plant and equipment and intangible assets	188,771	–
Expenses for the recognition of provisions for estimated liabilities	–	154,997
Other	39,874	–
Total other expenses	228,645	154,997

29. Personnel expenses

Personnel expenses comprise:

	<i>2025</i>	<i>2024</i>
Salaries and bonuses, including individual income tax	37,478,241	28,828,595
Social security contributions	4,982,846	2,792,309
Total personnel expenses	42,461,087	31,620,904

*(In thousands of tenge, unless otherwise indicated)***30. Administrative and other operating expenses**

Administrative and other operating expenses comprise:

	<u>2025</u>	<u>2024</u>
Depreciation and amortisation (<i>Notes 10, 11, 12</i>)	6,079,322	3,540,399
Advertising and marketing services	4,704,039	2,394,492
Expenses related to the educational system BilimClass	1,376,875	–
Communication and information services	3,478,303	2,446,539
Technical support and software	3,252,878	2,861,783
Contributions to KDIF	2,740,160	2,588,852
Taxes other than corporate income tax	2,619,781	1,807,312
Expenses on postal and courier services	2,128,450	1,753,482
Expenses related to the issuance of plastic cards	2,035,142	806,589
Lease expenses	1,542,509	575,845
Insurance	1,376,883	43,858
Charity and sponsorship	1,173,071	1,209,247
Repair and maintenance	1,032,539	586,384
Expenses on professional services	899,443	393,417
Business trip expenses	627,917	422,263
Security	571,533	395,363
Contributions to the fund to set the guarantee limits	537,000	–
Clearing fee	340,122	357,174
Utilities	266,299	181,558
Transport	224,291	87,488
Cash collection	185,814	70,427
Fines and penalties	178,501	27,187
Representation expenses	91,274	56,838
Office supplies	87,444	59,609
Membership contributions	77,733	89,193
Education	69,664	81,145
Others	2,207,275	1,896,921
Total administrative and other operating expenses	39,904,262	24,733,365

For the years ended 31 December 2025 and 2024, expenses for audit services amounted to KZT 145,546 thousand and KZT 58,016 thousand, respectively, excluding value added tax.

31. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to common shareholders by the weighted average number of participating shares outstanding during the period.

The following reflects the income and share data used in the basic and diluted earnings per share computations.

	<u>2025</u>	<u>2024</u>
Net profit for the year	12,519,403	52,231,285
Less dividends that can be paid to shareholders of preferred shares in case of full distribution of profit	(80,000)	(80,000)
Net profit attributable to common shareholders	12,439,403	52,151,285
Less dividends that can be paid to shareholders of preferred shares in case of full distribution of profit	35,127,811	28,116,941
Basic and diluted earnings per share (in tenge)	354.12	1,854.80

As at 31 December 2024 and 2025, the Group did not have any financial instruments diluting earnings per share.

*(In thousands of tenge, unless otherwise indicated)***32. Commitments and contingencies****Legal**

In the ordinary course of business, the Group is subject to legal actions and complaints. The Group believes that any ultimate obligation, if any, arising from such actions or claims will not have a material adverse effect on the Group's financial position or results of operations.

The Group assesses the likelihood of material liabilities arising from individual circumstances and makes provision in consolidated financial statements only where it is probable that events giving rise to the liability will occur and the amount of the liability can be reasonably estimated.

Taxation

The tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Group and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan tax legislation and tax practice are subject to ongoing development and, as a result, are exposed to varying interpretations and frequent changes, which may have retrospective effect. In some cases, for the purpose of determining taxable base, tax legislation refers to the IFRS-based accounting. At the same time, the interpretation of the relevant IFRS-based accounting provisions by the Kazakh tax authorities may differ from the accounting policies, judgements and estimates applied by management in the preparation of these consolidated financial statements, which may result in additional tax liabilities for the Group. Tax authorities may perform retrospective tax audits for a period of up to five years following the end of the relevant tax year.

Management of the Group believes that its interpretations of the relevant legislation are appropriate and that the Group's tax position is justified.

In accordance with the Bank's share purchase agreement, upon the change of shareholder in 2020, the risks of additional taxes related to taxation for the periods 2016–2020 remain fully with the seller, who has undertaken to indemnify the Group for any related losses incurred.

In 2021, following a documentary tax audit for the year 2016, the Almaty City Department of State Revenues instructed the Group to pay KZT 213,487 thousand. The Group created allowance for this payment in full amount.

In 2024, following a documentary tax audit for the years 2018-2020, the Almaty City Department of State Revenues instructed the Group to pay KZT 213,487 thousand. The Group created allowance for this payment in the amount of KZT 154,528 thousand.

On 7 March 2024, the Group filed a claim to the Department of Appeals of the Ministry of Finance of the Republic of Kazakhstan. The claim was sustained in the amount of KZT 264,739 thousand at the level of the Department of Appeals of the Republic of Kazakhstan.

In 2025, following the completion of the appeal process, the Group reversed provisions for tax liabilities amounting to KZT 368,015 thousand.

Commitments and contingencies

The Group's contractual and contingent liabilities include:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Credit related commitments		
Undrawn loan facilities	114,253,100	84,780,442
Guarantees issued	21,663,798	7,670,616
Unused guarantee facilities	3,957,898	5,521,041
	139,874,796	97,972,099
Capital expenditure commitments	15,582	–
Commitments and contingencies before deducting collateral	139,890,378	97,972,099
Customers' funds held as collateral for guarantees (<i>Note 17</i>)	(5,288,925)	(2,702,637)
ECL allowance for credit related commitments (<i>Note 22</i>)	(162,871)	(80,461)

(In thousands of tenge, unless otherwise indicated)

32. Commitments and contingencies (continued)

Commitments and contingencies (continued)

The total amount of commitments under unused credit facilities and guarantees in accordance with contractual terms does not necessarily represent future cash outflows, as such commitments may expire or be cancelled without funds being provided to the borrower. Credit line agreements provide the Group with the right to unilaterally refuse to provide funds in the event of the occurrence of any adverse conditions. The Group performs a credit risk assessment of the borrower prior to the disbursement of funds. Accordingly, the Group believes that its exposure to credit loss risk is limited to the contractual notice period for cancellation of the undrawn portion of the credit facility.

As at 31 December 2025 and 2024, the Group's credit-related commitments were not past due.

33. Risk management

Introduction

Risk management is inherent in the bank activities and is an essential element of the Group's operations. Market risk, credit risk, liquidity risk, and operational risk are the principal risks to which the Group is exposed in the course of its operations.

The Group's risk management policy is designed to identify, analyse, and manage the risks to which the Group is exposed, to establish risk limits and appropriate controls, and to continuously assess risk levels and their compliance with the established limits. Risk management policies and procedures are reviewed on a regular basis to reflect changes in market conditions, the range of banking products and services offered, and emerging best practices.

Risk management structure

Board of Directors

The Board of Directors is responsible for the effective functioning of the risk management control system, the management of key risks, the approval of risk management policies and procedures, as well as the approval of significant transactions.

Risk Committee

The Risk Committee of the Board of Directors oversees and monitors the effectiveness of the Bank's risk management system, including monitoring compliance with the approved risk appetite, reviewing information on the risk profile and key deviations, and preparing recommendations to the Board of Directors on risk management matters and compliance of the Bank's activities with established limits and policies.

Management Board

The Management Board of the Bank is responsible for the organisation and effective functioning of the risk management system within the strategy and risk appetite approved by the Board of Directors, ensures the implementation of internal policies and procedures, makes managerial decisions taking risk considerations into account, reviews regular reporting on the risk profile, and takes corrective actions in the event of identification of material deviations.

Credit risk management units

Credit risk management units perform analysis and assessment of credit risk at the borrower and portfolio levels, develop and apply methodologies for assessing creditworthiness and expected credit losses, manage credit risk through the establishment, monitoring and control of limits by borrower, product and type of transaction, participate in the approval of new and modified credit products to ensure compliance with the Bank's risk appetite and internal policies, and prepare regular reporting for the governing bodies.

Financial risk management unit

The unit is responsible for the management of market risk, liquidity risk, and counterparty credit risk of the Bank, as well as for the development of internal regulatory documents governing the management of these risks. The unit develops, tests, monitors, back-tests and recalibrates models for the measurement and forecasting of market and liquidity risks, and establishes control limits and early warning indicators.

Bank Treasury

The Bank's Treasury is responsible for managing the Group's assets and liabilities, as well as its overall funding and financial structure. The Treasury is also primarily responsible for managing the Group's liquidity risk and funding risk.

(In thousands of tenge, unless otherwise indicated)

33. Risk management (continued)

Risk management structure (continued)

Internal audit

The risk management processes in place within the Group are reviewed annually by the internal audit function, which assesses both the adequacy of the procedures and the Group's compliance with those procedures. Internal audit unit discusses the results of all assessments with management and reports its findings and recommendations to the Board of Directors.

Risk measurement and reporting systems

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

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

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. The information referred to above is presented, together with explanatory notes, to the Management Board, risk committees, and the heads of each business unit. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, liquidity ratios and risk profile changes. On a monthly basis, senior management determines whether an allowance for expected credit losses should be recognised. The Board of Directors receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

Various risk reports are prepared for all levels of the Group and distributed to ensure that all Group units have access to comprehensive, relevant, and up-to-date information.

Risk mitigation

As part of its overall risk management, the Group uses derivatives and other instruments to manage exposures resulting from changes in foreign currencies, credit risk and exposures arising from forecast transactions.

The Group actively uses collateral to mitigate its credit risk.

Excessive risk concentration

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

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

Credit risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Group manages credit risk by establishing limits on the maximum level of risk it is willing to accept with respect to individual counterparties, geographic or industry risk concentrations, and by monitoring compliance with the established risk limits.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. For individuals and individual entrepreneurs, the credit quality assessment process also includes regular analysis of payment discipline and other indicators of deterioration in creditworthiness. For legal entities, the credit quality assessment process includes regular analysis of financial performance, cash flows, compliance with covenants, and other factors that may affect the level of credit risk. The credit quality review process enables the Group to assess the magnitude of potential losses arising from the risks to which it is exposed and to take appropriate mitigating actions.

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Credit risk (continued)***Impairment assessment*

The Group measures ECL using multiple probability-weighted scenarios to estimate expected cash shortfalls, which are discounted using the EIR or an approximation thereof. Cash shortfall is the difference between the contractual cash flows due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD)	Probability of Default represents an estimated likelihood that a default will occur over a specified time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
Exposure at default (EAD)	<i>The Exposure at Default</i> is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
Loss given default (LGD)	<i>Loss given default</i> represents an estimate of losses that arise in the event of default occurring at a specific point in time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The allowance for expected credit losses (ECL) is measured based on credit losses expected to arise over the life of the asset (lifetime ECL) where there has been a significant increase in credit risk since initial recognition and/or where the asset is credit-impaired; otherwise, the allowance is measured at an amount equal to 12-month expected credit losses (12-month ECL). The 12mECL is the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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

Stage 1:	When loans are first recognised, the Group recognises an allowance based on 12m ECL.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL.
Stage 3:	Loans considered credit-impaired. The Group recognises an allowance for the LTECL.
POCI:	Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently recognised based on a credit-adjusted EIR. ECL are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

Definition of default and cure

The Group considers a financial instrument to be in default and, accordingly, classifies it as Stage 3 (credit-impaired assets) for ECL measurement purposes in any case where the borrower is past due on contractual payments for more than 90 days for individuals (including individual entrepreneurs) and for more than 60 days for legal entities.

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

- A significant decline in the value of collateral where repayment of the loan is expected to be achieved through the sale of the collateral;
- The borrower has filed for bankruptcy or has been declared bankrupt;
- Loan is being restructured due to deterioration of financial condition of the borrower;
- Death of the borrower.

(In thousands of tenge, unless otherwise indicated)

33. Risk management (continued)

Credit risk (continued)

Definition of default and cure (continued)

In accordance with the Group's policy, financial instruments are considered "cured" and are therefore transferred from Stage 3 to Stage 2 when none of the default criteria are observed as at the reporting date, provided that the outstanding exposure under the relevant financial instrument has been reduced as a result of partial repayment and, where restructuring has taken place, the borrower has made at least three consecutive contractual payments in a timely manner. The Bank applies a practice of retaining a financial instrument in the category of instruments that have experienced a significant increase in credit risk or are credit-impaired for a consecutive period of three months after the indicator of a significant increase in credit risk or the indicator of credit impairment is no longer observed.

ECL measurement on treasury and interbank transactions

The Group's treasury and interbank operations include transactions with counterparties such as financial services organisations, banks, broker-dealers, exchanges, clearing organisations, as well as custodial and brokerage-dealer activities. ECL on such transactions are measured on an individual basis. In accordance with the requirements of IFRS 9, for the purposes of provisioning for treasury assets, the Bank applies the expected credit loss model, the key principle of which is the timely recognition of deterioration or improvement in the credit quality of credit exposures, taking into account accumulated historical data, as well as current and forward-looking information.

Corporate and SME Lending

Corporate lending and lending to small and medium-sized enterprises ("SMEs") are associated with credit risk arising from the financing of borrowers' operating and investment activities. Such financing includes overdrafts and credit facilities, provided in both secured and unsecured forms. Applications are reviewed using standardised online processes as well as traditional offline procedures that involve an individualised assessment of the borrower. Credit risk assessment is based on an analysis of the borrower's financial position and cash flows, the sustainability of its business model, industry factors, and the quality of corporate governance. Key risk factors include liquidity ratios, leverage and debt service coverage indicators, the credit history of the borrower and related parties, compliance with tax obligations, and the ratio of the loan amount to the collateral value (loan-to-value ratio).

Retail lending

Retail lending is exposed to credit risk arising from both unsecured and collateralised loans to individuals and sole proprietors, including credit cards, overdrafts, and other retail lending products. Credit risk for unsecured products is assessed using automated scoring models based on an analysis of credit history, the level and sustainability of income, the borrower's socio-demographic characteristics, compliance with tax and other obligations, and debt burden indicators. For secured products, credit risk is assessed based on the borrower's creditworthiness and the ratio of the loan amount to the collateral value, which allows the Bank to limit potential losses in the event of borrower default.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The Group offers its customers various overdraft facilities, which the Group has the right to cancel and/or for which it may reduce the approved limits. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. The interest rate used to discount the ECLs for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

Loss given default (LGD)

In the case of lending to corporate borrowers, the LGD metric is assessed on a periodic basis and reviewed by the Group's risk management function.

Credit risk assessment is based on a standard LGD estimation model, which determines specific LGD levels. These LGD levels take into account the expected exposure at default (EAD) in comparison with the amounts expected to be recovered or realised through the sale of collateral held.

(In thousands of tenge, unless otherwise indicated)

33. Risk management (continued)

Credit risk (continued)

Loss given default (LGD) (continued)

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. For this purpose, historical loss data are used, and a wide range of transaction-specific characteristics (for example, product type and types of collateral), as well as borrower-specific characteristics, are considered.

Where necessary, new data and forward-looking economic scenarios are used to determine the LGD level for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key input data include changes in the value of collateral, including residential property prices in the case of mortgage lending, payment status, or other factors indicating losses for a given group of instruments.

LGD levels are estimated for all asset classes in Stages 1, 2 and 3, as well as for purchased or originated credit-impaired (POCI) financial assets. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries.

Guarantees that are not an integral part of the contract

Guarantees that are not an integral part of the credit agreement are accounted for by the Group separately from the related credit asset and are not included in the calculation of expected credit losses (ECL) on that asset. In respect of such guarantees, the Group recognises a separate reimbursement asset measured at the amount of the expected credit losses on the guaranteed credit asset. Changes in the amount of expected credit losses on this asset are recognised in credit loss expense.

Significant Increase in Credit Risk

The Group continuously reviews all assets for which ECL are calculated. In order to determine the amount of the allowance for ECL to be recognised for an individual instrument or a portfolio of instruments (i.e. whether to recognise 12-month ECL or lifetime ECL), the Group assesses whether there has been a significant increase in credit risk for the relevant instrument or portfolio since initial recognition.

If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Grouping of financial assets subject to collective assessment

Depending on the factors set out below, the Group calculates ECL either on an individual basis or on a collective basis.

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

- Treasury and interbank operations (for example, balances with banks, cash and cash equivalents, and investment securities);
- Financial assets classified as POCI, including cases where the original asset has been derecognised and a new loan has been recognised as a result of a credit-driven debt restructuring;
- Financial assets whose gross carrying amount at the reporting date exceeds 0.2% of the Bank's equity, as well as the Bank's assets that represent exposures to related parties.

Asset classes that are not subject to individual ECL assessment are assessed by the Group on a collective basis.

The Group aggregates these financial assets into homogeneous groups based on internal and external credit characteristics, such as days past due, product type, type of collateral, or the industry in which the borrower operates.

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Credit risk (continued)***Forward-looking information and multiple economic scenarios*

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- Gross domestic product (“GDP”) index;
- Base rate of the NBRK;
- Brent oil prices;
- USD/KZT rate;
- Rate of inflation;
- Residential property price index.

To obtain forward-looking information, the Group uses data from external sources (external rating agencies, government authorities such as the NBRK, the Bureau of National Statistics, the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, international financial institutions, and other sources). Specialists of the Group’s risk management function determine the weighting coefficients applied to multiple scenarios. The table below presents the values of key forward-looking economic variables/assumptions under several scenarios (base and downside), which are used in each economic scenario for the measurement of ECL.

Key drivers	2026	
	Base	Downside
Brent oil price (Brent ICE). US dollars	68.50	50.60
Base rate of the NBRK. %	16.50	20.00
GDP index. %	105.22	101.88
Rate of inflation. %	9.40	10.90
USD/KZT exchange rate	560	608
Residential property price index. %	125.20	112.51

Key drivers	2025	
	Base	Downside
Brent oil price (Brent ICE). US dollars	78.00	54.22
Base rate of the NB RK. %	13.50	15.50
GDP index. %	105.00	99.31
Rate of inflation. %	7.44	13.33
USD/KZT exchange rate	530.00	583.00
Residential property price index. %	100.38	91.17

Maximum credit risk exposure

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

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

Risks associated with credit-related commitments

The Group makes available to its customers guarantees which may require that the Group make payments on their behalf. Customers reimburse such payments to the Group in accordance with the terms and conditions of the guarantees provided. They expose the Group to similar risks to loans, and these are mitigated by the same control processes and policies.

Financial sector entities are generally exposed to credit risk arising from financial assets and contingent liabilities. The level of credit risk is subject to ongoing monitoring in order to ensure compliance with lending and creditworthiness limits in accordance with the Group’s approved risk management policy.

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Credit risk (continued)*****Credit quality by class of financial assets***

The Group manages the credit quality of financial assets using credit ratings assigned by the international rating agency Fitch Ratings. The table below presents an analysis of credit quality by asset class, based on the Group's credit rating system, as reflected in the line items of the consolidated statement of financial position.

<i>31 December 2025</i>	<i>From A- to A+</i>	<i>From AA- to AA+</i>	<i>From BBB- to BBB+</i>	<i>From BB- to BB+</i>	<i>From B- to B+</i>	<i>No credit rating assigned</i>	<i>Total</i>
Cash and cash equivalents							
- Stage 1	63,142,844	17,630,151	189,255,340	11,887,837	8,629,755	44,775,131	335,321,058
Amounts due from financial institutions							
- Stage 1	20,566,313	13,227,557	14,948,811	755,437	–	720,807	50,218,925
- Stage 3	–	–	–	–	–	1,302,373	1,302,373
Investment securities							
- Stage 1	–	–	470,227,279	–	110,500	–	470,337,779
Other financial assets	–	–	3,684,541	5,171,233	–	4,419,923	13,275,697
<i>31 December 2024</i>	<i>From A- to A+</i>	<i>From AA- to AA+</i>	<i>From BBB- to BBB+</i>	<i>From BB- to BB+</i>	<i>From B- to B+</i>	<i>No credit rating assigned</i>	<i>Total</i>
Cash and cash equivalents							
- Stage 1	14,933,833	–	109,020,171	19,761,100	10,994,804	81,329,400	236,039,308
Amounts due from financial institutions							
- Stage 1	14,150,502	5,427,252	300,000	787,665	–	26,930,116	47,595,535
- Stage 3	–	–	–	–	–	1,170,868	1,170,868
Investment securities							
- Stage 1	–	–	254,215,096	–	–	–	254,215,096
Other financial assets	–	–	2,663,207	–	–	3,483,550	6,146,757

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Geographical concentration**

Information on geographical concentration of financial assets and liabilities as at 31 December 2025 and 2024 is presented below:

<i>31 December 2025</i>	<i>Republic of Kazakhstan</i>	<i>OECD countries</i>	<i>Others</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	324,843,931	9,458,947	44,873,145	379,176,023
Amounts due from financial institutions	16,331,821	33,793,870	–	50,125,691
Trading securities	524,098,407	39,162,486	27,269,969	590,530,862
Investment securities	469,978,157	–	110,500	470,088,657
Loans to customers	995,688,639	–	195,428	995,884,067
Amounts due from the microfinance organisation	9,627,264	–	–	9,627,264
Other financial assets	9,819,806	–	37,638	9,857,444
Total financial assets	2,350,388,025	82,415,303	72,486,680	2,505,290,008
Financial liabilities				
Derivative financial liabilities	101,039	–	–	101,039
Amounts due to financial institutions	50,394,225	480,950	12,324,659	63,199,834
Amounts due to customers	1,027,484,398	11,882,429	472,003,817	1,511,370,644
Accounts payable under repurchase agreements	470,655,418	–	–	470,655,418
Subordinated debt	1,040,000	–	–	1,040,000
Lease liabilities	4,722,975	–	–	4,722,975
Amounts payable to the mortgage organisation	263,076,372	–	–	263,076,372
Other financial liabilities	6,221,155	7,695	1,015,232	7,244,082
Total financial liabilities	1,823,695,582	12,371,074	485,343,708	2,321,410,364
Net position	526,692,443	70,044,229	(412,857,028)	183,879,644
<i>31 December 2024</i>	<i>Republic of Kazakhstan</i>	<i>OECD countries</i>	<i>Others</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	197,449,301	5,232,773	56,392,926	259,075,000
Amounts due from financial institutions	27,749,062	19,570,590	199,303	47,518,955
Trading securities	1,113,465,761	35,220,944	17,653,027	1,166,339,732
Investment securities	254,009,790	–	–	254,009,790
Derivative financial assets	397,649	–	–	397,649
Loans to customers	766,612,520	–	–	766,612,520
Amounts due from the microfinance organisation	–	–	–	–
Other financial assets	2,891,977	–	19,099	2,911,076
Total financial assets	2,362,576,060	60,024,307	74,264,355	2,496,864,722
Financial liabilities				
Derivative financial liabilities	–	–	–	–
Amounts due to financial institutions	11,810,381	73,933	14,650,707	26,535,021
Amounts due to customers	609,293,252	5,994,798	468,274,145	1,083,562,195
Accounts payable under repurchase agreements	957,349,633	–	–	957,349,633
Subordinated debt	1,000,000	–	–	1,000,000
Lease liabilities	4,844,101	–	–	4,844,101
Amounts payable to the mortgage organisation	248,307,105	–	–	248,307,105
Other financial liabilities	3,568,469	112	1,318	3,569,899
Total financial liabilities	1,836,172,941	6,068,843	482,926,170	2,325,167,954
Net position	526,403,119	53,955,464	(408,661,815)	171,696,768

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risks comprise currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest-bearing and equity financial instruments that are exposed to the impact of general and specific market movements, as well as changes in the level of volatility of market prices and foreign exchange rates.

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

For the purpose of limiting market risks, the Group establishes market risk appetite levels within the Risk Appetite Statement approved by the Board of Directors.

The Group manages market risk by setting limits on open positions with respect to portfolio size by individual financial instruments, interest rate repricing periods, foreign currency positions and loss limits, and by conducting regular monitoring of compliance with these limits, the results of which are reviewed and approved by the Investment Committee and the Management Board.

In addition to the above, the Group uses various stress tests to model the potential financial impact of specific exceptional market scenarios on individual trading portfolios and on the overall position. Stress testing enables the Group to determine the potential magnitude of losses that may arise under extreme conditions. The stress tests applied by the Group include risk factor stress tests, under which each risk category is subjected to stressed movements, as well as specific stress tests that involve applying plausible stress events to individual positions.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

For the purposes of managing interest rate risk, the Group assesses the extent of mismatches between interest-bearing assets and interest-bearing liabilities by maturity (interest rate gap), modified duration, and interest margin. The Group is exposed to the effects of fluctuations in prevailing market interest rates on its consolidated 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.

Management of interest rate risk through monitoring of the interest rate gap is complemented by procedures for monitoring the sensitivity of net interest margin to various standard and non-standard interest rate scenarios.

The sensitivity analysis of profit before tax to changes in interest rates (repricing risk) is prepared based on a simplified scenario of a parallel shift of the yield curves by 100 basis points downward and by 100 basis points upward, taking into account repriced positions in interest-bearing assets and liabilities.

As at 31 December 2025, the impact on profit before tax of a parallel downward shift of 100 basis points in interest rates amounted to an increase of KZT 24,817,203 thousand (31 December 2024: KZT 37,448,734 thousand). The impact on profit before tax of a parallel upward shift of 100 basis points in interest rates amounted to a decrease of KZT 24,817,203 thousand (31 December 2024: KZT 37,448,734 thousand).

Price risk

Price risk is the risk of losses (direct losses or loss of income) resulting from adverse changes in market prices. In order to limit price risk, the Bank establishes limits on maximum losses arising from changes in the prices of securities (stop-loss limits). Presented below is the impact on profit or loss (arising from changes in the fair value of equity instruments measured at FVTPL) as at 31 December as a result of possible changes in equity price indices; all other parameters are assumed to remain constant.

	<i>Effect on profit before tax</i>	
	<i>2025</i>	<i>2024</i>
Parallel shift of 100 basis points upward	101,380	106,389
Parallel shift of 100 basis points downward	(101,380)	(106,389)

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Market risk (continued)*****Currency risk***

The Group has assets and liabilities denominated in several foreign currencies.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. Despite the fact that the Group hedges its exposure to currency risk, such transactions do not qualify as hedging relationships in accordance with IFRS.

Currency position of the Group as at 31 December 2025 is presented below:

<i>31 December 2025</i>	<i>KZT</i>	<i>USD</i>	<i>EUR</i>	<i>Other currencies</i>	<i>Total</i>
Financial assets					
Cash and cash equivalents	181,682,579	125,411,779	15,073,499	57,008,166	379,176,023
Amounts due from financial institutions	6,633,543	34,561,485	8,926,930	3,733	50,125,691
Trading securities	281,096,025	265,880,846	36,589,704	6,964,287	590,530,862
Investment securities	469,978,157	–	–	110,500	470,088,657
Loans to customers	993,576,637	2,112,002	–	195,428	995,884,067
Amounts due from the microfinance organisation	9,627,264	–	–	–	9,627,264
Other financial assets	9,771,070	68,184	–	18,190	9,857,444
Total financial assets	1,952,365,275	428,034,296	60,590,133	64,300,304	2,505,290,008
Financial liabilities					
Derivative financial liabilities	27,305	–	–	73,734	101,039
Amounts due to financial institutions	50,977,136	3,966,898	2,345,082	5,910,718	63,199,834
Amounts due to customers	991,388,060	312,744,852	142,701,744	64,535,988	1,511,370,644
Accounts payable under repurchase agreements	470,655,418	–	–	–	470,655,418
Subordinated debt	1,040,000	–	–	–	1,040,000
Lease liabilities	4,722,975	–	–	–	4,722,975
Amounts payable to the mortgage organisation	263,076,372	–	–	–	263,076,372
Other financial liabilities	5,878,319	986,435	291,104	88,224	7,244,082
Total financial liabilities	1,787,765,585	317,698,185	145,337,930	70,608,664	2,321,410,364
Impact of derivative financial instruments held for the purpose of risk management.	(3,377,112)	(105,970,447)	91,983,200	17,263,320	(101,039)
Net position	161,222,578	4,365,664	7,235,403	10,954,960	183,778,605

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Market risk (continued)****Currency risk (continued)**

Currency position of the Group as at 31 December 2025 is presented below:

At 31 December 2024	<i>KZT</i>	<i>USD</i>	<i>EUR</i>	<i>Other currencies</i>	<i>Total</i>
Financial assets					
Cash and cash equivalents	73,860,994	66,103,517	39,572,976	79,537,513	259,075,000
Amounts due from financial institutions	4,355,766	20,400,639	7,117,693	15,644,857	47,518,955
Derivative financial assets	75,674	219,897	102,078	–	397,649
Trading securities	1,049,899,208	115,079,244	1,361,280	–	1,166,339,732
Investment securities	254,009,790	–	–	–	254,009,790
Loans to customers	764,510,305	2,102,215	–	–	766,612,520
Amounts due from the microfinance organisation	–	–	–	–	–
Other financial assets	2,709,068	170,074	31,857	77	2,911,076
Total financial assets	2,149,420,805	204,075,586	48,185,884	95,182,447	2,496,864,722
Financial liabilities					
Derivative financial liabilities	–	–	–	–	–
Amounts due to financial institutions	13,784,516	11,814,805	874,417	61,283	26,535,021
Amounts due to customers	571,667,273	304,605,718	131,351,945	75,937,259	1,083,562,195
Accounts payable under repurchase agreements	950,359,274	6,990,359	–	–	957,349,633
Subordinated debt	1,000,000	–	–	–	1,000,000
Lease liabilities	4,844,101	–	–	–	4,844,101
Amounts payable to the mortgage organisation	248,307,105	–	–	–	248,307,105
Other financial liabilities	3,278,822	174,380	32,439	84,258	3,569,899
Total financial liabilities	1,793,241,091	323,585,262	132,258,801	76,082,800	2,325,167,954
Impact of derivative financial instruments held for the purpose of risk management.	(188,635,570)	117,813,640	71,219,578	–	397,648
Net position	167,544,144	(1,696,036)	(12,853,339)	19,099,647	172,094,416

The tables below indicate the currencies to which the Group had significant exposure at 31 December on its non-trading monetary assets and liabilities and its forecast cash flows. The Group applied the Prophet model with multiplicative seasonality, incorporating consensus views from external sources. This analysis was performed on a pre-tax basis and is based on changes in foreign exchange rates which, in the Group's view, are reasonably possible as at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. Negative amounts in the table reflect a potential net reduction in income or equity, while a positive amount reflects a net potential increase. These sensitivity levels changed as at 31 December 2025 compared to 31 December 2024 and represent the Group management's assessment of possible movements in foreign exchange rates, driven by uncertainty regarding future developments in geopolitical risks and their impact on the economy of the Republic of Kazakhstan.

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Market risk (continued)****Currency risk (continued)**

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

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

Currency	2025		2024	
	<i>Increase in currency rate</i>	<i>Effect on profit before tax</i>	<i>Increase in currency rate</i>	<i>Effect on profit before tax</i>
USD	15.88%	693,267	11.00%	(186,564)
EUR	22.29%	1,612,771	9.00%	(1,156,800)

Currency	2025		2024	
	<i>Decrease in currency rate</i>	<i>Effect on profit before tax</i>	<i>Decrease in currency rate</i>	<i>Effect on profit before tax</i>
USD	6.68%	(291,626)	1.00%	628,209
EUR	4.26%	(308,228)	5.95%	764,774

Operational risk

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

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting its financial obligations that are settled by the delivery of cash or another financial asset. Liquidity risk exists when the maturities of assets and liabilities do not match. Matching and/or controlled mismatching of maturities and interest rates of assets and liabilities is a fundamental element of liquidity risk 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. Such mismatches provide an opportunity to increase the profitability of operations; however, they also increase the risk of incurring losses.

The Group maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due.

For the purposes of managing liquidity risk, the Group establishes liquidity risk appetite levels within the Risk Appetite Statement approved by the Board of Directors.

(In thousands of tenge, unless otherwise indicated)

33. Risk management (continued)

Liquidity risk (continued)

The Group seeks to actively maintain a diversified and stable funding structure comprising deposits from core corporate customers and individuals, as well as a diversified portfolio of high-quality liquid assets, in order to ensure that the Group is able to respond promptly and smoothly to unforeseen liquidity demands without significant volatility. Liquidity risk management comprises the following procedures:

- Forecasting cash flows by major currencies and determining the required level of liquid assets associated with those cash flows;
- Maintaining a diversified funding structure;
- Managing the concentration and profile of debts;
- Development of plans to raise funding through borrowings;
- Maintaining a portfolio of high-quality liquid assets that can be readily liquidated as a protective measure in the event of a liquidity gap;
- Developing contingency plans to support liquidity and the targeted level of funding;
- Monitoring compliance of liquidity ratios with statutory regulatory requirements.

The Bank Treasury 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 then forms an appropriate portfolio of short-term liquid assets, consisting primarily of short-term liquid securities held for trading, interbank loans, and other interbank instruments, in order to ensure an adequate level of liquidity for the Group as a whole.

The Treasury performs daily monitoring of the liquidity position, while the risk management function regularly conducts stress testing taking into account a wide range of possible market scenarios, both under normal and adverse conditions. Under normal market conditions, liquidity reports covering the liquidity position are presented to senior management on a monthly basis. Decisions regarding liquidity management policy are made by the Asset and Liability Management Committee (ALCO) and implemented by the Treasury.

At the same time, the securities consist of high-quality instruments issued by the Ministry of Finance of the Republic of Kazakhstan and quasi-sovereign companies (accounting for more than 90% of the portfolio), and repurchase transactions are conducted through a central counterparty. If necessary, the Group may dispose of high-quality liquid securities to meet liquidity needs and also has alternative liquidity funding instruments available in the event of unforeseen liquidity stress, including financial support from the Parent entity.

*(In thousands of tenge, unless otherwise indicated)***33. Risk management (continued)****Liquidity risk (continued)***Analysis of financial liabilities by remaining maturity*

The table below presents the Group's financial liabilities as at 31 December 2025 and 2024, analysed by remaining maturity, based on contractual undiscounted repayment obligations. Liabilities that are repayable on demand are treated as if the demand for repayment were made on the earliest possible date. However, the Group expects that many customers will not demand repayment on the earliest date on which the Group would be required to make such payments; accordingly, the table does not reflect the expected cash flows estimated by the Group based on historical information on deposit withdrawal behaviour.

<i>31 December 2025</i>	<i>On demand</i>	<i>Less than 3 months</i>	<i>From 3 months to 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>	<i>Book value</i>
Derivative financial liabilities	–	101,039	–	–	–	101,039	101,039
Amounts due to financial institutions	12,805,610	13,948,559	467,456	8,450,007	33,413,305	69,084,937	63,199,834
Amounts due to customers	358,449,800	413,910,809	428,516,621	352,603,554	1,205,804	1,554,686,588	1,511,370,645
Accounts payable under repurchase agreements	470,655,418	1,823,439	47,483	–	–	472,526,340	470,655,418
Subordinated debt*	–	–	80,000	320,000	1,080,000	1,480,000	1,040,000
Lease liabilities	189,147	408,629	1,927,484	3,070,868	–	5,596,128	4,722,975
Amounts payable to the mortgage organisation	104,415	1,993,792	9,985,052	48,597,820	433,017,265	493,698,344	263,076,372
Other financial liabilities	2,114,639	2,213,870	2,915,573	–	–	7,244,082	7,244,082
Total undiscounted financial liabilities	844,319,029	434,400,137	443,939,669	413,042,249	468,716,374	2,604,417,458	2,321,410,365
<i>31 December 2024</i>	<i>On demand</i>	<i>Less than 3 months</i>	<i>From 3 months to 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>	<i>Book value</i>
Amounts due to financial institutions	19,691,761	126,010	385,030	4,045,808	6,619,983	30,868,592	26,535,021
Amounts due to customers	269,749,564	269,777,760	202,369,671	362,772,765	89,336	1,104,759,096	1,083,562,195
Accounts payable under repurchase agreements	957,349,633	3,804,516	–	–	–	961,154,149	957,349,633
Subordinated debt*	–	–	80,000	320,000	1,080,000	1,480,000	1,000,000
Lease liabilities	193,713	298,317	1,432,497	3,857,842	–	5,782,369	4,844,101
Amounts payable to the mortgage organisation	28,120	1,880,347	9,429,733	45,721,823	414,143,269	471,203,292	248,307,105
Other financial liabilities	1,455,878	333,085	1,780,936	–	–	3,569,899	3,569,899
Total undiscounted financial liabilities	1,248,468,669	276,220,035	215,477,867	416,718,238	421,932,588	2,578,817,397	2,325,167,954

* The amount of perpetual subordinated debt classified in the "Over 5 years" category is presented at its discounted value.

(In thousands of tenge, unless otherwise indicated)

33. Risk management (continued)

Liquidity risk (continued)

For the purposes of liquidity risk disclosure as at 31 December 2025 and 2024, credit-related commitments were classified as “on demand.” As at 31 December 2025, the undiscounted amount of guarantees and letters of credit in accordance with the contractual terms amounted to KZT 12,468,606 thousand (31 December 2024: KZT 7,171,974 thousand)

In accordance with Kazakhstan legislation, depositors can withdraw their term deposits at any time, losing in most of the cases the accrued interest income. The Group expects that many customers will not demand repayment on the earliest date on which the Group would be required to make the corresponding payment. Accordingly, in the table above, deposits from individuals are presented based on their contractual maturities, taking this assumption into account.

Management expects that the repayment of liabilities and disposal of assets may be different from their contractual terms either because management has the discretionary ability to manage the cash flows or because past experience indicates that cash flows on these financial assets and liabilities may differ from contractual terms.

34. Fair value measurement

Procedures of fair value measurement

For the valuation of material assets, such as real estate, independent external evaluators are engaged. The decision to engage external evaluators is made by the Bank’s Management Board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. As a general rule, valuers are rotated every three years.

At each reporting date, the Group analyses changes in the value of assets and liabilities that, in accordance with the Group’s accounting policies, are subject to remeasurement or reassessment. For the purposes of this analysis, the Group reviews the key inputs used in the previous valuation by reconciling the information applied in the valuation calculations with contracts and other relevant supporting documentation. Together with external valuers, the Group also compares each change in the fair value of each asset and liability with relevant external sources in order to assess whether such changes are reasonable.

On a periodic basis, the Group and the Group’s external valuers present the valuation results to the Bank’s Audit Committee. This includes a discussion of the major assumptions used in the valuations.

For the purposes of fair value disclosure, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of each asset or liability, as well as the level of the fair value hierarchy, as noted above.

*(In thousands of tenge, unless otherwise indicated)***34. Fair value measurement (continued)****Fair value hierarchy**

For the purpose of disclosing the fair values, the Group determined classes of assets and liabilities based on the assets and liabilities nature, characteristics and risks as well as the hierarchy of fair value sources.

The table below analyses assets measured at fair value as at 31 December 2025 and 2024, by levels in the fair value hierarchy:

<i>31 December 2025</i>	<i>Measurement date</i>	<i>Fair value measurement using observable and unobservable inputs</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
Assets measured at fair value					
Trading securities	31 December 2025	289,373,235	301,157,627	–	590,530,862
Property and equipment	31 December 2025	–	–	12,115,061	12,115,061
Liabilities measured at fair value					
Derivative financial liabilities	31 December 2025	–	101,039	–	101,039

<i>31 December 2024</i>	<i>Measurement date</i>	<i>Fair value measurement using inputs</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
Assets measured at fair value					
Trading securities	31 December 2024	811,881,114	354,458,618	–	1,166,339,732
Derivative financial assets	31 December 2024	–	397,649	–	397,649
Property and equipment	31 December 2022	–	–	10,701,984	10,701,984

In 2025, the Group did not transfer any assets or liabilities between levels of the fair value hierarchy. In 2024, the Group transferred trading securities with a total fair value of KZT 53,538,247 thousand from Level 1 to Level 2 of the fair value hierarchy, as well as trading securities with a total fair value of KZT 510,536,638 thousand from Level 2 to Level 1 of the fair value hierarchy.

Transfers between levels were driven by changes in the level of market activity.

*(In thousands of tenge, unless otherwise indicated)***34. Fair value measurement (continued)****Fair value of financial assets and liabilities not carried at fair value**

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

	<i>Book value</i>	<i>Fair value measurement using inputs</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
Assets					
Amounts due from financial institutions	50,125,691	–	50,125,691	–	50,125,691
Investment securities	470,088,657	191,829,297	255,572,254	–	447,401,551
Loans to customers	995,884,067	–	–	944,711,462	944,711,462
Amounts due from the microfinance organisation	9,627,264	–	–	9,627,264	9,627,264
Liabilities					
Amounts due to financial institutions	63,199,834	–	62,782,241	–	62,782,241
Amounts due to customers	1,511,370,644	–	1,563,185,639	–	1,563,185,639
Subordinated debt	1,040,000	–	–	1,040,000	1,040,000
Amounts payable to the mortgage organisation	263,076,372	–	238,843,136	–	238,843,136

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

	<i>Book value</i>	<i>Fair value measurement using inputs</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
Assets					
Amounts due from financial institutions	47,518,955	–	47,518,955	–	47,518,955
Investment securities	254,009,790	277,341,192	–	–	277,341,192
Loans to customers	766,612,520	–	–	765,854,507	765,854,507
Amounts due from the microfinance organisation	–	–	–	–	–
Liabilities					
Amounts due to financial institutions	26,535,021	–	25,419,232	–	25,419,232
Amounts due to customers	1,083,562,195	–	1,106,326,017	–	1,106,326,017
Subordinated debt	1,000,000	–	1,000,000	–	1,000,000
Lease liabilities	4,844,101	–	–	4,844,101	4,844,101
Amounts payable to the mortgage organisation	248,307,105	–	235,816,543	–	235,816,543

(In thousands of tenge, unless otherwise indicated)

34. Fair value measurement (continued)

Valuation techniques and assumptions

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

Financial assets and liabilities for which fair value approximates their carrying amount

In the case of financial assets such as cash and cash equivalents and other financial assets, and financial liabilities such as payables under repurchase agreements and other financial liabilities, which are liquid or have a short maturity (less than three months), their fair value is assumed to approximate their carrying amount. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Derivative financial instruments

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

Financial assets and liabilities measured at amortised cost

Fair value of the quoted bonds is based on price quotations as at the reporting date. The fair value of unquoted instruments, loans to customers, customer funds, balances with other banks and financial institutions, amounts due to banks and other financial institutions, subordinated loans, and other financial assets and liabilities is measured by discounting future cash flows using current market rates applicable to debt instruments with similar terms, credit risk, and maturities.

Property, plant and equipment - land and buildings

The fair value of the Group's land and buildings was determined using the comparative approach.

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

- Negotiation adjustments range from 5% to 15%;
- Adjustments for building floor area -10% to +10%;
- Other adjustments.

An increase in the bargaining adjustment would result in a decrease in the fair value of land and buildings. An increase in adjustments for building size and location would result in an increase in the fair value of land and buildings.

35. Related party transactions

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

*(In thousands of tenge, unless otherwise indicated)***35. Related party transactions (continued)**

Related parties of the Group include the shareholders of the Group and the members of the Board of Directors and Management. Other related parties include entities with which the Group has common significant shareholders; entities in which a significant portion of the voting shares is held, directly or indirectly, by a shareholder of the Group or by individuals exercising significant influence over the Group; and any person who is expected to influence, or be influenced by, such individuals in their transactions with the Group.

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

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

	<i>31 December 2025</i>			
	<i>Parent</i>	<i>Key management personnel</i>	<i>Entities under common control</i>	<i>Other related parties</i>
Assets				
Cash and cash equivalents	199,377	–	–	–
Trading securities	–	–	–	3,377,048
Loans to customers	–	–	–	622,132
ECL allowance on loans to customers	–	–	–	(1,320)
Amounts due from the microfinance organisation	–	–	–	10,085,314
ECL allowance on the amounts due from the microfinance organisation	–	–	–	(458,050)
Other assets	–	–	10,344,701	–
Liabilities				
Amounts due to customers	14,515,478	452,405	76,973,738	27,686,398
Subordinated debt	1,040,000	–	–	–
Other liabilities	1,579	229	2,091,803	9,240
31 December 2024				
	<i>Parent</i>	<i>Key management personnel</i>	<i>Entities under common control</i>	<i>Other related parties</i>
Assets				
Cash and cash equivalents	180,120	–	–	–
Loans to customers	–	–	–	439,651
ECL allowance on loans to customers	–	–	–	(1,806)
Amounts due from the microfinance organisation	–	–	–	–
ECL allowance on the amounts due from the microfinance organisation	–	–	–	–
Other assets	–	–	14,799	5,287
Liabilities				
Amounts due to customers	8,177,553	332,710	51,731,575	22,502,230
Subordinated debt	1,000,000	–	–	–
Other liabilities	10,291	231	7,659	2,172

In 2025, the Group acquired microloans from Freedom Finance Credit Microfinance Organisation LLP, a related party of the Group classified under “Other related parties,” in the amount of KZT 109,592,808 thousand (2024: KZT 69,117,524 thousand) (*Note 13*).

(In thousands of tenge, unless otherwise indicated)

35. Related party transactions (continued)

Below are the income and expense line items arising from transactions with related parties for the years ended 31 December 2025 and 2024.

	2025				2024			
	Parent	Key management personnel	Entities under common control	Other related parties	Parent	Key management personnel	Entities under common control	Other related parties
Interest income on loans to customers	–	81	18,511	282,244	–	–	–	74,354
Credit loss income/(expenses)	–	–	5,171,159	(468)	–	9	–	(257)
Interest expense on customer funds	–	(7,591)	(257,301)	(707,629)	–	(8,602)	(111,289)	(605,442)
Interest expense on subordinated debt	(80,000)	–	–	–	(80,000)	–	–	–
Fee and commission income	20,792	771	4,474,240	73,417	26,940	1,888	160,572	82,188
Fee and commission expense	(31,488)	–	(3,251,877)	–	(1,372,071)	–	(78,935)	–
Net foreign exchange gain	983,210	888,453	–	1,627,848	215,572	1,437	–	1,927,087
Net gains on financial instruments at fair value through profit or loss	–	–	–	435,349	–	–	–	–
Compensation of losses	–	–	–	17,140,283	–	–	–	–
Other income	–	930	879,692	–	–	–	–	–
Other operating expenses	–	–	(208,514)	(1,128,242)	(18,393)	(19,506)	(935,192)	(1,074,803)

The nominal interest rates and maturities of transactions with related parties as at 31 December 2025 and 2024 are presented as follows:

	31 December 2025				31 December 2024			
	Parent	Key management personnel	Entities under common control	Other related parties	Parent	Key management personnel	Entities under common control	Other related parties
Loans to customer								
Year of maturity	–	–	–	2026-2049	–	–	–	2026-2049
Annual interest rate in KZT	–	–	–	7.00-40.00%	–	–	–	7.00-40.00%
Amounts due to customers								
Year of maturity	Perpetual	2026-2028	2026	2026-2030	Perpetual	2024-2026	2026	2024-2029
Annual interest rate in KZT	–	8.80%-17.21%	0.10%	0.10%-18.20%	–	0.10%-16.20%	0.10%	0.10%-16.20%
Annual interest rate in USD/EUR	–	1.00%	–	0.10%-1.10%	–	0.80%-1.00%	–	0.10%-1.10%
Subordinated debt								
Year of maturity	Perpetual	–	–	–	Perpetual	–	–	–
Annual interest rate in KZT	8.00%	–	–	–	8.00%	–	–	–

*(In thousands of tenge, unless otherwise indicated)***35. Related party transactions (continued)**

The information below presents the amount of remuneration paid to seven (7) members of key management personnel for the years ended 31 December:

	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	329,274	298,798
Long-term employee benefits	110,531	–
Social security contributions	53,953	31,365
Total	493,758	330,163

In 2025, the remuneration of key management personnel recognised in staff costs in the table above included expenses related to long-term employee benefits amounting to KZT 110,531 thousand.

36. Maturity analysis of assets and liabilities

The table below presents assets and liabilities as at 31 December 2025 and 31 December 2024, analysed by their expected maturities.

<i>Assets</i>	<i>31 December 2025</i>			<i>31 December 2024</i>		
	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>
Cash and cash equivalents	379,176,023	–	379,176,023	259,075,000	–	259,075,000
Amounts due from financial institutions	50,125,691	–	50,125,691	47,518,955	–	47,518,955
Trading securities	590,530,862	–	590,530,862	1,166,339,732	–	1,166,339,732
Investment securities	40,159,212	429,929,445	470,088,657	21,197,876	232,811,914	254,009,790
Derivative financial assets	–	–	–	397,649	–	397,649
Loans to customers	112,629,374	883,254,693	995,884,067	74,040,645	692,571,875	766,612,520
Amounts due from the microfinance organisation	5,036,830	4,590,434	9,627,264	–	–	–
Property and equipment	–	43,932,962	43,932,962	–	27,183,118	27,183,118
Right-of-use assets	–	3,810,281	3,810,281	–	4,261,838	4,261,838
Intangible assets	–	14,865,314	14,865,314	–	8,844,404	8,844,404
Current corporate income tax assets	960,699	–	960,699	230,844	–	230,844
Other assets	15,441,376	7,965,207	23,406,583	8,013,734	–	8,013,734
Total assets	1,194,060,067	1,388,348,336	2,582,408,403	1,576,814,435	965,673,149	2,542,487,584
Liabilities						
Derivative financial liabilities	101,039	–	101,039	–	–	–
Accounts payable under repurchase agreements	470,655,418	–	470,655,418	957,349,633	–	957,349,633
Amounts due to customers	1,165,404,445	345,966,199	1,511,370,644	727,033,691	356,528,504	1,083,562,195
Amounts due to financial institutions	26,643,894	36,555,940	63,199,834	19,691,761	6,843,260	26,535,021
Amounts payable to the mortgage organisation	366,641	262,709,731	263,076,372	317,847	247,989,258	248,307,105
Lease liabilities	1,992,753	2,730,222	4,722,975	1,460,025	3,384,076	4,844,101
Subordinated debt	40,000	1,000,000	1,040,000	–	1,000,000	1,000,000
Deferred corporate income tax liabilities	–	1,330,977	1,330,977	–	1,319,461	1,319,461
Other liabilities	18,928,048	–	18,928,048	11,236,620	–	11,236,620
Total Liabilities	1,684,132,238	650,293,069	2,334,425,307	1,717,089,577	617,064,559	2,334,154,136
Net position	(490,072,171)	738,055,267	247,983,096	(140,275,142)	348,608,590	208,333,448

*(In thousands of tenge, unless otherwise indicated)***36. Maturity analysis of assets and liabilities (continued)**

Liabilities that are repayable on demand are presented in the table above as if a demand for repayment had been made. However, the Group expects that many customers will not demand repayment on the earliest date on which the Group would be required to make the corresponding payment. Moreover, the Group believes that, if necessary, it would be able to dispose of investment securities within a short period of time, as these securities are highly liquid. The Group also has alternative liquidity funding instruments available in the event of unforeseen liquidity stress, including financial support from the Parent entity.

37. Capital adequacy

The Group maintains an actively managed capital base to cover risks inherent in the business. The Bank's capital adequacy is monitored, among other methods, using the prudential ratios established by the National Bank of the Republic of Kazakhstan (NBRK) in the course of its supervisory activities.

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

In accordance with the applicable requirements set by the NBRK, banks are required to maintain:

- A ratio of core capital to the sum of credit risk weighted assets and contingent liabilities, market risk and a quantitative measure of operating risk weighted assets and contingent liabilities (k1.1);
- A ratio of Tier1 capital (net of investments) to the sum of credit risk weighted assets and contingent liabilities, market risk and a quantitative measure of operating risk weighted assets and contingent liabilities (k1.1);
- Ratio of regulatory capital to the total amount of assets and contingent and potential liabilities weighted by credit risk, as well as assets, contingent and potential claims and obligations calculated with consideration of market risk and a quantitative measure of operational risk (k2).

For the purposes of calculating the above ratios, investments represent equity investments (participating interests in the share capital) of a legal entity, as well as subordinated debt of a legal entity, the aggregate amount of which exceeds 10% of the Bank's total Tier 1 and Tier 2 capital.

As at 31 December 2025 and 2024, the Bank's capital adequacy ratios calculated in accordance with the requirements of the NBRK were as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Tier 1 capital	235,893,342	201,859,061
Tier 2 capital	–	–
Total regulatory capital	235,893,342	201,859,061
Total regulatory risk-weighted assets, contingent liabilities, derivative financial instruments, and exposures to operational and market risk	1,375,592,143	1,193,895,741
Capital adequacy ratio k1-1 (minimum 7.5%)	17.1%	16.9%
Capital adequacy ratio k1-2 (minimum 8.5%)	17.1%	16.9%
Capital adequacy ratio k2 (minimum 10.0%)	17.1%	16.9%

38. Subsequent events

As at the date of approval of these consolidated financial statements, management is not aware of any events that would require additional disclosure.