



ANNUAL REPORT 2025

JSC Halyk Bank

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KEY METRICS

STRATEGIC
REPORT

OPERATING
AND FINANCIAL RESULTS

ESG REPORT

CORPORATE
GOVERNANCE REPORT

CONSOLIDATED
FINANCIAL STATEMENTS

GLOSSARY



KEY METRICS AND HIGHLIGHTS FOR 2025

Key Financial Indicators

KZT **20,908** 12.7%
billion

Total assets

KZT **13,111** 14.3%
billion

Net loan portfolio

KZT **14,339** 10.4%
billion

Deposits

KZT **3,500** 14.1%
billion

Equity

KZT **1,058** 14.9%
billion

Net profit attributable to ordinary shareholders

KZT **1,288** 16.2%
billion

Net interest income (before credit loss expenses)

KZT **140** 11.9%
billion

Net fee and commission income

KZT **475** 23.0%
billion

Net non-interest income

32.6%

Return on average equity (RoAE)

5.4%

Return on average assets (RoAA)



Halyk
SuperApp

KZT **19.5** 20.4%
trillion

Total volume of payments and transfers

441.8 23.2%
million

Number of payments and transfers



Onlinebank

KZT **165.3** 29.9%
trillion

Volume of KZT payments

59.8 22.0%
million

Number of payments

7.1%

Net interest margin (NIM)

17.5%

Cost-to-income ratio (C/I)



KEY METRICS AND HIGHLIGHTS FOR 2025

Key Events



Awarded
“BEST BANK IN KAZAKHSTAN”

by The Banker (2025)



Awarded
“BEST BANK IN KAZAKHSTAN”

at the Euromoney Awards for Excellence 2025



ESG Risk Rating upgraded from High
Risk to Medium Risk

CNY **1.45** billion

Signing of a bilateral loan agreement
with China Exim Bank in the amount

USD **475** million

Secondary Public Offering (SPO),
increasing the free float to 37.6%



1.

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Strategic Priorities of the Bank in 2025

Growth of the client base
and service volumes



CHAIRMAN OF THE BOARD OF DIRECTORS STATEMENT

DEAR SHAREHOLDERS, CLIENTS AND PARTNERS,

The year 2025 was a period of sustainable growth and stronger strategic positions for Halyk Bank amid continuing macroeconomic uncertainty and tightening regulatory requirements. The Board of Directors notes that the Bank demonstrated consistently high financial results while maintaining a balanced approach to risk and capital management.

As a result of the year, the Bank increased net profit to KZT 1,058 billion (+14.9% year-on-year), maintaining a high return on equity at 32.6%. The Group's assets grew by 12.7%, reflecting sustainable growth in the customer base and business activity.

Strategic Direction and Priorities

In the reporting year, the Bank commenced implementation of the development strategy for 2025–2027, which was approved by the Board of Directors. Key priorities include the development of digital ecosystems, enhancement of operational efficiency, implementation of artificial intelligencebased solutions and expansion of international presence.

Halyk retains a key role in the country's economy, being the largest lender to the real sector among commercial banks and supporting 47.3% of Kazakhstan's economy, while servicing 86% of the country's largest taxpayers.

At the same time, the Bank is strengthening its position as a leading transactional platform: volumes of payments and transfers through digital Halyk platforms are equivalent to 116% of the country's GDP, reflecting the depth of the Bank's integration into the bedrock of Kazakhstan's economic infrastructure.

The Bank maintains its course towards building an ecosystem that integrates both financial and non-financial services, which is becoming the basis for long-term competitiveness. Significant growth in transactional activity and customer engagement, including an increase in payment volumes of more than 20% year-on-year, confirms the effectiveness of the selected development model.

Particular attention is given to the development of business in Uzbekistan, which is a key area of regional expansion. In the reporting year, the total loan portfolio to Uzbekistani borrowers grew by 34.2%, including an increase of 43.7% in Halyk's cross-border lending, while the loan portfolio of Tenge Bank grew by 8%.

Corporate Governance

The Board of Directors continues to play a vital role in shaping the Bank's strategic priorities, ensuring effective oversight of the activities of the executive body and maintaining high standards of corporate governance.



ARMAN DUNAYEV

Chairman of the Board of Directors, JSC "Halyk Bank"



The balanced composition of the Board, including a majority of independent directors, ensures the objectivity of decision-making and effective oversight of key aspects of the Bank’s activities, including strategy, risks and internal control.

In the reporting year, the Board of Directors paid particular attention to matters of strategy and strategic projects, enhancing the effectiveness of the risk management system and improving the corporate governance system, as well as the implementation of sustainable development principles.

I am pleased to note that in 2025 Halyk Bank was recognised as the winner in the nomination “Best Internal Audit Function 2025” by the Institute of Internal Auditors.

The Board of Directors highly appreciates the performance of the Bank’s Management Board in 2025. The management team demonstrated the ability to ensure sustainable growth, effectively adapt to changes in the external environment and consistently implement strategic initiatives.

The achieved financial results, growth in customer activity and development of digital ecosystems confirm the effectiveness of the implemented strategy and the quality of management decisions.

Effective Business Model

The Board of Directors considers the sustainability of the Bank’s business model as a key factor of long-term development. A diversified business structure, a high share of digital transactions and strict cost discipline (cost-to-income ratio of 17.5%) provide the Bank with the ability to maintain efficiency across different phases of the economic cycle.

The Bank continues to demonstrate high asset quality and sustainable profitability even amid a tightening regulatory environment, including the introduction of additional reserve requirements and tax burden.

Over the past five years, the Bank ensured average annual growth in net profit at the level of 18% with an average return on equity of approximately 32.2%, while simultaneously improving operational efficiency.

Equity more than doubled over this period, demonstrating average annual growth of 17.3% and indicating high efficiency of capital generation. Growth of the loan portfolio and deposit base also remains stable, at approximately 18.1% and 14.1% average annual growth, respectively.

Sustainable Development

The Bank consistently integrates sustainable development principles into its strategy, viewing ESG as an integral element of long-term investment attractiveness.

In the reporting year, the Bank improved its ESG risk rating from the international rating agency Sustainalytics (Morningstar), moving from the high-risk category to the medium-risk category, which reflects progress in ESG factor management, the effectiveness of approaches to ESG risk management in lending activities and confirms a systematic approach to sustainable development.

The Bank pays particular attention to information security, technological resilience and the protection of customer data, which is of particular importance in the context of accelerated digitalisation.

Stakeholder Engagement

The Board of Directors gives priority attention to protecting the interests of shareholders and ensuring transparency of the Bank’s activities.

Over the past five years, the Bank ensured average annual growth in earnings per share of 19.7%

and average annual total shareholder return at approximately 20.5%, supported by a sustainable dividend policy.

The completion of a secondary public offering (SPO) in the amount of USD 475 million and the increase in the free float to 37.6% contributed to the further strengthening of the Bank’s position in international capital markets.

Looking Ahead

The Board of Directors remains confident in the sustainability of Halyk Bank’s business model and its ability to successfully implement strategic priorities over the long term.

Amid technological transformation of the financial sector, intensified competition and changes in the regulatory environment, the Bank possesses the necessary resources, competencies and management system to ensure further growth and strengthen its position.

On behalf of the Board of Directors, I express gratitude to shareholders for their trust, to clients for choosing the Bank and to employees and the Management Board for their professionalism, responsibility and contribution to the development of Halyk Bank.

Sincerely,
Chairman of the Board of Directors, JSC “Halyk Bank”
Arman Dunayev

CHAIRPERSON OF THE MANAGEMENT BOARD'S REVIEW

DEAR SHAREHOLDERS, INVESTORS, CLIENTS AND PARTNERS,

The year 2025 became a confirmation of the resilience of Halyk Group's business model and the consistency of its strategic course. Against the backdrop of continued volatility of the external environment, the Group demonstrated solid financial results and continued technological transformation in both retail and corporate businesses.

In 2025, we commenced implementation of a new strategy for 2025–2027, aimed at further strengthening leadership positions and creating sustainable value for clients, shareholders, and society. The strategy includes digitalisation of key processes and customer journeys, implementation of artificial intelligence (AI) based solutions to improve service quality and efficiency, development of an ecosystem approach in the retail and corporate segments, as well as scaling of the business in Uzbekistan.

Financial Position

As a result of 2025, net profit attributable to holders of ordinary shares amounted to KZT 1,058.4 billion, increasing by 14.9% year-on-year. The growth reflects the development of lending, transactional, and insurance businesses.

The Group's assets at the end of 2025 reached KZT 20.9 trillion (+12.7% since the beginning of the year), while equity increased to KZT 3.5 trillion (+14.1%). The loan portfolio grew by 13.9% (gross), while customer funds increased to KZT 14.3 trillion (+10.4%), confirming the trust of our depositors and the sustainability of funding.

We consistently maintained high operational efficiency and a conservative approach to risk. The ratio of operating expenses to operating income (cost-to-income) amounted to 17.5%, cost of risk on loans to customers was 1.4%, and net interest margin was 7.1%. These indicators reflect the quality of balance sheet management and the efficiency of business processes.

By the size of the loan portfolio, Halyk holds 31% of the banking market, and by the deposit base – 30%, remaining the largest bank in the country. The number of active retail clients exceeded 11.5 million, while the number of corporate clients reached approximately 500 thousand, reflecting the scale and depth of the Bank's presence in the economy.



UMUT SHAYAKHMETOVA

Chairperson of the Management Board, JSC "Halyk Bank"



A key milestone for the development of the capital market and the Bank’s investment attractiveness was the successful completion in November 2025 of a secondary public offering (SPO) on international and local markets. The total transaction volume of the amounted to USD 475.4 million. Strong demand from international and Kazakhstani institutional and retail investors contributed to an increase in the free float to 37.6%, as well as to enhanced liquidity of Halyk Bank shares and GDRs, strengthening our position in the capital markets. The completed SPO was the largest secondary offering in the history of the Kazakhstani stock market.

In September 2025, the international rating agency Fitch Ratings affirmed the Bank’s long-term rating at BBB- with a “stable” outlook, noting a strong business model, a balanced loan portfolio, and a significant improvement in asset quality over the past five years. Fitch also expects the Bank to maintain high profitability in 2025–2026 due to a sustainable margin, high operational efficiency, and low cost of risk.

The Bank’s achievements received high recognition from the professional community and leading international publications. In 2025, Halyk was recognised as “Bank of the Year in Kazakhstan” by The Banker and was also awarded by Euromoney Awards for Excellence 2025, including the titles Best Bank in Kazakhstan and Kazakhstan’s Best Transaction Bank 2025. Additional confirmation of the high corporate governance quality was the receipt of Top Employer Kazakhstan 2026 status from the Top Employers Institute.

We consider this recognition as confirmation of the sustainability of our business model, the consistent implementation of the strategy, and the consistently high quality of customer solutions.

Overview of the Economy and Market Environment

The economic environment in 2025 remained uneven – external factors of uncertainty persisted, the cost of funding changed, while customer expectations regarding the speed and quality of service continued to grow. Under these conditions, reliability, technological capability, and scale, as well as the ability to rapidly integrate products and processes, became particularly important.

In 2025, Kazakhstan’s economy growth accelerated to 6.5% year-on-year; investment growth in fixed capital amounted to 13%, predominantly in non-resource sectors. Monetary policy remained tight: inflation peaked at 12.9% in September and slowed to 12.3% by year-end, while the National Bank raised the base rate twice, bringing it to 18.0% by the end of 2025.

Under these conditions, Kazakhstan’s banking sector demonstrated resilience and adaptability: banks’ assets grew by 15.0%, capital by 19.1%, and sector profit increased by 6.6%. Growth in lending was observed in both retail and corporate segments, alongside an increased regulatory focus on risk management, compliance, and asset quality.

2025 became a landmark year in terms of regulatory and legislative changes. The adoption of a new law on banking activities and changes in tax regulation significantly affected the operating conditions of the financial sector and business as a whole. We actively participated in the dialogue between the financial sector, regulators and lawmakers, supporting a balanced approach that strengthens customer protection and the financial resilience of banks, while at the same time creating opportunities for the development of digital and ecosystem-based business models.

B2C Segment

Retail business remains one of the key drivers of Halyk’s development. The priority for B2C is the development of digital services and the Halyk SuperApp, which ensures convenience, personalisation, and broad customer reach. Our product strategy is based on the implementation of an end-to-end approach that covers the full spectrum of customer needs: from daily banking to insurance, investments, and lifestyle services.

At the end of 2025, the number of monthly active users of the Halyk SuperApp reached 8.5 million (MAU), while the number of daily active users (DAU) amounted to 3.2 million, demonstrating high demand for the platform. The volume of payments and transfers in the application in 2025 increased by 20.4% to KZT 19.5 trillion. Digital channels are the primary means of interaction with the Bank: 94% of deposits and 94% of loans in 2025 were originated online.

In 2025, we made a significant step forward in the development of personalised customer experience. A new multitier loyalty program, Halyk+, with elements of gamification, was also launched. In addition, personal financial management (PFM) tools were implemented, enabling customers to better understand the structure of their income and expenses and to receive recommendations on managing personal finances.

The development of the B2C platform is built around three strategic areas: the formation of an integrated ecosystem based on the principles of open partnership, the transition of sales and key services to digital channels, and the active implementation of AI and GenAI to personalise the customer experience and service processes.

Alongside the development of digital lending solutions, we pay particular attention to the principles of responsible lending by considering new requirements for debt burden calculation and consumer rights protection. These changes lead to balanced growth of the retail portfolio and an improvement in the quality of customer solutions.

B2B Segment

In the corporate and SME segments, Halyk focuses on the development of a B2B ecosystem that goes beyond traditional banking and accompanies clients at all stages of their business cycle, becoming an “operational platform” for business.

The key driver of B2B development is the Onlinebank platform, which provides a full range of digital services for legal entities. At the end of 2025, Onlinebank MAU reached 343.8 thousand.

The high share of online transactions confirms the status of digital channels as the main industry standard: 93% of loans for medium and small businesses (by number of loans issued) were applied for remotely..

Industry-specific solutions for entrepreneurs are developing successfully. For example, the OnlineDuken platform, which helps “convenience stores” effectively run their business and build relationships with distributors, reached turnover of more than KZT 86.7 billion and 14.7 thousand users within a year of launch.

In 2025, Halyk strengthened its position as a technological leader in the industry by being one of the first in the country to issue a loan using the digital tenge and by continuing the practical integration of the national digital currency into banking processes. We also reinforced the development of our proprietary technological ecosystem and R&D focus.



Speed, transparency of processes, and convenience of service have ceased to be a “competitive advantage” – this is a basic expectation of entrepreneurs. Our task is to stay one step ahead: to develop analytical models, seamless integrations, and product scenarios tailored to clients’ industry-specific needs.

Sustainable Development

Sustainable development for Halyk is part of strategic management. In 2025, we approved the ESG Strategy for 2025–2027, formalising priorities across three dimensions (Environmental, Social, Governance) with a focus on responsible financing, sustainable development, and transparency.

A separate focus is dedicated to ESG risk management. We integrated ESG risk assessment into the risk management system, including the processes of identification, monitoring, and mitigation of environmental and social risks.

Independent assessment confirms the Bank’s progress in this area: Morningstar Sustainalytics improved our ESG Risk Rating from 39.7 (High Risk) to 26.9 (Medium Risk), noting strengthened internal control, the high quality of corporate governance, standards of responsible lending, cybersecurity, and the quality of disclosure.

In the context of increasing expectations from investors and society regarding the responsibility of financial institutions, we intend to be the bank that sets the benchmark for the quality of management of sustainable development aspects.

Sincerely,
Umut Shayakhmetova,
Chairperson of the Management Board, JSC “Halyk Bank”

Social Projects

Social responsibility is an integral part of Halyk Bank’s strategy and our contribution to the country’s sustainable development. In 2025, the total volume of the Bank’s sponsorship and charitable assistance amounted to KZT 5.4 billion. These funds were directed towards supporting education, sports, culture, healthcare, regional development and social infrastructure, as well as the implementation of targeted charitable initiatives aimed at improving the quality of life in Kazakhstan.

We place particular emphasis on improving financial literacy of the population, viewing it as a key prerequisite for the sustainability of the financial system and the well-being of households. In 2025, the Bank continued the implementation of the large-scale national project “Qaryzsyz Qogam”, aimed at educating citizens on responsible personal finance management and reducing debt burden. As a result of the year, the project engaged more than 612 thousand people, while the total number of financial and legal consultations provided reached approximately 900 thousand. As part of the initiative, a call centre and an online learning platform operate, enabling broad and sustainable coverage of various population groups.

A significant event of the year was the first large-scale industry conference Halyk OIY Tech, organised by the Bank and bringing together more than 700 representatives of the IT and fintech community, highlighting our role as an active participant in the technological development of the industry.

Alongside this, Halyk Bank continued to support mass and professional sports, cultural initiatives and social programmes in regions of the country. Key projects include the general partnership of the Astana Half Marathon, development of the social project “Narodnaya Liga”, aimed at developing basketball among pupils of orphanages and boarding schools, support for the Gymnastics Federation, the Halyk Arena ice palace, touring performances of the Abai National Opera and Ballet Theatre, as well as programmes to support low-income families, veterans, and rural communities. We view such initiatives as a contribution to the long-term social welfare and the sustainable development of society.

Future Outlook

Entering 2026, we recognise a high level of uncertainty and volatility in the global and regional economy. Under these conditions, our task is to maintain a balanced approach to risk management, to support clients in making financially sound decisions, and to remain a reliable partner for the economy and society.

The Bank will continue to strengthen its leadership in Kazakhstan and development in the region, to expand the B2C and B2B ecosystem, and to maintain its focus on the implementation of new digital solutions.

I thank our clients for their trust, our employees for their professionalism and engagement, our partners and public authorities for their cooperation, and our shareholders and investors for their support of our strategy and commitment to long-term sustainable development.

BRIEF OVERVIEW OF HALYK BANK

JSC “Halyk Bank” and its subsidiaries represent the largest and well-diversified universal financial group in the Republic of Kazakhstan. As the biggest financial institution with a history of more than 100 years, Halyk has established itself as an efficient, resilient and innovative organisation, whose development is largely based on leadership in the formation of digital ecosystems.

Halyk Bank provides a comprehensive range of financial services, including retail and corporate banking, insurance, leasing and investment management, as well as services aimed at improving the quality of customers’ everyday life (lifestyle services).

The Bank develops its own digital ecosystem for retail and corporate clients, which is built around the Halyk SuperApp and the Onlinebank platform. Customer service is also provided through an extensive branch network comprising 531 branches and service outlets across Kazakhstan as at 31 December 2025. In addition to the Republic of Kazakhstan, the Bank’s operations extend to several international markets, including Georgia and Uzbekistan.

The Bank holds a significant position in the national financial system and the economy of Kazakhstan and Central Asia. Halyk is the largest provider of banking services to the country’s leading companies: at the end of 2025, the Ministry of Finance of the Republic of Kazakhstan approved a list of more than 500 largest taxpayers subject to tax monitoring, of which 86% are clients of the Bank (excluding financial institutions).

As at the end of 2025, the Group’s customer base included 11.5 million active retail customers, around 500 thousand SME customers and around 3 thousand active corporate customers.

Halyk is the largest financial institution in the region with international investment-grade credit ratings (“Baa1” with a stable outlook from Moody’s Investors Service, “BBB-” with a stable outlook from Standard & Poor’s and “BBB-” with a stable outlook from Fitch Ratings), reflecting the Bank’s reliability and the sustainability of its business model.

OLDEST PUBLIC COMPANY IN KAZAKHSTAN



since
1998



LSEG

since
2006



ASTANA
INTERNATIONAL
EXCHANGE

since
2019

HIGHEST RATINGS AMONG SECOND-TIER BANKS WITHOUT FOREIGN PARTICIPATION IN KAZAKHSTAN

	Halyk	Kazakhstan
MOODY’S	Baa1	Baa1
FitchRatings	BBB-	BBB
S&P Global Ratings	BBB-	BBB-



MISSION

The Group's mission is to create a reliable and comfortable financial environment for clients, ensuring security, effective management and sustainable growth of clients' and shareholders' funds, as well as high standards of quality of financial services in Kazakhstan and the Group's countries of presence.

VALUES

- 1 Customer focus
- 2 Reliability
- 3 Leadership
- 4 Social responsibility
- 5 Integrity
- 6 Professionalism

Halyk Group

Halyk Group is a diversified group offering, within its rapidly expanding ecosystem, a wide range of financial and non-financial solutions for retail and corporate clients in Kazakhstan, Uzbekistan and Georgia.

JSCB “Tenge Bank” Banking activities Republic of Uzbekistan Ownership share 100%	JSC “Halyk Bank Georgia” Banking activities Georgia Ownership share 100%
LLP “Halyk Collection” Cash collection services Ownership share 100%	JSC “Kazteleport” Telecommunications, processing and IT services Ownership share 100%
LLP “Halyk Finservice” Processing services Ownership share 100%	JSC “Halyk Global Markets” Brokerage and dealer activities Ownership share 100%
LLP “Halyk Lab” Software development and maintenance Ownership share 100%	LLP “Halyk Asset” Asset management Ownership share 100%
JSC “Insurance Company Halyk” Insurance Ownership share 99.99%	JSC “Halyk Finance” Brokerage and dealer activities Ownership share 100%
JSC “Halyk Life” Life insurance Ownership share 100%	JSC “Halyk Leasing” Leasing services Ownership share 100%

Capital Structure

As at 31 December 2025 and 2024, the Group was owned by the following shareholders, which own individually more than 5% of the issued shares of the Group¹:

Name	Total shares held, units	Total shares held as % of total shares outstanding
Total authorised shares	25,000,000,000	–
JSC “Holding Group ALMEX” ²	6,756,738,228	62.4%
GDR holders	3,742,974,040	34.5%
Other	336,246,282	3.1%
Total shares outstanding	10,835,958,550	100.0%
Shares repurchased by the Bank	(2,547,985,637)	–
Total issued shares	13,447,544,782	–

¹ The Bank's ordinary shares were included in the official list of the Kazakhstan Stock Exchange in 1998, the Bank's ordinary shares in the form of global depositary receipts were included in the official list of the London Stock Exchange in 2006, the Bank's ordinary shares in the form of global depositary receipts were included in the official list of the Kazakhstan Stock Exchange in 2020, and the Bank's ordinary shares were included in the official list of the Astana International Exchange in 2019.

² Almex Holding Group JSC is a holding company that owns a controlling stake in Halyk Bank



International Recognition

Recognition at the local and international levels from expert communities serves as confirmation of the high quality of Halyk Bank’s services and its consistent commitment to the principles of sustainable development, innovation and social responsibility.

Key awards over the past several years:

1

In 2026, Halyk Bank was recognised as the best employer in Kazakhstan, receiving the Top Employer in Kazakhstan 2026 certification from the international Top Employers Institute, thereby confirming this status for the second consecutive year.

2

In March 2026, the Kazakhstan Stock Exchange (KASE) honoured the Bank with several awards, including “Commitment to Transparency”, “Best Annual Report in the Financial Sector”, and “Best Sustainability Report in the Financial Sector” , “Leader in the stock market”, “Leader in the foreign exchange market”.

3

In 2025, at the annual forum of members of the Institute of Internal Auditors chapter, Halyk Bank became the winner in the category “Best Internal Audit Function 2025”.

4

In 2025, at the SME Banking Forum 2025 held in Vienna (Austria), the results of a large-scale study covering 1,000 banks worldwide were announced. According to the published ranking “TOP20 SME Banks 2025”, Halyk was recognised as the best bank in Kazakhstan in the category “Business Financing”.

5

In 2025, at the Bank of the Year Awards 2025 ceremony in London, organised by the internationally recognised publication **The Banker**, Halyk received the title “Best Bank in Kazakhstan”.

6

In 2025, Halyk once again confirmed its status as a leader in the financial market, becoming a two-time winner of the Euromoney Awards for Excellence. The Bank received awards in the Best Bank in Kazakhstan and Kazakhstan’s Best Transaction Bank categories, recognising the Group’s outstanding operational efficiency and the successful execution of its digital strategy.

7

In 2024, Halyk Bank was awarded the **Euromoney Awards for Excellence** in the category “Best Bank in Kazakhstan” for outstanding achievements, high growth rates and record financial performance.

8

In 2024, the mobile application **Onlinebank** by Halyk was recognised as the leader among business applications in Kazakhstan based on the results of the **Business Mobile Banking 2024** study conducted by the analytical agency **SME Banking Agency**.

9

In November 2024, the Bank became a laureate of the national award “Qazakhstan Halqynan”, which is awarded for contribution to the development of philanthropy and corporate social responsibility in Kazakhstan.

10

Halyk’s strong expertise in international debt capital markets was recognised by the EMEA Finance Achievement Awards 2024. The Bank’s landmark USD 300 million syndicated loan was named Best Financial Institution Syndicated Loan in CEE, highlighting the high level of trust placed in Halyk by global financial institutions.

11

At the **Astana Finance Days 2023** conference organised by the **Astana International Financial Centre**, the Bank was awarded the **Best Green Investment Bank** award for its commitment to the principles of sustainable development.

12

In 2023, Halyk received a certificate and a statuette at the **Luca Awards** from the **Institute of Certified Financial Managers (ICFM)** in the category “Best Employer” for its commitment to the development of employees’ professional competencies.

BUSINESS MODEL

Halyk Bank's business model is based on efficient resource utilisation, business diversification, and a wide range of client services, along with clearly defined strategic priorities and a focus on key stakeholders.

Our Resources

- Strong financial position**
Halyk Bank has high capitalisation and stable financial performance, ensuring reliability and customer trust.
- Professional team**
A team of experts delivering high-quality financial services and developing innovative solutions.
- Advanced technology**
Investments in digitalisation and IT infrastructure enable the Bank to offer cutting-edge digital services and mobile applications.
- Extensive branch network**
A broad network of branches and ATMs across Kazakhstan, ensuring service accessibility in different regions.
- Corporate governance**
An effective corporate governance system based on transparency, high ethical standards, and decision-making in the interests of all stakeholders.

Business Segments

- Corporate business**
 - Comprehensive financial solutions for corporate clients, including lending, trade finance, factoring, foreign exchange contract support, payroll projects, and more.
 - Support for entrepreneurs through financial service offerings, as well as specialised services that support business development, such as business registration and tax declaration solutions, the Halyk Market and OnlineDukon platforms, and others.
 - Ecosystem solutions for businesses, including information and communication and cloud services, internet acquiring, cash collection services, and others.
- Retail banking**
Building an ecosystem that integrates financial and non-financial services, including digital deposits and loans, insurance, Halyk Market marketplace, Kino.kz, Halyk Travel, GovTech, Kundelik educational platform, etc.
- Brokerage services**
Access to investment products and services through the Halyk Invest and Halyk Finance, including brokerage and asset management.
- Insurance**
Insurance services provided through subsidiaries Halyk Insurance and Halyk-Life, offering a wide range of insurance products for individuals and businesses.
- Leasing**
Leasing services for equipment and transport acquisitions, supporting business clients in upgrading and expanding their assets.

Strategic Priorities

- Maintaining strong financial performance**
Ensuring sustainable growth, profitability, and high capitalisation and liquidity.
- Expanding the client base and service volumes**
Attracting new clients and broadening service offerings to meet diverse market needs.
- Developing core business through digitalisation**
Integrating modern technologies and digital solutions to enhance customer experience and operational efficiency.
- Expanding the ecosystem**
Developing a unified platform that integrates various services and products to provide comprehensive solutions within a single ecosystem.
- Scaling business solutions to international markets**
Expanding successful business models and products to other markets, strengthening international presence.
- ESG strategy**
Further embedding environmental and social responsibility principles in the Bank's operations, striving for sustainable development and a positive societal impact.

Value Creation for Stakeholders



Shareholders

Ensuring stable growth and investment returns, transparency, and effective corporate governance.



Clients

Providing high-quality and innovative financial services tailored to the needs of various customer categories.



Employees

Creating favorable working conditions, professional development opportunities, career growth, and support for initiatives and innovations.



Government

Compliance with regulatory requirements, tax contributions, and participation in state programs and initiatives that support economic development.



Society

Implementing social projects, supporting education, culture, and sports, contributing to improving living standards, and enhancing financial literacy.

HOW WE CREATE VALUE FOR STAKEHOLDERS

Shareholders

The Bank consistently ensures sustainable growth in returns and the reliability of investments for shareholders, based on a balanced financial position, a prudent risk management system and leading market positions. Integration of sustainable development principles into the Bank's strategy ensures a focus on long-term value enhancement. A focus on technological development, ecosystem expansion, launch of new business areas and geographic diversification contributes to strengthening competitive advantages and further development potential.

Employees

Halyk Bank invests in the development of human capital, providing employees with opportunities for professional and career growth through training and professional development programmes, including initiatives for students and young professionals. The Bank creates a safe and comfortable working environment based on compliance with ethical standards, the principles of equal opportunities and inclusiveness. The development of a strong corporate culture contributes to high employee engagement and to the formation of long-term employment relationships.

Clients

We develop modern digital solutions aimed at increasing the accessibility and convenience of financial and non-financial services. Systematic work on service quality and customer feedback makes it possible to improve the product range and maintain a high level of service. Halyk Bank gives priority to the protection of customers' interests and supports them at all stages of interaction, while expanding access to financial instruments and contributing to the growth of economic resilience of the population and businesses.

Society

Investments in the social development of the country are one of the priorities of Halyk Bank. The Bank remains one of the largest corporate benefactors in Kazakhstan. Based on the results of 2025, the volume of sponsorship and charitable assistance provided by the Bank amounted to KZT 5.4 billion, including KZT 2 billion allocated to the "Halyk" charitable foundation, approximately KZT 1.3 billion to planned social projects and around KZT 2.1 billion to other initiatives within the framework of sponsorship and charitable activities.

Government

Halyk Bank makes a significant contribution to the socioeconomic development of the country and is one of the largest taxpayers in Kazakhstan. As a major lender to key sectors of the economy, the Bank supports the development of strategically important sectors and participates in the implementation of state programmes to support entrepreneurship, contributing to the strengthening of economic stability.

KEY ADVANTAGES OF HALYK BANK

1

Sustainable growth in a rapidly developing economy

Halyk maintains leading positions in the core Kazakhstan market and is actively expanding its presence in Uzbekistan, one of the most promising and fast-growing economies in Central Asia. Favourable demographic dynamics, sustained economic growth, rising income levels and accelerating digitalisation underpin long-term demand for banking and ecosystem-based services. The region's strategic geographic location, in addition to Kazakhstan's role as a key transit hub between Europe and Asia, further supports investment flows and trade activity.





KEY ADVANTAGES OF HALYK BANK

1 Sustainable growth in a rapidly developing economy

Key figures and facts:

KAZAKHSTAN¹

USD **306**  6.5%
billion

GDP volume in 2025

60%

Share of Central Asia's total GDP

20.5 million people

Population

64%

Share of urban population

32.3 years

Median age

Investment-grade credit ratings:

MOODY'S	Baa1	Stable
FitchRatings	BBB-	Stable
S&P Global Ratings	BBB- (A-3)	Stable

UZBEKISTAN²

USD **147**  7.7%
billion

GDP volume in 2025

38.2 million people

Largest country in the region by population

20.7 million people

Economically active population.
Nearly half of Central Asia's labour force

51%

Share of urban population

27 years

Median age

Steady expansion driven
by economic modernisation

¹ Source: Bureau of National Statistics, National Bank of Kazakhstan, International Monetary Fund

² Source: State Committee on Statistics of the Republic of Uzbekistan, Central Bank of Uzbekistan, International Monetary Fund

KEY ADVANTAGES OF HALYK BANK

2

Leader of the financial sector in Kazakhstan and the region

Halyk is the largest diversified financial group in Kazakhstan, holding leading positions across all key segments, including banking services, transaction banking, insurance, brokerage and asset management. The scale of its client base, balance sheet, transaction volumes and distribution network provides the Bank with sustainable competitive advantages, significant economies of scale, and access to core market segments, including segments with high barriers to entry. The Group's leadership in Kazakhstan is complemented by its expanding regional presence, primarily in Uzbekistan, which is viewed as a key market for long-term growth in Central Asia. In Uzbekistan, Halyk operates through Tenge Bank, a diversified bank established in 2019 that became the first foreign-owned bank following the launch of economic reforms in the country. Tenge Bank serves as a platform for scaling the Group's digital banking solutions and for the development of cross-border financial flows between Kazakhstan and Uzbekistan.



HALYK BANK HOLDS LEADING MARKET POSITIONS ACROSS ALL KEY PERFORMANCE INDICATORS¹

28.6%share by total assets among
second-tier banks in Kazakhstan**33.3%**share by shareholders' equity among
second-tier banks**31%**share by total loan portfolio among
second-tier banks**30%**share by corporate deposits among
second-tier banks**27.5%**share by retail deposits among
second-tier banks¹ Unconsolidated, Bank only. 01.01.2026

KEY ADVANTAGES OF HALYK BANK

3

Digital Transformation: Scalable Ecosystems for B2C and B2B

Halyk Bank is advancing digital technologies to provide fast and convenient access to both financial and non-financial services for B2C and B2B clients. The consistent implementation of innovative solutions and the continuous enhancement of digital service channels are focused on improving and personalising the customer experience, expanding the functionality of mobile and online channels, and increasing the accessibility of banking services. In addition to traditional financial offerings, Halyk is developing lifestyle functionality by integrating a wide range of everyday services into its application.



KEY ADVANTAGES OF HALYK BANK

3 Digital Transformation: Scalable Ecosystems for B2C and B2B

The Halyk SuperApp (B2C) and Onlinebank (B2B) platforms function not merely as service channels, but as key drivers of growth and operational efficiency for the Group. A high level

of service digitalisation, active platform usage and a strong cross-selling model provide a solid foundation for strategic development and for long-term value creation.

Key Figures and Highlights:

LARGE CLIENT BASE AND STRONG ENGAGEMENT



8.5 million users

Halyk SuperApp MAU



343.8 thousand users

Onlinebank MAU

GROWING ADOPTION OF ECOSYSTEM PLATFORMS

15.0%

5-year compound annual growth rate (CAGR) of Halyk SuperApp MAU

17.1%

5-year CAGR of Onlinebank MAU

DEEP DIGITALISATION OF CORE PRODUCTS

94%

of retail loans are issued in digital format

94%

of new deposits are opened digitally

93%

of SME loans are issued through digital channels

B2C AND B2B ECOSYSTEM APPROACH

Halyk SuperApp brings together Daily Banking, investment, insurance and lifestyle services.

Onlinebank operates as a one-stop shop for corporate and SME clients, covering Daily Banking, financial and non-financial services, and business-oriented solutions.

The digital model has been scaled in Uzbekistan through Tenge 24 (B2C) and Tenge Business (B2B).

KEY ADVANTAGES OF HALYK BANK

4 Diversified Business Model with Proven Resilience Across Economic Cycles

Halyk operates a highly diversified, universal business model encompassing B2C and B2B banking, investment banking, insurance, asset management, payments, and ecosystem services. This diversified revenue structure, supported by consistent investment in digital capabilities and adjacent areas, enhances the Group's financial resilience across different phases of the economic cycle and reduces dependence on individual segments or macroeconomic factors.



Key Figures and Highlights:

SUSTAINED GROWTH IN OPERATING METRICS

2.3×

Net profit growth over five years

32.2%

Average return on equity (ROE) over five years

6.2%

Average net interest margin (NIM) over five years

2.2×

Shareholders' equity growth over five years

SOURCES OF BUSINESS MODEL RESILIENCE

- Diversified revenue structure
- Combination of organic growth and selective strategic acquisitions
- High operational efficiency and economies of scale
- Prudent approach to risk and capital management

KEY ADVANTAGES OF HALYK BANK

5

Strong Financial Performance and Attractive Shareholder Returns

Halyk Bank operates on the basis of a balanced financial policy and a long-term growth strategy, enabling the Group to achieve above-market growth rates, to maintain high asset quality and build a solid foundation for sustainable shareholder value creation. Transparent corporate governance and stable dividend payments, supported by a strong total shareholder return (TSR), underline the Bank's commitment to shareholder interests and contribute to strengthening investor confidence.

Key Metrics:

19.7%

5-year CAGR of earnings per share (KZT)

23.0%

5-year CAGR of dividend per share (KZT)

20.5%

5-year CAGR of total shareholder return (USD)

14.5%

Average dividend yield over 5 years (USD)



KEY ADVANTAGES OF HALYK BANK

6

Experienced Management Team with a Proven Track Record of Strategy Execution

An effective corporate governance framework is one of the key factors underpinning the Bank's sustainable development and ensures the adoption of balanced, long-term strategic decisions in the interests of all stakeholders.

Halyk is managed by an experienced leadership team with a proven track record of successfully delivering large-scale transformation initiatives. Under the current management, the Bank has navigated multiple challenging economic cycles, executed major strategic transactions, expanded its international presence and transformed its business model towards digital ecosystems, while maintaining financial resilience and a clear focus on creating value for shareholder.

The Board of Directors of Halyk Bank plays a central role in shaping strategy, overseeing the Bank's operations and supervising the risk management framework. The Board comprises seven members, five of whom are independent directors, which is a key factor in ensuring objective decision-making, a high level of corporate governance transparency and an effective balance of interests among all stakeholders.

The Management Board is chaired by Umut Bolatkhanovna Shayakhmetova, a leader with extensive professional experience in the banking sector. She is actively involved in public and international initiatives, serving as a member of the advisory boards of Mastercard (Europe and EEMEA), the National Investors Council under the President of the Republic of Kazakhstan, and the Foreign Investors Council under the President of Kazakhstan, as well as an expert member

of the Presidential Commission on Digitalisation in Kazakhstan. Since May 2024, Umut Bolatkhanovna Shayakhmetova has served as Chair of the International Advisory Council of the Nazarbayev University Graduate School of Business and as a member of the Board of Trustees of the Halyk Charitable Fund. In 2025, she was elected Chair of the Board of the UN Global Compact Network in Central Asia. Under her leadership, the Bank has consistently strengthened its market leadership, developed digital ecosystems, expanded its international presence and delivered sustainable financial performance.

The established corporate governance system ensures a high level of accountability of governing bodies, supports effective risk oversight and provides a solid foundation for the Bank's long-term growth and value enhancement.

KEY ADVANTAGES OF HALYK BANK

7

Strategic Growth and Expansion in Uzbekistan

In 2025, Uzbekistan continues to be viewed by Halyk Bank as a market with long-term potential for banking sector development. Expanding operations in Uzbekistan enables the Bank to diversify its geographic footprint, scale its operational and digital capabilities, and broaden its client base in a market characterised by stable demographic trends and favourable macroeconomic fundamentals.





THE BANK’S STRATEGIC PRIORITIES IN 2025

Over the past decade, the Group has demonstrated sustained growth and strong financial performance, consistently strengthening its position as Kazakhstan’s leading financial institution. The Group’s development extends beyond the traditional banking sector: Halyk is expanding its portfolio of non-financial services and building an integrated ecosystem of products and services for B2C and B2B clients.

Against the backdrop of a changing external environment, intensifying competitive pressures and the accelerated digitalisation of the financial sector, the Group is adapting its strategic priorities with a strong focus on technological development, enhancing operational efficiency, strengthening the risk management framework, and further improving service quality.

Building on the successful implementation of previous strategic initiatives, in 2024 the Board of Directors approved the development strategy for 2025–2027. The key focus areas include further enhancement of core financial services, continued development of digital ecosystems, scaling operations in Uzbekistan and strengthening technological leadership through the introduction and integration of transformation initiatives based on artificial intelligence.

The implementation of these priorities is aimed at reinforcing the Group’s market positions, fostering innovation and sustaining a high level of stable growth in Kazakhstan and across its international markets of presence.

THE BANK'S STRATEGIC PRIORITIES IN 2025

1

Reinforcing Leadership in the Domestic Market and Expanding Digital Ecosystems

The Group continues to strengthen its position in the domestic market by combining the development of core financial services with the scaling of digital solutions and ecosystem-based services.

CORPORATE CLIENTS, MICROBUSINESS AND SMALL BUSINESS

The Group plans to maintain its strong positions in the large corporate segment while further strengthening its presence in the microbusiness and small business segments. Key initiatives include the implementation of a targeted acquiring strategy, the rollout of industry-specific ecosystem service packages, and the development

of digital B2B products. To enhance service efficiency, the Group will increasingly leverage artificial intelligence-based solutions while an ecosystem approach will enable comprehensive client support across different stages of business development.

744.2 million

Acquiring transactions processed in 2025

WeChat Pay

The Bank has enabled acceptance on its proprietary POS infrastructure

More than 150 services

for legal entities and individual entrepreneurs are available via Onlinebank

B2C SEGMENT DEVELOPMENT

A central element of the strategy is the continued enhancement of the Halyk SuperApp to meet clients' everyday financial needs. Key focus areas include increasing the volume of payment and lifestyle transactions, developing savings and investment services, introducing new functional capabilities and supporting the growth of cashless transactions. The Group will also continue to expand sales and servicing via online channels, while preserving the role of branches as centres of personalised support within an omnichannel service model.

KZT 19.5 trillion 20.4%

Volume of payments and transfers in 2025

441.8 million transactions 23.2%

Number of payments and transfers in 2025

THE BANK'S STRATEGIC PRIORITIES IN 2025

1

Reinforcing Leadership in the Domestic Market and Expanding Digital Ecosystems



NETWORK TRANSFORMATION AND OMNICHANNEL CUSTOMER EXPERIENCE DEVELOPMENT

Halyk will continue to modernise its branch network with a focus on delivering personalised, omnichannel services for key customer segments. Refurbished branches will support the use of both financial and non-financial ecosystem services, ensuring seamless integration between digital and physical channels.

At the same time, the Group will further enhance the quality of the customer experience by developing omnichannel communications, increasing the level of service personalisation, accelerating the handling of customer enquiries and expanding the use of customer feedback. These initiatives are aimed at improving service quality and strengthening customer trust



TEAM DEVELOPMENT

The Group seeks to strengthen its corporate culture and to improve working conditions for employees by increasing investment in training and development, building digital competencies, and supporting career growth. The Group has set an objective to become one of the best employers in the Central Asia region.

2

Scaling the Business in Uzbekistan



Halyk views Uzbekistan as a key engine of regional growth and plans to continue expanding its presence by transitioning from a traditional banking model to scalable digital solutions.

Key efforts will focus on the development of digital banking, payment services and micro-lending solutions targeted at retail customers, as well as micro and small businesses.

The Group aims to build a comprehensive fintech ecosystem in Uzbekistan, encompassing digital lending, international and domestic payments with a fully digital customer journey and merchant acquiring solutions to support cashless payments acceptance by businesses.

THE BANK'S STRATEGIC PRIORITIES IN 2025

3

Technological Leadership and AI-Driven Transformation

Technological development is a core pillar of the Group's Strategy for 2025–2027. The Group plans to build a scalable and competitive technology platform while continuously improving IT processes to support long-term growth and accelerate innovation. Platform development is aimed at reducing time-to-market, enhancing system reliability, and improving the quality of customer service.

In parallel, the Group intends to continue modernising its IT infrastructure, increasing operational efficiency, resilience and flexibility in response to changing market requirements. These initiatives are designed to strengthen the Group's technological position and to enhance the value of services delivered to clients and other stakeholders.

A key element of the strategy is artificial intelligence-driven transformation. The Group plans to expand the use of AI to improve operational efficiency, personalise the customer experience and deepen data utilisation. AI solutions are expected to be progressively embedded across key business processes and interaction channels, including customer service, onboarding, digital lending and lead generation.

Target Metrics for 2026

The forecast of key financial indicators for the 2026 financial year reflects the expected sustained growth of the loan portfolio across all segments while maintaining a controlled risk profile, as well as the preservation of high profitability and operational efficiency. The targets presented in the table below reflect management's current view of the expected operating performance.

Indicator	2026 Target	2025 Actual
Loan portfolio growth		
Retail loan portfolio growth	8–10%	10.4%
Corporate & SME loan portfolio growth	10–13%	16.4%
Total net loan	9–12%	14.3%
Fee and commission income		
Net fee and commission income growth	5–10%	11.9%
Asset quality		
Cost of risk	c. 1.5%	1.4%
Profitability		
Net Income	c. KZT 1.0 trillion	KZT 1.06 trillion
Net interest margin (NIM)	c. 6.8%	7.1%
Cost-to-income ratio	18–20%	17.5%
ROAE	c. 29%	32.6%

"c." = "circa / approximately"

EXTERNAL CONDITIONS AND FACTORS INFLUENCING THE BANK'S STRATEGY

In a dynamically changing financial and macroeconomic environment, the Group regularly assesses key trends that affect its operations, financial performance and the resilience of its business model.

Economic Environment in Kazakhstan

The Group's performance during the period under review was shaped by macroeconomic and geopolitical developments as well as domestic demand dynamics. Kazakhstan's economy remained sensitive to global fluctuations, including changes in commodity markets and ongoing regional uncertainty. Domestic events in January 2022 led to a temporary decline in business activity and a slowdown in GDP growth to 3.1%; however, this was followed by a sustained economic recovery. GDP growth accelerated to 5.1% in 2023, 5.0% in 2024, and reached 6.5% in 2025.

Volatility in global oil prices continued to affect the tenge exchange rate and, consequently, the financial stability of certain borrowers with foreign currency liabilities. Inflationary pressures influenced the Group's cost base; however, throughout the period, growth in operating income consistently outpaced operating cost growth, despite significant investments in digitalisation and IT infrastructure development. Increases in the NBRK base rate, which led to higher funding costs, as well as rising minimum reserve requirements, exerted pressure on the Bank's interest margin. Nevertheless, based on year-end results, the net interest margin (NIM) was maintained at a level broadly comparable to that of 2024.

Competitive Dynamics amid Digital Growth

Rapid growth in digital services and ecosystem-based solutions in Kazakhstan's financial sector has intensified competition and reshaped traditional customer interaction models. The COVID-19 pandemic and related restrictions significantly accelerated the digitalisation of banking services, generating strong demand for remote channels and products with fast decision-making. Competition in the daily banking segment has intensified in particular, especially in terms of the speed and accessibility of various lending products, which has influenced the growth dynamics of the Group's loan portfolio and its market share. At the same time, over the past five years, the Bank's loan portfolio has increased 2.2 times, reflecting its successful adaptation to changing conditions and clients' growing demand for digital solutions.

The development of digital technologies remains a key competitiveness factor in Kazakhstan's financial services market, and technological transformation has become a central element of the Group's strategy. Within this framework, Halyk consistently develops unified digital platforms, implements process automation, data-driven and artificial intelligence solutions, expands ecosystem partnerships, and enhances the customer experience by offering broader functionality and improved service accessibility across all user segments. A significant milestone in this direction has been the scaling of the Halyk SuperApp for retail clients and Onlinebank for corporate clients and entrepreneurs. The expansion of digital channels has supported steady growth in fee and commission income, while the active development of digital products has materially reshaped the structure of lending.



2.

Strategic Priorities of the Bank in 2025

Ecosystem
development

OPERATING AND FINANCIAL RESULTS

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MACROECONOMIC OVERVIEW

Economic Growth

The economy of Kazakhstan in 2025 demonstrated a significant acceleration in growth (+6.5%) compared with the previous year. The main drivers of this dynamic were the mining industry (+9.4%) and transport (+20.4%), which were supported by growth in trade (+8.9%) and construction (+15.9%).

Growth of the overall economy was driven by a significant increase in oil production due to the Tengiz Expansion Project. Thus, the mining sector, through a multiplier effect, accelerated growth in transport, where cargo turnover showed strong results. Overall, oil production increased by 13.3% over the year.

The manufacturing industry showed a slight slowdown to 6.4%. A restraining effect was observed in metallurgy, which demonstrated moderate dynamics: growth in the sector amounted to 1.2%. This trend was caused by a reduction in output of key precious and nonferrous metals by 0.5%. The implementation of infrastructure projects and growth in oil production provided support to the manufacturing industry. Sector dynamics were supported by growth in most key segments, with the largest contribution coming from food production (+8.1%) and mechanical engineering (+12.9%).

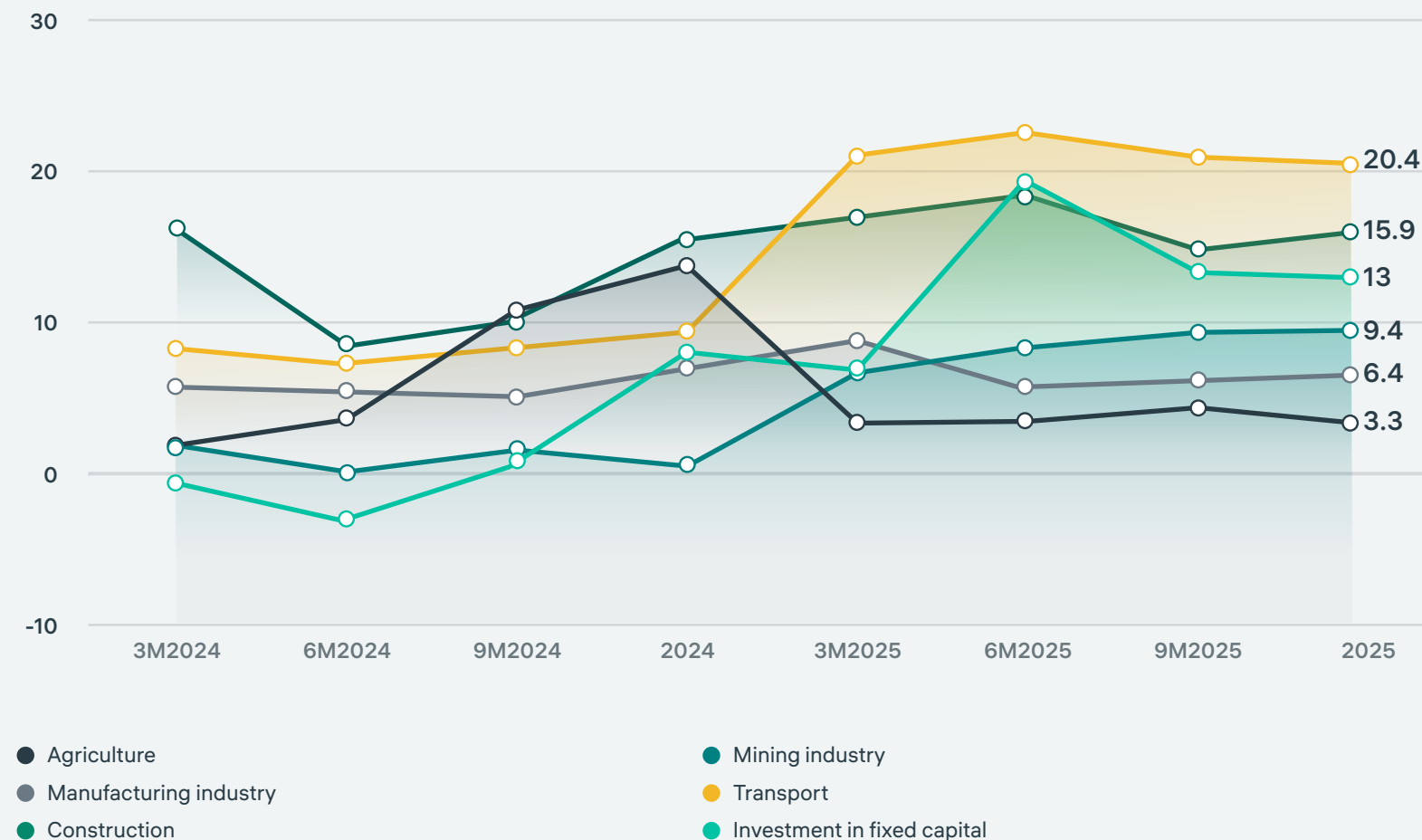
Growth in the construction sector was associated with the implementation of infrastructure and social projects, including the construction of social facilities (schools, hospitals, etc.), as well as transport and engineering infrastructure. In agriculture, growth rates showed a significant slowdown to 5.9%, against the background

of a deceleration in livestock production growth to 3.3% and crop production to 7.8%. The communications sector demonstrated growth of 3.6% in 2025. Internet services account for the main share of the sector, where growth over the reporting period amounted to 12.7%, while mobile communication services increased by 0.2%.

In the first two months of 2026, key sectors such as transport, trade and construction slowed their year-on-year growth to 10.7%, 3.4% and 14.5% respectively while industry recorded a 3.1% year-on-year decline due to a significant contraction in mining (–14.2% y/y). This was driven by a 23.0% y/y fall in oil production in physical terms, which through a multiplier effect, also moderated growth in related industries. Manufacturing continued to slow (+5.9% y/y in 2M2026) amid a decline in metallurgy (–7% y/y), which accounts for around 43% of total manufacturing output. Agriculture saw a slight easing in growth to 3.4% y/y. By contrast, the communications sector showed a gradual acceleration, with growth reaching 3.8% y/y.

Investments in fixed capital increased by 13% over the year, mainly in non-resource sectors: electricity and water supply (+53.1% and +28.2%, respectively), manufacturing (+30.1%), and public administration (+40.8%). At the start of the current year, however, investment dynamics slowed sharply to 0.2% y/y in 2M2026, potentially due to a reduction in public investment: its share in the overall investment structure decreased from 21.9% in 2025 to 10.6% in 2M2026.

GDP Dynamics by Sector, %



Source: Bureau of National Statistics (BNS)

Fiscal Policy and the National Fund

Despite meeting the revenue target (100.1%) and largely executing planned expenditures (98.9%), the budget deficit increased by 22.2% to KZT 4.4 trillion. The planned transfers from the National Fund (KZT 5.25 trillion) were fully utilised by year-end. Overall, transfers declined by KZT 350 billion (–6.25%). However, a key budgetary challenge in 2025 was still the dependence on transfers.

As at the end of December 2025, the assets of the National Fund amounted to USD 63.9 billion, representing a year-on-year increase of 8.6%.

INFLATION AND MONETARY POLICY

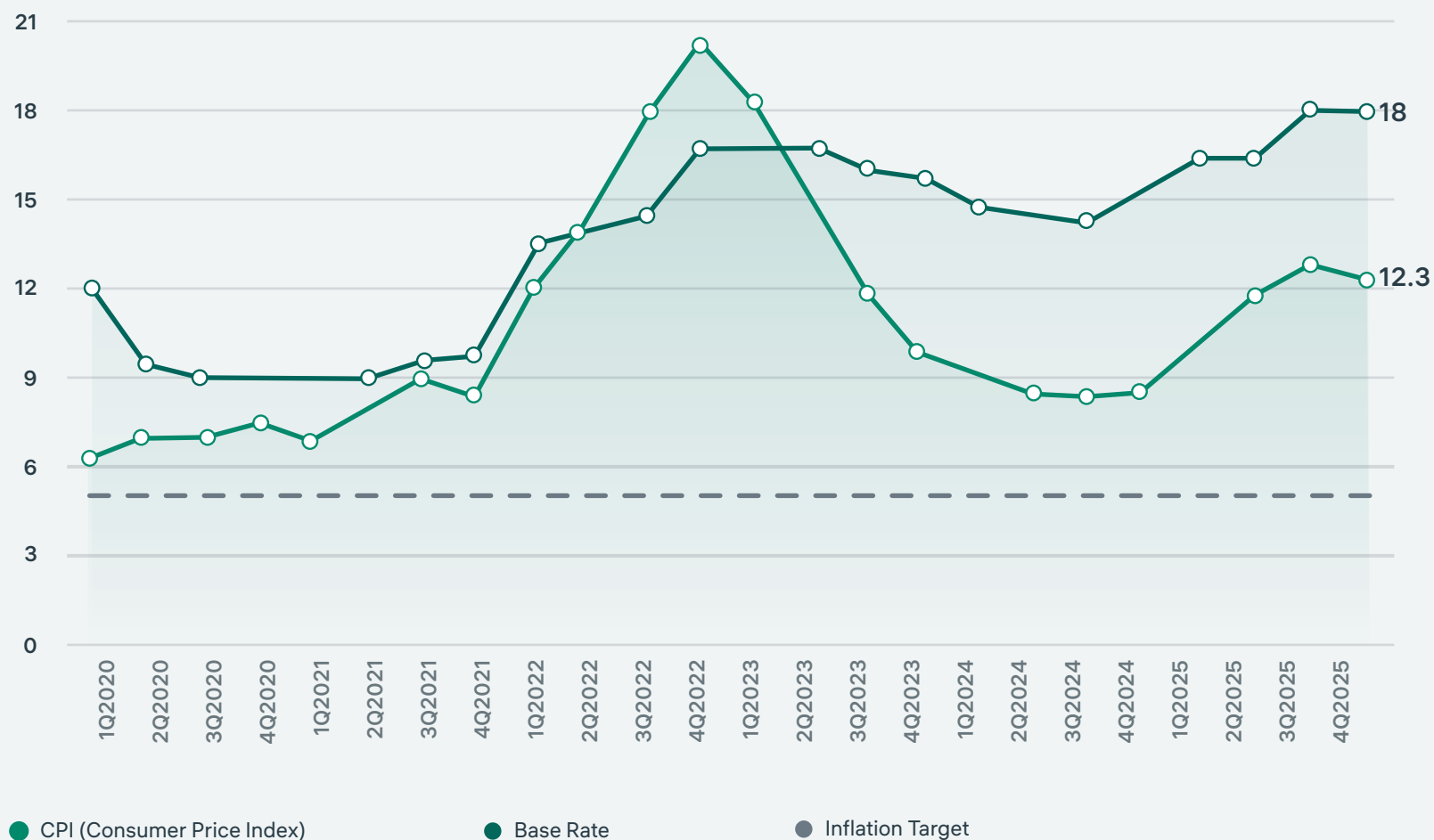
Inflation in 2025 shifted to a sharp upswing after remaining below 9% in 2024, reaching a peak of 12.9% in September. Price growth affected almost all categories of goods and services, with year-on-year increases reaching double-digit levels: food products prices grew 13.5%, non-food products grew 11.1% and services grew 12.0%.

In response, government authorities implemented prompt stabilisation measures, including downward adjustments to selected utility tariffs. In parallel, a moratorium on changes in housing and utility tariffs and fuel prices was introduced, remaining in force until the end of the first quarter of 2026.

In addition, the national currency strengthened noticeably in the fourth quarter of 2025 and the first quarter of the current year, which helped ease inflationary pressures. As a result, inflation slowed to 12.3% by the end of 2025 and further declined to 11.0% as of March 2026.

To contain the accelerating inflation, the National Bank increased the base rate twice in 2025: first in March by 125 basis points and for the second time in October, following the September inflation peak of around 13%, by 150 basis points at once, from 16.50% to 18.00%. As a result, the real interest rate net of inflation remained at an elevated level of around 5.5% throughout the year. As stated in the NBK press release following the meeting in November 2025: “At present, the National Bank does not see room for a reduction in the base rate until the end of the first half of 2026, taking into account elevated inflation expectations, core inflation dynamics and the lagged impact of tariff and tax reforms”.

Inflation and Base Rate Dynamics, %



Source: Bureau of National Statistics (BNS)

Exchange Rate

The tenge exchange rate strengthened by 3.7% in 2025, reaching KZT 505.73 per US dollar. The main factors contributing to the strengthening of the national currency included foreign currency sales from the National Fund, the introduction of a mirroring mechanism for gold transactions, the mandatory sale of foreign currency proceeds by quasipublic sector companies and the temporary suspension of foreign currency purchases for the UAPF.

The main pressure on the exchange rate was observed in July and September 2025, which was driven by an increase in imports as part of the implementation of infrastructure projects and heightened activity of certain market participants amid low market depth and limited liquidity. Against the backdrop of increased demand for foreign currency at the end of July, the NBK conducted its first foreign exchange interventions since the end of 2024 and the only ones in 2025, in the amount of USD 125.6 million.

The tenge exchange rate, supported by a high level of US dollar supply to the market, continued to strengthen in 2026, reaching KZT 478.15 per US dollar as at 1 April.

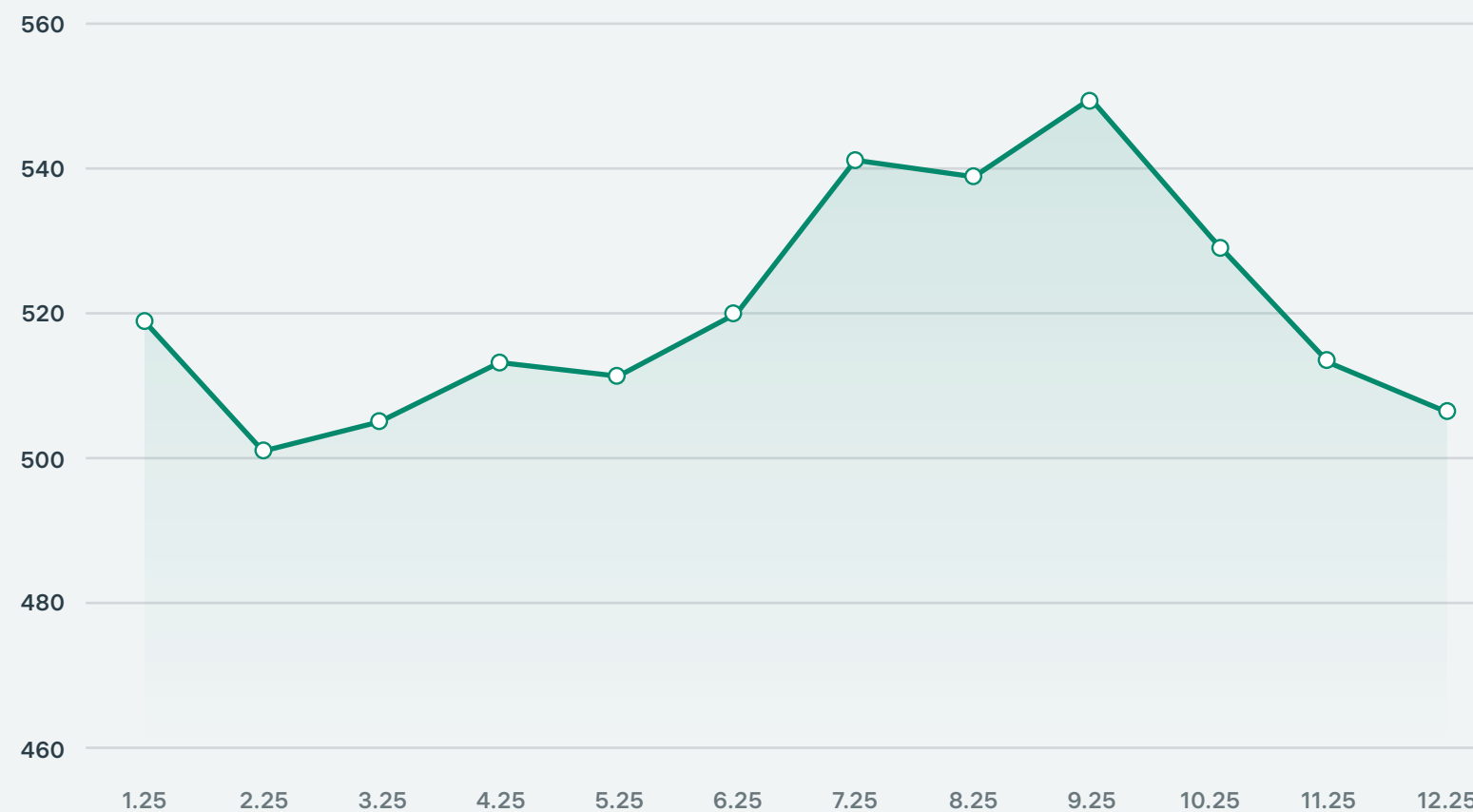
USD **125.6** million

The NBK conducted currency interventions in 2025

KZT **478.15** per US dollar

On April 1, 2026, the tenge continued to strengthen

Dynamics of the Tenge Exchange Rate, USD/KZT



Source: National Bank of Kazakhstan (NBK)
Note: Monthly average exchange rate

OVERVIEW OF THE BANKING SECTOR OF KAZAKHSTAN

Growth in Assets and Lending

In 2025, the banking sector of the Republic of Kazakhstan demonstrated stable growth in its key financial indicators:

- ✓ Total banking sector assets increased by **15%**
- ✓ Capital grew by **19.1%**
- ✓ Sector-wide profits rose by **6.6%**.

In the retail segment, lending volumes increased by **19.8%**, driven primarily by consumer loans, which grew by **21%**. This growth was supported by the active use of instalment-based financing products and banks’ marketing programmes. To mitigate the risk of overheating in the credit market, the National Bank of the Republic of Kazakhstan and the Agency for Regulation and Development of the Financial Market continued to implement measures aimed at cooling credit activity.

Household deposits increased by **15.8%**, mainly due to growth in deposits denominated in the national currency, which rose by **19.5%**.

Corporate lending grew by **21.2%**, with the most pronounced acceleration observed in the second half of 2025. Deposits from corporate clients increased by **16.8%**, with broadly similar growth in both foreign-currency deposits (+16.6%) and deposits in the national currency (+16.9%). Against this backdrop, the level of deposit dollarisation continued to decline.

Banking System Resilience Analysis

In 2025, the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market conducted a regular asset quality review (AQR) of 11 largest banks, which together account for approximately **86%** of total assets in the banking sector.

- ✓ Based on the results of the review, the resilience of the banking system was confirmed at a systemic level. Following the AQR, the capital adequacy ratio stood at **17.7%**, significantly above the minimum regulatory requirement of **5.5%**.
- ✓ Despite continued growth in the loan portfolio, total reserve adjustments decreased by **KZT 37.7 billion**, reflecting an improvement in the structure of loan portfolios.
- ✓ At the same time, against the backdrop of expanding lending activity, an increase was observed in the share of non-performing loans (NPL 90+) and overdue exposures, which necessitates continued monitoring and further measures to manage credit risk.

Liquidity and Compliance

In 2025, the volume of liquidity absorption by the National Bank of the Republic of Kazakhstan decreased by **11.6%** (December 2025 compared with December 2024), while deposit auctions were retained as the main regulatory instrument.

Throughout the year, banks paid increased attention to compliance and sanctions-related risks, continuing to strengthen internal procedures and control mechanisms to prevent violations of the sanctions compliance requirements.

OVERVIEW OF KEY AREAS OF ACTIVITY

B2C

B2C Segment: Solutions Ecosystem

BANKING PRODUCTS AND SERVICES

- ▶ Loans (unsecured loans, mortgages, car loans, BNPL)
- ▶ Online refinancing
- ▶ Digital car loans
- ▶ Online deposit
- ▶ Cards / digital cards
- ▶ Digital wallets
- ▶ International transfers
- ▶ P2P transfers
- ▶ Halyk QR
- ▶ Apple Pay / Samsung Pay / Google Pay
- ▶ Face Pay
- ▶ Face ID / Touch ID
- ▶ Instalment plans, and other services

LIFESTYLE AND ECOSYSTEM

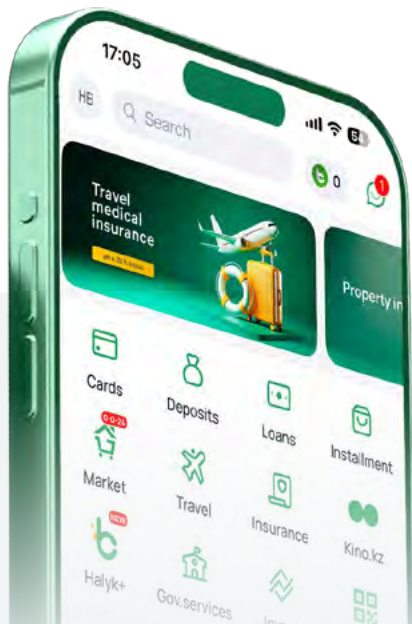
- ▶ Finance
- ▶ Insurance
- ▶ Investments
- ▶ Halyk + – bonuses, privileges and special partner offer
- ▶ Loyalty programme – bonus programmes in one place
- ▶ GovTech – public services
- ▶ My Auto – a comprehensive set of solutions for motor vehicles
- ▶ My Home – services for property management
- ▶ My Health – digital services for healthcare and medical services

- ▶ Kundelik – a leading digital education platform
- ▶ Halyk Easy
- ▶ Halyk Travel – a travel platform
- ▶ Kino.kz – a digital platform for the sale of entertainment tickets
- ▶ Halyk Market – a digital marketplace for partners' goods and services
- ▶ E-Pharmacy – online pharmacy
- ▶ E-Grocery – home delivery of groceries from Halyk Market partners
- ▶ Halyk Info
- ▶ Halyk Maps

CHANNELS

- ▶ Halyk SuperApp
- ▶ Branches
- ▶ POS terminals
- ▶ ATMs
- ▶ Card-issuing devices
- ▶ Partner programmes with leading retailers
- ▶ PFM (Personal Financial Management)
- ▶ BaaS (Banking-as-a-Service)

Halyk SuperApp – a Solutions Ecosystem for Everyday Life



The Halyk SuperApp integrates financial services, public services and lifestyle functionality, creating a single space for addressing customers' everyday needs.

Payment and transfer volume, KZT trillion



Number of payments and transfers, million



MAU, million



DAU, million



One of Halyk Bank's key strategic priorities in the B2C segment remains the development of digital services and, in particular, the scaling of the Halyk SuperApp ecosystem. This platform has become the central element of customer interaction, bringing together convenience, personalisation and broad customer reach within a single digital environment.

This integrated offer enhances the quality of the customer experience and strengthens the Bank's competitive advantages. The rapid growth in monthly active users confirms that the application has become a key entry point to the Halyk Group ecosystem.



NEW LOYALTY PROGRAMME: HALYK +

A key milestone in the development of the Halyk SuperApp in 2025 was the launch of the multi tiered loyalty programme Halyk+ designed to strengthen customer engagement within the ecosystem. The programme is structured as a tiered, gamified system where the bonus (similar to cashback) size depends on the level of engagement users have with the ecosystem.

By performing a transaction (payments, transfers and purchases) in the Halyk SuperApp, customers receive a base bonus of 1% that increases with the use of additional services: up to 3% for online ticket purchases, up to 5% for marketplace purchases and up to 10% for using several ecosystem products.

Additionally, users enjoy personalised offers and bonuses, as well as access to extensive program tiers and broader ecosystem benefits like the marketplace, travel services, insurance and other products. As a result of the programme's rollout, the Halyk+ userbase has grown from 196 thousand unique customers in August 2025 to 2.047 million in December 2025..

AIRBA FRESH

In November 2025, the Halyk SuperApp's ecosystem was expanded with an addition of Airba Fresh (E-Grocery) – a venture into the quick commerce direction focused on swift delivery of fresh produce and everyday essentials. The service constitutes a part of the expansion of the application's non-financial functionality.



Daily Banking

Daily Banking occupies a central position in the Group’s retail business and ensures the uninterrupted operation of the Halyk digital ecosystem. The Bank serves as a key element of the country’s payment infrastructure, supporting the continuous execution of payments and transfers, card transactions, online deposits and digital lending for retail customers, entrepreneurs and small businesses.

The integration of Daily Banking into the digital platform enables the creation of a single, consistent customer journey in which every day financial transactions are logically connected with a broad range of ecosystem services. The scale of operations is evidenced by high transaction volumes: in 2025, customers carried out 441.8 million payments and transfers in KZT (+23.2% y/y), with an aggregate volume of KZT 19.5 trillion (+20.4% y/y).

Overall, Daily Banking enhances the value of the Group’s entire B2C ecosystem by increasing the frequency of customer interactions and forming a foundation for the further use of investment, insurance, public services, education and e-commerce offerings. Owing to extensive digitalisation and the convenience of service channels, Halyk Group strengthens its position as a leading provider of everyday financial services in Kazakhstan.

CREDIT PORTFOLIO

In 2025, Halyk Bank demonstrated sustained growth of its retail loan portfolio, while maintaining a balanced approach to risk management and a focus on digital sales channels.

- As of 1 January 2026, the Bank’s gross retail loan portfolio (on a consolidated basis) amounted to KZT 4,599 billion, having increased by 10.8% from KZT 4,149 billion a year earlier.
- The Bank’s portfolio structure remained diversified. The largest share comprised unsecured consumer loans (74.2%), along with mortgage loans (12.5%), credit cards (0.6%), car loans (9.6%) and BNPL (Buy Now Pay Later) products (3.2%). This product mix ensured a balance between profitability and risk levels, as well as the portfolio’s resilience to changes in macroeconomic conditions.
- The Bank serviced 1.87 million borrowers in the retail segment, maintaining a strong market position. The Bank’s market share in retail lending amounted to 17.9%, reflecting the scale of its presence and the high recognition of the Halyk brand among retail customers.

The quality of the Bank’s retail loan portfolio remained stable and well controlled. As of 1 January 2026:

- the share of non-performing loans (NPLs) overdue by more than 90 days stood at 7.2%;
- the coverage ratio for NPLs (90+ days) stood at 89.9%.

These indicators reflect the Bank’s prudent approach to provisioning and effective risk management procedures, including the use of behavioural scoring models and automated portfolio monitoring tools.

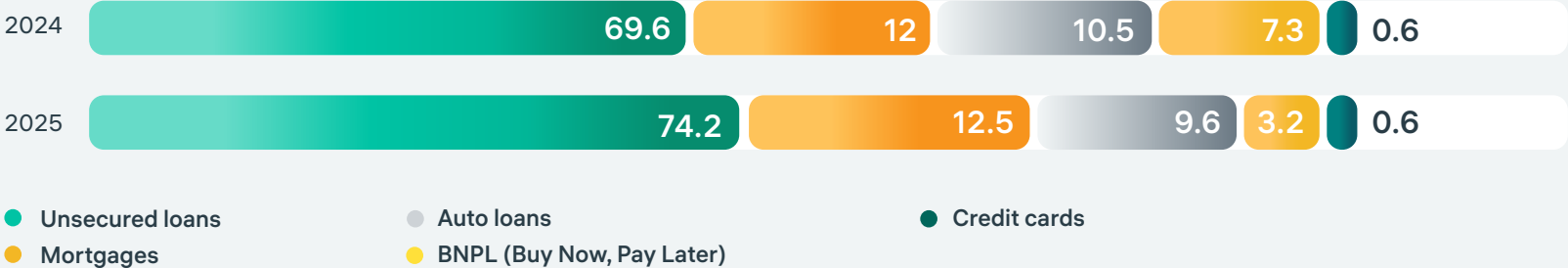
Digital channels continued to play a key role in the development of the retail business. In 2025, 94% of retail loans originated digitally (by number), confirming a high level of penetration of digital solutions into customer processes.

Online loan origination through the Halyk SuperApp and other remote channels enabled the Bank to scale its business without a corresponding increase in operating expenses, while simultaneously improving customer experience and service speed.

Number of active retail customers, million people



Credit portfolio structure, %



Gross retail loan portfolio, KZT billion





DEPOSIT PORTFOLIO

Retail deposits remained an important source of funding for the Bank and ensured a high level of balance sheet resilience. As of 1 January 2026, the volume of deposits denominated in KZT from individuals amounted to KZT 7,976 billion, representing a year-on-year increase of 10.8%.

The deposit structure was characterised by a high share of funds in the national currency: 72.7% of retail deposits were denominated in tenge, which reduced foreign exchange risks and enhanced funding stability.

Digital channels played a significant role in the growth of the deposit portfolio: 94% of new retail deposits were opened online. A total of 305.5 thousand new deposits were opened during the year.

Such dynamics reflect a high level of customer confidence in the Bank and the convenience of the digital services offered by Halyk.

Retail deposit portfolio, KZT billion



PAYROLL PROJECTS AND STRENGTHENING OF THE CUSTOMER BASE

Payroll projects represent a significant component of the Daily Banking segment, ensuring a stable inflow of transactional activity and strengthening long-term relationships with customers.

58%

the Bank's share of the total payroll fund in the country as at the end of 2025

40 thousand

active payroll organisations portfolio (2024: 32.3 thousand)

KZT 11,645 billion

payroll fund volume (2024: KZT 10,439 billion; 2023: KZT 9,200 billion)

OMNICHANNEL BRANCH NETWORK AND SERVICE INFRASTRUCTURE

The Halyk branch network remains an important component of the omnichannel service model, ensuring the availability of services across the country. In Kazakhstan, the Bank operates 531 branches, representing one of the largest branch networks in the market. To enhance customer convenience and reduce waiting times, the Bank continues to develop service zones within its branches: 46% of branches already have service zones offering extended 24/7 service.

At the same time, Halyk is strengthening the role of remote and self-service channels, enabling customers to access services in the most convenient format. The share of remote banking services reached 80%, reflecting a sustained shift of customers towards digital scenarios and increasing network efficiency through the redistribution of traffic across channels. A significant

contribution to improving the customer experience is made by the development of electronic queue management and QR-based scenarios: branches offer the option to obtain a queue ticket in two clicks, with 83% of tickets issued via the QR channel, and 8 out of 10 customers choosing QR to receive a ticket.

The development of the physical infrastructure is supported by the expansion of the self-service device network. As of 2025, the Bank's network of 4,495 ATMs has next generation devices that account for 71% of the total ATM fleet. The plan for the renewal and expansion of the device fleet for 2026 stands at 84%. Additionally, the Bank is expanding its card vending machine network: 375 devices now account for 75% of total plastic card issuance, accelerating card delivery to customers and reducing the workload on branch service counters.

No. 1

in the country by total number of ATMs

4,495

ATMs

531

branches and service outlets across Kazakhstan

80%

of banking services are remote

71%

of the ATM fleet consists of new-generation ATMs

46%

of branches with 24/7 service zones

Enhancing Financial Literacy

Halyk Bank carries out a systematic approach to enhancing financial literacy in Kazakhstan, combining educational initiatives with the implementation of digital tools that help customers manage their finances more effectively and make more informed decisions.

PFM — A DIGITAL TOOL FOR ENHANCING FINANCIAL LITERACY

- As part of the Halyk SuperApp, the Bank is developing the Personal Financial Manager (PFM) module, which has become one of the key services aimed at enhancing financial literacy and promoting conscious money management.
- PFM consolidates all customer transactions into a single feed, ensuring a comprehensive and accurate view of financial activity. Customers are provided with convenient income and expenditure analytics, automatically categorised, as well as personalised recommendations and financial insights that support consumption optimisation and budget planning. The built-in educational onboarding helps users to familiarise themselves with the functionality and begin applying financial planning in everyday life.
- PFM contributes to the development of a culture of responsible financial behaviour and increases transparency in funds management.

OTHER FINANCIAL LITERACY INITIATIVES

In addition to digital tools, in 2025 Halyk Bank continued to finance and support large-scale public projects in the field of financial literacy:

YERKIN SYOZ

An educational initiative aimed at developing analytical thinking, media literacy, and an understanding of economic processes.

QARYZSYZ QOĞAM

An awareness-raising programme focused on fostering a responsible attitude to borrowing, managing debt burden, and enhancing household resilience.

➤ See further details in the Social projects and charity section.

Ecosystem of Solutions for Everyday Life



HALYK MARKET

Halyk Market is a fast-growing e-commerce platform within the Halyk Bank ecosystem, launched in December 2020. The marketplace connects sellers and buyers within a single digital space and provides a full online commerce cycle. According to Forbes Kazakhstan, in 2025 Halyk Market ranked 4th among the country's largest online retail platforms, rising from 11th place two years earlier.

The rapid growth of the platform reflects trends in Kazakhstan's e-commerce market, where marketplaces account for up to 92% of online sales and serve as the key channel of digital trade.

In 2025, Halyk Market demonstrated strong growth across key performance indicators. Monthly active users reached 3.7 million, while the product assortment exceeded 5.5 million SKUs. The most dynamic category was pharmaceuticals, with strong growth also recorded in electronics and household appliances, groceries, and automotive products, in line with overall e-commerce development trends in Kazakhstan. Integration with the Halyk ecosystem enhanced the valuation of the platform for businesses.

Platform development is supported by the expansion of logistics infrastructure. In 2025, Halyk Market provided delivery services to 146 cities and settlements, operated 92 pickup points, and continued to expand its proprietary parcel locker network, comprising 200 units across 16 cities. A pilot sorting centre was also launched in Almaty. These initiatives contributed to improved operational efficiency, with on-time delivery performance reaching 78.4%.

Through deep integration with the Halyk SuperApp, the platform delivers a seamless customer experience: users can log into the application, access Halyk Market, make a payment, apply a coupon, purchase insurance, or use other services — all within a single session. This approach supports the development of cross-sales and enhances customer engagement within the ecosystem.

SKU, million



GMV, billion KZT



Number of marketplace partners, thousand





KINO.KZ – LEADER IN DIGITAL TICKET SALES

Kino.kz is the leading digital ticket sales platform in Kazakhstan and one of the country’s largest online ticketing services. The platform has been operating in the market for more than 25 years and forms part of the Halyk Group ecosystem. Active development in the digital business direction and the launch of a fully functional online booking service began in 2021, enabling a significant expansion of reach and improved accessibility of services for users.

Kino.kz brings together cinemas, concert venues, theatres, as well as event and entertainment organisers across the country, providing a full cycle of online ticket sales.

Throughout the year, the service demonstrated steady growth. Total annual visits reached 40 million, monthly active users amounted to 4 million, and the number of registered accounts exceeded 5.7 million. More than 4,000 events, including concerts, performances, festivals, and cinema screenings, were listed on Kino.kz.

Key events of the year

Major international events

✓ **Backstreet Boys** – one of the largest international events of the year, attracted 28.8 thousand spectators at one of the largest venues in Almaty. On the first day of sales alone, 21 thousand tickets were sold, representing one of the fastest sales rates for events of this scale.

The event became record-breaking in terms of audience engagement and demonstrates strong demand for international content.

Popular mass concerts

✓ **Kairat Nurtas** – a major national concert that attracted more than 27 thousand attendees and became one of the largest events of the year.

✓ **Miras Zhugunusov** – a solo concert at the central venue that gathered approximately 25 thousand spectators.

The service has a broad presence across the entertainment market: the platform works with 61 cinemas in 21 cities, accounting for approximately 43% of the online box-office market share. Access is also provided to 21 theatre venues and more than 20 concert arenas per month, depending on partner events.

Collaborations with international studios

In 2025, Kino.kz implemented a joint project with the international studio Disney as part of the promotion of the animated film Zootopia 2. The collaboration boosted the Bank’s reputation by supporting the achievement of the project’s commercial objectives: following the campaign, GMV totalled KZT 1,523.7 million.

The successful delivery of the project served as a basis for expanding cooperation with global rights holders. In 2026, Kino.kz obtained exclusive rights to promote the global release of the Marvel studio film SpiderMan: Brand New Day. This status confirms the trust of international partners in the quality of marketing integration delivery and creates additional opportunities to scale campaigns and expand audience reach.

Integration with the Halyk ecosystem enhances the value of the platform for both users and partners. Halyk ID provides fast and secure access, a unified user profile and convenient transaction confirmation. The Halyk loyalty programme enables customers to earn bonuses and cashback on ticket purchases, as well as to use accumulated points for payment.

Kino.kz continues to strengthen its market presence and further develop the entertainment ecosystem, creating a convenient and technology-driven environment for both users and event organisers.

Total volume of tickets sold, million



Gross merchandise value (GMV), billion





HALYK TRAVEL – A TRAVEL ECOSYSTEM

Halyk Travel is a digital travel booking platform integrated into the Halyk ecosystem that brings together services for retail customers. The service provides comprehensive solutions for trip planning, ticket purchases, and the arrangement of related products, making the travel process convenient and fully digital. The platform offers air and railway tickets, as well as bus routes.

A key strength of Halyk Travel is its close integration with the Group's financial services. Customers can apply for loans for airline ticket purchases directly at the point of purchase. Integration with Halyk ID and the loyalty programme ensures a unified user journey – from ticket search to payment to trip support. Additional value is created through cooperation with Halyk Insurance: users can obtain an insurance product simultaneously with a ticket purchase, receiving coverage in the event of cancellations, rescheduling and unforeseen circumstances.

Halyk Travel builds a sustainable ecosystem that combines finance, services, and travel. The platform supports the expansion of crossservice capabilities within the Halyk SuperApp and contributes to increased customer engagement through convenience, transparency, and the integrated nature of the solutions offered.



GOVTECH – DIGITALISATION OF GOVERNMENT SERVICES

Halyk SuperApp continues to expand its GovTech direction – a large-scale initiative focused on integrating government services into the banking application. This initiative represents a key element of the partnership between Halyk Bank and public authorities and is aimed at creating a unified digital space for accessing both financial and government services.

GovTech provides access to 74 types of government services, making the platform one of the most technologically advanced and userfriendly tools for interaction with the state among the country's banks.

The proactive scenario system enables services to be obtained in a single click: the application recognises a life event, facilitates confirmation from government systems, and sends the customer a notification about service availability. A single action within the application is sufficient to complete the application, payment and receipt of the result.

Integration of GovTech with Halyk's financial services creates additional advantages:

- ▶ a unified user journey from notification receipt to payment and related support;
- ▶ reduced barriers to accessing government services;
- ▶ increased frequency of use due to simplicity and speed of processes;
- ▶ a sustainable ecosystem combining finance, services, and government functions.

GovTech is one of the key development areas of the Halyk SuperApp, shaping a new model of interaction between the government, the bank and the customer based on digital accessibility, security and maximum convenience.

Use of government services, million requests





KUNDELIK – A LEADING DIGITAL EDUCATION PLATFORM

As part of the expansion of the GovTech direction and the development of socially significant digital services within the Halyk SuperApp, the Group is strengthening its strategic partnership with Kundelik, the leading digital education platform in Kazakhstan.

The integration enables parents and students to access information on academic performance and school activity directly within the banking application, including push notifications on grades, and also provides learning progress analytics tools and personalised recommendations.

Integration with Kundelik also includes elements of financial education and early engagement of a new audience: customers have access to financial literacy learning modules, an incentive programme for children’s strong academic results (Bonuses for Grades), and online issuance of children’s bank cards. The partnership enables the Group to build interaction with a new generation of customers and strengthen family engagement by bringing together education, family finance, and digital banking within a single ecosystem.

As of the end of 2025, the number
of registered users of the system amounted

3.3 million

Through integration with the Halyk SuperApp, Kundelik services are available to a wide audience:

more than

1.8 million

students

over

1.2 million

parents

around

200 thousand

teachers

within the Halyk ecosystem use interconnected educational scenarios. According to programme data (Kundelik integrated within the Halyk ecosystem since 2023), following its launch a 31% improvement in students’ academic performance has been recorded, highlighting the potential of digital engagement and support tools in the educational process.

Kundelik’s reach extends to more than

2,694 schools

Increase in academic performance

31%



HALYK INVEST – DEVELOPMENT OF BROKERAGE ACTIVITIES

Halyk Invest is a digital platform for retail investors, launched in the second quarter of 2022, and today represents one of the key elements of the Group’s investment ecosystem. The service is embedded in the Halyk SuperApp and provides convenient access to market infrastructure, enabling customers to open a brokerage account, execute trades, and manage their portfolios entirely online.

The platform is designed as an “all-in-one” solution, combining trading, analytics, and monitoring tools within a single digital environment, and also offers fast top-ups of investment accounts with no fees, as well as commission-free transfers and conversions between accounts.

Halyk Invest users have the opportunity to operate in both domestic and international markets. The platform provides execution services on KASE, AIX, and KASE Global, as well as access to the world’s largest stock exchanges, including NYSE and NASDAQ. The product offer includes shares, depositary receipts, funds (including ETFs), bonds, and access to IPO/SPO placements. By the end of 2025, customers had access to more than 200 financial instruments, enabling broad opportunities for diversification and investment. The development of brokerage activities within the Bank’s ecosystem became one of the key focus areas in 2025.

Key achievements of Halyk Invest in 2025:

- ✓ **Online acquisition of qualified investor status.** This status provides clients with access to a broader range of financial instruments, including global depositary receipts.
- ✓ **Automation of the W-8BEN form.** Under the Qualified Intermediary (QI) Agreement, functionality was implemented to sign a precompleted W-8BEN form, enabling clients to reduce the dividend withholding tax rate from 30% to 15% on income received from securities of U.S. issuers traded on the NYSE/NASDAQ.
- ✓ **Implementation of tax status change monitoring.** An automated process was introduced to monitor changes in client circumstances affecting tax status, in compliance with the requirements of the Qualified Intermediary (QI) Agreement.

- ✓ **SPO of Halyk Bank.** Clients of the Halyk Invest service were provided with the opportunity to submit applications for participation in the Halyk Bank SPO on the KASE and AIX exchanges.
- ✓ **Growth of the client base.** By year-end, the number of clients reached 1.314 million, representing an increase of approximately 37%, strengthening the Bank’s leading position in the market.
- ✓ **Introduction of trading in U.S. Treasury securities.** Through the Halyk Invest service, clients gained access to investments in coupon-bearing international bonds of the U.S. Department of the Treasury on the local Kazakhstan market (KASE).

Number of clients, thousand**Transaction volume, billion tenge**

Halyk Group Insurance Business

The insurance segment of the Group is represented by two subsidiaries – Halyk Life JSC and Halyk Insurance Company JSC, providing a full range of insurance solutions for retail customers. Both companies are integrated into the Halyk ecosystem and support a digital service model, including policy issuance via the Halyk SuperApp, automatic renewals, and remote claim settlements.



HALYK LIFE JSC – LIFE INSURANCE

Halyk Life JSC is the Group’s life insurance company, offering pension annuities, health insurance programmes, savings and risk insurance solutions, as well as bank assurance products (borrower insurance).

In 2025, Halyk Life marked its 20th anniversary, confirming its strong market position and a significant role in the development of the life insurance market. The introduced mechanism of insurance dividends under pension annuity programmes received stable market recognition and became an industry standard. In the savings life insurance segment, based on the results of 2025, the company became the market leader with a 42.8% market share. The most in-demand products among customers in 2025 were pension annuities, savings life insurance (the Halyk Kazyna product), as well as standardised insurance products with fixed terms (so-called boxed solutions).

Assets, billion tenge



The company continued to develop its product offering. In 2025, the product range was expanded with a voluntary personal accident insurance product, Life Card, for payment cardholders of Halyk Bank (sales launch scheduled for early 2026). In addition, a revision of the terms of the Halyk Kazyna product became a key driver of sales and strengthened the company’s competitive position.

A separate focus was placed on digitalisation. In 2025, Halyk Life enhanced its proprietary mobile application and expanded the functionality for remote policy issuance and servicing. New features were launched within the application, including automatic payments, a payment calendar, digital authentication tools, and an AI-based chatbot. In particular, integration of authorisation via Halyk ID and eGov Mobile was completed, improving customer convenience and transaction security.

Under the new digital insurance product for children and adolescents, Balam, 1,580 policies were issued; the total amount of accepted insurance liabilities exceeded KZT 1.58 billion, and 90% of claims under the product were submitted online.

In 2025, Halyk Life successfully completed accreditation under the State Educational Savings System programme. Credit ratings assigned by S&P (BBB-/kzAAA, Stable outlook) and AM Best (B++/bbb, Stable outlook) were reaffirmed, and the Company successfully passed the recertification audit of its quality management system (QMS) for compliance with ISO 9001:2015.

Equity, billion tenge





HALYK INSURANCE JSC – GENERAL INSURANCE

Halyk Insurance JSC is a Group company operating in the general (non-life) insurance segment, providing retail customers with comprehensive insurance coverage, including motor insurance, property insurance, and personal accident insurance. The company consistently develops its product range and digital sales channels, enhancing the convenience and accessibility of insurance services in an online format.

In 2025, Halyk Insurance significantly renewed its product portfolio in the voluntary insurance segment. Property insurance, personal accident insurance, and travel medical insurance programmes were revised, and flexible coverage configurators were introduced, allowing customers to create an individual set of risks and additional options. The company launched personal accident insurance for participants in mass sporting events and running races. Among compulsory insurance products, MTPL remains the most in demand, while in the voluntary segment – Halyk CASCO and property insurance. Demand for property insurance strengthened during the year, driven by updated terms and the expansion of online issuance capabilities.

Acceleration of digital transformation became a key priority. In 2025, the issuance of pledged CASCO Nurzhol was transferred to an online format, full self-service purchase of Halyk CASCO without involvement of company staff was implemented, and seamless policy renewal without repeat photo verification was introduced. The launch of the unified digital storefront skhalyk.kz simplified the purchase process, reduced the number of steps required to issue a policy, and optimised payment. These changes resulted in a significant increase in customer engagement: MAU grew by 82%, and the share of online sales increased by 96% year on year, confirming sustained demand and the effectiveness of the digital strategy.

Assets, billion tenge



Equity, billion tenge



Gross insurance premiums written, billion tenge



Insurance claims expenses, billion tenge



B2B Solutions

B2B

DAILY BANKING

- ▶ Account management
- ▶ Account and card statements
- ▶ POS terminal statements
- ▶ Bank statements
- ▶ Deposits and auto-deposits
- ▶ Cash collection and self-collection
- ▶ Cash flow management
- ▶ B2B / B2G / B2C payments, including payments by mobile phone number

FINANCIAL SERVICES

- ▶ Digital onboarding of LLPs and Individual Entrepreneurs
- ▶ Digital lending
- ▶ Business cards
- ▶ Foreign currency contracts
- ▶ FX rates
- ▶ Payroll payments
- ▶ Invoicing
- ▶ Integration with 1C
- ▶ APIs for bank statements and transfers

TAXES AND B2G SERVICES

- ▶ Taxpayer account
- ▶ Tax declarations
- ▶ Payment of all types of taxes
- ▶ Digital bid bonds and performance bonds
- ▶ Guarantees and letters of credit
- ▶ Digital tenge

INTERNATIONAL TRADE SERVICES

- ▶ Currency conversion
- ▶ Outgoing / incoming cross-border payments and foreign contract servicing
- ▶ SWIFT GPI Tracker
- ▶ PaymentControl data for verification services
- ▶ Sanctions screening of banks and counterparties
- ▶ Import and export support (including trade with the Chinese market)

ACQUIRING

- ▶ Halyk QR
- ▶ Invoice issuance
- ▶ C2B payments by mobile phone number
- ▶ Card payment acceptance via POS terminals
- ▶ Loans for POS terminal merchants
- ▶ Online cash register and fiscal data operator
- ▶ Retail outlet management
- ▶ Internet acquiring for card and QR payments
- ▶ Instalment payments within acquiring
- ▶ Bonus acceptance and redemption

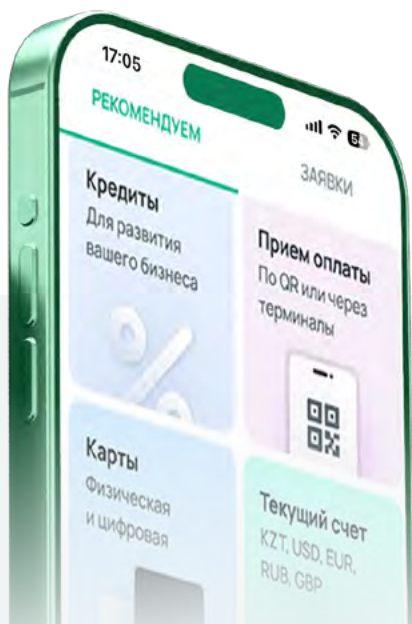
NON-FINANCIAL SERVICES

- ▶ GovTech services
- ▶ Individual Entrepreneur registration
- ▶ Data security services
- ▶ Counterparty due diligence
- ▶ Sanctions screening of counterparty banks

ECOSYSTEM SOLUTIONS

- ▶ Cash collection via Autocashiers and ATMs
- ▶ Internet acquiring
- ▶ Data centre services
- ▶ Leasing
- ▶ B2B platform OnlineDuken
- ▶ Halyk Restaurants

Onlinebank – Platform for Business



The ecosystem offers more than 150 digital services integrated into a single, unified client environment.

Onlinebank is an integrated digital platform for businesses in Kazakhstan, providing comprehensive online access to financial services, account management, payment transactions and lending products.

Onlinebank offers end-to-end support for clients' business activities: from registration and account opening to settlements, taxes, international operations, acquiring and sector-specific solutions.

Key Advantages of the Platform:

- ✓ Broad functionality – the platform provides full online access to payments, transfers, lending products and financial operations management without the need to visit Bank branches.
- ✓ High level of security – advanced data protection mechanisms and multi-factor authentication ensure the reliability and integrity of transactions.
- ✓ Integration with accounting systems – API support enables automation of financial and accounting processes, reducing the volume of manual operations.
- ✓ Flexibility and scalability – the platform's solutions are designed to meet the needs of both small businesses and large corporate clients.

Onlinebank continues to evolve consistently and to adapt to changing market needs, expanding its functionality and improving the usability of digital financial tools for businesses. As at the end of 2025, the platform's monthly active users (MAU) amounted to 343.8 thousand, while daily active users (DAU) reached 149.9 thousand, demonstrating strong demand for the service among corporate clients.

The value of payments processed via Onlinebank increased by 29.9% in 2025, reaching KZT 165.3 trillion. At the same time, the number of payments executed through the platform totalled 60 million transactions, representing a year-on-year increase of 22%.

MAU, thousands



DAU, thousands



MTU, thousands



Payment volume, KZT trillion





Corporate Business

In 2025, the Bank continued to develop long-term partnership relationships with the largest companies of the Republic of Kazakhstan, providing them with financial resources and comprehensive banking solutions to support their investment and operational needs.

Halyk Bank finances projects in key sectors of the economy, including energy, industry, agriculture and transport infrastructure, and also participates in projects of national and public importance. Corporate Business is focused on supporting sustainable economic development and increasing investment activity in priority sectors.

Halyk Bank’s corporate client base includes the country’s leading enterprises. Among commercial banks, it’s the biggest creditor to the real economy serving, the 86% of the largest taxpayers in the Republic of Kazakhstan are serviced by the Bank.

The Bank maintains strong competitive positions in the corporate banking market. The high equity allows the Bank to set high limits for groups of related borrowers and thereby to participate in the financing of large-scale projects, including major infrastructure initiatives.

A substantial level of liquidity in both national and foreign currencies ensures the Bank’s financial flexibility and resilience to changes in the macroeconomic and market environment.

Within its Corporate Banking segment, the Bank offers a full range of financial services, including lending and structured finance; trade finance and documentary operations; settlement and cash services and foreign exchange transactions; international payments and support of foreign currency contracts; payroll projects and acquiring solutions.

Corporate clients also have access to services provided by Halyk Group companies, including insurance, brokerage services, cash collection and other financial instruments, allowing the Bank to deliver integrated solutions and enhance the efficiency of client servicing.

Halyk Bank supports corporate clients in the implementation of projects outside the Republic of Kazakhstan. In particular, the Bank accompanies the activities of Kazakh companies in international markets, including Uzbekistan, where the Group has significantly strengthened its position in recent years. This expands opportunities for clients to develop cross-border operations and to implement international investment projects.

In 2025, significant attention was paid to the digitalisation of the credit cycle, the scaling up of online deal origination and the introduction of analytical tools, which enabled faster decision-making and an improved client experience without weakening risk approaches. More than 95% of tranche disbursements and guarantees for corporate clients are executed in a digital format.

The Bank continues to deepen the integration of sustainable development principles into corporate lending by embedding ESG approaches across the stages of the credit cycle, enabling the consideration of non-financial risks in credit decision-making.

Syndicated transactions also saw strong development in 2025, including those involving international financial institutions.

At the same time, the Bank continued to expand its product offering, strengthening solutions in liquidity management, trade finance and digital factoring, which were integrated into comprehensive client propositions. Taken together, these developments supported balanced growth of the corporate loan portfolio while maintaining a conservative risk profile and high asset quality.

Corporate Business

FINANCIAL PERFORMANCE AND TRENDS

In the reporting year, the corporate loan portfolio demonstrated sustainable growth, driven by a combination of macroeconomic, sector-specific and internal factors.

As at the end of 2025, the Bank's corporate loan portfolio increased by 14.2% and reached KZT 6.8 trillion. Portfolio growth was accompanied by the maintenance of one of the highest asset quality levels in the market and strict control over risk concentration across borrower groups.

Factors shaping changes in the size and structure of the corporate loan portfolio in 2025 included:

- ✓ Increased activity in the energy, transport and industrial sectors, which supported growth in investment lending and working capital financing.
- ✓ Expansion of infrastructure and investment projects, which drove an inflow of large transactions within the corporate segment.
- ✓ Higher liquidity needs of companies as a result of longer settlement cycles and the transformation of supply chains, supporting the development of working capital financing and digital factoring.
- ✓ Development of syndicated lending and joint projects with subsidiaries, enabling the attraction of additional capital and risk sharing in the financing of large-scale initiatives.
- ✓ Active digitalisation of the credit process, including online deal origination and automation of key lending stages.

The corporate client base continued to expand: the number of active corporate clients reached nearly 3,000, including 759 borrowers. The average number of products per corporate client remained consistently high. In 2025, the number of products per active client amounted to 4.5 (4.5 in 2024), among borrowers 5.95 (5.93 in 2024), and among transactional clients 3.99 (3.97 in 2024).

Alongside the growth of the loan portfolio, the Bank recorded sustained growth in non-interest income, which increased by 23%. The strongest positive dynamics were observed in transaction banking, documentary operations and digital products, including factoring as a receivables management tool. In 2025, growth in non-interest income was largely driven by stronger synergies between the Group's key business lines and the continued development of an ecosystem-based approach to client servicing.

Risk Management and Portfolio Quality

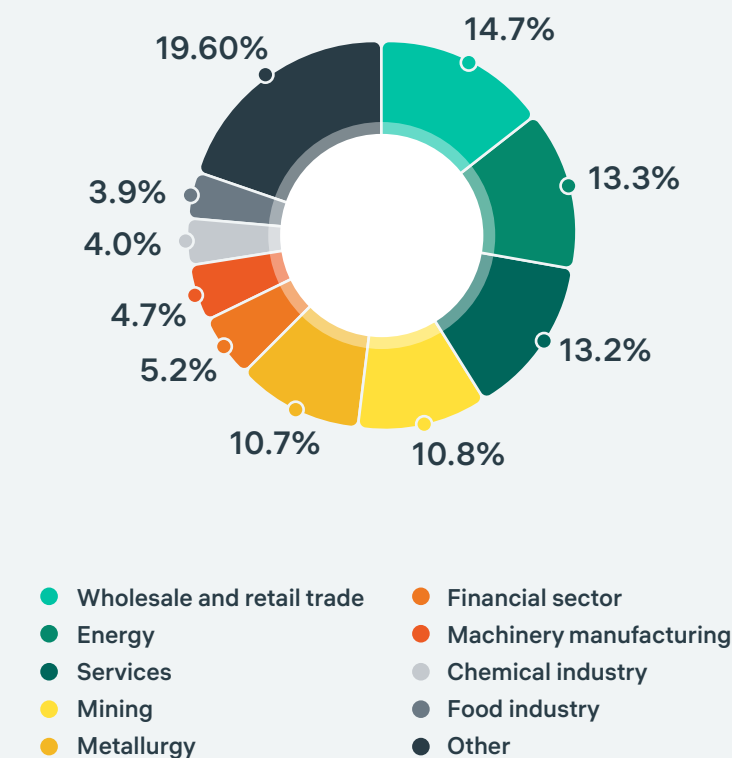
Maintaining one of the highest levels of corporate portfolio quality in the market was the result of a systematic risk management approach, which includes:

- ▶ a prudent credit policy;
- ▶ deep sector-specific expertise;
- ▶ a centralised limit system for groups of related clients and stress testing based on sectoral scenarios;
- ▶ integration of ESG criteria into credit analysis and investment decision-making;
- ▶ extensive digitalisation of processes.

Corporate loan portfolio at year-end, KZT billion

2024		5,974
2025		6,822

Loan portfolio structure, year-end 2025^{1, 2}



¹ Unconsolidated (only of the Bank)

² Without taking into account subsidiary organizations

Corporate loan portfolio quality

	2024	2025
Non-performing loan ratio (past due over 90 days)	1.0%	2.8%
Coverage of non-performing loans (past due over 90 days)	380.8%	111.6%



FACTORING AS A KEY DIGITAL PRODUCT

In 2025, factoring further strengthened its position as one of Halyk Bank's digital solutions, enabling corporate clients to manage receivables efficiently, improve liquidity and mitigate the impact of cash gaps on operating activities.

As at the end of 2025, the volume of factoring services provided amounted to KZT 54.2 billion, representing growth of around 60% compared with 2024. This growth reflects sustained client demand and reinforces the role of factoring within the Bank's transaction and fee-based business.

Within the framework of the classic factoring product, which involves establishing financing limits and providing collateral, the main client sectors remain:

- ▶ petroleum products trading;
- ▶ household and electrical goods trading;
- ▶ and fertiliser suppliers.

These segments are traditionally characterised by substantial turnover, steady contractual cash flows, and a consistent demand for effective working capital management tools.

In 2025, the Bank introduced a digital factoring product for suppliers operating through the public procurement portal. For a significant part of the reporting period, the product was run in pilot mode, during which financing processes and risk assessment parameters were tested and refined.

The selection of the public procurement portal as the core platform was driven by the high level of transparency and reliability of data on government contracts, providing a sound basis for automated risk assessment and financing decision-making. Use

of this infrastructure enables the Bank to reduce operational and credit risks while significantly shortening the timelines for credit review and funding.

The strongest interest in digital factoring was demonstrated by small businesses with relatively modest financing volumes, primarily suppliers of goods and services to social and public sector institutions with regular contractual cash flows. The SME segment shows clear demand for solutions that enable prompt replenishment of working capital.

Factoring remains one of the priority areas for the development of transaction banking and an important tool for supporting the liquidity of corporate clients.

KZT **54.2**  **60%** billion

As at the end of 2025, the volume of factoring services provided

GOVERNMENT SUPPORT PROGRAMMES

Halyk Bank participates in government financing programmes for large businesses through the Development Bank of Kazakhstan (DBK). As at the end of 2025, the loan portfolio under cooperation with DBK amounted to KZT 36.7 billion (Large and Medium-Sized Business). Participation in DBK programmes has enabled the Bank to expand its capacity to provide long-term financing for capital-intensive projects and to support the modernisation of clients' production facilities.

KZT **36.7** billion

As at the end of 2025, the loan portfolio under cooperation with DBK (Large and Medium-Sized Business)

INTERNATIONAL SYNDICATED LENDING

Halyk Bank views syndicated lending as one of the key instruments for supporting large corporate clients and financing capital-intensive projects involving multiple financial institutions. Within such transactions, the Bank also acts as a security agent, delivering structured financing solutions tailored to sector-specific characteristics and borrowers' risk profiles. Structuring and servicing processes are fully integrated into the Bank's digital environment, enhancing transaction transparency and operational efficiency.

In 2025, Halyk participated in international syndicated loan transactions for six corporate clients. Participation in these transactions supported the financing of major investment and infrastructure initiatives and contributed to the strengthening of cross-border ties, particularly in Uzbekistan, which remains a key market within the Bank's corporate banking strategy.

Syndicated lending is an integral element of Halyk's conservative risk approach. Risk sharing among syndicate participants, robust deal structures and the involvement of international partners enable the Bank to maintain high asset quality amid active growth in corporate banking. Looking ahead, Halyk considers the further development of international syndicated lending as a source of sustainable growth, income diversification and a means of strengthening its position in international financial markets.

ESG and Sustainable Development

Halyk views the integration of environmental, social and governance (ESG) factors into its lending activities as an important element of its responsible finance strategy and long-term risk management. In 2025, the Bank consistently deepened ESG approaches in corporate lending, incorporating non-financial factors across all key stages of the credit cycle – from borrower and project assessment to portfolio monitoring.

Environmental, social and governance criteria have become an integral part of credit risk assessment alongside financial indicators. This approach enables the Bank to take into account potential long-term non-financial risks related to environmental impact, social responsibility and the quality of borrowers' corporate governance, while also supporting the formation of a more sustainable and diversified loan portfolio.

The integration of ESG factors was further strengthened through the digitalisation of credit processes. More than 95% of corporate loans were originated in digital format, ensuring transparency, traceability and effective control of ESG parameters at both individual transaction and portfolio levels. Analytical platforms and automated monitoring tools enable the Bank to systematically track the alignment of financed projects with sustainable development principles and to identify potential risks in a timely manner.

The development of lending products is focused on supporting “green” projects and promoting the adoption of sustainable business practices by clients.

KZT **527.8** billion

As at the end of the reporting period, Halyk's sustainable finance portfolio that includes both “green” and social projects

Sustainable financing of corporate clients in 2025 was concentrated in the following sectors:

- ▶ energy, including renewable energy projects;
- ▶ transport infrastructure;
- ▶ energy efficiency and carbon footprint reduction projects;
- ▶ construction of educational institutions;
- ▶ operations of the healthcare sector.

Sustainable development-related investments were one of the drivers of growth in the corporate loan portfolio, alongside infrastructure projects and working capital financing.

In addition to lending, the Bank provided a wide range of transactional services – including trade finance, settlement and cash services, and digital factoring – contributing to greater resilience of clients' business models and more efficient liquidity management.

Overall, the ESG agenda remains a cross-cutting element of the Bank's corporate culture and operating model, supporting the formation of a resilient portfolio, economic development and the strengthening of trust among clients and society.

Outlook and Strategic Priorities

Going forward, Halyk Bank plans to focus on improving the quality of its corporate portfolio, achieving sustainable growth in lending volumes and revenues, further enhancing the quality of client service, and deepening the digitalisation of processes. An important role in the implementation of the strategy will be played by the adoption of generative AI-based solutions and the further integration of ESG approaches into lending and risk management. Taken together, these priorities form the foundation for the long-term sustainable growth of the Bank’s corporate business and the creation of additional value for clients and investors.

Small and Medium-Sized Enterprises

In 2025, Halyk Bank’s strategy in the small and medium-sized enterprise (SME) segment was focused on a transition from traditional lending towards the development of a digital ecosystem for entrepreneurs.

Key priorities included strengthening the R&D function, developing proprietary digital platforms, and integrating the digital tenge into SME lending processes. The Bank also focused on improving access to financing, expanding guarantee instruments, and simplifying access for micro and small businesses to government support programmes, as well as on fostering the fintech community and enhancing entrepreneurs’ digital capabilities.

In 2025, the SME loan portfolio increased by 19.7% to KZT 2,294 billion, while total SME lending grew by 11.1%, reaching KZT 2,720 billion. At the same time, the number of loans increased by 26% to 102.2 thousand. The Bank expanded preferential lending terms and guarantee instruments, which supported higher business activity among SMEs. A steady increase in the deposit base was also observed, with the volume of deposits and current account balances rising from KZT 2,392.2 billion to KZT 2,562.4 billion in 2025.

At year-end, the Bank was recognised as the best bank in Kazakhstan in the Business Financing category by SME Banking Agency, confirming its leading position in financing the real sector of the economy.

Number of loans per year, thousands



Deposits and current account balances, KZT billion



SME loan portfolio, KZT billion



SME lending volume, KZT billion





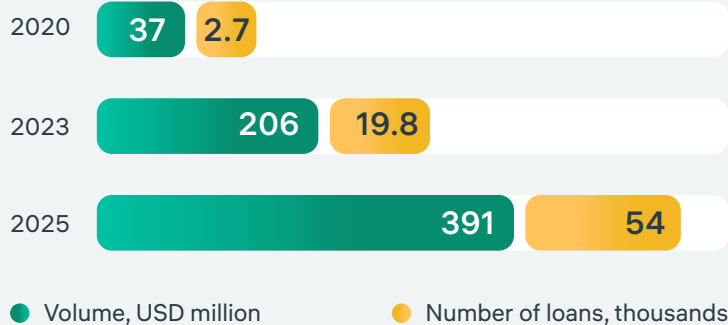
DEVELOPMENT OF DIGITAL LENDING

Halyk Bank continues to consistently develop digital lending for small and medium-sized enterprises, providing entrepreneurs with fast access to financing through a fully online process without the need for collateral or paper documentation. All stages of loan origination – from application submission to contract signing – are carried out remotely using electronic digital signatures, while credit decisions and disbursement of funds can take up to 10 minutes.

Digital lending dynamics

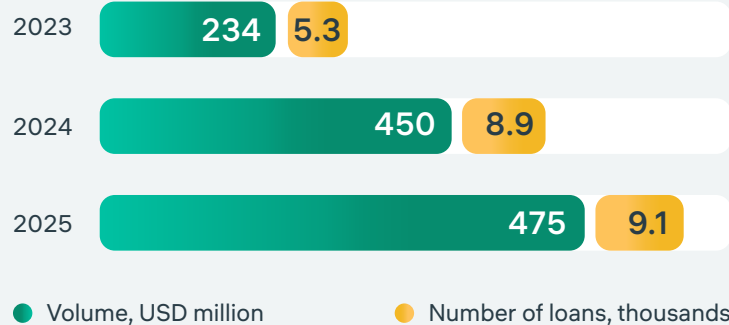
Individual entrepreneurs (IEs)

Number of digital loans issued to individual entrepreneurs



Limited liability partnerships (LLPs)

Number of digital loans issued to LLPs



+67,504

unique business entities

+7,098

unique companies

Decision-Making Model (Digital Scoring)

A core element of digital lending is the Bank's proprietary Digital Scoring system, based on credit risk assessment models, including:

- ✓ calculation of a risk-adjusted interest rate;
- ✓ models, including:
 - ▶ PD (Probability of Default);
 - ▶ EAD (Exposure at Default);
 - ▶ LGD (Loss Given Default);
 - ▶ Expected Loss (COR / EL);
 - ▶ Anti-fraud model.

Digital loans are fully integrated into the Onlinebank service ecosystem, where clients can submit applications, receive credit decisions, sign documentation and manage repayment schedules. In addition, financing can be accessed through the invoicing service, under which funds are automatically transferred to the supplier upon loan approval.

Currently, 93% of SME loans are originated in digital format, demonstrating a high level of process digitalisation. Going forward, the Bank plans to continue developing digital solutions and to apply generative artificial intelligence technologies to enhance the efficiency of credit processes, including within the offline lending segment.

Digital lending products for businesses launched in 2025:

up to USD **550** thousand

January 2025 – digital leasing
for limited liability partnerships (LLPs)

up to USD **550** thousand

May 2025 – digital factoring
for limited liability partnerships (LLPs)

up to USD **200** thousand

December 2025 – digital leasing
for individual entrepreneurs

ONLINEDUKEN

ONLINEDUKEN PLATFORM

The OnlineDuken platform is the Bank's digital B2B ecosystem aimed at supporting the development of small and medium-sized enterprises in the retail trade segment, as well as digitalising interactions between retail outlets and distributors.

In 2025, the platform entered the scaling phase and became one of the Bank's key infrastructure tools for serving the retail trade sector.

As at the end of 2025, the financial performance of convenience stores using the OnlineDuken platform demonstrated significantly higher efficiency: their results exceeded those of Bank clients' stores not connected to the platform by more than 40%. This substantial gap confirms that the availability of an ecosystem-based solution not only makes existing clients more active but also ensures a sustainable inflow of new ones, increasing their engagement with a wide range of banking products and services. Accordingly, OnlineDuken serves as a key tool for the development and scaling of client businesses, while also strengthening their integration into the Bank's ecosystem.



Key results for 2025

14.7 thousand

Number of connected stores

631,670 units

Number of orders / payments

105 units

Number of integrated distributors

KZT 86.7 billion

GMV



GOVERNMENT SUPPORT PROGRAMMES FOR SMEs

In 2025, Halyk Bank continued its participation in the implementation of government programmes to support entrepreneurship in the Republic of Kazakhstan, using subsidy, guarantee and preferential funding mechanisms. The Bank secured leading positions in terms of the volume of funds allocated, as well as the number and aggregate value of concluded agreements.

1

SUBSIDY PROGRAMMES (DAMU ENTREPRENEURSHIP DEVELOPMENT FUND DATA)

✓ Micro and Small Enterprises

As at the end of 2025, under programmes supporting micro and small enterprises through subsidy mechanisms:

- 365 projects were implemented;
- the total amount of financing reached KZT 12.47 billion.

✓ Small, Medium and Large Businesses

Under other areas of the Entrepreneurship Support Programme:

- 427 projects were subsidised for a total amount of KZT 104.49 billion.

2

PORTFOLIO GUARANTEE SCHEME

✓ In April 2025, the Bank signed an agreement with the Damu Entrepreneurship Development Fund to implement the Guarantee Fund 1 programme under a portfolio guarantee framework.

✓ As at 31 December 2025:

- 691 projects were financed;
- financing volume amounted to KZT 159 billion;
- guarantees provided totalled KZT 86 billion.

3

“ORLEU” PROGRAMME

✓ In 2025, the Bank entered into an agreement with the Damu Fund under the Örleu conditional funding placement programme, aimed at financing micro, small and medium-sized private enterprises.

✓ Key parameters of the programme:

- amount of funding raised – KZT 97 billion;
- repayment period – up to 2033;
- interest rate for end borrowers – 12.6% per annum, subject to compliance with programme requirements;
- funding mix – 45% / 55%;
- financing provided to SME clients totalled KZT 210 billion.

4

SUPPORT FOR THE AGRO-INDUSTRIAL COMPLEX

✓ “Ken Dala” Programme

The Bank participates in the Keñ Dala government programme implemented by Agrarian Credit Corporation JSC, aimed at financing spring fieldwork and harvesting activities.

✓ In 2025:

- 160 projects were financed for a total amount of KZT 70 billion.

✓ Additionally, in December 2025:

- preparation for spring fieldwork and harvesting in 2026 was financed across 104 projects for a total of KZT 33 billion;
- under the Agrobusiness programme, 14 projects were financed for a total of KZT 6 billion (working capital financing in the processing industry).

5

OTHER SUPPORT PROGRAMMES

✓ Throughout 2025, the Bank continued to implement other programmes aimed at supporting entrepreneurship in Kazakhstan, including programmes supporting SMEs operating in the manufacturing and services sectors.

HALYK BANK PROGRAMMES TO SUPPORT WOMEN’S ENTREPRENEURSHIP

Halyk Bank traditionally maintains a strong focus on implementing its own programme to support women-owned businesses, under which financing is provided to individual entrepreneurs and legal entities with women holding at least 50% of the ownership interest.

In March 2025, the Bank relaunched the programme, funding mix. Under the renewed phase, the terms were improved: the maximum loan amount was increased to KZT 30 million, the interest rate was set at 9% per annum and the financing tenor was extended to up to five years.

In October 2025, Halyk Bank additionally allocated KZT 600 million to finance participants of the global She’s Next initiative, implemented in partnership with the payment technology company Visa. Lending under this initiative is provided on the following terms: interest rate of 9% per annum, maximum loan amount of KZT 30 million, and tenor of up to five years.

As at the end of 2025, 39 entrepreneurs were financed under the programme for a total amount of

KZT **970** million

Lending under the programme is carried out in three financing phases:

- 1 1 October – 31 December 2025 – for 30 finalists of the Visa She’s Next 2025 initiative;
- 2 1 January – 27 February 2026 – for all participants of the Visa She’s Next 2025 initiative;
- 3 1 March – 1 May 2026 – for all women entrepreneurs in the small business segment, including founders, regardless of participation in the initiative.

ENGAGEMENT WITH THE ENTREPRENEURIAL COMMUNITY AND ESG AGENDA

During the reporting period, Halyk Bank continued its active engagement with entrepreneurs across all regions of Kazakhstan. As part of this effort, a series of business breakfasts was held in a number of cities nationwide. During these meetings, the Bank presented its financial results and key performance indicators for the previous year, and informed clients about new products and solutions. Particular attention was given to issues of information security, as well as modern lending and transactional instruments for small and medium-sized enterprises.

To increase awareness among medium-sized business borrowers of ESG issues and the importance of sustainable development principles, the Bank developed a presentation entitled “A Sustainable Future: An ESG Guide”. Based on this material, training seminars were conducted for medium-sized business clients across all Halyk Bank branches, aimed at fostering an understanding of sustainable development principles and their integration into business activities.

DEVELOPMENT OF THE INDIVIDUAL ENTREPRENEURS SEGMENT

Individual entrepreneurs remain a priority segment for the Bank. This segment is characterised by rapid growth and a high demand for financing to support business expansion, which drives sustained demand for lending products. In addition, engagement with this segment contributes to further diversification of the loan portfolio.

Modern digital tools, such as mobile applications and online banking, are of particular importance for individual entrepreneurs. Process automation enables a significant reduction in the cost of business servicing.

In 2025, the key focus in developing digital solutions for individual entrepreneurs was placed on improving the profitability and quality of the loan portfolio while simultaneously increasing lending volumes.

Priority Areas

- ✓ **Supply chain financing** – supported by transparent cash flows and the involvement of anchor companies, this segment demonstrates consistently strong portfolio quality.
- ✓ **Lending to acquiring sole proprietors** – the use of acquiring data has accelerated credit decision-making, further improved the portfolio risk profile and increased access to financing.
- ✓ **Refinancing of digital loans** – in 2025, the Bank introduced the option to refinance liabilities with other banks and previously issued digital loans, aimed at reducing debt burden and attracting additional financing.

Support for Social Infrastructure

The Bank provided financing for projects aimed at the development of social infrastructure, including the construction of educational and healthcare facilities.

In particular, financing was provided for the construction of a comprehensive secondary school in the Almaty Region. The project is designed to accommodate 2,000 students per shift (up to 4,000 places under a two-shift model).

In addition, the Bank financed the completion of a 350-bed hospital, including a 50-bed rehabilitation centre, as well as a polyclinic with a capacity of up to 1,000 patient visits per shift in the Akmola Region.

The planned number of patients covered by the new healthcare facility is approximately 70,000 people.

The implementation of these projects contributes to job creation, generating around 250 jobs during the construction phase and approximately 950 jobs during the operational phase of the facilities.



Digital Transformation and Technology

DIGITALISATION OF CREDIT PROCESSES

At the end of 2025, the Bank implemented a new credit process for corporate and mid-market clients, covering traditional secured lending with a full set of supporting documentation. The deployment of artificial intelligence and data science solutions became a key technological priority for the year.

Key technological solutions included:

- ✓ automated reading and analysis of financial statements (data extraction);
- ✓ intelligent processing of management and accounting information;
- ✓ digitisation of collateral documentation for valuation and legal review purposes;
- ✓ automated collection of data from internal and external sources;
- ✓ generation and pre-population of analytical and expert opinions (data interpretation).

Previously, this process was characterised by lengthy application review timelines (up to 1–2 months) and a high proportion of manual work. The introduction of AI-based solutions enabled the Bank to significantly reduce review times, decrease the operational workload on specialist teams and increase the throughput of the credit process.

In parallel, the Bank scaled digital lending in the small business segment. In place of the labour-intensive financial analysis methodology used previously, a simpler and more technology-enabled approach was

introduced, based on sector benchmarks developed using the Bank's own historical data. The new approach reduced the volume of documents requested, minimised manual analysis and improved both the speed and consistency of credit decisions.

Throughout 2025, the Bank also continued automation of existing credit processes, including automated overdue notifications, the creation of a centralised database of terms for credit lines and automation of tranche disbursements within approved limits. In addition, security service checks for standard cases within established limits were fully automated, further reducing application processing times and lowering operational risks.

In 2026, the Bank plans to further develop digital lending by automating decision-making processes of authorised bodies, introducing fast-track credit analysis and expanding the use of AI for the processing and consolidation of financial and collateral documentation.

AI AND DATA SCIENCE IN B2C AND B2B BANKING

The Bank is implementing a systematic approach to the adoption of artificial intelligence (AI) and data science across client-facing, operational, risk-related and corporate processes.

The objective is to establish a data-driven management model, increase client value and enhance overall efficiency.

AI initiatives are structured by key banking functions and technology types:

Generative AI is used for content personalisation, intelligent document processing, report generation, automation of communications and support of client service and software development.

Predictive AI is applied to forecasting client behaviour, managing credit and operational risks, dynamic pricing, identification of Next Best Offer as well as predicting customer engagement and lifetime value

Combined Generative and Predictive AI solutions are utilized in advanced scoring models, personalised onboarding, optimisation of payment processes and management of client experiences.

Within credit and compliance processes, AI enables automated preparation of credit opinions through the use of local LLM/VLM models, OCR and RAG architectures, reducing expert review time, lowering manual workload and improving analytical quality. In compliance monitoring of foreign currency transactions, AI solutions support daily risk checks and significantly accelerate Time to Value compared to manual procedures.

The Bank is also developing internal AI initiatives and HR solutions, including monitoring of customer complaints and employee retention analytics.

In addition, the Bank is deploying AI assistants and intelligent assistants, including voice bots, AI-powered support centres, assistants for navigating internal data bases, code generation and development automation. These solutions help accelerate request processing, enhance employee productivity and provide faster access to information and services.

Overall, the implementation of AI and data science contributes to higher operational efficiency, stronger risk control, lower regulatory losses and a transition towards data-driven management of products and portfolios. As a result, these technologies serve as strategic drivers of growth and competitive advantage, strengthening business resilience and improving the quality of client services.

Group Ecosystem Solutions and Services¹



HALYK MARKET

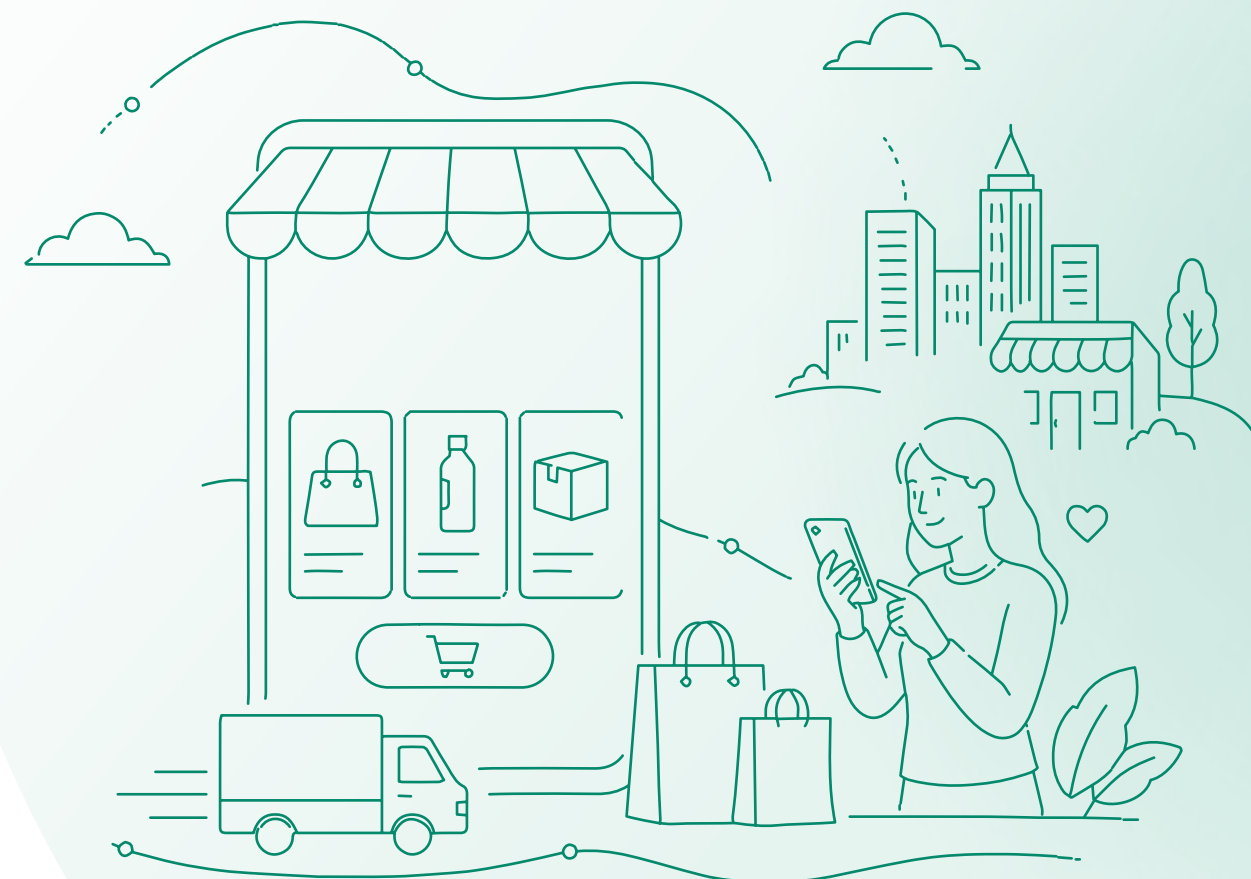
Halyk Market is a key digital channel for the development of entrepreneurship within the Halyk Bank ecosystem, providing partners with opportunities to scale sales through an online platform and gain access to the Bank's extensive client base.

The platform combines payment, financial and logistics infrastructure, enabling nationwide delivery across the Republic of Kazakhstan and offering transparent and competitive terms for merchants.

Integration with the Halyk Bank ecosystem allows partners to leverage a wide range of financial and marketing tools. The most popular remain lending and instalment programmes for customers, which help to increase product accessibility, boost conversion rates and raise the average transaction value, as well as bonus and loyalty programmes designed to encourage repeat purchases.

The development of the platform is accompanied by consistent digitalisation of business processes. A unified digital interface automates key partner operations – from onboarding and assortment management to order processing and financial settlements – enhancing process transparency, accelerating product listing on the online storefront and simplifying sales management.

In 2025, the development of Halyk Market was focused on expanding logistics infrastructure and improving the quality of customer service. During the year, a parcel locker network was launched and a sorting centre was opened, which increased logistics capacity and accelerated nationwide delivery. In addition, development commenced for Halyk Fresh, a business line targeting the online grocery sales segment.



¹ Data for the section “Group Ecosystem Solutions and Services” are presented on an unconsolidated basis (Bank-level).



HALYK FINSERVICE JSC

Halyk Finservice JSC is a member of the Halyk Group, specialising in the provision of operational and support services for financial institutions. The company delivers a comprehensive range of services supporting banking and financial processes, including transaction processing, development and maintenance of IT systems and servicing of digital solutions, thereby enhancing the efficiency and reliability of the Group's operations.



HALYK COLLECTION LLP

Halyk Collection LLP, the largest provider of cash-in-transit (CIT) services in the Republic of Kazakhstan, continued to strengthen its market position and demonstrate sustainable growth in both operational and financial performance.

The company's key achievements include industry and public recognition, growth in operational indicators and its client base, as well as the preservation of its leading market position. Based on the results of 2025, the company was recognised as the best service provider in the industry and became the winner of the business nomination "Company of the Year – 2025" for its contribution to the development of the cash-in-transit services market and the country's socio-economic well-being.

During the year, 205 new clients were acquired, servicing 759 facilities, which increased revenue under these contracts to KZT 294 million, compared with KZT 86 million in 2024. This growth reflects active expansion of the client base and improved operational efficiency. The company also continued to maintain its leading position in the cash-in-transit segment due to its extensive regional network, comprising 54 structural units providing services across the entire territory of the Republic of Kazakhstan.

Based on the results of 2024–2025, the pilot project for cash servicing of ATMs on suburban routes was recognised as successful. ATM cash servicing is performed by personnel of Halyk Collection LLP, which made it possible to reallocate bank cashiers to core cash operations. During the same period, the company's branches also serviced ATMs equipped with KABA electronic locks without the involvement of Bank cashiers across 12 remote units, using specialised three-person cash-in-transit teams.

In 2025–2026, subject to agreement with the Bank, the project is expected to be scaled up on a phased basis through the planned replacement of mechanical locks with KABA electronic locks and the transfer of ATMs to independent cash-in-transit servicing as they become technically ready. Implementation of this approach will make it possible to scale cash-in-transit services, increase the autonomy of self-service device servicing, reduce the Bank's operating costs and expand the range of cash-collection services to a broader network of ATMs and payment terminals.

Halyk Collection LLP consistently maintains a high level of reliability, security and client trust, supported by the following key factors:

- Compliance with international standards and best practices.** As part of cooperation with international logistics and insurance companies, the company's operations are regularly subject to independent inspections.
- Financial stability and transparency.** The company's financial statements are audited annually by an international audit firm, confirming the transparency of its financial processes.
- Technological development and operational efficiency.** The company applies modern technical solutions and industry best practices, ensuring high-quality services in cash transportation, client support and servicing of self-service devices.
- Extensive geographic coverage.** The company's services are provided throughout the entire territory of the Republic of Kazakhstan.



HALYK LEASING JSC

Halyk Leasing JSC is a leasing company within the Halyk Group, providing corporate clients with financial leasing services for the acquisition of equipment, machinery and vehicles, thereby supporting the modernisation of production capacities and business development. Financing is provided using funds from Halyk Bank, as well as through participation of the Damu Entrepreneurship Development Fund and Industry Development Fund JSC.

In 2025, Halyk Leasing JSC financed a wide range of machinery and assets. The largest shares by number of leased assets were:

- ✓ Passenger vehicles – 37.74%;
- ✓ Commercial vehicles – 26.70%;
- ✓ Specialised machinery – 21.57%;
- ✓ Electric vehicles – 9.11%.

The remaining share comprised buses, equipment, trailers and municipal machinery. The portfolio structure reflects stable demand from businesses for transport and specialised assets.

The client base remains diversified, covering key sectors of the economy.

Based on the results of 2025, the company demonstrated strong growth:

- ▶ the leasing portfolio increased by 69%;
- ▶ the number of clients increased by 50%;
- ▶ the number of contracts concluded increased by 45%.

A key element of the digital transformation was the Digital Leasing online platform, integrated with the Halyk Bank ecosystem, which enabled a transition to a fully digital customer journey. The platform allows clients to complete the entire process – from selecting equipment to signing contracts – remotely reducing deal processing time from 10–14 business days to approximately 10 minutes through the automation of checks, scoring and digital document management. Furthermore, integration with the Kolesa.kz platform was completed, and the first leasing equipment marketplace in the Republic of Kazakhstan was launched.

In 2026, Halyk Leasing JSC plans to continue digitalisation and business scaling within the Halyk ecosystem, with a focus on developing digital sales channels, expanding leasing through the Bank's branch network and supplier partners, further development of the specialised equipment marketplace, improving customer service quality and launching new leasing areas, including equipment, commercial real estate, used machinery and railway rolling stock.



KAZTELEPORT JSC

Kazteleport JSC provides corporate clients with IT infrastructure, cloud and cybersecurity services, including equipment colocation in data centres, cloud computing resources and information security solutions. The company's strategy is focused on expanding its cloud services and information security product portfolio, developing a cloud services marketplace and digital sales channels, strengthening synergies within the Halyk Group and expanding its presence in the Republic of Uzbekistan market.

In the small and medium-sized enterprise segment, the company develops a range of digital services, including:

- ✓ OnlineSecurity – a secure remote access environment that enables clients to work safely with OnlineBank, accounting systems and government information resources;
- ✓ Cloud-based 1C, providing access to accounting and reporting systems without the need to deploy in-house IT infrastructure. This model lowers the entry barrier for small businesses and makes IT costs more predictable;
- ✓ SmartDrive – cloud file storage for secure storage and collaborative work with corporate documents;

- ✓ SmartCloud.kz – a self-service portal that allows clients to independently connect to and manage cloud services.

In 2025, the company continued to develop its infrastructure: construction of a Tier III data centre with a capacity of 100 racks was launched in Astana, in Almaty a 30-rack data centre was commissioned and a decision was taken to build an additional 60-rack data centre. The GPU Cloud service was also launched, based on B200, H100 and RTX6000 PRO graphics accelerators.

In the field of cybersecurity, the service portfolio was expanded to include an affordable Firewall solution based on FortiGate for the SME segment, as well as information security stress-testing services. The company also supports the implementation of the Halyk Group's information security strategy by providing solutions for network and web resource protection, DDoS mitigation and services of a Security Operations Centre (SOC) for monitoring and incident response.

In 2026, further development of GPU services and the Cloud Managed Platform on the SmartCloud.kz portal is planned, including the implementation of OpenStack virtualisation, expansion of PaaS services and integration of third-party solutions.

Insurance Solutions for Legal Entities

Comprehensive insurance solutions for corporate clients within the Halyk Group are delivered through Halyk Insurance Company and Halyk Life, providing effective risk management and long-term financial stability for businesses.



HALYK INSURANCE JSC

Halyk Insurance, a member of the Halyk Group ecosystem, provides legal entities with a broad range of comprehensive insurance solutions aimed at protecting businesses and mitigating financial risks. The offered programmes cover key areas of corporate insurance and are tailored to reflect the scale of operations, industry specifics and individual risk profiles of each client.

Corporate clients have access to the following types of insurance:

- ✓ Comprehensive property insurance for enterprises (buildings, facilities, equipment, inventories);
- ✓ Corporate motor insurance, including fleet insurance;
- ✓ Third-party civil liability insurance;
- ✓ Cargo and logistics risk insurance;
- ✓ Mandatory and voluntary employee insurance programmes;
- ✓ Industry-specific and specialised programmes, including construction and installation risk insurance, business interruption insurance and terrorism risk insurance.

All insurance products can be structured as tailored packages, taking into account the nature of the client’s operations, business scale and overall risk exposure.

Key developments in 2025 included the receipt of ISO 27001 information security certification, the launch of a new product in the Kazakhstan market – imputed civil liability insurance for owners of facilities with mass public attendance (with an area exceeding 2,000 m²), aimed at protecting the life, health and property of visitors, as well as the transition to electronic signing of insurance contracts using the Documentolog system.

To strengthen its position in international markets, Halyk Insurance annually confirms and improves its financial strength ratings. As at today, the company holds the following ratings:

AM Best	B++
Fitch	BBB
Moody’s	Baa2

As part of its digital transformation, Halyk Insurance is implementing modern technological solutions for corporate clients, including online origination and servicing of insurance contracts via digital insurance pool platforms, electronic document management using qualified electronic signatures and the further development of remote communication channels with corporate clients.

In 2025, drawing on the experience of international partners, the company introduced digital execution of reinsurance contracts, which enabled faster processing and optimisation of administrative workflows.

The development of international inward reinsurance at Halyk Insurance began in late 2020. Since that time, the volume of reinsurance premiums has increased from USD 1 million to USD 116 million in 2025.

The geography of cooperation now covers almost the entire world, including North America, Europe, Asia, Africa and other regions. In 2025, the reinsurance portfolio was expanded through contracts originating from India, China, European countries, the United States, the United Kingdom, Türkiye, and other jurisdictions.

The company cooperates with leading international insurance brokers and reinsurers, including AON, Marsh, Howden, Guy Carpenter, Consilium, Triglav, Sava, Rokstone, Pinnacle and others.



HALYK LIFE

Halyk Life offers corporate clients a range of life and health insurance programmes for employees, aimed at providing social protection for personnel and reducing employers' risks.

Key Corporate Insurance Programmes

1

Mandatory Accident Insurance for Employees

This programme is intended for employers and provides insurance coverage for employees while performing their work-related (official) duties, in accordance with statutory requirements.

2

Group (Collective) Life Insurance

This programme provides insurance coverage for a group of employees under a single contract and offers insurance benefits in the event of insured events, including death, loss of work capacity and other risks specified in the policy terms.

3

Voluntary Accident Insurance

This programme is designed for employers and provides insurance payments upon the occurrence of an insured event, including loss of professional work capacity at levels ranging from 5% to 29%, depending on the degree of impairment.

4

Group Personal Accident Insurance

A voluntary insurance programme covering a group of insured persons, typically company employees, under a single contract. The programme provides insurance payments in the event of insured events, including death as a result of an accident and the establishment of Disability Groups I, II or III.

In 2025, Halyk Life introduced a mechanism for the payment of insurance dividends under pension annuity contracts, which strengthened the company's position as a reliable financial partner and enhanced the competitiveness of this product. The insurance dividend mechanism ensures transparency of financial operations, protection of clients' interests and full compliance with regulatory requirements. This approach received market support and was subsequently adopted by other life insurance market participants.

In addition, in 2025, the terms of the Mixed Life Insurance product Halyk Kazyna were improved, including changes to insurance tenors and an increase in the yield offered to clients. These enhancements increased the flexibility and attractiveness of the product, positively impacted sales dynamics and ensured closer alignment with client expectations.



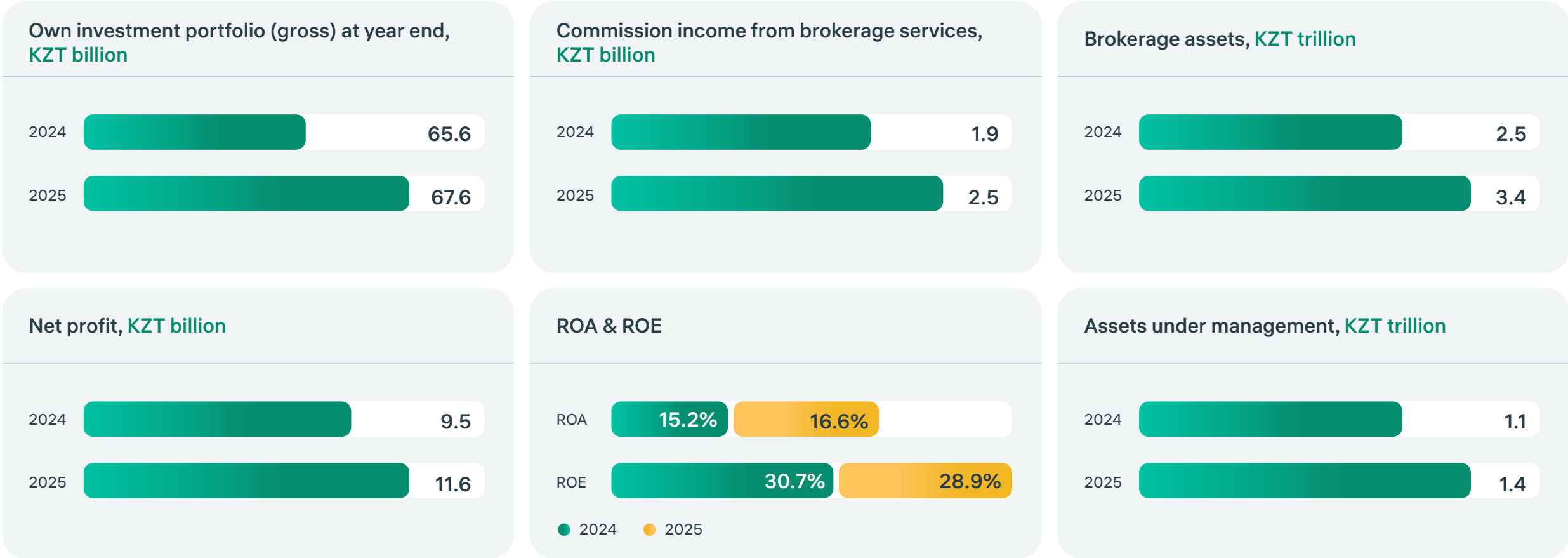
Capital Management¹



HALYK FINANCE JSC

Halyk Finance JSC is a leading investment company in the Republic of Kazakhstan, providing a full range of investment banking services, including brokerage services, asset management, capital markets and equity analysis, financial advisory, underwriting and pension asset management.

In 2025, Halyk Finance JSC actively developed all key business lines, maintained its leading positions in asset management and investment banking, and, for the first time, ranked among the Top 3 brokers within the jurisdiction of the Agency for Regulation and Development of Financial Market (ARDFM) by commission income.



¹ Data presented in the section “Capital Management” are disclosed on an unconsolidated basis (Bank-level).

Capital Management

At the end of the year, Halyk Finance achieved a record financial result: net profit amounted to KZT 11.6 billion, representing a 22% increase year-on-year. Commission income from brokerage services grew by 29.9% to KZT 2.5 billion, with a market share of 15.7%. The volume of client assets under brokerage servicing exceeded KZT 3.4 trillion. Transaction volumes processed via the mobile application reached KZT 78.4 billion, increasing by 38.3%.

The company's assets under management reached KZT 1.4 trillion, with a market share exceeding 70%, confirming Halyk Finance's leadership in this segment. The company also retained its position as the largest private pension asset manager and a leader in long-term performance: the volume of pension assets under management exceeded KZT 50 billion, while the average annual return for 2023–2025 amounted to 14.4%.

In the investment banking segment, Halyk Finance maintained its status as the largest arranger of bond issuances in the local market. According to Cbonds (Financial Market Data Hub), the volume of market bond issuances arranged by the company amounted to KZT 1.4 trillion, while the total volume of all bond issuances reached KZT 2.3 trillion.

Among the largest transactions of the year were the USD 4 billion Eurobond placements of the Ministry of Finance of the Republic of Kazakhstan, the Development Bank of Kazakhstan and Baiterek Holding, as well as the largest secondary equity offering by a Kazakh issuer – Halyk SPO totalling USD 475.4 million.

The company's strong performance was recognised by a number of international and industry awards. In 2025, Halyk Finance was recognised as:

- ✓ Best Investment Bank in Central and Eastern Europe Equity Capital Markets by EMEA Finance;
- ✓ Best Investment Bank in Local Currency Bond Markets by EMEA Finance;
- ✓ Best Debt House in Kazakhstan by EMEA Finance;
- ✓ Best Broker in Kazakhstan by EMEA Finance;
- ✓ Best Investment Bank in Kazakhstan by EMEA Finance;
- ✓ Best Investment Bank in Kazakhstan by Global Finance (February 2026, for 2025 performance);
- ✓ Best Investment Bank in Kazakhstan and Best Asset Management Company in Kazakhstan by Cbonds, which also recognised the company for Best Bond Market Analytics;
- ✓ The Kazakhstan Stock Exchange (KASE) and Astana International Exchange (AIX) also presented Halyk Finance with several professional awards, including recognition as Equity Market Leader, Bond Underwriter of the Year and Best Financial Adviser;



IFR named the Eurobond issuance of Development Bank of Kazakhstan JSC, denominated in offshore Chinese yuan, as the Best Yuan-Denominated Bond Issued Outside Mainland China in 2025. Halyk Finance received this award jointly with the issuer and the syndicate of coordinators and bookrunners.

The company's strategic development priorities are focused on the further expansion of brokerage services in the premium segment and the development of digital trading platforms for corporate clients.

Alongside the enhancement of digital services for retail clients, the company plans to expand internet trading systems for legal entities. It is expected that as early as 2026, approximately 30% of corporate client transactions will be executed via the online trading platform. In light of growing client interest in Islamic finance instruments, Halyk Finance also plans to attract approximately USD 10 million in new client assets to this segment.

Synergies within the Halyk Group remain a key growth driver, enabling the company to offer clients investment solutions with returns above deposit rates, manage assets of Group companies and act as an underwriter for the Bank's debt instrument placements.



HALYK GLOBAL MARKETS JSC

Halyk Global Markets JSC is a subsidiary of Halyk Bank engaged in brokerage and dealer activities, providing clients with access to global financial markets and a wide range of investment instruments.

KZT **8.8** billion

As at year-end, the company's own investment portfolio (gross) amounted

International Banking Business Development¹



TENGE BANK JSCB

Tenge Bank JSCB is a subsidiary bank of the Halyk Group in the Republic of Uzbekistan, operating as a universal bank and focused on serving corporate clients, small and medium-sized enterprises, as well as the retail segment.

Based on the results of 2025, Tenge Bank demonstrated strong performance, confirming the consistent implementation of its digital transformation strategy and the strengthening of its position in the financial market of Uzbekistan.

Key events of the reporting year:

- ✓ May 2025 – launch of digital car lending (the first fully online product in the Uzbekistan market);
- ✓ May 2025 – signing of a memorandum with UzAuto Motors covering car lending programmes with a cashback mechanism;
- ✓ November 2025 – opening of a new head office at Nest One. Investments in the project amounted to USD 35 million, reflecting the Bank’s long-term strategy for technological development and improved operational efficiency.

Financial and Operational Performance

Retail Business

During the reporting period, the Bank’s retail loan portfolio increased by UZS 324 billion representing growth of 31%. The deposit portfolio reached UZS 1,163.3 billion, while the number of clients with opened accounts grew by 47% to 1,179.6 thousand. In addition, 108 online car loans were issued, totalling UZS 5,687,720 thousand, confirming the success of the product’s digitalisation. These indicators demonstrate that business scaling was achieved not only through growth in the average ticket size, but also through the active acquisition of new clients. A significant volume of microfinance lending provided additional positive support to interest income and improved the margin of the retail segment.

Small and Medium-Sized Enterprises (SMEs)

The SME segment became one of the key growth drivers:

- ✓ The SME loan portfolio increased by UZS 189 billion (+100%), demonstrating a twofold growth.
- ✓ The online loan portfolio for individual entrepreneurs increased tenfold, from UZS 13,324,209 thousand to UZS 127,681,845 thousand.
- ✓ The number of SME clients grew from 338 to 1,642, representing an increase of 336%.

The nearly tenfold growth in online lending to individual entrepreneurs confirms strong demand for remote solutions and the effectiveness of the chosen digital model. The structural shift towards online disbursements reduces operating costs and enhances business scalability.

Transaction Business

- ✓ Based on the results of 2025, Tenge Bank’s transaction business demonstrated sustained positive dynamics across its key indicators. Fee and commission income increased from UZS 23 billion to UZS 31.8 billion (+38%), driven by expansion of the client base and higher transaction activity. Dealing operations volume grew from UZS 120 billion to UZS 135 billion (+12.5%).
- ✓ The number of the Bank’s clients increased from 7.7 thousand to 14.4 thousand, which also contributed to a 78% increase in MAT. Within the funding structure, term deposits grew from UZS 603 billion to UZS 684 billion (+13%), while current deposits decreased from UZS 1,594 billion to UZS 724 billion, reflecting a shift in the funding mix towards more stable term resources.

¹ Data presented in the section “International Banking Business Development” are disclosed on an unconsolidated basis (Bank-level).

Development of Digital Services

2025 marked a period of intensive digitalisation. The following products were launched:

- ✓ Tez QR (March 2025)
- ✓ Digital Car Loan (May 2025)
- ✓ Currency Deposit (May 2025)
- ✓ Payment by Bank Details (September 2025)
- ✓ Unified QR (December 2025)

Tenge Bank's priorities have been defined across the following strategic areas:

- ✓ Further development of retail lending and micro and small business financing;
- ✓ Scaling digital lending products for individual entrepreneurs;
- ✓ Increasing the share of noninterest income through feebased and transactional products;
- ✓ Expanding the volume of crossborder transfers between the Republics of Uzbekistan and Kazakhstan;
- ✓ Strengthening regional presence and digital integration.

A strong focus on digital products enhances operational efficiency and reduces the cost-to-income ratio. Overall, 2025 can be characterised as a stage of scaling the digital business model and strengthening the Bank's position in strategically priority segments.



HALYK BANK GEORGIA JSC

Halyk Bank Georgia JSC is a commercial bank operating in the financial market of Georgia, focused on serving corporate clients in the small and medium-sized business segment, as well as retail customers. The Bank consistently develops its digital channels and branch network, expanding its presence in international financial operations.

Key performance results for 2025:

- ✓ During the reporting period, the Bank demonstrated an accelerated growth pace of its loan portfolio. The loan portfolio increased by 30%, which is twice the average market growth rate of the Georgian banking sector (15%).
- ✓ In 2025, the Bank successfully completed the implementation of a new noncash payments module based on the international ISO 20022 standard within the SWIFT system.
- ✓ The Bank implemented and automated the "Auto Installment" product within its core banking system.

Development of Digital Services and Service Channels

In 2025, the Bank continued its digital transformation and the development of remote service channels. Over the course of the year, a number of key initiatives were implemented, including the introduction of functionality for intrabank foreign currency transfers via personal and mobile phone numbers in remote service channels. As part of the development of Open Banking, remote onboarding of individuals via APIs of other banks was also implemented, enabling customers served by thirdparty banks to register with the Bank through a simplified remote process. In addition, synchronisation between the Colvir information system and Dashboard software was introduced, ensuring the simultaneous setting and updating of foreign exchange rates.

Financial Results and Performance Dynamics

Based on the results of 2025, the Bank demonstrated sustainable financial growth and a positive trend across its key performance indicators:

- ✓ Total assets increased by 21% and amounted to GEL 1,108 million as at the end of the reporting year;
- ✓ The loan portfolio grew by GEL 229 million, or 30%, reaching GEL 1,002 million. Growth was driven by both the business segment (+32%) and the retail segment (+21%);

- ✓ Client funds increased by 26% to GEL 296 million;
- ✓ Net income rose by 8.4% to GEL 22 million;
- ✓ Loan portfolio quality improved, with the NPL 90+ ratio standing at 4.55% as at the end of 2025.

Strategic Priorities for 2026

In 2026, the Bank plans to continue pursuing sustainable development and further strengthening its core business areas. The loan portfolio is expected to grow by 19%, reaching GEL 1,193 million. Net income is planned at GEL 26.2 million, representing an increase of 16% year-on-year.

One of the key priorities will be the development of digital services. In particular, the Bank plans to launch a mobile banking platform for legal entities, which will enhance transaction convenience and speed, improve customer experience and ensure integration with other services.

The Bank also intends to implement a lead-generation system in the retail lending segment and continue efforts to strengthen its market reputation and improve service quality. These initiatives are expected to increase the efficiency of new client acquisition and further support the development of existing business lines.

Improving Service Quality

In 2025, Halyk Bank continued its focused efforts to enhance service quality, further developing its service ecosystem to make interactions with the Bank even simpler, faster and more convenient for clients. The digital environment continued to play a central role: the SuperApp expanded its functionality and evolved into a universal access point for both financial and everyday services.

Clients were able to make payments and transfers, shop, access government services and arrange insurance and investment products – all within a single interface, without unnecessary steps. Improved user journeys and the stable performance of digital channels ensured a smoother and more predictable customer experience.

The ecosystem continued to develop as a daily digital assistant, complementing core banking services with additional value-added offerings. At the same time, the Bank maintained an extensive branch network, enabling a balanced combination of digital convenience and in-person service – particularly important for regional clients, businesses and segments where a personalised approach remains essential.

Service quality was further strengthened through the development of technological infrastructure. Platform modernisation, process automation and the introduction of new solutions improved transaction reliability and speed, while allowing the Bank to expand its product range without compromising operational stability.

The development of the B2B segment also made a significant contribution to service quality improvements. Halyk continued to enhance services for corporate and small business clients, making them more convenient and integrated. Digital business channels, remote service products, payment solutions and ecosystem services supported clients in their day-to-day operations and accelerated multiple business processes. The strengthening of digital services enabled companies to execute payments more quickly, manage settlements, arrange products online and interact with the Bank without visiting branches – an especially important advantage in a dynamic economic environment.

The comprehensive work completed during the year strengthened client trust and reinforced Halyk Bank’s position as a leader in modern, technology-driven and customer-centric banking.

2025 Results: Greater Convenience and Trust

Improvements in service quality were reflected in several key outcomes:

- ▶ simplification of customer journeys and faster transaction processing;
- ▶ increased digital engagement through the expansion of the SuperApp;
- ▶ improved accessibility of services for regional clients;
- ▶ greater stability and predictability of service performance;
- ▶ strengthened trust driven by the technological depth and completeness of the ecosystem.

Review of financial performance results

Consolidated Statement of Profit or Loss, KZT mln

Indicator	12M 2025	12M 2024	Y-o-Y, abs	Y-o-Y,%
Interest income ⁽¹⁾	2,694,957	2,170,786	524,171	24.1%
Interest expense	(1,407,219)	(1,062,876)	(344,343)	32.4%
Net interest income before credit loss expense	1,287,738	1,107,910	179,828	16.2%
Fee and commission income	238,954	211,734	27,220	12.9%
Fee and commission expense	(98,805)	(86,450)	(12,355)	14.3%
Fees and commissions, net	140,149	125,284	14,865	11.9%
Net insurance income ⁽²⁾	62,964	49,932	13,032	26.1%
Net gain on foreign exchange operations, financial assets and liabilities ⁽³⁾	203,671	216,915	(13,244)	(6.1%)
Other expense/non-interest income ⁽⁴⁾	67,919	(6,303)	74,222	(x10.8)
Expected credit loss expense and recovery of other credit loss expense	(156,208)	(128,472)	(27,736)	21.6%
Operating expenses ⁽⁵⁾	(307,996)	(263,373)	(44,623)	16.9%
Income tax expense	(239,817)	(180,902)	(58,915)	32.6%
Net income	1,058,420	920,991	137,429	14.9%
Non-controlling interest	3	3	0	-
Net income attributable to common shareholders	1,058,417	920,988	137,429	14.9%

Net interest margin, p.a.	7.1%	7.2%
Return on average equity (RoAE), p.a.	32.6%	34.0%
Return on average assets (RoAA), p.a.	5.4%	5.5%
Cost-to-income ratio	17.5%	17.6%
Cost of risk on loans to customers, p.a.	1.4%	1.2%

⁽¹⁾ Interest income calculated using the effective interest method and other interest income;

⁽²⁾ Insurance revenue less insurance service expense, net insurance finance expense and net reinsurance expense;

⁽³⁾ Net gain on financial assets and liabilities at fair value through profit or loss, net realised (loss)/gain from financial assets at fair value through other comprehensive income, net foreign exchange gain;

⁽⁴⁾ Share in profit of associate, income on non-banking activities, other income/(expense);

⁽⁵⁾ Including (impairment loss)/reversal of impairment of non-financial assets;



Net income attributable to common shareholders for 12M 2025 is up 14.9% year-on-year thanks to increase in lending, transactional and insurance businesses and due to the base effect of one-off recognized loss due to the early repayment of the deposit of KSF in 12M 2024.



Interest income¹ for 12M 2025 was up 24.1% vs. 12M 2024 mainly due to increase of average balances of loans to customers.



Interest expense for 12M 2025 increased by 32.4% vs. 12M 2024 mainly as a result of the increase in average rate and balances of amounts due to customers, as well as the growth in the share of KZT amounts due to customers.



Net interest margin decreased to 7.1% for 12M 2025 compared to 7.2% for 12M 2024 due to the introduction of new minimum reserve requirements coefficients and faster repricing of average interest bearing liabilities compared to average interest earning assets following the increase in the base rate.



Net fee and commission income for 12M 2025 increased by 11.9% vs. 12M 2024 as a result of increased number of clients and the growth of clients' transactional activity both of individuals and legal entities.



The positive dynamics of **other expense/non-interest income**⁴ in 12M 2025 was impacted by the base effect of one-off recognized loss due to the early repayment of the deposit of KSF in 12M 2024.



Operating expenses⁵ for 12M 2025 increased by 16.9% vs. 12M 2024 mainly due to the indexation of salaries and other employee benefits, including the costs of the long-term incentive program as well as IT development related costs.



The Bank's **cost-to-income ratio** slightly decreased to 17.5% compared to 17.6% for 12M 2024 amid higher operating income for 12M 2025.



Cost of risk in 12M 2025 was at normalized level in line with our full year guidance and was at the level of 1.4%.



Consolidated Statement of Financial Position, KZT mln

Indicator	31-Dec-25	31-Dec-24	Change YTD, abs	Change YTD, %
Total assets	20,908,456	18,548,414	2,360,042	12.7%
Cash and cash equivalents	1,694,431	1,473,802	220,629	15.0%
Obligatory reserves	862,148	306,330	555,818	x2.8
Amounts due from credit institutions	181,288	156,966	24,322	15.5%
T-bills of MinFin & NBRK notes ⁽⁶⁾	2,502,059	2,738,432	(236,373)	(8.6%)
Other securities & derivatives ⁽⁷⁾	1,846,649	1,776,082	70,567	4.0%
Gross loan portfolio	13,714,721	12,038,868	1,675,853	13.9%
Allowance for expected credit losses	(603,804)	(573,219)	(30,585)	5.3%
Net loan portfolio	13,110,917	11,465,649	1,645,268	14.3%
Assets classified as held for sale	8,896	8,833	63	0.7%
Other assets	703,065	622,320	80,745	13.0%
Total liabilities	17,408,105	15,480,365	1,927,740	12.5%
Amounts due to customers, including:	14,338,804	12,990,043	1,348,761	10.4%
individuals' deposits	7,976,450	7,200,363	776,088	10.8%
term deposits	6,781,175	6,063,129	718,046	11.8%
current accounts	1,195,275	1,137,234	58,042	5.1%
legal entities' deposits	6,362,353	5,789,680	572,673	9.9%
term deposits	4,675,777	3,811,441	864,336	22.7%
current accounts	1,686,576	1,978,239	(291,663)	(14.7%)
Debt securities issued	970,098	879,212	90,886	10.3%
Amounts due to credit institutions	1,270,128	814,069	456,059	56.0%
Other liabilities	829,075	797,041	32,034	4.0%
Total equity	3,500,351	3,068,049	432,302	14.1%

⁽⁶⁾ Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and Notes of NBRK;

⁽⁷⁾ Financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and debt securities at amortized cost, net of allowance for expected credit losses less Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and Notes of NBRK;

- ✓ As at end of 12M 2025, **total assets** were up 12.7% year-to-date, mainly driven by an increase in amounts due to customers.
- ✓ Compared with the YE of 2024, **loans to customers** were up 13.9% on a gross and 14.3% on a net basis, with retail loans growing by 10.8%, while the loan portfolio of legal entities increased by 15.5% on a gross basis.
- ✓ **Stage 3 loans** increased to 7.7% as at the end of 4Q 2025 year-to-date as a result of the moratorium on the sale of problem retail loans to collection agencies till May 2026 and the migration of few corporate clients from Stage 2 to Stage 3.
- ✓ Compared with the YE 2024, the deposits of legal entities and the deposits of individuals were up 9.9% and 10.8%, respectively, due to fund inflow from the Bank's clients.
- ✓ As at the end of 12M 2025, the share of KZT deposits in total deposits was 71.7% compared to 69.1% as at the YE 2024, in corporate deposits the share was 70.4% vs. 70.9% as at the YE 2024, while the share in total retail deposits was 72.7% vs. 67.5% as at YE 2024.
- ✓ **Amounts due to credit institutions** increased by 56.0% vs. the YE 2024, due to increase in loans under REPO agreements.

As at the end of 12M 2025, debt securities issued were up 10.3% year-to-date and the Bank's debt securities portfolio was as follows:

Description of the security	Nominal amount outstanding	Interest rate	Maturity Date
Local bonds	KZT 182.1 bn	18.63% p.a. - floating rate	July 2031
Local bonds	KZT 20.0 bn	17.83% p.a. - floating rate	December 2027
Local bonds listed at Astana International Exchange	USD 196.5 mln	3.5% p.a.	May 2027
Local bonds listed at Astana International Exchange	USD 299.6 mln	3.5% p.a.	May 2027
Local bonds listed at Astana International Exchange	USD 500 mln	3.5% p.a.	May 2027
Local bonds listed at Astana International Exchange	USD 496.4 mln	3.5% p.a.	July 2027

As at the end of 12M 2025, **total equity** of the Bank increased by 14.1% compared to the YE 2024, due to net profit earned by the Bank during 12M 2025.

The Bank's capital adequacy ratios were as follows*:

	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24
<i>Capital adequacy ratios, unconsolidated:</i>					
Halyk Bank					
k1-1	18.9%	18.0%	18.5%	19.8%	19.3%
k1-2	18.9%	18.0%	18.5%	19.8%	19.3%
k2	18.9%	18.0%	18.5%	19.8%	19.4%

* The minimum regulatory capital adequacy requirements are 9.5%, for k1, 10.5% for k1-2 and 12% for k2, including a conservation buffer of 3% and systemic buffer of 1% for each.

The consolidated financial statements and independent auditors' report for the year ended 31 December 2025, including the notes attached thereto, are available on Halyk Bank's website:

<https://halykbank.com/results-and-presentations>.



Financial performance of subsidiary organisations

Subsidiary	Total Assets, KZT billion			Total Equity, KZT billion		
	2024	2025	Change, %	2024	2025	Change, %
Halyk Bank Georgia	173.1	210.2	21%	48.3	51.8	7%
Halyk Finance	73.8	71.2	4%	37.2	45.3	22%
Halyk Global Markets	11.6	8.8	24%	11.6	7.3	37%
Halyk Insurance	179.3	230.1	28%	96.9	110.7	14%
Halyk Life*	578.6	710.4	23%	167.8	198.5	18%
Halyk Leasing	27.1	44.3	63%	8.8	9.5	8%
Halyk Collection	9.3	11.2	21%	7.9	9.6	22%
Kazteleport	11.8	14.2	21%	9.2	11.7	27%
Halyk Finservice	4.2	6.5	54%	2.4	4.3	79%
KUSA Halyk	54.2	-	-100%	33.8	-	-100%
Halyk Activ	109.3	137.7	26%	63.3	112.3	77%
Tenge Bank	341.5	305.8	-16%	64.9	67	0.6%
Halyk Lab*	0.02	0.1	335%	0.02	0.02	14%

* unaudited financial statements



Anti-Fraud Measures

In 2025, the Bank continued to strengthen its anti-fraud framework, completing the implementation of the 2023–2025 strategy and ensuring cross-channel control across the entire Halyk ecosystem. Integration of anti-fraud solutions with all key business platforms enabled centralised risk management, harmonised approaches and faster responses to suspicious transactions.

One of the year’s key priorities was preventing the misuse of the Bank’s services for unlawful activities. In particular, the Bank focused on countering drop schemes (fraud involving “money mules” whose accounts/cards are used to move and withdraw illicit funds), illegal transactions and abuse related to online gaming.

A dedicated area of work was the development of interbank and industry cooperation. The Bank engaged directly with second-tier banks on information sharing related to suspicious activity and established a robust interaction framework with the Anti-Fraud Centre of the National Bank of the Republic of Kazakhstan, ensuring compliance with regulatory and payment system requirements. Work was also carried out on inter-agency platforms involving the Agency for Financial Monitoring (AFM), the Agency for Regulation and Development of the Financial Market (ARDFM) and the Ministry of Internal Affairs, strengthening coordination of anti-fraud measures at the financial market level.

Technological Development and Client Protection

The development of technological solutions became a key driver for efficiency gains. In 2025, the Bank implemented solutions enabling end-to-end analysis of client and employee actions and expanded the use of RPA and AI agents for autonomous monitoring of applications and transactions. The anti-fraud platform evolved into a single hub for detecting suspicious events, with the ability to rapidly adapt to new fraud scenarios. This enhanced transparency and control, while helping to preserve the customer experience and simultaneously reduce fraud levels.

Particular emphasis was placed on employee training. Financial security materials were regularly updated on the internal portal; mandatory e-learning courses, testing and in-person training sessions were conducted. For clients, multi-level transaction validation and risk-based authentication were introduced. The Bank also strengthened customer awareness initiatives, organising lectures at universities in cooperation with the Ministry of Internal Affairs and conducting joint information campaigns on Zakon.kz and Tengrinews.kz.

INFORMATION SECURITY

For the Bank, information security is one of the key factors underpinning resilience, service continuity and client trust. The Bank’s approach combines governance measures, technological solutions and the ongoing development of staff competencies, ensuring the protection of data and digital channels at all levels.

Personal Data Protection

The Bank ensures the protection of personal data in accordance with the legislation of the Republic of Kazakhstan and best practices. These processes are governed by the Personal Data Collection, Processing and Protection Policy, approved by the Board of Directors. In 2025, the Bank updated its internal regulatory documents on personal data protection, defining practical measures at all stages of processing – from recording and storage to anonymisation and deletion (across both automated and non-automated processes). To ensure centralised management of personal data processing, a Personal Data Committee was established under the Management Board.

The Bank applies a comprehensive set of legal, organisational and technical measures (including encryption, anonymisation and strict access controls), while limiting the volume of data collected to the minimum necessary. Confidentiality and information security requirements are embedded in contracts with counterparties and draft agreements are reviewed for compliance with information security standards. Employees granted access to confidential data are required to sign non-disclosure commitments.

The access control system is based on the Zero Trust and Need-to-Know principles, with access granted only to employees who require it to perform their official duties. User actions are logged, monitored and analysed on an ongoing basis.

The Bank maintains a high level of readiness to respond to information security incidents and regularly conducts cyber exercises and testing to assess staff preparedness for potential threats. In 2025, selected components of the cybersecurity system were enhanced and control procedures were strengthened across personal data processing stages, including software development

and deployment processes. In addition, specialised training programmes were implemented to further develop an information security culture.

Incident response procedures provide for the prompt mitigation of impacts and notification of both the client and the National Coordination Centre for Information Security.

In 2025, one attempted data theft incident was recorded; however, no data leaks or loss of client data occurred.

Indicator	2022	2023	2024	2025
Total number of substantiated cases of client data leakage, theft and loss, including:	0	2	0	0
Data leakage cases	0	0	0	0
Data theft cases	0	2	0	0
Data loss cases	0	0	0	0
Cases of client data disclosure by Bank branch employees	0	0	0	0

Information Security Management System

The Bank's information security management system is based on an internal regulatory framework developed in line with the requirements of ISO 27001:2022 and the legislation of the Republic of Kazakhstan. These requirements are mandatory for all employees and third parties with access to the Bank's information resources.

The Bank's approach is founded on the principles of legality, continuity and comprehensive protection, least-privilege access and personal accountability. The system covers all key assets, including client data, banking secrecy, IT systems, networks, software and information processing infrastructure. Its primary objective is to ensure the confidentiality, integrity and availability of critical data and services.

Development of the System in 2025

In 2025, the Bank continued to strengthen its cybersecurity framework, placing emphasis on increasing the maturity of processes, improving the technological landscape and further embedding a culture of secure behaviour in the digital environment.

Training and Competency Development

During the year, awareness-raising programmes and specialised training were delivered to various categories of employees – from line managers to developers and staff involved in SMM activities and mobile application support. Training and testing topics covered core information security principles, cyber hygiene, phishing detection and appropriate responses to social engineering attacks (including as part of KPI requirements for CISO block managers), principles of personal data leakage prevention, as well as key web application vulnerabilities for developers.

In addition:

- ▶ an external ISO/IEC 27001 course was delivered for participants of the Information Security Management System (ISMS) (heads of 54 structural units), with certificates issued in accordance with ISO/IEC 17024:2012;
- ▶ 25% of employees of the Cybersecurity Department completed external specialised training and certification.

The Bank also continued its participation in professional information security working groups of second-tier banks.

Technological Enhancement of Cybersecurity

In 2025, the Bank continued to strengthen its information security technology landscape and transition towards more mature protection models:

- ▶ the Zero Trust approach was further implemented, with access granted only after strict authentication and authorisation checks;
- ▶ access management automation was expanded through the integration of an IDM solution with an additional 24 information systems;
- ▶ the information security event collection and correlation platform was fully upgraded with a modern SIEM solution;
- ▶ protection of remote banking services was enhanced through the complete replacement of the Web Application Firewall (WAF);
- ▶ a transition from EDR to XDR was completed, providing broader attack surface coverage;
- ▶ DevSecOps practices were strengthened to ensure security throughout the entire software development lifecycle;
- ▶ internal expertise continued to develop: the Red Team ("white hat") obtained 14 international information security certifications.

Cyber Resilience Testing and External Oversight

To assess the resilience of digital services and infrastructure, both internal and external penetration testing was conducted for internet banking systems, ecosystem products and subsidiary organisations. The Red Team conducts regular (quarterly) phishing simulations, testing employee preparedness for social engineering attacks. A Bug Bounty programme is used as an additional external security assurance tool in the production environment.

Risk Management and Change Management

A risk-based approach is supported through the early involvement of the Cybersecurity Department in the ORAP process at the initial stages of initiatives and projects, with risk assessments conducted across Governance, Design (process-related risks) and cyber risks. Periodic inventories of information assets and business process analyses are carried out, with information systems categorised by criticality and an information security risk treatment plan is developed and monitored.

The Bank operates an Architecture Committee, within which cybersecurity specialists assess new solutions and changes for compliance with information security requirements. Internal information security reviews in accordance with ISO 27001 requirements are conducted jointly by the Cybersecurity Department and the Internal Audit Department.

Compliance Monitoring and Independent Assessment

The Bank maintains compliance with the requirements of international standards and industry frameworks (including ISO/IEC 27001, PCI DSS, PCI 3DS and SWIFT CSP), as well as with the legislation of the Republic of Kazakhstan. Access of third parties to the Bank's resources is permitted only after an information security risk assessment and the implementation of necessary protective measures; where required, counterparties are subject to information security compliance reviews.

The Independent Internal Audit Department, reporting directly to the Board of Directors, regularly assesses the state of the Information Security Management System (ISMS) and reports its findings to the Management Board. In addition, external audits and assessments are conducted annually, including penetration testing and phishing resilience evaluations.

In 2025:

- ▶ a scheduled QSA audit confirmed compliance with PCI DSS v4.0 and PCI 3DS requirements;
- ▶ compliance with SWIFT CSP v.2025 was successfully confirmed;
- ▶ a surveillance audit in accordance with ST RK ISO/IEC 27001-2015 (ISO/IEC 27001:2013) was successfully completed, alongside a reassessment for compliance with ST RK ISO/IEC 27001-2023 (ISO/IEC 27001:2022).

Oversight of the ISMS and compliance with regulatory legal acts is carried out by the authorised financial market supervisory authority based on the Bank's annual self-assessment, as well as through comprehensive regulatory inspections conducted at least once every three years.





3.

Strategic Priorities of the Bank in 2025

ESG Strategy

ESG REPORT

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82	Own Environmental Impact
84	Human Resources Management
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APPROACH TO SUSTAINABLE DEVELOPMENT MANAGEMENT

ESG and sustainability are embedded at the core of Halyk Bank's business model and underpin the Bank's long-term strategic development. The Bank's Sustainability Policy is aimed at promoting green finance and supporting projects with a positive environmental impact, while also enhancing financial inclusion, supporting entrepreneurship, and strengthening a culture of diversity and inclusion across the Bank.

In 2024, Halyk Bank approved its ESG Strategy for 2025–2027, which sets out the Bank's priorities across environmental, social and corporate governance matters. The ESG approach is integrated into the Bank's strategic decision-making processes. Oversight of ESG matters is exercised by the Board of Directors' ESG Committee, established on the basis of the former Social Committee, reflecting the strengthening of the Bank's corporate governance framework and a more systematic approach to sustainability.

As part of its sustainability strategy, the Bank has identified priority UN Sustainable Development Goals (SDGs), including:





Sustainability Focus Areas of Halyk Bank

The Bank implements an ESG approach that integrates economic, social, environmental and governance aspects of development. Sustainability priorities are aligned with the Bank’s strategic objectives and the long-term vision of its shareholders.

1 Sustainable Financial Solutions

The Bank develops a financing approach that takes into account long-term ESG risks and opportunities, promotes responsible business practices among its clients, and supports the transition to a more sustainable economy.

2 Environmental Management and Climate Responsibility

The Bank’s focus is directed towards the efficient use of resources, the reduction of its operational environmental impact, the consideration of sector-specific environmental characteristics of borrowers, and support for national environmental initiatives that contribute to environmental protection.

3 Social Contribution and Entrepreneurship Development

The Bank strengthens its role as a driver of socio-economic development by supporting entrepreneurship, educational and cultural programs, and by creating opportunities for vulnerable and underrepresented population groups.

4 Employee Well-being and Human Capital Development

The Bank prioritises the creation of a safe, ethical and inclusive working environment, the development of employee skills, respect for human rights, and the cultivation of a corporate culture based on respect, engagement and equal opportunities.

5 Openness and dialogue with stakeholders

The Bank strengthens open engagement with customers, shareholders, partners and society, ensuring transparent information, improving the public’s financial literacy and responsibly managing personal data.

6 Corporate Sustainability and Ethical Governance Framework

The Bank integrates ESG principles into its strategy, processes and control framework, ensuring long-term sustainability, risk management and compliance with high standards of business ethics across all aspects of its operational activities.

To coordinate the ESG agenda, the Bank has established a well-developed sustainable development governance system that covers strategic planning, implementation of initiatives, monitoring of key indicators and the preparation of transparent reporting. This approach ensures consistency and effective management of ESG initiatives, as well as their integration into the Bank’s strategy and day-to-day operations.

Halyk Bank places significant emphasis on the quality of communication with all stakeholders. The Bank was the first financial institution in Kazakhstan to disclose non-financial reporting in accordance with the Global Reporting Initiative (GRI) Standards for 2019 and the first bank in the Republic of Kazakhstan to join the United Nations Global Compact (UNGC). Halyk Bank was also among the pioneers in the Kazakhstani market to prepare reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Bank continues to enhance its reporting practices by following leading international best practices and integrating new reporting standards.

In establishing a systematic approach to sustainability, the Bank uses the United Nations Sustainable Development Goals (SDGs) as reference points for defining the priorities of its ESG Strategy. This approach enables the Bank to articulate a long-term impact pathway across the economy, society and the environment, and to align its initiatives with the global sustainability agenda. The selected SDGs reflect the areas where the Bank can deliver the greatest impact through financing activities, social programs, the development of its product offering and its own operational practices.



Sustainability Focus Areas of Halyk Bank

ESG risk management is embedded in the Bank’s operating model and represents an integral element of its risk management framework. The assessment of environmental and social risks is incorporated into risk identification, analysis and monitoring processes, enabling the timely identification of potential risks and the mitigation of their impact. In addition, the Bank discloses information on Scope 1, Scope 2 and Scope 3 greenhouse gas emissions (excluding financed emissions), providing a comprehensive understanding of its environmental footprint.

Progress in risk management and the enhancement of internal processes was recognised through an improvement in the ESG Risk Rating by Morningstar Sustainalytics in 2025.

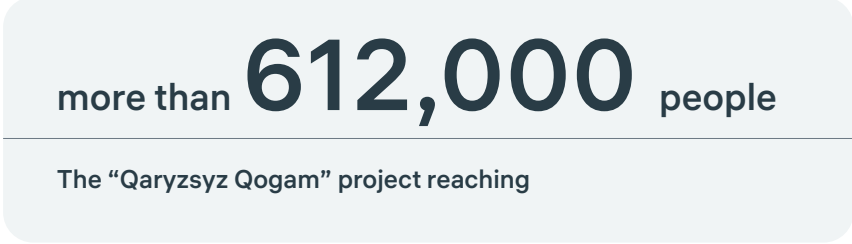
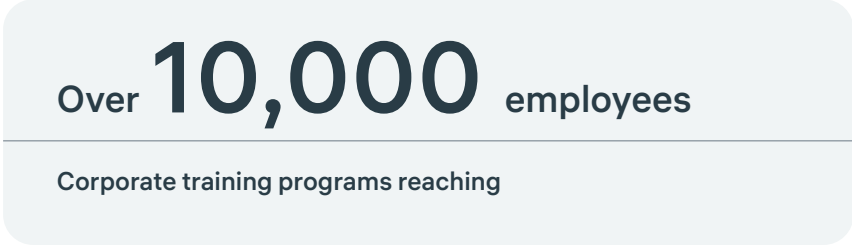
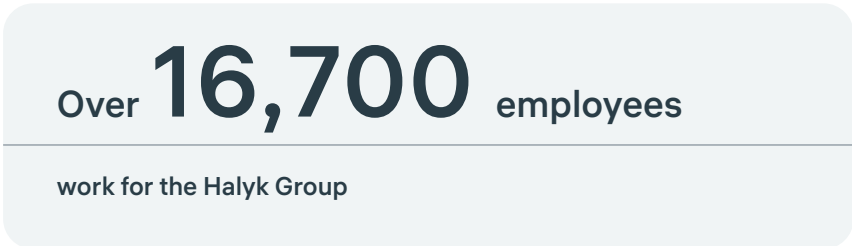


The ESG agenda continues to evolve and is increasingly established as a key element of Halyk Bank’s corporate governance and strategic development. It contributes to greater process efficiency, risk mitigation and the creation of positive impacts on the economy, society and the environment, thereby strengthening the Bank’s contribution to a sustainable future for the country and the region.

[Halyk Bank JSC Environmental Policy](#)



Recognised as Kazakhstan’s Best Employer for the second consecutive year, according to the Top Employers Institute





ESG RISK MANAGEMENT IN LENDING

In 2025, Halyk Bank continued to advance its responsible financing practices by integrating ESG factors into its lending and risk management processes. In accordance with the approved Sustainability Policy, the Bank applies a multi-tier ESG risk assessment framework, which includes screening against the Exclusion List, assessment of carbon footprint, and ESG scoring of clients and projects.

The Bank does not finance activities that are inconsistent with environmental and social standards. ESG screening is applied to all new and existing transactions falling within ESG risk assessment categories, ranging from self-declaration to a comprehensive assessment for clients of certain categories as well as for large-scale projects. The resulting ESG rating determines the depth of analysis and influences the terms of financing. Projects assessed as high-risk may be financed only subject to the client's implementation of additional risk mitigation measures, the inclusion of enhanced covenants, and the application of measures aimed at minimising the risks associated with the financed project.

Climate Risk Management

The Bank systematically incorporates climate risks into its credit decision-making process. On an annual basis, as part of Halyk Bank's Sustainability Report, the Bank publishes an overview of climate risks across its regions of presence, identifying key threats to the economy of Kazakhstan, including both physical climate risks (such as floods, inundations, droughts and extreme temperatures) and transition risks associated with regulatory changes, technological shifts and the transition to a low-carbon economy. In the event of adverse climate events, the Bank responds promptly to risks affecting its clients, including by providing support in the form of loan restructuring and grace periods for the repayment of obligations.

Digitalisation of ESG Risk Management Processes

In 2025, the Bank implemented an automated ESG scoring calculation system, representing an important step in the digitalisation of ESG risk management. The new tool enables the prompt determination of a borrower's ESG rating and accelerates the credit application review process, ensuring consistency of approaches and the accumulation of data for further non-financial reporting disclosures. This system has become the foundation for the further development of ESG risk analytics and the enhancement of decision-making processes.





DEVELOPMENT OF GREEN FINANCE

In 2024, Halyk Bank approved its Green Finance Policy, based on the national taxonomy and the international principles of ICMA/LMA. Proceeds from green instruments are allocated exclusively to Eligible Projects with a verifiable environmental impact, including projects in the areas of energy efficiency, renewable energy, sustainable water management, green buildings, clean transport and climate adaptation.

The Bank applies a strict selection process, maintains a register of green projects and regularly monitors the use of proceeds.

By issuing its debut green bonds on KASE in the amount of KZT 20 billion on 3 December 2024, Halyk Bank became the first commercial bank in Kazakhstan to issue such an instrument. The bonds bear a floating interest rate of TONIA Compounded +1.3% and mature in December 2027. As at 31 December 2025, the entire issuance was outstanding. The proceeds are allocated to projects aimed at improving the efficiency of natural resource use, reducing environmental impact and contributing to climate change mitigation.

DIRECT ENVIRONMENTAL IMPACT

The Bank considers environmental protection to be an important element of sustainable development and seeks to minimise its own environmental impact, prevent environmental risks and adhere to a zero-tolerance principle towards pollution.

The Group consistently enhances its environmental management practices, manages direct and indirect environmental impacts, and ensures transparency of environmental information. Environmental protection measures are implemented in accordance with applicable legislation and the Bank's internal standards, taking into account the principle of proportionality.

The key objectives of the environmental policy include compliance with international and national requirements, reduction of negative environmental impact, effective management of environmental risks, and support for the United Nations Sustainable Development Goals. The Bank develops responsible approaches to financing and investment, promotes the conservation of natural resources, and enhances employees' environmental awareness by supporting both internal and external environmental initiatives.

In 2025, the Bank implemented a number of initiatives aimed at improving resource efficiency and reducing environmental impact. In the area of water consumption, a drip irrigation and automated irrigation control system was introduced in the new building of the Atyrau office, and modern sanitary equipment was installed at 11 facilities, ensuring a reduction in water consumption. In seven branches, drought-resistant plant species were planted, contributing to water savings in landscaping.

In the area of energy efficiency, the Bank continued to develop sustainable transport infrastructure: designated parking areas were allocated for a kick-sharing company, enabling employees of the Head Office (and those around) to use environmentally friendly transport (electric scooters).

To support the development of a separate waste collection system, 37 specialised containers were installed at the Head Office, and employees completed training on waste sorting.

To improve the quality of environmental data accounting, the Bank implemented an automated data collection form for energy consumption, water consumption and waste generation within the SAP ERP system, enabling more accurate monitoring and management of environmental performance indicators.

ENVIRONMENTAL INITIATIVES

Halyk considers environmental initiatives aimed at supporting clients and facilitating the transition to a low-carbon economy as an important strategic focus of its ESG agenda. The Bank's environmental initiatives are implemented through sustainable finance instruments, support for green and transition projects, as well as participation in national and industry-specific environmental programmes.

Funds raised through the issuance of green bonds are allocated to the financing of projects that contribute to improved resource efficiency, reduced negative environmental impact and the mitigation of climate change effects. Project selection and financing were carried out in accordance with the Green Project Taxonomy of the Republic of Kazakhstan and the international Green Bond Principles.

In addition, Halyk provides green and transition financing to corporate clients for the implementation of projects in the areas of renewable energy, the introduction of energy-efficient technologies and the development of sustainable infrastructure. Financing of transition projects is focused on the modernisation of existing production facilities, the introduction of cleaner technologies and the reduction of pollutant emissions, supporting a gradual transition of companies towards more sustainable business models.

Halyk also participates in environmental initiatives in partnership with governmental and nongovernmental organisations aimed at environmental protection, climate change adaptation and the development of renewable energy sources. These initiatives contribute to raising environmental awareness and supporting sustainable development at the national level.



HUMAN RESOURCES MANAGEMENT

In 2025, Halyk Bank became the first Kazakhstani brand to be awarded Top Employer status by the international organisation Top Employers Institute, thereby reinforcing its position among companies that meet high global HR standards. The certification is based on an in-depth assessment of more than 350 HR practices and over 600 metrics, including talent management strategy, corporate culture, working environment conditions and employee development. The audit results confirmed the maturity of the Bank's management processes: Halyk Bank achieved an overall score of 88.8%, exceeding the international benchmark of 85.21%, which highlighted the global competitiveness of its HR approaches.

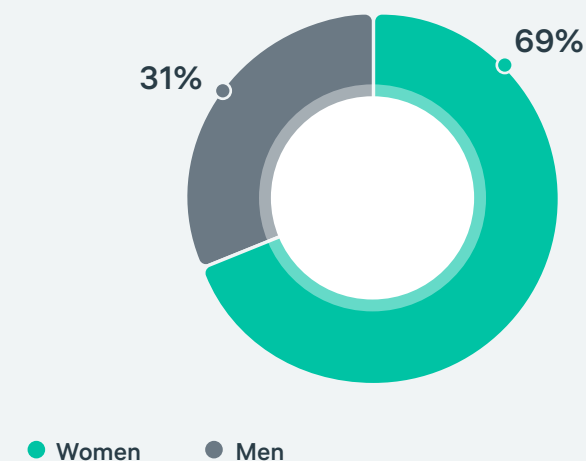
Obtaining the Top Employer status became a significant confirmation of the systematic transformation of the HR function and leadership culture that Halyk Bank has been consistently building in recent years. Behind this achievement lies the daily work of thousands of employees, a strong management team and the Bank's commitment to creating an environment in which people are motivated to develop, take initiative and achieve high results. We are shaping a workplace where talent development, digital transformation and sustainable growth become natural elements of the corporate environment.

- > Code of Ethics and Business Conduct at Halyk Bank JSC
- > JSC Halyk Bank Freedom of Association, Collective Bargaining, Diversity and Inclusion Policy

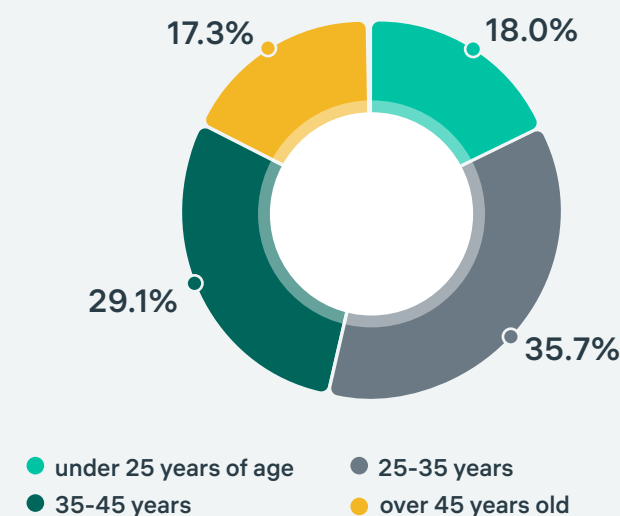
The Halyk Bank team comprises over 14,000¹ professionals united by a strong corporate culture and a commitment to professional excellence. We continue to develop modern HR approaches, implement digital solutions and ensure comfortable conditions for effective work and career development. This integrated approach plays a key role in maintaining the Bank's leading position in the financial market of Kazakhstan.

In 2025, Halyk Bank's HR policy was focused on further enhancing strategic human capital management and strengthening a culture of responsibility, professionalism and openness. The Bank ensures equal access to development opportunities, supports an inclusive working environment and develops a career planning system that meets international requirements and employees' expectations. A key priority remains the formation of a sustainable talent pipeline, the development of young professionals and the creation of conditions for continuous professional growth.

Workforce Structure by Gender Groups as of the End of 2025



Workforce Structure by Age Groups as of the End of 2025



Staff structure by branch as of the end of 2025

Branch in the AIFC	2
Baikonur regional office	78
Balkhash regional office	110
Zhanaozen regional office	138
Ekibastuz regional office	174
Temirtau regional office	178
Ulytau regional branch	203
Zhetysu regional branch	294
Almaty regional branch	294
North Kazakhstan regional branch	341
Pavlodar regional branch	374
Kyzylorda regional branch	393
Abai regional branch	394
Mangistau regional branch	414
West Kazakhstan regional branch	416
East Kazakhstan regional branch	419
Akmola regional branch	438
Shymkent city branch	446
Atyrau regional branch	450
Turkestan regional branch	454
Kostanay regional branch	460
Zhambyl regional branch	464
Karaganda regional branch	520
Aktobe regional branch	539
Astana city branch	820
Almaty city branch	1,487
Head office	3,808

¹ The number of all Bank employees includes those on maternity and childcare leave.

Training and Development

In 2025, employee training was focused on the development of digital competencies, improving service quality and the implementation of unified service standards.

Key results:

- ✓ within internal training schools for frontoffice specialists, over 1,200 trainees were trained, 84% of whom were subsequently employed;
- ✓ 1,600 operational and cash desk employees completed training in service quality and efficiency;
- ✓ more than 1,500 employees from Retail Banking and SME segments participated in sales development and design thinking programmes;
- ✓ around 60 employees completed advanced training in Qlik as part of the development of analytical and digital competencies;
- ✓ an Agile Competence Centre was established, and Scrum Master and Product Owner communities were also created;
- ✓ over 3,000 employees were trained under the functional coaching project;
- ✓ the digital, IT and data mentoring programme was completed by 17 mentors and 35 mentees.

Special attention was paid to the development of ESG competencies: mass training for all employees and specialised programmes on key ESG topics were delivered.

The development of the talent pool continued: the FLIGBY, Jana Leaders, Digital Leadership programmes and the Leadership Academy ensured the preparation of employees for managerial positions.

The Bank actively supports the development of the Kazakh language: around 11,000 employees completed language testing, and the share of employees at C1 level continues to increase.

Through Halyk Academy, cooperation with leading universities of the country continues, and practical programmes with subsequent employment are implemented.

Motivation and Engagement

In 2025, the Bank ensured a competitive level of remuneration, including regular salary indexation and annual bonuses; the average salary increase amounted to approximately 13%. Further development of the HiPro programme continued, based on a transparent assessment system and aimed at supporting highpotential employees.

To strengthen motivation among IT employees, a new incentive system with quarterly bonuses was introduced, enabling the timely recognition of results and enhancing the engagement of key specialists.

Based on the results of the annual employee satisfaction survey, the employee engagement level reached 91% (85% in 2024), confirming the effectiveness of the approaches applied. To support open communication, employees have access to a hotline, corporate email and a feedback platform on the internal portal.

The comprehensive set of initiatives implemented ensures sustainable growth in engagement, strengthens team collaboration and fosters a working environment that supports the realisation of employees' potential.

Corporate Social Responsibility

In 2025, the Bank's employees actively participated in charitable and volunteering initiatives aimed at supporting childcare institutions, public organisations, families in difficult life circumstances and medical centres. Assistance was provided on a targeted basis and was structured in line with the current needs of beneficiaries.

Employees across the nationwide branch network took part in blood donation campaigns, supporting the operations of blood banks and medical institutions.

As part of programmes supporting veterans and pensioners, the Bank made special payments on significant national dates and organised meetings and events aimed at strengthening social interaction and demonstrating care for the older generation.

Within the ESG agenda, environmental initiatives were implemented across all regions of the Bank's presence: employees participated in community cleanup activities, landscaping initiatives, treeplanting campaigns and actions aimed at improving the urban environment.

Corporate Culture

In 2025, the Bank continued to develop its corporate culture by combining commitment to established traditions with the introduction of modern formats of interaction. To create a comfortable and supportive working environment, office infrastructure was expanded, including the development of recreational areas and spaces that encourage informal communication and employee well-being.

One of the key events of the year was the annual summer corporate retreat, bringing together around 1,000 employees and contributing to the strengthening of team interaction. Throughout the year, events were also held in the regions to celebrate national public holidays.

The Bank enhanced the sports and intellectual dimensions of corporate activities by organising tournaments and competitions, master classes, lectures and workshops. As part of knowledge development and experience sharing, 15 events were held with the participation of external and internal experts, as well as 9 master classes delivered in the “Leaders Teach Leaders” format.

The employee recognition system remains an important element of the corporate culture. Annual and quarterly reward programmes support high levels of motivation, while winners of key nominations are granted additional incentives, including opportunities for travel outside Kazakhstan.

The Bank also supports corporate communities based on shared interests, ranging from sports and environmental initiatives to book clubs, language communities and travel clubs. These formats foster internal communication, strengthen employee engagement and support diversity of interests among employees.

Digital Transformation of HR and Development of Technological Expertise

In 2025, the Bank continued the large-scale digital transformation of HR processes by integrating advanced analytical tools, platform-based solutions and artificial intelligence technologies. These initiatives enhanced the manageability of human capital, improved the accuracy of HR decision-making and laid the foundation for the development of a skill-based culture.

1

Skill-based Culture and Competency Development Using AI

As part of the transition to a skills-based model, the Bank implemented a unified Aldriven platform for assessing the competencies of employees and candidates. The platform generates rolebased skills matrices, determines proficiency levels (Junior/Middle/Senior), identifies development areas and proposes personalised development pathways.

Assessment is conducted based on a standardised competency model using secure proctoring tools, ensuring transparency and comparability of results. The platform is also used to assess external candidates, reducing the risk of hiring errors and establishing a unified standard of requirements.

2

Predictive HR Analytics and Team Resilience Management

To enhance team resilience and ensure the timely prevention of burnout risks, the Bank implemented a predictive model for monitoring employee condition. The model integrates data from the HRIS (Human Resources Information System), workload indicators, performance metrics, career events and recruitment needs, enabling the identification of potential risks in near real time.

The results of the implementation include increased employee satisfaction, higher engagement levels, reduced staff turnover and a decrease in the time spent by HR teams as a result of automated data analysis.

Digital Transformation of HR and Development of Technological Expertise

3

Development of the Technological Ecosystem and Professional Communities

In 2025, the Bank developed its technological ecosystem along two tracks: external and internal.

The external track included the organisation of conferences, meetups, hackathons and educational initiatives for students, which contributed to strengthening the professional community in the fields of artificial intelligence, data analytics, high-load systems and fintech.

The internal track was focused on knowledge and competency sharing: employees participated in internal meetups, expert sessions and technology hackathons, addressing real business challenges. This approach strengthened a culture of initiative, fostered leadership potential and reinforced horizontal connections within the team.

The Bank's experts actively participated as speakers at industry platforms and in professional media, contributing to the strengthening of the Halyk Bank brand as a technological leader.

4

Development of an External Talent Pool for IT Functions

In 2025, the Bank established a systematic external talent pool for key IT and digital functions, including specialists in software development, data analytics, mobile solutions, product management and project management. By the end of the year, the talent pool comprised over 4,300 profiles, enabling the prompt filling of rare and highly competitive positions. From May to December, 132 specialists were recruited from this pool, confirming the practical effectiveness of the tool.

Engagement with the external talent pool makes it possible to reduce recruitment timelines for priority roles, maintain continuous interaction with the IT talent market and build a sustainable candidate pipeline for strategic technology areas. The external talent pool has become an important element of the Bank's long-term workforce planning system and of ensuring the sustainability of its human capital.

5

Distance Learning and Digital Development Tools

The Distance Learning System (DLS) continued to serve as a key tool for large-scale development of employee competencies. In 2025, a total of 635,217 learning assignments were completed through the DLS, representing an increase of 34.8% compared with the previous year and reflecting higher employee engagement and an expansion of training content.

The platform enables the delivery of large-scale training programmes in strategically important areas, annually covering over 10,000 employees. These include training on ethics and compliance, information security, operational and IT risk management, internal control, ESG approaches and legal literacy.

In 2025, the library of learning materials was expanded with a dedicated Agile section, comprising four applied courses. As part of soft skills development, employees completed training in line with a rolebased competency matrix covering 18 areas, ranging from effective communication to leadership and the application of artificial intelligence tools.

The DLS continues to operate as a unified digital platform for training and testing employees of the Bank and its subsidiaries, ensuring standardisation of approaches, scalability and a high level of manageability of learning processes.

SOCIAL PROJECTS AND CHARITABLE ACTIVITIES

Halyk Bank supports public initiatives and implements socially significant projects in the fields of philanthropy, sport, culture, education and social support, thereby contributing to an improvement in the quality of life of the country’s citizens.

In 2025, the total volume of sponsorship and charitable assistance amounted to **KZT 5.4 billion**. Of this amount, **KZT 2 billion** was allocated to the Halyk Charitable Foundation, approximately **KZT 1.3 billion** was directed to the Bank’s planned social projects, and around **KZT 2.1 billion** was allocated to other initiatives within the framework of sponsorship and charitable activities.

Implementation of Social Initiatives

Support for the Project Office for Regional Policy within the implementation of the “Auyl Amanaty” project

With the Bank’s financial support, a screening of 2,295 rural administrations was conducted, covering 2.3 million households. As part of the analysis, data on economic activity, income structure, household specialisation and the availability of resource bases at the level of rural districts were collected and systematised. This made it possible to obtain a comprehensive overview of the current state of the rural economy and to identify growth points for the development of entrepreneurship and cooperation. In addition, 12,742 projected investment projects were developed with a total investment potential of KZT 601.3 trillion. Project budget: KZT 100 million.

Support for Ayala Charity Foundation

Ayala Charity Foundation supports seriously ill and premature children, reduces infant and child mortality, and helps children adapt and access education.

In 2025, the Bank’s funding was allocated to the procurement of medical equipment for the Enbekshikazakh Multidisciplinary Central District Hospital. Project budget: KZT 26.5 million.

Victory Marathon

In the runup to Victory Day, Halyk Bank traditionally implements initiatives to support veterans of the Great Patriotic War. As part of the Victory Marathon, the Bank provides financial assistance, organises commemorative events and participates in projects aimed at improving the quality of life of veterans. In 2025, financial assistance in connection with Victory Day was provided to 20 veterans. Project budget: KZT 2 million.

Road to School

Halyk Bank provides regular support to socially vulnerable population groups by supplying schoolchildren from low-income and large families, as well as orphans and children deprived of parental care, with school supply kits. In 2025, 2,750 families received support. Project budget: KZT 55 million.

IMPROVING FINANCIAL LITERACY

Halyk Bank attaches particular importance to improving the financial literacy of the population, seeking to help people better understand financial instruments, make informed decisions and manage their resources more effectively. In 2025, the Bank continued to finance key educational initiatives in this area.

KZT **250** million

Project budget of the “Karyzsyz Kogam” Program

KZT **8** million

Competition budget of the Yerkin Soz Kazakh media competition

KZT **19.5** million

Programme budget of the Seminars and webinars for Kazakh-language media

The “Karyzsyz Kogam” Program

Halyk Bank continues to implement a large-scale project aimed at enhancing the financial literacy of the population of Kazakhstan.

The project includes a call centre that offers financial and legal consultations as well as support for borrowers.

An online platform (qogamfin.kz), hosting over 60 educational videos, has expanded the project’s outreach to the working population.

Since 2023, training has been completed by:

500 thousand

Approximately school pupils and college students

100 thousand

University students

245 thousand

Adult citizens

97,000 consultations on debt restructuring and personal bankruptcy issues were provided by experts and lawyers.

The total number of services delivered in 2025 amounted to approximately 900,000, reflecting the support provided to participants with multiple credit obligations.

A total of 412,218 people completed training, including:

328,818

Online

83,400

Offline

Yerkin Soz Kazakh media competition

For over 10 years, the Bank has supported the “Yerkin Soz” competition, aimed at developing professional financial journalism and enhancing the level of financial literacy in the media environment.

In 2025, more than 1,000 journalists from Astana, Almaty, Atyrau, Semey and Kyzylorda took part in the competition. Winners were determined in the following categories: Best Article (print media), Best Online Article and Best Television Feature Competition budget: KZT 8 million.

Seminars and webinars for Kazakh-language media

During the reporting period, the Bank continued to deliver educational activities for regional Kazakh-language media.

On-site seminars on financial literacy and fraud prevention were held in Ust-kamenogorsk, Uralsk, Pavlodar, Semey, Kostanay and Taraz. In addition, open-access online webinars were conducted for all interested participants. Programme budget: KZT 19.5 million.



Support for Kazakhstani sports

Astana Half Marathon

For the second consecutive year, Halyk Bank supported the Astana Half Marathon as the general sponsor. Since 2024, the Bank’s participation in this sporting event has been secured by a five-year contract with the “Courage to Be First” Foundation. In 2025, the marathon brought together 6,200 participants from 38 countries. The Bank’s employees also took an active part in the race. Project budget: KZT 50 million.

People’s League

Halyk Bank implements the social project “People’s League”, aimed at the development of basketball among children from orphanages and boarding schools. The project operated from 2005 to 2019 and was resumed in 2023 after a break related to the pandemic. As part of the initiative, the Bank finances the training process and provides children with sports equipment and gear in various regions of the country. Over the entire period of implementation, more than 4,000 children have participated in the project, including 350 children in 2025. Project budget: KZT 95.2 million.

Cup of Hope

From 30 June to 6 July 2025, the “Cup of Hope 2025” championship was held in Astana among participants of the People’s League. The tournament involved more than 300 children from 17 regions of Kazakhstan. Halyk Bank covered travel and accommodation expenses, the rental of sports facilities for all participants and coaches, and also prepared gifts and awards. Project budget: KZT 104.9 million.

Gymnastics Federation

Halyk Bank provides ongoing sponsorship support to the Kazakhstan Gymnastics Federation, contributing to the development of professional sports and the training of national-level athletes. Within the framework of cooperation with the Federation, funding is provided for coaching staff remuneration, the purchase of sports uniforms and specialised equipment, as well as participation of athletes in international competitions. Annual sponsorship amount: KZT 100 million.

Halyk Arena

As part of its social policy, Halyk Bank continues cooperation with the Halyk Arena ice palace, supporting the development of mass sports and the formation of accessible sports infrastructure. The initiative is aimed at expanding opportunities for regular sports activities and promoting a healthy lifestyle among the population. In 2025, funding was directed towards equipping the sports complex and organising sporting events. The complex is visited by more than 5,000 people per month, including over 350 athletes from youth sports schools. 2025 budget: KZT 200 million.

Table Tennis Federation

For the second year in a row, the Bank supported the Table Tennis Federation, enabling the organisation of tournaments and contributing to the popularisation and development of the sport. 2025 budget: KZT 50 million.

Support for culture and arts

The Abai Kazakh National Opera and Ballet Theatre

With the financial support of Halyk Bank, the Theatre held tour performances in the city of Tashkent (Republic of Uzbekistan). On the days of the meeting of the Presidents of the two countries — Kazakhstan and Uzbekistan — the Theatre’s company presented its large-scale production “Khan Sultan” to audiences. Project budget: KZT 80 million.

‘Summer Music in Your Favourite City’ Festival

The traditional open-air summer festival ‘Summer Music in Your Favourite City’ Festival, organised by the Bank, was held in Kostanay, Ust-kamenogorsk, Shymkent and Almaty in 2025. A series of free open-air concerts filled ordinary evenings with vibrant music and a festive atmosphere. Project budget: KZT 170 million.

Reputation initiatives

Digital Almaty Forum

As part of its support for initiatives in the field of digital development, Halyk Bank contributed to the organisation of the Digital Almaty 2025 Forum, an international platform for dialogue between representatives of business, government authorities and the expert community of the digital industry. Over the course of three days, the forum was attended by approximately 15,000 participants from 30 countries. Key topics of the event included the application of artificial intelligence in industry, digital transformation, robotics and fintech. Support budget: KZT 30 million.

Women in Business Forum

Halyk Bank continues to support the development of women’s entrepreneurship by acting as a partner of the Women in Business forum organised by the Almaty Council of Businesswomen. The initiative is aimed at expanding professional and entrepreneurial opportunities for women. Project budget: KZT 15 million.

4.

CORPORATE GOVERNANCE REPORT

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Strategic Priorities of the Bank in 2025

Advancing best corporate governance practices to protect stakeholder interests



This Corporate Governance Report outlines the Bank's corporate governance framework for 2025 and describes the key principles, policies and practices aimed at ensuring transparency, effectiveness, and the sustainability of the Bank's operations.

In the context of a rapidly evolving financial environment, the Bank continues to consistently enhance its corporate governance framework, considering leading international best practices and applicable regulatory requirements. The key priorities in this area include the protection of shareholders' rights and interests, strengthening the trust of clients and investors, and adherence to high standards of business ethics and responsibility.

The Bank's corporate governance system is based on respect for the rights and interests of all stakeholders and is aimed at ensuring the Bank's sustainable operations, growth in value, financial stability, and profitability.

During the reporting year, the Bank implemented several initiatives focused on improving the effectiveness of corporate governance bodies, further developing the internal control and risk management systems, as well as integrating ESG approaches into management processes. These measures contribute to the Bank's long-term sustainable development and the strengthening of its competitive position.

The Bank considers the application of advanced corporate governance practices as a key factor in maintaining and enhancing trust on the part of clients, shareholders, investors, and other stakeholders.

CORPORATE GOVERNANCE CODE

The Bank's Corporate Governance Code establishes, in addition, the following principles:

- ensuring that shareholders are provided with a genuine opportunity to perform their right to participate in the governance of the Bank and that equal treatment is afforded to all categories of shareholders;
- ensuring shareholders' right to participate in the distribution of the Bank's net profit, including the receipt of dividends;
- timely, complete, and reliable disclosure of information on the Bank's financial position, performance, key indicators, and governance system, to enable shareholders and investors to make informed decisions;
- the discharge by the Board of Directors of strategic leadership over the Bank's activities and effective oversight of the executive bodies, while ensuring the accountability of the Board of Directors to shareholders;
- ensuring conditions for the diligent and effective management of the Bank's Day-to-day operations by the Management Board and establishing its accountability to the Board of Directors and shareholders;
- adherence to high standards of business ethics and transparency in the activities of the Bank's officials;
- creation of long-term economic value for all stakeholders;
- respect for human rights, the principles of inclusiveness and diversity, and the assurance of fair and equal treatment;
- a responsible approach to environmental matters;
- development of responsible financing practices and effective management of ESG risks;
- compliance with all applicable legal requirements and fulfilment of undertaken obligations;
- application of ethical business practices and continuous improvement of corporate governance practices;
- enhancement of the level of information openness and transparency.

The Bank's current Corporate Governance Code sets out the key standards and principles of governance, including the framework governing relations between the Board of Directors and the Management Board, shareholders, and the Bank's officials, as well as the procedures for the functioning of, and decision-making by, the Bank's governing bodies.

The Board of Directors and the Management Board confirm that the Bank's activities are conducted in accordance with the principles and provisions set out in the Corporate Governance Code.

By following the provisions of the Corporate Governance Code, the Bank's Charter and other internal documents, the Bank reaffirms its commitment to the development and strengthening of sound corporate governance practices.

Compliance with the UK Corporate Governance Code

This section of the Annual Report has been prepared in accordance with the Corporate Governance Statement (DTR 7.2) of the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority (FCA).

The Bank is not subject to the mandatory application of the UK Corporate Governance Code issued by the UK Financial Reporting Council (FRC). Furthermore, in accordance with the requirements of DTR 7.2, the Bank discloses in its annual reporting information on its compliance with the Kazakhstan Corporate Governance Code and describes the corporate governance principles and practices applied in addition to the requirements of the legislation of the Republic of Kazakhstan.

The Bank considers the UK Corporate Governance Code as a reference point in the further development of its corporate governance system and analyses the degree of alignment of its applied practices with the provisions of the Code.

The text of the Bank's Corporate Governance Code is published on the Bank's website at the following link:
<https://halykbank.kz/about-bank/korporativnoe-upravlenie>.

The Bank's Corporate Governance Code contains certain differences compared to the UK Corporate Governance Code. The key differences are described below.

UK Corporate Governance Code:

- 1 Establishes a maximum three-year term for the re-election of Directors.
- 2 Provides for the holding of separate meetings of Independent Directors at least once a year, for the evaluation of the performance of the Chair of the Board of Directors.
- 3 At least half of the Board of Directors, excluding the Chair, should consist of Independent Directors.
- 4 Non-Executive Directors should carefully review the performance of the Management Board in terms of its compliance with agreed goals and objectives, exercise oversight over its activities, and ensure the completeness of the financial information provided, as well as the effectiveness and reliability of financial controls and risk management systems.
- 5 The Board of Directors should ensure that appropriate succession planning is in place for the appointment of members of the Board of Directors and senior management to maintain an appropriate balance of skills and experience within the company and the Board of Directors, and to support the gradual renewal of the Board's composition.

Bank's Corporate Governance Code:

Does not contain a requirement for the regular re-election of the Board of Directors. Instead, the competence of the General Meeting of Shareholders includes the determination of the term of office of the Board of Directors.

By resolution of the General Meeting of Shareholders held on 25 May 2023, a three-year term of office was established for the current composition of the Board of Directors.

During 2025, informal meetings were held with the participation of the Corporate Secretary and Independent Directors, during which issues relating to strategy, the improvement of corporate governance processes, the activities of the Board of Directors, and the enhancement of the Corporate Secretary's function were discussed.

In accordance with the requirements of the legislation of the Republic of Kazakhstan, at least one-third of the Board of Directors must consist of Independent Directors. The Board of Directors elected by the General Meetings of Shareholders held on 25 May 2023 and 1 December 2023 includes five Independent Directors out of seven members of the Board of Directors.

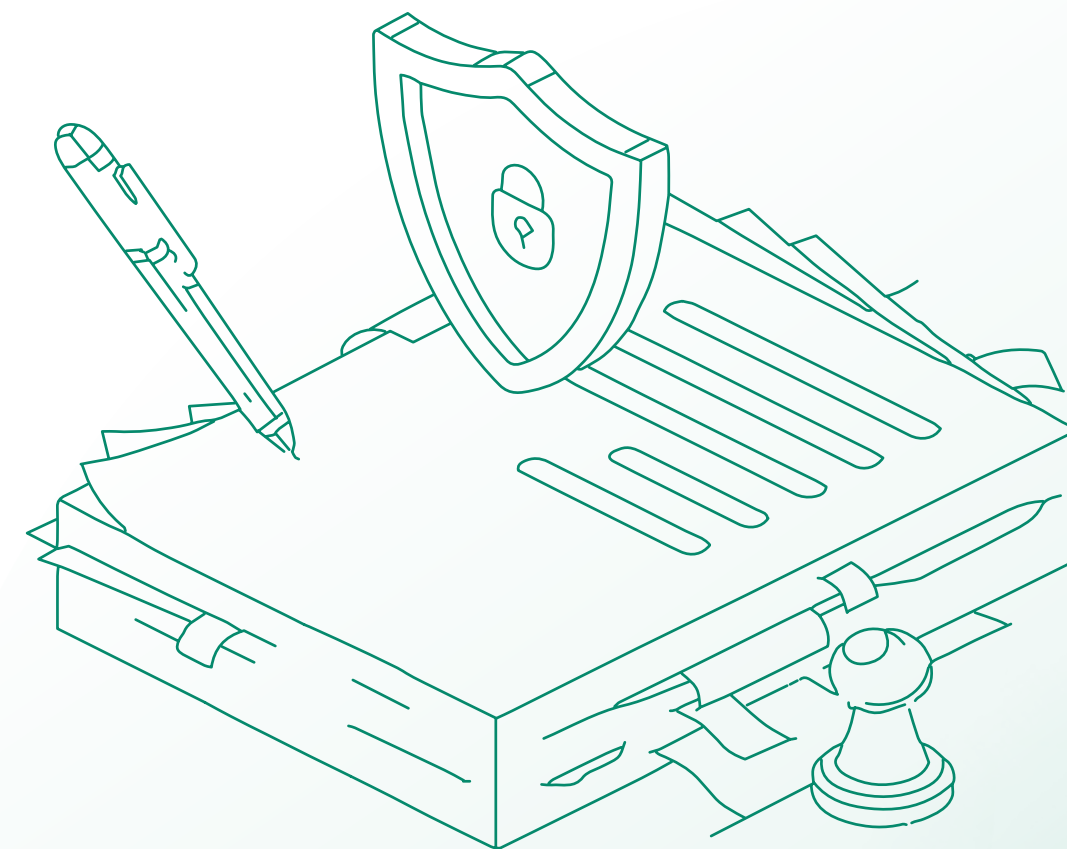
In accordance with the requirements of Kazakhstan legislation, all members of the Board of Directors exercise oversight over the activities of the Management Board.

Defines the procedure for forming the composition of the Board of Directors and establishes certain requirements for candidates to the Board of Directors to ensure an optimal balance of experience and knowledge necessary for the effective performance of the Board of Directors.

Compliance with the Corporate Governance Code of the Republic of Kazakhstan

The Bank submitted a notification to the Kazakhstan Stock Exchange confirming that an assessment of compliance with the principles of the Model Corporate Governance Code had been conducted and that 94.7% of the total number of its principles were complied with. Since 2021, the Bank has demonstrated a steady positive trend in compliance with the principles of the Model Code, increasing from 85.5% to 94.7%.

The Bank consistently continues to develop its corporate governance system. This work includes, among other things, the integration of sustainability (ESG) principles and policies into the corporate governance framework, the implementation of a project aimed at automating the activities of collegial bodies, the transformation of committees under the Board of Directors, as well as further enhancement of risk management and internal control systems. Attention is paid to the ongoing professional development of employees in the internal audit, risk management, and compliance functions, as well as the corporate secretary function.



CORPORATE GOVERNANCE EVENTS IN 2025

General Meetings of Shareholders and Dividend Policy

- On 30 April 2025, the Bank held its Annual General Meeting of Shareholders, at which eight resolutions were adopted on the agenda items, including matters related to the distribution of profit and informing shareholders about appeals received by the Bank and its officials. The Annual General Meeting of Shareholders also resolved to determine the number of members and the term of office of the Counting Commission of Halyk Bank JSC and to elect its members.
- Following the results of the meeting, a resolution was adopted to pay dividends for 2024 in the amount of KZT 29.64 per ordinary share, which corresponds to 35% of the Bank's consolidated net income for 2024. Within the prescribed period, shareholders were paid a total of KZT 322,682 million, including payments on global depositary receipts, the underlying assets of which are the Bank's ordinary shares, amounting to KZT 90,264 million. Unclaimed dividends in the amount of KZT 809 million were transferred to the Central Securities Depository in accordance with the requirements of the legislation of the Republic of Kazakhstan.
- On 22 September 2025, an Extraordinary General Meeting of Shareholders was held, at which a resolution was adopted on an additional dividend payment for 2024 in the amount of KZT 21.00 per ordinary share, equivalent to 25% of the Bank's consolidated net income for 2024. The total amount of additional dividends actually paid amounted to KZT 228,625 million, including payments on global depositary receipts amounting to KZT 63,679 million. Unclaimed dividends in the total amount of KZT 569 million were transferred to the Central Securities Depository in accordance with the procedure established by law.

Activities of the Board of Directors and Development of the Corporate Governance System

- In 2025, the Bank conducted an evaluation (self-assessment) of the performance of members of the Board of Directors in accordance with the best international corporate governance practices. The results of the evaluation were communicated to shareholders within the framework of the annual general meeting.
- In the reporting year, the Action Plan for the improvement of risk management, internal control and corporate governance systems, prepared based on the recommendations of the Internal Audit Department, was fully implemented.
- A diagnostic assessment of the level of corporate governance in the Bank's Kazakhstani and foreign subsidiaries was conducted, with recommendations prepared for its further improvement.
- In 2025, training activities were also implemented and certification of employees of the Bank and its subsidiaries responsible for the development and functioning of the corporate governance system was conducted.

Interaction with Shareholders

- During 2025, the Bank considered 124 appeals from shareholders and their representatives, on issues related to dividend payments, disclosure of information on securities holders and dividend taxation, as well as on matters relating to the Bank's current operations. All appeals were considered in the established manner.

Sustainable Development

- Within the framework of in-person meetings of the Board of Directors, reports were considered on the progress of implementation of initiatives in the field of sustainable development, as well as on the implementation of the Bank's ESG strategy for 2025–2027.
- The Bank prepared and published the Sustainable Development Report for 2024, reviewed by the Board of Directors, which contains a description of the Bank's systematised approaches to managing sustainable development issues.
- In addition, in 2025, training courses on corporate governance and sustainable development (ESG) were prepared, and seminars were held for Corporate Secretaries and executives of the Halyk Group.

CORPORATE GOVERNANCE STRUCTURE

Under the Bank's Board of Directors, the following advisory and consultative bodies have been established and are in operation:

- ✓ Strategic Planning Committee,
- ✓ Audit Committee,
- ✓ Nomination and Remuneration Committee,
- ✓ Sustainable Development Committee, and
- ✓ Risk Committee.

A more detailed report on the activities of these Committees is provided in the relevant subsection below.

Working bodies operate under the Bank's Management Board, including directorates, committees and working groups, which ensure the consideration and elaboration of issues relating to specific areas of the Bank's activities. In cases provided by legislation or the Bank's internal documents, decisions adopted by such working bodies are submitted for approval to the Management Board or the Board of Directors.

For the purposes of implementing and maintaining best corporate governance practices, the Board of Directors interacts with internal and external auditors, as well as with the heads of key control and support functions, including the internal audit function, the risk management function, the compliance function, the legal function, and the corporate secretary function.

The allocation of powers and responsibilities between the Board of Directors and the Bank's Management Board is conducted in accordance with the requirements of the legislation of the Republic of Kazakhstan and the Bank's internal regulatory documents.



Board of Directors (as of 1 January 2026)



Arman Dunayev

b. 1966

**Member of the Board of Directors,
Independent Director**

Dunayev Arman Galiaskarovich was elected a member of the Board of Directors of Halyk Bank in September 2013 and re-elected to this position in May 2023.

He has experience of working in senior public offices, including First Vice Minister of Finance of the Republic of Kazakhstan, Minister of Finance of the Republic of Kazakhstan, and Chairman of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organisations. He also held senior positions in the quasi public sector. Mr Dunayev is currently member of the Boards of Directors of a number of subsidiaries of Halyk Bank and Altyn Bank JSC.

In 1988, Arman Galiaskarovich graduated from the Kazakh State University named after S. Kirov with a qualification as an economist and lecturer in political economy, and in 1991 defended his dissertation at Lomonosov Moscow State University, where he was awarded the academic degree of Candidate of Economic Sciences.



Frank Kuijlaars

b. 1958

**Member of the Board of Directors,
Independent Director**

Frank Kuijlaars was elected a member of the Board of Directors of Halyk Bank in April 2009 and re-elected to this position in May 2023.

From 1990 to 2007, he held a number of senior management positions at ABN AMRO Bank N.V. and subsequently at RBS, including Head of Corporate and Investment Banking in Belgium, Regional Manager in Brazil, and Country Manager in Russia and Argentina. Mr Kuijlaars was member of the Supervisory Board in Russia, Kazakhstan and Uzbekistan. Following his appointment in 2001 to the position of Corporate Executive Vice President,

in addition to overseeing global energy matters, he was member of the executive committees for Europe, Central and Eastern Europe, the Middle East and Africa, as well as for Corporate and Investment Banking.

He is an adviser to a number of international organisations and for a prolonged period was member of the Foreign Investors' Council under the President of the Republic of Kazakhstan. Mr Kuijlaars served as Chairman of the Board of Directors and Independent Director of NC KazMunayGas JSC, as well as an Independent Non-Executive Director and Independent member of the Supervisory Board of Amsterdam Trade Bank N.V.

Mr Kuijlaars is the owner and Managing Director of Eureka (Energy) Ventures B.V.

Frank Kuijlaars graduated from Erasmus University Rotterdam (the Netherlands) with a Master of Laws degree, studied at the Dutch Institute for Banking and Insurance, and completed a number of postgraduate programmes at international institutions such as Fontainebleau (France), Cambridge University (the United Kingdom), and Harvard Business School (the United States).

Board of Directors (as of 1 January 2026)



Zhomart Nurabayev

b. 1971

**Member of the Board of Directors,
representative of Holding Group ALMEX JSC**

Nurabayev Zhomart Dossankulovich was elected member of the Board of Directors of Halyk Bank, as a representative of Holding Group ALMEX JSC, in December 2023.

From September 2025 to the present, he has been a member of the Board of Directors of Almex Holding Limited (Private Company).

From February 2024 to the present, he has served as Chairman of the Management Board of Holding Group ALMEX JSC.

He has performed the functions of member of the Board of Directors of Halyk Global Markets JSC since September 2023 to the present.

At various stages of his professional career, he worked in senior public positions, including Deputy Chairman of the Tax Committee for the Zhetysay, Almaly, and Medeu districts of the city of Almaty; Head of the Taxpayer Relations Department of the Tax Committee for the city of Almaty; Head of the Corporate Income Taxation Department of the Tax Administration for the city of Almaty; Category I Specialist, Tax Inspector and Senior Tax Inspector of the Inspection and Control Department for Compliance with Tax Legislation of the Main Tax Inspectorate of the Ministry of Finance of the Republic of Kazakhstan. Zhomart Dossankulovich also held senior positions in financial and commercial organisations.

Zhomart Dossankulovich graduated from the Kazakh State Academy of Management with a qualification as an economist, and also from Abai Kazakh National Pedagogical University with a degree in Law.



Zhaksybek Kulekeyev

b. 1957

**Member of the Board of Directors,
Independent Director**

Zhaksybek Abdrakhmetovich was elected a member of the Board of Directors of Halyk Bank in December 2023.

He has experience of working in senior public positions, including Minister of Education and Science of the Republic of Kazakhstan, Chairman of the Accounts Committee for Control over Execution of the Republican Budget of the Republic of Kazakhstan, Minister of Economy and Trade of the Republic of Kazakhstan, Minister of Economy of the Republic of Kazakhstan, and Chairman of the Agency of the Republic of Kazakhstan on Statistics. He also held senior positions

in the quasi public sector (NC Kazakhstan Temir Zholy JSC, NC KazMunayGas JSC).

In addition, from June 2023 to the present, Zhaksybek Abdrakhmetovich has been a member of the Board of Directors and an Independent Director of KazAzot JSC; from October 2022 to October 2025, Chairman of the Board of Directors of L. N. Gumilyov Eurasian National University (Non Commercial Joint Stock Company); from January 2020 to August 2025, member of the Board of Directors and an Independent Director of the Social Health Insurance Fund (Non Commercial Joint Stock Company); and from October 2010 to the present, Scientific Director of Applied Economics Research Centre LLP.

He worked at the Kazakh Economic University named after Ryskulov (Alma Ata Institute of National Economy) as a lecturer, senior lecturer, associate professor and Head of the Microeconomics Department. He held the positions of Manager and Deputy Manager at the Asian Development Bank.

In 1979, Zhaksybek Abdrakhmetovich graduated from S. M. Kirov Kazakh State University with a qualification as a mathematician, and in 1986 defended his dissertation at the Alma Ata Institute of National Economy, where he was awarded the academic degree of Candidate of Economic Sciences. In 1992, he obtained a Docent Certificate from the USSR State Committee for Public Education in the field of Applied Mathematics. In 2004, the Higher Attestation Committee of the Ministry of Education and Science of the Republic of Kazakhstan conferred on Zhaksybek Abdrakhmetovich the academic title of Professor of Economics.

Board of Directors (as of 1 January 2026)



Hermann Tischendorf

b. 1971

**Member of the Board of Directors,
Independent Director**

Hermann Tischendorf was elected a member of the Board of Directors of Halyk Bank in May 2023.

From July 2024 to the present, Mr. Tischendorf has served as member of the Board of Directors and an Independent Director of Kazteleport JSC.

From November 2021 to the present, he has served as Chief Technology Officer (CTO) and member of the Executive Council of MTN Group in South Africa; from October 2016 to the present, as Senior Partner and Chief Technology Officer at MARFOR International Advisory in the United States.

From November 2019 to July 2021, he served as Chief Technology Officer (CTO) and member of the Executive Council of 4Finance Group in Latvia; from October 2018 to August 2019, as Chief Information Officer (CIO), Head of the IT Department, and member of the Executive Council (the owner company of SMARTnet/SmartPay) at FEC VPBank Finance Company LLC in Vietnam.

From October 2017 to August 2019, he served as Chief Digital Officer (CDO) and member of the Executive Committee – Chief Digital Officer at SMARTNet LLC (SmartPay) in Vietnam also.

From May 2012 to October 2016, he served as Chief Information Officer (CIO), Managing Director, and member of the Management Board of Eurasian Bank JSC in Kazakhstan.

Hermann Tischendorf holds a Master's degree in Economics, specialising in Operations Research and Information/Data Sciences, from Karl Franzens Universität Graz (1998). In 1997, he graduated from the University of California, Los Angeles – Anderson School of Management, specialising in Economics, International Finance, Money Markets and Macroeconomics, and also completed higher education at the Wharton School in the field of Fintech Revolution: Transforming Financial Services and Strategies (2021).



Piotr Romanowski

b. 1969

**Member of the Board of Directors,
Independent Director**

Piotr Romanowski was elected a member of the Board of Directors of Halyk Bank in May 2020 and re-elected to this position in May 2023.

From 2025 to the present, he has served as member of the Board of Directors of Clock Bio Limited in the United Kingdom; from 2022 to the present, as director of Caldero Management Limited in Malta; from 2021 to the present, as member of the Board of Directors and an Independent Director of BANK CREDIT DNIPRO JSC in Ukraine; from 2021 to 2025, as member of the Board of Directors of AxFina Holding S.A. (Luxembourg).

From 2021 to 2024, he served as Chairman of the Board of Directors of Kevin EU, UAB in Lithuania; from 2021 to 2024, member of the Supervisory Board of Luneos, Sp. z o.o. in Poland; from 2019 to the present, he has been Chairman of the Board of Directors of Ryvu Therapeutics, a listed public biotechnology company in Poland.

From 2011 to 2014, he was a Partner and Financial Services Leader for Central and Eastern Europe/CIS at PwC in Poland. From 2014 to 2018, an Adviser at PwC for Central and Eastern Europe/CIS, and from 2017 to 2018, a Client Market Leader in the CIS countries.

From 2009, he was the first external investor in Selvita & Ryvu Therapeutics in Poland and from 2011, he has served as a Chairman of the Supervisory Board of Selvita S.A. (Poland); from 2008 to 2009, as member of the Management Board, overseeing the corporate banking division at Bank Millennium, Warsaw, Poland.

From 1998 to 2004 he served as a Manager/Senior Manager at McKinsey & Company, Warsaw, Poland and from 2005 to 2008 as Partner.

In 2017, he graduated from Harvard Business School under the Data Analytics Programme. In 2016, graduation from Singularity University in California under the Executive Programme.

From 1995 to 1997, he studied at the University of Cambridge, receiving a Doctor of Philosophy degree in Molecular Biology from the Wellcome / CRC Research Institute.

From 1987 to 1994, Mr. Romanowski has also studied at the Gdańsk Medical Academy, Gdańsk, Poland. In May 1995, Doctor of Philosophy degree in Cancer Genetics awarded.



Board of Directors (as of 1 January 2026)



Umut Shayakhmetova

b. 1969

**Chairperson of the Management Board,
Member of the Board of Directors**

Peoples' Friendship University (Russia) named after Patrice Lumumba – Bachelor of Economics (BE), Rutgers University, USA – Master of Business Administration (MBA).

Umut Shayakhmetova has more than 25 years of experience in the banking sector, including more than 18 years at Halyk Bank.

She began her professional career in 1997 at ABN AMRO Bank Kazakhstan, where she started as a structured finance specialist and, between 2000 and 2004, held senior management positions, including Deputy Chairperson of the Management Board, overseeing corporate lending at the Kazakh subsidiary of the Dutch banking group. She previously headed ABN AMRO Asset Management and was involved in the establishment of the funded pension system of the Republic of Kazakhstan.

Ms Shayakhmetova joined Halyk Bank in 2004, initially serving as Deputy Chairperson of the Management Board. Since June 2018, she has been a member of the Board of Directors and a representative of Halyk Bank and Altyn Bank. Under her leadership, the Bank successfully implemented key transformations, including the integration with Kazkommertsbank, large-scale digital transformation, and the expansion of its international presence.

She is actively involved in international and business associations. In 2015 she was elected Chairperson of the Regional Council of Businesswomen under the Chamber of Entrepreneurs of Almaty. In 2016, she was elected Chairperson of the Financial Sector Committee of the Presidium of the National Chamber of Entrepreneurs “Atameken.” From 2012 to 2016, she served as member of the International Council of UnionPay International. From June 2016 to 2022, she was elected Chairperson of the Regional Council of UnionPay International for Eastern Europe, Central Asia, Russia, and the Caucasus. Since 2019, she has served as member of the Regional Council of Businesswomen under the Chamber of Entrepreneurs of Almaty and member of the Advisory Council of Mastercard Europe, and since July 2022, member of the Advisory Council of Mastercard EEMEA (Eastern Europe, the Middle East, and Africa).

Since October 2019, Umut Shayakhmetova has been member of the Council of National Investors under the President of the Republic of Kazakhstan, and since November 2022, member of the Foreign Investors Council under the President of the Republic of Uzbekistan.

Ms Shayakhmetova is also engaged in public and educational activities: from 2011 to 2021, she has headed the Gymnastics Federation of the Republic of Kazakhstan and has been member of the Board of Trustees of the Private Foundation “Halyk Charity Fund.” Since May 2024, she has served as Chairperson of the International Advisory Council of the Graduate School of Business at Nazarbayev University.

Since November 2023, she has served as an expert member of the Commission under the President of the Republic of Kazakhstan on Digitalisation. In 2025, she was elected Chairperson of the Board of the UN Global Compact Network in Central Asia.

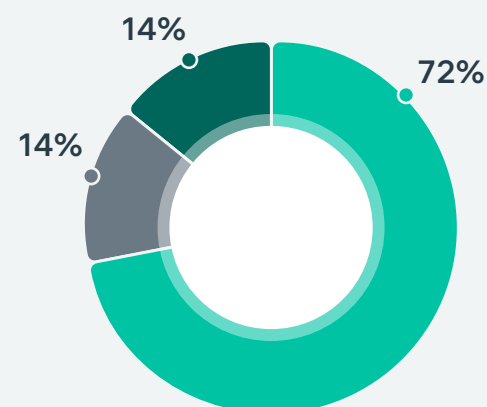
Skills and Experience of Directors

The Bank seeks to ensure a balanced combination of experience, professional skills, and breadth of perspectives within the composition of the Board of Directors. The presence of diverse viewpoints when considering key matters contributes to the more effective performance by the Board of Directors of its functions and the proper representation of shareholders' interests.

Independent Directors contribute experience in international management, strategic vision, knowledge of the specifics of the major industries in which the Bank operates, corporate governance and risk management.

At the same time, all members of the Board of Directors possess relevant expertise in banking, finance, as well as human resources management, including matters relating to remuneration and motivation.

Structure of the Bank's Board of Directors



- Independent Directors
- Representative of the major shareholder ALMEX Holding Group JSC
- Executive Director (Chairperson of the Management Board)

Below is a summary of information on the skills and experience of the members of the Board of Directors:

7 Directors

Banking

4 Directors

Oil and gas and mining industries

6 Directors

Other industries in the real economy

7 Directors

Finance

7 Directors

Leadership

4 Directors

Risk management

1 Directors

Medicine and biotechnology

5 Directors

International experience

7 Directors

Strategic vision

7 Directors

Corporate governance

7 Directors

Human resources management

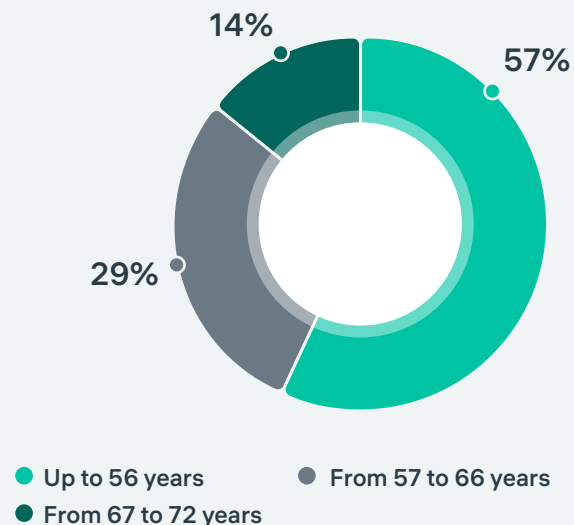
7 Directors

Sustainable Development

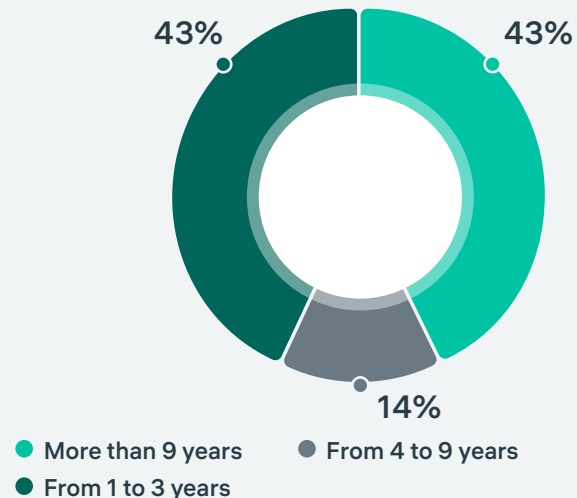
1 Directors

Information technology and telecommunications

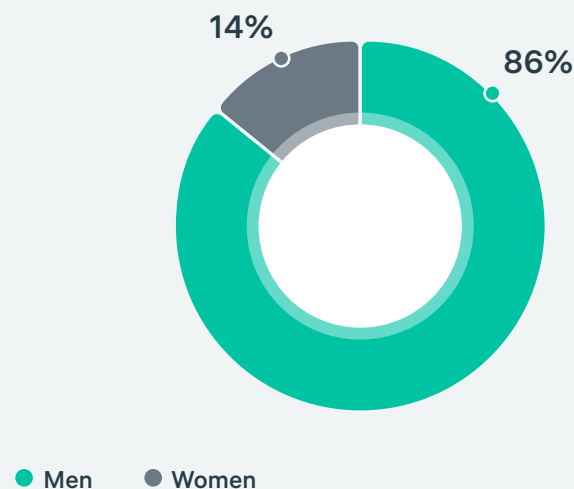
Age Structure of the Bank's Board of Directors Is as Follows



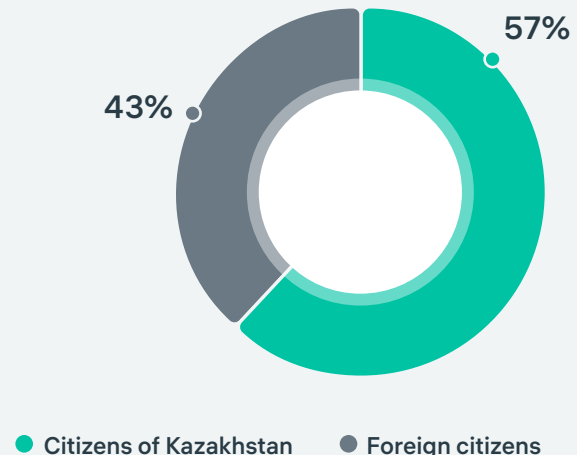
Structure of the Bank's Board of Directors by Length of Service



Gender Structure of the Bank's Board of Directors



Share of Citizens of Kazakhstan and Foreign Citizens in the Composition of the Board of Directors



Activities of the Board of Directors

The Board of Directors and its Committees conduct their activities in accordance with work plans for the relevant periods.

In 2025, 6 in-person meetings were held, at which 50 issues were considered, and 69 absentee meetings of the Bank's Board of Directors were held, at which 609 issues were considered.

The statistics on the participation of members of the Board of Directors in meetings are as follows:

Full name of members of the Board of Directors	Number of meetings / number of issues	In-person		Absentee
		% attendance	Number of meetings / number of issues	% attendance
Pavlov A.S.	2/27	33%	19/192	28%**
Dunayev A.G.	6/50	100%	69/607	100%*
Kuijlaars F.	6/50	100%	66/579	96%*
Kulekeyev Zh.A.	6/50	100%	64/570	93%*
Nurabayev Zh.D.	6/50	100%	66/593	96%*
Romanowski P.	6/50	100%	69/607	100%***
Tischendorf H.	6/50	100%	69/609	100%
Shayakhmetova U.B.	6/50	100%	58/522	84%*
Total	6/50	92%	69/609	87%

* Did not participate in voting in accordance with paragraph 5 of Article 40 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan", Articles 36 and 53 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", during the period of leave or business trip.

** Pavlov A.S. prematurely terminated his powers as Chairman of the Board of Directors and member of the Board of Directors as of 01 May 2025 (minutes of the in-person meeting of the Board of Directors No. 3 dated 30 April 2025).

*** Romanowski P. did not participate in the consideration and voting on matters relating to his election and performance of the functions of a member of the Board of Directors, an Independent Director, in other companies.



Key Matters Considered by the Board of Directors

The activities of the Board of Directors in 2025 were conducted in accordance with the approved semi-annual plans. During the reporting period, the Board of Directors considered and discussed key matters related to the strategic development of the Halyk Group, financial results, risk management, sustainable development, and the corporate governance system.

STRATEGY AND BUSINESS DEVELOPMENT

The Board of Directors reviewed the results of the implementation of the Halyk Group Development Strategy for 2022–2024 for 2024, as well as the progress in the implementation of the Halyk Group Development Strategy for 2025–2027 and the Bank’s ESG strategy for 2025–2027 for the first half of 2025.

As part of strategic oversight, three key strategic projects under the monitoring of the Board of Directors were also approved: the development of the payments and transfers business, the Halyk Business B2B platform, the Halyk Market marketplace, and interim strategic KPIs for 2025–2026 were also established.

In addition, the Board of Directors reviewed and approved the Halyk Group Marketing Strategy for 2025–2027.

FINANCE, INVESTMENTS AND TRANSACTIONS

In the reporting year, the Board of Directors approved the consolidated budget of the Halyk Group and the Bank’s IFRS budget for 2026.

The terms and conditions for the Bank’s acquisition of shares in Click JSC and the disposal by the Bank of shares in Tenge Bank JSCB were also reviewed.

In addition, relevant internal audit matters related to the update of the International Standards for the Professional Practice of Internal Auditing in 2025 were considered.

SUSTAINABLE DEVELOPMENT AND CORPORATE GOVERNANCE

The Board of Directors reviewed a report on the progress of implementation of the Action Plan for the introduction of the principles and goals of sustainable development for 2022–2024, and also reviewed the Bank’s Sustainable Development Report for 2024, which discloses key aspects of the Bank’s activities in the areas of environmental and social responsibility and corporate governance.

In accordance with the Charter and the Corporate Governance Code, the Bank voluntarily undertook an obligation to annually assess the compliance of its activities with the provisions of the Model Corporate Governance Code based on the “comply or explain” principle. As part of the fulfilment of this obligation, the Bank submitted a notification to the Kazakhstan Stock Exchange confirming that the relevant assessment had been conducted.

In accordance with the requirements of the Bank’s Corporate Governance Code, an assessment (self-assessment) of the performance of members of the Board of Directors for 2024 was also conducted, the results of which were presented to shareholders as part of the Annual General Meeting.

Key Matters Considered by the Board of Directors

REGULAR OVERSIGHT AND CONTROL

On a systematic basis, the Board of Directors reviewed:

- semi-annual reports of the Bank's Management Board and subsidiaries on the progress of implementation of development strategies and the ESG strategy;
- reports on financial results and budget execution of the Bank and Group companies for 2024 and the first half of 2025;
- information on the activities of companies managing distressed assets of the Halyk Group;
- quarterly reports of the Management Board on operating results and budget execution of the Group, with subsequent adjustments where necessary;
- reports on compliance with the internal capital and liquidity adequacy assessment process for 2024;
- information on the status of the Bank's largest borrowers, including loans, contingent liabilities and assets transferred to trust management;
- risk management matters, including analysis of the quality of the loan portfolio and transactions with related parties;
- internal audit matters,
- and other management information in accordance with the requirements of the legislation of the Republic of Kazakhstan.

During the reporting period, the Board of Directors also reviewed the results of stress testing of the Bank's loan portfolio, considering various scenarios of global economic development and assessing their impact on the Bank's capital and financial stability.

In addition, reports of the Head of Risk Management and the Chief Compliance Controller were heard, including information on the effectiveness of compliance risk management and measures to counteract money laundering and financing of terrorism in the Bank and certain subsidiaries.

Based on the reports and information reviewed, the Board of Directors noted the stable implementation of the Halyk Group's development strategies, which contributed to strengthening the positions of the Bank and the Group's companies in the relevant markets.

Overall, the objectives related to maintaining the Bank's No. 1 position in Kazakhstan, improving customer service, and developing banking products that were set by the Board of Directors for the Halyk Group have been achieved, while subsidiaries continue to implement a set of measures aimed at strengthening leading positions in the relevant areas of activity.

Report on the Activities of the Committees

The Committees under the Board of Directors are advisory and consultative bodies of the Bank’s Board of Directors. All proposals developed by the Committees constitute recommendations submitted for consideration by the Bank’s Board of Directors.

In accordance with the legislation of the Republic of Kazakhstan, the members of the Committees include members of the Board of Directors and experts. More detailed information on the composition of the Committees is provided below in the subsections on the activities of the relevant Committees.

Audit Committee

The Audit Committee was established in July 2005. The Committee consists of three members of the Board of Directors, who are elected by a majority vote of all members of the Board of Directors. The Chairman of the Committee is an independent director of the Bank.

The Committee comprises:

- 1. **Arman Galiaskarovich Dunayev** – Chairman of the Audit Committee, Independent Director;
- 2. **Zhaksybek Abdrakhmetovich Kulekeyev** – Member of the Audit Committee, Independent Director;
- 3. **Piotr Romanowski** – Member of the Audit Committee, Independent Director.

All members of the Committee are independent directors and possess knowledge and experience in accounting and tax accounting, financial reporting, internal and external audit, and risk management.

Committee Competence

The Committee assists the Board of Directors in matters relating to the completeness and reliability of financial and other reporting, the Bank’s and its subsidiaries’ compliance with legislative requirements and internal documents (compliance control), the selection and independence of the external auditor, the adequacy and effectiveness of the internal control system and the risk management system, and also coordinates the work of the external and internal audit functions.

Activities of the Committee

In 2025, 4 in-person meetings were held, at which 8 issues were considered, and 44 meetings were held by correspondence, at which 58 issues were considered.

Full name of members of the Board of Directors	Number of meetings / number of issues	In-person		Absentee
		% attendance	Number of meetings / number of issues	% attendance
Dunayev A.G.	4/8	100%	44/58	100%
Pavlov A.S.	2/3	50%	12/14	27%*
Kulekeyev Zh.A.	2/5	50%	27/37	61%**
Romanowski P.	4/8	100%	44/58	100%
Total	4/8	75%	44/58	72%

* Pavlov A.S. terminated his powers as a member of the Audit Committee in accordance with the decision on the twelfth item of the minutes of the by-correspondence meeting of the Bank’s Board of Directors No. 22 dated 6 May 2025.

** Kulekeyev Zh.A. was elected a member of the Audit Committee in accordance with the decision on the twelfth item of the minutes of the by-correspondence meeting of the Bank’s Board of Directors No. 22 dated 6 May 2025 and did not participate in voting during the period of leave and business travel.

For the purposes of ensuring the completeness and reliability of financial reporting, the Audit Committee reviewed the interim (quarterly) reports of the external auditor and management letters of the Bank and its subsidiaries and approved and recommended to the Board of Directors the Bank’s annual financial statements for 2024. In performing these functions, the Committee interacted with the external auditor and the Bank’s finance function, including discussions of key accounting judgements, accounting policies, and applied procedures.

The Committee maintained regular interaction with the Internal Audit Department, considering matters related to the approval of the internal audit budget and work plan, the results of audit engagements performed, management reporting, staffing matters of the Internal Audit Department, as well as drafts of internal regulatory documents governing its activities.

In addition, the Committee reviewed quarterly analytical reports on the quality of the Bank’s loan portfolio prepared by the risk management function.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was established in September 2007. The Committee consists of three members of the Board of Directors, who are elected by a majority vote of all members of the Board of Directors. At least two members of the Committee must be independent directors.

The Committee comprises:

- ▶ **Frank Kuijlaars** – Chairman of the Committee, Independent Director;
- ▶ **Arman Dunayev Galiaskarovich** – Member of the Committee, Independent Director;
- ▶ **Piotr Romanowski** – Member of the Committee, Independent Director.

All members of the Committee are independent directors, and all members of the Committee have extensive experience in human resources management, including remuneration matters.

Committee Competence

The Committee submits recommendations to the Board of Directors regarding candidates for the Board of Directors, the Management Board and the boards of directors of subsidiaries, the remuneration system of the Board of Directors and the Management Board, the remuneration of the boards of directors and executive bodies of subsidiaries, and also considers matters related to the improvement of ethical standards aimed at enhancing the corporate culture of the Bank.

Committee Activities

In 2025, the Nomination and Remuneration Committee held 22 absentee meetings, during which 27 issues were reviewed.

Full name of members of the Nomination and Remuneration Committee	In-person		Absentee	
	Number of meetings / number of issues	% attendance	Number of meetings / number of issues	% attendance
Kuijlaars F.	-	-	22/27	100%
Pavlov A.S.	-	-	7 /12	32%*
Dunayev A.G.	-	-	22 /27	100%
Romanowski P.	-	-	13 /13	59%
Total:			22 /27	

* Pavlov A.S. terminated his powers as a member of the Nomination and Remuneration Committee of the Board of Directors in accordance with the decision on the fifteenth item of the minutes of the absentee meeting of the Bank's Board of Directors No. 22 dated 06 May 2025.

The remuneration of members of the Board of Directors and the Management Board of Halyk Bank in 2025 amounted to:

(KZT)	
Total income	
Members of the Board of Directors and the Management Board	6,319,858,671.21

In 2025, the following mandatory deductions were made from the above-mentioned income of members of the Board of Directors and the Management Board of Halyk Bank:

(KZT)				
	Individual income tax	Mandatory pension contributions	Mandatory social health insurance contributions	Total mandatory deductions
Members of the Board of Directors and the Management Board	627,786,567.55	44,369,925.93	1,989,000.00	674,145,493.48

Key Issues of the Committee's Activities

During the reporting year, the Committee reviewed and discussed issues related to the formation and development of the Bank's senior management, including the consideration of candidates for the Bank's Management Board. The Committee's focus also included the results of the assessment (self-assessment) of the performance of members of the Board of Directors, changes, and additions to the Bank's organisational structure, as well as reports on monitoring compliance with the Code of Ethics and Business Conduct by the Bank's structural divisions.

In addition, the Committee reviewed issues related to the remuneration system, including the remuneration of members of the Bank's Management Board, employees of the internal audit service and the Corporate Secretary.

Principles of Remuneration Formation

The determination of the level of remuneration of members of the Bank's Management Board is carried out considering the following key factors:

- ▶ evaluation of the position in terms of its significance and impact on the Bank's performance results;
- ▶ the level of remuneration for comparable positions in the regional labour market;
- ▶ the results of the assessment of the performance effectiveness of executives, based on which the bonus component of remuneration is determined.

NOMINATION AND REMUNERATION COMMITTEE

The remuneration system for members of the Board of Directors is based on the principle of linking remuneration to the level of professional qualifications, personal contribution to the Bank’s performance results, as well as the quality of the performance of duties in the interests of the Bank and its shareholders.

The terms for the payment of remuneration to members of the Board of Directors of Halyk Bank are determined by the decision of the annual general meeting of shareholders dated 19 April 2006, and the terms for reimbursement of expenses related to the performance of their duties are determined by the decision of the annual general meeting of shareholders dated 19 April 2012.

STRATEGIC PLANNING COMMITTEE

The Strategic Planning Committee was established in April 2012.

The Committee consists of five members of the Board of Directors, who were elected by a majority vote of all members of the Board of Directors, and four experts (without voting rights) – members of the Management Board overseeing the most strategic areas of the Bank’s activities.

The Committee includes:

- ▶ **Piotr Romanowski** – Chairman of the Committee, Independent Director;
- ▶ **Zhomart Nurabayev Dossankulovich** – Member of the Committee, representative of the major shareholder, Holding Group ALMEX JSC;
- ▶ **Hermann Tischendorf** – Member of the Committee, Independent Director;
- ▶ **Umut Shayakhmetova Bolatkhanovna** – Member of the Committee, Chair of the Management Board;
- ▶ **Olga Vuros Vladimirovna** – Member of the Committee (expert without voting rights);
- ▶ **Murat Koshenov Uzakbaevich** – Member of the Committee (expert without voting rights);
- ▶ **Nariman Mukushev Nurlanovich** – Member of the Committee (expert without voting rights);
- ▶ **Dauren Sartaev Zhankiseevich** – Member of the Committee (expert without voting rights).

The Chairman of the Strategic Planning Committee is an independent member of the Bank’s Board of Directors; the Committee includes members of the Board of Directors and experts with professional experience in the following areas: information technology development; development and provision of banking services; risk management and budget planning.

Committee Competence

The Strategic Planning Committee provides assistance to the Board of Directors on matters of the Halyk Group’s strategic development. Its scope of responsibility includes the review of the Group’s development strategies and the Bank’s sustainable development strategy, monitoring of their implementation, as well as analysis of reports on the progress of execution of strategic documents.

The Committee participates in the formation of medium- and long-term goals and key performance indicators (KPIs), including KPIs in the field of sustainable development, and monitors the implementation of measures to achieve them. In addition, the Committee analyses changes in the external environment, including regulatory, economic, and financial factors, and assesses their impact on the Group’s strategic plans.

Within its powers, the Committee also carries out a preliminary review of the draft budget of the Bank for the relevant year and the draft policy on management of the Bank’s profitability, as well as monitoring compliance with the said policy.

Committee Activities

In 2025, three in-person meetings were held, at which 11 issues were reviewed, and 2 absentee meetings of the Committee were held, at which 2 issues were reviewed.

Full name of members of the Strategic Planning Committee	In-person		Absentee	
	Number of meetings / number of issues	% attendance	Number of meetings / number of issues	% attendance
Romanowski P.	3/11	100%	2/2	100%
Pavlov A.S.	1/3	33%	-	-**
Nurabayev Z.D.	3/11	100%	2/2	100%
Shayakhmetova U.B.	3/11	100%	2/2	100%
Vuros O.V.	3/11	100%	2/2	100%*
Koshenov M.U.	3/11	100%	2/2	100%*
Mukushev N.N.	3/11	100%	2/2	100%*
Sartaev D.Z.	3/11	100%	2/2	100%*
Total	3/11	100%	2/2	100%

* Members of the Strategic Planning Committee (experts without voting rights)

** Pavlov A.S. terminated his powers as a member of the Strategic Planning Committee of the Board of Directors in accordance with the decision on the thirteenth item of the minutes of the absentee meeting of the Bank’s Board of Directors No. 22 dated 6 May 2025.

STRATEGIC PLANNING
COMMITTEE

In the reporting year, the Committee reviewed and preliminarily approved the draft Marketing Strategy of the Halyk Group for 2025–2027, as well as the draft amendments to the Bank’s ESG strategy for 2025–2027 and the report on the progress of its implementation for the first half of 2025.

The Committee also reviewed the results of the implementation of the Halyk Group Development Strategy for 2022–2024 for 2024 and the progress of implementation of the Group Development Strategy for 2025–2027 for the first half of 2025, as well as the financial results and execution of the budget of the Bank and the Group’s organisations for 2024 and the first half of 2025. The analysis showed satisfactory results in achieving the set objectives.

Moreover, the Committee preliminarily reviewed the draft consolidated budget of the Halyk Group and the Bank’s budget under IFRS for 2026. As part of its activities, the Committee on a regular basis analysed changes in the external environment and assessed their potential impact on the Halyk Group’s development strategy for 2025–2027.

SUSTAINABLE DEVELOPMENT
COMMITTEE

In April 2022, the Committee on Social Issues was transformed into the Sustainable Development Committee.

The Committee consists of five members of the Board of Directors, who were elected by a majority vote of all members of the Board of Directors, and two experts (without voting rights) – members of the Management Board overseeing ESG, sponsorship and charitable activities. The majority of the Committee members are independent directors.

The Committee includes:

- ▶ **Hermann Tischendorf** – Chairman of the Committee, Independent Director;
- ▶ **Arman Dunayev Galiaskarovich** – Member of the Committee, Independent Director;
- ▶ **Frank Kuijlaars** – Member of the Committee, Independent Director;
- ▶ **Zhaksybek Kulekeyev Abdrakhmetovich** – Member of the Committee, Independent Director;
- ▶ **Umut Shayakhmetova Bolatkhanovna** – Member of the Committee;
- ▶ **Murat Koshenov Uzakbaevich** – Member of the Committee, expert (without voting rights);
- ▶ **Dauren Sartaev Zhankiseevich** – Member of the Committee, expert (without voting rights).

Committee Competence

The main objectives of the Sustainable Development Committee are to assist the Bank’s Board of Directors in performing its functions related to the formation of a sustainable development system in the Bank, ensuring its functioning, and informing the Bank’s Board of Directors about measures being implemented to integrate the principles of sustainable development and ESG into the Bank’s activities.

Committee Activities

In 2025, two in-person meetings were held, at which 3 issues were reviewed, and 2 absentee meetings were held, at which 2 issues were reviewed.

Full name of members of the Sustainable Development Committee	In-person		Absentee	
	Number of meetings / number of issues	% attendance	Number of meetings / number of issues	% attendance
Tischendorf H.	2/3	100%	2/2	100%
Kuijlaars F.	2/3	100%	2/2	100%
Dunayev A.G.	2/3	100%	2/2	100%
Kulekeyev Z.A.	2/3	100%	2/2	100%
Shayakhmetova U.B.	2/3	100%	2/2	100%
Sartaev D.Z.*	1/1	33%	2/2	100%
Koshenov M.U.*	2/3	100%	2/2	100%
Total	2/3	90%	2/2	100%

* Members of the Sustainable Development Committee (experts without voting rights)

In the reporting year, the Sustainable Development Committee reviewed and took note of reports on the progress of implementation of the Action Plan for the integration of the principles and goals of sustainable development for 2022–2024.

In addition, the Committee reviewed the report on the Bank’s sponsorship and charitable activities and those of the Private Foundation Halyk Charitable Foundation for 2025, as well as the plan of key sponsorship and charitable activities of the Bank and the Foundation for 2026.

RISK COMMITTEE

The Risk Committee was established in May 2020.

The Committee includes the following members:

- ▶ **Arman Dunayev Galiaskarovich** – Chairman of the Committee, Independent Director;
- ▶ **Piotr Romanowski** – Member of the Committee, Independent Director;
- ▶ **Umut Shayakhmetova Bolatkhonovna** – Member of the Committee, Chair of the Management Board;
- ▶ **Mashchyk Roman Alexander** – Member of the Committee (expert without voting rights).

Committee Competence

The Risk Committee is a collegial body under the Bank’s Board of Directors and provides assistance to the Board of Directors in the formation and ensuring the effective functioning of the risk management and internal control system. The Committee also supports the Board of Directors in overseeing the level of risks assumed by the Bank and in ensuring timely information on its risk profile.

Within its powers, the Risk Committee carries out regular assessment of key risks inherent in the Bank’s activities, including the review of risk management reporting, and also ensures that the Bank’s risk profile remains up to date.

Where necessary, the Committee prepares recommendations to the Board of Directors on the following matters:

- management of key types of risks, including credit risk, liquidity risk, market risk, capital management, operational risk, business continuity risk, risks in the field of information technologies and information security, strategic and reputational risks, as well as ESG risks, in the context of the formation of the Bank’s risk appetite strategy and risk profile;
- management of compliance risks;
- ensuring the adequacy and effectiveness of the Bank’s internal control system;
- other matters, the attribution of which to the competence of the Risk Committee does not contradict applicable legislation and the Bank’s internal regulatory documents.

The Committee also oversees the functioning of the Bank’s internal control system. Special attention in the Committee’s activities is paid to the integration of ESG approaches into the Bank’s risk management system. In particular, the Committee ensures:

- the implementation of procedures for identification, prioritisation, and management of ESG risks of the Bank’s borrowers;
- the implementation of the principles of responsible financing, including the integration of ESG criteria into project financing decision-making processes and into the Bank’s Credit Policy;
- the integration of ESG risk management processes into the Bank’s overall risk management system in order to minimise the potential negative impact of credit and investment activities;
- the implementation of procedures for assessing the impact of climate risks on the Bank’s business model and strategic planning, including scenario analysis and stress testing.

Committee Activities

In 2025, four in-person meetings were held, at which 8 issues were reviewed, and 23 absentee meetings of the Committee were held, within the framework of which 33 issues were reviewed.

Full name of members of the Risk Committee	Number of meetings / number of issues	In-person	Number of meetings / number of issues	Absentee
		% attendance		% attendance
Dunayev A.G.	4/8	100%	23/33	100%
Pavlov A.S.	2/4	50%	3/4	13%***
Romanowski P.	4/8	100%	23/33	100%
Shayakhmetova U.B.	4/8	100%	16/25	70%*
Mashchyk R.A.	4/8	100%	23/33	100%**
Total	4/8	90%	23/33	77%

* On a business trip

** Mashchyk R.A. is a member of the Risk Committee of the Board of Directors (expert without voting rights)

*** Pavlov A.S. terminated his powers as Chairman and member of the Risk Committee of the Board of Directors in accordance with the decision on the fourteenth item of the minutes of the absentee meeting of the Bank’s Board of Directors No. 22 dated 6 May 2025.

In the reporting year, the Risk Committee reviewed key issues related to the assessment and management of risks affecting the Bank’s financial stability and strategic development.

In particular, the Committee reviewed the results of scenario analysis of the impact of risks on the Bank’s financial stability for 2025, as well as the results of stress testing of the Bank under a macroeconomic scenario for 2026, conducted using scenario analysis.

The Committee reviewed presentations on the analysis of the quality of the Bank’s loan portfolio for the second half of 2024 and the first half of 2025, as well as reviews of the current risk management practices applied in the Bank and certain subsidiaries.

Moreover, the Committee reviewed the report on compliance with the internal capital adequacy assessment process and the internal liquidity adequacy assessment process for 2024.

In the reporting year, the Risk Committee reviewed and recommended to the Board of Directors the Risk Appetite Strategy and the Bank’s risk appetite levels for the main types of risks, including credit risk, market risk, liquidity risk, operational, strategic, and reputational risks.

Board of Directors Performance Evaluation

In 2025, in accordance with the requirements of the Bank's Corporate Governance Code, an annual evaluation (self-assessment) of the effectiveness of the Board of Directors was conducted. The evaluation covered matters relating to the culture and dynamics of the Board's work, its composition and structure, planning and organisation of activities, the effectiveness of corporate procedures and document flow, as well as key functional areas of oversight.



Key Conclusions Based on the Evaluation Results



Based on the results of the evaluation, it was noted that the Board of Directors exercises oversight over the Bank's activities within the framework of the classical corporate governance model, with a focus on compliance with applicable legislative requirements, consideration of shareholders' interests and management of key risks. The constructive nature of interaction between the Board of Directors and the Management Board was noted, as well as the absence of conflicts of interest affecting the effectiveness of the Board's work.



The evaluation confirmed that the composition of the Board of Directors is generally balanced in terms of professional experience and competencies, including financial expertise, financial reporting, internal control and audit, banking activities, risk management, IT, strategic planning, and corporate governance. The most in-demand areas of expertise on the current agenda of the Board of Directors are digital transformation and innovation, risk management, finance and control functions, HR and talent development, industry experience, and ESG.



Areas of Development and Priorities for the Next Period



In order to enhance the effectiveness of oversight and the quality of discussions at in-person meetings, it is recommended to place greater emphasis on issues related to digital transformation and the development of banking products and services, the development of IT infrastructure and resilience, cybersecurity and fraud prevention, analysis of the competitive and regulatory environment, as well as matters of sustainable development and ESG.



The Board of Directors also noted the advisability of further developing competencies in the areas of IT, cybersecurity, artificial intelligence, data (Big Data), ESG and innovation. In 2025, information sessions on artificial intelligence and strategic management were held for members of the Board of Directors and the Management Board; the practice of professional development is planned to be continued considering technological changes and market dynamics.



Composition of the Board of Directors: Diversity and Renewal of Competencies



As at the reporting date, the gender composition of the Board of Directors comprised 86% men and 14% women. To align with international practices, it is recommended to consider the possibility of a phased increase in the proportion of women on the Board of Directors to 30% in future appointments. The average age of members of the Board of Directors was 59 years (60 years in 2024).

Board of Directors Performance Evaluation

Planning, Interaction and Corporate Procedures

- The evaluation showed that the number and format of meetings meet the Bank's needs; the Board of Directors intends to continue operating in a hybrid format, combining in-person meetings with meetings held using video conferencing. The importance of maintaining regular interaction between the Board of Directors, the Management Board and key executives was noted in order to facilitate information exchange and more in-depth consideration of strategic issues, including within committee platforms.
- In 2025, the improvement of corporate procedures and document flow continued. The Bank uses an electronic document management system (Tezis EDMS), including functionality for the preparation and conduct of meetings of collegial bodies in a digital format. The update of the rules for the preparation of materials for meetings made it possible to reduce the volume of paper materials for members of the Board of Directors by 70% compared to the period of 2020–2021.

Development of the Corporate Governance System

- In the reporting year, an Action Plan to improve the risk management, internal control and corporate governance systems was implemented, prepared based on the results of internal audit consultations and considering leading international approaches (including the G20/OECD Principles of Corporate Governance and the provisions of the UK Corporate Governance Code).
- As the next step in the further development of corporate governance practices, it is recommended to consider conducting an evaluation of the effectiveness of the Board of Directors with the involvement of an independent external consultant.

Interaction with Minority Shareholders

The Bank continuously improves its system of interaction with minority shareholders. Shareholders are provided with the opportunity to submit enquiries and receive the necessary explanations and consultations through various channels, including written enquiries, e-mail, and telephone consultations.

Enquiries and proposals from minority shareholders are subject to regular analysis. The Bank ensures timely disclosure to shareholders of material news, corporate events, changes in the Bank's activities affecting the interests of securities holders, as well as planned events. Disclosure of relevant information is carried out through the Bank's corporate website, as well as via information resources of stock exchanges and the financial reporting depository.

Where necessary, employees of the Head Office provide methodological and advisory support to branch employees on matters of interaction with shareholders, including issues related to the accrual and payment of dividends, changes to banking details and personal data of shareholders, as well as the transfer of ownership rights to securities, including by way of inheritance.



Management Board



Umut Shayakhmetova

b. 1969

Chairperson of the Management Board,
Member of the Board of Directors

Please refer to the
“Board of Directors” section



Dauren Sartayev

b. 1982

First Deputy Chair of the Management Board

Education:

Kazakh Humanitarian and Law University – Law,
Moscow International Higher School of Business
and T. Ryskulov Kazakh Economic University –
Master of Business Administration (MBA).

Dauren Sartayev began his professional career at Kazkommertsbank JSC, where between 2004 and 2009 he held a number of managerial positions. His roles included Senior Manager in the Small Business Department, Head of the Small and Medium Business Front Office at the Pavlodar Branch, and Head of the Small Business Front Office Division at the Almaty Branch.

From 2014 to 2015, he worked at the international audit and consulting firm Ernst & Young (EY) as a Manager in the Business Consulting Department, focusing on business performance improvement. From 2015 to 2016, he served as a Manager at KCell JSC, within the Sales and Customer Service Department of the Almaty Regional Office. From 2016 to 2018, he was a Managing Director and Member of the Management Board of Kazkommertsbank JSC.

Since July 2018, Dauren Sartayev has held the position of Deputy Chair of the Management Board and has been a member of the Management Board of Halyk Bank. Since 3 February 2025, he has held the position of First Deputy Chairperson of the Management Board and is responsible for the development of the small and medium-sized business segment and oversees marketing and acquiring. Since 2025, his responsibilities have been expanded to include leadership of the corporate business.



Management Board



Murat Koshenov, CFA, FRM

b. 1973

Deputy Chair of the Management Board

Education:

Al-Farabi Kazakh National University – Physics, Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP) – Master of Business Administration (MBA), Columbia Business School Executive Education – Chief Financial Officer Program.

Murat Koshenov has been working in the banking sector since 2000. He has held a number of senior positions at ABN AMRO Bank Kazakhstan, where he progressed from Risk Manager to Deputy Chair of the Management Board.

He joined Halyk Bank in January 2010, holding positions as Head of Risk Management and Compliance Controller. In 2014, he was appointed Deputy Chair of the Management Board and has since been responsible for overseeing financial functions.

Since 2014 until 2022 in capacity of Deputy CEO he was heading Corporate Banking of Halyk Bank. He has also been Chairman of the Supervisory Board of Tenge Bank since September 2018.



Ertay Salimov

b. 1974

Deputy Chair of the Management Board

Education:

Kazakh State Academy of Management – Finance and Credit.

Ertay Salimov has been with Halyk Bank since August 1995. Over his long professional career at the Bank, he has progressed from a specialist role to senior executive positions, holding a number of key posts across foreign exchange operations, international operations, trade finance and treasury. His roles included Senior Treasury Dealer, Head of Forex Operations, Head of Money Market Operations, Head of Treasury Trading Operations, Deputy Director and Director of Treasury, as well as Head of the Main Operations Department.

In 2015, he was appointed Deputy Chair of the Management Board of Halyk Bank.

In February 2016, Ertay Salimov was elected a member of the Board of Directors (Independent Director) of the Kazakhstan Stock Exchange (KASE) and also appointed Chair of the Board of Directors of Halyk Finance JSC.



Management Board



Olga Vuoros

b. 1983

Deputy Chair of the Management Board

Education:

Abai Kazakh National Pedagogical University – International Economics, International Academy of Business – Master of Business Administration (MBA) in Management.

Olga Vuoros began her professional career in 2002 as an Assistant to the Head at Computer Systems Corporation LLP.

From 2003 to 2015, she held a series of increasingly senior management positions within Halyk Bank’s corporate client units, progressing from specialist roles to Head of Division. Between July 2015 and March 2022, she served as Director of Corporate Client Department.

On 1 April 2022, Olga Vuoros was appointed Deputy Chair of the Management Board of Halyk Bank.



Roman Aleksander Maszczyk

b. 1966

Deputy Chair of the Management Board

Education:

University of Warsaw – Master of Science (MS) in Theoretical Physics and Doctor of Science (PhD) in Theoretical Physics, University of Oxford – Postgraduate Diploma in Mathematics, Warsaw School of Banking and Finance – Postgraduate Diploma in Banking.

Roman Maszczyk has more than 30 years of professional experience and is a recognised expert in banking risk management, financial analysis and governance. He began his career in academia, serving as a Professor at the Faculty of Physics of the University of Warsaw.

Over the course of his career, he has held senior executive positions in leading financial institutions across Poland, Russia, Ukraine and Kazakhstan, including roles as Head of Finance and Risk Management Departments, Managing Director of Risk, Chief Risk Officer (CRO), Deputy Chair of the Management Board, and member of supervisory boards of both international and national banks.

From 2010 to 2016, he served as Deputy Chair of the Management Board and Chief Risk Officer of Eurasian Bank. From 2018 to 2020, he held the positions of Director of the Risk Department and Deputy Chair of the Management Board at Bank CenterCredit JSC.

Roman Maszczyk joined Halyk Bank in October 2020, where he initially held senior leadership roles in digital lending, data management and compliance control. From April 2022, he was appointed Deputy Chair of the Management Board and Chief Compliance Officer of Halyk Bank. From September 2023, he additionally assumed the responsibilities of Head of Risk Management. Since March 2024, he has served as Deputy Chair of the Management Board, Head of Risk Management of Halyk Bank.



Management Board



Nariman Mukushev

b. 1984

Deputy Chair of the Management Board

Education:

Suleyman Demirel University – Software and Hardware Engineering, International Academy of Business – Master of Business Administration (MBA) in Management.

Nariman Mukushev has extensive experience in information technology, digital transformation and public administration. From 2005 to 2011, he held senior positions at Kazkommertsbank JSC, including Director of the Innovation Technologies Department.

Between 2014 and 2018, he worked at Kazpost JSC, where he served as Chief Information Officer, Managing Director for Innovation, Business Transformation and Information Technology, and Member of the Management Board. From 2018 to 2020, he held the position of Vice Minister of Labour and Social Protection of the Population of the Republic of Kazakhstan. From 2020 to 2021, he headed an IT holding company and BI Innovations.

Since May 2021, Nariman Mukushev has worked as a Managing Director of Halyk Bank. In April 2022, he was appointed Deputy Chair of the Management Board of Halyk Bank.



Tlegen Matkenov

b. 1966

Deputy Chair of the Management Board

Education:

Alma-Ata Special Secondary Police School of the Ministry of Internal Affairs of the USSR, Almaty Higher Investigative Academy of the State Investigative Committee of the Republic of Kazakhstan.

Tlegen Matkenov has extensive experience in law-enforcement bodies of the Republic of Kazakhstan and international organisations, holding the rank of Major General of Police. Over the course of his career, he has occupied senior leadership positions within the internal affairs system, including roles as Deputy Director of the CIS Bureau for Coordination of Efforts Against Organised Crime, head of departments and divisions of the Ministry of Internal Affairs of the Republic of Kazakhstan, as well as senior positions in territorial internal affairs bodies of the Zhambyl, Kostanay, Akmola and Karaganda regions.

He has also worked within the Almaty City Police Department and the Ministry of Emergency Situations of the Republic of Kazakhstan, including serving as an Advisor to the Minister.

Since March 2025, Tlegen Matkenov has been with Halyk Bank, where he oversees the security function.

Management Board



Mikhail Khasin has more than 25 years of experience in information technology. Prior to joining Halyk Bank, he served as Global Markets Chief Information Officer (CIO) at BNP Paribas (Portugal).

From January 2026, he has held the position of Deputy Chair of the Management Board of Halyk Bank.

Mikhail Khasin

b. 1975

Deputy Chair of the Management Board

Education:

Moscow Institute of Physics and Technology (MIPT) – Applied Mathematics and Physics, PhD in Physics and Mathematics, Russian Presidential Academy of National Economy and Public Administration – Information Management, Master of Business Administration (MBA)



Kiril Bachvarov has extensive international experience in marketing, strategic communications and customer service within the banking sector. From 2003 to 2014, he held senior management positions at leading financial institutions in Bulgaria, including Overgas Inc., Hebros Bank, HVB Bank Biochim and UniCredit Bulbank, where he was responsible for marketing, strategic communications and customer service.

Between 2014 and 2022, he worked at Home Credit Bank JSC, holding the positions of Director of the Marketing Department, Member of the Management Board, and Chief Financial Officer. From 2022 to 2025, he served as Chair of the Management Board and Member of the Board of Directors of Home Credit Bank JSC.

In April 2026, Kiril Bachvarov was appointed Deputy Chair of the Management Board and elected Member of the Management Board of Halyk Bank.

Kiril Atanassov Bachvarov

b. 1973

Deputy Chair of the Management Board

Education:

SDA Bocconi School of Management (Italy) – Master of Business Administration (MBA), American University in Bulgaria – Bachelor of Business Administration

DIVIDEND POLICY

The rights of shareholders to receive dividends, as well as the procedure for their payment, are stipulated in the Bank’s Charter and the Bank’s Corporate Governance Code, approved by the general meetings of shareholders.

The Bank’s Dividend Policy was approved by the Board of Directors in September 2012. Its main objective is to establish a transparent and clear mechanism for shareholders for making decisions on dividend payments, as well as to define the principles, procedures, and timing of such payments. In March 2024, amendments were introduced to the Dividend Policy providing for a transition from a one-time to a twice-yearly dividend payment during the year.

Dividends on ordinary shares are paid subject to the availability of up-to-date shareholder details held by the Bank or in the shareholders’ register system, as well as in the nominee holding accounting system, and are paid no later than ninety calendar days from the date following the date on which the general meeting of shareholders adopts the decision on dividend payment.

In the absence of up-to-date shareholder details held by the Bank or in the securities holders’ register system or the nominee holding accounting system, accrued but unpaid dividends are transferred by the Bank within five business days after the expiry of the specified ninety-day period to an account for unclaimed funds opened with the Central Securities Depository, in accordance with the requirements of the legislation of the Republic of Kazakhstan.

Total amount of the Bank’s dividends based on the results of fiscal years*

	KZT billion										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
By preference shares	Not in circulation									0.338	2.61
By ordinary shares	552.68	381.60	276.85	138.64	211.57	200.76	126.71	69.38	-	-	34.26
Total	552.68	381.60	276.85	138.64	211.57	200.76	126.71	69.38	-	0.338	36.87

* Information is presented on a non-consolidated basis.

INDEPENDENCE OF DIRECTORS

Halyk Bank JSC places particular emphasis, when forming and assessing the composition of the Board of Directors, on ensuring the independence of directors as one of the key elements of effective corporate governance and the protection of the interests of shareholders and other stakeholders.

In accordance with the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, the number of members of the board of directors must be at least three. At least thirty per cent of the composition of a company’s board of directors must be independent directors. As at the end of the reporting period, the proportion of independent directors’ accounts for 72% of the composition of the Bank’s Board of Directors.

As at the reporting year 2025, the requirements for the independence of members of the Bank’s Board of Directors are determined by the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, under which an independent director is a member of the board of directors who:

- ▶ is not an affiliated person of the given joint-stock company and has not been such for three years preceding his or her election to the board of directors (with the exception of holding the position of an independent director of the given joint-stock company), and is not an affiliated person in relation to affiliated persons of the given joint-stock company;
- ▶ is not linked by subordination to officials of the given joint-stock company or organisations that are affiliated persons of the given joint-stock company, and has not been linked by subordination to such persons for three years preceding his or her election to the board of directors;

- ▶ is not a civil servant;
- ▶ is not a representative of a shareholder at meetings of the bodies of the given joint-stock company and has not been such for three years preceding his or her election to the board of directors;
- ▶ does not participate in the audit of the given joint-stock company as an auditor working as part of an audit organisation and has not participated in such an audit for three years preceding his or her election to the board of directors;
- ▶ and also complies with other requirements established by the laws of the Republic of Kazakhstan.

When determining the status of independent directors, the Bank is guided by the above-mentioned statutory criteria that were in force during the reporting period.

POLICY ON THE SELECTION AND APPOINTMENT OF SENIOR EXECUTIVES

In the Bank, matters related to the selection and appointment of directors are governed by the Policy on the Selection and Appointment of Senior Executives of Halyk Bank JSC (hereinafter – the Policy).

The Policy has been developed in accordance with the legislation of the Republic of Kazakhstan, including the requirements of the National Bank of the Republic of Kazakhstan and the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market, and taking into account best international corporate governance practices.

The Policy establishes the principles, procedures and criteria for the selection and appointment of the Bank's senior executives, including members of the governing bodies, with the aim of:

- ▶ ensuring the sustainability of the management system;
- ▶ increasing the transparency of appointment processes;
- ▶ maintaining the effectiveness of corporate governance.

The selection and appointment processes are aimed at forming a balanced composition of the governing bodies with the necessary professional competence, experience, and business qualities, consistent with the Bank's strategic objectives and the scale of its activities.

Consideration of matters related to the selection and appointment of senior executives in the Bank's subsidiaries is carried out in accordance with the Rules for Interaction of Halyk Bank JSC with accountable organisations, which ensures a unified approach to corporate governance within the Group.

APPROACH TO MANAGING CONFLICTS OF INTEREST

In accordance with the Bank's Corporate Governance Code, matters related to minimising conflicts of interest in the Bank's activities are governed by a separate internal regulatory document — the Policy on the Settlement of Conflicts of Interest of Halyk Bank JSC, approved by the Board of Directors.

The Policy defines the concept of a conflict of interest and establishes key principles, approaches and procedures aimed at the timely identification, prevention, and settlement of conflicts of interest within the framework of the Bank's activities.

COMPLIANCE CULTURE

Compliance culture is an important part of corporate conduct and the foundation of the culture of Halyk Bank JSC. It establishes unified principles for the entire Halyk Group, ensuring compliance with the requirements of applicable legislation and international compliance standards.

Compliance control is an essential element of the corporate culture of Halyk Bank JSC. This system ensures compliance with the legislation of the Republic of Kazakhstan, adherence to internal policies and procedures, as well as the maintenance of high professional and ethical standards by the Bank's employees.

The main objectives of a unified compliance culture within the Halyk Group are:

- ▶ ensuring compliance with the legislation of the Republic of Kazakhstan, applicable foreign legislation, internal documents, and international compliance standards, including the documents of the Basel Committee on Banking Supervision, FATF and the Wolfsberg Principles;
- ▶ minimising compliance risks and preventing negative consequences associated with non-compliance with regulatory and internal requirements;
- ▶ preventing the involvement of the Group's companies and employees in unlawful activities;
- ▶ implementing a unified intra-group approach to compliance risk management, including risks of legalisation (laundering) of proceeds from crime and terrorist financing (hereinafter – AML/CFT);
- ▶ conducting business in compliance with the principles of business ethics and the corporate standards of the Halyk Group.

Compliance Risk Management

In the Bank, an effective compliance risk management system (hereinafter – the System) has been developed, which ensures:

- ▶ effective functioning of the Bank and alignment of its activities with its strategy, risk profile, and risk appetite;
- ▶ compliance of the Bank's activities and the activities of each of its employees with the legislation of the Republic of Kazakhstan, including regulatory legal acts of the authorised body, internal documents regulating the provision of services, applicable foreign legislation, as well as international compliance standards, including documents of the Basel Committee on Banking Supervision, FATF and the Wolfsberg Principles in the field of combating the legalisation (laundering) of proceeds from crime, terrorist financing (hereinafter – AML/CFT)
- ▶ and the financing of the proliferation of weapons of mass destruction (hereinafter – PF);
- ▶ commitment of the Halyk Group to international standards of business conduct, compliance risk management and ethical norms;
- ▶ implementation of effective compliance risk management procedures to minimise risks, enhance investment attractiveness and strengthen competitive advantage.
- ▶ compliance risk management is an integral part of the overall corporate culture of the Halyk Group, based on the principles of integrity, honesty, and transparency.

Risk Management and Internal Control System Based on the Three Lines of Defence

The risk management and internal control system at the Bank is implemented on the basis of an established three-line defence model.

1 The first line of defence is implemented by the Bank's structural divisions responsible for the timely identification, measurement, control, and monitoring of risks, as well as for informing the second line of defence divisions. Controls are embedded in business processes to reduce risks and ensure compliance with standards and requirements. Management and monitoring of controls are carried out by the divisions themselves to identify weaknesses and respond to risks in a timely manner.

2 The second line of defence is implemented by specialised independent risk management and compliance control divisions, as well as other structural units performing control functions. These divisions carry out a comprehensive analysis of risks in the Bank's activities, prepare relevant reports for the Board of Directors and the Risk Committee, and also facilitate objective risk assessment and identification by members of the Management Board and business divisions.

3 The third line of defence is implemented by an independent internal audit division, which assesses the quality and effectiveness of the risk management and internal control system, as well as the first and second lines of defence.

System for Monitoring the Bank's Compliance with International and Country-Specific Economic Sanctions

The Bank complies with international and country-specific economic sanctions and, in its activities, adheres to the principles of transparency, fairness and integration into the global community.

The need for the Bank to comply with international and country-specific economic sanctions is driven by:

1. the membership of the Republic of Kazakhstan in the United Nations (hereinafter – the UN), which obliges the Bank to comply with sanctions and embargoes established by resolutions of the UN Security Council;
2. the listing of the Bank's securities on the London Stock Exchange;
3. the existence of contractual relationships with foreign counterparties, including nostro correspondent relationships with banks of the United States of America (hereinafter – the USA), the European Union (hereinafter – the EU), the United Kingdom and other countries;
4. the extraterritorial application of international economic sanctions.

For the purposes of minimising potential compliance risks, the Compliance Department, jointly with the relevant divisions of the Bank,

including but not limited to, carries out analysis of clients and their transactions for compliance with applicable sanctions requirements. When analysing transactions and/or deals of a client or counterparty of the Bank for the presence of a sanction's element or a "scheme" of evasion/circumvention of international economic sanctions, the following measures are taken:

1. screening of all participants in the transaction and/or deal (beneficial owners, founders/shareholders, authorised persons) against sanctions lists of applicable authorities, including but not limited to, the USA (OFAC), the EU, the United Kingdom, the UN, local lists, and others, where necessary;
2. verification of the presence of adverse information on all participants in the transaction and/or deal using reliable information sources, including specialised databases used by the Bank (World-Check and others);
3. assessment of transaction and/or deal participants for country (geographical) risk;
4. screening of goods/services for compliance with applicable sanctions requirements, including manufacturers of goods, end users of goods/services and other participants, where applicable.

In order to avoid risks of non-compliance by the Bank with international economic sanctions when servicing clients, the Bank is entitled to refuse to carry out or to discontinue the execution of a client's operation/payment/transfer, including that of a bank holding a Loro-type correspondent account with the Bank, at any stage, in any currency, if such refusal or discontinuation is consequent upon:

1. the application of international and country-specific economic sanctions;
2. the application of international and country-specific economic sanctions restricting the export/import of goods, technologies, equipment, natural resources, etc.;
3. actions aimed at evading international economic sanctions.

Considering the complex geopolitical situation in the world and the dynamic sanctions environment, the Bank on a regular basis monitors information/updates regarding international economic sanctions using official public sources and, based on the results thereof (where necessary), reviews/updates procedures aimed at minimising the risks of sanctions violations/circumvention.

Anti-Money Laundering and Counter-Terrorist Financing

The Halyk Group adheres to a zero-tolerance policy towards money laundering and terrorist financing and applies a risk-oriented approach within the AML/CFT system. As part of internal control, the Group ensures compliance with the requirements of applicable legislation and international standards and promotes a culture of high business ethics and zero tolerance for violations.

For these purposes, the Group has implemented an AML/CFT risk management system based on the principles of legality, ethics, proper due diligence of clients and beneficial owners, transaction monitoring, compliance with sanctions regimes, as well as active involvement of employees and management in AML/CFT processes.

To comply with legislative requirements on countering the legalisation (laundering) of proceeds from crime and terrorist financing, as well as the recommendations of the Basel Committee on Banking Supervision, FATF and the Wolfsberg Principles, internal regulatory documents have been developed and approved within the Group. These documents ensure a uniform approach to internal control and risk management, including client due diligence procedures, transaction monitoring, and training of the Halyk Group’s personnel.

Prevention of the Improper Use of Insider Information

The Halyk Group ensures compliance with the requirements of the legislation of the Republic of Kazakhstan and applicable foreign legislation regarding the use of insider information, which contributes to maintaining a high business reputation, an appropriate level of corporate governance and the sustainability of the Group’s operations.

For the purpose of implementing these requirements, an internal regulatory document is in force within the Group that defines the composition of insider information and the procedure for controlling its use and disposal within the Bank, its subsidiaries, and other legal entities in respect of which the Bank is recognised as an insider.

The document also establishes the conditions and procedure for the disclosure of insider information, maintenance of the list of insiders, restrictions applicable to insiders, as well as measures of liability for the unlawful disclosure of insider information.



INTERNAL AUDIT

At the Bank, the functions of the third line of defence are performed by the Internal Audit Department (IAD). To ensure the independence and objectivity of internal audit activities, the IAD is functionally subordinate and accountable to the Bank's Board of Directors. Interaction with members of the Board of Directors is carried out both through the Audit Committee and on a direct basis.

Internal audit carries out its activities in accordance with the requirements of legislation, the regulator, the Standards, as well as the Bank's internal regulatory documents. In accordance with the Regulations and the mandate of the IAD approved by the Board of Directors, IAD employees, based on a risk-oriented approach, are authorised to conduct audit reviews in any structural divisions of the Bank, as well as in its subsidiaries and associates. In performing audit engagements, IAD employees have unrestricted access to the necessary documents, information, premises, and assets.

The Internal Audit Department provides assistance to the Board of Directors and the Bank's management in assessing and improving

the effectiveness of risk management, internal control, and corporate governance systems through the conduct of audit reviews, the provision of recommendations for process improvement and monitoring of the implementation of corrective measures. The Bank's Board of Directors approves the annual work plan and budget of the IAD. Reports are submitted to Branch Boards, the Management Board, the Audit Committee, and the Board of Directors.

A considerable proportion of the Department's employees hold international professional certifications in the fields of internal audit, accounting, IT audit, and information security.

According to the results of an external assessment conducted in September 2017, the Bank became the first among banks in Kazakhstan to confirm full compliance of internal audit activities with the Standards of the Institute of Internal Auditors and the Code of Ethics of Internal Auditors. In September 2022, the said compliance standards were reconfirmed based on an external assessment conducted by PricewaterhouseCoopers.

At the end of 2025, Halyk Bank was recognised as the winner in the nomination “Best Internal Audit Function 2025” following the results of the annual review of the Institute of Internal Auditors, which brings together more than two hundred thousand professionals from over 170 countries worldwide. The decision to award the prize was adopted unanimously by the Board of Directors of the Institute of Internal Auditors.

This recognition confirmed the prominent level of professionalism of the Bank's Internal Audit Department team, the maturity of the internal audit system and its compliance with best international practices. The Institute of Internal Auditors also noted the contribution of the Bank's employees to the development of the professional community, including participation in the translation of the updated International Standards for the Professional Practice of Internal Auditing into the Kazakh language.

EXTERNAL AUDIT

Ensuring the transparency and independence of external audit is a key element of Halyk Bank's corporate governance system. To maintain high reporting standards and strengthen the confidence of stakeholders, the Bank conducts a tender for the selection of an audit firm on a regular basis – once every three years.

External audit includes the audit of annual separate and consolidated financial statements, as well as the performance of review engagements of quarterly reporting. While providing services, auditors are guided by the Code of Professional Ethics and, where violations are identified, assess their materiality and take the necessary measures to minimise and eliminate the consequences.

In accordance with the legislation of the Republic of Kazakhstan, an audit firm is subject to rotation in the event of continuous audit of the same company for more than seven years. When extending the contract with the incumbent auditor, an additional assessment of compliance with the principle of independence is carried out, including an analysis of the contractual terms. The issue of compliance with independence is submitted by the Bank for consideration by the Audit Committee under the Board of Directors.

In 2025, the Group's external auditor was Deloitte. The total cost of audit services amounted to KZT 906.6 million (excluding VAT). The cost of audit-related services amounted to KZT 74.8 million (excluding VAT). The auditor provided no non-audit services.

CODE OF ETHICS AND BUSINESS CONDUCT

In the Bank, a Code of Ethics and Business Conduct approved by the Bank's Board of Directors is in force, which establishes mandatory standards of ethics and business conduct and is a key element of the Bank's corporate culture.

The Code defines the mission, values, principles, and standards of business ethics that are followed by members of the Board of Directors, members of the Management Board, the Bank's employees, as well as third parties engaged under contracts, during their activities and interaction with stakeholders. Compliance with the Code is mandatory and is regarded as an integral part of the performance of official duties.

The Code establishes the key principles of business ethics and conduct:

1. **principle of integrity.** We adhere to and promote the development of a culture of good-faith conduct at every stage of our activities, considering the rights and legitimate interests of the parties when interacting with shareholders, clients, business partners, investors, public authorities, competitors, employees and other third parties, facilitating their access to the necessary information.
2. **principle of fairness.** We ensure equal and unbiased treatment of rights and prevent any form of discrimination against investors, shareholders, employees, and consumers, including persons with disabilities.

3. **principle of openness.** We ensure openness of our activities and full and timely disclosure of information in accordance with the requirements of the legislation of the Republic of Kazakhstan.
4. **principle of protection.** We ensure:
 - protection of clients' assets (prevention of misappropriation of clients' funds);
 - safeguarding of commercial secrecy, banking secrecy and other confidential information that becomes known to us in the course of performing professional duties at the Bank;
 - organisation of the receipt and registration of consumer enquiries and establishment of procedures for the preparation and dispatch of responses thereto;
 - respectful treatment of clients, prevention of infringement of their honour and dignity, threats against clients and their property, as well as psychological pressure on them;
 - provision of assistance and support in overcoming barriers preventing persons with disabilities from accessing financial services on an equal basis with other persons;
 - protection of personal data of employees, clients and business partners.

5. **principle of prevention and settlement of conflicts of interest.** During professional activities, we seek to prevent the emergence of any conflicts of interest, and in the event of their occurrence, we are guided by the provisions of the Policy on the Settlement of Conflicts of Interest of Halyk Bank for their timely and proper resolution.
6. **principle of responsibility.** We promote long-term sustainable development, increased efficiency of the financial market and growth of trust among stakeholders, striving to carry out activities in line with the principles of responsible business conduct.
7. **principle of counteracting fraud and abuse of authority.** We actively develop and implement policies and effective procedures for the identification, prevention and deterrence of potentially suspicious and unlawful practices and behavioural patterns of the Bank's employees.
8. **principle of anti-corruption.** In its activities, the Bank adheres to the principle of zero tolerance towards any form of corrupt practices.
9. **principle of diligence and accuracy in the preparation and storage of documentation and reporting.** When preparing financial reporting intended for management, investors, regulatory authorities, and other stakeholders, we adhere to the preparation of accurate, complete, and timely information.

The Bank's executives, including members of the governing bodies, demonstrate commitment to the principles of the Code of Ethics by personal example, pay attention to the development of corporate culture, the formation of a talent pool, mentoring and consolidation of the workforce around common mission, values, and principles.

Each employee of the Bank is responsible for compliance with the provisions of the Code of Ethics and contributes to maintaining an important level of the Bank's business reputation and image.

The Bank operates mechanisms for reporting actual and potential violations of the Code, legislation, and internal regulatory documents, including a whistleblowing hotline, e-mail, and other communication channels. The Bank guarantees confidentiality and protection of persons who report violations in good faith.

Control over compliance with the Code is exercised by the Bank's Human Resources Department. To ensure effective familiarisation of employees with the provisions of the Code, the Bank organises training activities explaining its requirements in an accessible form.

In cases where the ethical standards established by the Code of Ethics are higher than those provided for by applicable business practice or legislation, the Bank is guided by the provisions of the Code of Ethics.



Information on the Appointment and Conclusion of Contracts with Members of the Board of Directors

The appointment of Directors requires approval by the regulator in accordance with the Rules for Granting Consent to the Appointment of Senior Executives of Financial Organisations. These Rules also apply to branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance and reinsurance organisations, branches of non-resident insurance brokers, banking, and insurance holdings, as well as the Insurance Payments Guarantee Fund joint-stock company.

The execution of contracts with Directors is carried out in strict compliance with the requirements of the Bank's Remuneration Policy for Senior Executives, as well as the provisions on the formation of the annual bonus reserve based on year-end performance results.

The Chairman of the Board of Directors establishes and approves individual amounts of remuneration for Directors (except for the Chairman of the Board of Directors and the Chair of the Management Board of the Bank) based on the recommendations of the Nomination and Remuneration Committee under the Bank's Board of Directors.

Contracts setting out individual amounts, frequency and conditions of remuneration payments and deductions of mandatory payments in accordance with the legislation of the Republic of Kazakhstan, with Directors (except for the Chair of the Management Board of the Bank), are concluded on behalf of the Bank by the Chair of the Management Board of the Bank.

Directors' and Officers' Liability Insurance

The Board of Directors and the Management Board of the Bank understand the risks arising from incorrect or erroneous management decisions or actions. To protect shareholders from potential losses resulting from such events, the Bank maintains directors' and officers' liability insurance.

ANTI-CORRUPTION

Halyk Bank adheres to a zero-tolerance principle towards all forms of corruption and regards anti-corruption as an integral element of the Bank’s corporate governance system, risk management, and business ethics.

The Bank has in place the Anti-Corruption Policy of Halyk Bank (hereinafter – the Policy), which is the key internal document defining the principles, requirements and measures for the prevention, detection, and suppression of corruption-related offences. The Policy has been developed in accordance with the Law of the Republic of Kazakhstan “On Combating Corruption”, the Criminal Code of the Republic of Kazakhstan, the Code of the Republic of Kazakhstan on Administrative Offences, as well as considering international standards and the Bank’s internal documents.

The Policy applies to all governing bodies of the Bank, structural divisions, employees, as well as other persons authorised to act on behalf of and in the interests of the Bank. The Bank’s subsidiaries bring their internal documents into compliance with the requirements of the Policy, considering the legislation of the countries in which they operate.

At the Bank, corruption prevention is implemented through the application of the following key measures:

- conducting assessments, as well as analysing the causes and factors contributing to the occurrence of corruption-related offences.
- identifying and reducing risks arising from interactions between counterparties and the Bank’s employees when concluding contracts, as well as monitoring the terms of contract execution and procurement procedures for goods and services in accordance with the Bank’s internal regulatory documents.
- implementing an anti-corruption training system with the involvement of responsible structural divisions, aimed at fostering intolerance towards corrupt practices.
- enhancing the level of anti-corruption culture through information dissemination and the conduct of awareness-raising activities among the Banks’ employees;

- ensuring the ability for the Bank’s employees and third parties to report cases or suspicions of corruption-related offences.

To enhance the effectiveness of corruption risk management, the Bank has implemented three lines of defence model, which includes:

- 1 the first line of defence, implemented directly by the Bank’s structural divisions;
- 2 the second line of defence, ensured by divisions performing control functions;
- 3 the third line of defence, carried out by the internal audit division.

The Bank provides the opportunity for employees and other persons to report actual or potential corruption-related offences, including through specialised communication channels, such as a whistleblowing hotline, corporate e-mail, and messaging applications. The Bank guarantees the confidentiality of reports and protection of persons who, in good faith, report violations from any form of retaliation.



Anti-Corruption Measures in 2025

In 2025, the Bank continued the implementation of a comprehensive and systematic approach to anti-corruption matters. Attention was paid to preventive measures, including staff training, enhancement of internal control procedures and increased accountability of employees and management.

One of the priority areas of activity remains large-scale training of employees in anti-corruption conduct standards. As part of the Anti-Corruption Policy course within the distance learning system, more than ten thousand employees completed training.

Special attention is paid to anti-corruption training of new employees. Each candidate joining the Bank is required to undergo induction training enabling familiarisation with corporate ethical standards and the principles of fair business conduct.

For heads of security units of regional branches, a seminar-meeting was organised and held at the Head Office of the Bank, dedicated to issues of identification and mitigation of corruption risks. The management of the Internal Security Department also held working meetings with directors of regional and area branches, during which the measures being undertaken and further cooperation in the identification and prevention of corruption-related violations were discussed.

In addition, the Bank carries out comprehensive monitoring of corruption risks, which includes counterparty due diligence, control over the implementation of procurement procedures, analysis of potential conflicts of interest and other measures aimed at preventing manifestations of corruption.

RISK MANAGEMENT

The Group’s risk management policy is aimed at establishing an integrated risk management system that is aligned with the nature and scale of the Group’s activities, its risk profile, and the needs of the business’s further development. The Group continues to enhance its risk management framework, consistently and systematically implementing measures designed to improve risk identification, risk management, as well as risk assessment and control processes.

Risk Appetite Management

Halyk Bank’s risk appetite strategy defines clear boundaries for the level of material risks assumed in the course of implementing the overall Halyk Group Development Strategy and determines the Bank’s risk profile whilst preventing the realisation of risks or minimising their adverse impact on its financial position.

The approaches to risk appetite management are governed by the Risk Appetite Strategy approved by the Board of Directors.

Risk appetite represents the aggregated level of material risks that the Bank is willing to accept or intends to avoid in the implementation of its strategy.

The Risk Appetite Strategy sets out the overarching principles for managing risk appetite, including the policies, processes, control mechanisms and systems that ensure its definition, monitoring and integration across all levels of the Bank’s organisational structure.

For each material risk category, the Board of Directors has approved quantitative indicators that take into account the Bank’s business model, scale of operations and operational complexity. Compliance with established risk appetite levels is monitored and controlled on a regular basis as part of management risk reporting.

Credit Risk Management

To ensure effective credit risk management, the Bank has implemented a risk management system and established business processes that take into account the separation of sales and risk management functions. An organisational structure for managing credit risks has been formed, comprising collective bodies and departments involved in the assessment and management of credit risks.

Credit risk management at the Bank is achieved through:

- ▶ The “Three Lines of Defence” – initial credit risk analysis conducted by the originating department, risk analysis by the risk management department, and oversight by the internal audit department;
- ▶ Control over compliance with regulatory requirements, including the maximum risk exposure to a single borrower;
- ▶ Monitoring borrowers’ payment discipline, financial condition, and covenants, utilising early intervention tools;
- ▶ Monitoring the dynamics and quality of the credit portfolio;
- ▶ Establishing and monitoring limits on sub-portfolios, industries, segments, and lending products;
- ▶ Monitoring the diversification of the credit portfolio: concentration at the level of major borrowers and permissible credit ratings, currency utilisation, and geographical distribution;
- ▶ Periodic review of lending sectors and development of recommendations for further lending;
- ▶ Regular validation and calibration of automated models for assessing borrowers’ probability of default and making credit decisions;
- ▶ Stress-testing the credit portfolio;
- ▶ Establishing adequate reserves for potential losses;
- ▶ Applying tools for managing ESG risks.

Credit Risk Management

The Risk Appetite Strategy of JSC “Halyk Bank of Kazakhstan” has been developed and approved, establishing clear boundaries for the volume of significant risks undertaken as part of the Bank’s operations in implementing the overall development strategy of the “Halyk” Group. This strategy also determines the Bank’s risk profile, aiming to prevent the occurrence of risks or to minimise their adverse impact on the Bank’s financial position. During the development and implementation of the Risk Appetite Strategy, the Board of Directors approved risk appetite levels for each significant category of risk (credit risk, market risk, liquidity risk, operational risk), taking into account the adopted business model, the scale of operations, and the nature and complexity of the Bank’s activities.

The Bank’s credit decision-making system is founded upon the delegation of specific powers by the Board of Directors to the relevant collegiate bodies and the establishment of financing limits for each body:

- For corporate borrowers, applications are considered by the Commercial Directorate (CD). Credit applications that exceed the authority of the CD, as well as transactions with parties holding special relationships with the Bank, require further approval from the Board of Directors.
- For SME borrowers, powers are delegated to the Decision-Making Centre for SMEs (DMC SME), Branch Credit Committee (BCC), and the Branch Network Credit Committee (BNCC). Decisions on credit applications that exceed normative or established limits (above 30.0 billion tenge) are made by the CD.

- Decisions regarding standard unsecured or secured credit applications from individual entrepreneurs and legal entities in the small and medium-sized business sector, whether for working capital or business development, are processed within the digital credit decision system. This system utilises risk models to assess the applicant’s creditworthiness and solvency, interest rate, and credit limit based on both internal and external data. Digital credit products (DCPs) are reviewed and issued online for SME clients.
- Retail financing matters are handled by the DMC and the Retail Credit Committee (RCC). Credit decisions for retail applications are made via a dedicated software module, which includes automated underwriting, checks against internal and external databases, applicant scoring, and more. Non-standard secured applications are subject to a credit approval procedure through the DMC/RCC.

Credit committees of subsidiary banks are also vested with certain powers, within which decision-making is carried out. The Bank periodically monitors these powers and, if necessary or in the event of breaches of threshold covenants, reviews the limits for independent decision-making and the authority matrix of the credit committees of subsidiary banks.

Alongside the operation of the DMC and RCC of the Head Office, there exists an automated approach for decision-making in the lending of individuals. The automation of decision-making is based on a risk-oriented approach, including Risk Based Pricing and the application of additional parameters when

assessing the clients’ solvency. Following the review of applications, credit offers are generated both according to the requested terms and by proposing alternative solutions for all segments of individual applicants (participants/non-participants in payroll projects, pensioners, etc.). This approach takes into account the risk profile of the borrower and enables risks to be minimised during the decision-making process.

New limits for independent lending for business purposes have been established for the DMC SME, BCC/BCCS, and also for digital credit products for SME/corporate clients, as well as for retail business for the DMC and RCC Head Office. The credit process for SME and retail business has also been optimised.

In order to assess the Bank’s exposure to risks arising from adverse changes in the macroeconomic situation in external and internal markets, as well as to determine the effect of implementing stress scenarios (provision levels, migration of credit ratings, proportion of non-performing loans), the Bank periodically conducts stress testing of its credit portfolio.

In 2025, the Bank carried out stress testing using fairly conservative forecasts against a backdrop of threats such as a downturn in global economies, rising inflation, falling oil prices, an increase in the dollar exchange rate against the tenge and GDP levels, as well as geopolitical risks. The results demonstrated the resilience of the Bank’s capital to a decline in asset quality.

The internal rating model Risk Rate currently employed by the Bank for assessing the probability of default and the associated rating for corporate and medium-sized business clients is widely utilised to determine

loan impairment criteria, to conduct stress testing on individually significant loans, and to optimise analysis and decision-making for the Bank’s highly creditworthy clients. To keep the rating model up to date and enhance its performance, the Bank regularly validates the model; in 2025, validation of the rating model was carried out, resulting in the decision to recalibrate the model for the medium-sized business segment in 2026.

In 2025, as part of digital lending for individual entrepreneurs, a new PD model with high predictive capabilities was introduced for credit decision-making that takes into account behavioural and sector-specific characteristics of clients. The PD model, used for calculating reserve rates for digital loans to entrepreneurs, was recalibrated using current data reflecting changes in the structure of the credit portfolio. The LGD (Loss Given Default) methodology was upgraded: instead of a single value, dynamic curves by months of default are now applied, enabling a more accurate reflection of how losses evolve depending on the period of non-repayment. Taken together, these improvements have ensured more precise risk management and well-founded decisions at all stages of the credit cycle.

To enhance the assessment of credit risks in the digital lending process for legal entities with the LLP ownership form, validation of the probability of default model was carried out in 2025, after which the model was recalibrated. The recalibrated model enables risk evaluation of companies with much greater accuracy compared to the results obtained from validation of the previous model. The methodology for calculating the actual LGD (Loss Given Default) level for both unsecured and secured digital loans was also revised.

Credit Risk Management

A PD model was developed for calculating reserve rates. The portfolio of unsecured digital loans is periodically analysed to identify groups of clients with the highest default rates, resulting in the introduction of a range of stop-factors in 2025 aimed at reducing the level of overdue loans.

The aforementioned measures have significantly reduced the COR risk premium on digital credit products for LLPs.

In 2025, the second phase of digitalising ESG risk management was implemented, covering borrowers from the larger business segment. This phase includes automatic calculation of the borrower's ESG rating based on data received from the borrower, processing and storage of information, and the introduction of digital completion of the borrower questionnaire to determine the ESG score.

The Bank is actively implementing automated processes when considering credit applications for financing, having initiated a large-scale reengineering and automation of the credit process with GenAI elements. A risk manager interface has been launched, featuring automatic pre-population

of risk assessments for corporate and medium-sized business projects, and improvements have also been made to the credit process for small business projects.

Collaboration between the Risk Management Service and the lending divisions is aimed at increasing the efficiency of lending operations and simplifying procedures for reviewing credit applications: new financing programmes have been introduced for borrowers, allowing additional credit to be offered to existing clients who meet set requirements, thus enhancing borrower loyalty. The time required to approve financing for small business applications under the "Halyk Entrepreneur" Jenil programme (a preferential lending scheme) has been reduced through analysis of borrowers' financial data using benchmarking methodology.

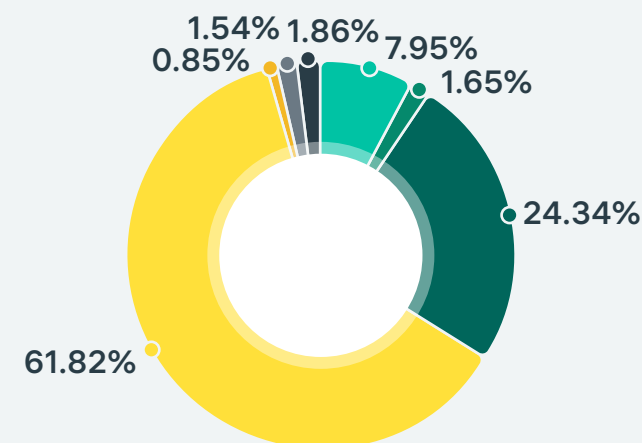
The automated process of continuous monitoring for corporate and medium-sized business borrowers continues, enabling early identification of problems (Early Warning Signals) and rapid intervention in response to initial warning signs, with the aim of reducing the number of borrowers added to the Watch List.

Asset and Liability Management

To ensure an optimal structure of assets, the Halyk Group adopts a balanced approach to managing the risk/return ratio. The Bank invests in both domestic

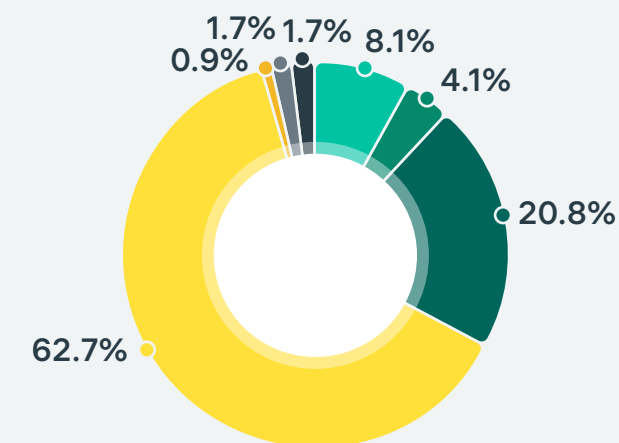
and foreign assets, providing diversification across banking product types, economic sectors, currencies, and maturities.

Halyk Group Asset Structure as of December 31, 2024*



- Cash and cash equivalents
- Obligatory reserves
- Securities portfolio
- Loans to customers
- Amounts due from credit institutions
- Property and equipment and intangible assets
- Other assets

Halyk Group Asset Structure as of December 31, 2025*



- Cash and cash equivalents
- Obligatory reserves
- Securities portfolio
- Loans to customers
- Amounts due from credit institutions
- Property and equipment and intangible assets
- Other assets

* Cash and cash equivalents also include precious metals.

The securities portfolio comprises financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, debt securities measured at amortised cost less allowances for expected credit losses, excluding derivative financial instruments.

Property, plant and equipment and intangible assets also include goodwill, commercial and investment property.

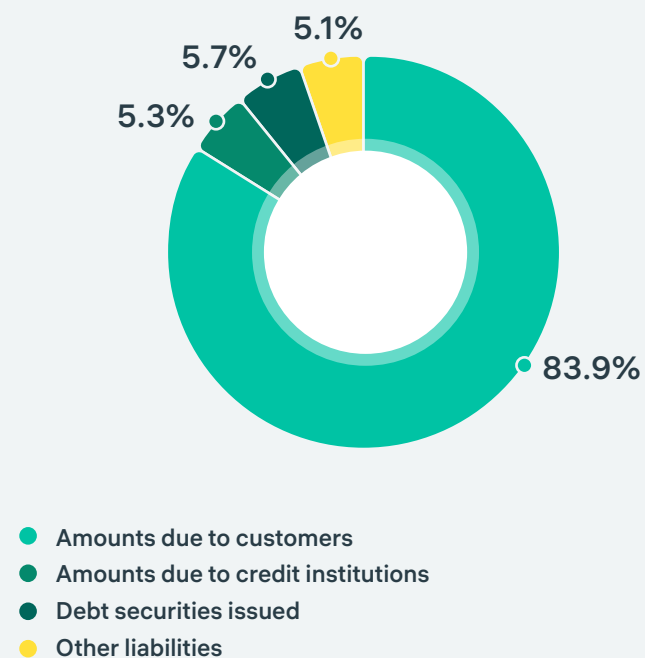
Asset and Liability Management

As of the end of 2025, the Group's assets increased by 12.7%, driven by a net increase in the loan portfolio of 1,645.3 billion tenge (14.3%), as well as a rise in mandatory reserves by 555.8 billion tenge (181.4%). The loan portfolio remains the largest asset item, accounting for 62.7% of the total as at 31 December 2025. The securities portfolio (20.8%) and cash and cash equivalents (8.1%) also represent significant proportions within the asset structure.

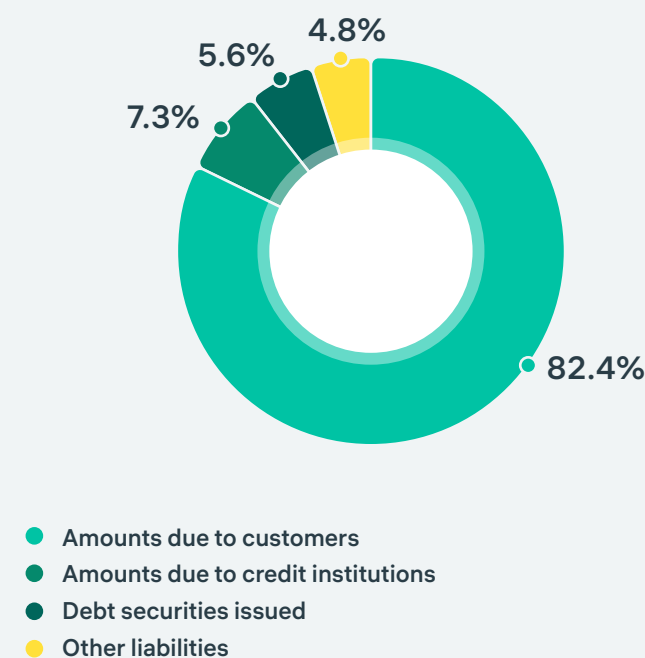
The Group conducts ongoing monitoring of limits on counterparty banks. If any negative factors are identified regarding the activities of counterparties or the countries in which they operate, the Bank promptly takes corrective measures, including reducing the volumes and terms of established limits.

To manage liquidity, the Bank forms a stable and diversified structure of liabilities, comprising both term resources and funds attracted on demand.

Halyk Group Liability Structure as of December 31, 2024



Halyk Group Liability Structure as of December 31, 2025



In 2025, the principal changes in the structure of liabilities were associated with an increase in customer funds by KZT 1,348.8 billion (10.4%). Customer funds remain the main source of funding, accounting for 82.4% of the liability structure (compared to 83.9% at the start of 2025).

An analysis of the structure of customer funds indicates a consistent shift towards term deposits: their share rose from 76% in 2024 to 80% in 2025, reflecting a growing inclination among clients towards saving behaviour. Conversely, current accounts showed a downward trend, with their share decreasing from 24% to 20% over the same period.

Funds attracted from individuals increased by 10.8%, while corporate deposits grew by 9.9%.

An analysis of the Bank's market positions in funding demonstrates the preservation of its leading status, despite a slight decrease in market shares. As at 1 January 2026, Halyk Bank's share of the retail deposit market stood at 27.5% (compared to 28.6% in 2024), and 30% of the corporate deposit market (31.0% in 2024), confirming the Bank's stable competitive position in Kazakhstan's funding market.

The Group's asset and liability management strategy is focused on ensuring the stability of the financial structure, diversifying funding sources, and maintaining liquidity. A flexible policy for regulating counterparty limits and prompt responses to changes in market conditions enable the Bank to maintain a balanced position and minimise risks, ensuring an effective risk/reward ratio.

Market Risk Management

In 2025, the Bank maintained its conservative approach to managing currency positions, keeping neutral positions across all currencies. The Group’s asset and liability structure showed a trend towards a reduced share of assets and liabilities in tenge. The share of assets in tenge accounted for 68.7% of total financial assets, compared to 70.3% in 2024, and the share of the loan portfolio in tenge declined from 78.8% to 74.8%. At the same time, the proportion of the deposit base in tenge increased to 71.7%, up from 69.1% the previous year.

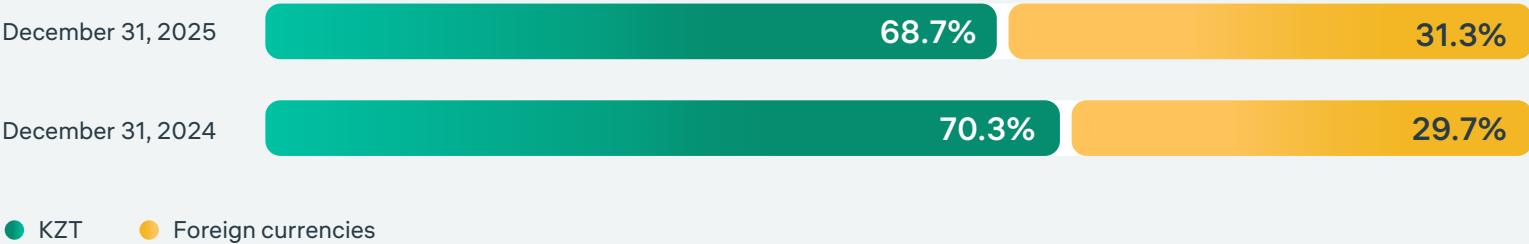
The Group identifies several key sources of interest rate risk, including risks associated with securities portfolios and risks arising from mismatches in the maturity or repricing dates of interest rate-sensitive assets and liabilities. Management of these risks is carried out by monitoring the Group’s interest rate position, which enables the maintenance of a positive interest margin.

In 2025, as part of efforts to improve its market risk management methodology, the Group introduced parametric models for assessing market risk indicators, VaR (Value at Risk) and ES (Expected Shortfall), and conducted back-testing of these models, which confirmed their validity and continued use. Market risk control (currency, interest rate, and price risks) is ensured through the establishment of internal limits, approved by authorised bodies within the defined risk appetite. Compliance with these limits is monitored daily, with revisions made in accordance with current market conditions.

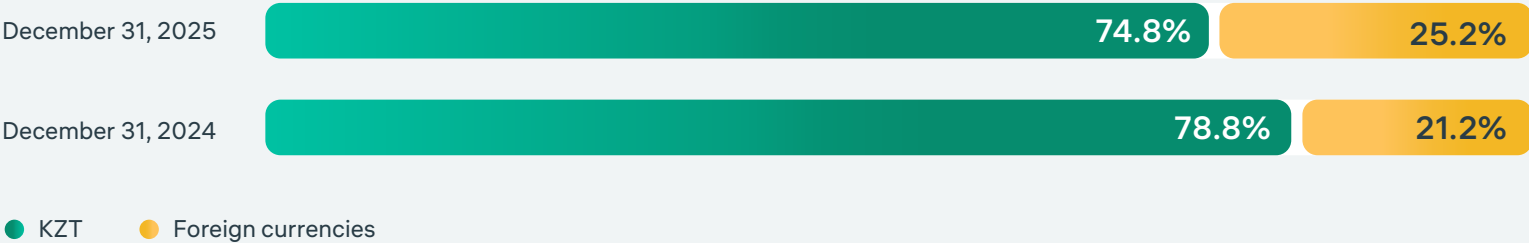
During 2025, against the backdrop of rising inflationary risks, the National Bank of the Republic of Kazakhstan raised the base rate from 15.25% (effective since January 2025) to 18.00% (in October 2025). Under these conditions, the Bank’s interest rate risk remained within acceptable levels as defined by established risk appetite limits.

The Bank adheres to a balanced approach to managing market risks, maintaining conservative currency positions and monitoring interest rate and price risks. A flexible system for setting limits and their regular monitoring enables the minimisation of potential financial losses and ensures stable profitability amid changing market conditions.

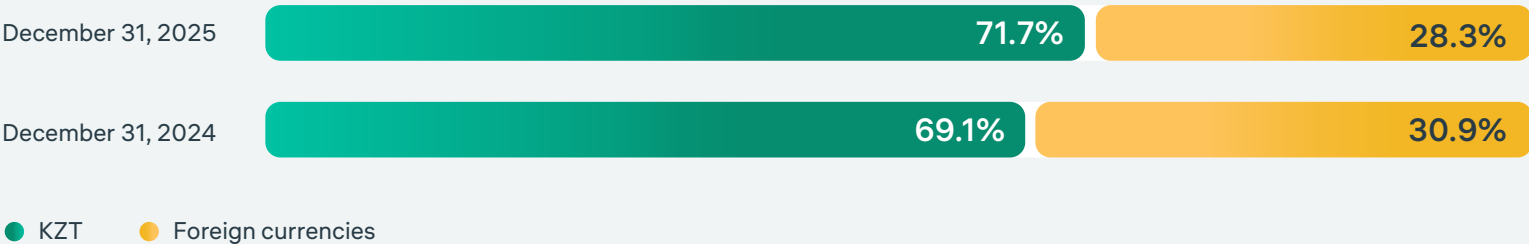
Halyk Group Financial Assets by Currency



Halyk Group Loan Portfolio (Net) by Currency



Halyk Group Customer Funds by Currency



Operational Risk Management

The Bank is exposed to operational risk in its activities, defined as the likelihood of losses arising from inadequacies or failures in internal processes, human resources, systems, or as a result of external events. Strategic and reputational risks are excluded from this classification.

Within the framework of operational risk management, the Bank operates a dedicated division responsible for developing and implementing various tools for monitoring and controlling these risks.

One of the key mechanisms is the assessment of operational risk when introducing new products, activities, processes, and systems, as well as when making changes to existing business processes. This analysis includes control testing and monitoring the functioning of new solutions. In this area, the Bank actively utilises the ORAP (Operational Risk Assessment Process) tool, which has been in operation since 2010, covers the most significant areas of activity, and is continually refined in line with changes both in the regulatory environment and in terms of best global practices.

Data on operational risk events are regularly collected and analysed. All identified cases are recorded and classified according to international standards (Basel), and the information gathered is used to compile management and regulatory reports. This enables the analysis of incident causes and the implementation of corrective measures to minimise operational losses.

The Bank continues to enhance its operational risk monitoring system, including by developing key risk indicators and employing risk management tools. At present, there is a system of such indicators covering various areas of activity, enabling timely identification and control of risks associated with critical IT systems and business processes.

Moreover, the Bank actively utilises operational risk management tools such as scenario analysis, self-assessment of risks, and comparative analysis, which contribute to improving the effectiveness of preventive measures and reducing the likelihood of operational incidents occurring.

The Bank adopts a comprehensive approach to managing operational risks, employing modern tools for assessment, control, and monitoring. The operational risk management system is focused on the early identification of threats, their analysis, and the development of preventive actions, allowing for the minimisation of potential financial and reputational losses. Additionally, incidents of an operational risk nature are reviewed, with attention given to identifying causes, conducting analysis, and preparing a plan of corrective measures.

Business Continuity Management

The Bank carries out business continuity management to ensure stable operations in the event of potential emergencies. To achieve this, a comprehensive system has been established, incorporating regulatory legal documents, infrastructure, trained personnel, and other components that enable effective responses to potential disruptions and threats.

The Bank has developed a plan to transition to a hybrid working model, which provides for the transfer of key employees to remote working in the event of large-scale incidents, in order to maintain business continuity. This approach is aimed at enhancing operational resilience and reducing the impact of possible external factors on business processes.

The business continuity management system includes a thoroughly developed notification scheme, as well as a mobilisation plan for the rapid response team. In the event of an incident, there are clear protocols in place for informing members of the Rapid Response Team, the Crisis Management Centre, and the heads of key departments. This enables swift action to restore operations and minimise the consequences of potential disruptions.

To enhance staff awareness, since 2023, remote training has been conducted, covering both employees at the head office and those at regional branches. Upon completion of the training, testing is carried out to assess the level of preparedness and readiness of personnel to respond in crisis situations. Annual simulations are also held to evaluate the recovery team's response speed.

The Bank is consistently developing its business continuity management system, ensuring a high level of readiness for potential crises. The introduction of modern working formats, a well-structured notification system, and regular staff training contribute to reducing operational risks and maintaining stable operations.



IT and Information Security Risk Management

In 2025, the Bank continued to implement measures aimed at managing risks in the field of information technology and information security. The risk management system is constantly being improved, ensuring the resilience of the IT infrastructure and the protection of clients’ data.

One of the key areas is the annual review of the list of critically important information assets. This allows timely identification and consideration of changes in data and infrastructure protection priorities. In parallel, there is regular updating of key risk indicators, based both on internal data and the analysis of external events.

At the end of 2025, the approach to IT risk and information security management was reviewed and updated, laying the foundation for further enhancement of the system. During this process, the Bank strengthened control over factors affecting the security of IT systems and implemented additional measures to mitigate cyber threats and AI-related risks.

In collaboration with relevant departments, comprehensive activities are carried out to analyse and minimise risks associated with fraud, including those in the field of information technology. The measures implemented are aimed at preventing unauthorised access to systems, protecting against external attacks, and ensuring compliance with internal security policies.

The Bank is consistently improving its IT risk and information security management system by introducing modern technologies for monitoring, analysis, and threat prevention. This integrated approach to risk management enables the minimisation of potential threats, ensuring data protection, the stability of IT systems, and the preservation of client trust.

Compliance Risk Management System

For information regarding the Bank’s current system for monitoring compliance with international and national economic sanctions, please refer to the section titled “Corporate Governance.”

Capital Management

In 2025, the Bank consistently implemented its capital management policy, ensuring the financial stability of the Group and maintaining an optimal funding structure. Throughout the entire reporting period, all capital adequacy standards established by the regulator of the Republic of Kazakhstan and based on Basel III principles were fully complied with.

Capital adequacy indicators are calculated in accordance with prudential requirements introduced from 1 January 2016 and harmonised with the international standards of the Basel Committee on Banking Supervision. The methodology used takes into account regulatory adjustments stipulated within the Basel III framework.

The fundamental element of capital management is the Internal Capital Adequacy Assessment Process (ICAAP), which provides comprehensive identification and aggregated assessment of significant risks, considering the scale of operations, organisational structure, and strategic priorities of the Bank. Based on the results of the ICAAP, capitalisation targets are set to ensure the Group’s long-term sustainability.

Within the capital management system, an internal methodology for calculating economic capital operates, covering credit, market, and operational risks. Ongoing improvements to this methodology enhance the accuracy of risk assessments, ensure compliance of capitalisation levels with both international and national standards, and create a robust foundation for timely responses to changes in market conditions.

The Bank pursues a balanced capital management policy aimed at ensuring adequacy in line with international and national standards. Internal mechanisms for capital assessment and planning enable prompt responses to changes in the market environment and ensure the Group’s long-term stability.

VIABILITY STATEMENT

The Board of Directors has carried out an assessment of the prospects and long-term viability of Halyk Bank over the medium term, taking into account the Group's current financial position, strategy, risk profile and the external economic environment.

ASSESSMENT PERIOD

The Board of Directors determined that a three-year assessment horizon (2026–2028) is appropriate. This period aligns with the Group's strategic cycle (2025–2027) and provides a sufficient degree of visibility with respect to key macroeconomic and regulatory factors.

ASSESSMENT APPROACH

In conducting the assessment, the Board of Directors considered the following factors:

- ▶ the **resilient and diversified business model** of the Group as a universal financial group;
- ▶ **sustained high profitability, strong operational efficiency and low cost of risk**, supported by external credit ratings;
- ▶ the **Strategy for 2025–2027**, including digital transformation, ecosystem development and regional expansion;
- ▶ the Group's **capitalisation level, liquidity position and funding structure**;
- ▶ the current economic environment characterised by a **high degree of uncertainty**.

As part of the viability assessment, the following key categories of risks that could have a material impact on the Bank's viability were reviewed:

- ▶ **macroeconomic and market risks**, including slower economic growth, inflationary pressures, interest rate and exchange rate volatility;
- ▶ **credit risk**, including potential deterioration in the quality of corporate and retail loan portfolios;
- ▶ **liquidity and funding risks**, including changes in the structure of the deposit base and access to external markets;

- ▶ **regulatory and legal risks** related to changes in prudential requirements, tax regimes and supervisory practices;
- ▶ **operational and technological risks**, including cyber risks and failures of critical systems;
- ▶ **ESG and non-financial risks**, including risks associated with responsible lending, reputation and sanctions compliance.

The assessment also incorporated the results of **stress testing and scenario analysis**, including adverse but plausible scenarios.

STRESS TESTING AND SCENARIOS

As part of the viability assessment, the Board of Directors considered a range of stress scenarios reflecting significant but plausible deterioration in macroeconomic and market conditions, as well as their potential impact on the Bank's financial performance, asset quality, capital adequacy and liquidity.

The stress scenarios were aligned with internal risk management and financial planning processes. The analysis evaluated the Bank's ability to maintain sufficient capital and liquidity to continue operations and comply with applicable regulatory requirements over the assessment period.

MITIGATING FACTORS

The Board of Directors also took into account factors supporting the Group's resilience:

- ▶ **leading market positions** and a strong retail and corporate client base;
- ▶ **diversified income sources** and the continued development of ecosystem services;
- ▶ **significant capital and liquidity buffers**;
- ▶ an **effective risk management framework and decision-making processes** enabling timely responses to changes in the external environment;
- ▶ **ongoing investments in digital technologies** that enhance efficiency and customer retention.

VIABILITY CONCLUSION

Based on the results of the assessment, the Board of Directors has a reasonable expectation that the Group will be able to continue its operations and meet its obligations as they fall due over the three-year period to 2028, including under adverse but plausible scenarios.

This conclusion is supported by the Group's strong financial position, the resilience of its business model, a conservative approach to risk management, and its capacity to adapt to changing economic conditions.



STATEMENT OF RESPONSIBILITY

We hereby confirm that, to the best of our knowledge:

- ▶ the consolidated financial statements included in this Annual Report have been prepared in accordance with International Financial Reporting Standards and present a true and fair view of the financial position of Halyk Bank and its subsidiaries, as well as the results of their operations, cash flows and changes in equity; and
- ▶ the Annual Report includes a fair review of the development and performance of the business and the financial position of Halyk Bank and its subsidiaries included in the consolidated financial statements, taken as a whole, together with a description of the principal risks and uncertainties faced by Halyk Bank;
- ▶ the Halyk Bank Sustainability Report for 2025 will be published by the end of July 2026.

**Chairperson of the Management Board,
Umut Shayakhmetova**

5.

Strategic Priorities of the Bank in 2025

Scaling business solutions
in countries of presence

CONSOLIDATED FINANCIAL STATEMENTS

138 — Consolidated Financial Statements for 2025
(including the Report of the Independent Auditors),
Notes to the Consolidated Financial Statements for 2025

halykbank.com



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

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

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

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

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

On behalf of the Management Board:

Umud B. Sheyakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan



Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan





Independent auditor’s report

To the Shareholders of JSC Halyk Bank

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Why the matter was determined to be a key audit matter

Individual assessment of the expected credit losses on loans to customers

Expected credit losses on certain Stage 3 loans to customers which are subject to individual impairment assessment with operating cash flows are calculated using future cash flows under different scenarios.

Due to the complexity and subjectivity of management’s judgements in estimation of future cash flows from operating activities of borrowers and calculation of the allowance for expected credit losses for such loans, we identified the individual assessment of ECL for credit-impaired loans as a key audit matter.

Refer to Notes 4, 11 and 29 to the consolidated financial statements for the description of impairment indicators on individually significant loans and disclosure of gross carrying amounts and related allowances for such loans.

How the matter was addressed in the audit

We obtained an understanding of the loan origination business process. We assessed the Group’s definitions of significant increase in credit risk and credit-impairment for assessment of individual loans’ ECL. We also evaluated the design and implementation of internal controls related to individual assessment of the ECL on loans to customers.

For a sample of loans identified as stage 1, we performed a detailed credit review and challenged the Group’s analysis of whether there was a significant increase in credit risk (stage 2) or default (stage 3). In order to evaluate whether the loans have been appropriately classified to the respective stage, we analysed internal credit ratings (scoring), credit risk factors and checked if relevant impairment events, such as delinquency of interest or principal, restructuring events, external information and certain financial performance indicators had been identified on a timely manner.

On a sample basis, we re-performed calculations of allowances for ECL for individually significant loans in stage 3, including reviewing the Group’s documented credit assessment of the borrowers, challenging assumptions underlying the ECL calculation, such as estimated future cash flows and the fair value of collateral.

We evaluated the adequacy and completeness of disclosures in the consolidated financial statements relating to the loans to customers in accordance with IFRS Accounting Standards requirements.



Other Information – Annual Report

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

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

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

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

Responsibilities of Management and Those Charged with Governance

for the Consolidated Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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



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

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

Kamila Muratova

Auditor
Qualification certificate
No. MF-0000324
Dated 25 February 2016

Zhangir Zhilyshbayev

General Director Deloitte LLP

State Audit License of the Republic of Kazakhstan
#0000015, type MFU-2, issued by the
Ministry of Finance of the Republic of Kazakhstan
dated 13 September 2006

Mark Smith
Engagement Partner

4 March 2026
Almaty, Republic of Kazakhstan



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

	Notes	31 December 2025	31 December 2024
<i>ASSETS</i>			
Cash and cash equivalents	5	1,694,431	1,473,802
Obligatory reserves	6	862,148	306,330
Financial assets at fair value through profit or loss	7	920,946	822,817
Amounts due from credit institutions	8	181,288	156,966
Financial assets at fair value through other comprehensive income	9	2,285,192	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	10	1,141,573	766,937
Loans to customers	11, 33	13,110,917	11,465,649
Investment property		27,614	37,822
Commercial property		50,965	57,378
Assets classified as held for sale		8,896	8,833
Current income tax assets	18	6,131	3,506
Deferred tax assets	18	388	418
Property and equipment and intangible assets	12	355,790	285,299
Insurance contract assets	13	3,445	2,314
Reinsurance contract assets		33,681	38,400
Other assets	14, 33	225,051	197,183
TOTAL ASSETS		20,908,456	18,548,414
<i>LIABILITIES AND EQUITY</i>			
LIABILITIES			
Amounts due to customers	15, 33	14,338,804	12,990,043
Amounts due to credit institutions	16	1,270,128	814,069
Financial liabilities at fair value through profit or loss	7	8,433	6,973
Debt securities issued	17, 33	970,098	879,212

	Notes	31 December 2025	31 December 2024
Current income tax liability	18	16,215	26,829
Deferred tax liability	18	36,062	22,024
Provisions	21	6,276	10,964
Insurance contract liabilities	13	491,471	430,320
Reinsurance contract liabilities		1,160	-
Other liabilities	19	269,458	299,931
Total liabilities		17,408,105	15,480,365
EQUITY			
Share capital	20	209,027	209,027
Share premium reserve		8,962	8,769
Treasury shares	20	(290,255)	(263,625)
Share-based payment reserve		8,374	10,000
Retained earnings and other reserves		3,564,229	3,103,866
Total equity attributable to owners of the Group		3,500,337	3,068,037
Non-controlling interest		14	12
Total equity		3,500,351	3,068,049
TOTAL LIABILITIES AND EQUITY		20,908,456	18,548,414

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan



Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan



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



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

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Interest income calculated using the effective interest method	22, 33	2,621,610	2,116,154
Other interest income	22	73,347	54,632
Interest expense	22, 33	(1,407,219)	(1,062,876)
NET INTEREST INCOME BEFORE CREDIT LOSS EXPENSE	22	1,287,738	1,107,910
Expected credit loss expense	11, 14	(161,155)	(129,348)
NET INTEREST INCOME		1,126,583	978,562
Fee and commission income	23	238,954	211,734
Fee and commission expense	23	(98,805)	(86,450)
Fees and commissions, net		140,149	125,284
Net gain on financial assets and liabilities at fair value through profit or loss	24	64,566	104,369
Net realised (loss)/gain from financial assets at fair value through other comprehensive income		(32)	2,503
Net foreign exchange gain	25	139,137	110,043
Recovery of other credit loss expense		4,947	876
Insurance revenue	13, 26	294,791	259,923
Share in profit of associate	33	16,000	15,526
Income on non-banking activities		22,741	24,419
Other income/(expense)		29,178	(46,188)
OTHER NON-INTEREST INCOME		571,328	471,471
Operating expenses	27, 33	(307,993)	(264,510)
(Impairment loss)/reversal of impairment of non-financial assets		(3)	1,137
Impairment loss on assets held for sale		-	(60)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Insurance service expense	13, 26	(151,894)	(148,200)
Net insurance finance expense	13	(20,354)	(26,266)
Net reinsurance expense		(59,579)	(35,525)
NON-INTEREST EXPENSES		(539,823)	(473,424)
PROFIT FOR THE YEAR BEFORE TAX		1,298,237	1,101,893
Income tax expense	18	(239,817)	(180,902)
NET INCOME		1,058,420	920,991
Attributable to:			
Non-controlling interest		3	3
Common shareholders		1,058,417	920,988
		1,058,420	920,991
EARNINGS PER SHARE			
(in Kazakhstani Tenge)			
Basic and diluted earnings per share	28	97.17	84.50

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan



Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan



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



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

	Year ended 31 December 2025	Year ended 31 December 2024
Net income	1,058,420	920,991
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Gain resulting on revaluation of property and equipment (2025 and 2024 – net of tax – KZT nil and KZT 3,559 million, respectively)	18	14,152
Gain/(loss) on revaluation of equity financial assets at fair value through other comprehensive income	1,066	(221)
Items that may be subsequently reclassified to profit or loss:		
(Loss)/gain on revaluation of debt financial assets at fair value through other comprehensive income, including impaired during the period (2025 and 2024 – net of tax – KZT 505 million and KZT 1,195 million, respectively)	(56,153)	25,730
Reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period (2025 and 2024 - net of tax – KZT nil)	32	(2,503)
Share of other comprehensive loss of associate on revaluation of debt financial assets at fair value through other comprehensive income	(546)	(989)
Foreign exchange differences on translation of foreign operation	2,151	8,639
Other comprehensive (loss)/income for the year	(53,432)	44,808
Total comprehensive income for the year	1,004,988	965,799
Attributable to:		
Non-controlling interest	2	2
Common shareholders	1,004,986	965,797
	1,004,988	965,799

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

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



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

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

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



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

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

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

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan

Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan

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



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

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

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

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>			
Disposal of subsidiaries		-	(33,559)
Purchase and prepayments for property and equipment and intangible assets		(84,806)	(66,884)
Proceeds on sale of property and equipment and intangible assets		4,494	211
Proceeds on sale of investment property		3,882	4,942
Proceeds on sale of commercial property		7,861	17,265
Proceeds from sale of financial assets at fair value through other comprehensive income		1,067,257	535,270
Purchase of financial assets at fair value through other comprehensive income		(457,360)	(735,186)
Proceeds from sale of debt securities at amortised cost, net of allowance for expected credit losses		100,168	206,895
Purchase of debt securities at amortised cost, net of allowance for expected credit losses		(469,833)	(220,392)
Capital expenditures on commercial property		(1)	(49)
Net cash inflow/(outflow) from investing activities		171,662	(291,487)
<i>CASH FLOWS FROM FINANCING ACTIVITIES:</i>			
Proceeds from syndicated loan		-	157,533
Repayment of syndicated loan		(54,134)	-
Proceeds on sale of treasury shares		14,037	1,535
Purchase of treasury shares		(40,474)	(6,544)
Dividends paid – common shares	20	(625,308)	(308,595)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Redemption and repayment of debt securities issued	17	(778,439)	(136,155)
Proceeds from issue of debt securities issued	17	887,087	294,736
Repayment of lease liabilities		(2,297)	(3,325)
Net cash outflow from financing activities		(599,528)	(815)
Effect of changes in foreign exchange rates on cash and cash equivalents		(21,935)	10,840
Net change in cash and cash equivalents		220,629	96,487
CASH AND CASH EQUIVALENTS, beginning of the year	5	1,473,802	1,377,315
CASH AND CASH EQUIVALENTS, end of the year	5	1,694,431	1,473,802

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

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairperson of the Board

4 March 2026
Almaty, Kazakhstan



Dana S. Talzhanova
Chief Accountant

4 March 2026
Almaty, Kazakhstan



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



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

1. PRINCIPAL ACTIVITIES

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

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

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

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

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

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

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

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

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

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

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

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

Legal proceedings

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



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

1. PRINCIPAL ACTIVITIES (CONTINUED)

Operating environment

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

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

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

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

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

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

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

Ownership

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

31 December 2025

	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	6,756,738,228	62.4%
GDR holders	3,742,974,040	34.5%
Other	336,246,282	3.1%
Total shares in circulation (on consolidated basis)	10,835,958,550	100%

31 December 2024

	Total shares (Common shares)	Stake in total shares in circulation
JSC HG Almex	7,583,538,228	69.7%
GDR holders	3,075,090,560	28.3%
Other	221,345,828	2.0%
Total shares in circulation (on consolidated basis)	10,879,974,616	100%



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

2. BASIS OF PRESENTATION

Statement of compliance

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

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

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement

and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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

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

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

Functional currency

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



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

2. BASIS OF PRESENTATION (CONTINUED)

Consolidated subsidiaries

These consolidated financial statements include the following subsidiaries:

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

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

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

Investments in associates

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

3. MATERIAL ACCOUNTING POLICIES

Basis of consolidation

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

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

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

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

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

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

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

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



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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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

Changes in the Group’s ownership interests in existing subsidiaries

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

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

Cash and cash equivalents

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

Obligatory reserves

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

Amounts due from credit institutions

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

Recognition and measurement of financial instruments

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

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets

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

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

Specifically:

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

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

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

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

Financial assets at FVTPL are:

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

A financial liability is classified as held for trading if:

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

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



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for the years ended 31 December 2025 and 2024 (Millions of Kazakhstani Tenge)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

Reclassification of financial assets

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



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Reclassification of financial assets (continued)

Modification and derecognition of financial assets

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

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously monitors renegotiated loans to ensure that they are performing and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. Renegotiated terms are evidence of impairment for loans assessed for impairment on an individual basis, for which deterioration of the financial position is observed.

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

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

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

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

Impairment

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

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



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

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

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

Allowances for expected credit losses

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

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

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

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

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

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

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

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

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the Group does not offset the transferred asset and the associated liability. Income and expense is not offset in the consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Credit-impaired financial assets

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

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

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



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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Credit-impaired financial assets (continued)

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

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

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

Derecognition of financial assets and liabilities

Financial assets

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

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

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

Modification and derecognition of financial liabilities

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

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

Taxation

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

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



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

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

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

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

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

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

Property and equipment

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

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

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

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

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

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

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

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

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

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

Amounts due to customers and credit institutions

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

Debt securities issued

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

Equity

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

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

Share capital

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

Treasury shares

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

Dividends

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Equity (continued)

Share-based payments

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

A stock-based payment allowance is recognised at the current fair value of the option at each reporting date.

Equity reserves

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

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

Contingencies

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

Recognition of income and expense

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

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

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

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

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

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

Fee and commission income

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



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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Recognition of income and expense (continued)

Fee and commission income (continued)

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

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

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

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

Foreign currency translation

The consolidated financial statements are presented in KZT, which is the functional currency of the Bank and each of its subsidiaries, except for foreign subsidiaries. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the currency rate of exchange as quoted

by KASE as at the reporting date. Gains and losses resulting from the translation of foreign currency transactions into functional currency are recognised in the consolidated statement of profit or loss as net foreign exchange gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

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

Insurance contracts

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

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

Life business – non-participating contracts including:

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

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

A. Key types of insurance contracts issued and reinsurance contracts held (continued)

The Group accounts for these policies using the General Model.

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

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

Motor and property insurance policies:

These comprise comprehensive and third-party liability car insurance policies as well as property insurance policies for contents and buildings and other properties with coverage of one year or more.

This group of contracts includes the following significant products of the Group: compulsory motor vehicle liability insurance, property insurance, and motor vehicle and liability insurance. The Group accounts for these contracts applying the Premium Allocation Approach (PAA).

B. Definitions and classifications

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

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

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

C. Combining a set or series of contracts

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

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

D. Separating components from insurance and reinsurance contracts

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

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

Separating investment components

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

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

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

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



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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

D. Separating components from insurance and reinsurance contracts (continued)

Separating insurance components of a single insurance contract

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

E. Level of aggregation

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

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

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

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

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

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

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

F. Recognition

- ▶ The Group recognises groups of insurance contracts issued from the earliest of the following dates:
- ▶ The beginning of the coverage period of the group of contracts
- ▶ The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- ▶ The date when a group of contracts becomes onerous



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

F. Recognition (continued)

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

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

G. Contract boundaries

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

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

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

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

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

Cash flows are within the boundaries of investment contracts with discretionary participation features if they result from a substantive obligation of the Group to deliver cash at a present or future date.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

H. Measurement of insurance contracts issued

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

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

Fulfilment cash flows within contract boundary

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

Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

H. Measurement of insurance contracts issued (continued)

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

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

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

Discount rates

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

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

Risk adjustment for non-financial risk

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

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

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

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

Contractual service margin (CSM)

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

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

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



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

H. Measurement of insurance contracts issued (continued)

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

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

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

Insurance acquisition cash flows

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

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

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

At each reporting date, the Group reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Group adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts.

An impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

H.2 Subsequent measurement under the General Model

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

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

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

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

Changes in fulfilment cash flows

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



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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

H. Measurement of insurance contracts issued (continued)

H.2 Subsequent measurement under the General Model (continued)

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

Experience adjustments are the difference between:

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

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

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

Adjustments to the contractual service margin

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

- ▶ Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the ‘locked in’ discount rates applicable when the contracts in the group were initially recognised;

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

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

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

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

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

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



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

H. Measurement of insurance contracts issued (continued)

H.2 Subsequent measurement under the General Model (continued)

Recognition of the CSM in profit or loss

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

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

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

Contracts with cash flows not dependent on underlying items

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

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

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

H.3 Insurance contracts measured under the premium allocation approach

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

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

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

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

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

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

H. Measurement of insurance contracts issued (continued)

H.3 Insurance contracts measured under the premium allocation approach (continued)

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

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

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

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

H.4 Onerous contracts

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

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

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered

to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

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

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

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

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

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

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

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

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

H. Measurement of insurance contracts issued (continued)

H.4 Onerous contracts (continued)

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

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

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

I. Modification and derecognition

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

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

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

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

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation).

A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

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

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

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

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

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

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

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



Notes to the Consolidated Financial Statements
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (continued)

J. Presentation

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

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

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

J.1 Insurance revenue

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

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

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

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

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

J.2 Insurance service expenses

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

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

Segment reporting

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

Financial guarantee contracts and letters of credit issued

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



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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING ESTIMATES

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

Significant increase of credit risk

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

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

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

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

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



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4. SIGNIFICANT ACCOUNTING ESTIMATES (CONTINUED)

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

The key inputs used for measuring ECL are:

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

Probability of default

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

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

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

Loss Given Default

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

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

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

Exposure at Default

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group’s modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilization of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Models and assumptions used

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

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

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

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

Fair value measurement and valuation process

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



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4. SIGNIFICANT ACCOUNTING ESTIMATES (CONTINUED)

Taxation

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

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

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

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

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

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

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

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

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



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6. OBLIGATORY RESERVES

Obligatory reserves comprise:

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

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

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise:

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

Financial liabilities at fair value through profit or loss comprise:

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

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

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

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

Derivative financial instruments comprise:

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



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7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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

8. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprise:

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

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

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

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

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Debt securities comprise:

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

Equity securities comprise:

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

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

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

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



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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

10. DEBT SECURITIES AT AMORTISED COST, NET OF ALLOWANCE FOR EXPECTED CREDIT LOSSES

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

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

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

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

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

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



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11. LOANS TO CUSTOMERS

Loans to customers comprise:

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

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

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

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

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

The main types of collateral obtained are as follows:

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

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

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

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Loans are granted to the following sectors:

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

Restructured and modified loans to customers

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

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

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Restructured and modified loans to customers (continued)

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

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

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

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Restructured and modified loans to customers (continued)

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

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

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

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

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

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11. LOANS TO CUSTOMERS (CONTINUED)

Restructured and modified loans to customers (continued)

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

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

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

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Restructured and modified loans to customers (continued)

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

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

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

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

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Restructured and modified loans to customers (continued)

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

Allowance for expected credit losses and provisions

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

Internal rating model for loans to customers

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

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

The following classifications are used by the rating model:

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

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Internal rating model for loans to customers (continued)

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

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



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11. LOANS TO CUSTOMERS (CONTINUED)

Internal rating model for loans to customers (continued)

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

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

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

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12. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

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

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



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12. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

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



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12. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

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

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

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

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

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



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13. INSURANCE CONTRACT ASSETS AND LIABILITIES

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

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



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13. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

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



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13. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

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

31 December 2025											
	Employer liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Assets under issued insurance contracts	-	-	-	-	(2)	-	-	-	(116)	(3,327)	(3,445)
Liabilities under issued insurance contracts	28,846	261,000	35,745	2,931	66,664	2,693	33,851	28,286	9,132	22,323	491,471
Net amount	28,846	261,000	35,745	2,931	66,662	2,693	33,851	28,286	9,016	18,996	488,026

31 December 2024											
	Employer liability Annuities	Pension annuities	Endowment insurance	Term life insurance	Short-term agreements	Health insurance	Mandatory liability insurance for vehicle owners	Property insurance	Motor transport and liability insurance	Other	Total
Assets under issued insurance contracts	-	-	-	-	(4)	(1,313)	(325)	(55)	(405)	(212)	(2,314)
Liabilities under issued insurance contracts	28,742	202,279	34,388	10,742	76,107	2,669	13,304	35,542	10,757	15,790	430,320
Net amount	28,742	202,279	34,388	10,742	76,103	1,356	12,979	35,487	10,352	15,578	428,006

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

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

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13. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

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

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

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

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

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13. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

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

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

Notes to the Consolidated Financial Statements
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13. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

Net amount of claims

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

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13. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

Net amount of claims (continued)

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

The following disclosure notes do not include the complete information required by IFRS 7. In order to better understand the specifics of the disclosures required by IFRS 17, some of the disclosures required by IFRS 7 for financial instruments have been included. IFRS 1:32(b) provides entities with two options for maturity analysis: (a) by the estimated maturity of the remaining undiscounted net cash flows contractually contemplated; or (b) the estimated timing of valuations of the present value of future cash flows.

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

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

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

14. OTHER ASSETS

Other assets include:

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

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



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14. OTHER ASSETS (CONTINUED)

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

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

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

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

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

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

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

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15. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers include the following:

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

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

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

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

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

An analysis of customer accounts by sector is as follows:

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



Notes to the Consolidated Financial Statements
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16. AMOUNTS DUE TO CREDIT INSTITUTIONS

Amounts due to credit institutions comprise:

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

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

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

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

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

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

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

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



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16. AMOUNTS DUE TO CREDIT INSTITUTIONS (CONTINUED)

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

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

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

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

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

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

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

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

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

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



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17. DEBT SECURITIES ISSUED

Debt securities issued comprise:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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17. DEBT SECURITIES ISSUED (CONTINUED)

Reconciliation of liabilities arising from financing activities

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

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

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

18. TAXATION

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

The income tax expense comprises:

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

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

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

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

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

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

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

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



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18. TAXATION (CONTINUED)

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

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

Deferred tax assets and liabilities comprise:

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

Current income tax assets and liabilities comprise:

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

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18. TAXATION (CONTINUED)

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

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

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

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

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

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

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

Movements in net deferred tax liability:

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

19. OTHER LIABILITIES

Other liabilities include:

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

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



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19. OTHER LIABILITIES (CONTINUED)

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

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

20. EQUITY

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

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

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

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

Ordinary shares

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

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

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

Dividends paid for the previous financial years were as follows:

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

Share premium reserve

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

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21. FINANCIAL COMMITMENTS AND CONTINGENCIES

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

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

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

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

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

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

Deferred liabilities for capital expenditures

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

Operating lease commitments

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

22. NET INTEREST INCOME

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



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22. NET INTEREST INCOME (CONTINUED)

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

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

23. FEES AND COMMISSIONS

Fee and commission income is derived from the following sources:

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

Fee and commission expense is derived from the following sources:

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

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

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

24. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

25. NET FOREIGN EXCHANGE GAIN

Net foreign exchange gain comprises:

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



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26. INSURANCE REVENUE/(INSURANCE SERVICE EXPENSE)

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

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

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



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26. INSURANCE REVENUE/(INSURANCE SERVICE EXPENSE) (CONTINUED)

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

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



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27. OPERATING EXPENSES

Operating expenses comprises:

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

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

28. EARNINGS PER SHARE

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

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

The following table presents basic and diluted earnings per share:

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

As required by KASE rules for listed companies, the book value of one common share as at

31 December 2025 and 2024 is disclosed as follows:

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

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



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28. EARNINGS PER SHARE (CONTINUED)

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

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

29. FINANCIAL RISK MANAGEMENT

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

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

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

Risk appetite management

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

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

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

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

Internal process for assessing capital adequacy

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

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

Credit risk

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

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

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

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

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

Structure and authorities of credit committees

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

Commercial Directorate

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

Branch Credit Committee and Branch Network Credit Committee (“BCC”, “BNCC”)

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

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

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Decision Making Center for Small Business (“DMC for SB”)

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

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

Problem loans committee of the Head Office, branches

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

Authorised credit authorities of the Bank’s subsidiaries

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

ALMC

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

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

The Management Board

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

Risk Committee

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

The Board of Directors

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

Maximum Exposure

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Maximum Exposure (continued)

31 December 2025		
	Maximum exposure and net exposure after offset	Collateral pledged
Cash equivalents*	1,370,335	56,228
Obligatory reserves	862,148	-
Financial assets at fair value through profit or loss (less equity securities)	805,653	-
Amounts due from credit institutions	181,288	-
Financial assets at fair value through other comprehensive income (less equity securities)	2,272,600	-
Debt securities at amortised cost, net of allowance for expected credit losses	1,141,573	-
Loans to customers	13,110,917	10,861,640
Other financial assets	109,569	-
Commitments and contingencies (less provisions)	1,174,111	38,033

31 December 2024		
	Maximum exposure and net exposure after offset	Collateral pledged
Cash equivalents*	1,418,685	55,117
Obligatory reserves	306,330	-
Financial assets at fair value through profit or loss (less equity securities)	745,233	-
Amounts due from credit institutions	156,966	-
Financial assets at fair value through other comprehensive income (less equity securities)	2,913,276	-
Debt securities at amortised cost, net of allowance for expected credit losses	766,937	-
Loans to customers	11,465,649	9,740,418
Other financial assets	87,877	-
Commitments and contingencies (less provisions)	1,196,480	37,606

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

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

Significant increase in credit risk

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

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Significant increase in credit risk (continued)

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

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

Incorporation of forward-looking information

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

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

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

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

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

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

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Incorporation of forward-looking information (continued)

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

31 December 2025						
	AA	AA-	A	BBB	<BBB	Not Rated
Cash and cash equivalents*	140	552,072	71,372	712,849	40,905	49,253
Obligatory reserves	-	-	-	856,483	5,665	-
Financial assets at fair value through profit or loss	183,298	32,293	127,587	283,464	235,332	58,972
Amounts due from credit institutions	460	75,075	13,548	21,734	63,688	7,015
Financial assets at fair value through other comprehensive income	37,884	75,374	76,445	2,017,846	66,492	11,151
Debt securities at amortised cost	11,159	110,574	-	993,154	22,348	5,082
Other financial assets	-	-	-	-	-	139,514
Commitments and contingencies	-	-	-	-	-	1,180,387

31 December 2024						
	AA	AA-	A	BBB	<BBB	Not Rated
Cash and cash equivalents*	184	103,044	32,819	973,164	88,686	4,913
Obligatory reserves	-	-	-	294,421	11,909	-
Financial assets at fair value through profit or loss	64,743	54,779	27,465	502,532	83,538	89,760
Amounts due from credit institutions	-	31,225	45,658	32,417	42,442	5,376
Financial assets at fair value through other comprehensive income	63,980	129,427	146,451	2,543,785	40,678	439
Debt securities at amortised cost	-	-	-	525,317	24,211	217,986
Other financial assets	-	-	-	-	-	124,119
Commitments and contingencies	-	-	-	-	-	1,207,444

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Incorporation of forward-looking information (continued)

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

	Financial assets that have been individually assessed for impairment				Financial assets that have been collectively assessed for impairment		31 December 2025 Total
	Unimpaired financial assets		Impaired financial assets		Gross carrying amount of assets	Amount of allowance for expected credit losses	
	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses			
Amounts due from credit institutions	181,520	(232)	-	-	-	-	181,288
Financial assets at fair value through other comprehensive income	2,283,902	(1,639)	-	-	2,931	(2)	2,285,192
Debt securities at amortised cost	1,141,193	(744)	-	-	1,125	(1)	1,141,573
Loans to customers	7,435,225	(38,315)	518,756	(211,838)	5,760,740	(353,651)	13,110,917
Other financial assets	61,165	(1,803)	78,349	(28,142)	-	-	109,569

	Financial assets that have been individually assessed for impairment				Financial assets that have been collectively assessed for impairment		31 December 2024 Total
	Unimpaired financial assets		Impaired financial assets		Gross carrying amount of assets	Amount of allowance for expected credit losses	
	Gross carrying amount of assets	Amount of allowance for expected credit losses	Gross carrying amount of assets	Amount of allowance for expected credit losses			
Amounts due from credit institutions	156,957	(152)	-	-	161	-	156,966
Financial assets at fair value through other comprehensive income	2,926,050	(4,362)	-	-	3,074	(2)	2,924,760
Debt securities at amortised cost	765,221	(576)	-	-	2,293	(1)	766,937
Loans to customers	6,435,223	(35,627)	571,170	(236,610)	5,032,475	(300,982)	11,465,649
Other financial assets	3,739	(1)	36,495	(26,650)	83,885	(9,591)	87,877

As at 31 December 2025, the carrying amount of unimpaired overdue loans was KZT 76,527 million (31 December 2024 – KZT 90,801 million).

The overdue period for these loans is no more than 90 days.



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

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

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

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

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

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

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

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

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

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

Liquidity risk management (identification, measurement, monitoring, control and analysis of liquidity risk) is carried out in accordance with the IPALA and the liquidity risk management policy, as well as regulatory requirements.



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

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

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

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Transactions with government agencies and government-controlled companies

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

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

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

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

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

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Transactions with government agencies and government-controlled companies (continued)

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

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

Market risk

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

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

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

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

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

Interest rate risk

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

The Group determines two types of interest rate risk:

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

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

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

Sensitivity analysis of interest rate risk

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

Sensitivity analysis of interest rate risk (continued)

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

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

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

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

Currency Risk

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

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

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

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

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



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency Risk (continued)

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

31 December 2025							
	USD	EURO	RUB	Other	Total foreign currencies	KZT	Total
FINANCIAL ASSETS:							
Cash and cash equivalents	531,442	54,564	30,894	75,726	692,626	1,001,805	1,694,431
Obligatory reserves	128,853	12,483	6,015	15,735	163,086	699,062	862,148
Financial assets at fair value through profit or loss	385,379	30	7	621	386,037	534,909	920,946
Amounts due from credit institutions	120,105	-	5,983	32,392	158,480	22,808	181,288
Financial assets at fair value through other comprehensive income	855,406	258,499	2,700	4,241	1,120,846	1,164,346	2,285,192
Debt securities at amortised cost, net of allowance for expected credit losses	491,701	-	-	12,309	504,010	637,563	1,141,573
Loans to customers	2,853,485	171,942	69	272,662	3,298,158	9,812,759	13,110,917
Other financial assets	19,501	256	5,175	11,883	36,815	72,754	109,569
	5,385,872	497,774	50,843	425,569	6,360,058	13,946,006	20,306,064
FINANCIAL LIABILITIES							
Amounts due to customers	3,504,958	322,685	46,945	186,021	4,060,609	10,278,195	14,338,804
Amounts due to credit institutions	384,435	19,224	128,687	121,453	653,799	616,329	1,270,128
Financial liabilities at fair value through profit or loss	763	499	156	-	1,418	7,015	8,433
Debt securities issued	760,343	-	-	-	760,343	209,755	970,098
Other financial liabilities	14,046	1,137	1,953	2,088	19,224	148,964	168,188
	4,664,545	343,545	177,741	309,562	5,495,393	11,260,258	16,755,651
Net position – on-balance	721,327	154,229	(126,898)	116,007	864,665	2,685,748	3,550,413
Net position – off-balance	(406,755)	(146,461)	114,009	19,863	(419,344)	447,181	
Net position	314,572	7,768	(12,889)	135,870	445,321	3,132,929	



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency Risk (continued)

31 December 2024						
	USD	EURO	RUB	Other	Total foreign currencies	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	303,453	76,454	26,787	79,777	486,471	1,473,802
Obligatory reserves	48,259	8,891	3,190	3,394	63,734	306,330
Financial assets at fair value through profit or loss	311,360	7,368	14	160	318,902	822,817
Amounts due from credit institutions	118,842	2	2,081	21,936	142,861	156,966
Financial assets at fair value through other comprehensive income	1,404,657	239,007	7,664	-	1,651,328	2,924,760
Debt securities at amortised cost, net of allowance for expected credit losses	220,923	-	-	24,207	245,130	766,937
Loans to customers	2,122,954	174,601	6,280	128,380	2,432,215	11,465,649
Other financial assets	2,185	592	1,511	2,086	6,374	87,877
	4,532,633	506,915	47,527	259,940	5,347,015	18,005,138
FINANCIAL LIABILITIES						
Amounts due to customers	3,570,187	246,083	42,582	157,989	4,016,841	12,990,043
Amounts due to credit institutions	438,384	24,676	10,157	17,733	490,950	814,069
Financial liabilities at fair value through profit or loss	840	-	510	-	1,350	6,973
Debt securities issued	484,287	-	-	-	484,287	879,212
Other financial liabilities	1,865	1,343	72	1,104	4,384	222,454
	4,495,563	272,102	53,321	176,826	4,997,812	14,912,751
Net position – on-balance	37,070	234,813	(5,794)	83,114	349,203	3,092,387
Net position – off-balance	120,411	(204,932)	9,348	(26,664)	(101,837)	117,062
Net position	157,481	29,881	3,554	56,450	247,366	2,860,246



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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency Risk (continued)

Sensitivity analysis of currency risk

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

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

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

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

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

Limitations of sensitivity analysis

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

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

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

Price risk

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

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

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

Calculation of VaR is based on the following parameters:

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

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

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30. CAPITAL RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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30. CAPITAL RISK MANAGEMENT (CONTINUED)

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

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

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

31. SEGMENT ANALYSIS

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

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

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

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

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

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

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



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31. SEGMENT ANALYSIS (CONTINUED)

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

	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
<i>As at 31 December 2025 and for the year then ended</i>						
External revenues	1,064,163	1,284,462	429,342	338,508	388,796	3,505,271
Total revenues	1,064,163	1,284,462	429,342	338,508	388,796	3,505,271
<i>Total revenues comprise:</i>						
- Interest income	899,121	1,088,242	346,671	347,132	13,791	2,694,957
- Fee and commission income, including:	147,974	42,300	43,593	-	5,087	238,954
Transactional income of individuals	159,342	-	-	-	-	159,342
Transactional income of legal entities	-	15,646	36,853	-	-	52,499
Letters of credit and guarantees issued	-	21,154	8,378	-	-	29,532
Other	916	5,500	259	-	5,087	11,762
Loyalty program	(12,284)	-	(1,897)	-	-	(14,181)
- Net gain/(loss) on financial assets at fair value through profit or loss	-	73,008	-	(8,624)	182	64,566
- Net foreign exchange gain	17,067	75,690	39,356	-	7,024	139,137
- Recovery of other credit loss expense/(other credit loss expense)	1	5,222	(278)	-	2	4,947
- Share in profit of associate	-	-	-	-	16,000	16,000
- Insurance revenue, income on non-banking activities and other (expense)/income	-	-	-	-	346,710	346,710
Total revenues	1,064,163	1,284,462	429,342	338,508	388,796	3,505,271
- Interest expense	(662,754)	(491,412)	(190,958)	(59,951)	(2,144)	(1,407,219)
- Net realised loss from financial assets at fair value through other comprehensive income	-	-	-	(32)	-	(32)
- (Expected credit loss expense)/recovery expected credit loss expense	(123,130)	(5,900)	(38,428)	10,546	(4,243)	(161,155)
- Fee and commission expense	(89,647)	(3,565)	(4,057)	-	(1,536)	(98,805)
- Operating expenses	(162,904)	(25,671)	(35,001)	(3,705)	(80,712)	(307,993)
- Impairment loss of non-financial assets	-	-	-	-	(3)	(3)
- Insurance service expense	-	-	-	-	(151,894)	(151,894)
- Net finance insurance expense	-	-	-	-	(20,354)	(20,354)



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31. SEGMENT ANALYSIS (CONTINUED)

	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
- Net reinsurance expense	-	-	-	-	(59,579)	(59,579)
Total expenses	(1,038,435)	(526,548)	(268,444)	(53,142)	(320,465)	(2,207,034)
Segment result	25,728	757,914	160,898	285,366	68,331	1,298,237
Income before income tax expense	25,728	757,914	160,898	285,366	68,331	1,298,237
Income tax expense	-	-	-	-	(239,817)	(239,817)
Net income	25,728	757,914	160,898	285,366	(171,486)	1,058,420
Total segment assets	4,308,116	9,088,033	2,219,777	4,284,244	1,008,286	20,908,456
Total segment liabilities	7,686,344	5,245,173	2,614,662	970,098	891,828	17,408,105
<i>Other segment items:</i>						
Capital expenditures						(84,806)
Depreciation and amortisation						(23,569)
Investment in associates						70,327
	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
<i>As at 31 December 2024 and for the year then ended</i>						
External revenues	858,483	1,023,075	361,339	308,224	300,367	2,851,488
Total revenues	858,483	1,023,075	361,339	308,224	300,367	2,851,488
<i>Total revenues comprise:</i>						
- Interest income	709,672	873,950	284,135	296,436	6,593	2,170,786
- Fee and commission income, including:	131,658	36,580	39,449	132	3,915	211,734
Transactional income of individuals	143,451	-	-	-	-	143,451
Transactional income of legal entities	-	11,909	30,647	132	-	42,688
Letters of credit and guarantees issued	-	20,003	6,943	-	-	26,946
Other	699	4,872	543	-	3,915	10,029
Loyalty program	(11,176)	(204)	-	-	-	(11,380)
- Net gain on financial assets at fair value through profit or loss	-	92,572	-	11,656	141	104,369



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	Retail banking	Corporate banking	SME banking	Investment banking	Unallocated	Total
- Net foreign exchange gain/(loss)	17,152	85,875	37,099	-	(30,083)	110,043
- Recovery of other credit loss expense/(other credit loss expense)	1	212	656	-	7	876
- Share in profit of associate	-	-	-	-	15,526	15,526
- Insurance revenue, income on non-banking activities and other (expense)/income	-	(66,114)	-	-	304,268	238,154
Total revenues	858,483	1,023,075	361,339	308,224	300,367	2,851,488
- Interest expense	(501,048)	(343,433)	(155,263)	(48,187)	(14,945)	(1,062,876)
- (Expected credit loss expense)/recovery expected credit loss expense	(93,757)	(793)	(28,222)	(2,135)	(4,441)	(129,348)
- Fee and commission expense	(79,077)	(2,756)	(3,735)	(861)	(21)	(86,450)
- Operating expenses	(145,958)	(19,397)	(31,246)	(2,719)	(65,190)	(264,510)
- Net realised gain from financial assets at fair value through other comprehensive income	-	-	-	2,503	-	2,503
- Reversal of impairment of non-financial assets	-	-	-	-	1,137	1,137
- Impairment loss on assets held for sale	-	-	-	-	(60)	(60)
- Insurance service expense	-	-	-	-	(148,200)	(148,200)
- Net finance insurance expense	-	-	-	-	(26,266)	(26,266)
- Net reinsurance expense	-	-	-	-	(35,525)	(35,525)
Total expenses	(819,840)	(366,379)	(218,466)	(51,399))	(293,511)	(1,749,595)
Segment result	38,643	656,696	142,873	256,825	6,856	1,101,893
Income before income tax expense	38,643	656,696	142,873	256,825	6,856	1,101,893
Income tax expense	-	-	-	-	(180,902)	(180,902)
Net income	38,643	656,696	142,873	256,825	(174,046)	920,991
Total segment assets	3,901,850	7,488,151	1,831,990	4,420,694	905,729	18,548,414
Total segment liabilities	6,952,536	4,289,967	2,482,390	879,212	876,260	15,480,365
Other segment items:						
Capital expenditures					(66,884)	(66,884)
Depreciation and amortisation					(19,821)	(19,821)
Investment in associates					59,227	59,227

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31. SEGMENT ANALYSIS (CONTINUED)

Geographical information

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

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

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

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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



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32. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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32. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

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

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

Amounts due to and from credit institutions

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

Loans to customers

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

Amounts due to customers

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

Debt securities issued

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

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

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

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32. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Debt securities issued (continued)

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

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

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

33. RELATED PARTY TRANSACTIONS

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

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

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

	31 December 2025		31 December 2024	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Loans to customers before allowance for expected credit losses	30,693	13,714,721	12,197	12,038,868
- entities with joint control or significant influence over the entity	30,486		11,923	
- key management personnel of the entity or its parent	192		259	
- other related parties	15		15	
Allowance for expected credit losses	(142)	(603,804)	(37)	(573,219)
- entities with joint control or significant influence over the entity	(139)		(33)	
- key management personnel of the entity and its parent	(2)		(3)	
- other related parties	(1)		(1)	
Other assets	70,327	225,051	59,227	197,183
- Investments in associates	70,327		59,227	

	31 December 2025		31 December 2024	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Amounts due to customers	172,014	14,338,804	263,054	12,990,043
- the parent	98,411		207,429	
- entities with joint control or significant influence over the entity	54,693		47,450	
- key management personnel of the entity or its parent	3,338		2,978	
- other related parties	15,572		5,197	
Debt securities issued	585,909	970,098	339,659	879,212
- entities with joint control or significant influence over the entity	583,473		338,604	
- key management personnel of the entity or its parent	2,029		1,055	
- other related parties	407		-	

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

	Year ended 31 December 2025		Year ended 31 December 2024	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income calculated using effective interest method	1,951	2,621,610	1,313	2,116,154
- entities with joint control or significant influence over the entity	1,933		1,291	
- key management personnel of the entity or its parent	17		21	
- other related parties	1		1	
Interest expense	(17,469)	(1,407,219)	(12,944)	(1,062,876)
- the parent	(12,785)		(10,288)	
- entities with joint control or significant influence over the entity	(4,258)		(2,243)	
- key management personnel of the entity or its parent	(189)		(140)	

	Year ended 31 December 2025		Year ended 31 December 2024	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
- other related parties	(237)		(273)	
Share in profit of associate	16,000	16,000	15,526	15,526
Operating expenses	(2,000)	(307,993)	(4,200)	(264,510)
- entities with joint control or significant influence over the entity	(2,000)		(4,200)	

	Year ended 31 December 2025		Year ended 31 December 2024	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Key management personnel compensation:	(6,320)	(189,199)	(4,776)	(160,056)
- Salaries and other employee benefits	(6,320)		(4,776)	

34. SUBSEQUENT EVENTS

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



INFORMATION FOR SHAREHOLDERS

JOINT STOCK COMPANY HALYK BANK OF KAZAKHSTAN

Registered address

40, Al-Farabi Avenue, Almaty A26M3K5,
Kazakhstan

Telephone

+ 7 (727) 259 0777

Website

- ▶ www.halykbank.kz,
- ▶ <https://halykbank.com>,
- ▶ https://halykbank.kz/about/shareholders_investors/investoram

Registered with

NJSC “State Corporation” Government for
Citizens

Registration number

BIN 940140000385

Date of re-registration

05 June 2023

CONTACT INFORMATION

Investor Relations

JSC Halyk Bank

Holders of GDRs

Tel: +7 (727) 259 04 30

Holders of common shares:

Tel: +7 (727) 259 05 99

Tel: +7 (727) 259 07 77

Auditors

Deloitte LLP

36, Al-Farabi Avenue, Almaty 050059, Kazakhstan

Tel: +7 (727) 258 1340

Securities holder registrar

JSC Central Securities Depository

Kazakhstan

050040/A15P5B5, Almaty, st. Satpaeva, 30/8,
non-residential premises 163

Tel: +7 (727) 262 08 46, 355 47 60

010000, Astana, Almaty District, 13 Amangeldy Imanov
Street, Nur-Saulet 2 Business Centre, Office No.101
Tel.: +7 (717) 247 67 50

Depository

The Bank of New York Mellon

New York 10286, USA

Tel: +1 212 815 4158

SWIFT: IRVTUS3N

REPRESENTATIVE OFFICES

Representative office in Beijing,

People’s Republic of China

No.41 East Fourth Ring Road, Chaoyang District,
Beijing

Room 2006, A TOWER, Jia Tai International
Mansion

Post code: 100026

Tel: +86 10 65047265

Representative office in London,

United Kingdom

6 London Street, New London House, London
EC3R 7LP, United Kingdom

Tel: +44 (0) 20 3741 9500



REGIONAL BRANCHES

Astana Regional Branch

17, Qabanbai Batyr Avenue, Yesil District, Astana
Tel: +7 (717) 259 1144

Aktobe Regional Branch

16B, Microdistrict 12, Astana District, Aktobe
Tel: +7 (713) 294 2403

Almaty City Branch

135/8, Gagarin Avenue, Bostandyk District, Almaty
Tel: +7 (727) 259 7271

Atyrau Regional Branch

4, Qanysh Satpayev Street, Atyrau city
Tel: +7 (712) 258 6679

East Kazakhstan Regional Branch

57A, M. Gorky Street, Ust-Kamenogorsk 070004
Tel: +7 (723) 259 3462

Zhambyl Regional Branch

145, Zhambyl Avenue, Taraz 080000
Tel: +7 (726) 259 5984

Ulytau Regional Branch

20, Herman Titov Street, Zhezkazgan 100600
Tel: +7 (710) 277 8484

West Kazakhstan Regional Branch

194/1, Nursultan Nazarbayev Avenue, Uralsk 090000
Tel: +7 (711) 259 3920

Karaganda Regional Branch

56, Tishbek Akhanov Street, Kazbek Bi District, Karaganda 100008
Tel: +7 (721) 258 9218

Kostanay Regional Branch

146, Tauelsizdik Street, Kostanay 110000
Tel: +7 (714) 259 3359

Kyzylorda Regional Branch

91A, Kulyash Baiseitova Street, Kyzylorda 20001
Tel: +7 (724) 255 0001

Mangystau Regional Branch

74, Microdistrict 14, Aktau 130000
Tel: +7 (729) 270 0101

Pavlodar Regional Branch

1/1, Lermontov Street, Pavlodar 140008
Tel: +7 (718) 270 0149

North Kazakhstan Regional Branch

36, Constitution of Kazakhstan Street, Petropavlovsk 150008
Tel: +7 (715) 259 5739

Abai Regional Branch

109, Abai Kunanbayev Street, Semey 071400
Tel: +7 (722) 255 8805

Shymkent City Branch

3/10, Al-Farabi Square, Al-Farabi District, Shymkent 160012
Tel: +7 (725) 258 9784

Zhetysu Regional Branch

22/1, Karatal Microdistrict, Taldykorgan
Tel: +7 (728) 255 5000

Akmola Regional Branch

33, Nursultan Nazarbayev Avenue, Kokshetau 020000
Tel: +7 (716) 259 5472

Baikonur Regional Branch

16, Gorky Street, Baikonur 468320
Tel: +7 (336) 227 6172

Zhanaozen Regional Branch

15, Zhalyln Microdistrict, Zhanaozen 359900
Tel: +7 (729) 342 8504

Ekibastuz Regional Branch

49A, Bauyrzhan Momyshuly Street, Ekibastuz 141200
Tel: +7 (718) 734 8980

Temirtau Regional Branch

26A, Respublika Avenue, Temirtau 101403
Tel: +7 (721) 393 3130

Balkhash Regional Branch

15A, Shashubai Koshkarbayev Microdistrict, Balkhash
Tel: +7 (710) 367 9907

Turkistan Regional Branch

5, 28th Street, Zhana Qala Microdistrict, Turkistan
Tel: +7 (725) 335 8055

Almaty Regional Branch

3, Dostyk Street, Qonayev
Tel: +7 (727) 727 9900



SUBSIDIARIES

USEFUL LINKS

Kazakhstan:

Halyk Collection
97, Rozybakiyev Street, Almaty, Kazakhstan
Tel: +7 727 357 29 27

Halyk Leasing
26, Masanchi Street, Almaty, Kazakhstan
Tel: +7 727 239 87 98

Halyk Finance
109V, Abay Avenue, 5th Floor, Almaty, Kazakhstan
Tel: +7 727 339 43 77

Halyk Global Markets
109V, Abay Avenue, 4th Floor, Almaty, Kazakhstan
Tel: +7 727 339 72 71

Kazteleport
109V, Abay Avenue, Almaty, Kazakhstan
Tel: +7 727 364 51 51

Halyk Finservice
133/7, Gagarin Avenue, Office 1, Almaty, Kazakhstan

Halyk Life
109V, Abay Avenue, Almaty, Kazakhstan
Tel: +7 727 244 62 22

Halyk Insurance Company
109V, Abay Avenue, Office 9A, Almaty, Kazakhstan
Tel: +7 727 250 22 22
Tel: +7 727 295 22 33 (call centre)
Tel: 797 (free from mobile)

Halyk Aktiv
368, Qapparov Street, Office 2A, Almaty, Kazakhstan
Tel: +7 727 311 51 66

Halyk Lab
34, Al-Farabi Avenue, Almaty, Kazakhstan

Georgia:

Halyk Bank Georgia JSC
74, Kostava Street, Tbilisi 0171
Tel: +995 32 224 07 07

Republic of Uzbekistan:

Tenge Bank JSCB
100027, Tashkent, Shaykhantakhur District, Ukchi MSG, Islam Karimov Street, 1, Building 1-b.
Tel: +998 71 203 8899

National Bank of the Republic of Kazakhstan
www.nationalbank.kz

The Agency for Financial Market Regulation and Development
www.gov.kz/memleket/entities/ardfm

Kazakhstan Stock Exchange, KASE
www.kase.kz

Astana International Exchange
www.aix.kz

London Stock Exchange, LSE
www.londonstockexchange.com

Financial Conduct Authority, FCA
www.fca.org.uk

Prudential Regulation Authority, PRA
<http://www.bankofengland.co.uk/pr>



GLOSSARY

Term	Definition
AGM	Annual General Meeting of Shareholders
AIFC	Astana International Financial Centre
AIX	Astana International Exchange
ALMC	Asset and Liability Management Committee
Altyn Bank	Altyn Bank (subsidiary of China CITIC Bank Corporation Limited)
AML/CFT	Anti-Money Laundering and Countering Financing of Terrorism
ARDFM	Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market
ARRFR	Agency for Regulation and Development of the Financial Market
AQR	Asset quality review
B2B	Business-to-business, referring to transactions that take place between one business and another
B2C	Business-to-consumer, refers to the process of businesses selling products and services directly to consumers
BCC	Branch Credit Committee
BNCC	Branch Network Credit Committee
Business Roadmap – 2025	The ‘Road Map for Business 2025’ Unified Programme for Supporting Entrepreneurship and Business Development
CAGR	Compound Annual Growth Rate
CB	Corporate Business
CD	Commercial Directorate of the Bank
CES	Customer Effort Score
CIT	Corporate Income Tax
CSS	Cash Settlement Services
Damu Fund	Damu Entrepreneurship Development Fund
DAU	Daily Active Users
DLS	Distance Learning System
DMC	Decision-Making Centre
EI	Borrowers under Entrepreneurial Initiatives
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESG	Environmental, Social, and Governance
FRM	Financial Risk Manager
GDR	Global Depositary Receipt
GMCV	Gross Merchandise Value
GMV	Gross Merchandise Value
Halyk Bank, the Bank	‘Halyk Bank of Kazakhstan’ JSC
Halyk Group, the Group	Halyk Group of Companies
Halyk ID	Unified Identifiers for the Halyk Ecosystem
ICAAP	Internal Capital Adequacy Assessment Process
ICFM	Institute of Certified Financial Managers

Term	Definition
ID	Identifier
IS	Information Security / Information System
ISO 27001	International Standard for Information Security Management
ISO/IEC 27001	International Standard for Information Security Management (ISO/IEC 27001)
IT	Information Technology
JSC	Joint-Stock Company
JSCB	Joint Stock Commercial Bank
KASE	Kazakhstan Stock Exchange
LLP	Limited Liability Partnership
LSE	London Stock Exchange
MAU	Monthly Active Users
ME	Medium-sized Enterprise
MM	Mass Media
NBRK	National Bank of the Republic of Kazakhstan
NCE	National Chamber of Entrepreneurs
NF	National Fund of the Republic of Kazakhstan
NIM	Net Interest Margin
NPL	Non-Performing Loans
OM	Operations Management
PCI 3DS	Payment Card Industry 3D Secure Protocol
PCI DSS	Payment Card Industry Data Security Standard
RB	Retail Business / Regional Branch
RCC	Retail Credit Committee of the Head Office
RoAA	Return on Average Assets
RoAE	Return on Average Equity
SDG	UN Sustainable Development Goals
SE	Small-sized Enterprise
SKU	Stock Keeping Unit
SME	Small and Medium-sized Enterprises
SCC	Small Credit Committee of the regional/regional branch
STB	Second-tier Bank
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TSR	Total Shareholder Return
UAPF	Unified Accumulative Pension Fund
UFC	Ultimate Fighting Championship
UN SDG	United Nations Sustainable Development Goals
VAT	Value Added Tax
VRM	Vendor Risk Management