

**«Alatau City Bank»
Joint-Stock Company**

Notes
to the Interim Condensed Consolidated
Financial Statements

*For the Six-Month Period
Ended 30 June 2025*

(in millions of tenge, unless otherwise stated)

1. Description of activities

Organizational Structure and Activities

These consolidated financial statements include the financial statements of "Alatau City Bank" JSC (hereinafter – the “Bank”) and its subsidiaries (hereinafter – the “Group”).

The Bank was initially registered on 17 January 1992 as Open Joint Stock Company “Tsesnabank” in accordance with the legislation of the Republic of Kazakhstan. Following amendments to the legislation in 2003, on 26 December 2003, the Bank was re-registered as a Joint Stock Company (hereinafter – “JSC”).

On 6 February 2019, "First Heartland Securities" JSC, the investment arm of a financial holding company owned by the Private Fund “Nazarbayev Fund” and the group of autonomous educational organizations “Nazarbayev University” and “Nazarbayev Intellectual Schools”, acquired 99.80% of the ordinary shares of "Tsesnabank" JSC.

On 26 April 2019, "First Heartland Securities" JSC carried out the Bank’s rebranding. Following the rebranding, the Bank was renamed "First Heartland Jýsan Bank" JSC, operating under the retail brand “Jýsan Bank”.

On 16 March 2021, the Bank’s general shareholders’ meeting resolved to change the Bank’s corporate name from "First Heartland Jýsan Bank" to "First Heartland Jusan Bank". After approval of the updated charter and completion of all necessary state re-registration procedures, the Bank continued its operations under the “Jusan Bank” brand.

On 28 May 2021, the Republican State Institution “Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market” (hereinafter – the “ARDFM”) resolved to issue a permit for the Bank’s voluntary reorganization through the merger of its subsidiary "ATFBank" JSC into the Bank.

On 15 February 2023, the Bostandyk District Court of Almaty imposed an injunction on the Bank’s ordinary and preferred shares. On 16 February 2023, the Bostandyk District Court initiated a civil case on a claim by the Almaty Prosecutor’s Office seeking to invalidate the transaction between "Pioneer Capital Invest" LLP and the Bank’s intermediate parent company, Jusan Technologies Ltd., related to the transfer of control and withdrawal of the Bank’s and its affiliated entities’ assets to foreign jurisdictions.

On 16 February 2023, the Bank’s intermediate parent company, Jysan Holdings LLC, incorporated in the United States, and its subsidiary Jusan Technologies Ltd., incorporated in the United Kingdom, filed a lawsuit in the U.S. District Court for the District of Nevada against the Government of the Republic of Kazakhstan.

On 14 July 2023, as part of an amicable settlement of disputes concerning the “Jusan” group and for the purpose of returning/transferring assets to the Kazakh jurisdiction, 8,262,711 ordinary shares of "First Heartland Securities" JSC (representing 99.745% of voting shares) were acquired from Jusan Technologies Ltd. by Mr. G.Sh. Yessenov. As a result, the ultimate controlling party of the Bank and its subsidiaries changed from New Generation Foundation, Inc. to Mr. G.Sh. Yessenov.

On 4 February 2025, the Bank’s major shareholder, the Kazakhstani brokerage company "First Heartland Securities" JSC, completed the buyback of 413,296 ordinary shares from minority shareholders for KZT 521.6 million, increasing its ownership share from 79.63% to 79.89% (131,077,135 shares).

In February 2025, Mr. V.K. Kim submitted an application to ARDFM seeking approval for the acquisition of 97.5% of the Bank’s shares owned by Mr. G.Sh. Yessenov. In June 2025, ARDFM granted its consent for Mr. V.K. Kim to obtain the status of a major (indirect) shareholder of the Bank.

On May 15, 2025, the General Meeting of Shareholders of the Bank resolved to change the Bank’s corporate name from “First Heartland Jusan Bank” Joint Stock Company to “Alatau City Bank” Joint Stock Company. On June 16, 2025, the Bank underwent the corresponding state re-registration.

The Bank was initially registered with the National Bank of the Republic of Kazakhstan (the “NBRK”) on August 29, 2019. The Bank operates under License No. 1.1.35 dated July 18, 2025, for conducting banking and other operations, and License No. 3.3.259/48 dated July 3, 2025, for conducting activities on the securities market, both reissued by ARDFM.

The Bank’s principal activities include conducting commercial banking operations, providing loans and guarantees, attracting deposits, opening and maintaining customer accounts, providing settlement and cash services, and conducting transactions with securities and foreign currencies. The Bank’s securities are listed on the Kazakhstan Stock Exchange (hereinafter – the “KASE”) and Astana International Exchange (hereinafter – the “AIX”).

(in millions of tenge, unless otherwise stated)

1. Description of activities (continued)

Organizational Structure and Activities (continued)

The Bank is a member of the Kazakhstan Deposit Guarantee Fund (“KDGF”). The main purpose of the KDIF is to protect the interests of depositors in case of forced liquidation of a member bank of the fund. As of June 30, 2025, the maximum amount of insurance coverage for savings deposits in national currency is KZT 20 million, for cards, accounts and other deposits in national currency - up to KZT 10 million and in foreign currency - up to KZT 5 million (as of December 31, 2024: KZT 20 million, KZT 10 million and KZT 5 million, respectively).

As at June 30, 2025, the Bank's branch network comprises 18 branches and 102 structural units (December 31, 2024: 18 branches and 106 structural units) through which it operates in the Republic of Kazakhstan.

The legal address of the Bank's head office is 242 Nazarbayev Avenue, Medeu district, Almaty, Republic of Kazakhstan. The majority of the Bank's assets and liabilities are located in the Republic of Kazakhstan.

The following table provides information on the Bank's subsidiaries as at June 30, 2025 and December 31, 2024:

Name	Country of organization	Main activities	Share of participation, %	
			June 30, 2025 (unaudited)	December 31, 2024
«First Heartland Capital» JSC	Republic of Kazakhstan	Portfolio Management	100.00	100.00
«Jusan Development» LLP	Republic of Kazakhstan	Management of Doubtful and Bad Assets	100.00	100.00
«IC «Jusan Garant» LLP	Republic of Kazakhstan	Insurance Activities	100.00	100.00
«OUSA Yug» LLP	Republic of Kazakhstan	Management of Doubtful and Bad Assets	100.00	100.00
«Jusan Inkassation» LLP	Republic of Kazakhstan	Cash Collection Services	100.00	100.00
«Jusan Property» LLP	Republic of Kazakhstan	Management of Doubtful and Bad Assets	100.00	100.00
«First Heartland Jusan Invest» LLP	Republic of Kazakhstan	Brokerage and Dealer Services	100.00	100.00
«Optima Bank» OJSC	Kyrgyz Republic	Banking Activities	97.14	97.14

Shareholders

As at 30 June 2025 and 31 December 2024, the following shareholders held ordinary shares of the Bank:

Shareholders	June, 30 2025, % (unaudited)	December 31, 2024, %
«First Heartland Securities» JSC	79.89	79.63
G.Sh. Yessenov	20.11	20.11
Other shareholders	—	0.26
Total	100.00	100.00

(in millions of tenge, unless otherwise stated)

1. Description of activities (continued)

Organizational Structure and Activities (continued)

As at 30 June 2025, the major shareholders of the Group were the Kazakhstani banking holding “First Heartland Securities” JSC, holding 79.89% of the outstanding ordinary shares in circulation, and Mr. Galimzhan Shakhmardanovich Yessenov, holding 20.11% of the outstanding ordinary shares in circulation (as at 31 December 2024: “First Heartland Securities” JSC, holding 79.63% of the outstanding ordinary shares, and Mr. G. Sh. Yessenov, holding 20.11% of the outstanding ordinary shares).

As at 30 June 2025, the ultimate controlling party of the Bank and its subsidiaries was Mr. G. Sh. Yessenov (31 December 2024: Mr. G. Sh. Yessenov).

Conditions for Conducting Financial and Business Activities in the Republic of Kazakhstan

The Group conducts the majority of its operations in Kazakhstan. Consequently, the Group’s business is influenced by the economy and financial markets of Kazakhstan, which are characterized by the features of an emerging market. The legal, tax, and regulatory frameworks continue to develop but are subject to varying interpretations and frequent changes. Combined with other legal and fiscal barriers, this creates additional challenges for businesses operating in Kazakhstan.

The depreciation of the Kazakhstani tenge and the volatility of global oil prices also increase the uncertainty surrounding business operations.

Since February 2022, due to the military conflict between the Russian Federation and Ukraine, a number of countries have imposed sanctions on the Russian Federation. The impact of the conflict has affected not only the economic activity of both countries but also the global economy. As a result of the imposed sanctions, commodity and food prices have increased in many countries, established resource supply chains have been disrupted, and inflationary pressure has been observed globally. Analysts also forecast economic implications for global industries.

The accompanying consolidated financial statements reflect management’s current assessment of the impact of the business environment in Kazakhstan on the operations and financial position of the Group. The actual impact of future operating conditions may differ from management’s current estimates.

2. Basis of Preparation of the Separate Financial Statements

General Information

This consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – “IFRS”) and applicable regulatory legal acts of the Republic of Kazakhstan on accounting and financial reporting.

The interim condensed consolidated financial statements do not contain all the disclosures and information required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2025.

The notes to the interim condensed consolidated financial statements of the Group are presented in millions of tenge, unless otherwise stated. As at 30 June 2025, the official exchange rate used for the revaluation of monetary balances denominated in foreign currencies was KZT 519.64 per US dollar (as at 31 December 2024: KZT 525.11 per US dollar).

Basis of Measurement

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, trading securities, investment securities measured at fair value through other comprehensive income, loans to customers measured at fair value through profit or loss, the purchased receivable from the Ministry of Finance of the Republic of Kazakhstan (hereinafter – “MoF RK”) under the note, measured at fair value through other comprehensive income, land plots and buildings (classified as property and equipment), and investment property, which are measured at fair value.

(in millions of tenge, unless otherwise stated)

2. Basis of Preparation of the Separate Financial Statements (continued)

Functional and Presentation Currency of the Separate Financial Statements

The functional currency of the Bank and its subsidiaries, except for Optima Bank OJSC, is the tenge, which, being the national currency of the Republic of Kazakhstan, best reflects the economic substance of the majority of the Bank's transactions and the related circumstances affecting its operations. The functional currency of Optima Bank OJSC is the Kyrgyz som.

The Kazakhstani tenge is also the presentation currency of these consolidated financial statements.

All amounts in the consolidated financial statements are rounded to the nearest million tenge, unless otherwise stated.

Reclassifications

The following reclassifications were made in the interim condensed consolidated statement of profit or loss and other comprehensive income and in the consolidated statement of cash flows for the six months ended 30 June 2024 to conform to the presentation format for the six months ended 30 June 2025:

<i>Separate Statement of Profit or Loss and Other Comprehensive Income</i>	<i>For the six months ended 30 June 2024 (unaudited)</i>		
	<i>As previously reported</i>	<i>Reclassification amount</i>	<i>Restated amount</i>
Commission income	31,747	(1,793)	29,954
Commission expenses	(20,505)	1,793	(18,712)
Credit loss expense	(10,400)	702	(9,698)
(Loss from provision)/recovery of other provisions	(747)	(702)	(1,449)
Profit for the year	82,259	—	82,259

<i>Separate Statement of Cash Flows</i>	<i>For the six months ended 30 June 2024 (unaudited)</i>		
	<i>As previously reported</i>	<i>Reclassification amount</i>	<i>Restated amount</i>
Commission income received	31,785	(1,793)	29,992
Commission expenses paid	(19,945)	1,793	(18,152)
Net cash inflow from operating activities	254,224	—	254,224

3. New Accounting Policies

In preparing these interim condensed consolidated financial statements, the Group applied the key accounting policies consistent with those used in the preparation of the annual consolidated financial statements for 2024.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted. However, the Group has not early adopted any new or amended standards in the preparation of these interim condensed consolidated financial statements.

- IFRS 18 *Presentation and Disclosure in Financial Statements*;
- Amendments to IFRS 9 and IFRS 7 – *Classification and Measurement of Financial Instruments*;

The following standards and amendments are not expected to have a material impact on the Group's financial statements:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*;
- Amendments to IAS 21 *Lack of Exchangeability between Currencies*.

(in millions of tenge, unless otherwise stated)

4. Significant Accounting Judgements and Estimates

Estimation Uncertainty

The preparation of interim condensed consolidated financial information requires management to make professional judgments, assumptions, and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The most significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those disclosed in the latest annual consolidated financial statements.

Estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Fair Value of Financial Instruments

If the fair value of financial assets and financial liabilities included in the interim consolidated statement of financial position cannot be determined based on quoted prices in an active market, it is measured using various valuation models that include mathematical models. Wherever possible, the inputs to such models are based on observable market data; otherwise, management judgment is required to determine fair value. To the extent information was available as at 30 June 2025, the Group incorporated revised estimates of expected future cash flows into the fair value measurement of financial instruments (*Note 34*).

Classification of Loans to Customers

As part of the classification process, the Group assesses the contractual terms of a financial asset to determine whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. In making this assessment, the Group exercises judgment and considers relevant factors such as the characteristics of the asset and project risk associated with the loan, the absence or limited recourse to collateral, the borrower's level of equity participation, and the impact of other credit enhancement mechanisms. Contractual terms that have more than a de minimis impact on the exposure to risks or volatility of contractual cash flows unrelated to a basic lending arrangement result in the financial asset failing the "solely payments of principal and interest" test. In such cases, the financial asset is required to be measured at fair value through profit or loss (FVPL).

Impairment Losses on Financial Assets

The assessment of impairment losses for all categories of financial assets requires the application of judgment, particularly in determining expected credit losses (ECLs) or impairment losses and in assessing whether there has been a significant increase in credit risk. This involves estimating the amount and timing of future cash flows and the value of collateral.

These estimates depend on a number of variables, changes in which could result in different levels of allowance for impairment losses.

Impairment Losses on Financial Assets (continued)

Elements of the ECL models that are considered to involve judgment and estimation include the following:

- The internal credit rating system used by the Group to determine the probability of default (PD);
- The criteria used by the Group to assess whether there has been a significant increase in credit risk that requires the financial asset to be measured based on lifetime ECL, including qualitative assessments;
- Grouping of financial assets, including the selection of formulas and input data;
- Establishing correlations between macroeconomic scenarios and economic inputs such as unemployment rates and collateral values, and their impact on PD, exposure at default (EAD), and loss given default (LGD);
- Selection and probability-weighting of forecasted macroeconomic scenarios to derive economic inputs for ECL models;
- The Group's management monitors collateral on a regular basis. Management uses judgment based on experience or independent appraisals to adjust the value of collateral to reflect current market conditions;
- To the extent that information was available as at 30 June 2025, the Group incorporated revised estimates of expected future cash flows in the ECL measurement.

(in millions of tenge, unless otherwise stated)

4. Significant Accounting Judgements and Estimates (continued)

Estimation Uncertainty (continued)

Determining Lease Term for Contracts with Extension Options

The Group determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if there is reasonable certainty that the option will be exercised, or periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

For certain lease contracts, the Group has the option to extend the lease for an additional period. The Group uses judgment to determine whether there is reasonable certainty that the extension option will be exercised. In making this assessment, the Group considers all relevant factors that create an economic incentive to exercise the extension option.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the extension option (e.g., a change in business strategy).

Fair Value of Property, Plant and Equipment – Land and Buildings

The Group revalues land and buildings every three years as these assets are measured at fair value in accordance with the Group's accounting policy. As at 30 June 2025, no revaluation of land and buildings was performed due to the absence of material fluctuations in the market value of comparable properties.

Taxation

Currently, the Republic of Kazakhstan has a unified Tax Code that governs the main aspects of taxation. Applicable taxes include value-added tax, corporate income tax, social and other taxes. In many cases, implementing regulations for the application of legislative acts are unclear or entirely absent, and there is a limited number of precedents. Diverging interpretations of legal provisions often exist both between government agencies and within a single agency, creating a degree of uncertainty and the potential for disputes.

Tax declarations and other areas of legal regulation (e.g., customs and currency control matters) are subject to oversight by multiple governmental bodies, which are legally authorized to impose significant fines, penalties, and interest charges. This situation results in a higher level of tax risk in Kazakhstan compared to countries with more developed taxation systems.

Management believes that the Group's tax position as at 30 June 2025 and 31 December 2024 complied with the applicable provisions of the tax legislation of the Republic of Kazakhstan governing its operations. However, there remains a risk that the relevant authorities may adopt different interpretations regarding contentious tax matters.

(in millions of tenge, unless otherwise stated)

5. Net interest income

Net interest income comprises:

	<i>For the six months ended 30 June</i>	
	2025	2024
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income calculated using the effective interest rate method		
Cash and cash equivalents	35,104	36,076
Amounts due from banks and other financial institutions	791	1,136
Investment securities measured at fair value through other comprehensive income	43,823	35,814
Investment securities measured at amortized cost	20,311	16,062
Loans to customers measured at amortized cost	141,654	117,713
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	2,258	2,104
Other financial assets	3,930	767
	247,871	209,672
Other interest income		
Trading securities	290	208
	290	208
Total interest income	248,161	209,880
Interest expense		
Amounts due to banks and other financial institutions	(921)	(1,113)
Amounts payable under repurchase agreements	(2,340)	(6,725)
Current accounts and customer deposits	(60,448)	(54,215)
Debt securities issued	(17,083)	(12,562)
Subordinated debt	(4,777)	(17,942)
Lease liabilities	(196)	(232)
Liabilities to the mortgage organization	(171)	(209)
Other financial liabilities	(5,635)	(175)
Total interest expense	(91,571)	(93,173)
Net interest income	156,590	116,707

Interest income received comprises:

	<i>For the six months ended 30 June</i>	
	2025	2024
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash and cash equivalents	34,845	36,129
Amounts due from banks and other financial institutions	310	703
Trading securities	75	408
Investment securities	34,745	36,777
Loans to customers	143,355	112,976
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	2,400	2,062
Other financial assets	—	2
Interest income received	215,730	189,057

(in millions of tenge, unless otherwise stated)

5. Net interest income (continued)

Interest expenses paid comprise:

	<i>For the six months ended 30 June</i>	
	<i>2025 (unaudited)</i>	<i>2025 (unaudited)</i>
Amounts due to banks and other financial institutions	(370)	(607)
Amounts payable under repurchase agreements	(2,328)	(6,714)
Current accounts and customer deposits	(59,925)	(53,557)
Debt securities issued	(8,850)	(4,848)
Subordinated debt	(3,334)	(5,959)
Liabilities to the mortgage organization	(171)	(209)
Lease liabilities	(90)	(74)
Loans received from the state-owned company	(6)	(12)
Interest expense paid	(75,074)	(71,980)

6. Credit loss expenses

The table below presents credit loss expenses on financial instruments recognized in the consolidated statement of profit or loss for the six-month periods ended 30 June 2025 and 2024:

	<i>For the six months ended 30 June</i>	
	<i>2025 (unaudited)</i>	<i>2025 (unaudited)</i>
Cash and cash equivalents	(534)	243
Amounts due from banks and other financial institutions	(310)	(201)
Investment securities	284	(665)
Loans to customers measured at amortized cost	(35,328)	(10,877)
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	19	–
Financial guarantees and letters of credit	(370)	702
Other financial assets	1,176	1,100
Credit loss expenses	(35,063)	(9,698)

7. Fee and commission income and expense

Fee and commission income and expense comprise:

	<i>For the six months ended 30 June</i>	
	<i>2025 (unaudited)</i>	<i>2025 (unaudited)</i>
Transfer and acquiring transactions	13,246	17,926
Servicing of current accounts and customer deposits	7,422	7,831
Cash operations	1,627	1,122
Guarantees and letters of credit	836	1,022
Foreign exchange transactions	316	369
Brokerage services	285	267
Trust management services	178	126
Safe deposit services	120	124
Agency services	–	463
Other	1,245	704
Fee and commission income	25,275	29,954

(in millions of tenge, unless otherwise stated)

7. Fee and commission income and expense (continued)

	<i>For the six months ended 30 June</i>	
	<i>2025</i>	<i>2025</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Transfer and acquiring transactions	(12,548)	(14,559)
Maintenance of correspondent accounts	(1,205)	(524)
Servicing of client card accounts	(2,509)	(2,893)
Foreign exchange transactions	(354)	(226)
Brokerage services	(264)	(255)
Agency services	(55)	(70)
Other	(507)	(185)
Fee and commission expense	(17,442)	(18,712)
Net fee and commission income/(expense)	7,833	11,242

Contract assets and liabilities

The following table provides information about trade receivables.

	<i>30 June 2025</i>	<i>31 December</i>
	<i>(unaudited)</i>	<i>2024</i>
Fees and commissions receivable (Note 21)	3,441	3,648

As at 30 June 2025 and 31 December 2024, there are no performance obligations with an initial expected duration of one year or less as required by IFRS 15.

The Group recognizes fee and commission income in accordance with IFRS 15 *Revenue from Contracts with Clients* by reference to the purpose for which the fee is determined and the accounting treatment adopted for the relevant financial instrument.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the client. The Group recognizes revenue when control of the goods or services passes to the client.

The following table summarizes the nature and timing of the performance obligations in contracts with clients, including significant payment terms and related revenue recognition policies for significant services.

<i>Type of product/. services</i>	<i>The nature and timing of the duties to be performed, including significant terms and conditions of payment</i>	<i>Revenue recognition in accordance with IFRS 15</i>
Fee for transfer transactions	Transfer transaction services include the following: - services on acceptance, processing and payment of money transfers in Kazakhstan without opening current and card accounts; - services on acceptance, processing and payment of international money transfers without opening current and card accounts; Remittance services are provided on a prepayment basis.	Revenue is recognized over time as services are provided. The stage of completion of determining the amount of revenue to be recognized is measured using the output method based on the volume of services provided.

(in millions of tenge, unless otherwise stated)

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

Net gains on financial instruments at fair value through profit or loss comprise:

	<i>For six months, ended 30 June</i>	
	2025	2024
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net realized gains/(losses) on foreign currency derivative financial instruments (<i>Note 14</i>)	5,138	3,179
Net unrealized (losses)/gains on foreign currency derivative financial instruments (<i>Note 14</i>)	(599)	1,066
Net (loss)/gain on change in fair value of loans to customers measured at FVTPL	(149)	730
Net gains on trading securities operations	1,287	759
Total	5,677	5,734

9. Net gain on foreign currencies

Net gain on foreign currencies comprises:

	<i>For six months, ended 30 June</i>	
	2025	2024
	<i>(unaudited)</i>	<i>(unaudited)</i>
Trading transactions	22,024	15,299
Translation differences	(2,053)	3,113
Total	19,971	18,412

10. Other income and expenses

Other income and expenses comprise:

	<i>For six months, ended 30 June</i>	
	2025	2024
	<i>(unaudited)</i>	<i>(unaudited)</i>
Other income		
Income from sale of non-current assets held for sale	3,332	3,452
Income from disposal of subsidiary	3,255	–
Rental income	1,617	31
Other income from insurance activities	315	260
Revenue from cash collection services	166	979
Income from sale of other non-financial assets	10	1,367
Gross profit	–	15,119
Other income	3,773	4,256
Total other income	12,468	25,464
Other expenses		
Loss on change in net realisable value of foreclosed collateral	(509)	–
Other expenses	(1,944)	(12,670)
Total other expenses	(2,453)	(12,670)

Gross profit for six months ended 30 June 2024: KZT 15,119 million relates to the Bank's subsidiary Jusan Development LLP.

As at 30 June 2025, income from disposal of subsidiary includes income from the sale of 100% interest in the charter capital of JFOOD Kazakhstan LLP, a subsidiary of Jusan Development LLP.

(in millions of tenge, unless otherwise stated)

11. Personnel expenses

Personnel expenses comprise:

	<i>For six months, ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Wages and salaries	(32,517)	(29,123)
Social contributions and payroll related taxes	(4,891)	(3,692)
Total	(37,408)	(32,815)

12. Other general and administrative expenses

Other general and administrative expenses comprise:

	<i>For six months, ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Depreciation and amortization	(5,356)	(5,469)
Repair and maintenance	(3,631)	(4,452)
Taxes other than corporate income tax	(2,566)	(2,271)
Charity and sponsorship	(2,399)	(11,484)
Professional services	(1,869)	(1,630)
Guaranteed deposit insurance expenses	(1,624)	(888)
Security	(1,304)	(1,107)
Communication and information services	(1,230)	(1,249)
Advertising and marketing services	(693)	(765)
Lease	(674)	(423)
Encashment	(502)	(130)
Stationery and office equipment supplies	(293)	(299)
Transportation costs	(173)	(256)
Business trips expenses	(152)	(163)
Postal and courier services	(131)	(110)
Insurance	(79)	(85)
Recruitment and training	(77)	(32)
Fines and penalties	(14)	(5)
Representation expenses	(10)	(20)
Others	(1,983)	(1,637)
Total	(24,760)	(32,475)

(in millions of tenge, unless otherwise stated)

13. Cash and cash equivalents

Cash and cash equivalents comprise:

	30 June 2025 (unaudited)	31 December 2024
Cash on hand	103,658	105,210
Cash on current accounts with NBRK rated BBB-	31,803	43,810
Cash on current accounts with NBKR rated B	19,827	23,126
Cash on current accounts with other banks and other financial institutions:		
- rated from AA- to AA+	14,272	911
- rated from A- to A+	48,720	26,323
- rated from BBB- to BBB+	38,277	35,020
- rated from BB- to BB+	2,513	24,843
- rated from B- to B+	—	1
- not rated	6,072	11,032
Precious metals	144	135
Term deposits with NBRK with contractual maturity of less than 90 days rated BBB-	320,554	179,135
Term deposits with NBKR with contractual maturity of less than 90 days rated B	71,408	79,124
Short-term with NBKR rated B	3,271	—
Term deposits with other banks with contractual maturity of less than 90 days:		
- rated from AA- to AA+	—	15,374
- rated from A- to A+	191,750	132,289
- rated from BBB- to BBB+	21,235	5,258
- rated from BB- to BB+	1,456	1,127
- rated from B- to B+	—	1
- not rated	2,457	—
Reverse repurchase agreements with contractual maturities of less than 90 days	242,439	169,908
Cash and cash equivalents before provision for expected credit losses	1,119,856	852,627
Less: ECL allowance	(161)	(83)
Cash and cash equivalents	1,119,695	852,544

Credit ratings are presented in accordance with the standards of international rating agencies. Cash and cash equivalents are neither impaired nor past due.

As at 30 June 2025, the Group had entered into reverse repurchase agreements with contractual maturity of up to 90 days, the fair value of which as at 30 June 2025 was KZT 242,439 million (31 December 2024: KZT 169,908 million).

Minimum reserve requirements

As at 30 June 2025 and 31 December 2024, minimum reserve requirements are calculated in accordance with regulations issued by the NBRK. In order to comply with minimum reserve requirements, the Group maintains cash in reserve assets, which should be maintained at a level not less than the average of cash on hand in local currency and current account balance with the NBRK in local currency for 4 weeks, calculated as a certain minimum level of deposits and current account balances of customers, both residents and non-residents of the Republic of Kazakhstan, and other liabilities of the Bank.

As at 30 June 2025, the amount of minimum reserve requirement was KZT 39,097 million (31 December 2024: KZT 40,768 million), reserve asset KZT 57,461 million (31 December 2024: KZT 47,048 million).

Optima Bank OJSC calculates minimum reserve requirements in accordance with the rules of the National Bank of the Kyrgyz Republic ("NBKR"). As at 30 June 2025 Optima Bank OJSC is in compliance with the obligatory reserve requirements and the minimum reserve is KZT 24,084 million (31 December 2024: KZT 25,041 million).

Concentration of cash and cash equivalents

As at 30 June 2025 and 31 December 2024, cash and cash equivalents comprised amounts due from and deposits with the NBRK for which the balances individually exceeded 10% of the Group's total equity. The aggregate amount of these balances as at 30 June 2025 was KZT 352,357 million (31 December 2024: KZT 325,195 million).

(in millions of tenge, unless otherwise stated)

14. Derivative financial instruments

Foreign currency purchase and sale agreements

The Group enters into trading transactions using derivative financial instruments. The table below summarizes the fair values of derivative financial instruments recorded as assets or liabilities in the financial statements, together with their notional amounts. Notional amounts recognized on an aggregate basis represent the amount of the derivative's underlying asset, reference rate or index and are taken as the basis for estimating changes in the value of derivatives. Contingent amounts reflect the volume of transactions outstanding at year-end and do not reflect credit risk.

		30 June 2025 (unaudited)			31 December 2024	
	Notional amount	Fair value		Notional amount	Fair value	
		Asset	Commitment		Active	Commitment
Foreign currency contracts						
Currency swaps - domestic contracts	104,106	1	(1,730)	76,262	60	(130)
Currency swaps - foreign contracts	36,886	28	(2)	14,640	–	(943)
Forwards - foreign contracts	–	–	–	914	–	–
Total	140,992	29	(1,732)	91,816	60	(1,073)

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

Swaps

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

For the six months ended 30 June 2025 the total net profit on operations with foreign currency instruments amounted to KZT 4,539 million (for the six months ended 30 June 2024 the total net amounted to KZT 4,245 million) (Note 8).

15. Due from banks and other financial institutions

Due from banks and other financial institutions comprise:

	30 June 2025 (unaudited)	31 December 2024
Restricted cash with NBRK rated BBB-	42	41
Deposit with NBKR rated at B	1,271	1,324
Loans and deposits with other banks and other financial institutions		
- rated from A- to A+	15,416	25,474
- rated from BBB- to BBB+	607	542
- rated from BB- to BB+	25,195	2,734
- not rated	38,931	44,524
Amounts due from banks and other financial institutions before ECL allowance	81,462	74,639
Foreign currency contracts (spot)	3	1,257
Less: ECL allowance	(361)	(51)
Total amounts due from banks and other financial institutions	81,104	75,845

(in millions of tenge, unless otherwise stated)

15. Due from banks and other financial institutions (continued)

Credit ratings are presented in accordance with the standards of international rating agencies.

Due from banks and other financial institutions without assigned credit ratings

As at 30 June 2025, loans and deposits with other banks without assigned credit ratings include guarantee fees and margin collateral with KASE in the total amount of KZT 20,990 million (31 December 2024: KZT 21,086 million), deposits with international payment system companies in the amount of KZT 14,260 million restricted for use (31 December 2024: KZT 14,101 million) and other financial institutions in the amount of KZT 3,681 million (31 December 2024: KZT 9,337 million).

Restricted funds in the NBRK

Concentration of loans and deposits with other banks and other financial institutions

As at 30 June 2025, the Group has no amounts due from other banks and other financial institutions with balances in excess of 10% of the Group's equity (31 December 2024: none).

16. Trading securities

Trading securities comprise:

	<i>30 June 2025 (unaudited)</i>	<i>31 December 2024</i>
Debt investment securities		
Government bonds		
US Treasury bonds rated AAA	51	146
Bonds of MFRK rated BBB-	17	19
Total government bonds	68	165
Corporate bonds		
- rated from A- to A+	563	–
- rated from BBB- to BBB+	832	734
- rated from BB- to BB+	3,162	–
- not rated	2,844	3,044
Total corporate bonds	7,401	3,778
Structural notes		
- International structured notes	–	1
Total structural notes	–	1
Total debt investment securities	7,469	3,944
Equity securities		
Corporate shares	3,119	2,858
Shares	139	200
ETF	63	85
Total equity securities	3,321	3,143
Total trading securities	10,790	7,087

Credit ratings are presented in accordance with the standards of international rating agencies.

As at 30 June 2025 and 31 December 2024, trading securities are neither past due nor impaired.

17. Investment securities

Investment securities comprise:

	<i>30 June 2025 (unaudited)</i>	<i>31 December 2024</i>
Investment securities measured at fair value through other comprehensive income	880,253	939,486
Investment securities measured at amortized cost	303,419	393,014
Investment securities	1,183,672	1,332,500

(in millions of tenge, unless otherwise stated)

17. Investment securities (continued)

Investment securities at fair value through other comprehensive income comprise:

	30 June 2025 (unaudited)	31 December 2024
Debt securities		
Government bonds		
US treasury bonds rated AAA	124,812	125,119
Bonds of MFRK rated BBB-	105,705	283,035
Bonds of Kazakhstan Sustainability Fund JSC rated BBB-	63,508	78,147
Notes of NBRK rated at BBB-	61,507	110,440
Bonds of NMH Baiterek JSC rated BBB-	53,853	54,473
Eurobonds of MFRK rated BBB-	42,701	50,681
Bonds of SWF Samruk-Kazyna JSC rated BBB-	3,315	6,118
Total government bonds	455,401	708,013
Corporate bonds		
- rated from AAA- to AAA+	2,032	—
- rated from AA- to AA+	19,361	17,294
- rated from A- to A+	61,169	30,736
- rated from BBB- to BBB+	83,170	62,733
- rated from BB- to BB+	10,417	12,889
- rated from B- to B+	12,477	—
- not rated	3,581	3,299
Total corporate bonds	192,207	126,951
Equity securities		
Corporate shares of Kcell JSC	60,241	61,484
Unquoted shares	36	13
Total equity securities	60,277	61,497
Encumbered with pledge under repo transactions		
Government bonds		
Bonds of MFRK rated BBB-(Note 23)	127,243	—
Bonds of SWF Samruk-Kazyna JSC rated BBB-(Note 23)	21,817	18,808
Eurobonds of MFRK rated BBB- (Note 23)	14,571	537
Notes of NBRK rated BBB- (Note 23)	5,010	20,159
Corporate bonds		
Bonds of Eurasian Development Bank (not rated) (Note 23)	3,727	3,521
Total pledged under repo transactions	172,368	43,025
Total	880,253	939,486

(in millions of tenge, unless otherwise stated)

17. Investment securities (continued)

Securities measured at amortized cost comprise:

	30 June 2025 (unaudited)	31 December 2024
Debt investment securities		
Government bonds		
Bonds of MFRK rated BBB-	143,841	183,492
Bonds of Kazakhstan Sustainability Fund JSC rated BBB-	12,916	38,990
Treasury bills of MFKR rated B	6,941	7,107
Total government bonds before allowance for impairment losses	163,698	229,589
Less: ECL allowance	(476)	(745)
Total government bonds	163,222	228,844
Corporate bonds		
- rated from AAA- to AAA+	33,227	30,450
- rated from AA- to AA+	5,274	–
- rated from BBB- to BBB+	26,544	59,210
- rated from BB- to BB+	75,152	74,510
Total corporate bonds	140,197	164,170
Total debt investment securities	303,419	393,014
Investment securities measured at amortised cost	303,419	393,014

Credit ratings are presented in accordance with the standards of international rating agencies.

Corporate bonds are interest bearing securities issued by an international financial institution, state-owned companies and banks. These securities are freely tradable on the KASE.

18. Loans to customers

Loans to customers comprise:

	30 June 2025 (unaudited)	31 December 2024
Loans to customers measured at amortised cost	1,366,647	1,358,681
Less: ECL allowance	(243,165)	(220,926)
Loans to customers measured at amortised cost, net of provision for ECL	1,123,482	1,137,755
Loans to customers at fair value through profit or loss	1,012	1,260
Total loans to customers	1,124,494	1,139,015

(in millions of tenge, unless otherwise stated)

18. Loans to customers (continued)

Loans to customers measured at amortised cost as at 30 June 2025 comprise:

	<i>30 June 2025 (unaudited)</i>				
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>POCI</i>	<i>Total</i>
Loans to corporate customers					
Loans to large corporates	34,704	735	8,552	28,942	72,933
Loans to small and medium-size businesses	381,016	7,942	30,684	146,208	565,850
Total loans to corporate customers	415,720	8,677	39,236	175,150	638,783
Loans to retail customers					
Express loans	551,128	28,207	95,608	33	674,976
Mortgage loans	25,146	462	1,461	3,503	30,572
Consumer loans	15,275	1,457	3,399	1,261	21,392
Credit cards	283	17	241	–	541
Car loans	137	–	159	87	383
Total loans to retail customers	591,969	30,143	100,868	4,884	727,864
Loans to customers before ECL allowance	1,007,689	38,820	140,104	180,034	1,366,647
Less: ECL allowance	(15,368)	(11,436)	(81,848)	(134,513)	(243,165)
Loans to customers net of ECL allowance	992,321	27,384	58,256	45,521	1,123,482

Loans to customers measured at amortized cost as at 31 December 2024 comprise:

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

Loans to customers measured at FVTPL

Loans to customers measured at FVTPL as at 30 June 2025 and 31 December 2024 comprise:

	<i>30 June 2025 (unaudited)</i>	<i>31 December 2024</i>
Loans to small and medium-size businesses	1,012	1,260
Loans to customers measured at FVTPL	1,012	1,260

(in millions of tenge, unless otherwise stated)

19. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets comprise:

	30 June 2025 (unaudited)	31 December 2024
Carrying amount of property, plant and equipment, including:	68,360	81,685
Depreciation and amortization	(22,956)	(17,060)
Carrying amount of intangible assets, including:	7,210	8,003
Depreciation and amortization	(8,084)	(6,197)
Carrying amount of right-of-use assets, including:	3,274	3,846
Depreciation and amortization	(3,055)	(3,043)
Total property, plant and equipment and intangible assets	78,844	93,534

20. Investment property

The Group's investment property includes real estate properties owned by the Bank's subsidiaries and held to earn rental income or for capital appreciation. As at 30 June 2025, the carrying amount of the Group's investment property is KZT 31,655 million (31 December 2024: KZT 50,680 million).

Management of the Group believes that the carrying value of the properties as at 30 June 2025 and 31 December 2024 reflects their fair value.

21. Other assets

Other assets comprise:

	30 June 2025 (unaudited)	31 December 2024
Receivables from sale of owned assets	14,679	39,598
Trade receivables	13,674	2,226
Receivables for transfer and payment operations	9,601	4,662
Commissions receivable (Note 7)	3,441	3,648
Receivables from international payment systems	2,479	2,944
Receivables from guarantees issued	1,973	2,002
Other investments	1,289	1,289
Security deposit for the Bank's participation in auctions	788	807
Other receivables	7,989	5,645
Less: ECL allowance	(6,265)	(6,100)
Total other financial assets	49,648	56,721
Repossession collateral	34,156	30,356
Prepayments	13,906	9,946
Materials and inventories	595	748
Prepayments for intangible assets	76	10
Other non-financial assets	2,311	1,476
Less impairment allowance	(6,325)	(2,245)
Total other non-financial assets	44,719	40,291
Total other assets	94,367	97,012

(in millions of tenge, unless otherwise stated)

22. Amounts due to banks and other financial institutions

Amounts due to banks and other financial institutions comprise:

	30 June 2025 (unaudited)	31 December 2024
Correspondent accounts of other banks	68,355	79,451
Term deposits from banks and other financial institutions	13,206	28,736
Loans from the state-owned companies	11,612	11,397
Loans from banks and other financial institutions	1,266	2,054
	94,439	121,638
Foreign currency contracts (spot)	4	5
Amounts due to banks and other financial institutions	94,443	121,643

As at 30 June 2025, loans received from state-owned companies included amounts of KZT 7,749 million from Entrepreneurship Development Fund Damu (hereinafter, “DAMU”), amounts of KZT 3,328 million from Development Bank of Kazakhstan (hereinafter, “DBK”), and amounts of KZT 535 million from the Ministry of Finance of the Kyrgyz Republic (hereinafter, “MFKR”), (as at 31 December 2024: DAMU – KZT 7,348 million, DBK – KZT 3,265 million, MFKR – KZT 784 million), within the framework of the state programme of support of small and medium-sized businesses, as well as large businesses by the banking sector.

The loans issued by DAMU and DBK are denominated in KZT, bear a nominal interest rate from 0.1% to 1.0% per annum and mature in 2034– 2035.

The loan provided by MFKR is denominated in Kyrgyz Som, bear a nominal interest rate from 1.5% to 2.0% per annum and matures in 2025.

Concentration of due to banks and other financial institutions

As at 30 June 2025 and 31 December 2024, the Group had no amounts due to banks and other financial institutions with aggregate balances of more than 10% of equity.

23. Accounts payable under repurchase transactions

As at 30 June 2025, the Group has entered into repurchase agreements with KASE with a total carrying amount of KZT 198,363 million (31 December 2024: KZT 43,025 million). Repurchase agreements are utilized by the Group to manage its short-term liquidity position. The subject of these agreements are investment securities measured at FVTPL with an aggregate fair value of KZT 172,368 million as at 30 June 2025 (31 December 2024: investment securities measured at FVTPL with an aggregate fair value of KZT 43,025 million) (Note 17). In addition, government securities pledged under reverse repurchase agreements in the amount of KZT 25,995 million were repledged by the Group as part of these agreements. Such presentation reflects the economic substance and terms of the concluded transactions.

(in millions of tenge, unless otherwise stated)

24. Amounts due to customers

Amounts due to customers comprise:

	30 June 2025 (unaudited)	31 December 2024
Current accounts and demand deposits		
- Corporate	404,786	437,928
- Retail	207,499	206,527
Time deposits		
- Corporate	502,813	526,664
- Retail	664,292	716,356
Savings deposits		
- Corporate	39,183	49,124
- Retail	47,704	19,197
Amounts due to customers	1,866,277	1,955,796
Held as security against loans issued	(6,587)	(7,275)
Held as security of guarantees and letters of credit (Note 32)	(1,219)	(2,028)

As at 30 June 2025, corporate term deposits comprise deposits for the total amount of KZT 13,675 million received from KSF JSC as part of the state programme for refinancing of residential mortgage loans approved by NBRK (31 December 2024: KZT 13,639 million). The deposits are denominated in tenge, bear nominal interest rates of 0.10% per annum and are repayable in 2045-2050.

Concentration of amounts due to customers

As at 30 June 2025, the Group has no customers or groups of related customers (31 December 2024: none) whose aggregate current accounts and deposits represent more than 10% of the Group's equity.

25. Debt securities issued

Debt securities issued comprise:

					Carrying amount	
	Date of issue	Maturity	Coupon rate, per year	Effective rate, per annum	30 June 2025 (inaudible)	31 December 2024
KZT bonds of the sixth issue	13.11.2024	13.11.2034	8.00%	13.07%	75,774	75,143
Third bond issue as part of the fifth program	14.03.2019	14.03.2026	10.95%	13.44%	60,551	60,072
KZT bonds of the first bond issue	15.10.2018	15.01.2034	0.10%	11.50%	48,443	45,875
KZT bonds of the fourth issue	22.01.2019	22.01.2034	0.10%	12.50%	33,696	31,993
KZT bonds of the fifth issue	11.12.2020	05.10.2045	0.10%	11.50%	29,822	28,427
KZT bonds of the third issue	28.01.2019	28.01.2034	0.10%	11.50%	28,871	27,414
KZT bonds of the fourth issue	28.01.2019	28.01.2034	0.10%	11.50%	11,963	11,359
KZT bonds of the first bond issue	11.07.2007	11.07.2027	7.50%	10.90%	3,315	3,255
KZT bonds of the second issue	22.01.2019	22.01.2034	0.10%	11.50%	527	508
First bond issue as part of the fourth bond program	10.02.2015	10.02.2025	9.90%	13.41%	—	20,440
					292,962	304,486

The Group's debt securities issued are listed on the KASE.

In November 2024, as part of the sixth bond program, the Group registered and issued coupon bonds with a nominal value of KZT 100,000 million with a coupon rate of 8% per annum and maturing in 2034. The fair value of these bonds was determined by discounting contractual future cash flows using a market interest rate of 13.7% per annum.

On 10 February 2025, the Group redeemed the first bond issue under the fourth bond program, due to its maturity, using the Group's own funds. The total amount of repayments on the above-mentioned issued security was 19,747 million tenge.

(in millions of tenge, unless otherwise stated)

26. Subordinated debt

Subordinated debt comprises:

	30 June 2025 (unaudited)	31 December 2024
Subordinated bonds	57,455	117,806
Debt component of preferred shares	360	343
Total	57,815	118,149

(a) Cumulative non-redeemable preference shares

As at 30 June 2025, subordinated debt comprises bonds issued and debt component of cumulative preference shares in the number of 2,500,000 pieces for the total amount of KZT 360 million (31 December 2024: KZT 343 million). In case of bankruptcy, the subordinated debt would be repaid once the Group fully repays all other liabilities but before repayment of the preference shares.

Holders of non-redeemable cumulative preference shares receive a minimum cumulative dividend of 100 tenge per share. The preference shares do not carry voting rights, unless dividends are in arrears. All shares rank equally in priority for distribution of the Bank's residual net asset value, but preference shareholders may participate in the distribution of the residual net asset value only to the extent of the nominal value of the shares adjusted for dividends payable. All preference shares were issued and fully paid at the issue price of 1,000 tenge (Note 28).

(b) Subordinated bonds

Information on subordinated bond issues is given below:

	Date of issue	Maturity	Coupon rate, per year	Effective rate, per annum	Carrying amount	
					30 June 2025 (unaudited)	31 December 2024
KZT subordinated registered unsecured coupon bonds	22.12.2020	01.11.2035	0.10%	15.29%	15,987	14,899
KZT bonds of the sixth issue	11.12.2020	25.10.2040	0.10%	14.60%	13,043	12,191
KZT subordinated registered unsecured coupon bonds	11.12.2020	01.11.2040	0.10%	15.29%	11,911	11,100
KZT subordinated registered unsecured coupon bonds	23.12.2020	01.11.2040	0.10%	15.29%	8,919	8,312
KZT bonds of the eighth issue	04.06.2013	04.06.2028	9.00%	10.01%	4,897	4,881
KZT bonds of the second issue	11.12.2020	26.10.2040	0.10%	14.60%	2,698	2,541
First bond issue as part of the fifth bond program	10.02.2015	10.02.2025	10.00%	14.93%	—	42,043
Second bond issue as part of the fifth bond program	10.02.2015	10.02.2025	10.00%	14.93%	—	21,839
					57,455	117,806

The Group's issued subordinated bonds are listed on the KASE.

On 9 April 2024, as part of the sixth bond program, the Group made early repayment of the first issue of subordinated bonds with the Bank's own funds. The total amount of payments on these bonds amounted to KZT 100,000 million. The SWF Samruk-Kazyna JSC is the holder of these bonds. As a result of the early repayment of the subordinated bonds, the Bank recognised a loss of KZT 7,106 million in interest expense in the consolidated statement of profit or loss and other comprehensive income.

On 10 February 2025, the Group redeemed the first and second issues of subordinated bonds due to the expiry of their circulation period, with the Group's own funds. The total amount of payments on these subordinated bonds amounted to KZT 61,775 million.

(in millions of tenge, unless otherwise stated)

27. Other liabilities

Other liabilities comprise:

	30 June 2025 (unaudited)	31 December 2024
ECL allowance on guarantees and letters of credit issued	3,366	3,018
Trade payables	2,131	1,293
Liabilities on electronic money issued	1,564	3,905
Accrued fee and commission expense	892	889
Liabilities to deposit guarantee fund	622	247
Insurance and reinsurance payables	—	783
Other	12,336	8,220
Total other financial liabilities	20,911	18,355
Provision for vacations and other amounts due to employees	11,398	7,164
Prepayments	10,035	10,411
Provisions	6,393	6,393
Other tax liabilities	3,978	4,523
Deferred income on guarantees and letters of credit issued	1,376	1,501
Other liabilities	2,909	5,163
Total non-financial liabilities	36,089	35,155
Total other liabilities	57,000	53,510

28. Capital

Share capital

As at 30 June 2025 and 31 December 2024, the authorized share capital consists of 697,500,000 ordinary shares. The share capital comprise 165,318,620 ordinary shares issued of which 164,078,731 ordinary shares are outstanding. The shares have no nominal value.

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

For the six month period ended 30 June 2025 and for the year ended 31 December 2024, the Bank neither declared, nor paid dividends.

The nature and purpose of reserves

Revaluation reserve for property

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

Fair value reserve

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

Currency translation reserve

Currency translation reserve is used to reflect the translation differences, which arise in translation of the financial statements of the Bank's foreign operations.

Reverse acquisition reserve

In 2019, under the business combination, First Heartland Bank JSC was identified as the acquirer. The reverse acquisition reserve represents an adjustment to the Group's equity in accordance with IFRS, in order to allow the registered share capital of the Bank to be presented as a separate component.

(in millions of tenge, unless otherwise stated)

28. Capital (continued)

	<i>Revaluation reserve for property</i>	<i>Fair value reserve</i>	<i>Currency translation reserve</i>	<i>Total</i>
As of January 1, 2025	5,178	37,837	12,773	55,788
Depreciation of revaluation reserve, net of corporate income tax	(329)	—	—	(329)
Change in property revaluation reserve	1	—	—	1
Net change in fair value of debt instruments measured at FVOCI	—	(9,759)	—	(9,759)
Change in allowance for expected credit losses of debt instruments at FVOCI	—	(48)	—	(48)
Reclassification of cumulative loss on disposal of debt instruments at FVOCI to profit or loss	—	53	—	53
Gains on equity instruments at FVOCI	—	(1,243)	—	(1,243)
Currency translation differences	—	—	(1,518)	(1,518)
As of June 30, 2025 (unaudited)	4,850	26,840	11,255	42,945
As of January 1, 2024	6,802	8,570	(1,988)	13,384
Depreciation of revaluation reserve, net of corporate income tax	(320)	—	—	(320)
Net change in fair value of debt instruments measured at FVOCI	—	(9,516)	—	(9,516)
Change in allowance for expected credit losses of debt instruments at FVOCI	—	626	—	626
Reclassification of cumulative loss on disposal of debt instruments at FVOCI to profit or loss	—	(613)	—	(613)
Gains on equity instruments at FVOCI	—	22,760	—	22,760
Currency translation differences	—	—	5,356	5,356
As of June 30, 2024 (unaudited)	6,482	21,827	3,368	31,677

29. Book value of one common and one preferred share

Book value of 1 common share:

$NAV = (TA - IA) - TL = (3,827,896 - 7,210) - 2,779,625 = 1,041,061$ million tenge;

$BV_{CS} = NAV / NO_{CS} = 1,041,061 \text{ million tenge} / 164,078,731 \text{ shares} = 6,344.89 \text{ tenge per 1 common share};$

Book value of 1 preferred share:

$BV_{PS2} = L_{PS} / NO_{PS} = 360 \text{ million tenge} / 2,500,000 \text{ shares} = 144.00 \text{ tenge per 1 preferred share};$

Where,

TA –	assets of the issuer of shares in the statement of financial position of the issuer of shares on the calculation date;
IA –	intangible assets in the statement of financial position of the issuer of shares on the settlement date that the organization will not be able to sell to third parties in order to recover cash or cash equivalents paid and/or to receive economic benefits;
TL –	liabilities in the statement of financial position of the issuer of shares on the settlement date;
BV_{CS} –	book value of one common share on the settlement date;
NAV –	net assets for common shares on the settlement date;
NO_{CS} –	number of common shares on the settlement date;
$BV_{P.S.}$	book value of one preferred share of the second group on the calculation date
$L_{P.S.}$	balance of the account for preferred shares, accounted for as liability in the issuer's statement of financial position as of the date calculation.
NO_{PS2} –	number of preferred shares of the second group on the date of calculation;

(in millions of tenge, unless otherwise stated)

30. Earnings per share

Basic and diluted earnings per share are presented on a consolidated basis in accordance with IAS 33 Earnings per Share.

The following are the earnings and share data used to calculate basic and diluted earnings per share:

	<i>For six months, ended on June 30</i>	
	<i>2025</i>	<i>2024</i>
	<i>(unaudited)</i>	
Net profit attributable to ordinary shareholders	90,532	82,089
Weighted average number of ordinary shares for calculation of basic earnings per share	164,078,731	164,078,731
Basic and diluted earnings per share (KZT)	551.76	500.30

As of June 30, 2025 and December 31, 2024, the Group had no financial instruments that diluted profit or loss per ordinary share.

31. Segment analysis

The Group has three reportable segments, which are the Group's principal business units, as described below. These principal business units offer different products and services and are managed separately because they require different technologies and marketing strategies. The chief operating decision maker reviews internal reports to management for each principal business unit at least quarterly. The following is a brief description of the operations of each reportable segment:

- banking activities – include providing loans, deposits and other transactions with clients; trading operations and corporate finance operations; financing the Group's activities and managing banking risks through borrowings and issuing debt securities;
- insurance – implementation of insurance and reinsurance activities.
- investment and brokerage activities – includes the provision of brokerage services, trading in financial instruments, and operations in capital markets.

Information regarding the performance of each reportable segment is provided below. Segment performance is assessed based on segment profit before income taxes as included in the internal management reports based on statutory financial statements reviewed by the Chairman of the Management Board. Segment profit is used to assess segment performance because, in the judgment of management, this information is more relevant for assessing the performance of certain segments than other entities operating in the same industries. Transactions between segments are priced on an arm's length basis.

The breakdown of assets and liabilities by segment can be presented as follows.

	<i>June 30, 2025</i>	<i>December 31,</i>
	<i>(unaudited)</i>	<i>2024</i>
Assets		
Banking	3,822,560	3,760,453
Investing and brokerage activity	80,494	90,889
Insurance	64,285	73,426
Unallocated assets	82,027	80,581
Total assets	4,049,366	4,005,349
Liabilities		
Banking	2,783,807	2,812,953
Insurance	36,270	42,423
Investing and brokerage activity	8,474	4,453
Unallocated liabilities	7,254	10,293
Total liabilities	2,835,805	2,870,122

(in millions of tenge, unless otherwise stated)

31. Segment analysis (continued)

Information for the main reportable segments for the six months ended June 30, 2025 is set out as follows:

<i>As of June 30, 2025 (unaudited)</i>	<i>Banking</i>	<i>Insurance</i>	<i>Investing and brokerage activity</i>	<i>Unallocated segments</i>	<i>Total</i>
Interest income calculated using the effective interest rate method	240,803	3,342	3,161	840	248,146
Other interest income	–	–	290	–	290
Fee and commission income	24,969	–	1,115	–	26,084
Net gain on financial instruments measured at FVTPL	4,390	–	1,287	–	5,677
Net gains from foreign currencies	20,311	29	(369)	–	19,971
Other income	2,220	362	(6)	7,490	10,066
Total income	292,693	3,733	5,478	8,330	310,234
Interest expense	(89,422)	–	(126)	(2,299)	(91,847)
Fee and commission expense	(17,867)	–	(350)	(2)	(18,219)
Insurance service expense	–	(639)	–	–	(639)
Reinsurance expenses	–	(2,236)	–	–	(2,236)
Credit loss expense	(34,081)	(4)	(531)	(447)	(35,063)
Net (losses)/gains on derecognition of investment securities measured at FVOCI	30	(4)	(79)	–	(53)
Other impairment losses	444	(712)	–	–	(268)
Personnel expenses	(35,065)	(1,053)	(783)	(507)	(37,408)
Other general and administrative expenses	(22,569)	(739)	(489)	(1,039)	(24,836)
Total expenses	(198,530)	(5,387)	(2,358)	(4,294)	(210,569)
Segment financial result	94,163	(1,654)	3,120	4,036	99,665
Corporate Income Tax Expense					(8,982)
Net profit after corporate income tax expense					90,683

Information for the main reportable segments for the six months ended June 30, 2024 is set out as follows:

<i>As of June 30, 2024 (unaudited)</i>	<i>Banking</i>	<i>Insurance</i>	<i>Investing and brokerage activity</i>	<i>Unallocated segments</i>	<i>Total</i>
Interest income calculated using the effective interest rate method	203,834	3,522	2,576	163	210,095
Other interest income	–	–	208	–	208
Fee and commission income	31,145	–	675	–	31,820
Insurance income	–	557	–	–	557
Net gain on financial instruments measured at FVTPL	4,975	–	759	–	5,734
Net gains from foreign currencies	16,673	942	797	–	18,412
Net (losses)/gains on derecognition of investment securities measured at FVOCI	4	(1)	609	–	612
Other income	4,312	212	–	8,658	13,182
Total income	260,943	5,232	5,624	8,821	280,620
Interest expense	(92,356)	–	(886)	(79)	(93,321)
Fee and commission expense	(19,989)	(327)	(239)	(23)	(20,578)
Credit loss expense	(10,566)	(21)	(26)	213	(10,400)
Reinsurance expenses	–	(746)	–	–	(746)
Other impairment losses	1,610	(2,349)	–	(8)	(747)
Personnel expenses	(28,891)	(521)	(596)	(2,807)	(32,815)
Other general and administrative expenses	(31,021)	(442)	(264)	(1,415)	(33,142)
Total expenses	(181,213)	(4,406)	(2,011)	(4,119)	(191,749)
Segment financial result	79,730	826	3,613	4,702	88,871
Corporate Income Tax Expense					(6,612)
Net profit after corporate income tax expense					82,259

(in millions of tenge, unless otherwise stated)

31. Segment analysis (continued)

Reconciliations between reportable segment revenue, profit or loss, assets and liabilities

	<i>For six months, ended on June 30</i>	
	<i>2025</i>	<i>2024</i>
	<i>(unaudited)</i>	
Income		
Total revenue of reportable segments	310,234	280,620
Elimination of inter-segment revenue	(1,129)	(889)
Consolidated income for the period	309,105	279,731
Profit or loss		
Total profit of reportable segments	90,683	82,259
Consolidated profit for the period	90,683	82,259
	<i>June 30, 2025</i>	<i>December 31,</i>
	<i>(unaudited)</i>	<i>2024</i>
Assets		
Total assets of reportable segments	4,049,366	4,005,349
Elimination of inter-segment assets	(221,470)	(213,287)
Consolidated assets	3,827,896	3,792,062
Liabilities		
Total liabilities of reportable segments	2,835,805	2,870,122
Elimination of inter-segment liabilities	(56,180)	(48,337)
Consolidated liabilities	2,779,625	2,821,785

Information by geographic region as of June 30, 2025 and December 31, 2024, and for the six months ended June 30, 2025 and 2024 is presented as follows:

	<i>Revenues for six months, ended on June 30</i>		<i>Non-current non-financial assets, As of</i>	
	<i>2025</i>	<i>2024</i>	<i>June 30,</i>	<i>December 31,</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>2025 (unaudited)</i>	<i>2024</i>
Republic of Kazakhstan	280,646	258,509	96,009	125,726
Kyrgyz Republic	29,588	22,111	13,438	12,054
Total	310,234	280,620	109,447	137,780

The majority of revenues from external customers relate to residents of the Republic of Kazakhstan. The majority of non-current asset are located in the Republic of Kazakhstan.

The Group operates in the Republic of Kazakhstan and abroad. In presenting the geographic information, the allocation of revenue has been based on the geographic location of customers and assets.

Information about major clients

For the six months ended on June 30, 2025 and 2024, the Group's reportable segments did not have any corporate clients whose revenue from transactions with each client exceeded 10% of the Group's total revenue.

(in millions of tenge, unless otherwise stated)

32. Credit-Related Contingent Liabilities

The Group applies the same risk management policies and procedures when providing credit commitments, financial guarantees and letters of credit as when providing loans to clients.

The contractual amounts of contingent liabilities are presented in the following table by category. The amounts shown in the table for commitments to provide credit assume that these commitments will be fully satisfied. The amounts shown in the table for guarantees and letters of credit represent the maximum amount of the accounting loss that would be recognized as of the reporting date if the counterparties failed to perform their liabilities in accordance with the terms of the contracts.

	<i>June 30, 2025</i> <i>(unaudited)</i>	<i>December</i> <i>31, 2024</i>
Undrawn loan commitments	218,673	229,845
Credit card commitments	1,176	2,205
Financial guarantees	5,649	5,593
Letters of credit	3,447	2,372
Commitments and contingencies (before deducting collateral)	228,945	240,015
ECL allowance for credit related commitments (<i>Note 27</i>)	(3,366)	(3,018)
Deposits held as security for credit related commitments (<i>Note 24</i>)	(1,219)	(2,028)
Commitments and contingencies	224,360	234,969

The agreements on commitments to provide loans and credit lines provide for the Group's right to unilaterally withdraw from the agreement in the event of any conditions unfavorable to the Group, including changes in the refinancing rate, inflation rates, exchange rates and other conditions.

The total outstanding contractual amount under commitments to provide loans and credit lines, guarantees, letters of credit and does not necessarily represent future cash claims, since such commitments may expire or be cancelled without providing funds to the borrower.

As of June 30, 2025, the Group has no outstanding off-balance sheet commitments that exceed 10% of equity (as of December 31, 2024: none).

(in millions of tenge, unless otherwise stated)

33. Transactions between related parties

Control relationships

As at 30 June 2025 and 31 December 2024 The Bank's major shareholders are the Kazakhstani banking holding “First Heartland Securities” JSC, which owns 79.89 % of the common shares in circulation , and Mr. Yessenov G.Sh., who owns 20.11 % of the common shares in circulation. (Note 1).

As of June 30, 2025 and 31 December 2024, the ultimate controlling party of the Bank and its subsidiaries is Mr. Yessenov G.Sh.

Key management personnel transactions

Remuneration of key management personnel

The total amount of compensation of key management personnel included in Personnel expenses in the consolidated statement of profit or loss and other comprehensive income for the six months ended on June 30, 2025 and 2024 is as follows:

	<i>For six months, ended on June 30</i>	
	<i>2025 (unaudited)</i>	<i>2024 (unaudited)</i>
Personnel expenses		
Key management personnel	(716)	(342)

As of June 30, 2025 and December 31, 2024, account balances and average interest rates on transactions with members of key management personnel were:

	<i>June 30, 2025 (unaudited)</i>	<i>Average interest rate, % per annum</i>	<i>December 31, 2024</i>	<i>Average interest rate, % per annum</i>
Loans to customers	35	0.10%	40	0.47
Current accounts and customer deposits	492	10.95%	253	11.79
Other liabilities	852	—	877	—

Amounts included in profit or loss from transactions with members of key management personnel for the six months ended on June 30, 2025 and 2024 are as follows:

	<i>For six months, ended on June 30</i>	
	<i>2025 (unaudited)</i>	<i>2024 (unaudited)</i>
Interest expense	(12)	(10)
Total	(12)	(10)

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33. Transactions between related parties (continued)

Transactions involving other related parties

As of June 30, 2025, the account balances and weighted average nominal and related gain or loss on transactions involving other related parties for the six months ended on June 30, 2025 were:

	Parent company		Ultimate controlling party and its subsidiaries		Others *		
	Amount	Average interest rate	Amount	Average interest rate	Amount	Average interest rate	Total
Consolidated Statement of Financial Position							
Assets							
<i>Loans to customers</i>							
- principal, in KZT	—	—	—	—	416	14.00%	416
<i>Other assets</i>	—	—	—	—	8	—	8
Liabilities							
<i>Current accounts and customer deposits</i>							
- in KZT	9	—	638	14.60%	2,453	14.22%	3,100
- in USD	—	—	3,772	1.00%	848	0.80%	4,620
- in other currencies	—	—	—	—	3	—	3
Lease liabilities	—	—	—	—	203	—	203
<i>Other liabilities</i>	—	—	—	—	13	—	13
Consolidated Statement of Profit or Loss and Other Comprehensive Income							
Interest income	—	—	—	—	31	—	31
Interest expense	—	—	(33)	—	(185)	—	(218)
Fee and commission income	—	—	—	—	9	—	9
Other income	—	—	—	—	39	—	39
Other general and administrative expenses	—	—	—	—	(69)	—	(69)

* Other related parties include other entities under common control.

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33. Transactions between related parties (continued)

Transactions involving other related parties

As of December 31, 2024, the account balances and weighted average nominal and related gain or loss on transactions involving other related parties for the six months ended on June 30, 2024 were:

	Ultimate controlling party and its subsidiaries						Total mln. tenge
	Parent company		Others *				
	mln. tenge	Average interest rate, % per annum	mln. tenge	Average interest rate, % per annum	mln. tenge	Average interest rate, % per annum	
Consolidated Statement of Financial Position							
Assets							
Loans issued to clients							
- principal, in KZT	—	—	—	—	499	14.00%	499
Other assets	—	—	—	—	18	—	—
Liabilities							
<i>Current accounts and customer deposits</i>							
- in KZT	72	—	543	14.00%	3.907	13.25%	4.522
- in USD	—	—	4.304	1.00%	2.016	0.81%	6.323
- in other currencies	—	—	—	—	—	—	—
Lease liabilities	—	—	—	—	480	—	480
<i>Other liabilities</i>	—	—	—	—	77	—	77
Consolidated Statement of Profit or Loss and Other Comprehensive Income							
Interest income	—	—	—	—	42	—	42
Interest expense	—	—	(42)	—	(285)	—	(327)
Other income	—	—	—	—	35	—	35
Other general and administrative expenses	—	—	—	—	(16)	—	(16)

* *Other related parties include other entities under common control*

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34. Fair value of financial instruments

Accounting Classifications and Fair Value

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, and the level in the fair value hierarchy. The following table sets out the carrying amounts and fair values of financial assets and liabilities as of June 30, 2025:

<i>As of June 30, 2025 (unaudited)</i>	<i>Measured at fair value through profit or loss</i>	<i>Accounted for at amortized cost</i>	<i>Measured at fair value through other comprehensive income</i>	<i>Book value</i>	<i>Fair value</i>
Financial assets					
Cash and cash equivalents	—	1,119,695	—	1,119,695	1,119,695
Amounts due from banks and other financial institutions	—	81,104	—	81,104	81,104
Trading securities	10,790	—	—	10,790	10,790
Derivative financial instruments	29	—	—	29	29
Loans to customers	1,012	1,123,482	—	1,124,494	1,490,963
Investment securities measured at fair value through other comprehensive income	—	—	880,253	880,253	880,253
Investment securities measured at amortized cost	—	303,419	—	303,419	319,520
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	—	—	93,752	93,752	93,752
Reinsurance contract assets	—	1,331	—	1,331	1,331
Other financial assets	—	49,648	—	49,648	49,648
	11,831	2,678,679	974,005	3,664,515	4,047,085
Financial liabilities					
Amounts due to banks and other financial institutions	—	94,443	—	94,443	92,324
Current accounts and customer deposits	—	1,866,277	—	1,866,277	1,866,752
Amounts payable under repurchase agreements	—	198,363	—	198,363	198,363
Derivative financial instruments	1,732	—	—	1,732	1,732
Debt securities issued	—	292,962	—	292,962	226,135
Subordinated debt	—	57,815	—	57,815	52,937
Lease liabilities	—	3,389	—	3,389	3,389
Insurance contract liabilities	—	33,760	—	33,760	33,760
Other financial liabilities	—	20,911	—	20,911	20,911
	1,732	2,567,920	—	2,569,652	2,496,303

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34. Fair Value of Financial Instruments (continued)

Accounting Classifications and Fair Value (continued)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, and the level in the fair value hierarchy. The following table sets out the carrying amounts and fair values of financial assets and liabilities as of December 31, 2024:

	<i>Measured at fair value through profit or loss</i>	<i>Accounted for at amortized cost</i>	<i>Measured at fair value through other comprehensive income</i>	<i>Book value</i>	<i>Fair value</i>
Financial assets					
Cash and cash equivalents	—	852,544	—	852,544	852,544
Derivative financial instruments	60	—	—	60	60
Amounts due from banks and other financial institutions	—	75,845	—	75,845	75,845
Trading securities	7,087	—	—	7,087	7,087
Investment securities measured at fair value through other comprehensive income	—	—	939,486	939,486	939,486
Investment securities measured at amortized cost	—	393,014	—	393,014	419,817
Loans to customers	1,260	1,137,755	—	1,139,015	1,470,813
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	—	—	122,212	122,212	122,212
Reinsurance contract assets	—	3,549	—	3,549	3,549
Other financial assets	—	56,721	—	56,721	56,721
	8,407	2,519,428	1,061,698	3,589,533	3,948,134
Financial liabilities					
Amounts due to banks and other financial institutions	—	121,643	—	121,643	120,778
Amounts payable under repurchase agreements	—	43,025	—	43,025	43,025
Derivative financial instruments	1,073	—	—	1,073	1,073
Current accounts and customer deposits	—	1,955,796	—	1,955,796	1,940,280
Debt securities issued	—	304,486	—	304,486	275,583
Subordinated debt	—	118,149	—	118,149	135,096
Lease liabilities	—	4,224	—	4,224	4,224
Insurance contract liabilities	—	39,298	—	39,298	39,298
Other financial liabilities	—	18,355	—	18,355	18,355
	1,073	2,604,976	—	2,606,049	2,577,712

34. Fair Value of Financial Instruments (continued)

Accounting Classifications and Fair Value (continued)

Fair value measurements are intended to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, because of the uncertainties and subjectivity of measurements, fair value should not be considered as the price at which assets could be immediately sold or liabilities settled.

The fair value of financial assets and liabilities that are quoted in active markets is based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair value using valuation techniques.

The objective of valuation techniques is to achieve a method of measuring fair value that reflects the price at which an orderly transaction to sell an asset or transfer a liability between market participants would take place in an organized market at the measurement date.

Valuation techniques include net present value and discounted cash flow models and comparisons with similar instruments for which quoted market prices are available. Judgements and inputs used in valuation include risk-free and benchmark interest rates, credit spreads and other adjustments used to estimate discount rates, equity and bond prices, and foreign exchange rates. Valuation techniques are designed to arrive at a fair value that reflects the price of a financial instrument at the reporting date that would be determined by an arm's length market participant.

The Group uses widely recognized valuation models to determine the fair value of standard and simpler financial instruments. Observable quoted prices and inputs to the models are generally available in the market for publicly traded debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives such as interest rate swaps.

For more complex instruments, the Group uses proprietary valuation models. Some or all of the significant inputs used in these models may not be publicly available market data and are derived from quoted market prices or rates, or are estimates based on judgement. An example of instruments whose valuation is based on unobservable market data include certain securities for which there is no active market.

The following assumptions are used by management to estimate the fair value of financial instruments as of June 30, 2025:

- discount rates from 16.41% to 26.11% per annum, from 12.00% to 26.00% per annum and from 7.30% to 23.00% per annum are used to discount future cash flows on loans to corporate clients denominated in tenge, som and US dollars, respectively (as of December 31, 2024: from 16.00% to 24.90% per annum, from 6.00% to 28.00% per annum and from 5.00 % to 18.00% per annum, respectively);
- discount rates from 6.00% to 35.40% per annum and from 12.00% to 30.50% per annum are used to discount future cash flows on loans to retail clients denominated in tenge and som, respectively (as of December 31, 2024, from 3.90% to 34.60% per annum and from 10.00% to 30.50% per annum, respectively);
- the fair value of current accounts and client deposits is approximately equal to its carrying value, taking into account the rights of depositors to early withdrawal of funds in accordance with the legislation of the Republic of Kazakhstan and the Kyrgyz Republic
- discount rates from 15.50% to 19.10% per annum are used to discount future cash flows on issued debt securities denominated in tenge (December 31, 2024: from 12.30% to 14.10% per annum);
- Discount rates from 15.60% to 18.40% per annum are used to discount future cash flows on subordinated bonds (as of December 31, 2024: from 12.60% to 14.10% per annum).

34. Fair Value of Financial Instruments (continued)

Accounting Classifications and Fair Value (continued)

Assets whose fair value approximates their carrying amount

In the case of financial assets and financial liabilities that are liquid or have a short maturity (less than three months), it is assumed that their fair value approximates their carrying amount. This assumption also applies to funds in current accounts, demand deposits and savings accounts with no stated maturity.

Fair Value Measurement Hierarchy

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, and the level in the fair value hierarchy.

The table below provides an analysis of assets and liabilities measured at fair value as of June 30, 2025, by level of the fair value hierarchy:

	<i>Date of assessment</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets					
Derivative financial assets	June 30, 2025	—	29	—	29
Trading securities	June 30, 2025	3,243	4,795	2,752	10,790
Investment securities valued at FVOCI					
- equity securities	June 30, 2025	60,241	36	—	60,277
- debt securities	June 30, 2025	479,952	338,810	1,214	819,976
Loans to customers at fair value through profit or loss	June 30, 2025	—	—	1,012	1,012
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	June 30, 2025	—	93,752	—	93,752
Investment property	June 30, 2025	—	—	31,655	31,655
Property and equipment (land and buildings)	June 30, 2025	—	—	51,620	51,620
		543,436	437,422	88,253	1,069,111
Liabilities					
Derivative financial liabilities	June 30, 2025	—	1,732	—	1,732
		—	1,732	—	1,732
	<i>Date of assessment</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets					
Derivative financial assets	December 31, 2024	—	60	—	60
Trading securities	December 31, 2024	3,387	678	3,022	7,087
Investment securities valued at FVOCI					
- equity securities	December 31, 2024	61,484	13	—	61,497
- debt securities	December 31, 2024	585,916	292,073	—	877,989
Loans to customers at fair value through profit or loss	December 31, 2024	—	—	1,260	1,260
Promissory notes of the Ministry of Finance of the Republic of Kazakhstan	December 31, 2024	—	122,212	—	122,212
Investment property	December 31, 2024	—	—	50,680	50,680
Property and equipment (land and buildings)	December 31, 2024	—	—	61,776	61,776
		650,787	415,036	116,738	1,181,049
Liabilities					
Derivative financial liabilities	December 31, 2024	—	1,073	—	1,073
		—	1,073	—	1,073

34. Fair Value of Financial Instruments (continued)**Fair Value Measurement Hierarchy (continued)**

Securities that are listed on the KASE but do not have an active market as of June 30, 2025 and December 31, 2024 are classified in Level 2 of the fair value hierarchy. As of June 30, 2025, financial instruments classified in Level 2 include government and corporate securities in the amount of KZT 338,810 million (December 31, 2024: KZT 292,073 million) and promissory notes of the Ministry of Finance of the Republic of Kazakhstan in the amount of KZT 93,752 million (December 31, 2024: KZT 122,212 million).

During the six-month period ended on June 30, 2025 and 2024, the Group did not make any transfers between levels 1 and 2, 2 and 3 of the fair value hierarchy.

In many cases, all significant inputs on which the valuation techniques are based are readily available, for example, based on information on similar foreign exchange transactions. Where all inputs are not observable, for example because there are no observable transactions with similar risk characteristics at the reporting date, the Group uses techniques that rely only on unobservable inputs, such as the volatility of certain underlying financial instruments, expectations about the period of completion of the transaction.

Unobservable valuation differences at initial recognition

Below is a comparison of the carrying amount and fair value by class and level of the fair value hierarchy, which includes the fair value measurement of the Group's financial instruments that are not measured at fair value in the consolidated statement of financial position. The table does not include the fair value of non-financial assets and non-financial liabilities

<i>As of June 30, 2025 (unaudited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair value</i>	<i>Book value</i>
Assets					
Cash and cash equivalents	—	1,119,695	—	1,119,695	1,119,695
Amounts due from banks and other financial institutions	—	81,104	—	81,104	81,104
Loans to customers	—	—	1,489,951	1,489,951	1,123,482
Investment securities measured at amortized cost	138,474	181,046	—	319,520	303,419
Other financial assets	—	—	49,648	49,648	49,648
Liabilities					
Amounts due to banks and other financial institutions	—	92,324	—	92,324	94,443
Current accounts and customer deposits	—	1,866,752	—	1,866,752	1,866,277
Amounts payable under repurchase agreements	—	198,363	—	198,363	198,363
Debt securities issued	—	226,135	—	226,135	292,962
Subordinated debt	—	52,937	—	52,937	57,815
Lease liabilities	—	—	3,389	3,389	3,389
Other financial liabilities	—	—	20,911	20,911	20,911

34. Fair Value of Financial Instruments (continued)

The following table provides an analysis of financial instruments not measured at fair value by the level of the fair value hierarchy into which the fair value measurement is classified:

<i>As of December 31, 2024</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair value</i>	<i>Book value</i>
Assets					
Cash and cash equivalents	—	852,544	—	852,544	852,544
Amounts due from banks and other financial institutions	—	75,845	—	75,845	75,845
Loans to customers	—	—	1,469,553	1,469,553	1,137,755
Investment securities measured at amortized cost	183,468	236,349	—	419,817	393,014
Other financial assets	—	—	56,721	56,721	56,721
Liabilities					
Amounts due to banks and other financial institutions	—	120,778	—	120,778	121,643
Amounts payable under repurchase agreements	—	43,025	—	43,025	43,025
Current accounts and customer deposits	—	1,940,280	—	1,940,280	1,955,796
Debt securities issued	—	275,583	—	275,583	304,486
Subordinated debt	—	135,096	—	135,096	118,149
Lease liabilities	—	—	4,224	4,224	4,224
Other financial liabilities	—	—	18,355	18,355	18,355

35. Subsequent events

In July 2025, the Bank's subsidiary, "Jusan Garant" Insurance Company JSC, received a certificate of state re-registration reflecting a change in its corporate name to "Alatau City Garant" Insurance Company JSC.

In July 2025, the Bank became wholly owned by "First Heartland Securities" Joint Stock Company, a Kazakhstani banking holding, which now holds 100.00% of the outstanding common shares. The ultimate controlling party of the Bank and its subsidiaries became Mr. V.K. Kim.

In July 2025, the Bank placed two commercial paper issues on AIX USD 100 million at an issue price of 96.15%, with a maturity of 1 year and USD 100 million at an issue price of 98.08%, with a maturity of 6 months.

In July 2025, "First Heartland Jusan Capital" JSC repurchased 2,900,302 common shares from the Bank for a total amount of KZT 2,992,879,639.84.

In August 2025, the Bank's subsidiary, "First Heartland Jusan Invest" JSC, received a certificate of state re-registration reflecting a change in its corporate name to "Alatau City Invest" Joint Stock Company.