



**Export credit agency of Kazakhstan JSC**

Financial Statements  
prepared in accordance with IFRS accounting standards  
and Independent Auditor's Report  
31 December 2025

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# Independent Auditor's Report

To the Shareholders and the Board of Directors of Export Credit Agency of Kazakhstan JSC

## Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Export Credit Agency of Kazakhstan JSC (the "Agency") as at 31 December 2025, and the Agency's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

## What we have audited

The Agency's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## 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 financial statements section of our report.

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

## **Independence**

We are independent of the Agency in accordance with the ethical requirements of the Law on Audit Activity that are relevant to our audit of the financial statements in the Republic of Kazakhstan and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Republic of Kazakhstan and the IESBA Codes.

## **Other information**

Management is responsible for the other information. The other information comprises the Annual Report, (but does not include the financial statements and our auditor's report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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 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 Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





**Kazakhstan Export Credit Agency JSC**  
Statement of Financial Position

	Note	31 December 2025 KZT'000	31 December 2024 KZT'000
<b>ASSETS</b>			
Cash and cash equivalents	13	57,454,551	81,533,181
Placements with banks	14	89,360,288	32,003,134
Investment securities:			
- measured at fair value through other comprehensive income (FVOCI)	15	43,326,206	45,818,084
- measured at amortized cost	15	7,190,549	16,074,081
Reinsurance contract held assets	16	1,563,464	1,388,351
Insurance contract issued assets	16	1,260,689	179,871
Property, plant and equipment		354,132	147,135
Intangible assets		358,849	165,908
Current tax asset		1,123,855	1,020,417
Deferred tax assets	12	4,731,058	72,991
Deferred expenses*	21	1,125,930	820,975
Other assets		12,846	17,244
<b>Total assets</b>		<b>207,862,417</b>	<b>179,241,372</b>
<b>LIABILITIES</b>			
Insurance contract issued liabilities	16	55,970,824	52,723,567
Reinsurance contract held liabilities		626,815	314,105
Trade payables*		839,453	320,895
Other liabilities		663,663	457,754
<b>Total liabilities</b>		<b>58,100,755</b>	<b>53,816,321</b>
<b>EQUITY</b>			
Share capital	17	125,100,000	105,100,000
Additional paid-in capital		732,819	732,819
Stabilization reserve	17	4,377,215	4,123,978
Fair value reserve for investment securities		(3,518,558)	(25,768)
Retained earnings		23,070,186	15,494,022
<b>Total equity</b>		<b>149,761,662</b>	<b>125,425,051</b>
<b>Total liabilities and equity</b>		<b>207,862,417</b>	<b>179,241,372</b>

\*The presentation of the statement of financial position as at 31 December 2024 has been aligned with the format as at 31 December 2025 for more detailed disclosure.

**Export Credit Agency of Kazakhstan JSC**  
Statement of Cash Flows for the year ended 31 December 2025

	2025 KZT'000	2024 KZT'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	13,947,935	11,956,657
Adjustments for:		
Changes in insurance contract issued assets and liabilities and reinsurance contract held assets and liabilities	2,309,950	18,104,334
Depreciation and amortization	83,026	69,989
Other operating expense	108,938	-
Impairment loss on financial assets	82,193	77,782
Interest income calculated using the effective interest method	(20,609,451)	(18,509,155)
Unrealised foreign exchange differences	1,244,112	(3,714,116)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>(2,833,297)</b>	<b>7,985,491</b>
(Increase)/decrease in operating assets		
Amounts due from banks	(58,412,027)	(7,607,483)
Other assets	(411,151)	117,126
Increase/(decrease) in operating liabilities		
Other liabilities	723,396	281,257
<b>Net cash from/(used in) operating activities before interest received and income tax paid</b>	<b>(60,933,079)</b>	<b>776,391</b>
Income tax paid	(4,111,426)	(4,876,311)
Interest received	19,909,086	16,195,574
<b>Net cash flows from operating activities</b>	<b>(45,135,419)</b>	<b>12,095,654</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and redemption of investment securities	15,493,599	8,333,760
Purchase of debt securities	(7,746,125)	(35,953,472)
Purchase of property, plant and equipment and intangible assets	(482,964)	(194,907)
<b>Net cash from/(used in) investing activities</b>	<b>7,264,510</b>	<b>(27,814,619)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	20,000,000	-
Dividends paid	(6,173,426)	(3,467,719)
<b>Net cash from/(used in) financing activities</b>	<b>13,826,574</b>	<b>(3,467,719)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(24,044,335)</b>	<b>(19,186,684)</b>
Effect of exchange rate changes on cash and cash equivalents	(34,295)	(50,840)
Cash and cash equivalents at the beginning of the period	81,533,181	100,770,705
<b>Cash and cash equivalents at the end of the year (Note 13)</b>	<b>57,454,551</b>	<b>81,533,181</b>

**Kazakhstan Export Credit Agency JSC**  
Statement of Changes in Equity for the year ended 31 December 2025

<b>KZT'000</b>	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Stabilization reserve</b>	<b>Fair value reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
Balance as at 1 January 2025	105,100,000	732,819	4,123,978	(25,768)	15,494,022	125,425,051
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	14,002,827	14,002,827
Other comprehensive loss	-	-	-	-	-	-
Net change in fair value	-	-	-	(3,492,790)	-	(3,492,790)
<b>Total other comprehensive loss</b>	-	-	-	(3,492,790)	-	(3,492,790)
<b>Total comprehensive income for the year</b>	-	-	-	(3,492,790)	14,002,827	10,510,037
<b>Transactions with owners recorded directly in equity</b>						
Contributions to capital (issue of shares)	20,000,000	-	-	-	-	20,000,000
Dividends (Note 17)	-	-	-	-	(6,173,426)	(6,173,426)
Transfer to stabilization reserve (Note 17)	-	-	253,237	-	(253,237)	-
<b>Total transactions with owners</b>	<b>20,000,000</b>	<b>-</b>	<b>253,237</b>	<b>-</b>	<b>(6,426,663)</b>	<b>13,826,574</b>
<b>Balance as at 31 December 2025</b>	<b>125,100,000</b>	<b>732,819</b>	<b>4,377,215</b>	<b>(3,518,558)</b>	<b>23,070,186</b>	<b>149,761,662</b>

The Statement of Changes in Equity should be read in conjunction with the notes to these financial statements, which form an integral part hereof.

**Kazakhstan Export Credit Agency JSC**  
Statement of Changes in Equity for the year ended 31 December 2025

<b>KZT'000</b>	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Stabilization reserve</b>	<b>Fair value reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>	<b>Share capital</b>
Balance as at 1 January 2024	105,100,000	732,819	114,222	1,085,964	(2,572,868)	13,066,354	117,526,491
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	8,819,179	8,819,179
Other comprehensive profit	-	-	-	-	-	-	-
Net change in fair value	-	-	-	-	2,547,100	-	2,547,100
<b>Total other comprehensive loss</b>	-	-	-	-	2,547,100	-	2,547,100
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>2,547,100</b>	<b>8,819,179</b>	<b>11,366,279</b>
<b>Transactions with owners recorded directly in equity</b>							
Dividends (Note 17)	-	-	-	-	-	(3,467,719)	(3,467,719)
Transfer from contingency risk reserve (Note 17)	-	-	-	(1,085,964)	-	1,085,964	-
Transfer to stabilization reserve (Note 17)	-	-	4,009,756	-	-	(4,009,756)	-
<b>Total transactions with owners</b>	-	-	<b>4,009,756</b>	<b>(1,085,964)</b>	-	<b>(6,391,511)</b>	<b>(3,467,719)</b>
<b>Balance as at 31 December 2024</b>	<b>105,100,000</b>	<b>732,819</b>	<b>4,123,978</b>	-	<b>(25,768)</b>	<b>15,494,022</b>	<b>125,425,051</b>

The Statement of Changes in Equity should be read in conjunction with the notes to these financial statements, which form an integral part hereof.

## **1. Reporting Entity**

### **(a) Organization and Operations**

On 1 September 2023, in the Address to the People of Kazakhstan "Economic Course of a Just Kazakhstan," the Head of State initiated the establishment of a fully-fledged export promotion institute based on "ESC "KazakhExport" JSC by consolidating all necessary instruments within it. This mandate was formalized in paragraph 61 of the National Action Plan, approved by the Decree of the President of the Republic of Kazakhstan dated 16 September 2023, No. 353, with an implementation deadline in January 2024.

On 23 January 2024, the President of the Republic of Kazakhstan signed the Law of the Republic of Kazakhstan "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of the Export Credit Agency and Promotion of Non-Commodity Export of Goods (Works, Services)." Under this framework, by the Resolution of the Government of the Republic of Kazakhstan dated 20 May 2024, No. 261, "ESC "KazakhExport" JSC was renamed Kazakhstan Export Credit Agency JSC.

Kazakhstan Export Credit Agency JSC (hereinafter, the "Agency") is a National Institute for the development and promotion of non-commodity exports in accordance with the Law of the Republic of Kazakhstan "On Regulation of Trade Activities" and the legislation of the Republic of Kazakhstan.

The Agency was established on the basis of "ESC "KazakhExport" JSC, which was incorporated in the Republic of Kazakhstan in 2003 in accordance with Kazakhstan legislation.

The Agency previously held License No. 2.1.13 dated 24 November 2022, for insurance and reinsurance activities, issued by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (hereinafter, "ARDFM"). On 24 April 2024, the Agency surrendered its license for insurance (reinsurance) activities in the "general insurance" and "reinsurance" sectors to the ARDFM. By Order B-162 dated 10 May 2024, the validity of the said license was terminated.

Currently, the Agency's activities are governed by the Laws of the Republic of Kazakhstan "On Regulation of Trade Activities" and "On Industrial Policy."

In accordance with these legislative acts, the Agency performs voluntary insurance of export credits, investments, and transactions related to the lending (loans) of domestic exporters and foreign buyers of domestic non-commodity goods (works, services). It also provides guarantees and suretyships in favor of financial organizations against relevant losses, other financial losses, and related civil liability. Furthermore, the Agency conducts reinsurance of the aforementioned risks without a specific license, provides export trade and pre-export financing, and guarantees transactions for the promotion of non-commodity exports. It also provides interest rate subsidies on loans and leasing transactions granted by second-tier banks, the Development Bank of Kazakhstan, and other legal entities engaged in leasing activities to foreign buyers of domestic high-tech products from the manufacturing industry, which are subject to insurance by the Kazakhstan Export Credit Agency, along with other functions determined by the Government of the Republic of Kazakhstan.

The Agency's strategic development areas include improving export support instruments, creating conditions to increase the number of exporters and the volume of support provided to them, and enhancing operational efficiency.

The registered and actual address of the Agency is: 55A Mangilik El Avenue, Astana, Z05T2H3, Republic of Kazakhstan

**(b) Shareholder**

As of 31 December 2025, and 31 December 2024, "Baiterek" National Investment Holding JSC, hereinafter referred to as the "Parent Company" (formerly — "Baiterek" National Management Holding JSC), owns 100% of the issued shares. The ultimate shareholder of the Agency is the Government of the Republic of Kazakhstan. Pursuant to the Share Transfer Agreement No. 299-i dated 29 May 2013, the Agency's shares were transferred to the trust management of "Baiterek" National Investment Holding JSC, with the subsequent transfer of ownership rights to the shares. "Baiterek" National Investment Holding JSC was established by Decree of the President of the Republic of Kazakhstan No. 571 dated 22 May 2013, "On Certain Measures to Optimize the Management System of Development Institutes, Financial Organizations, and the Development of the National Economy."

As at 31 December 2025, the Agency's headcount amounted to 132 employees (31 December 2024: 126 employees).

**(c) Operating Environment in the Republic of Kazakhstan**

Since the beginning of 2022, the financial and business environment has changed significantly as a result of the geopolitical conflict and the subsequent economic sanctions against Russia. Operations continue under sanction restrictions, which has had a significant impact on the insurance industry in Kazakhstan. Key aspects include:

1. **Increased demand for insurance:** Heightened economic and political uncertainty has prompted companies to more actively utilize insurance instruments to protect their assets and mitigate risks.
2. **Shift in risk profiles:** Insurance companies in Kazakhstan have faced new risks associated with the altered economic situation. This has necessitated a revision of insurance terms and tariffs.
3. **Changes in the competitive landscape:** Limited presence of several international companies in certain markets has created opportunities for Kazakhstani insurers to expand their activities.
4. **Regulatory changes:** In response to the economic situation and sanctions, regulators have introduced new rules and requirements for insurance companies, which has also affected their operations.

Collectively, these factors have reshaped the landscape of Kazakhstan's insurance industry, creating both challenges and opportunities for local insurers.

Kazakhstan remains depend on commodity exports, which account for approximately 80% of merchandise exports. Hydrocarbons comprise more than 50% of export shipments, a significant portion of which is transported through Russia via the Caspian Pipeline Consortium (CPC) system. While the CPC has faced occasional disruptions related to regulatory and security issues, the risk of large-scale export interruptions along this route is assessed as low, given Kazakhstan's balanced and pragmatic foreign economic policy aimed at maintaining stable relations with both Russia and Western countries.

Overall, the economy of the Republic of Kazakhstan continues to display characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a national currency that is not freely convertible outside the country and low levels of liquidity for debt and equity securities in the markets.

In July 2025, the international rating agency Fitch Ratings affirmed Kazakhstan's Long-Term Foreign-Currency Issuer Default Rating (IDR) at "BBB" with a Stable Outlook. According to Fitch, Kazakhstan's "BBB" rating is supported by the state's large sovereign net foreign assets (SNFA), foreign currency reserves, low government debt, and rising gold prices. However, these factors are influenced by high dependence on raw material exports, weak macroeconomic policy and institutional governance, as well as high inflation.

In August 2025, S&P Global Ratings revised its outlook on Kazakhstan from Stable to Positive and affirmed the country's long-term sovereign credit rating at "BBB-". This reflects the country's steady progress in implementing institutional and economic reforms, including the adoption of new Budget and Tax Codes.

According to S&P, the introduction of stricter fiscal rules, combined with a large-scale expansion of the revenue base, will facilitate the consolidation of public finances. This is expected to reduce the budget deficit and maintain the stability of government debt levels in the medium term. S&P emphasizes that Kazakhstan's position as a net external creditor remains strong due to low external debt and significant international reserves and National Fund assets.

The report notes that the improved outlook is also linked to ongoing reforms aimed at liberalizing and diversifying the economy. Analysts expect that the implementation of the National Infrastructure Plan and other economic modernization measures will contribute to a gradual reduction in dependence on oil revenues and an increase in non-oil receipts.

As of 31 December 2025, the official market exchange rate of the National Bank of the Republic of Kazakhstan was 505.53 Tenge per 1 US Dollar (31 December 2024: 525.11 Tenge per 1 US Dollar).

Inflation remained relatively stable throughout 2025, standing at 12.3% in December 2025, compared to 8.6% in December 2024. Economic growth increased to 6.5% in 2025, compared to 3.8% in 2024. Analysts forecast that GDP growth in 2026 will remain at 6.2%.

The economic environment significantly impacts the Agency's operations and financial position. Management takes all necessary measures to ensure the sustainability of the Agency's operations. However, the future consequences of the current economic situation are difficult to predict, and management's current expectations and estimates may differ from actual results. The prospects for the economic stability of the Republic of Kazakhstan largely depend on the effectiveness of economic measures taken by the Government, as well as on the development and refinement of the legal framework within the country's political system—circumstances that are beyond the Agency's control.

## **2. Basis of Preparation**

### **(a) Statement of Compliance**

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

These financial statements have been prepared on an historical cost basis, as modified by the initial recognition of financial instruments measured at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The Agency also performs initial recognition of insurance contracts issued and reinsurance contracts held in accordance with the Methodology for Classification and Segmentation of Insurance and Reinsurance Contracts, which governs their initial recognition.

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated. See Note 3.

In general, the Agency does not include accounting policy disclosures related to balance sheet or profit or loss items that are not present in the Agency’s accounts.

These financial statements are intended for the primary users, including the shareholder, the Regulator, and the Agency’s clients. These financial statements assume that the primary users have a reasonable knowledge of business and economic activities and that they review and analyze the information with due diligence. Occasionally, even well-informed and diligent users may require the assistance of an advisor to understand information regarding complex economic phenomena reflected in these financial statements.

The purpose of these financial statements is to disclose only information that management considers material to the primary users. Management endeavors not to obscure material information with immaterial data, which could undermine the understandability of these financial statements. Accordingly, only material accounting policy information is disclosed in the relevant disclosure notes where appropriate.

**(b) Use of Estimates and Judgments**

In preparing these financial statements, management has made 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.

Assumptions and underlying estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected by such changes.

The most significant judgments made by management in applying the Agency's accounting policies and the key sources of estimation uncertainty are consistent with those described in the last annual financial statements, except for those disclosed in this note.

**(c) Functional and Presentation Currency**

The functional currency of the Agency is the currency of the primary economic environment in which the Agency operates. The functional and presentation currency of the Agency is the national currency of the Republic of Kazakhstan — the Kazakhstan Tenge (“Tenge”).

### **3. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Insurance and Reinsurance**

**(i) Definition and Classification**

The Agency classifies insurance (reinsurance) contracts:

- 1) Upon initial recognition in the Agency's accounts;
- 2) In the event of contract modification;

The Agency classifies a contract as an insurance contract for accounting purposes only if it involves the transfer of significant insurance risk from the policyholder to the Agency, which could result in a loss for the Agency under the given contract.

A contract is considered to have transferred significant insurance risk if, and only if, an insured event could require the Agency to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance (i.e., those that have no discernible effect on the economics of the transaction). If an insured event could lead to the payment of significant additional amounts in any scenario with commercial substance, the condition in the preceding sentence may be met even if the insured event is extremely unlikely or even if the expected (i.e., probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows under the insurance contract.

The Agency considers the amount of the additional sum payable as a cash outflow under the contract on a present value basis, in a scenario where the insured event has not occurred. The additional amount payable is equal to the difference between the maximum amount payable upon the occurrence of an insured event and the maximum amount payable if the insured event has not occurred.

If the ratio of the present value of the additional amount payable to the present value of the contractual cash outflows under the scenario where the insured event does not occur is 5% or less, the insurance risk is considered insignificant in accordance with market practice. If this ratio exceeds 5%, the contract is deemed to have transferred significant insurance risk.

Following the classification, the Agency categorizes insurance (reinsurance) contracts concluded in the legal form of insurance contracts into:

- 1) Insurance contracts classified as insurance under IFRS 17 Insurance Contracts;

- 2) Reinsurance contracts held, classified as insurance under IFRS 17 Insurance Contracts;
- 3) Reinsurance contracts issued, classified as insurance under IFRS 17 Insurance Contracts.

All contracts issued by the Agency fall within the scope of IFRS 17.

The Agency does not have contracts with an investment component or investment return services.

**(ii) *Level of Aggregation of Insurance Contracts***

The Agency identifies portfolios of insurance contracts and reinsurance contracts issued based on shared risk characteristics, considering the combination of insurance rules and types of insurance, as well as management approaches to insurance and reinsurance contracts issued in terms of underwriting, administration, and claims settlement.

Due to the specific nature of its business, the Agency performs underwriting, administration, and claims settlement for each contract on an individual basis. Consequently, the Agency has determined that a portfolio consists of a single insurance contract or a single reinsurance contract held (issued), and the unit of account is the contract itself. This is because counterparties possess numerous distinct features: supplier's country, the insured's type of activity, lending for working capital or startups, varying financial performance of the insured, different types of collateral, and differing credit histories.

For contracts measured using the General Measurement Model (GMM), the Agency has defined the level of detail for building cash flows and analyzing contract profitability at the level of the individual insurance contract.

An insurance contract is onerous at the date of initial recognition if the fulfillment cash flows, any previously recognized insurance acquisition cash flows, and any cash flows arising from the contract at the date of initial recognition, in total, represent a net outflow. A loss from onerous insurance contracts is recognized immediately in profit or loss.

For contracts measured using the Premium Allocation Approach (PAA), the Agency has defined the level of detail for premium allocation at the individual insurance contract level. At the time of initial recognition for these contracts, the Agency analyzes facts and circumstances indicating signs of onerousness, alongside an analysis of the probability of changes in relevant facts and circumstances, to determine whether there is no significant probability that contracts which are not onerous at initial recognition will subsequently become onerous.

As of the reporting date, onerous insurance contracts are present only within the loan insurance class.

**(iii) *Initial Recognition***

Before accounting for an insurance contract under IFRS 17, the Agency analyzes contracts to identify components that would fall within the scope of other standards if they were separate contracts.

IFRS 17 identifies three categories of components that must be accounted for separately:

- Cash flows related to embedded derivatives that are required to be separated;
- Cash flows related to a distinct investment component; and
- Promises to transfer to the policyholder distinct goods or services other than insurance contract services.

The Agency applies IFRS 17 to all remaining components of the contract. The Agency does not have contracts that require further separation or combination of insurance contracts.

To select the accounting and measurement method for an insurance contract under IFRS 17, the Agency assesses contract boundaries. For contracts with boundaries exceeding one year, the Agency performs a test for the applicability of the Premium Allocation Approach (PAA) by analyzing the presence of significant variability in fulfillment cash flows and assessing whether the results of applying PAA would differ significantly from the General Measurement Model (GMM).

In the absence of significant variability in fulfillment cash flows and material differences between the PAA and GMM results, the Agency applies the PAA method. Based on the test results, the Agency applies the PAA method to all contracts other than loan insurance. Testing was conducted under the most critical scenarios. The Agency identified the following input data necessary for testing selected units of account and adjusting the model to meet business needs: contract term; premium amount; insurance acquisition cash flows; risk adjustment for non-financial risk; loss ratio; and expense ratio (claims settlement, administration, etc.).

An insurance contract issued is initially recognized from the earliest of: (i) the commencement of the coverage period, (ii) the date when the first payment from the policyholder becomes due, or (iii) for an onerous contract, the date when the contract becomes onerous.

**(iv) Measurement Approach for Insurance Contracts Issued and Reinsurance Contracts Held.**

1. Loan Insurance Contracts.

a) Liability for Remaining Coverage (LRC)

The Agency measures loan insurance contracts and reinsurance of loan insurance contracts using the General Measurement Model (GMM). Contracts other than loan insurance and related reinsurance contracts issued are measured using the Premium Allocation Approach (PAA). Under the GMM, an insurance contract is initially measured as the sum of fulfillment cash flows (which include estimated future cash flows, an adjustment for the time value of money and financial risks associated with future cash flows, and a risk adjustment for non-financial risk) and the Contractual Service Margin (CSM), representing the unearned profit that will be recognized as insurance contract services are provided.

At the end of each subsequent reporting period, the carrying amount of an insurance contract is remeasured and represents the sum of:

- Assets or liabilities for remaining coverage (LRC), which combine the fulfillment cash flows relating to future services and the CSM of the contract at that date; and
- Assets or liabilities for incurred claims (LIC), measured as the fulfillment cash flows relating to past services allocated to the contract at that date.

The Agency estimates cash flows for each contract based on the following expected assumptions: the GMM model incorporates PD (Probability of Default) and LGD (Loss Given Default) for each policyholder, reflecting their financial performance and credit risks. Political risk is set to 1, as loan insurance is provided to policyholders who are residents of the Republic of Kazakhstan.

Probability of Default (PD) is determined based on the counterparty's credit rating. Due to the Agency's limited default statistics, an adapted rating methodology and the rating scales of international rating agencies are applied to determine credit ratings. These rating methodologies describe the analytical framework used by rating committees to assign ratings, detailing the key qualitative and quantitative characteristics most significant for assessing credit risk in a specific industry. Additionally, since 2025, rating methodologies are calibrated to the current situation in the Republic of Kazakhstan based on the Asset Quality Review (AQR) report issued by the National Bank.

Rating\Year	1	2	3	4	5	6	7	8	9	10
Aaa	0,00%	0,02%	0,02%	0,02%	0,02%	0,02%	0,02%	0,02%	0,02%	0,02%
Aa1	0,00%	0,00%	0,00%	0,00%	0,02%	0,07%	0,08%	0,08%	0,11%	0,17%
Aa2	0,00%	0,01%	0,11%	0,23%	0,30%	0,38%	0,47%	0,56%	0,69%	0,80%
Aa3	0,04%	0,11%	0,15%	0,22%	0,35%	0,49%	0,68%	0,81%	0,90%	1,00%
A1	0,08%	0,17%	0,30%	0,46%	0,64%	0,83%	1,00%	1,17%	1,31%	1,46%
A2	0,05%	0,16%	0,31%	0,45%	0,64%	0,92%	1,20%	1,49%	1,82%	2,20%
A3	0,07%	0,19%	0,37%	0,55%	0,81%	1,01%	1,26%	1,55%	1,88%	2,22%
Baa1	0,10%	0,25%	0,41%	0,58%	0,71%	0,91%	1,11%	1,37%	1,66%	2,01%
Baa2	0,17%	0,39%	0,63%	0,84%	1,02%	1,22%	1,39%	1,60%	1,87%	2,11%
Baa3	0,26%	0,63%	1,08%	1,58%	2,12%	2,56%	2,99%	3,58%	4,15%	4,75%
Ba1	0,41%	1,27%	2,16%	2,96%	3,97%	4,99%	5,93%	6,73%	7,51%	8,32%
Ba2	0,67%	1,73%	3,00%	4,30%	5,77%	7,02%	8,14%	9,32%	10,76%	12,39%
Ba3	0,93%	2,48%	4,29%	6,33%	8,01%	9,66%	11,49%	13,52%	15,49%	17,37%
B1	1,17%	3,56%	6,24%	9,09%	11,65%	13,88%	16,17%	18,36%	20,26%	21,99%
B2	2,60%	6,76%	11,11%	15,24%	18,67%	21,91%	24,60%	26,97%	29,63%	32,14%
B3	3,38%	8,34%	13,85%	18,74%	22,89%	26,49%	29,55%	32,44%	35,13%	37,40%
Caa1	4,02%	9,46%	14,81%	19,76%	24,65%	28,78%	32,12%	34,96%	37,80%	40,37%
Caa2	6,19%	12,61%	18,78%	24,29%	29,38%	34,10%	37,73%	41,08%	44,27%	46,65%
Caa3	16,74%	28,76%	37,21%	43,46%	48,69%	52,92%	56,43%	59,46%	61,40%	63,55%
Ca	37,18%	51,38%	60,78%	67,00%	69,69%	71,02%	73,19%	74,77%	76,10%	76,55%
C	37,18%	51,38%	60,78%	67,00%	69,69%	71,02%	73,19%	74,77%	76,10%	76,55%
IG	0,10%	0,26%	0,44%	0,64%	0,85%	1,06%	1,28%	1,53%	1,80%	2,08%
SG	4,17%	8,37%	12,34%	15,86%	18,89%	21,49%	23,73%	25,77%	27,72%	29,50%
All	1,81%	3,59%	5,21%	6,59%	7,75%	8,72%	9,54%	10,29%	11,00%	11,67%

Loss Given Default (LGD). LGD for collateralized loans is calculated based on collateral information and liquidity coefficients provided in the Rules of the National Bank of the Republic of Kazakhstan (NBRK) No. 269. LGD for unsecured loans is set at 100%. This is due to the Agency's limited ability to recover funds from a defaulting policyholder in the event of a breach of obligations. Should any assets remain for distribution following bankruptcy, the priority of policyholders' claims would not be among the first. This further increases the risks; therefore, to ensure a more conservative approach, the LGD value has been established at 100%.

Collateral type	Liquidity coefficient
Real estate (residential, commercial, land plots)	0.7
Vehicles	0.5
Equipment, inventory	0.4
Guarantees of STBs, quasi-public sector entities, or legal entities with a credit rating not lower than the sovereign rating of the RK	1
Guarantees of other legal entities or individuals	0
Future assets/cash inflows	0
Highly liquid securities	0.95
Cash, bank deposits	1

\* Source: NBRK Board Resolution No. 269 (Clause 17)

Exposure at Default (EAD) represents the outstanding principal balance as of the reporting date, reduced by the amount of reported but unsettled claims (RBNS) for scheduled payments, formed within the liability for incurred claims (LIC) as of the reporting date.

Costs for the acquisition and maintenance of insurance contracts per unit are allocated on a systematic and rational basis. Indirect acquisition cash flows are recognized by the Agency as contract maintenance expenses.

All of the Agency's expenses for the reporting period (year), excluding the payroll fund (salaries and related taxes, bonuses), must be broken down by cost items, specifying the account name and amount. To determine whether specific expense items fall within the scope of IFRS 17, the resulting expense items are subsequently subject to classification. Based on the classification results, the Agency's expenses are divided into:

- Attributable expenses (subject to systematic and rational allocation (SRA)) and directly attributable expenses (without SRA);
- Acquisition and non-acquisition expenses.

To optimize the time spent on allocating immaterial expenses requiring SRA, the Agency has defined two materiality thresholds:

- 1) Threshold 1 – 0.5% of the total expenses incurred in the reporting period;
- 2) Threshold 2 – 10% of the total expenses incurred in the reporting period.

If the value of an expense item requiring SRA is below Threshold 1, the Agency does not include this expense in the cost allocation and recognizes it immediately as an expense. If the sum of all expenses below Threshold 1 exceeds Threshold 2, the expenses exceeding Threshold 2 will be systematically allocated and included in the allocation process.

The Agency measures discounted cash flows taking into account the probability of default, contract cancellations, and the indexation of contract maintenance expenses.

The head of each structural unit, based on a survey conducted among the unit's employees, completes an involvement matrix for the Agency's processes related to insurance contracts to derive an aggregated percentage of employee involvement in each process. The involvement percentage of each structural unit in specific Agency processes represents the time spent during the reporting year in percentage terms, without being tied to a specific insurance product or individual employee. The total involvement percentage for each structural unit equals 100%. The amount of acquisition expenses (subject to SRA) allocated to each structural unit is determined as the sum of acquisition expenses (subject to SRA) per one employee of the Agency, multiplied by the number of employees in that structural unit, and the monthly salary of the employees of that structural unit, multiplied by the number of months in the reporting period.

As at the end of 2025, an overdue balance of 50 calendar days was recorded for a major counterparty, both in respect of premium payments and the scheduled instalment under its credit obligation to the bank. Taking into account indicators of a significant increase in credit risk, the Agency applied an expert adjustment to the probability of default (PD) for this counterparty.

In determining the amount of the adjustment, an approach consistent with the principles of IFRS 9 (IFRS 9 Financial Instruments) was applied, which provides for the assessment of assets based on impairment stages. For this counterparty, the logic corresponding to Stage 2 was applied, which requires recognition of expected credit losses over the lifetime of the financial instrument (Lifetime ECL).

As a result, the PD for the above counterparty was increased to the PD Lifetime level, reflecting the probability of default over the entire remaining term of the obligation.

#### (b) Liability for Incurred Claims (LIC)

In the presence of signs of default under loan insurance contracts (PD = 100%), the Agency derecognizes the liability for remaining coverage (LRC) and additionally forms incurred but not reported (IBNR) claims reserves for the amount of loss given default (LGD) and claims settlement expenses. In the event of "cure" (exit from default) of a loan insurance contract, the liability for incurred claims (LIC) is derecognized following the withdrawal of the claim notification, and the liability for remaining coverage is re-recognized.

Upon notification of a claim for the full amount of the outstanding principal, the Agency derecognizes the liability for remaining coverage and forms an additional liability for incurred claims for the amount of the outstanding principal. In cases where the reported claim does not cover the entire outstanding principal balance, an additional liability for incurred claims (IBNR) is formed, corresponding to the difference between the outstanding principal balance under the contract and the established reported but not settled (RBNS) claims reserves.

Since the LIC is formed for the amount of the past-due payment or the outstanding principal balance without considering incoming cash flows related to loss recovery and collateral realization, the Agency does not form a risk adjustment and, accordingly, does not increase the liability for incurred claims by a risk adjustment. The Agency does not consider the time value of money when measuring the liability for incurred claims, given the immateriality of the discounting effect for a claims

settlement period of less than one year. To determine the materiality of the discounting effect, an analysis of the claims settlement period was conducted, which showed a period of less than one year.

## 2. Insurance Contracts Other Than Loan Insurance

### (a) Liability for Remaining Coverage (LRC)

Under the PAA, the liability for remaining coverage is measured at initial recognition based on premiums received, less any insurance acquisition cash flows at that date, except when the Agency elects to recognize such payments as an expense, and any amounts arising from the derecognition at that date of: (i) any asset for insurance acquisition cash flows; and (ii) any other asset or liability previously recognized for cash flows related to that group of contracts. The Agency has no direct insurance acquisition cash flows.

For contracts with a decreasing sum insured, the Agency incorporates a risk distribution model over time when measuring insurance revenue.

### (b) Liability for Incurred Claims (LIC)

The Agency's methodology for LIC remains unchanged from IFRS 4. Since the liability for incurred claims regarding reported losses is formed based on the amount of the past-due payment or the outstanding principal balance—excluding incoming cash flows related to loss recovery and collateral realization—the Agency does not form a risk adjustment and, accordingly, does not increase the LIC by a risk adjustment.

The Agency does not consider the time value of money when measuring the LIC, given the claims settlement period is less than one year.

## 3. Reinsurance Contracts Held for Loan Insurance and Other Insurance Contracts

### (a) Liability for Remaining Coverage (LRC)

The Agency measures the liability for remaining coverage (LRC) using the Premium Allocation Approach (PAA) for reinsurance contracts related to insurance other than loan insurance with contract boundaries exceeding one year, where the PAA eligibility test for the underlying insurance contracts showed no material difference between the results of the PAA and the General Measurement Model (GMM).

The LRC under the PAA is measured at initial recognition based on reinsurance premiums paid, less insurance acquisition cash flows (ceding commissions) at that date, except when the Agency elects to recognize such payments as an expense, and any amounts arising from the derecognition at that date of: (i) any asset for insurance acquisition cash flows; and (ii) any other asset or liability previously recognized for cash flows related to that contract. The Agency reduces the LRC for reinsurance contracts held for loan insurance by the amount of the reinsurer's credit risk.

For calculations under reinsurance contracts held in accordance with IFRS 17, a simplified methodology was applied, based on the proportional reflection of the underlying insurance portfolio metrics using a cession rate. A full actuarial recalculation of reinsurance was not performed; instead, an indirect valuation method was used to ensure consistency of the financial result.

The Present Value of Future Cash Flows from reinsurance (Re PV FCF) was determined as the PV FCF of the underlying contract adjusted for the share of future administrative expenses, taking into account the remaining contractual term. The Risk Adjustment for non-financial risk relating to reinsurance (Re RA) was calculated using a similar approach: as a proportional share of the RA of the underlying contract, plus the administrative component multiplied by the RA coefficient. The Contractual Service Margin (CSM) for reinsurance was determined as a negative share of the absolute value of the CSM of the underlying contract, with the addition of the share of the loss component (LC). The loss recovery component was recognised in the amount of the proportional share of the LC, provided that the condition of simultaneous initial recognition was met.

Initial and closing balances were taken from the statement of financial position, cash flows for premiums and commissions from available calculations, and net financial income was fully allocated to PV FCF. For contracts recognized in 2025, RA and CSM were measured based on their values as of 31 December 2025, with PV FCF determined such that the effect of initial recognition on profit or loss was neutral.

The release of RA and CSM was calculated based on GMM tool data. Changes in future cash flows for RA and CSM were determined as balancing elements, and the corresponding impact on PV FCF was calculated so that the aggregate effect on profit or loss remained zero. Experience adjustments were reflected in PV FCF as a balancing item, ensuring internal consistency in the movement of measurement components. The recovery share under reinsurance contracts is adjusted for the reinsurer's credit risk:

Recovery Share =  $Re\% \cdot (1 - [PDre \cdot (1 - [RRre ])$  where  $Re\%$  – cession percentage under the contract;  $PDre$  – reinsurer's probability of default, depending on the remaining term of the insurance contract;  $RRre$  – recovery rate under the reinsurance contract

Next, based on the rating data, the Agency determines the cumulative PD level and the recovery rate for each reinsurer individually, taking into account the limited number of reinsurance counterparties within the Agency.

At the end of each subsequent reporting period, the carrying amount of a reinsurance contract is remeasured as the sum of:

- Assets or liabilities for remaining coverage, which combine the fulfillment cash flows relating to future services and the contractual service margin (CSM) at that date; and
- Assets or liabilities for incurred claims, measured as the fulfillment cash flows relating to past services allocated to the contract at that date.

(b) Liability for Incurred Claims (LIC)

The Agency's methodology for RBNS under reinsurance contracts held remains unchanged from IFRS 4. Since the RBNS is formed based on the reinsurer's share in the past-due payment or the outstanding principal balance—excluding incoming cash flows related to loss recovery from the policyholder and collateral realization—the Agency does not form a risk adjustment and, accordingly, does not increase the liability for incurred claims by a risk adjustment.

The Agency does not consider the time value of money when measuring the liability for incurred claims, given the claims settlement period is less than one year.

The Agency utilizes different measurement approaches depending on the type of contract, specifically:

<b>Business Line / Type of Contract</b>	<b>Classification</b>	<b>Measurement Approach</b>
<b>Insurance contracts issued and reinsurance contracts issued</b>		
Loan insurance	Insurance contracts classified as insurance in accordance with IFRS 17 <i>Insurance Contracts</i>	General Measurement Model (GMM)
Insurance against other financial losses Insurance of financial organizations' losses Other voluntary insurance	Insurance contracts classified as insurance in accordance with IFRS 17 <i>Insurance Contracts</i>	Premium Allocation Approach (PAA)
<b>Reinsurance contracts held</b>		
Insurance classes other than loan insurance	Reinsurance contracts held	Premium Allocation Approach (PAA)
Loan insurance	Reinsurance contracts held	General Measurement Model (GMM)

(v) **Insurance Finance Income and Expenses**

Insurance finance income or expenses represent the changes in the carrying amount of a group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Agency disaggregates the change in the risk adjustment for non-financial risk between the amount relating to the insurance service result and the amount relating to insurance finance income or expenses.

The Agency includes insurance (reinsurance) finance income or expenses in the profit or loss for the reporting period.

When applying IAS 21 *The Effects of Changes in Foreign Exchange Rates* to insurance contracts that generate cash flows in a foreign currency, the Agency treats these contracts, including the contractual service margin (CSM), as monetary items.

At the end of the reporting period, the carrying amount of insurance contracts, including the CSM, is translated into the functional currency at the closing rate. The Agency has elected to present the resulting foreign exchange differences within "insurance finance expenses."

#### **4. Significant Judgments**

The areas where Management applies significant judgments include:

1. **Credit Ratings and Default Criteria:** The Agency applies judgment in determining qualitative and quantitative indicators, particularly in the absence of available financial statements for a counterparty, and in identifying signs of counterparty default. These indicators determine the counterparty's credit rating and, consequently, the Probability of Default (PD), which is a key factor in the measurement of liabilities.
2. **PAA Eligibility Testing:** For insurance contracts with contract boundaries exceeding one year, where the Agency uses the Premium Allocation Approach (PAA) instead of the General Measurement Model (GMM), the Agency must perform a test for the eligibility of this approach. Judgments may be required, for instance, in determining the threshold at which the measurement would differ materially. The Agency has established a materiality threshold of 10% relative to the liability measured under the GMM.
3. **Onerousness Assessment:** Judgments regarding the expected combined loss ratio are applied when analyzing facts and circumstances that indicate signs of onerousness for contracts measured under the PAA. This includes assessing whether there is no significant probability that contracts which are not onerous at initial recognition will subsequently become onerous.
4. **Allocation of Fulfillment Costs:** In estimating future cash flows, the Agency analyzes expenses to identify cost items related to the fulfillment of contracts, as well as the extent to which fixed and variable overheads are directly attributable to contract fulfillment. Judgments are applied in determining the degree of employee involvement in business processes related to the fulfillment of insurance contracts, and in defining methods for the systematic and rational allocation of these costs to insurance contracts.

#### **5. Accounting Estimates and Assumptions**

The following are examples of accounting estimates and assumptions:

1. **Discount Rate**

The "top-down" approach was used to determine the discount rates for cash flows that do not vary based on the returns on underlying items for all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the yield embedded in the fair value of a reference

portfolio, adjusted to reflect the differences between the reference portfolio of assets and the corresponding cash flow liabilities. The reference portfolio was constructed based on a diversified bond portfolio, including corporate bonds traded on the KASE (Kazakhstan Stock Exchange). To refine the sample, bonds from the following issuer categories are excluded: Government Securities (GS) of the Ministry of Finance of the Republic of Kazakhstan, Lombard loans, and MFIs (whose yields contain additional market premiums), and International Financial Institutions.

The resulting discount rate curve in the "top-down" method is determined by the following formula:

Discount rate = Issuer's rate – Credit risk

where, Discount rate – the resulting discount rate used to build the discount curve;

Issuer's rate – the market yield of a company traded on the KASE as of the reporting date;

Credit risk – the credit risk of a company included in the broad bond portfolio

Calculation of the Market Yield Curve of the Reference Portfolio:

- The reference portfolio is formed from corporate bonds included in a broad portfolio of companies whose bonds are traded on the KASE as of the reporting date and denominated in the national currency. The inclusion of only bonds in the reference portfolio is due to the predictability of their prices and the similarity of their regular coupon payments to the cash flow characteristics of insurance contracts, as required by IFRS 17.
- For discounting cash flows of insurance contracts issued in foreign currency, a Risk-free rate with volatility adjustment is used, as set by the European Insurance and Occupational Pensions Authority (EIOPA) as of the reporting date for each currency. The risk-free rate approach represents a "bottom-up" approach.
- The yield of bonds in the reference portfolio is determined based on the market yield or indicative yield (in the absence of market yield) of the security on the valuation date, published on the official website of the Kazakhstan Stock Exchange (KASE) in the "Risk Parameters" section.
- The construction of the final market yield curve for the reference portfolio is performed using the Nelson-Siegel model and the Excel "Solver" function.

## 2. Credit Risk Calculation

- Credit risk includes Expected Credit Losses (ECL).
- Expected credit losses are calculated using the formula:

$$ECL=PD* LGD$$

where, PD – the cumulative probability of default of the issuer over the period corresponding to the bond's maturity;

LGD – loss given default of the issuer.

Cumulative probability of default (CPD rates) for a 20-year period by year, categorized by issuer credit ratings and separately for corporate and government sectors, are sourced from the official website of the Moody's rating agency (updated annually in February).

Discount rates applied to estimates of future cash flows:

- Reflect the time value of money, cash flow characteristics, and liquidity characteristics of the insurance contracts;
- Are consistent with observable current market prices (if available) for financial instruments with cash flow characteristics consistent with those of the insurance contracts (e.g., timing, currency, and liquidity);
- Exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

	1	2	3	4	5	6	7	8	9	10
<b>Spot rate</b>	18,05%	17,87%	17,61%	17,37%	17,15%	16,95%	16,78%	16,64%	16,50%	16,39%
<b>Forward rate</b>	18,05%	17,69%	17,10%	16,64%	16,27%	15,99%	15,78%	15,60%	15,47%	15,36%

The forward rate is used for calculations under the General Measurement Model (GMM). Since the rates derived from the Nelson-Siegel model are spot rates (i.e., rates defined as a single annual rate over a period—for example, a rate of 17.87% indicates an annual rate of 17.87% for both years), they are converted into forward rates. This conversion accounts for the rates of preceding periods (for instance, if the first-year rate is 18.05% and the two-year spot rate is 17.87%, the forward rate for the second year is adjusted so that the effective rate over the two years remains 17.87%).

The forward rate is calculated using the following formula:

$$F_n = ((1+S)^n / (1+F_1) * (1+F_2) * \dots * (1+F_{n-1})) - 1$$

where, F – forward rate,

S – spot rate,

n – period.

For contracts issued within a single calendar year, for the purposes of simplification at initial recognition, discount rate curves as of the beginning of the respective calendar year were applied.

### 3. Risk Adjustment for Non-Financial Risk

To calculate the risk adjustment for non-financial risk, the Agency utilized a stochastic modeling method for the probability of default and loss given default, considering the contract term, counterparty credit rating, and LGD level. The risk adjustment is determined using a 75th percentile confidence level. The Agency calculates the risk adjustment for the liability for remaining coverage (LRC) only for loan insurance contracts, as the GMM measurement model is applied exclusively to this business line.

The Agency has developed a matrix of calculated risk adjustments broken down by contract term, Moody's external credit rating, and selected LGD intervals depending on the type of EAD (constant or linear-decreasing). The Agency estimates cash flows for each Moody's credit rating and various contract terms (from 1 to 10 years) based on the following expected indicators:

- 10-year Cumulative PDs: Calculated in accordance with the assigned rating. 10-year cumulative probability of default (CPD rates) by year, broken down by issuer credit rating and separately for corporate and government sectors, are sourced from the official Moody's website and updated annually in February.
- Loss Given Default (LGD): Calculated based on collateral security, applying the liquidity coefficients of the National Bank of the Republic of Kazakhstan (NBRK) to the gross carrying amount of the loan. The list of NBRK liquidity coefficients is reflected in NBRK Board Resolution No. 269 dated December 22, 2017.

To calculate the risk adjustment, the Agency performs randomization of the following assumptions: PD, LGD, and expense inflation:

- 1) PD Randomization: The Agency applies a normal inverse distribution, where:
  - A random number from 0 to 1 is used as the probability for the normal distribution;
  - The conditional marginal PD is used as the arithmetic mean of the distribution;
  - Historical Moody's data for the period 1983–2023 is used to determine the standard deviation.
- 2) LGD Randomization: The Agency applies a normal inverse distribution, where:
  - The same random number (0 to 1) used for PD randomization is used as the probability;
  - The corresponding LGD is used as the arithmetic mean;

- The standard deviation is determined based on the established volatility of recovery rates:

$$\sigma_{LGD}^2 = \frac{LGD*(1-LGD)}{4}$$

- 3) Expense Inflation Randomization: The Agency applies a normal inverse distribution, where:

- A separate random number (0 to 1) is used as the probability;
- The expected expense inflation is used as the arithmetic mean;
- The standard deviation of expense inflation is used as the distribution's standard deviation.

- 4) Simulation and Calculation: For each LGD level (0%, 5%, 15%, ..., 95%, 100%), 1,000 iterations of cash flow sums are generated. The 75th percentile and the mean value are then calculated.

As a result, the Risk Adjustment (in %) is calculated as Risk Adjustment = {75th Percentile/Mean Value} - 1

Through this process, risk adjustment matrices are obtained for each Moody's credit rating, for specific contract terms (1 to 10 years), and for various LGD levels (0%, 5%, 15%, ... ,95%, 100%).

**(i) Reinsurance Contracts Held Assets**

The Agency cedes a portion of its insurance and inward reinsurance risks to reinsurance contracts held in the normal course of business to limit its net potential loss through risk diversification. Assets, liabilities, income, and expenses arising from reinsurance contracts held are accounted for separately from the assets, liabilities, income, and expenses of the related insurance contracts, as reinsurance agreements do not relieve the Agency of its direct obligations to policyholders.

Only those contractual rights that result in the transfer of significant insurance risk are accounted for as reinsurance assets. Contractual rights that do not transfer significant insurance risk are accounted for as financial instruments.

Reinsurance premiums ceded are recognized as an expense on a basis consistent with the recognition of premiums for the related insurance contracts. For general insurance, reinsurance premiums are expensed over the period of the reinsurance coverage based on the expected pattern of the reinsured risks. The unearned portion of ceded reinsurance premiums is included in reinsurance assets.

Amounts recognized as reinsurance assets are measured based on the valuation of the underlying reserves related to the corresponding insurance contracts. Reinsurance assets include recoveries due from reinsurance companies in respect of claims paid. These are classified as assets for incurred claims (AIC) under reinsurance contracts held and are determined as the share of the liabilities for incurred claims (LIC) of the insurance contracts covered by these reinsurance agreements, adjusted for the reinsurer's credit risk.

The net amount payable to the reinsurer upon the expiration of the contract term may be less than the reinsurance assets recognized by the Agency in respect of its rights under such contracts.

**(ii) Insurance Acquisition Cash Flows (Commission Expenses)**

Insurance acquisition cash flows include direct costs, such as commissions paid to insurance agents and brokers, and indirect costs, such as administrative expenses related to proposal processing and policy issuance.

Acquisition costs are recognized as expenses as incurred across the entire portfolio. Additionally, expenses are accounted for within the cash flows of each contract individually.

## **6. Application of New or Revised Standards and Interpretations**

The following new standards and amendments became effective as of 1 January 2025:

- Amendments to IAS 21 "Lack of Exchangeability" (issued on 15 August 2023, and effective for annual periods beginning on or after 1 January 2025).

Unless otherwise stated above, the application of these amendments did not have a material impact on the Agency's financial statements.

## **7. New Accounting Pronouncements**

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2026, and which the Agency has not yet early adopted:

- Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024, and effective for annual periods beginning on or after 1 January 2026).
- IFRS 18 "Presentation and Disclosure in Financial Statements" (issued on 9 April 2024, and effective for annual periods beginning on or after 1 January 2027).
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (issued on 9 May 2024, and effective for annual periods beginning on or after 1 January 2027).
- Amendments to IFRS 10 and IAS 28 — "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (issued on 11 September 2014, and effective for annual periods beginning on a date to be determined by the IASB).
- Annual Improvements to IFRS Accounting Standards (issued in July 2024 and effective from 1 January 2026).

Unless otherwise stated above, the new standards and interpretations are not expected to have a material impact on the Agency's financial statements.

## **8. Insurance Risk Management**

This section provides summary information about insurance risks and the Agency's risk management methodology.

### **(a) Risk Management Objectives and Policies for Mitigating Insurance Risk**

The management of the Agency's insurance risk is a critical aspect of its operations.

Insurance and reinsurance activities carried out by the Agency involve accepting the risk of loss from individuals or organizations directly exposed to such risk. These risks relate to property, liabilities, accidents, cargo, financial, or other risks that may arise from an insured event. Consequently, the Agency is exposed to uncertainty regarding the timing and severity of claims under the contracts.

The Agency manages its insurance risk by limiting the sum insured, implementing transaction approval procedures for new products or those exceeding established limits, following pricing guidelines, utilizing centralized reinsurance management, and monitoring emerging issues.

Probability theory is applied to determine pricing and calculate insurance reserves. The primary risk is that the frequency and magnitude of claims may be greater than expected. Insurance events, by their nature, frequency, and the actual number and magnitude of occurrences during any given year, may differ from those estimated using statistical methods.

Below is an analysis of claims development. As shown in the table below, there are liabilities for claims reported in 2024 and 2025. In 2025, payments were made to three counterparties, and in 2024, to two counterparties.

The claims development triangle was constructed based on the claims payment register, categorized by the year the claim was reported and the year of settlement. Additionally, the liabilities for incurred claims as of the reporting date have been accounted for in accordance with the claim notification date. As shown in the table, all claims originating from 2018 to 2023 have been fully settled.

<b>Claims Development Analysis</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
At end of accident year	-	213,587	5,367	2,234,325	8,079,416	292,962	272,539	3,101,282	3,101,282
- one year later	46	1,408,742	241,795	2,240,895	12,782,494	1,192,924	913,869	-	913,869
- two years later	46	1,408,742	241,795	2,240,895	12,782,494	1,192,924	-	-	1,192,924
- three years later	46	1,408,742	241,795	2,240,895	12,782,494	-	-	-	12,782,494
- four years later	46	1,408,742	241,795	2,240,895	-	-	-	-	2,240,895
- five years later	46	1,408,742	241,795	-	-	-	-	-	241,795
- six years later	46	1,408,742	-	-	-	-	-	-	1,408,742
- seven years later	46	-	-	-	-	-	-	-	46
<b>Estimate of cumulative claims as of 31 December 2025</b>	<b>46</b>	<b>1,408,742</b>	<b>241,795</b>	<b>2,240,895</b>	<b>12,782,494</b>	<b>1,192,924</b>	<b>1,160,358</b>	<b>17,656,959</b>	<b>36,684,212</b>
<b>Cumulative payments as of 31 December 2025</b>	<b>46</b>	<b>1,408,742</b>	<b>241,795</b>	<b>2,240,895</b>	<b>12,782,494</b>	<b>1,192,924</b>	<b>913,869</b>	<b>3,101,282</b>	<b>21,882,047</b>
<b>Total liability for unpaid claims as of 31 December 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246,489</b>	<b>14,555,677</b>	<b>14,802,166</b>

**(i) Insurance Activity Strategy**

The Agency's insurance strategy focuses on diversification to ensure a balanced portfolio. For several years, the strategy has been based on maintaining a large portfolio of varied risks, which essentially helps reduce the volatility of the final outcome.

The insurance strategy is outlined in the development plan, which specifies the types of activities to be insured, the territories covered, and the industries the Agency is prepared to underwrite.

The calculation of tariffs and prices on insurance products reflects current market conditions and covers the most probable assumptions necessary to adjust future results, aiming to significantly mitigate financial risks.

Adherence to the underwriting authorities is being monitored by management on an on-going basis. Those transactions requiring special authorisation are subject to consideration and approval by the Agency's Board of Directors.

**(ii) Reinsurance Strategy**

As part of ensuring its financial stability, the Agency cedes a portion of the risks from its insurance portfolio to reinsurance to reduce concentration by specific products, insurance territories, and risk sources. The Agency utilizes both facultative and obligatory forms of reinsurance.

To adequately assess the reliability of reinsurers and the probability of receiving reinsurance recoveries in the event of claims, the Agency conducts monthly monitoring of the reinsurers' financial strength ratings and risk factors in their country of residence. Additionally, on a quarterly basis, the Agency analyzes their financial condition and monitors their compliance with prudential regulations.

Due to the annually increasing volume of the insurance portfolio, the Agency constantly requires increased reinsurance capacity. In this regard, a target was set for 2025 to double the volume of outward reinsurance compared to 2024 (KZT 109.1 billion). This target was achieved with a result of KZT 237.7 billion (217.8%).

Furthermore, the Agency diversifies its reinsurance protection by ceding risks to various reinsurers. In 2025, a goal was set to attract three new counterparties. By the end of the year, the Agency had entered into agreements with four new reinsurers.

A critical objective for reinsurance was to reduce the concentration of risks related to the Baiterek Group (loans where subsidiaries of the Parent Company were beneficiaries) within the Agency's portfolio to 15%.

**(b) Insurance Contract Terms and Nature of Covered Risks**

Below are the insurance contract terms that have a significant impact on the amount, timing, and uncertainty of future cash flows arising from insurance contracts. Additionally, the following description provides insight into the Agency's main products and the methods by which the Agency manages the associated risks.

**8.1.1. Insurance Contracts – Insurance against Other Financial Losses**

*Product Features*

Insurance against other financial losses protects the proprietary interests of an exporting organization regarding the performance of a contract by a foreign counterparty (importer).

Covered Risks:

Insured political events:

- Acts of the governmental authority of the country of transit or the country of destination of delivery of the Kazakhstani goods, works, services, or the country of the foreign counterparty on expropriation, confiscation, restriction of ownership rights to the goods, works, services, the result of the work performed owned by the exporter;

- Unforeseen actions by a government authority in the destination country restricting or prohibiting the supply of goods, performance of work, or provision of services;
- War, civil unrest, or mass disturbances outside the Republic of Kazakhstan preventing the fulfillment of obligations under the insured contract;
- Unforeseen actions by a government authority in the foreign counterparty's country restricting or prohibiting conversion into freely convertible currency and/or the transfer of payments.

Commercial Events:

- Insolvency (bankruptcy) of the foreign counterparty;
- Failure of the foreign counterparty to fulfill financial obligations under the contract.

#### *Risk Management*

Risk assessment is always based on the specific details of the transaction the exporter seeks to insure. Assessment at the Agency consists of two components: political/country risk assessment and commercial risk assessment. Projects are evaluated based on country risk and the reliability of the overseas counterparty.

#### *Commercial Risk Assessment:*

The Agency evaluates each transaction individually to determine the buyer's reliability, considering the buyer's country, industry, market position, and financial standing.

#### *Country Risk Assessment:*

The Agency evaluates country risks according to the country list and risk classification published by the Organisation for Economic Co-operation and Development (OECD). This list also recommends premium rates for OECD member export credit agencies based on the insurance term and country category.

### **(iii) Insurance Contracts – Loan Insurance**

#### *Product Features*

Loan insurance protects the proprietary interests of a credit institution related to the obligation of an exporting organization (borrower) to compensate for losses arising from the non-performance (or improper performance) of obligations under a loan agreement, as established by legislation and the contract.

Covered Risks:

Insurer political events:

- War, civil unrest, or mass disturbances within or outside the Republic of Kazakhstan preventing the fulfillment of obligations under the Loan Agreement;
- Unforeseen actions by a government authority restricting or prohibiting conversion into freely convertible currency and/or the transfer of payments.

Commercial Events:

- Non-performance (improper performance) by the Policyholder of monetary obligations under the terms of the Loan Agreement;
- Insolvency (bankruptcy) of the Policyholder.

#### *Risk Management*

Risk identification is based on an adequate assessment of the borrower, their financial condition, and an evaluation of political, country, and commercial risks. Projects are assessed by analyzing the borrower's credit risk related to their solvency and factors that may impact it.

**(iv) Insurance Contracts – Financial Institutions’ Loss Insurance**

*Product Features*

Financial institutions’ loss insurance protects the property interests of a credit institution related to the risk of losses arising from the non-performance or improper performance by a counterparty (borrower, guarantor, or issuing bank) of its obligations under a loan agreement, bank guarantee, letter of credit, or a forward foreign exchange transaction under a currency contract.

Covered Risks:

Political Events:

- Unforeseen actions by a government authority restricting or prohibiting currency conversion or payment transfers, making it impossible for the Exporter to fulfill financial obligations to the Policyholder under the Financial Services Agreement.

Commercial Events:

- Failure by the exporter to repay the Principal debt under the Loan Agreement;
- Failure by the issuing bank of its financial obligations to the Kazakh bank under a letter of credit issued by the issuing bank in favor of the Exporter under an export contract and insured under the Letter of Credit Insurance Agreement;
- Failure by the exporter to meet financial obligations under a Letter of Credit issued by an Issuing Bank;
- Failure by the exporter to fulfill obligations under a Forward Foreign Exchange transaction;
- Insolvency (bankruptcy) of the Policyholder.

*Risk Management*

The evaluation mirrors the process for loan insurance, focusing on the specific nature of the transaction. Assessment includes analyzing country (political) risks and the commercial reliability of the counterparty, ensuring that all factors affecting the borrower's solvency are considered.

*Risk Management*

Similarly, risk assessment is always based on the specific details of the transaction the exporter intends to insure. Risk assessment at the Agency comprises two components: an evaluation of political and country risks and an evaluation of commercial risks. Project appraisal is performed based on an assessment of country (political) risk and the risk associated with the reliability of the counterparty abroad.

**(c) Concentration of Insurance Risks**

A key aspect of the insurance risk faced by the Agency is the degree of risk concentration, which occurs when a specific event or a series of events significantly impacts the Agency’s liabilities. Such concentrations may arise from a single insurance contract or a small number of related contracts and pertain to circumstances that could lead to substantial liabilities. An important aspect of insurance risk concentration is that it can result from the accumulation of risks across a specific number of individual classes or series of contracts.

Concentration of risk can result from high-severity, low-frequency events, such as natural disasters, or from situations where underwriting is limited to a specific group, such as a particular geographic location or demographic trend.

The Agency’s key methods for managing these risks are twofold. First, risk is managed through rigorous underwriting. Under the underwriting policy, the Agency is not permitted to accept risks for insurance if the expected profit is not commensurate with the level of risk assumed.

Second, risk is managed through the use of reinsurance. The Agency purchases reinsurance coverage for various categories of liability and property insurance activities. The Agency evaluates the costs and benefits associated with its reinsurance program on an ongoing basis.

**(d) Total Aggregate Risk Exposure**

The Agency establishes the total aggregate risk exposure it is willing to accept concerning risk concentration. It monitors this exposure both during risk assessment and on a monthly basis by reviewing reports that reflect the key aggregate risks to which the Agency is exposed. The Agency utilizes several modeling tools to monitor aggregate risks, measure the effectiveness of its reinsurance programs, and assess the net impact on the Agency's exposure.

As of 31 December 2025, the Agency had 158 active insurance contracts (31 December 2024: 146 insurance contracts). Compared to 2024, there was an increase in the "insurance against other financial losses" class. This growth is attributed to the increased volume of short-term accounts receivable insurance in 2025, aligned with the Agency's strategic goal to diversify its insurance portfolio and reduce the share of loan insurance instruments. Additionally, the number of contracts ceded to reinsurance increased, leading to a significant reduction in risk concentration within the Agency's portfolio. In 2024, important agreements were reached with foreign reinsurance companies regarding undiscounted letters of credit and short-term accounts receivable insurance, which increased the volume of risk transfer. An upward trend is expected in 2026, as active efforts are underway to further reinsure the loan portfolio.

The primary identified concentrations of risk as of 31 December 2025, are presented as follows:

**For the twelve months ended 31 December 2025**

<b>Type of insurance</b>	<b>Gross sum insured, KZT'000</b>	<b>Amount ceded to reinsurance, KZT'000</b>	<b>Net retention (after reinsurance), KZT'000</b>
<b>Voluntary insurance</b>			
Loan insurance	210,976,109	(48,459,540)	162,516,569
Insurance against other financial losses	279,779,618	(111,864,859)	167,914,759
Other voluntary insurance	22,233,813	(10,665,384)	11,568,429
Guaranteeing	1,160,000	-	1,160,000
<b>Total</b>	<b>514,149,540</b>	<b>(170,989,783)</b>	<b>343,159,757</b>

The primary identified concentrations of risk as of 31 December 2024, are presented as follows:

**For the twelve months ended 31 December 2024**

<b>Type of insurance</b>	<b>Gross sum insured, KZT'000</b>	<b>Amount ceded to reinsurance, KZT'000</b>	<b>Net retention (after reinsurance), KZT'000</b>
<b>Voluntary insurance</b>			
Loan insurance	303,121,620	(31,882,282)	271,239,338
Insurance against other financial losses	163,316,147	(71,050,583)	92,265,564
Other voluntary insurance	20,590,167	(9,678,108)	10,912,059
Guaranteeing	-	-	----
<b>Total</b>	<b>487,027,934</b>	<b>(112,610,973)</b>	<b>374,416,961</b>

Geographical information as of 31 December 2025 is presented as follows:

**For the 12 months ended 31 December 2025**

<b>Insurance territory</b>	<b>Total amount Insured, KZT'000</b>	<b>Reinsurance amount, KZT'000</b>	<b>Net Retention (after reinsurance), KZT'000</b>
<b>Countries</b>			
Republic of Uzbekistan	129,580,949	(63,635,290)	65,945,660
Russian Federation	110,108,239	(34,724,241)	75,383,998
United Arab Emirates	25,218,060	(6,000,000)	19,218,060
Kyrgyz Republic	12,277,086	(6,504,893)	5,772,193
Republic of Tajikistan	9,569,524	(4,784,762)	4,784,762
People's Republic of China	9,311,090	(4,655,545)	4,655,545
United States of America	2,591,700	(777,510)	1,814,190
Federal Republic of Germany	1,613,352	(806,676)	806,676
Republic of Belarus	517,117	(46,725)	470,392
Republic of Armenia	512,100	(256,050)	256,050
Republic of Croatia	283,257	(141,629)	141,629
Republic of Poland	202,317	(101,158)	101,158
Mongolia	168,619	(22,514)	146,105
Republic of Azerbaijan	39,287	-	39,287
Georgia	20,734	(10,367)	10,367
<b>Total exposure to risk (excluding the Republic of Kazakhstan)</b>	<b>302,013,432</b>	<b>(122,467,360)</b>	<b>179,546,072</b>
Republic of Kazakhstan	212,136,108	(48,522,423)	163,613,686
<b>Total</b>	<b>514,149,540</b>	<b>(170,989,783)</b>	<b>343,159,757</b>

Geographical information as of 31 December 2024 is presented as follows

**For the 12 months ended 31 December 2025**

<b>Insurance territory</b>	<b>Total amount Insured, KZT'000</b>	<b>Reinsurance amount, KZT'000</b>	<b>Net Retention (after reinsurance), KZT'000</b>
<b>Countries</b>			
Russian Federation	101,754,438	(43,509,420)	58,245,018
Republic of Uzbekistan	74,134,929	(31,517,476)	42,617,453
Republic of Tajikistan	3,639,924	(1,637,329)	2,002,596
Republic of Azerbaijan	2,768,616	(2,124,412)	644,204
Republic of Singapore	2,245,800	(1,122,900)	1,122,900
Republic of Poland	898,320	(596,547)	301,773
Republic of Lithuania	294,774	-	294,774
Kyrgyz Republic	134,982	(27,608)	107,374
Republic of Belarus	332,150	(166,075)	166,075
Mongolia	48,005	(8,998)	39,007
Republic of Türkiye	45,744	-	45,744
People's Republic of China	35,852	(17,926)	17,926
<b>Total exposure to risk (excluding the Republic of Kazakhstan)</b>	<b>186,333,534</b>	<b>(80,728,690)</b>	<b>105,604,844</b>
Republic of Kazakhstan	300,694,399	(31,882,283)	268,812,116
<b>Total</b>	<b>487,027,934</b>	<b>(112,610,973)</b>	<b>374,416,961</b>

## 9. Insurance Revenue and Expenses

An analysis of insurance revenue, insurance service expenses, and net income/expenses from reinsurance contracts held, broken down by product for the years 2025 and 2024, is presented in the tables below.

<b>Indicators</b>	<b>Loan insurance</b>	<b>Insurance against other financial losses</b>	<b>Insurance against losses of financial organisations</b>	<b>Other voluntary insurance</b>	<b>Total 2025</b>
Insurance revenue					
Amounts relating to the changes in the liability for remaining coverage:					
- <i>Expected incurred claims and other related expenses</i>	(3,832,894)	-	-	-	(3,832,894)
- <i>Change of risk adjustment for non-financial risk</i>	8,857,334	-	-	-	8,857,334
- <i>CSM recognised for the services provided</i>	833,408	-	-	-	833,408
Premium allocation	-	1,927,515	220,022	47,747	2,195,284
<b>Total insurance revenue (sum of expected losses, risk adjustment changes, release of the margin)</b>	<b>5,857,848</b>	<b>1,927,515</b>	<b>220,022</b>	<b>47,747</b>	<b>8,053,132</b>
Insurance service expenses:					
Changes relating to incurred claims and other directly attributable expenses	5,687,917	(861,254)	1,219	-	4,827,882
Insurance acquisition CF amortization	-	(59,140)	(6,212)	-	(65,352)
Losses on onerous contracts and reversals of those losses	(14,700,547)	-	-	-	(14,700,547)
Changes relating to the LIC	2,862,422	(15,590)	(2,338)	-	2,844,494
<b>Total insurance service expenses (amount of incurred claims, reversal of losses under onerous contracts, changes in liabilities for incurred claims)</b>	<b>(6,150,208)</b>	<b>(935,984)</b>	<b>(7,331)</b>	<b>-</b>	<b>(7,093,523)</b>
<b>Net (expense)/income from reinsurance contracts held:</b>					
Amounts relating to the changes in fulfillment cash flows:					
- <i>Expected incurred losses and other related expenses</i>	2,952,872	-	-	-	2,952,872
- <i>Change of risk adjustment for non-financial risk</i>	1,240,883	-	-	-	1,240,883
- <i>CSM recognised for the services provided</i>	(4,659,596)	-	-	-	(4,659,596)
Reinsurance premium allocation	(905,167)	(624,355)	(96,640)	-	(1,626,162)
Incurred claims and other related expenses recovery	193,144	-	-	-	193,144
Changes in recovery of liabilities for incurred claims	-	555,339	-	-	555,339
<b>Total net (expense)/income from reinsurance contracts held</b>	<b>(1,177,865)</b>	<b>(69,016)</b>	<b>(96,640)</b>	<b>-</b>	<b>(1,343,520)</b>
<b>Total result from insurance activities</b>	<b>(1,470,225)</b>	<b>922,515</b>	<b>116,051</b>	<b>47,747</b>	<b>(383,911)</b>

<b>Indicators</b>	<b>Loan insurance</b>	<b>Insurance against other financial losses</b>	<b>Insurance against losses of financial organisations</b>	<b>Other voluntary insurance</b>	<b>Total 2024</b>
Insurance revenue					
Amounts relating to the changes in the liability for remaining coverage:					
- <i>Expected incurred claims and other related expenses</i>	126,783	-	-	-	126,783
- <i>Change of risk adjustment for non-financial risk</i>	3,893,730	-	-	-	3,893,730
- <i>CSM recognised for the services provided</i>	1,754,593	-	-	-	1,754,593
Premium allocation	-	830,633	179,813	-	1,010,446
<b>Total insurance revenue (sum of expected losses, risk adjustment changes, release of the margin)</b>	<b>5,775,106</b>	<b>830,633</b>	<b>179,813</b>	<b>-</b>	<b>6,785,552</b>
Insurance service expenses:					
Changes relating to incurred claims and other directly attributable expenses	(8,834,836)	(362,714)	(309,688)	-	(9,507,238)
Insurance acquisition CF amortization	-	-	-	-	-
Losses on onerous contracts and reversals of those losses	(9,338,871)	-	-	-	(9,338,871)
Changes relating to the LIC	7,256,551	61,090	441,354	-	7,758,994
<b>Total insurance service expenses (amount of incurred claims, reversal of losses under onerous contracts, changes in liabilities for incurred claims)</b>	<b>(10,917,156)</b>	<b>(301,624)</b>	<b>131,665</b>	<b>-</b>	<b>(11,087,115)</b>
<b>Net (expense)/income from reinsurance contracts held:</b>					
Amounts relating to the changes in fulfillment cash flows:					
- <i>Expected incurred losses and other related expenses</i>	(290,674)	-	-	-	(290,674)
- <i>Change of risk adjustment for non-financial risk</i>	(209,521)	-	-	-	(209,521)
- <i>CSM recognised for the services provided</i>	(182,117)	-	-	-	(182,117)
Reinsurance premium allocation	-	(237,448)	(56,429)	-	(293,877)
Compensation for losses/recovery of losses under onerous contracts	414,368	-	-	-	414,368
<b>Total net (expense)/income from reinsurance contracts held</b>	<b>(267,944)</b>	<b>(237,448)</b>	<b>(56,429)</b>	<b>-</b>	<b>(561,821)</b>
<b>Total result from insurance activities</b>	<b>(5,409,994)</b>	<b>291,561</b>	<b>255,049</b>	<b>-</b>	<b>(4,863,384)</b>

In 2025, total insurance revenue increased from KZT 6,785,552 thousand to KZT 8,053,132 thousand, a growth of KZT 1,267,580 thousand, primarily due to the change in the Risk Adjustment for non-financial risk from KZT 3,893,730 thousand to KZT 8,857,334 thousand in loan insurance. At the same time, insurance service expenses decreased from KZT 11,087,115 thousand in 2024 to KZT 7,093,523 thousand in 2025, as a result of more significant loss recoveries under onerous loan insurance contracts. Meanwhile, net reinsurance expense increased from KZT 561,821 thousand to KZT 1,343,520 thousand, which put additional pressure on the financial result. As a result, the total loss from insurance operations rose from KZT 4,863,384 thousand to KZT 8,437,044 thousand.

An analysis of the expected recognition of the undiscounted contractual service margin (CSM) remaining as of 31 December 2025, and 31 December 2024, in the statement of profit or loss is presented in the following table:

Expected number of years until the recognition of undiscounted CSM	<i>31 December 2025</i>	<i>31 December 2024</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>Insurance Contracts Issued</i>		<i>Reinsurance contracts issued</i>	
	1	833,408	527,850	-
2	63,212	73,846	-	-
3	38,715	43,168	-	-
4	8,213	24,120	-	-
5	308	12,097	-	-
6	-	4,161	-	-
<b>Total</b>	<b>943,856</b>	<b>685,242</b>	<b>-</b>	<b>5,744</b>

An analysis of the expected recognition of the discounted contractual service margin (CSM) remaining as of 31 December 2025 and 31 December 2024 in profit or loss is presented in the following table:

Expected number of years until the recognition of discounted CSM	<i>31 December 2025</i>	<i>31 December 2024</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>Insurance Contracts Issued</i>		<i>Reinsurance contracts issued</i>	
	1	767,065	497,552	-
2	49,361	62,109	-	-
3	25,753	32,503	-	-
4	4,675	16,226	-	-
5	151	7,269	-	-
<b>Total</b>	<b>847,005</b>	<b>615,659</b>	<b>-</b>	<b>5,414</b>

## 10. Interest Income

	<b>2025</b>	<b>2024</b>
	<b>KZT'000</b>	<b>KZT'000</b>
<b>Interest income calculated using the effective interest method</b>		
Reverse repurchase agreements with original maturities of less than three months	10,524,223	12,778,201
Investment securities measured at fair value through other comprehensive income (FVOCI)	5,104,999	2,841,911
Deposits in banks and cash and cash equivalents	3,970,269	1,729,478
Investment securities measured at amortized cost	1,009,961	1,159,565
	<b>20,609,452</b>	<b>18,509,155</b>

Interest income and expenses is recorded for all debt instruments are recognized on an accrual basis using the effective interest method. This calculation includes in interest income and expense all fees and charges paid and received by parties to the contract that form an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

## 11. General and Administrative Expenses

	<b>2025</b>	<b>2024</b>
	<b>KZT'000</b>	<b>KZT'000</b>
Salaries and bonuses	1,450,160	1,330,728
Consulting and professional services	454,916	378,643
Rental expenses	202,986	215,542
Social tax and social contributions	173,408	84,692
Travel expenses	149,189	102,740
Recruitment expenses	114,883	42,454
Depreciation and amortization	76,468	64,738
Advertising and marketing	70,715	63,028
Board of Directors' expenses	62,529	56,500
Transportation expenses	51,129	49,870
Training expenses	50,173	42,989
Membership fees	26,181	25,273
Communication services	32,525	24,488
Staff insurance	9,120	15,724
Bank charges / Bank services	4,731	5,998
Office and maintenance expenses	7,435	79
Other	254,338	208,353
	<b>3,190,886</b>	<b>2,711,838</b>

The Agency incurred expenses for the audit of the financial statements for the year ended 31 December 2025 in the amount of KZT 112,860 thousand (2024: KZT 100,800 thousand), which are included in the "Consulting and professional services" line item within administrative expenses.

## 12. Income Tax Expense

	<b>2025</b>	<b>2024</b>
	<b>KZT'000</b>	<b>KZT'000</b>
Current income tax expense	(4,357,856)	(3,953,138)
Additional Corporate Income Tax (CIT) payable for 2024 due to amendments to the Tax Code	(245,319)	-
<b>Total current income tax</b>	<b>(4,603,175)</b>	<b>(3,953,138)</b>
Change in the amount of deferred tax assets due to the emergence and reversal of temporary differences, including transitional provisions.	(4,658,067)	-
Change in deferred tax liabilities due to the origination and reversal of temporary differences and changes in the valuation allowance	-	815,660
<b>Total income tax expense</b>	<b>54,892</b>	<b>(3,137,478)</b>

In 2025, the current and deferred income tax rate is 20% (2024: 20%).

Income tax expense is recognized based on the amount determined by multiplying the profit (loss) before tax for the reporting period by a rate representing management's best estimate of the weighted average annual income tax rate expected for the entire financial year.

Consequently, the effective tax rate in the financial information may differ from management's estimate of the effective tax rate for the annual financial statements.

### Calculation of the effective income tax rate

	<b>2025</b>		<b>2024</b>	
	<b>KZT'000</b>	<b>%</b>	<b>KZT'000</b>	<b>%</b>
<b>Profit before tax</b>	<b>13,947,935</b>	<b>100</b>	<b>11,956,657</b>	<b>100</b>
Income tax at the statutory tax rate	(2,789,587)	(20)	(2,391,331)	(20)
Tax-exempt income from investment securities	588,090	4	797,971	7
Net non-deductible expense on subrogation claims	(317,069)	(2)	1,266,956	11
IFRS 17 adjustments	3,575,720	26	(2,769,603)	(23)
Effect of tax rate changes (10% rate on deposits with the NBK, reverse repo with securities, and interest on government securities)	(736,220)	(5)	-	-
Additional CIT payable for 2024 due to amendments to the Tax Code.	(245,319)	(2)	-	-
Other non-taxable income / non-deductible expenses	(20,723)	(0)	(41,471)	-
	<b>54,892</b>	<b>0</b>	<b>(3,137,478)</b>	<b>(26)</b>

In accordance with Article 783 of the Tax Code of the Republic of Kazakhstan, certain provisions of the Tax Code have been temporarily suspended in 2025. As a result, income in the form of interest on government emission securities, as well as income and expenses on repo transactions with a term of up to one year, are subject to corporate income tax (CIT) at a rate of 10%. This rate is temporary and applies exclusively to the year 2025.

In addition, due to the amendments introduced to the Tax Code and the extension of corporate income tax (CIT) deductions to the Agency, an additional CIT return for 2024 was submitted. Following the adjustments, the amount of CIT payable for 2024 totaled KZT 245,319 thousand.

### Deferred Tax Assets and Liabilities

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to deferred tax assets and liabilities as of 31 December 2025 and 31 December 2024.

As at 31 December 2024, the Agency had a deferred tax asset, however, it was not recognized due to the level of uncertainty regarding the future utilization of the tax asset and the amount of future tax payments.

As of 31 December 2025, the Agency recognized an estimated deferred tax asset (DTA) in the amount of KZT 4,657,709 thousand. This asset resulted from temporary differences arising from the transition from IFRS 4 to IFRS 17 "Insurance Contracts".

The settlement of these temporary differences is carried out in accordance with the transitional provisions stipulated in Article 844 of the Tax Code of the Republic of Kazakhstan, "Transitional Provisions on Income and Deductions under Insurance and Reinsurance Contracts." This article establishes a special procedure for the recognition of income and deductions in the tax period from 1 January to 31 December 2026 due to the adoption of IFRS 17.

According to this article, the following shall be recognized as taxable income in 2026:

- The amount of increase in retained earnings of prior years, as reflected in the annual audited financial statements for 2023 resulting from the transition to IFRS 17;
- The negative difference between the net profit reported in statements prescribed by regulatory authorities and the net profit per the audited financial statements for the period 2023–2025.

Simultaneously, the following are allowed as tax deductions:

- The amount of decrease in retained earnings of prior years for 2023 arising upon the transition to IFRS 17;
- The positive difference between the aforementioned net profit figures.

In accordance with the paragraph 3 of Article 844, these provisions apply to the Export Credit Agency of Kazakhstan. The measurement of the deferred tax asset was performed based on the tax legislation in effect at the reporting date.

The movement in temporary differences during the year ended 31 December 2025 is as follows:

<b>KZT'000</b>	<b>Balance as at 1 January 2025</b>	<b>Recognized in profit or loss for the period</b>	<b>Balance as at 31 December 2025</b>
Property, plant, equipment and intangible assets	(9,966)	(19,481)	(29,447)
Accrued vacation and bonuses	62,797	17,823	80,620
Provisions for general and administrative activities	20,160	2,016	22,176
IFRS 17 effect	-	4,657,709	4,657,709
<b>Total deferred tax asset</b>	<b>72,991</b>	<b>4,658,067</b>	<b>4,731,058</b>

The movement in temporary differences during the year ended 31 December 2024 is as follows:

<b>KZT'000</b>	<b>Balance as at 1 January 2024</b>	<b>Recognized in profit or loss for the period</b>	<b>Balance as at 31 December 2024</b>
Property, plant, equipment and intangible assets	(956)	(9,010)	(9,966)
Accrued vacation and bonuses	49,540	13,257	62,797
Provisions for general and administrative activities	6,160	14,000	20,160
IFRS 17 effect	(797,413)	797,413	-
<b>Total deferred tax liability</b>	<b>(742,669)</b>	<b>815,660</b>	<b>72,991</b>

### 13. Cash and Cash Equivalents

As of 31 December 2025, cash and cash equivalents as reflected in the statement of cash flows included the following:

	31 December 2025 KZT'000	31 December 2024 KZT'000
<b>Cash on current accounts and demand deposits with banks</b>		
- with credit rating from BBB+ to BBB-	3,277,634	656,784
- with credit rating from BB- to BB+	595,986	2,191,603
- unrated	-	696
<b>Reverse repurchase agreements</b>		
- with credit rating from BBB+ to BBB-	45,028,873	78,685,558
- with credit rating from BB+ to BB-	1,046,684	-
- with credit rating from B- to B+	7,505,915	-
	<b>57,455,092</b>	<b>81,534,641</b>
<b>Allowance for expected credit losses</b>	<b>(541)</b>	<b>(1,460)</b>
<b>Total cash and cash equivalents</b>	<b>57,454,551</b>	<b>81,533,181</b>

#### Reverse repurchase agreements

	31 December 2025 Fair value KZT'000	31 December 2025 Carrying amount KZT'000
Corporate securities	52,915,003	53,581,472
	<b>52,915,003</b>	<b>53,581,472</b>
	31 December 2024 Fair value KZT'000	31 December 2024 Carrying amount KZT'000
Kazakhstan government securities	24,115,817	24,124,459
Corporate securities	53,673,096	54,561,099
	<b>77,788,913</b>	<b>78,685,558</b>

Cash and cash equivalents are items that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include reverse repurchase agreements with original maturities of less than three months. Funds subject to usage restrictions for a period of more than three months at the time of recognition are excluded from cash and cash equivalents in both the statement of financial position and the statement of cash flows. Cash and cash equivalents are carried at amortized cost because: (i) they are held to collect contractual cash flows, and these cash flows represent solely payments of principal and interest (SPPI), and (ii) they are not designated as at fair value through profit or loss (FVTPL).

Credit ratings are presented in accordance with the standards of the Standard & Poor's rating agency or its international equivalents.

For the purpose of calculating expected credit loss (ECL) allowances for unrated financial instruments, the Agency applies the credit rating of the Parent Company.

As of 31 December 2025 and 31 December 2024, all cash and cash equivalents were classified as Stage 1 of credit risk.

As of 31 December 2025, the Agency had balances with 3 issuers (under reverse repo agreements), each accounting for more than 10% of equity.

The total balance for these issuers as of 31 December 2025 amounted to KZT 33,956,516 thousand.

As of 31 December 2024, the Agency had balances with 3 issuers (under reverse repo agreements), each accounting for more than 10% of equity.

The total balance for these issuers as of 31 December 2024 amounted to KZT 73,838,898 thousand.

## 14. Deposits in Banks

	31 December 2025 KZT'000	31 December 2024 KZT'000
- with credit rating from BBB+ to BBB-	46,608,978	2,236,852
- with credit rating from BB- to BB+	39,420,990	29,857,062
- with credit rating from B- to B+	3,514,897	-
	<b>89,544,865</b>	<b>32,093,914</b>
Allowance for expected credit losses	(184,577)	(90,780)
<b>Total deposits in banks</b>	<b>89,360,288</b>	<b>32,003,134</b>

Credit ratings are presented in accordance with the standards of the Standard & Poor's rating agency or its international equivalents.

As of 31 December 2025 and 31 December 2024, deposits in banks were classified as Stage 1 of credit risk.

As of 31 December 2025, annual effective interest rates on bank accounts and deposits denominated in KZT ranged from 7.5% to 17.6% per annum (31 December 2024: from 7.25% to 14.80%).

As of 31 December 2025, annual effective interest rates on bank accounts and deposits denominated in USD ranged from 1.75% to 3.0% per annum (31 December 2024: from 1% to 3.5%).

As of 31 December 2025, the Agency had balances with 3 bank accounting for more than 10% of equity. The total balance with this bank as of 31 December 2025 amounted to KZT 70,821,556 thousand.

As of 31 December 2024, the Agency had balances with one bank accounting for more than 10% of equity. The total balance with this bank as of 31 December 2024 amounted to KZT 13,201,528 thousand.

### Movement in the allowance for expected credit losses

KZT'000	Stage 1	
	31 December 2025	31 December 2024
At the beginning of the period	92,240	82,067
Net change in the allowance for expected credit losses	92,878	10,173
<b>At the end of the period</b>	<b>185,118</b>	<b>92,240</b>

## 15. Investment Securities

	31 December 2025 KZT'000	31 December 2024 KZT'000
Measured at fair value through other comprehensive income (FVOCI)	43,326,206	45,818,084
Measured at amortized cost	7,190,549	16,074,081
	<b>50,516,755</b>	<b>61,892,165</b>
	31 December 2025 KZT'000	31 December 2024 KZT'000
<b>Measured at fair value through other comprehensive income (FVOCI)</b>		
<b>Kazakhstan government bonds</b>		
With credit rating from BBB+ to BBB-	28,379,086	30,366,599
<b>Foreign government bonds</b>		
With credit rating AA+	292,361	290,348
<b>Total government bonds</b>	<b>28,671,447</b>	<b>30,656,947</b>
<b>Securities of international financial organizations</b>		
With credit rating AAA	8,603,438	9,439,787
<b>Total securities of international financial organizations</b>	<b>8,603,438</b>	<b>9,439,787</b>
<b>Corporate bonds of Kazakhstan companies</b>		
With credit rating from BBB+ to BBB-	6,051,321	5,721,350
<b>Total corporate bonds of Kazakhstan companies</b>	<b>6,051,321</b>	<b>5,721,350</b>
	<b>43,326,206</b>	<b>45,818,084</b>

<b>Measured at amortized cost</b>		
<b>Corporate bonds of Kazakhstan companies</b>		
With credit rating from BBB+ to BBB-	534,250	10,138,749
- unrated	5,223,462	5,482,528
<b>Total corporate bonds of Kazakhstan companies</b>	<b>5,757,712</b>	<b>15,621,277</b>
<b>Securities of international financial organizations</b>		
With credit rating AAA	996,364	-
- unrated	436,473	452,804
<b>Total securities of international financial organizations</b>	<b>1,432,837</b>	<b>452,804</b>
	<b>7,190,549</b>	<b>16,074,081</b>

All purchases and sales of financial assets that require delivery within the timeframe established by regulation or convention in the marketplace ("regular-way" purchases and sales) are recognized on the trade date, which is the date the Agency commits to purchase or sell the financial asset.

### **Business Model Assessment**

The Agency assesses the objective of the business model in which an asset is held at the financial instrument portfolio level, as this best reflects the way the business is managed and how information is reported to management.

The Agency analyzes the following information:

- The policies and objectives set for the portfolio management and the practical implementation of those policies. Specifically, whether the management strategy focuses on earning contractual interest income, maintaining a specific interest rate profile, matching the duration of financial assets with the duration of the financial liabilities used to fund those assets, or realizing cash flows through the sale of assets.
- How the portfolio performance is evaluated and how this information is reported to the Agency's management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers responsible for portfolio management are compensated (e.g., whether compensation is based on the fair value of the assets or the contractual cash flows collected).
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales, and expectations regarding future sales activity. However, information about sales levels is not considered in isolation, but as part of an overall holistic analysis of how the Agency's stated objective for managing financial assets is achieved and how cash flows are realized.

Financial assets intended to be held until maturity are held to collect contractual cash flows. Currently, in managing the financial asset portfolio, securities with maturities of up to 2 years and deposits (including those placed as part of core activities aimed at providing financial support to exporters) are classified under the "Hold to collect contractual cash flows" business model. Notwithstanding, securities may be assigned to any other business model upon initial recognition, depending on market conditions and the terms of the security issuance.

Financial assets intended to be held until maturity and for sale are held both to collect contractual cash flows and through the sale of the asset. Given the Agency's activities, when managing the portfolio of securities with maturities exceeding 2 years, the Agency classifies them under the "Hold to collect contractual cash flows and/or for sale" business model to ensure potential insurance claim payments can be made by selling the securities.

Credit ratings are presented in accordance with the standards of the Standard & Poor's rating agency or equivalents from other international agencies.

As of 31 December 2025, the Agency held bonds issued by City Transportation Systems LLP. These bonds do not have ratings from international rating agencies; however, they are backed by a guarantee from the Ministry of Finance of the Republic of Kazakhstan.

As of 31 December 2025, annual effective interest rates on investment securities denominated in KZT ranged from 5.49% to 18.0% per annum (31 December 2024: from 5.49% to 15.25%).

As of 31 December 2025, annual effective interest rates on investment securities denominated in USD ranged from 5.02% to 5.72% per annum (31 December 2024: from 5.02% to 5.72%).

As of 31 December 2025, annual effective interest rates on investment securities denominated in CAD were 4.31% per annum (31 December 2024: 5.38%).

As of 31 December 2025 and 31 December 2024, all investment securities measured at amortized cost and at fair value through other comprehensive income were classified as Stage 1 of credit risk. In accordance with IFRS 9 "Financial Instruments", the allowance for expected credit losses as of 31 December 2025 amounted to KZT 76,988 thousand (31 December 2024: KZT 80,597 thousand).

As of 31 December 2025, the Agency held financial instruments of one issuer accounting for more than 10% of equity. The total balance for this issuer as of 31 December 2025 amounted to KZT 28,379,086 thousand (31 December 2024: one issuer with a balance of KZT 30,366,598 thousand).

## 16. Insurance Assets and Liabilities

Reconciliation of LRC and LIC under GMM and PAA as at 31 December 2025 and 31 December 2024:

	Liability for Remaining Coverage (LRC) under GMM		Liability for Remaining Coverage (LRC) under PAA	Liability for Incurred Claims (LIC) under GMM	Liability for Incurred Claims (LIC) under PAA	Total
	Excluding loss component	Loss component	Present value of future cash flows		Present value of future cash flows	
<b>Insurance contract liabilities as at 1 January 2025</b>	<b>5,050,162</b>	<b>22,122,958</b>	<b>265,861</b>	<b>24,608,944</b>	<b>675,642</b>	<b>52,723,567</b>
<b>Insurance contract assets as at 1 January 2025</b>	-	-	<b>(179,871)</b>	-	-	<b>(179,871)</b>
<b>Insurance revenue:</b>	<b>(5,857,848)</b>	-	<b>(2,195,284)</b>	-	-	<b>(8,053,132)</b>
<b>Insurance service expenses:</b>						
incurred claims and other incurred insurance service expenses;	1,886,462	-	-	(7,574,379)	860,035	(4,827,882)
amortization of insurance acquisition cash flows	-	-	65,352	-	-	65,352
changes that relate to past service	-	-	17,928	(2,862,422)	-	(2,844,494)
Losses on groups of onerous contracts and reversals of such losses	-	14,700,547	-	-	-	14,700,547
<b>Total insurance service expenses</b>	<b>1,886,462</b>	<b>14,700,547</b>	<b>83,280</b>	<b>(10,436,801)</b>	<b>860,035</b>	<b>7,093,523</b>
<b>Insurance service result</b>	<b>(3,971,386)</b>	<b>14,700,547</b>	<b>(2,112,004)</b>	<b>(10,436,801)</b>	<b>860,035</b>	<b>(959,609)</b>
Insurance finance income or expenses from insurance contracts issued	(1,141,984)	2,954,279	-	-	-	1,812,295
<b>Total amounts recognized in comprehensive income</b>	<b>(5,113,370)</b>	<b>17,654,826</b>	<b>(2,112,004)</b>	<b>(10,436,801)</b>	<b>860,035</b>	<b>852,686</b>
Cash flows for the period:						
premiums received (or paid for reinsurance contracts held)	2,985,072	-	1,302,396	-	-	4,287,468
claims and other insurance service expenses paid (or recovered for reinsurance contracts held), excluding insurance acquisition cash flows;	(1,886,462)	-	-	(875,579)	-	(2,762,041)
insurance acquisition cash flows	-	-	(211,674)	-	-	(211,674)
<b>Total cash flows</b>	<b>1,098,610</b>	-	<b>1,090,722</b>	<b>(875,579)</b>	-	<b>1,313,753</b>
<b>Insurance contract liabilities as at 31 December 2025</b>	<b>1,040,231</b>	<b>39,777,784</b>	<b>320,568</b>	<b>13,296,564</b>	<b>1,535,677</b>	<b>55,970,824</b>
<b>Insurance contract assets as at 31 December 2025</b>	<b>(4,829)</b>	-	<b>(1,255,860)</b>	-	-	<b>(1,260,689)</b>

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	Liability for Remaining Coverage (LRC) under GMM		Liability for Remaining Coverage (LRC) under PAA	Liability for Incurred Claims (LIC) under GMM	Liability for Incurred Claims (LIC) under PAA		Total
	Excluding loss component	Loss component	Present value of future cash flows		Present value of future cash flows		
<b>Insurance contract liabilities as at 1 January 2024</b>	<b>4,828,392</b>	<b>10,485,420</b>	<b>335,131</b>	<b>18,488,673</b>	<b>275,780</b>	<b>34,413,396</b>	
<b>Insurance contract assets as at 1 January 2024</b>	<b>(56,622)</b>	-	<b>(146,200)</b>	-	-	<b>(202,822)</b>	
<b>Insurance revenue:</b>	<b>(5,775,106)</b>	-	<b>(1,010,446)</b>	-	-	<b>(6,785,552)</b>	
<b>Insurance service expenses:</b>							
incurred claims and other incurred insurance service expenses;	994,264	-	-	7,840,572	672,402	9,507,238	
amortization of insurance acquisition cash flows changes that relate to past service	-	-	-	-	-	-	
Losses on groups of onerous contracts and reversals of such losses	-	-	-	(7,256,551)	(502,443)	(7,758,994)	
	-	9,338,871	-	-	-	9,338,871	
<b>Total insurance service expenses</b>	<b>994,264</b>	<b>9,338,871</b>	<b>-</b>	<b>584,021</b>	<b>169,959</b>	<b>11,087,114</b>	
<b>Insurance service result</b>	<b>(4,780,842)</b>	<b>9,338,871</b>	<b>(1,010,446)</b>	<b>584,021</b>	<b>169,959</b>	<b>4,301,563</b>	
Insurance finance income or expenses from insurance contracts issued	384,825	2,298,667	-	-	-	2,683,492	
<b>Total amounts recognized in comprehensive income</b>	<b>(4,396,017)</b>	<b>11,637,538</b>	<b>(1,010,446)</b>	<b>584,021</b>	<b>169,959</b>	<b>6,985,055</b>	
Cash flows for the period:							
premiums received (or paid for reinsurance contracts held)	5,668,673	-	1,267,246	-	-	6,935,919	
claims and other insurance service expenses paid (or recovered for reinsurance contracts held), excluding insurance acquisition cash flows;	(994,264)	-	-	5,536,250	229,904	4,771,890	
<b>Total cash flows</b>	<b>4,674,409</b>	<b>-</b>	<b>1,267,246</b>	<b>5,536,250</b>	<b>229,904</b>	<b>11,707,809</b>	
<b>Insurance contract liabilities as at 31 December 2024</b>	<b>5,050,162</b>	<b>22,122,958</b>	<b>265,860</b>	<b>24,608,944</b>	<b>675,643</b>	<b>52,723,567</b>	
<b>Insurance contract assets as at 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>(179,871)</b>	<b>-</b>	<b>-</b>	<b>(179,871)</b>	

As at 31 December 2025, total insurance contract liabilities amounted to KZT 55,970,824 thousand, representing an increase of KZT 3,247,257 thousand compared to KZT 52,723,567 thousand as at 31 December 2024. This increase was mainly driven by the growth in liabilities for remaining coverage under the General Measurement Model (GMM), which rose from KZT 27,173,120 thousand to KZT 40,818,015 thousand. At the same time, liabilities for incurred claims under the GMM decreased from KZT 24,608,944 thousand to KZT 13,296,564 thousand, primarily due to the remeasurement of expected cash outflows and the reversal of losses on onerous contracts in the amount of KZT 14,700,547 thousand.

Reconciliation of insurance contract measurement components at the beginning and end of the reporting period. Insurance contract liabilities measured under the Premium Allocation Approach (PAA) are excluded from this reconciliation.

<b>2025</b>	<b>Estimate of the present value of future cash flows</b>	<b>Risk adjustment for non-financial risk</b>	<b>Contractual service margin (CSM)</b>	<b>Liability for incurred claims (LIC) under GMM</b>	<b>Total</b>
Insurance contract liabilities at the beginning of the period	17,104,128	9,380,951	688,041	24,608,944	51,782,064
Insurance contract assets at the beginning of the period	-	-	-	-	-
<b>Total as at 1 January 2025</b>	<b>17,104,128</b>	<b>9,380,951</b>	<b>688,041</b>	<b>24,608,944</b>	<b>51,782,064</b>
<b>Changes that relate to current service:</b>					
CSM recognized in profit or loss for the services provided	-	-	(832,655)	-	(832,655)
change in risk adjustment for non-financial risk for the risk expired	-	(8,839,233)	-	-	(8,839,233)
experience adjustments	(17,104,784)	-	-	-	(17,104,784)
	<b>(17,104,784)</b>	<b>(8,839,233)</b>	<b>(832,655)</b>	<b>-</b>	<b>(26,776,672)</b>
<b>Changes that relate to future service:</b>					
changes in estimates that adjust the CSM	(151,197)	(62,279)	213,476	-	-
losses on groups of onerous contracts and reversals of such losses	21,502,694	8,857,170	-	-	30,359,864
contracts initially recognized during the period	4,565,231	2,580,738	-	-	7,145,969
	<b>25,916,728</b>	<b>11,375,629</b>	<b>213,476</b>	<b>-</b>	<b>37,505,833</b>
<b>Changes that relate to past service:</b>					
changes in fulfilment cash flows relating to incurred claims	-	-	-	(10,436,801)	(10,436,801)
Insurance service result	<b>8,811,944</b>	<b>2,536,396</b>	<b>(619,179)</b>	<b>(10,436,801)</b>	<b>292,360</b>
Insurance finance income or expenses from insurance contracts issued	1,105,788	664,785	41,722	-	1,812,295
<b>Total amounts recognized in comprehensive income</b>	<b>9,917,732</b>	<b>3,201,181</b>	<b>(577,457)</b>	<b>(10,436,801)</b>	<b>2,104,655</b>
<b>Cash flows for the period:</b>					
premiums received (or paid for reinsurance contracts held)	2,985,072	-	-	-	2,985,072
claims and other insurance service expenses paid (or recovered for reinsurance contracts held), excluding insurance acquisition cash flows	(1,886,462)	-	-	(875,579)	(2,762,041)
<b>Total cash flows</b>	<b>1,098,610</b>	<b>-</b>	<b>-</b>	<b>(875,579)</b>	<b>223,031</b>
<b>Total as at 31 December 2025</b>	<b>28,120,470</b>	<b>12,582,132</b>	<b>110,584</b>	<b>13,296,564</b>	<b>54,109,750</b>
Insurance contract liabilities at the end of the period	28,238,041	12,568,541	11,433	13,296,564	54,114,579
Insurance contract assets at the end of the period	(117,571)	13,591	99,151	-	(4,829)
<b>Total as at 31 December 2025</b>	<b>28,120,470</b>	<b>12,582,132</b>	<b>110,584</b>	<b>13,296,564</b>	<b>54,109,750</b>

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Notes to the Financial Statements for the year ended 31 December 2025

<b>2024</b>	<b>Estimate of the present value of future cash flows</b>	<b>Risk adjustment for non-financial risk</b>	<b>Contractual service margin (CSM)</b>	<b>Liability for incurred claims (LIC) under GMM</b>	<b>Total</b>
Insurance contract liabilities at the beginning of the period	9,515,624	5,187,186	611,002	18,488,673	33,802,485
Insurance contract assets at the beginning of the period	(880,118)	428,066	395,430	-	(56,622)
<b>Total as at 1 January 2024</b>	<b>8,635,506</b>	<b>5,615,252</b>	<b>1,006,432</b>	<b>18,488,673</b>	<b>33,745,863</b>
<b>Changes that relate to current service:</b>					
CSM recognized in profit or loss for the services provided	-	-	(1,907,043)	-	(1,907,043)
change in risk adjustment for non-financial risk for the risk expired	-	(3,947,656)	-	-	(3,947,656)
experience adjustments	(7,671,994)	-	-	-	(7,671,994)
	<b>(7,671,994)</b>	<b>(3,947,656)</b>	<b>(1,907,043)</b>	<b>-</b>	<b>(13,526,693)</b>
<b>Changes that relate to future service:</b>					
changes in estimates that adjust the CSM	(654,343)	(429,518)	1,083,861	-	-
losses on groups of onerous contracts and reversals of such losses	8,616,305	5,655,840	-	-	14,272,145
contracts initially recognized during the period	1,906,052	1,581,683	324,841	-	3,812,576
	<b>9,868,014</b>	<b>6,808,005</b>	<b>1,408,702</b>	<b>-</b>	<b>18,084,721</b>
<b>Changes that relate to past service:</b>					
changes in fulfilment cash flows relating to incurred claims	-	-	-	584,021	584,021
Insurance service result	<b>2,196,020</b>	<b>2,860,349</b>	<b>(498,340)</b>	<b>584,021</b>	<b>5,142,050</b>
Insurance finance income or expenses from insurance contracts issued	1,598,192	905,350	179,949	-	2,683,491
<b>Total amounts recognized in comprehensive income</b>	<b>3,794,212</b>	<b>3,765,699</b>	<b>(318,391)</b>	<b>584,021</b>	<b>7,825,541</b>
<b>Cash flows for the period:</b>					
premiums received (or paid for reinsurance contracts held)	5,668,672	-	-	-	5,668,672
claims and other insurance service expenses paid (or recovered for reinsurance contracts held), excluding insurance acquisition cash flows	(994,264)	-	-	5,536,250	4,541,986
<b>Total cash flows</b>	<b>4,674,408</b>	<b>-</b>	<b>-</b>	<b>5,536,250</b>	<b>10,210,659</b>
<b>Total as at 31 December 2024</b>	<b>17,104,126</b>	<b>9,380,951</b>	<b>688,041</b>	<b>24,608,944</b>	<b>51,782,062</b>
Insurance contract liabilities at the end of the period	17,104,126	9,380,951	688,041	24,608,944	51,782,062
Insurance contract assets at the end of the period	-	-	-	-	-
<b>Total as at 31 December 2024</b>	<b>17,104,126</b>	<b>9,380,951</b>	<b>688,041</b>	<b>24,608,944</b>	<b>51,782,062</b>

Reconciliation of LRC and LIC for reinsurance contracts held under GMM and PAA as at 31 December 2025 and 31 December 2024:

	Asset for Remaining Coverage (ARC) under PAA		Asset for Incurred Claims (AIC) under PAA		Total
	Asset for Remaining Coverage (ARC) under GMM	Present value of future cash flows	Asset for Incurred Claims (AIC) under GMM	Present value of future cash flows	
Reinsurance contract liabilities as at 1 January 2025	-	(314,105)	-	-	(314,105)
Reinsurance contract assets as at 1 January 2025	1,324,145	35,068	-	29,138	1,388,351
<b>Net (expenses)/income from reinsurance contracts held</b>	<b>(1,117,865)</b>	<b>(720,994)</b>	<b>-</b>	<b>555,339</b>	<b>(1,343,520)</b>
Finance income from reinsurance contracts held	86,787	-	-	-	86,787
<b>Total amounts recognized in comprehensive income</b>	<b>(1,091,078)</b>	<b>(720,994)</b>	<b>-</b>	<b>555,339</b>	<b>(1,256,733)</b>
Cash flows for the period:					
premiums paid for reinsurance contracts held	598,159	520,977	-	-	1,119,136
insurance acquisition cash flows	-	-	-	-	-
<b>Total cash flows</b>	<b>598,159</b>	<b>520,977</b>	<b>-</b>	<b>-</b>	<b>1,119,136</b>
Reinsurance contract liabilities as at 31 December 2025	(120,624)	(506,191)	-	-	(626,815)
Reinsurance contract assets as at 31 December 2025	951,850	27,137	-	584,477	1,563,464

  

	Asset for Remaining Coverage (ARC) under PAA		Asset for Incurred Claims (AIC) under PAA		Total
	Asset for Remaining Coverage (ARC) under GMM	Present value of future cash flows	Asset for Incurred Claims (AIC) under GMM	Present value of future cash flows	
Reinsurance contract liabilities as at 1 January 2025	-	(65,573)	-	-	(65,573)
Reinsurance contract assets as at 1 January 2025	877,480	33,505	-	-	910,985
<b>Net (expenses) from reinsurance contracts held</b>	<b>(267,943)</b>	<b>(293,878)</b>	<b>-</b>	<b>-</b>	<b>(561,821)</b>
Finance income from reinsurance contracts held	110,958	-	-	-	110,958
<b>Total amounts recognized in comprehensive income</b>	<b>(156,985)</b>	<b>(293,878)</b>	<b>-</b>	<b>-</b>	<b>(450,863)</b>
Cash flows for the period:					
premiums paid for reinsurance contracts held	603,650	46,909	-	29,138	679,697
insurance acquisition cash flows	-	-	-	-	-
<b>Total cash flows</b>	<b>603,650</b>	<b>46,909</b>	<b>-</b>	<b>29,138</b>	<b>679,697</b>
Reinsurance contract liabilities as at 31 December 2025	-	(314,105)	-	-	(314,105)
Reinsurance contract assets as at 31 December 2025	1,324,145	35,068	-	29,138	1,388,351

Information on Onerous and Non-Onerous Contracts

	31 December 2025				31 December 2024			
	Non-onerous contracts acquired	Non-onerous contracts issued	Onerous contracts issued	Total	Non-onerous contracts acquired	Non-onerous contracts issued	Onerous contracts issued	Total
<b>Insurance contracts issued</b>								
<b>Estimates of the present value of future cash outflows</b>								
Claims and other directly attributable expenses	-	-	6,528,830	6,528,830	-	102,312	4,335,075	4,437,387
<b>Total present value of future cash outflows</b>	<b>-</b>	<b>-</b>	<b>6,528,830</b>	<b>6,528,830</b>	<b>-</b>	<b>102,312</b>	<b>4,335,075</b>	<b>4,437,387</b>
Estimates of the present value of future cash inflows	-	-	(1,963,599)	(1,963,599)	-	(458,404)	(2,072,931)	(2,531,335)
Risk adjustment for non-financial risk	-	-	2,580,738	2,580,738	-	31,251	1,550,432	1,581,683
CSM	-	-	-	-	-	324,841	-	324,841
<b>Increase in insurance contract liabilities from contracts recognized in the reporting period</b>	<b>-</b>	<b>-</b>	<b>7,145,969</b>	<b>7,145,969</b>	<b>-</b>	<b>-</b>	<b>3,812,576</b>	<b>3,812,576</b>

## 17. Equity

### (a) Share capital

KZT'000	Ordinary shares 2025	Ordinary shares 2024
<b>Authorised share capital (ordinary shares)</b>	<b>92,000</b>	<b>92,000</b>
<b>Issued and outstanding (ordinary shares)</b>	<b>91,460</b>	<b>91,440</b>
Number of shares	87,300	87,300
Nominal value, KZT'000	266	266
Number of shares	2,780	2,780
Nominal value, KZT'000	5,000	5,000
Number of shares	1,360	1,360
Nominal value, KZT'000	50,000	50,000
Number of shares	20	-
Nominal value, KZT'000	1,000,000	-
<b>Issued and fully paid, KZT'000</b>	<b>125,100,000</b>	<b>105,100,000</b>

Pursuant to the resolution of the Board of Directors dated 29 July 2025 (Minutes No. 12), a decision was made to issue 50 ordinary shares for a total amount of KZT 50,000,000 thousand to support перспективные export-oriented projects of Kazakhstani producers of non-commodity goods and service providers. As at 31 December 2025, 20 ordinary shares had been actually placed in the total amount of KZT 20,000,000 thousand.

### (b) Capital Management

In accordance with the Rules for the formation of the risk management and internal control system, as well as the formation of reserves and performance of actuarial calculations for the Export Credit Agency of Kazakhstan, approved by Order of the Minister of Trade and Integration of the Republic of Kazakhstan No. 160-НҚ dated 29 March 2024, paragraph 10: to monitor financial stability, the Agency calculates the capital adequacy ratio on a monthly basis.

The capital adequacy ratio is calculated as the ratio of the Agency's equity to the Agency's liabilities and shall be at least two units.

KZT'000	2025 KZT'000	2024 KZT'000
Equity	149,761,662	125,425,051
Liabilities	58,100,755	53,816,321
<b>Capital adequacy ratio</b>	<b>2,58</b>	<b>2,33</b>

### (c) Dividends

In accordance with the legislation of the Republic of Kazakhstan, the right of the Agency's shareholders to distribute dividends is limited to the amount of retained earnings reflected in the Agency's financial statements prepared in accordance with IFRS, or the amount of net profit for the current year in case of accumulated losses, provided that the distribution of net income does not result in the insolvency or bankruptcy of the Agency, or if the Agency's equity becomes negative as a result of such distribution.

During the year ended 31 December 2025, dividends were declared and paid in the amount of KZT 6,173,426 thousand, or KZT 67,513.41 per share for 91,440 shares (2024: KZT 3,467,719 thousand, or KZT 37,923.44 per share for 91,440 shares).

### (d) Contingency Reserve

The contingency reserve is formed to cover potential future risks related to insurance claim payments and loss adjustment expenses in the event of insufficiency of the unearned premium reserve (UPR) calculated under IFRS 4 methodology. This reserve is formed on a monthly basis if the sum of net insurance claims, loss adjustment expenses, and changes in the loss reserve (net of reinsurer's share) exceeds 105% of the difference between net insurance premiums and changes in the UPR (net of reinsurer's share), and if the volume of net insurance premiums under active insurance contracts for the given line of business is at least 5% of the total net insurance premiums as at the reporting date.

As at 31 December 2025, the share of net written premiums under active contracts by lines of business remained practically unchanged compared to the previous reporting date, with changes for each line within 1%. However, in absolute terms, net written premiums under active contracts decreased from KZT 22,883,853 thousand in 2024 to KZT 15,394,760 thousand in 2025. There was also a decrease in the UPR (net of reinsurer's share) by KZT 3,563,315 thousand. Furthermore, the change in loss reserves (net of reinsurer's share) amounted to KZT -36,531 thousand.

As at 31 December 2025, the contingency reserve was nil. This is due to the fact that as at the reporting date, the sum of net insurance claims, loss adjustment expenses, and changes in the loss reserve (net of reinsurer's share) combined with the difference between net insurance premiums and changes in the UPR (net of reinsurer's share) did not exceed 105% for loans and other financial loss insurance. Additionally, for the "Financial Institutions' Losses" line of business, the share of net premium was less than 5% of the total premium. Consequently, no contingency reserve was formed for any lines of business.

**(e) Stabilization Reserve**

The stabilization reserve is an estimate of the company's liabilities related to future insurance payments. The stabilization reserve is calculated separately for each line of business based on the results of the completed financial year; it is formed at the beginning of the current financial year and remains unchanged until the end of that year. In 2025, the stabilization reserve amounted to KZT 4,377,215 thousand, representing a slight increase compared to 2024, when the reserve was KZT 4,123,978 thousand. This increase was driven by a rise in the stabilization reserve for loans by KZT 131,051 thousand, as well as the formation of a stabilization reserve for other financial loss insurance in the amount of KZT 122,186 thousand. In the stabilization reserve calculations for loan insurance as at 31 December 2025, the loss ratio was 140% lower than the average loss ratio for the last 5 years, which is a significant deviation from previous values. Other financial loss insurance also showed a significant deviation from the average loss level, with the indicator reaching 126%.

According to the stabilization reserve calculation methodology, the reserve amount was formed for each line of business as the stabilization reserve for the previous year minus the product of the deviation from the average loss level and the net earned premium for 2024. It is important to note that the stabilization reserve for each line of business must not exceed 10% of the net insurance reserves (net of reinsurer's share) as at the reporting date.

## **18. Risk Disclosures**

Risk management is at the core of the Agency's activities and is a fundamental element of its operations. Market risk, credit risk, and liquidity risk are the primary risks the Agency faces in the course of its business.

**(a) Risk Management Policy and Procedures**

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

The Board of Directors makes decisions on matters relating to the organization and effective functioning of the internal control and risk management system, including the approval of approaches to managing key risks, the endorsement of relevant policies and procedures, as well as the approval of major transactions.

The Management Board is responsible for monitoring and implementing risk mitigation measures and ensuring that the Agency operates within established risk limits. The Risk Management Department is responsible for the overall coordination of the risk management system, as well as for monitoring the application of general principles and methodologies for the identification, assessment, management, and reporting of both financial and non-financial risks.

Both external and internal risk factors are identified and managed within the organization. Particular emphasis is placed on identifying the full range of risk factors and determining the adequacy of current risk mitigation procedures.

In addition to standard credit and market risk analysis, the Risk Management Department monitors financial and non-financial risks through regular meetings with operational units to obtain expert assessments in specific areas.

**(b) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will adversely affect the Agency's profit or the value of its financial instruments. Market risk consists of currency risk, interest rate risk, yield curve risk, and other market risks. Market risk arises from open positions in interest rate, currency, and equity financial instruments, which are subject to general and specific market movements and changes in the level of volatility of market prices and foreign exchange rates.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing the return on the risk taken.

The Agency manages market risk by setting open position limits regarding the portfolio size for individual financial instruments, interest rate repricing periods, currency positions, and loss limits, as well as by conducting regular monitoring of compliance with these limits.

Management of interest rate risk, which is a component of market risk, is performed by monitoring interest rate gaps and is supplemented by procedures for monitoring the sensitivity of the Agency's net interest margin to various standard and non-standard interest rate change scenarios

**(i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Such fluctuations may increase the interest margin, but they may also reduce it or lead to losses in the event of unexpected interest rate movements.

Interest rate risk arises when existing or projected assets with a specific maturity are greater or less than existing or projected liabilities with a similar maturity.

Interest rate risk is managed primarily by monitoring changes in interest rates. The repricing periods for investment securities measured at fair value through other comprehensive income, with a carrying amount of KZT 3,646,005 thousand (31 December 2024: KZT 3,829,919 thousand), will occur within a period of up to 6 months (31 December 2024: up to 6 months).

The sensitivity analysis of the Agency's net profit for the year and equity resulting from changes in the fair value of investment securities measured at fair value through other comprehensive income to changes in interest rates (based on positions as at 31 December 2025 and 31 December 2024, and a simplified scenario of a parallel 100 basis points shift in yield curves) is presented as follows:

	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>Profit or loss</b>	<b>Equity</b>	<b>Profit or loss</b>	<b>Equity</b>
100 basis points parallel increase	(89,343)	(624,043)	(144,267)	(919,125)
100 basis points parallel decrease	91,490	644,036	148,056	955,903

**(ii) Currency Risk**

The Agency has assets and liabilities denominated in several foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The currency structure of financial assets and liabilities as at 31 December 2025 is presented as follows:

<b>KZT'000</b>	<b>KZT</b>	<b>USD</b>	<b>RUB</b>	<b>Others</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	57,435,765	18,786	-	-	57,454,551
Deposits in banks	63,391,573	25,968,715	-	-	89,360,288
Investment securities measured at:					
- fair value through other comprehensive income (FVOCI)	43,033,845	-	-	292,361	43,326,206
- fair value through profit or loss (FVTPL)	-	-	-	-	-
- amortised cost	1,530,614	5,659,935	-	-	7,190,549
Insurance contract assets	1,260,689	-	-	-	1,260,689
Reinsurance contract assets	1,563,464	-	-	-	1,563,464
<b>Total assets</b>	<b>168,215,950</b>	<b>31,647,436</b>	<b>-</b>	<b>292,361</b>	<b>200,155,747</b>
<b>Liabilities</b>					
Insurance contract liabilities	(55,970,823)	-	-	-	(55,970,823)
Reinsurance contract liabilities	(626,815)	-	-	-	(626,815)
Other liabilities	(840,035)	(26,540)	(269)	-	(866,844)
<b>Total liabilities</b>	<b>(57,437,673)</b>	<b>(26,540)</b>	<b>(269)</b>	<b>-</b>	<b>(57,464,482)</b>
<b>Net position as at 31 December 2025</b>	<b>110,778,277</b>	<b>31,620,896</b>	<b>(269)</b>	<b>292,361</b>	<b>142,691,265</b>

The currency structure of financial assets and liabilities as at 31 December 2024 is presented as follows:

<b>KZT'000</b>	<b>KZT</b>	<b>USD</b>	<b>RUB</b>	<b>Others</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	79,339,105	2,189,880	4,196	-	81,533,181
Deposits in banks	13,322,149	18,680,985	-	-	32,003,134
Investment securities measured at:					
- fair value through other comprehensive income (FVOCI)	45,527,736	-	-	290,348	45,818,084
- amortised cost	10,138,749	5,935,332	-	-	16,074,081
Insurance contract assets	179,871	-	-	-	179,871
Reinsurance contract assets	1,388,351	-	-	-	1,388,351
<b>Total assets</b>	<b>149,895,961</b>	<b>26,806,197</b>	<b>4,196</b>	<b>290,348</b>	<b>176,996,702</b>
<b>Liabilities</b>					
Insurance contract liabilities	(52,722,522)	-	(1,045)	-	(52,723,567)
Reinsurance contract liabilities	(314,105)	-	-	-	(314,105)
Other liabilities	(321,365)	(26,256)	-	-	(347,621)
<b>Total liabilities</b>	<b>(53,357,992)</b>	<b>(26,256)</b>	<b>(1,045)</b>	<b>-</b>	<b>(53,385,293)</b>
<b>Net position as at 31 December 2024</b>	<b>96,537,969</b>	<b>26,779,941</b>	<b>3,151</b>	<b>290,348</b>	<b>123,611,409</b>

A weakening of the Kazakhstani tenge, as indicated in the table below, against the following currencies as at 31 December 2025 and 31 December 2024 would have caused the increase (decrease) in equity and profit or loss described below. This analysis is based on foreign exchange rate changes that the Agency considers to be reasonably possible as at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

<b>KZT'000</b>	<b>2025</b>	<b>2024</b>
20% appreciation of USD (2024: 30%)	6,324,179	8,033,983
20% appreciation of RUB (2024: 30%)	(54)	945
10% appreciation of other currencies (2024: 10%)	29,236	29,035

An appreciation of the Kazakhstani tenge against the aforementioned currencies as at 31 December 2025 and 31 December 2024 would have had an equal but opposite effect, provided that all other variables remain constant.

**(c) Credit Risk**

Credit risk is the risk of financial loss resulting from a borrower's or counterparty's failure to meet its obligations to the Agency. The Agency manages credit risk (for both recognized financial assets and unrecognized contractual commitments) through the application of approved policies and procedures, which include requirements for establishing and complying with credit risk concentration limits. The regulations for financial asset and liability management are reviewed and approved by the Management Board.

The Agency continuously monitors the status of individual counterparties and regularly reassesses their creditworthiness. In addition to analyzing individual borrowers, the Risk Management Department evaluates the investment portfolio as a whole in relation to the concentration of cash placements and market risks.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and the amount of unrecognized contractual commitments. The possibility of offsetting assets and liabilities is not significant for mitigating potential credit risk.

The maximum exposure to on-balance sheet credit risk as at the reporting date is presented as follows:

	<b>2025</b>	<b>2024</b>
	<b>KZT'000</b>	<b>KZT'000</b>
<b>ASSETS</b>		
Cash and cash equivalents	57,454,551	81,533,181
Deposits in banks	89,360,288	32,003,134
Investment securities:		
- fair value through other comprehensive income (FVOCI)	43,326,206	45,818,084
- amortised cost	7,190,549	16,074,081
Insurance contract assets	1,260,689	179,871
Reinsurance contract assets	1,563,464	1,388,351
<b>Total maximum exposure to credit risk</b>	<b>200,155,747</b>	<b>176,996,702</b>

As at 31 December 2025, the Agency had five counterparties (31 December 2024: three counterparties), the credit risk exposure to which exceeds 10% of the maximum exposure to credit risk. The credit risk exposure to these clients as at 31 December 2025 amounted to KZT 136,525,023 thousand (31 December 2024: KZT 114,398,854 thousand).

**(d) Liquidity Risk**

Liquidity risk is the risk that the Agency will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from the mismatch in the maturities of assets and liabilities. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity risk management. Due to the diversity of operations and the uncertainty associated with them, the exact matching of maturities of assets and liabilities is not common practice for financial institutions; while this provides an opportunity to increase the profitability of operations, it also increases the risk of loss.

The Agency mitigates this risk by regularly assessing gaps between liquidity and maturities.

The following information presents the contractual maturities of financial liabilities as at 31 December 2025, excluding reinsurance contract assets and insurance contract liabilities:

<b>KZT'000</b>	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Financial assets</b>						
Cash and cash equivalents	26,896,558	30,557,993	-	-	-	57,454,551
Deposits in banks	16,166,127	9,117,017	60,636,278	3,440,866	-	89,360,288
Investment securities:						
- fair value through other comprehensive income (FVOCI)	-	2,143,012	1,909,635	38,934,272	339,287	43,326,206
- amortised cost	-	436,473	-	6,754,076	-	7,190,549
<b>Total financial assets as at 31 December 2025</b>	<b>43,062,685</b>	<b>42,254,495</b>	<b>62,545,913</b>	<b>49,129,214</b>	<b>339,287</b>	<b>197,331,594</b>
<b>Financial liabilities</b>						
Other financial liabilities	-	-	(866,844)	-	-	(866,844)
<b>Total financial liabilities as at 31 December 2025</b>	<b>-</b>	<b>-</b>	<b>(866,844)</b>	<b>-</b>	<b>-</b>	<b>(866,844)</b>

The following information presents the contractual maturities of financial liabilities as at 31 December 2024.

<b>KZT'000</b>	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Financial assets</b>						
Cash and cash equivalents	54,456,017	27,077,164	-	-	-	81,533,181
Deposits in banks	275,228	454,635	25,785,703	6,125,530	-	32,641,096
Investment securities:						
- fair value through other comprehensive income (FVOCI)	-	-	-	45,473,127	344,957	45,818,084
- amortised cost	-	-	10,138,750	6,015,928	-	16,154,678
<b>Total financial assets as at 31 December 2024</b>	<b>54,731,245</b>	<b>27,531,799</b>	<b>35,924,453</b>	<b>57,614,585</b>	<b>344,957</b>	<b>176,147,039</b>
<b>Financial liabilities</b>						
Other financial liabilities	-	-	(347,621)	-	-	(347,621)
<b>Total financial liabilities as at 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>(347,621)</b>	<b>-</b>	<b>-</b>	<b>(347,621)</b>

**(e) Additional Actuarial Disclosures.**

Measurement of the present value of future contractual cash flows as at 31 December 2025

<b>31 December 2025</b>	<b>Measurement of the present value of future contractual cash flows</b>						<b>Total as at 31</b>
	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>Over 5 years</b>	<b>December 2025</b>
Reinsurance contract assets	572,402	203,647	273,140	-	-	129,576	<b>1,178,765</b>
Insurance contract liabilities	(18,153,407)	(3,552,711)	(2,793,696)	-	-	(13,353,387)	<b>(37,853,201)</b>

\* - Amounts are presented including the time value of money. Discounting is applied based on the simplification that cash flows occur in the middle of the period

Measurement of the present value of future contractual cash flows as at 31 December 2024

<b>31 December 2024</b>	<b>Measurement of the present value of future contractual cash flows</b>						<b>Total as at 31</b>
	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>Over 5 years</b>	<b>December 2024</b>
Reinsurance contract assets	667,189	558,827	12,130	-	-	-	1,238,146
Insurance contract liabilities	(29,640,534)	(8,013,424)	(4,881,770)	(1,939,744)	(793,592)	(557,592)	(45,826,656)

The analysis of net investment income and net finance expenses is presented below:

	<b>2025</b>	<b>2024</b>
<b>Insurance finance expenses from insurance contracts issued</b>		
Interest accreted	(3,092,956)	(2,528,492)
Effect of changes in the time value of money and other financial assumptions	1,280,661	(125,862)
	<b>(1,812,295)</b>	<b>(2,654,354)</b>
<b>Reinsurance finance income from reinsurance contracts held</b>		
Interest accreted	243,896	99,303
Effect of changes in the time value of money and other financial assumptions	(157,109)	11,655
	<b>86,787</b>	<b>110,958</b>
<b>Total net insurance finance expenses</b>	<b>(1,725,108)</b>	<b>(2,543,396)</b>

Sensitivity analysis of carrying amounts to changes in assumptions.

**31 December 2025**

<b>Change in assumption</b>	<b>Absolute effect of changes in assumptions on insurance contract liabilities</b>	<b>Relative effect of changes in assumptions on insurance contract liabilities</b>	<b>Absolute effect of changes in assumptions on insurance contract assets</b>	<b>Relative effect of changes in assumptions on insurance contract assets</b>
<b>Best estimate of ARC/LRC</b>	40,818,015	0,00%	(4,829)	0,00%
Counterparty probability of default (PD) +5%	1,631,374	4,00%	(1,661)	34,40%
Counterparty probability of default (PD) -5%	(1,645,427)	-4,03%	1,677	-34,72%
Loss given default (LGD) +5%	1,369,657	3,36%	0	0,00%
Loss given default (LGD) -5%	(2,012,495)	-4,93%	1,615	-33,45%
Administrative expenses +10%	76,942	0,19%	(227)	4,69%
Administrative expenses -10%	(67,152)	-0,16%	235	-4,86%
Claims settlement expenses +10%	17	0,00%	(2)	0,04%
Claims settlement expenses -10%	(17)	0,00%	2	-0,04%
Lapse rate +10%	(605,759)	-1,48%	(878)	18,18%
Lapse rate -10%	618,828	1,52%	877	-18,16%
Parallel shift in inflation rate +1%	8,898	0,02%	7	-0,14%
Parallel shift in inflation rate -1%	(8,712)	-0,02%	(7)	0,14%
Parallel shift in discount rate +1%	(221,333)	-0,54%	313	-6,49%
Parallel shift in discount rate -1%	225,867	0,55%	(322)	6,66%

**31 December 2024**

<b>Change in assumption</b>	<b>Absolute effect of changes in assumptions on insurance contract liabilities</b>	<b>Relative effect of changes in assumptions on insurance contract liabilities</b>
<b>Best estimate of ARC/LRC</b>	27,173,118	
Counterparty probability of default (PD) +5%	1,295,035	4,77%
Counterparty probability of default (PD) -5%	(1,302,934)	-4,79%
Loss given default (LGD) +5%	66,299	0,24%
Loss given default (LGD) -5%	(1,393,063)	-5,13%
Administrative expenses +10%	73,709	0,27%
Administrative expenses -10%	(72,705)	-0,27%
Claims settlement expenses +10%	1,018	0,00%
Claims settlement expenses -10%	(1,018)	0,00%
Lapse rate +10%	(415,242)	-1,53%
Lapse rate -10%	420,800	1,55%
Parallel shift in inflation rate +1%	8,903	0,03%
Parallel shift in inflation rate -1%	(8,782)	-0,03%
Parallel shift in discount rate +1%	(243,053)	-0,89%
Parallel shift in discount rate -1%	250,136	0,92%

Sensitivity analysis of the contractual service margin (CSM) to changes in assumptions

**31 December 2025**

**CSM**

<b>Change in assumption</b>	<b>Absolute effect of changes in assumptions, gross of reinsurance</b>	<b>Relative effect of changes in assumptions, gross of reinsurance</b>	<b>Absolute effect of changes in assumptions, net of reinsurance</b>	<b>Relative effect of changes in assumptions, net of reinsurance</b>
<b>Best estimate of CSM</b>	110,584	0,00%	(4,670,250)	0,00%
Counterparty probability of default (PD) +5%	(4,745)	-4,29%	(259,203)	5,55%
Counterparty probability of default (PD) -5%	4,786	4,33%	261,247	-5,59%
Loss given default (LGD) +5%	7	0,01%	(93,556)	2,00%
Loss given default (LGD) -5%	5,307	4,80%	277,351	-5,94%
Administrative expenses +10%	(7,316)	-6,62%	(26,244)	0,56%
Administrative expenses -10%	6,704	6,06%	24,578	-0,53%
Claims settlement expenses +10%	15	0,01%	65	0,00%
Claims settlement expenses -10%	(15)	-0,01%	(65)	0,00%
Lapse rate +10%	(11,063)	-10,00%	49,840	-1,07%
Lapse rate -10%	25,047	22,65%	(36,017)	0,77%
Parallel shift in inflation rate +1%	(559)	-0,51%	(1,942)	0,04%
Parallel shift in inflation rate -1%	554	0,50%	1,922	-0,04%
Parallel shift in discount rate +1%	3,183	2,88%	40,947	-0,88%
Parallel shift in discount rate -1%	(3,232)	-2,92%	(41,719)	0,89%

**31 December 2024**

**CSM**

<b>Change in assumption</b>	<b>Absolute effect of changes in assumptions, gross of reinsurance</b>	<b>Relative effect of changes in assumptions, gross of reinsurance</b>	<b>Absolute effect of changes in assumptions, net of reinsurance</b>	<b>Relative effect of changes in assumptions, net of reinsurance</b>
<b>Best estimate of CSM</b>	688,041		634,479	
Counterparty probability of default (PD) +5%	(4,270)	-0,62%	(3,814)	-0,60%
Counterparty probability of default (PD) -5%	7,333	1,07%	5,569	0,88%
Loss given default (LGD) +5%	8	0,00%	8	0,00%
Loss given default (LGD) -5%	5,889	0,86%	4,132	0,65%
Administrative expenses +10%	(4,632)	-0,67%	(4,104)	-0,65%
Administrative expenses -10%	5,636	0,82%	4,709	0,74%
Claims settlement expenses +10%	(94)	-0,01%	434	0,07%
Claims settlement expenses -10%	94	0,01%	86	0,01%
Lapse rate +10%	(10,120)	-1,47%	(10,112)	-1,59%
Lapse rate -10%	10,223	1,49%	10,215	1,61%
Parallel shift in inflation rate +1%	(833)	-0,12%	(797)	-0,13%
Parallel shift in inflation rate -1%	3,865	0,56%	772	0,12%
Parallel shift in discount rate +1%	(405)	-0,06%	(983)	-0,15%
Parallel shift in discount rate -1%	1,278	0,19%	1,636	0,26%

Sensitivity analysis of insurance service profit to changes in assumptions

**31 December 2025**

**Profit**

<b>Change in assumption</b>	<b>Absolute effect of changes in assumptions, gross of reinsurance</b>	<b>Relative effect of changes in assumptions, gross of reinsurance</b>	<b>Absolute effect of changes in assumptions, net of reinsurance</b>	<b>Relative effect of changes in assumptions, net of reinsurance</b>
<b>Profit</b>	(9,731,368)	0,00%	(9,648,840)	0,00%
Counterparty probability of default (PD) +5%	(330,831)	3,40%	(309,331)	3,21%
Counterparty probability of default (PD) -5%	336,934	-3,46%	315,944	-3,27%
Loss given default (LGD) +5%	(1,308,936)	13,45%	(1,296,531)	13,44%
Loss given default (LGD) -5%	614,030	-6,31%	601,427	-6,23%
Administrative expenses +10%	7,404	-0,08%	7,250	-0,08%
Administrative expenses -10%	(6,368)	0,07%	(6,638)	0,07%
Claims settlement expenses +10%	1,016	-0,01%	728	-0,01%
Claims settlement expenses -10%	(1,016)	0,01%	(728)	0,01%
Lapse rate +10%	192,803	-1,98%	189,499	-1,96%
Lapse rate -10%	(200,282)	2,06%	(197,427)	2,05%
Parallel shift in inflation rate +1%	19	0,00%	(278)	0,00%
Parallel shift in inflation rate -1%	(84)	0,00%	207	0,00%
Parallel shift in discount rate +1%	(22,349)	0,23%	(19,410)	0,20%
Parallel shift in discount rate -1%	24,890	-0,26%	21,814	-0,23%

**31 December 2024**

**Profit**

<b>Change in assumption</b>	<b>Absolute effect of changes in assumptions, gross of reinsurance</b>	<b>Relative effect of changes in assumptions, gross of reinsurance</b>	<b>Absolute effect of changes in assumptions, net of reinsurance</b>	<b>Relative effect of changes in assumptions, net of reinsurance</b>
<b>Profit</b>	(6,076,597)		(6,439,788)	
Counterparty probability of default (PD) +5%	(612,457)	10,08%	(302,372)	4,70%
Counterparty probability of default (PD) -5%	624,601	-10,28%	630,864	-9,80%
Loss given default (LGD) +5%	43,236	-0,71%	38,893	-0,60%
Loss given default (LGD) -5%	690,410	-11,36%	696,944	-10,82%
Administrative expenses +10%	(29,900)	0,49%	(27,757)	0,43%
Administrative expenses -10%	29,364	-0,48%	27,721	-0,43%
Claims settlement expenses +10%	(424)	0,01%	(424)	0,01%
Claims settlement expenses -10%	424	-0,01%	424	-0,01%
Lapse rate +10%	231,159	-3,80%	231,159	-3,59%
Lapse rate -10%	(232,389)	3,82%	(232,389)	3,61%
Parallel shift in inflation rate +1%	(3,222)	0,05%	(3,073)	0,05%
Parallel shift in inflation rate -1%	3,176	-0,05%	3,027	-0,05%
Parallel shift in discount rate +1%	80,768	-1,33%	85,190	-1,32%
Parallel shift in discount rate -1%	(82,145)	1,35%	(86,172)	1,34%

## **19. Contingencies**

### **(a) Legal proceedings**

In the ordinary course of business, the Agency is subject to various legal claims and litigation. The Agency's management believes that the ultimate liability, if any, arising from such legal proceedings will not have a material adverse effect on the Agency's future financial position or results of operations.

### **(b) Tax contingencies**

The taxation system in Kazakhstan, being relatively new, is characterized by frequent changes in legislation, official pronouncements, and court decisions, which are often unclearly drafted and contradictory, leading to ambiguous interpretations by various tax authorities, including opinions on the accounting treatment of income, expenses, and other financial statement items under IFRS. Compliance with tax regulations is subject to review and investigation by various regulatory authorities, which are empowered to impose significant fines and penalties. Tax periods remain open to review by the authorities for five subsequent calendar years; however, under certain circumstances, this period may be extended.

These circumstances may result in tax risks in Kazakhstan being significantly higher than in other countries. Based on its understanding of the applicable tax legislation, regulatory requirements, and court decisions, the Agency's management believes that tax liabilities are fully reflected. However, the interpretation of these provisions by the relevant authorities may differ, and if they succeed in asserting their position, it could have a significant impact on these financial statements.

To resolve taxation issues following its exit from regulation, the Agency, in cooperation with interested state bodies, initiated and implemented work to extend the corporate income tax and tax deduction procedures applied to insurance (reinsurance) organizations to the Agency.

On 15 July 2025, the President of the Republic of Kazakhstan signed the Law of the Republic of Kazakhstan "On Amendments and Additions to the Code of the Republic of Kazakhstan 'On Taxes and Other Obligatory Payments to the Budget' (Tax Code) and Laws of the Republic of Kazakhstan on Matters of its Enactment," which introduced amendments to the current Tax Code, including those of a retrospective nature.

Furthermore, on 18 July 2025, a new Tax Code of the Republic of Kazakhstan (Law of the RK No. 214-VIII) was signed, entering into force on 1 January 2026. These regulatory legal acts adopted amendments providing for the extension of corporate income tax provisions to the Agency by analogy with the norms applied to insurance (reinsurance) organizations.

As at the reporting date, the Agency's management believes that the application of corporate income tax and relevant tax deductions is regulatorily settled at the level of the tax legislation of the Republic of Kazakhstan effective as at 31 December 2025 and adopted from 1 January 2026.

It should be noted that the Agency is not registered for Value Added Tax (VAT), as according to the General Classifier of Economic Activities (OKED), the Agency's primary economic activity is: 65200 - Reinsurance, and its secondary activities are 65122 - Non-state property insurance and 6499 - Other financial intermediation, except insurance and pension funding, not elsewhere classified. According to the provisions of the Tax Code of the RK, turnovers from financial operations for insurance (reinsurance), as well as services of insurance brokers (insurance agents) related to the conclusion and execution of insurance (reinsurance) contracts, are exempt from Value Added Tax.

## **20. Financial Assets and Liabilities: Fair Value and Accounting Classifications**

Fair value measurement aims to determine 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, due to inherent uncertainties and the subjectivity of estimates, fair value should not be interpreted as the value realizable in an immediate sale of assets or settlement of liabilities.

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

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

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, and other valuation models. Assumptions and inputs used in valuations include risk-free and benchmark interest rates, credit spreads, and other adjustments used in estimating discount rates, equity and bond prices, foreign exchange rates, equity indices, and expected price volatilities and correlations.

Valuation techniques aim to determine a fair value that reflects the value of the financial instrument as at the reporting date that would have been determined by independent market participants.

### **(a) Fair Value Hierarchy**

The Agency measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Unobservable inputs. This category includes instruments valued using information not based on observable market data, where such unobservable inputs have a significant effect on the instrument's valuation.

This category includes instruments valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 31 December 2025 and 31 December 2024, the fair value of all financial instruments, except for other financial assets and other financial liabilities, was categorized within Level 2 of the fair value hierarchy.

**b) Accounting Classifications and Fair Value**

The following table presents the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2025:

<b>KZT thousand</b>	<b>Measured at amortised cost</b>	<b>Measured at fair value through other comprehensive income (FVOCI)</b>	<b>Measured at fair value through profit or loss (FVTPL)</b>	<b>Total carrying amount</b>	<b>Fair value</b>
Cash and cash equivalents	57,454,551	-	-	57,454,551	57,454,551
Deposits in banks	89,360,288	-	-	89,360,288	89,360,288
Investment securities measured at:					
- fair value through other comprehensive income (FVOCI)	-	43,326,206	-	43,326,206	43,326,206
- amortised cost	7,190,549	-	-	7,190,549	7,190,549
<b>Total assets</b>	<b>154,005,388</b>	<b>43,326,206</b>	<b>-</b>	<b>197,331,594</b>	<b>197,276,816</b>
Other financial liabilities	(866,844)	-	-	(866,844)	(866,844)
<b>Total financial liabilities</b>	<b>(866,844)</b>	<b>-</b>	<b>-</b>	<b>(866,844)</b>	<b>(866,844)</b>

The following table presents the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2024:

<b>KZT thousand</b>	<b>Measured at amortised cost</b>	<b>Measured at fair value through other comprehensive income (FVOCI)</b>	<b>Measured at fair value through profit or loss (FVTPL)</b>	<b>Total carrying amount</b>	<b>Fair value</b>
Cash and cash equivalents	81,533,180	-	-	81,533,180	81,533,180
Deposits in banks	32,003,135	-	-	32,003,135	32,003,135
Investment securities measured at:					
- fair value through other comprehensive income (FVOCI)	-	45,818,084	-	45,818,084	45,818,084
- amortised cost	16,074,081	-	-	16,074,081	16,074,081
<b>Total assets</b>	<b>129,610,396</b>	<b>45,818,084</b>	<b>-</b>	<b>175,428,480</b>	<b>175,428,580</b>
Other financial liabilities	(347,621)	-	-	(347,621)	(347,621)
<b>Total financial liabilities</b>	<b>(347,621)</b>	<b>-</b>	<b>-</b>	<b>(347,621)</b>	<b>(347,621)</b>

**(c) Impairment**

The Agency recognises an allowance for expected credit losses (ECL) on the following financial instruments:

- Financial assets measured at amortised cost (including cash and cash equivalents, bank accounts and deposits, and investment securities measured at amortised cost);
- Debt financial assets measured at fair value through other comprehensive income (FVOCI).

The Agency recognises loss allowances at an amount equal to lifetime ECL, except for the following instruments for which the amount of the allowance will be equal to 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments for which credit risk has not increased significantly since initial recognition.

The Agency considers a debt investment security to have low credit risk if its credit rating is equivalent to the globally understood definition of "investment grade".

12-month ECL are the portion of expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as "Stage 1" financial instruments.

Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Financial instruments (other than purchased or originated credit-impaired assets) for which lifetime ECL are recognised are referred to as "Stage 2" (if credit risk has increased significantly since initial recognition but the instrument is not credit-impaired) and "Stage 3" (if the financial instrument is credit-impaired) financial instruments.

***Significant increase in credit risk***

When assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Agency considers reasonable and supportable information that is relevant and available without undue cost or effort.

The assessment includes both quantitative and qualitative information, as well as analysis based on the Agency's historical experience, expert credit assessment, and forward-looking information.

The objective of the assessment is to identify whether there has been a significant increase in credit risk for an exposure by comparing:

- The probability of default (PD) over the remaining lifetime as at the reporting date; with
- The probability of default over the remaining lifetime estimated at the time of initial recognition of the exposure (adjusted, if appropriate, for changes in prepayment expectations).

***Determining whether credit risk has increased significantly***

The criteria for determining a significant increase in credit risk vary by portfolio and include both quantitative changes in PD and qualitative factors, including a "backstop" based on delinquency.

Based on expert credit assessment and, where possible, relevant historical experience, the Agency may conclude that a significant increase in credit risk has occurred if certain qualitative indicators point to this, the effect of which may not be fully identified in a timely manner through quantitative analysis.

The Agency considers that the credit risk on a particular exposure has increased significantly since initial recognition if there has been a decrease of two (or more) notches in the internal/external rating since initial recognition.

As a "backstop" indicating a significant increase in credit risk since initial recognition, the Agency considers a financial asset to be past due for more than 30 days. The number of days past due is determined by counting the number of days from the earliest date on which a full payment was not received.

***Credit risk grading (ratings)***

The Agency assigns each credit risk exposure a corresponding credit risk rating based on the external ratings of Standard & Poor's, Fitch Ratings, and Moody's Investors Service, which are used to forecast the risk of default.

Credit risk ratings are defined and calibrated such that the risk of default increases exponentially as the credit risk deteriorates. Each exposure is assigned to a specific credit risk rating at the date of initial recognition based on available information about the counterparty or issuer. Credit risk exposures are subject to ongoing monitoring, which includes an analysis of, among other things, the following data:

- Information obtained from the periodic analysis of counterparty information, such as audited financial statements;
- Data from credit rating agencies, press releases, and information on changes in external credit ratings;
- Actual and expected significant changes in the political, regulatory, and technological environment of the borrower's operations or its business activities;
- Payment information, including information on past due status;
- Current and forecast changes in financial, economic, and business conditions.

#### ***Credit-impaired financial assets***

At each reporting date, the Agency assesses whether financial assets carried at amortized cost and debt financial assets carried at fair value through other comprehensive income (FVOCI) are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Agency on terms that the Agency would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the counterparty's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In making an assessment of whether an investment in sovereign bonds (or other financial assets) where the state is the debtor is credit-impaired, the Agency considers the following factors:

- the market's assessment of creditworthiness as reflected in bond yields;
- creditworthiness assessments performed by rating agencies;
- the country's ability to access capital markets for new debt issuance;
- the probability of debt restructuring, resulting in holders incurring losses through voluntary or mandatory debt forgiveness;
- the availability of international support mechanisms to provide necessary backing to the country as a "lender of last resort," as well as the publicly stated intention of government bodies and agencies to utilize these mechanisms. This includes an evaluation of the effectiveness of such mechanisms and the capacity to meet required criteria regardless of political intent.

### ***Restructured financial assets***

If the terms of a financial asset are renegotiated or modified by agreement between the parties, or if an existing financial asset is replaced with a new one due to the borrower's financial difficulties, an assessment is made to determine whether the financial asset should be derecognized, and expected credit losses (ECL) are measured as follows:

- If the expected restructuring will not result in the derecognition of the existing asset, the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset;
- If the expected restructuring will result in the derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset, which are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

### ***Measurement of Expected Credit Losses***

Expected credit losses (ECL) are a probability-weighted estimate of credit losses. They are measured as follows:

- *For financial assets that are not credit-impaired at the reporting date:* as the present value of all expected cash shortfalls (i.e., the difference between the cash flows due to the Agency in accordance with the contract and the cash flows that the Agency expects to receive);
- *For financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows.

The main inputs for the measurement of ECL are the term structure of the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD).

These parameters are generally derived from studies by Standard & Poor's and Moody's. They are adjusted to reflect the forward-looking information provided below.

### ***Generating the Term Structure of PD***

Credit risk ratings are the primary inputs for generating the term structure of PD for credit risk exposures. The Agency collects data on debt service performance and default rates regarding credit risk exposures analyzed by credit risk rating. The Agency utilizes information obtained from external credit rating agencies.

The Agency analyzes the data obtained to estimate the PD over the remaining life of the credit risk exposures and the expectations of how they will change over time.

This analysis includes identifying and calibrating the relationship between changes in default levels and changes in key macroeconomic factors, as well as a detailed analysis of the impact of certain other factors on default risk. In Management's view, GDP growth is the key macroeconomic indicator for most risk exposures.

The Agency applies expert judgment in assessing forward-looking information. This assessment is based, among other things, on information from external sources. The Agency uses these forecasts to adjust PD estimates.

### ***Definition of "Default"***

The Agency considers a financial asset to be in default when:

- it is unlikely that the counterparty's credit obligations to the Agency will be repaid in full without recourse by the Agency to actions such as realizing collateral (if any); or
- the counterparty's debt to the Agency is more than 90 days past due;

- it becomes probable that the asset will be restructured due to the counterparty's bankruptcy resulting from its inability to meet its obligations.

In assessing whether a borrower is in default, the Agency considers quantitative factors, such as past due status and non-payment on other obligations to the Agency by the same issuer, as well as other information obtained from internal and external sources.

The inputs used to assess the occurrence of a default on a financial instrument and their significance may change over time to reflect changes in circumstances.

#### **Assessment of PD, LGD, and EAD**

Due to the lack of sufficient historical data to construct PD rates, external data from Moody's studies over a long period (e.g., average historical PD values for the period between 1984 and 2024) are used. PD rates are subject to recalculation as updated studies are published (typically annually).

If the credit quality rating of a counterparty or a credit risk exposure changes, this will result in a change in the assessment of the corresponding PD parameters. PD parameters are estimated taking into account the contractual maturities of credit risk exposures and expectations regarding prepayments.

The Agency assesses LGD based on the type of counterparty.

For Stage 3 positions or credit-impaired assets, the Agency performs an individual assessment. This individual assessment consists of an analysis of expected cash flows, which may be estimated considering the counterparty's operating cash flows.

For financial assets in Stage 1 and Stage 2, the following three LGD categories are considered:

- an LGD of near 0% if the counterparty is the Government;
- an LGD of 70% if the counterparty is a Kazakhstani bank; and
- for other counterparties, LGD is calculated based on Moody's recovery rate studies according to the counterparty's external rating. LGD rates are subject to recalculation as updated studies are published (typically annually).

Exposure at Default (EAD) is an estimate of the exposure to credit risk at the date of default. The Agency calculates this figure based on the current amount at the reporting date, taking into account expected changes in this amount under the contractual terms, including amortization. For a financial asset, EAD is the gross carrying amount. For securities, EAD is calculated based on the carrying amount of the position in Tenge, including the acquisition cost, current accrued interest, and discount/premium.

Examples of portfolios for which comparative information from external sources has been used as the basis for measuring expected credit losses (ECL) are presented below.

	Credit risk exposure as at		External Comparative Information	
	31 December 2025	31 December 2024	PD Metric	LGD Metric
<b>KZT'000</b>				
Cash and cash equivalents	57,454,551	81,533,180	S&P Global Default Statistics 2024	Moody's recovery statistics; for intra-Kazakhstan exposures, LGD is based on historical recovery rates from defaulted financial institutions.
Deposits in banks	89,360,288	32,003,135		
Investment securities at fair value through other comprehensive income (FVOCI)	43,326,206	45,818,084	Moody's Default Statistics 2024	
Investment securities at amortised cost	7,190,549	16,074,081		

#### **Presentation of Allowance for Expected Credit Losses in the Statement of Financial Position**

The allowance for expected credit losses (ECL) is presented in the statement of financial position as follows:

- *Financial assets measured at amortised cost*: as a reduction in the gross carrying amount of these assets;

- *Debt instruments measured at fair value through other comprehensive income (FVOCI):* no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and recognised within the fair value reserve.

**Write-offs**

Debt securities are written off (either partially or in full) when there are no reasonable expectations of recovery. This is generally the case when the Agency determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is performed on an individual asset basis.

Recoveries of amounts previously written off are included in the "impairment losses on debt financial assets" line item in the statement of profit or loss and other comprehensive income.

The Agency may continue enforcement activities with respect to written-off financial assets in accordance with its policy for the recovery of amounts due.

**(d) Foreign Currency Transactions**

Transactions in foreign currencies are translated into the Agency's functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rates at the date when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**21. Related Party Transactions**

**(a) Control Relationships**

The Agency's parent company is "Baiterek" National Management Holding JSC. The Agency's ultimate shareholder is the Government of the Republic of Kazakhstan.

The Agency's parent company produces financial statements that are available for public use.

**(b) Transactions with Key Management Personnel**

Total remuneration included in general and administrative expenses for the twelve months ended 31 December 2025 and 2024 is as follows:

<b>KZT'000</b>	<b>2025</b>	<b>2024</b>
Members of the Board of Directors	27,887	20,500
Members of the Management Board	283,329	254,729
	<b>311,216</b>	<b>275,229</b>

**(c) Transactions with Other Related Parties**

In the first half of the year, an insurance claim payment of KZT 639,797 thousand was made under a loan insurance contract to a beneficiary that is a member of the Baiterek Group.

Other related parties include companies that are not part of the Baiterek Group.

The state guarantee from the Government of the Republic of Kazakhstan received by the Agency increases the volume of insurance liabilities assumed without requiring additional capital injections into the Agency. In December 2025, an Agreement on the provision of a state guarantee of the Republic of Kazakhstan for export support in the amount of KZT 200,000,000 thousand with a 10-year term was concluded between the Ministry of Finance of the Republic of Kazakhstan, Export Credit Agency of Kazakhstan JSC, and Problem Loans Fund JSC (formerly "Rehabilitation and Asset Management Company") to secure obligations related to the settlement of insurance claim liabilities.

As of 31 December 2025, the total amount of state guarantees received is KZT 741,400,000 thousand (31 December 2024: KZT 541,400,000 thousand). As at 31 December 2025, the amount of state duty recognized within “Prepayments” (prepaid expenses) amounted to KZT 1,085,507 thousand (31 December 2024: KZT 794,445 thousand).

As at 31 December 2025, balances on transactions with other related parties were as follows:

KZT'000	Parent Company	Subsidiaries of the same group	Other entities, including state- affiliated entities	Total
<b>Assets</b>				
Deposits in banks	-	23,428,405	-	23,428,405
Investment securities measured at:				
- fair value through other comprehensive income (FVOCI)	46,926	6,004,395	28,379,086	34,430,407
- amortised cost	-	534,250	5,223,462	5,757,712
Current tax asset	-	-	1,123,855	1,123,855
Deferred tax assets	-	-	4,731,058	4,731,058
Other assets	-	-	1,686,104	1,686,104
<b>Liabilities</b>				
Insurance contract liabilities	-	-	472,759	472,759
Other liabilities	-	21,481	2,682	24,163

As at 31 December 2024, balances on transactions with other related parties were as follows:

KZT'000	Parent Company	Subsidiaries of the same group	Other entities, including state- affiliated entities	Total
<b>Assets</b>				
Deposits in banks	-	-	-	-
Investment securities measured at:				
- fair value through other comprehensive income (FVOCI)	54,608	5,666,742	30,366,599	36,087,949
- amortised cost	10,138,750	-	5,482,527	15,621,277
Current tax asset	-	-	1,020,417	1,020,417
Deferred tax assets	-	-	72,991	72,991
Other assets	-	-	1,495,042	1,495,042
<b>Liabilities</b>				
Insurance contract liabilities	-	12,931	43,218	56,149
Other liabilities	-	21,024	2,110	23,134

The net change in fair value of securities for 2025 was: KZT (7,682) thousand for the parent company, and KZT (692,597) thousand for the subsidiaries of the parent company (2024: KZT (1,423) for the parent company, and KZT 521,638 for the subsidiaries of the parent company).

The fair value reserve for securities as at the end of 2025 was: KZT (9,105) thousand for the parent company, and KZT (170,959) thousand for the subsidiaries of the parent company (at the end of 2024: KZT (1,423) for the parent company, and KZT 521,638 for the subsidiaries of the parent company).

The amounts presented below are included in the statement of profit or loss and other comprehensive income for the twelve months ended 31 December 2025 and 2024:

	2025			2024		
	Parent Company	Subsidiaries of the same group	Other state-affiliated entities	Parent Company	Subsidiaries of the same group	Other state-affiliated entities
<b>KZT'000</b>						
<b>Profit</b>						
Insurance revenue	-	15,924	30,930	-	21,586	52,894
Insurance service expenses	-	-	(420,000)	-	-	6,412,421
Insurance finance expenses from insurance contracts issued	-	-	(555)	-	-	(7,090)
Interest income calculated using the effective interest method	542,750	1,885,958	3,430,891	819,781	159,943	1,793,347
Impairment losses on financial assets	-	9,928	-	-	-	-
Administrative expenses	-	(257,409)	(614,047)	-	(251,299)	(245,190)
Other operating expenses, net	-	-	(108,938)	-	-	(50,556)
Income tax expense	-	-	54,892	-	-	(3,137,478)