EURASIAN DEVELOPMENT BANK

Financial Statements and
Independent Auditor's Report
For the Year ended 31 December 2025

Eurasian Development Bank

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Russell Bedford
taking you further

«Approved» General Director
Russell Bedford A+ Partners IAC LLP
Kudaibergenova Sh. E.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Members of the Council of the Eurasian Development Bank

Opinion

We have audited the financial statements of the Eurasian Development Bank (hereinafter - the "Bank"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

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

Key Audit Matter	Audit procedures in relation to key audit matter

Internal credit rating model used in estimating expected credit losses ("ECL") in accordance with IFRS 9 Financial Instruments for loans to customers.

As disclosed in Note 14 to the Bank's financial statements as at 31 December 2025, the Bank recognised total loans to customers of 2,716,270 thousand US dollars with a corresponding provision for ECL of 103,632 thousand US dollars.

The measurement of expected credit loss is a complex calculation that requires a number of inputs and assumptions, such as credit rating, probability of default (PD) and loss given default (LGD).

In accordance with IFRS 9, the Bank applies the expected loss model to create an allowance for impairment of financial assets. A key principle of this model is to reflect the deterioration in the credit quality of financial assets in a timely manner, taking into account reasonable and supportable information about past events, current economic conditions, and forecasts of future economic conditions available at the reporting date without undue cost or effort.

The model also reflects: the probabilistic nature of the values obtained by evaluating all possible outcomes; impartiality and balance regarding the assumptions and judgements used; and the application of the concept of the time value of money.

For loans to customers without external ratings, the Bank uses models based on international rating agency methodologies (hereinafter referred to as "Internal Models"), which incorporate information on current conditions as well as forecasts of future events and economic conditions.

Internal models generate a specific credit rating for each counterparty with a corresponding probability of default based on financial performance, the operating environment of the Bank's borrowers, macroeconomic indicators, projected cash flows, etc.

Significant judgement was required in evaluating risk parameters such as macroeconomic conditions, projected cash flows, creditworthiness, and solvency. Information about expected credit losses is disclosed in Notes 3 "Significant accounting policies", 9 "Provision for expected credit losses", 14 "Loans to customers", and 30 "Risk management" to the financial statements.

Audit procedures performed in this area included:

- obtaining an understanding of the procedures and associated controls for assessing and monitoring the credit ratings of the Bank's borrowers;
- assessing the methodology for compliance with IFRS 9 requirements, with the involvement of our internal financial risk management specialists;
- assessing the reasonableness of management's assumptions and input data used in the model, including an analysis of the forecasted macroeconomic variables, with the involvement of our financial risk management specialists;
- evaluating the adequacy and completeness of the disclosures provided by the Bank on credit risk, the structure and quality of the loan portfolio, and provisions for impairment in accordance with IFRS 9, including the impact of economic sanctions against the countries of operation.

Other Information

The Bank's management is responsible for the other information. The other information includes the information contained in the Report for 2025, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Bank's financial statements does not cover the other information and we do not provide a conclusion that provides any form of assurance on that information.

In connection with our audit of the Bank's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Bank's financial statements or our knowledge obtained in the audit and whether the other information is otherwise materially misstated. If, based on our work, we conclude that such other information contains a material misstatement, we are required to report that fact. We did not identify any facts that need to be reported in our report.

Responsibility of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Bank's financial statements 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 ISA 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 ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We are also:

a. identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response 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 from fraud is greater than the risk of not detecting a material misstatement from an error because fraud may include collusion, forgery, omissions, misrepresentations, or circumvention of internal control;
b. obtain an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control system;
c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
d. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Bank to cease to continue as a going concern;
e. evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Bakyt Zhumadylov.

Bakyt Zhumadylov
Engagement Leader for the review

Qualification certificate of auditor
No.MF-0001686 dated 30 June 2021

Sholpanay Kudaibergenova
General Director
IAC Russell Bedford A+ Partners LLP

State license to engage
in auditing activities on the territory of the Republic of Kazakhstan
No.18013076, issued by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan on 3 July 2018.

23 February 2026

Almaty, Kazakhstan

EURASIAN DEVELOPMENT BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(in thousands of US Dollars)

	Note	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Interest income, calculated using the effective interest method:				
on Investment portfolio	4	302,608	290,717	280,402
on Treasury portfolio	4	219,599	222,953	168,105
Other interest income on Treasury portfolio	4	11,572	14,892	12,507
Interest expense	4	(409,299)	(330,931)	(271,454)
Net interest income		**124,480**	**197,631**	**189,560**
Income on financial assets under Islamic finance agreements		86	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	5	55,775	(67,697)	85,266
Net (loss)/gain on transactions in foreign currencies	6	(5,000)	125,303	(45,109)
Net realised gain/(loss) on financial assets at fair value through other comprehensive income	7	532	(1,739)	(28,559)
Net loss from modification, recognition and derecognition of financial instruments		(546)	(27,111)	(11,592)
Fee and commission income	8	11,736	20,975	21,240
Fee and commission expense		(1,489)	(3,927)	(4,919)
Net other (expense)/income		(1,935)	47	321
Net non-interest income		**59,159**	**45,851**	**16,648**
Operating income before provision for expected credit losses		**183,639**	**243,482**	**206,208**
Reversal of/(provision for) expected credit losses on interest bearing assets	9	4,707	62,372	(16,999)
Reversal of/(provision for) expected credit losses on guarantees and letters of credit issued	9	10,789	(10,485)	(5,466)
Provision for expected credit losses on financial assets under Islamic finance agreements	9	(39)	-	-
Net operating income		**199,096**	**295,369**	**183,743**
Operating expenses	10	(62,388)	(66,068)	(58,551)
NET PROFIT		**136,708**	**229,301**	**125,192**
Earnings per share	23	0.0901	0.1513	0.0826

EURASIAN DEVELOPMENT BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)
(in thousands of US Dollars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
OTHER COMPREHENSIVE INCOME/(LOSS):				
Treasury portfolio:				
Items that are or may be reclassified subsequently to profit or loss:				
Net unrealised income/(loss) on revaluation of financial assets at fair value through other comprehensive income		14,983	(4,153)	8,555
Net realised (income)/loss on financial assets at fair value through other comprehensive income transferred to profit or loss	7	(532)	1,739	28,559
Items that are or may be reclassified subsequently to profit or loss		**14,451**	**(2,414)**	**37,114**
Items that may not be reclassified subsequently to profit or loss:				
Net realised loss on financial assets at fair value through other comprehensive income		-	-	6,241
Items that may not be reclassified subsequently to profit or loss		**-**	**-**	**6,241**
Other comprehensive income/(loss) on Treasury portfolio		***14,451***	***(2,414)***	***43,355***
Investment portfolio:				
Items that are or may be reclassified subsequently to profit or loss:				
Net unrealised gain/(loss) on revaluation of financial assets at fair value through other comprehensive income		3,340	12,608	(5,749)
Items that are or may be reclassified subsequently to profit or loss		**3,340**	**12,608**	**(5,749)**
Other comprehensive income/(loss) on Investment portfolio		***3,340***	***12,608***	***(5,749)***
Total items that are or may be reclassified subsequently to profit or loss		***17,791***	***10,194***	***31,365***
Total items that may not be reclassified subsequently to profit or loss		***-***	***-***	***6,241***
OTHER COMPREHENSIVE INCOME		**17,791**	**10,194**	**37,606**
TOTAL COMPREHENSIVE INCOME		**154,499**	**239,495**	**162,798**

Authorised by the Management of the Bank

23 February 2026
Almaty, Kazakhstan

EURASIAN DEVELOPMENT BANK

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(in thousands of US Dollars)

	Note	31 December 2025	31 December 2024	31 December 2023
ASSETS				
Cash and cash equivalents	11	872,366	1,074,446	3,994,289
Financial assets at fair value through profit or loss:	12	110,650	92,111	285,546
in Treasury portfolio		*110,650*	*92,111*	*272,391*
in Investment portfolio		-	-	*13,155*
Loans and amounts due from financial institutions:	13	479,023	594,982	534,659
in Treasury portfolio		*352,940*	*535,183*	*492,314*
in Investment portfolio		*126,083*	*59,799*	*42,345*
Loans to customers	14	2,612,638	2,050,993	2,360,456
Financial assets under Islamic finance agreements	15	11,109	-	-
Financial assets at fair value through other comprehensive income:	16	2,294,055	1,919,274	672,042
in Treasury portfolio		*1,789,454*	*1,496,928*	*201,714*
in Investment portfolio		*504,601*	*422,346*	*470,328*
Debt securities at amortised cost:	17	213,843	202,212	268,736
in Treasury portfolio		*213,843*	*202,212*	*268,736*
Property and equipment		12,376	12,114	12,610
Intangible assets		13,119	8,255	4,275
Other assets	18	20,957	40,409	34,729
TOTAL ASSETS		**6,640,136**	**5,994,796**	**8,167,342**
LIABILITIES AND EQUITY				
LIABILITIES:				
Loans and deposits from financial institutions	19	1,288,046	857,432	3,090,997
Financial liabilities at fair value through profit or loss	12	1,203	473	199,091
Deposits from customers	20	299,220	291,920	140,195
Debt securities issued	21	2,545,626	2,473,393	2,661,484
Other liabilities	22	87,174	104,384	87,569
Total liabilities		**4,221,269**	**3,727,602**	**6,179,336**
EQUITY:				
Share capital:				
Authorised share capital	23	8,534,366	8,534,366	7,000,000
Additionally issued payable capital	23	(915,000)	(925,000)	-
Callable share capital	23	(6,093,666)	(6,093,666)	(5,484,300)
Paid-in share capital	23	1,525,700	1,515,700	1,515,700
Reserve fund	23	146,220	146,220	146,220
Technical assistance fund reserve	24	67,256	37,936	23,731
Digital initiative fund reserve	24	-	872	872
Revaluation deficit for financial assets at fair value through other comprehensive income in Treasury portfolio		(6,567)	(21,018)	(18,604)
Revaluation reserve/(deficit) for financial assets at fair value through other comprehensive income in Investment portfolio		6,679	3,339	(9,269)
Retained earnings		679,579	584,145	329,356
Total equity		**2,418,867**	**2,267,194**	**1,988,006**
TOTAL LIABILITIES AND EQUITY		**6,640,136**	**5,994,796**	**8,167,342**

Authorised by the Management of the Bank

23 February 2026
Almaty, Kazakhstan

EURASIAN DEVELOPMENT BANK
Eurasian Development Bank

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(in thousands of US Dollars)

	Share capital										
	Authorised	**Additionally issued payable**	**Callable**	**Paid-in**	**Reserve fund**	**Technical assistance fund reserve**	**Digital initiative fund reserve**	**Revaluation deficit for financial assets at fair value through other comprehensive income in Treasury portfolio**	**Revaluation reserve/(deficit) for financial assets at fair value through other comprehensive income in Investment portfolio**	**Retained earnings**	**Total**
31 December 2022	**7,000,000**	**-**	**(5,484,300)**	**1,515,700**	**146,220**	**21,137**	**5,568**	**(61,959)**	**(3,520)**	**213,205**	**1,836,351**
Net profit	-	-	-	-	-	-	-	-	-	125,192	125,192
Other comprehensive income/(loss)	-	-	-	-	-	-	-	43,355	(5,749)	(6,241)	31,365
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**43,355**	**(5,749)**	**118,951**	**156,557**
Recognition of Digital initiative fund assets	-	-	-	-	-	-	-	-	-	1,798	1,798
Allocation of Digital initiative fund reserve	-	-	-	-	-	-	(4,696)	-	-	-	(4,696)
Transfer to Technical assistance fund reserve	-	-	-	-	-	4,598	-	-	-	(4,598)	-
Allocation of Technical assistance fund reserve	-	-	-	-	-	(2,004)	-	-	-	-	(2,004)
31 December 2023	**7,000,000**	**-**	**(5,484,300)**	**1,515,700**	**146,220**	**23,731**	**872**	**(18,604)**	**(9,269)**	**329,356**	**1,988,006**
Net profit	-	-	-	-	-	-	-	-	-	229,301	229,301
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(2,414)	12,608	-	10,194
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,414)**	**12,608**	**229,301**	**239,495**
Additionally issued share capital	1,534,366	(925,000)	(609,366)	-	-	-	-	-	-	-	-
Transfer to Technical assistance fund reserve	-	-	-	-	-	18,779	-	-	-	(18,779)	-
Allocation of Technical assistance fund reserve	-	-	-	-	-	(4,574)	-	-	-	-	(4,574)
Recognition of Digital initiative fund assets	-	-	-	-	-	-	-	-	-	532	532
Initial recognition of financial instruments	-	-	-	-	-	-	-	-	-	43,735	43,735
31 December 2024	**8,534,366**	**(925,000)**	**(6,093,666)**	**1,515,700**	**146,220**	**37,936**	**872**	**(21,018)**	**3,339**	**584,145**	**2,267,194**
Net profit	-	-	-	-	-	-	-	-	-	136,708	136,708
Other comprehensive income	-	-	-	-	-	-	-	14,451	3,340	-	17,791
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,451**	**3,340**	**136,708**	**154,499**
Contribution to share capital	-	10,000	-	10,000	-	-	-	-	-	-	10,000
Transfer to Technical assistance fund reserve	-	-	-	-	-	34,395	-	-	-	(34,395)	-
Allocation of Technical assistance fund reserve	-	-	-	-	-	(5,075)	-	-	-	-	(5,075)
Transfer to Digital initiative fund reserve	-	-	-	-	-	-	6,879	-	-	(6,879)	-
Allocation of Digital initiative fund reserve	-	-	-	-	-	-	(7,751)	-	-	-	(7,751)
31 December 2025	**8,534,366**	**(915,000)**	**(6,093,666)**	**1,525,700**	**146,220**	**67,256**	**-**	**(6,567)**	**6,679**	**679,579**	**2,418,867**

Authorised by the Management of the Bank

23 February 2026
Almaty, Kazakhstan

EURASIAN DEVELOPMENT BANK

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(in thousands of US Dollars)

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received on loans to customers	225,455	224,619	210,614
Interest received on loans and amounts due from financial institutions and cash and cash equivalents	107,774	179,979	122,373
Interest and income received from financial assets at fair value through profit or loss	7,832	12,151	9,944
Interest income received on financial assets at fair value through other comprehensive income	77,431	58,532	83,464
Interest income received on debt securities at amortised cost	7,490	13,515	15,142
Interest paid on loans and deposits from financial institutions	(127,699)	(67,826)	(82,070)
Interest paid on financial liabilities at fair value through profit or loss	(507)	(6,150)	(2,506)
Interest paid on deposits from customers	(28,746)	(14,085)	(12,507)
Interest paid on debt securities issued	(219,098)	(193,380)	(164,874)
Income received from financial assets under Islamic finance agreements	49	-	-
Net cash flows from trading activities	43,237	(37,508)	158,992
Fees and commissions received	25,986	17,364	14,712
Fees and commissions paid	(1,377)	(4,114)	(4,941)
Other income received	36	69	24
Operating expenses paid	(55,415)	(58,313)	(53,583)
Cash flows from operating activities before changes in operating assets and liabilities	**62,448**	**124,853**	**294,784**
Changes in operating assets:			
(Increase)/decrease in loans to customers	(388,209)	228,536	(314,100)
Decrease/(increase) in loans and amounts due from financial institutions	230,031	(29,277)	370,790
Increase in financial assets under Islamic finance agreements	(11,148)	-	-
Increase in other assets	(6,773)	(2,061)	(11,226)
Changes in operating liabilities:			
(Decrease)/increase in deposits from financial institutions	(135,612)	(2,438,550)	267,068
Increase/(decrease) in deposits from customers	1,283	175,282	(151,792)
Decrease in other liabilities	(11,971)	(1,731)	(4,313)
Cash flows (used in)/from operating activities	**(259,951)**	**(1,942,948)**	**451,211**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets at fair value through other comprehensive income, Treasury portfolio	(10,754,744)	(5,333,310)	(6,923,631)
Proceeds from sale and redemption of financial assets at fair value through other comprehensive income, Treasury portfolio	10,566,264	4,048,570	9,609,607
Purchase of financial assets at fair value through other comprehensive income, Investment portfolio	(152,104)	(48,386)	(6,290)
Proceeds from sale and redemption of financial assets at fair value through other comprehensive income, Investment portfolio	112,299	41,989	72,257
Purchase of debt securities at amortised cost, Treasury portfolio	(65,233)	-	-
Proceeds from redemption of debt securities at amortised cost, Treasury portfolio	-	58,150	87,031
Contribution to share capital	10,000	-	-
Purchase of property, equipment and intangible assets	(8,646)	(6,758)	(5,516)
Cash flows (used in)/from investing activities	**(292,164)**	**(1,239,745)**	**2,833,458**

EURASIAN DEVELOPMENT BANK

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)
(in thousands of US Dollars)

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of debt securities (Note 21)	408,195	635,430	836,890
Repayments of debt securities (Note 21)	(573,035)	(652,212)	(1,062,781)
Proceeds from loans from financial institutions and loans under repurchase agreements (Note 19)	640,887	402,072	132,544
Repayments of loans from financial institutions and loans under repurchase agreements (Note 19)	(294,391)	(104,841)	(80,051)
Repayment of lease liabilities	(2,575)	(3,141)	(2,519)
Cash flows from/(used in) financing activities	**179,081**	**277,308**	**(175,917)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(373,034)**	**(2,905,385)**	**3,108,752**
Cash and cash equivalents at the beginning of the year	1,074,446	3,994,289	1,279,281
Effect of changes in foreign exchange rate and expected credit losses on cash and cash equivalents	170,954	(14,458)	(393,744)
Cash and cash equivalents at the end of the year (Note 11)	**872,366**	**1,074,446**	**3,994,289**

Authorised by the Management of the Bank

23 February 2026
Almaty, Kazakhstan

1. BACKGROUND

(a) Principal activities

Eurasian Development Bank ("the Bank") is an international organisation, which was established in accordance with the Agreement Establishing Eurasian Development Bank, entered into between the Russian Federation and the Republic of Kazakhstan on 12 January 2006 ("the Agreement on Incorporation"). The Agreement on Incorporation became effective on 16 June 2006, since its ratification by the Russian Federation and the Republic of Kazakhstan via adoption of relevant laws.

The Bank's membership is open to new participants such that other states and international organisations that have mutual objectives with the Bank. The strategic objective of the Bank is to promote the development of the market economy in its Member states, including their economic growth and the expansion of mutual trade and economic relations through investment activity. The Bank aims to assist Member states in integrating their economies and developing their infrastructure.

In December 2008, the Council of the Bank approved the accession of the Republic of Armenia, the Republic of Belarus and the Republic of Tajikistan to the Agreement on Incorporation.

On 3 April 2009, on 22 June 2009 and 21 June 2010 the Republic of Armenia, the Republic of Tajikistan and the Republic of Belarus, respectively, have fulfilled their respective appropriate domestic procedures related to the ratification of the Agreement on Incorporation of the Bank, made their contributions to the share capital and became Member states of the Bank.

On 28 June 2011, the Council of the Bank approved the accession of the Kyrgyz Republic to the Agreement on Incorporation of the Bank. The Kyrgyz Republic has fulfilled its respective appropriate domestic procedures related to the ratification of the Agreement on Incorporation, made its contribution to the share capital and became Member state of the Bank on 26 August 2011.

On 16 July 2024, the Council of the Bank approved the accession of the Republic of Uzbekistan to the Agreement on Incorporation of the Bank. The Republic of Uzbekistan has fulfilled its respective appropriate domestic procedures related to the ratification of the Agreement on Incorporation, made its entry contribution to the share capital and became Member state of the Bank on 10 October 2025.

The Bank's principal activity is an engagement in investment activities for the benefit of socioeconomic development of the Member states. One of the Bank's primary functions is to provide financing for large infrastructure projects in the Member states, which it implements through the provision of loans and debt financing to private and public entities, investing in the equity of customers, participating in, or establishing, private equity funds, providing investment consulting, and providing other financial instruments. The Bank seeks to insure that all its projects are financially viable.

The headquarters of the Bank is located at: 220, Dostyk Avenue, Almaty, the Republic of Kazakhstan. Also the Bank has representative offices in Astana, Abu Dhabi, Bishkek, Dushanbe, Minsk, Moscow, Yerevan and a branch office in St. Petersburg. The Bank's office in Tashkent is in the process of accreditation.

(in thousands of US dollars)

1. BACKGROUND, CONTINUED

(a) Principal activities, continued

In accordance with article 31 of the Charter of the Bank, which is an integral part of the Agreement on Incorporation, the Bank possesses immunity against any legal proceedings under the jurisdiction of its Member states, except in cases which do not result from the execution of its powers. Actions may be brought against the Bank only in a court of competent jurisdiction in the territory of a state in which the Bank has its principal or a branch office, a subsidiary bank or a representative office, or has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. Property and assets of the Bank located in Member states shall be immune from search, requisition, attachment, confiscation, expropriation or any other form of taking or foreclosure unless and until a final judgment is delivered against the Bank. The Bank, its income, property, assets, and its operations and transactions carried out in accordance with the Charter of the Bank in the territory of Member states shall be exempt from all taxes, duties, levies or fees, except for charges for specific type of services.

As at 31 December 2025, 2024 and 2023, paid-in share capital of the Bank was allocated as follows:

	31 December 2025, in %	31 December 2024, in %	31 December 2023, in %
The Russian Federation	44.49	44.79	44.79
The Republic of Kazakhstan	37.04	37.29	37.29
The Republic of Belarus	5.18	5.21	5.21
The Republic of Tajikistan	4.23	4.25	4.25
The Republic of Armenia	4.20	4.23	4.23
The Kyrgyz Republic	4.20	4.23	4.23
The Republic of Uzbekistan*	0.66	-	-
Total	**100.00**	**100.00**	**100.00**

* Upon completion of its payments the Republic of Uzbekistan will have 10% of the voting shares among the current Member states.

According to the Charter of the Bank, significant decisions like: accession of new Member states, changes in share capital of the Bank, liquidation/suspension of activity of the Bank must be approved by no less than 75% of votes. Also the Council of the Bank elects the Chairman and members of the Management Board and approves/disapproves investment risks, in case if: risk on the counterparty/the group of related counterparties is above 100 million US dollars; aggregate amount of large investment risks is above 300 percent of the Bank's equity; the Bank invests in the non-member states economies; and payback period of investments exceeds 15 years. According to the Charter at least 75% of the shareholders must be present at the Council's meeting. Thus for the decision making on key matters it is required to have ¾ of votes. The Bank does not have an ultimate controlling party. All Member states have representatives in the Council of the Bank.

The financial statements for the year ended 31 December 2025 were authorised for issue on 23 February 2026 by the management of the Bank.

1. BACKGROUND, CONTINUED

(b) Business environment

The Bank's operations are primarily located in its Member states. Consequently, the Bank is exposed to the economic and financial markets of the Member states, which display characteristics of emerging markets. The legal, tax and regulatory frameworks continue to develop, but are subject to varying interpretations and frequent changes which, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in the Member states. In particular, the ongoing geopolitical uncertainty, additional economic and financial restrictions imposed on the Russian Federation by the United States ("US"), the European Union ("EU"), the United Kingdom, and certain other states, along with retaliatory restrictive measures by the Russian Federation against them create risks for the Bank's operations. The EU, the United Kingdom, the US and some other states have continued to impose sanctions on the Republic of Belarus, restricting access to imported goods and reducing the country's export capacity. These sanctions exert downward pressure on the economies of the Russian Federation and the Republic of Belarus and on the investment attractiveness of these states. These financial statements reflect the Bank's management assessment of the impact of the Member states' business environment on the operations and financial position of the Bank. The actual future business environment may differ from the Bank's management assessment.

Global economic activity continues to grow at a moderate pace while adapting to trade barriers. Growth remains subdued in advanced economies due to high uncertainty. At the same time, emerging economies with large markets maintain elevated economic activity and continue to support global GDP growth. According to the Bank's current estimate, global economic growth decelerated to 3.0% in 2025 from 3.4% in 2023-2024. In the US, business activity has been impacted by declining consumer activity, the effects of tariff-related uncertainty, and tightening migration policy. According to preliminary official estimate, US GDP grew by 2.2% in 2025 after increasing by 2.8% in 2024. In the European Union countries, economic growth remained moderate in 2025, at around 1.6%, according to preliminary official estimate, after 0.9% in 2024. Increased competition from China, the strengthening of the euro, and the loss of some traditional markets are negatively affecting production. The Chinese economy grew by 4.8% in 2025. Its growth remained close to the target of 5.0%, due to the continuation of policies to stimulate domestic demand and a gradual reorientation of exports.

Inflation in the US and the EU countries is declining, though inflationary risks remain due to tariff-driven cost increases. Consumer price growth amounted to 2.7% in the US and 1.9% in the EU countries in 2025. However, against the backdrop of the subdued economic activity, the Federal Reserve lowered its rate from 4.5% (at the end of 2024) to 3.75% at the end of 2025. The European Central Bank's rate was lowered from 3.0% at the end of 2024 to 2.0% at the end of 2025.

1. BACKGROUND, CONTINUED

(b) Business environment, continued

Economic activity in the Bank's region of operations is returning to stabilising following two years of exceptional growth. The region's aggregate GDP increased by 2.0% in 2025, following growth of 4.5% in 2024. The GDP of the Republic of Kazakhstan grew by 6.5% in 2025 amid government measures to unlock investment potential. Active investment in fixed capital and high growth in population lending supported GDP growth in the Republic of Armenia at 7.2% in 2025. In the Russian Federation, economic growth amounted to 1.0% amid declining export revenues and tight monetary conditions. In the Republic of Belarus, GDP grew by 1.3% in 2025 against the backdrop of high consumer and investment activity. Strong investment demand, increased household consumption, and rising gold prices ensured GDP growth of 11.1% in the Kyrgyz Republic, 8.4% in the Republic of Tajikistan, and 7.7% in the Republic of Uzbekistan.

Inflationary processes in countries differed from country to country, but aggregate inflation in the Bank’s region of operations slew to 6.5% by the end of 2025, after 8.9% in 2024. A prolonged period of high interest rates and the strengthening of the Russian ruble led to a slowdown in price growth to 5.6% by the end of 2025 in the Russian Federation, after 9.5% in 2024. Against the backdrop of a surge in inflation expectations linked to the increase in the VAT rate, price growth in the Republic of Kazakhstan accelerated to 12.3% in 2025 (8.6% in 2024). In the Kyrgyz Republic, inflation rose to 9.4% in 2025 (6.3% in 2024) due to strong consumer demand and higher electricity tariffs. In the Republic of Belarus, inflationary processes accelerated due to pressure from domestic demand and increased inflation in the Russian Federation. With the gradual weakening of administrative regulation, price growth in 2025 amounted to 6.8% after 5.2% in 2024. Inflation in the Republic of Armenia and the Republic of Tajikistan remained within the target ranges and amounted to 3.3% and 3.5% at the end of 2025, respectively. In the Republic of Uzbekistan, inflation decelerated to 7.3% at the end of 2025 from 9.8% in the end of 2024 due to the relatively tight monetary policy by the Central bank of the Republic of Uzbekistan.

The Bank uses an independently developed integrated model system comprising seven interrelated country modules and an external sector module. This system is used to analyse and forecast the economic situation in the Member states. The modeling suite enables the Bank to produce consistent sets of forecasts of key macroeconomic indicators such as GDP, inflation rate, foreign currency exchange rate, interest rate, budget deficit, and money transfers. The results of the forecasts are regularly published on the Bank's website.

The Bank intends to further refine its forecasting methodologies and update models to assess the macroeconomic factors of the Member states on the financial results of the Bank.

2. BASIS OF PREPARATION

The Bank has prepared its financial statements on the basis that it will continue to operate as a going concern. The management of the Bank has made an assessment of the Bank's ability to continue as a going concern and is satisfied that it has the resources to continue its business for the foreseeable future. Furthermore, the management of the Bank is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern.

The Bank separates its assets into two portfolios which are the investment portfolio and the treasury portfolio. The purpose of this separation is to provide management of the Bank information about the portfolios' assets structure as these portfolios serve different aims of the Bank and are managed differently.

Assets in the investment portfolio are in line with the strategic objectives of the Bank based on its mandate. Assets in this portfolio represent projects and programs aimed at developing infrastructure, achieving qualitative structural shifts in the region's economies, improving efficiency and increasing output of high value-added products, developing small and medium-sized businesses, and supporting financial markets of the Member states.

Assets in the treasury portfolio are intended to protect equity of the Bank from the influence of risk factors and protect it from risk factors, as well as to maintain sufficient level of liquidity.

(a) Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The principal accounting policies applied in the preparation of these financial statements are set out below.

(c) Functional and presentation currency

The functional currency of the Bank is the US dollar as it reflects the economic substance of the majority of underlying events and circumstances relevant to them.

The US dollar is also the presentation currency for the purposes of these financial statements. The Bank considered the following factors in determining its functional currency: the Bank is an international organisation, share capital of the Bank is formed in US dollars, funds from financing activities are generated mainly in US dollars, and the majority of the Bank's principal activities are conducted in US dollars.

All values in the financial statements presented in US dollars are rounded to the nearest thousand, except when otherwise indicated.

2. BASIS OF PREPARATION, CONTINUED

(d) Use of professional judgments, estimates and assumptions

The preparation of the Bank's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, as well as the disclosure of contingent liabilities. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Please see details on critical accounting estimates and judgements in the Note 3 (p).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are applied by the Bank consistently to all periods presented in these financial statements.

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Bank using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency using the exchange rates at the reporting date. The foreign currency gains or loss on monetary items is the difference between 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 to the functional currency at the exchange rate at the date the fair value is determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated to the functional currency using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for following foreign currency differences, which are recognised in other comprehensive income: i) arising on the translation of equity instruments at fair value through other comprehensive income unless the difference is due to impairment (in this case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss); ii) arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or iii) qualifying cash flow hedges to the extent that the hedge is effective.

(in thousands of US dollars)

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(a) Foreign currency, continued

Exchange rates

The exchange rates used by the Bank in the preparation of the financial statements were as follows:

	31 December 2025	31 December 2024	31 December 2023
US dollar/1 Kazakhstani tenge	0.00197200	0.00190647	0.00219260
US dollar/1 Russian rouble	0.01278336	0.00983480	0.01112893
US dollar/1 Euro	1.17360000	1.03490000	1.10640000
US dollar/1 Chinese yuan	0.14308000	0.13700000	0.14082000

(b) Financial instruments

(i) Financial instruments – key measurement terms

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions on similar instruments, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one measurements are based on quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and stock exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs, internal administrative costs or holding costs.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(i) Financial instruments – key measurement terms, continued

Amortised cost is the amount at which the financial instrument is recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any provision for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest rate method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of floating interest rate instruments to the next interest rate repricing date, except for the premium or discount, which reflect the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

(ii) Financial instruments – initial recognition

Financial instruments measured at fair value through profit or loss are initially recognised at fair value. All other financial instruments are initially recognised at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. Gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions with the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, a provision for expected credit loss is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, resulting in an immediate accounting loss.

(iii) Financial assets – classification and subsequent measurement – measurement categories

The Bank classifies financial assets in the following measurement categories: fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification and subsequent measurement of debt financial assets depends on: (i) the Bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(iv) Financial assets – classification and subsequent measurement – business model

The business model reflects how the Bank manages the assets in order to generate cash flows – whether the Bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows"), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at fair value through profit or loss.

The business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment.

An assessment of business models for managing financial assets is performed at the date of initial application of IFRS 9 "*Financial instruments*" to determine the classification of a financial asset. The business model is applied retrospectively to all financial assets existing at the date of initial application of IFRS 9. The Bank determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Bank's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

(v) Financial assets – classification and subsequent measurement – cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at fair value through profit or loss. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

(vi) Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Bank did not change its business model during the current and comparative period and did not make any reclassifications.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(vii) Financial assets impairment – provision for expected credit loss

The Bank assesses, on a forward-looking basis, the provision for expected credit loss for loans to customers, loans and amounts due from financial institutions and other debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and for the exposures arising from loan commitments and financial guarantee and letters of credit. The Bank measures provision for expected credit loss and recognises the provision for expected credit losses at each reporting date.

Debt instruments measured at amortised cost are presented in the statement of financial position net of provisions for expected credit loss. For financial guarantees and letters of credit issued, a separate provision for expected credit loss is recognised as a liability in the statement of financial position. For debt instruments at fair value through other comprehensive income no provision for expected credit losses is recognised in the statement of financial position as the carrying amount is measured at fair value. However, the provision for expected credit losses is included as part of the revaluation amount in the revaluation reserve in equity.

(viii) Financial assets – write-off

When the Bank has no reasonable expectation of recovering all or part of a financial asset, the Bank may write-off part or all of the financial asset, and/or continue to recognise the financial asset off-balance sheet.

Such an assessment is performed by the Bank for each asset separately. With respect to financial assets transferred to off-balance sheet accounting, the Bank may continue to record them and conduct collection activities in the framework of legal proceedings.

(ix) Financial assets – derecognition

The Bank derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale. Please see details on critical judgements over derecognition in the Note 3 (p).

(x) Financial assets – modification

The Bank sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Bank assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset, significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(x) Financial assets – modification, continued

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Bank derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase in credit risk has occurred. The Bank also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Bank compares the original and revised expected cash flows whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Bank recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets), and recognises a modification gain or loss in profit or loss.

The Bank might assess the changes in the contractual terms of the financial assets as a "market-driven" modification if (a) there were no significant increase in credit risk of an asset, (b) the borrower/issuer had contractual rights and practical ability to refinance its debt without significant expenses, (c) the change of interest rate was based in correlation with market pricing. If these conditions are met, then the effect of the change of interest rate is not recognised as modification gain or loss and is carried perspectively. Please see details on critical judgements over modification in the Note 3 (p).

(xi) Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at amortised cost, except for derivatives that are carried at fair value through profit or loss.

(xii) Financial liabilities – derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

An exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(xiii) Financial instruments – statement of financial position lines

Cash and cash equivalents are non-derivative financial assets that are carried at amortised cost in the statement of financial position. Cash and cash equivalents include notes and coins on hand, balances (nostro accounts, term deposits) held with financial institutions, and highly liquid financial assets with original maturities of less than three months (such as reverse repurchase agreements), which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of short-term commitments.

Loans and amounts due from financial institutions are recorded when the Bank provides money to counterparty financial institutions. Loans and amounts due from financial institutions are carried at amortised cost when: (i) they are held for the purposes of collecting contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at fair value through profit or loss.

Loans to customers are recorded when the Bank provides money to originate a loan due from a customer or purchase a loan of a customer. Based on the business model and the cash flow characteristics, the Bank classifies loans to customers into one of the following measurement categories: (i) amortised cost: loans that are held for collection of contractual cash flows and those cash flows represent SPPI and loans that are not voluntarily designated at fair value through profit or loss, and (ii) fair value through profit or loss: loans that do not meet the SPPI test or other criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Repossessed collateral. Repossessed collateral represents financial and non-financial assets acquired by the Bank in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Bank's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

Investments in debt securities. Based on the business model and the cash flow characteristics, the Bank classifies investments in debt securities as carried at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Debt securities are carried at amortised cost if they are held for collection of contractual cash flows and where those cash flows represent SPPI, and if they are not voluntarily designated at fair value through profit or loss in order to significantly reduce an accounting mismatch.

Debt securities are carried at fair value through other comprehensive income if they are held for sale or collection of contractual cash flows, where those cash flows represent SPPI, and if they are not designated at fair value through profit or loss. Interest income from these assets is calculated using the effective interest method and recognised in profit or loss. An impairment provision for expected credit losses estimated using the expected credit loss model is recognised in profit or loss for the year. All other changes in the carrying value are recognised in other comprehensive income. When the debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(xiii) Financial instruments – statement of financial position lines, continued

Investments in debt securities are carried at fair value through profit or loss if they do not meet the criteria for amortised cost or fair value through other comprehensive income. The Bank may also irrevocably designate investments in debt securities at fair value through profit or loss on initial recognition if applying this option significantly reduces an accounting mismatch between financial assets and liabilities being recognised or measured on different accounting bases.

Investments in equity securities. Financial assets that meet the definition of equity from the issuer's perspective, i.e. instruments that do not contain a contractual obligation to pay cash and that evidence a residual interest in the issuer's net assets, are considered as investments in equity securities by the Bank. Investments in equity securities are measured at fair value through profit or loss, except where the Bank elects at initial recognition to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as fair value through other comprehensive income when those investments are held for strategic purposes other than solely to generate investment returns. When the fair value through other comprehensive income election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Dividends continue to be recognised in profit or loss when the Bank's right to receive payments is established except when they represent a recovery of an investment rather than a return on such investment.

Sale and repurchase agreements of securities. Sale and repurchase agreements of securities ("repo agreements"), which effectively provide interest income to the counterparty, are treated as secured financing transactions. Securities sold under such sale and repurchase agreements are not derecognised. The corresponding liability is presented within loans and deposits from financial institutions. Securities purchased under agreements to resell ("reverse repo agreements"), which effectively provide interest income to the Bank, are recorded as cash and cash equivalents or loans and amounts due from financial institutions, depending on the term of the transaction. The difference between the sale and repurchase price, adjusted by interest and dividend income collected by the counterparty, is treated as interest income and accrued over the life of repo agreements using the effective interest method.

Loans and deposits from financial institutions. Amounts due to financial institutions are recorded when money or other assets are advanced to the Bank by counterparty financial institutions. These non-derivative liabilities are carried at amortised cost.

Deposits from customers. Customer accounts are non-derivative liabilities to corporate customers and are carried at amortised cost.

Debt securities issued. Debt securities issued consist of bonds issued by the Bank. Debt securities issued are stated at amortised cost. If the Bank purchases its own debt securities, they are removed from the statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gain/loss arising from trading with debt securities issued.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(xiii) Financial instruments – statement of financial position lines, continued

Derivative financial instruments include swaps, forwards, futures and spot transactions. Derivatives may be embedded in another contractual arrangement (a "host contract"). An embedded derivative is separated from the host contract and it is accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss. Derivatives embedded in financial assets or financial liabilities at fair value through profit or loss are not separated.

(xiv) Financial instruments – hedge accounting

The Bank is exposed to financial risks arising from many aspects of its business and implements different risk management strategies to eliminate or reduce their risk exposures.

The objective of hedge accounting is to represent, in the financial statements, the effect of activities that use financial instruments to reduce the risks that could affect profit or loss or other comprehensive income. Hedge accounting is a technique that modifies the normal basis for recognising gains and losses on associated hedging instruments and hedged items, so that both are recognised in profit or loss or other comprehensive income in the same accounting period.

The risk being hedged in a fair value hedge is a change in the fair value of an asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. Changes in fair value might arise through changes in interest rates (for fixed-rate loans), foreign exchange rates, equity prices or commodity prices.

The carrying value of the hedged item is adjusted for fair value changes attributable to the risk being hedged, and those fair value changes are recognised in profit or loss. The hedging instrument is measured at fair value, with changes in fair value also recognised in profit or loss.

The risk being hedged in a cash flow hedge is the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, an unrecognised firm commitment (FX risk[1] only) or a highly probable forecast transaction, and could affect profit or loss.

Future cash flows might relate to existing assets and liabilities, such as future interest payments or receipts on floating rate debt. Future cash flows can also relate to forecast sales or purchases in a foreign currency. Volatility in future cash flows might result from changes in interest rates, exchange rates, equity prices or commodity prices.

Provided the hedge is effective, changes in the fair value of the hedging instrument are initially recognised in other comprehensive income. The ineffective portion of the change in the fair value of the hedging instrument (if any) is recognised directly in profit or loss.

Under IFRS 9, hedge accounting continues to be optional, and Management of the Bank considers the costs and benefits when deciding whether to use it. When the hedge is decided to be used then the Bank cannot discontinue it.

[1] Foreign currency exchange risk

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(b) Financial instruments, continued

(xv) Financial instruments – Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Bank's accounting policies. Thereafter generally, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

(d) Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and provision for impairment. Where an item of property and equipment comprises major components having different expected useful lives, they are accounted for as separate items of property and equipment.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated. The estimated annual depreciation rates by types of fixed assets are as follows:

Furniture and equipment	16.66-50.00%
Vehicles	20.00%
Office buildings	3.33%

* During 2024, the depreciation rate for vehicles decreased from 25.00% to 20.00%.

(e) Intangible assets

Acquired intangible assets are stated at cost less accumulated amortisation and impairment losses. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated annual amortisation rates are 6.67%-50.00%.

(f) Provisions and contingencies

Provisions are recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is probable.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(g) Credit related commitments

In the normal course of business, the Bank enters into credit related commitments, comprising undrawn loan commitments and letters of credit. These commitments represent the Bank's credit agreements to enter into a specific project. Loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at the remaining unamortised balance of the amount at initial recognition.

Financial guarantees issued by the Bank require the Bank to make specified payments to reimburse the holder of the guarantee for a loss it incurs if the entity whose obligation is guaranteed by the Bank fails to make payment when due under the terms of the contract. Financial guarantees are initially recognised at their fair value, which is normally equal to the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the provision for expected credit losses for the guaranteed exposure determined based on the expected loss model and (ii) unamortised balance of the amount at initial recognition. In addition, the provision forexpected credit loss is recognised for fees receivable that are recognised in the statement of financial position as an asset.

(h) Share capital

Share capital is recognised at cost.

(i) Taxation

The Bank, its income, property and other assets, and also its operations and transactions carried out in accordance with Agreement on Incorporation on the territory of Member states of the Bank, are exempted from any taxes, levies, duties and other payments, except for that which represent payment for certain types of services.

(j) Income and expense recognition

Interest income and expense are recorded for all debt instruments, on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Bank to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Bank will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Bank does not designate loan commitments as financial liabilities at fair value through profit or loss.

For financial assets that are originated or purchased credit-impaired, the effective interest rate is the rate that discounts the expected cash flows (including expected credit losses) to the fair value on initial recognition. As a result, the effective interest is credit-adjusted.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(j) Income and expense recognition, continued

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost, net of the expected credit loss provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the amortised cost.

Dividend income is recognised in profit or loss on the date that the dividend is declared.

Fee and commission income is recognised over time on a straight line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Bank.

Other fee and commission income is recognised at a point in time when the Bank satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations.

The Bank recognises right-of-use assets and lease liabilities for lease agreements on office premises. Right-of-use assets are measured at cost at the recognition date. Subsequently the Bank applies a cost model for these assets, thus assets are measured at cost less accumulated depreciation and accumulated impairment loss (if any), and adjusted for any remeasurement of the lease liabilities. At the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, otherwise its incremental borrowing rate. Subsequetly the Bank adjusts the lease liability for interest accrued, lease payments according to payment schedule and for any reassessments or lease modifications.

Other operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(k) Fiduciary assets

The Bank provides asset management services that result in the holding of assets on behalf of third parties. These assets and the income arising from them are not included in the Bank's financial statements as they are not assets of the Bank. Commissions received from such business are shown within operational income in profit or loss.

(l) Technical Assistance Fund

The Council of the Bank, in its capacity as representatives of shareholders regularly sets an amount of funds that the Bank might use for Technical assistance fund ("TAF") aims: a) pre-investment research; b) programs of regional integration; and c) research aimed at economic growth, development of market economies and the expansion of mutual trade between Member states, for the benefit of the Member states.

After the Council of the Bank approves funding of specific projects and programs, allocated sums are transferred from reserves into liabilities, which are then used for financig TAF projects and/or for refund of the Bank's expenditures on TAF projects. Any unused amount of TAF is accumulated in equity and liabilities of the Bank and could be used in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(m) Digital Initiatives Fund

The Digital Initiatives Fund's ("DIF") resources are formed from the Bank's own and Donors' recourses and income received from the placement of temporarily free funds of the Donors. The purpose of the DIF is to assist the Bank's Member states in the formation of tools and practices for digital transformation. It includes the integration of informational resources and, participation in project development and financing, including those adopted under the "Main Directions of Digital Agenda of Eurasian Economic Union".

After the Council of the Bank approves funding of specific projects and programs, allocated sums are transferred from reserves into liabilities, which are then used for financig DIF projects and/or for refund of the Bank's expenditures on DIF projects. Any unused amount of DIF is accumulated in equity and liabilities of the Bank and could be used in future periods.

(n) Employee benefits

The Bank is exempt from payments of obligatory pension contributions to funds operating in the Member states of the Bank. The Bank provides non-state retirement benefits in accordance with internal regulative documents of the Bank. The retirement savings plans are similar to a defined contribution plan and are recorded as operating expenses in the statement of comprehensive income and as other liabilities in the statement of financial position of the Bank.

The accumulated funds are disbursed to the employee when he/she leaves the Bank or at the date of dismissal (Note 22).

(o) Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing services within a particular economic environment (geographical segment), which is subject to specific risks and rewards. Segments with a majority of revenue earned from sales to external customers and whose revenue, result or assets are ten per cent or more of all the segments are reported separately. The segment operating results are regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance. The Bank recognises geographical segments that are reported in these financial statements.

(p) Critical Accounting Estimates, and Judgements in Applying Accounting Policies

Valuation of expected credit losses

In accordance with the requirements of IFRS 9, the Bank applies the model of expected credit losses for the purpose of reserving of expected credit losses of financial assets. The key principle of this model is the timely reflection of the deterioration of credit risk of financial assets, taking into account information about past events, current economic conditions, and reasonable forecasts of future events and economic conditions, available on the valuation date without undue cost of effort, probability of the amount determined by assessing the range of possible outcomes, an unbiased and weighted decisions regarding used pre-conditions and judgements, the time value of money.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(p) Critical Accounting Estimates, and Judgements in Applying Accounting Policies, continued

Valuation of expected credit losses, continued

Provision for expected credit losses is formed on the basis of:

- 12 months expected credit losses - for financial assets without evidence of a significant increase of credit risk since the initial recognition;
- lifetime expected credit losses - for financial assets with an evidence of a significant increase of credit risk since the initial recognition or impairment, and for purchased or originated credit-impaired (POCI) financial assets.

In accordance with the general approach, depending on the degree of deterioration in credit risk from the time of initial recognition, financial assets fall into one of the following stages:

Change of credit risk since initial recognition		
Stage 1	**Stage 2**	**Stage 3**
Initial recognition	Significant increase of credit risk since initial recognition	Credit-impaired assets
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

(1) Stage 1 - financial assets for which there was no significant increase of credit risk and for which 12 months expected credit losses are calculated;
(2) Stage 2 - financial assets with a significant increase of credit risk since the initial recognition, but not being defaulted and for which lifetime expected credit losses are calculated;
(3) Stage 3 - financial assets with one or more events of credit-impairment since the initial recognition and for which lifetime expected credit losses are calculated.

Financial assets are classified into different stages based on the results of individual credit risk assessment on a quarterly basis. Credit risk assessment is done via monitoring events that may indicate significant increase in credit risk since the initial recognition and/or credit impairment since the initial recognition.

A financial asset is considered credit-impaired at the time of acquisition or provision (POCI) when one or more of the following credit impairment events occur.

Significant increase in credit risk

The Bank recognises a significant increase of credit risk of financial assets in the investment portfolio and in the treasury portfolio if data on one/or more of the following events is observed since the initial recognition:

- payments overdue more than calendar 30 days, but less than calendar 90 days for real sector projects and less than calendar 30 days for financial sector projects and for assets in treasury portfolio;
- downgrade of credit rating by three or more grades or to «CCC+»;
- downgrade of credit rating by one or more grades – from the level corresponding to «CCC+» or lower;
- significant breach of terms of agreements that may lead to withdrawal or changes in financial covenants;
- other facts that indicate significant increase of credit risk.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(p) Critical Accounting Estimates, and Judgements in Applying Accounting Policies, continued

Significant increase in credit risk, continued

Credit rating is a borrower's (counterparty's or security issuer's) long-term credit rating in foreign currency according to international scale assigned by S&P Global Ratings or its equivalent assigned by another international rating agency (Moody's Ratings or Fitch Ratings). For borrowers that do not have a credit rating assigned by an international rating agency the Bank uses own methodology/models and S&P Global Market Intelligence methodology/models (the Internal models), which allow to define equivalent rating according to international scale. To assign a rating on the basis of Internal models the Bank analyses a wide range of quantitative and qualitative data, including borrower's performance indicators and macroeconomic factors.

Events of credit impairment

The Bank recognises credit impairment of financial assets in the investment and in the treasury portfolios if data on one/or more of the following events is observed since the initial recognition:

- payments overdue for 90 calendar days and more for real sector projects and 30 calendar days and more for financial sector and for assets in the treasury portfolio;
- downgrade of credit rating of a financial asset to the level of «CC» or below;
- the Bank made forced restructuring of a financial asset with some economic and/or legal concessions due to financial difficulties of the borrower. Otherwise the Bank wouldn't make such concessions;
- other facts of credit impairment.

A financial asset that has experienced one or more of the credit impairment events listed above at the date of recognition of an asset, is considered to be purchased or originated credit-impaired (POCI).

A financial asset that the Bank was forced to restructure is classified as credit-impaired until the end of the stabilisation period. The stabilisation period is defined as four consecutive principal repayments made in accordance with the repayment schedule but not less than a twelve-month period. If the aforementioned conditions are met, and there are no other evident facts of credit impairment, then financial asset is no longer considered within Stage 3.

A sensitivity analyses on ECL effect on loans to customers is disclosed in the Note 14.

Definition of default

Defaulted financial assets are those that have the highest credit risk. Default is actual or expected failure to fulfill of terms of a financial agreement, with zero probability of full repayment within initially agreed terms. A full or partial impairment loss is expected; modification of an asset is forcibly required, or in case when such modification is not possible enforcement is required to reduce the losses.

Due to the specific character of each of the Bank's financial assets in the investment portfolio, the decision on recognition of default is done by the Management Board of the Bank. Usually this decision is based on the occurrence of the events or events highly possible to occur, which are described above in "Events of credit impairment".

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(p) Critical Accounting Estimates, and Judgements in Applying Accounting Policies, continued

Calculation of expected credit losses

Expected credit losses of the Bank are estimated as a result of multiplication of point-in-time probability of default, loss given default (reverse of recovery rate) and exposure at default.

Point-in-time probability of default is estimated on a basis of through-the-cycle probability of default, which is adjusted on the basis of forecasted changes of macroeconomic situation (Bank's expectations on GDP and unemployment rate, World Bank's expectations of changes in energy and non-energy indices). Also other indices that may indicate changes in economic cycle (changes in stock-market indices, estimations that reflect changes of credit ratings of the Bank's borrowers) are considered. Through-the-cycle probability of default is derived from international credit agencies data on the basis of a financial asset's credit rating.

Loss given default for a real sector project is estimated based on the data of the Bank's historical defaults and recovery rates, international credit agencies data on recovery rates and calculated loss given default rates according to Internal models for individual financial assets. Loss given default for a financial sector project and for an asset in the treasury portfolio is estimated based on the data of international rating agencies data on recovery rates.

Exposure at default is estimated as the Bank's claim value minus the value of non-operational collateral. Non-operational collateral is a non-specialised asset that has sufficient market demand for sale and/or rent. The value of non-operational collateral is it's estimated selling price (including transaction costs) discounted for the expected exposure period of realisation in accordance with pessimistic scenario.

Modification of financial assets

The Bank sometimes revises or otherwise modifies contractual cash flows on financial assets. When this occurs, the Bank assesses whether the new conditions differ significantly from the original conditions. The Bank analyses this, considering, among other things, the following factors:

- if the borrower/counterparty has financial difficulties, whether the modification reduces the contractual cash flows to the amounts that the borrower/issuer is expected to pay;
- are there any significant new conditions, such as a return in the form of equity or a share in profits of the borrower/counterparty, which significantly affect the degree of risk on the financial asset;
- substantial extension of the term of financial asset, when the borrower/counterparty has no financial difficulties;
- significant change in the interest rate;
- change in the currency in which the financial asset is denominated;
- change in guarantees, other collateral or means to reduce credit risk, which significantly affects the credit risk associated with the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(p) Critical Accounting Estimates, and Judgements in Applying Accounting Policies, continued

Modification of financial assets, continued

If the conditions materially differ (change of the currency of the financial asset, or change of net present value of the financial asset by more than 10%), the Bank derecognises the initial financial asset and recognises new financial asset at fair value, and recalculates new effective interest rate for the financial asset. Accordingly, the date of the review is the date of initial recognition for the purpose of calculating the impairment, including for the purpose of determining whether there has been a significant increase in credit risk. However, the Bank also assesses whether a newly recognised financial asset is considered to be credit-impaired at initial recognition or origination, especially in circumstances in which the review is determined by the borrower’s inability to make the originally specified payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss from derecognition. If the terms do not differ materially, the revision or modification does not lead to the derecognition and the Bank recalculates the gross book value based on the revised cash flows on the financial asset and recognises profit or loss from the modification. The new gross book value is recalculated by discounting the modified cash flows at the original effective interest rate.

Derecognition of financial assets, except for cases of modification

Financial assets, or part thereof, are derecognised when the contractual rights to receive cash flows from the financial assets have expired or when they were transferred and (or) the Bank transferred a significant portion of all the risks and rewards of ownership or the Bank neither transferred nor retained a substantial portion of all risks and rewards of ownership, and the Bank did not retain control.

The Bank enters into transactions in which it retains its contractual rights to receive cash flows from assets, but has a contractual obligation to pay these cash flows to other companies and transfers substantially all risks and rewards. These transactions are accounted for as "transit" transfers that result in derecognition of financial assets if the Bank:

- has no obligation to pay, except when it receives equivalent amounts from financial assets;
- the Bank is prohibited from selling or pledging financial assets; and
- has an obligation to transfer any cash that it receives from financial assets without significant delay.

The management has not applied any new estimates and judgments, except for applying the model of expected credit losses on financial instruments in accordance with IFRS 9. In the process of estimation expected credit losses the Bank applies its own judgements on a wide variety of macroeconomic factors, including exchange rates, inflation indices, refinancing rates, consumption indices, manufacturer’ prices indices, prices on different raw materials and other indices.

(q) New and revised IFRS, amendments and interpretations effective from 1 January 2025

The following amendments to existing IFRS accounting standards became effective for annual periods beginning on 1 January 2025:

- Amendments to IAS 21 Lack of Exchangeability.

These amendments did not have impact on financial statements of the Bank as at 31 December 2025.

(in thousands of US dollars)

3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(r) New and revised IFRS in issue, but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of authorisation of these financial statements are disclosed below:

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

The amendments are applied for annual periods beginning on or after 1 January 2026, with early application permitted. The management of the Bank does not expect that the application of these standards and amendments will have a significant impact on the financial statements of the Bank in the future.

4. NET INTEREST INCOME

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Interest income, calculated using the effective interest method, Investment portfolio:			
loans and amounts due from financial institutions	9,662	7,223	10,858
loans to customers	234,440	234,058	208,432
financial assets at fair value through other comprehensive income	58,506	49,436	61,112
Total interest income, calculated using the effective interest method, Investment portfolio	**302,608**	**290,717**	**280,402**
Interest income, calculated using the effective interest method, Treasury portfolio:			
cash and cash equivalents	101,069	176,844	109,569
loans and amounts due from financial institutions	24,151	3,507	-
financial assets at fair value through other comprehensive income	80,763	30,465	44,996
debt securities at amortised cost	13,616	12,137	13,540
Total interest income, calculated using the effective interest method, Treasury portfolio	**219,599**	**222,953**	**168,105**
Other interest income on Treasury portfolio:			
financial assets at fair value through profit or loss	11,572	14,892	12,507
Total other interest income on Treasury portfolio	**11,572**	**14,892**	**12,507**
Total interest income	**533,779**	**528,562**	**461,014**
Interest expense:			
loans and deposits from financial institutions	(132,607)	(72,261)	(83,482)
financial liabilities at fair value through profit or loss	(583)	(5,880)	(2,557)
deposits from customers	(29,315)	(14,192)	(12,479)
debt securities issued	(246,794)	(238,598)	(172,936)
Total interest expense	**(409,299)**	**(330,931)**	**(271,454)**
Net interest income	**124,480**	**197,631**	**189,560**

(in thousands of US dollars)

5. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Treasury portfolio:			
Net gain/(loss) on derivative financial instruments	46,212	(91,735)	83,654
Net gain/(loss) on debt instruments	9,563	(15,036)	(362)
Net gain on equity instruments	-	-	1,146
	55,775	**(106,771)**	**84,438**
Investment portfolio:			
Net gain on financial instruments in investment portfolio	-	39,074	828
	-	**39,074**	**828**
Total net gain/(loss) on financial assets and liabilities at fair value through profit or loss	**55,775**	**(67,697)**	**85,266**

The Bank enters into most deals with derivative financial instruments with an aim to minimise possible gain/loss from foreign exchange revaluation of its on-balance sheet financial instruments. Consequently, the result of operations with derivative financial instruments should be considered in conjunction with the gain/loss on foreign currency revaluation (Note 6).

6. NET (LOSS)/GAIN ON TRANSACTIONS IN FOREIGN CURRENCIES

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Translation differences, net	(8,417)	79,943	(85,730)
Dealing, net	3,417	45,360	40,621
Total net (loss)/gain on transactions in foreign currencies	**(5,000)**	**125,303**	**(45,109)**

7. NET REALISED GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Net gain/(loss) on transactions with debt securities:			
in Treasury portfolio	532	(1,739)	(28,559)
Total net realised gain/(loss) on financial assets at fair value through other comprehensive income	**532**	**(1,739)**	**(28,559)**

(in thousands of US dollars)

8. FEE AND COMMISSION INCOME

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Trust management fees	6,524	15,653	13,045
Credit related fees	4,979	5,192	7,769
Other fees and commissions	233	130	426
Total fee and commission income	**11,736**	**20,975**	**21,240**

9. PROVISION FOR EXPECTED CREDIT LOSSES

The table below represents provision for expected credit losses for the years ended 31 December 2025, 2024 and 2023:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Reversal of/(provision for) expected credit losses on interest bearing assets:			
Cash and cash equivalents	1,329	(506)	(445)
Loans and amounts due from financial institutions:	6,141	51,577	(27,088)
in Treasury portfolio	*9,417*	*53,603*	*(28,573)*
in Investment portfolio	*(3,276)*	*(2,026)*	*1,485*
Loans to customers	(1,354)	16,919	5,852
Financial assets at fair value through other comprehensive income:	(2,888)	(7,876)	3,598
in Treasury portfolio	*351*	*281*	*1,387*
in Investment portfolio	*(3,239)*	*(8,157)*	*2,211*
Debt securities at amortised cost:	1,479	2,258	1,084
in Treasury portfolio	*1,479*	*2,258*	*1,084*
Total reversal of/(provision for) expected credit losses on interest bearing assets	**4,707**	**62,372**	**(16,999)**
Reversal of/(provision for) expected credit losses on guarantees and letters of credit issued	10,789	(10,485)	(5,466)
Total reversal of/(provision for) expected credit losses on guarantees and letters of credit issued	**10,789**	**(10,485)**	**(5,466)**
Provision for expected credit losses on financial assets under Islamic finance agreements	(39)	-	-
Total provision for expected credit losses on financial assets under Islamic finance agreements	**(39)**	**-**	**-**
Total reversal of/(provision for) expected credit losses	**15,457**	**51,887**	**(22,465)**

(in thousands of US dollars)

9. PROVISION FOR EXPECTED CREDIT LOSSES, CONTINUED

The movements in provision for expected credit losses on cash and cash equivalents were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(1,032)	(570)	(142)
Net reversal/(charge)	1,329	(506)	(445)
Effect of foreign currency movements	(341)	44	17
End of the year (Note 11)	**(44)**	**(1,032)**	**(570)**

The movements in provision on loans and amounts due from financial institutions in the treasury portfolio were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(26,377)	(79,980)	(51,407)
Net reversal/(charge)	9,417	53,603	(28,573)
Effect of foreign currency movements	13	-	-
End of the year (Note 13)	**(16,947)**	**(26,377)**	**(79,980)**

The movements in provision for expected credit losses on loans and amounts due from financial institutions in the investment portfolio were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(2,040)	(77)	(1,756)
Net (charge)/reversal	(3,276)	(2,026)	1,485
Effect of foreign currency movements	(345)	63	194
End of the year (Note 13)	**(5,661)**	**(2,040)**	**(77)**

Table with details on stages is presented in the Note 13.

The movements in provision for expected credit losses on loans to customers were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(94,001)	(117,365)	(163,395)
Net (charge)/reversal	(1,354)	16,919	5,852
Recovery of previously written-off reserves	(648)	-	-
Write-offs	-	-	32,532
Effect of foreign currency movements	(7,629)	6,445	7,646
End of the year (Note 14)	**(103,632)**	**(94,001)**	**(117,365)**

Table with details on stages is presented in the Note 14.

(in thousands of US dollars)

9. PROVISION FOR EXPECTED CREDIT LOSSES, CONTINUED

The movements in provision for expected credit losses on debt financial assets at fair value through other comprehensive income in the treasury portfolio were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(2,303)	(2,597)	(3,586)
Net reversal	351	281	1,387
Effect of foreign currency movements	(36)	13	(398)
End of the year	**(1,988)**	**(2,303)**	**(2,597)**

The movements in provision for expected credit losses on debt financial assets at fair value through other comprehensive income in the investment portfolio were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(14,452)	(6,706)	(10,939)
Net (charge)/reversal	(3,239)	(8,157)	2,211
Effect of foreign currency movements	(1,305)	411	2,022
End of the year	**(18,996)**	**(14,452)**	**(6,706)**

The movements in provision for expected credit losses on debt securities at amortised cost were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(3,050)	(5,310)	(6,397)
Net reversal	1,479	2,258	1,084
Effect of foreign currency movements	(4)	2	3
End of the year (Note 17)	**(1,575)**	**(3,050)**	**(5,310)**

The movements in provision for expected credit losses on guarantees and letters of credit issued were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the year	(27,745)	(17,387)	(13,555)
Net reversal/(charge)	10,789	(10,485)	(5,466)
Effect of foreign currency movements	(1,558)	127	1,634
End of the year (Note 26)	**(18,514)**	**(27,745)**	**(17,387)**

(in thousands of US dollars)

9. PROVISION FOR EXPECTED CREDIT LOSSES, CONTINUED

The movement in provision for expected credit losses on financial assets under Islamic finance agreements is presented in the table below (there were no financial assets under Islamic finance agreements in 2024 and 2023):

	Year ended 31 December 2025
Beginning of the year	-
Net charge	(39)
End of the year	**(39)**

10. OPERATING EXPENSES

	Year ended 31 December 2025	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Staff costs and other payments to employees	40,760	43,283	40,849
Depreciation and amortisation	3,710	3,033	2,727
Other operating expenses	17,918	19,752	14,975
Total operating expenses	**62,388**	**66,068**	**58,551**

Other operating expenses include expenses on premises, communication, maintenance of acquired systems and programs and other operating expenses.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of the statement of cash flows comprise the following:

	31 December 2025	**31 December 2024**	**31 December 2023**
Cash on hand	94	103	43
Cash and balances with national (central) banks of Member states of the Bank	277,021	345,474	2,910,627
Correspondent accounts with financial institutions	95,828	398,051	692,956
Term and demand deposits in financial institutions	266,680	269,554	40,856
Loans under reverse repurchase agreements with maturity less than three months	232,787	62,296	350,377
	872,410	**1,075,478**	**3,994,859**
Less: provision for expected credit losses (Note 9)	(44)	(1,032)	(570)
Total cash and cash equivalents	**872,366**	**1,074,446**	**3,994,289**

As at 31 December 2025, 2024 and 2023, all cash and cash equivalents were classified within Stage 1 of change of credit risk. There were no movements between stages of changes of credit risk during the year ended 31 December 2025 (31 December 2024, 31 December 2023: no movements).

As at 31 December 2025 there were two financial institutions, including national (central) banks of Member states of the Bank, with which the Bank had outstanding balances over 10% of the Bank's equity (31 December 2024 and 31 December 2023: three financial institutions).

(in thousands of US dollars)

11. CASH AND CASH EQUIVALENTS, CONTINUED

There were no material non-cash transactions to disclose within the statement of cash flows.

The information on credit ratings of counterparties with which the Bank had balances as at 31 December 2025, 2024 and 2023, is presented in the Note 30.

12. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025	31 December 2024	31 December 2023
Financial instruments in treasury portfolio:			
Debt instruments	106,021	91,287	108,252
Derivative financial instruments – assets	4,629	824	164,139
Total in Treasury portfolio	**110,650**	**92,111**	**272,391**
Financial instruments in investment portfolio	-	-	13,155
Total in Investment portfolio	**-**	**-**	**13,155**
Financial assets at fair value through profit or loss	**110,650**	**92,111**	**285,546**
Derivative financial instruments – liabilities	(1,203)	(473)	(199,091)
Financial liabilities at fair value through profit or loss	**(1,203)**	**(473)**	**(199,091)**

As at 31 December 2025, 2024 and 2023, there were no financial instruments measured at fair value through profit or loss in the treasury portfolio used as collateral for loans under repurchase agreements.

Derivative financial instruments are often associated with a high level of leverage and significant volatility in their fair value. A relatively small movement in the value of the underlying asset may have a substantial impact on the Bank's profit or loss.

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount (as a US dollar equivalent) of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and do not indicate either the market risk or the credit risk.

	31 December 2025			31 December 2024			31 December 2023		
	Notional amount	Net fair value		Notional amount	Net fair value		Notional amount	Net fair value	
		Asset	Liability		Asset	Liability		Asset	Liability
Derivative financial instruments:									
Foreign currency swap	537,318	3,197	(987)	-	-	-	103,699	962	-
Foreign currency interest rate swap	70,000	1,371	(108)	19,743	824	(29)	76,503	1,284	(61)
Foreign currency forward	35,433	61	(108)	72,462	-	(444)	4,271,354	161,849	(197,972)
Interest rate swap	-	-	-	-	-	-	22,258	44	(1,058)
		4,629	**(1,203)**		**824**	**(473)**		**164,139**	**(199,091)**

(in thousands of US dollars)

13. LOANS AND AMOUNTS DUE FROM FINANCIAL INSTITUTIONS

	31 December 2025	31 December 2024	31 December 2023
Treasury portfolio:			
Loans under reverse repurchase agreements with maturity more than three months	346,415	333,602	-
Amounts due from financial institutions	23,472	227,958	572,294
Less: provisions (Note 9)	(16,947)	(26,377)	(79,980)
Total in Treasury portfolio	**352,940**	**535,183**	**492,314**
Investment portfolio:			
Loans to financial institutions	131,744	61,839	42,422
Less: provision for expected credit losses (Note 9)	(5,661)	(2,040)	(77)
Total in Investment portfolio	**126,083**	**59,799**	**42,345**
Total loans and amounts due from financial institutions	**479,023**	**594,982**	**534,659**

The table below summarises the movement of loans and amounts due from financial institutions in the investment portfolio during the years ended 31 December 2025 and 2024:

	2025	2024
	Stage 1	**Stage 1**
Outstanding amount		
As at 1 January	61,839	42,422
Net issue	59,341	23,575
Net change in discounts	-	1
Effect of foreign currency movements	10,564	(4,159)
As at 31 December	**131,744**	**61,839**
Provision for expected credit losses		
As at 1 January	(2,040)	(77)
Net charge	(3,276)	(2,026)
Effect of foreign currency movements	(345)	63
As at 31 December	**(5,661)**	**(2,040)**
Total loans and amounts due from financial institutions	**126,083**	**59,799**

The table below summarises the movement of loans and amounts due from financial institutions in the investment portfolio during the year ended 31 December 2023:

	Stage 1	Stage 2	Total
Outstanding amount			
As at 1 January 2023	427,804	9,077	436,881
Net redemption	(370,732)	(7,556)	(378,288)
Net change in discounts	96	21	117
Effect of foreign currency movements	(14,746)	(1,542)	(16,288)
As at 31 December 2023	**42,422**	**-**	**42,422**
Provision for expected credit losses			
As at 1 January 2023	(768)	(988)	(1,756)
Net reversal	637	848	1,485
Effect of foreign currency movements	54	140	194
As at 31 December 2023	**(77)**	**-**	**(77)**
Total loans and amounts due from financial institutions	**42,345**	**-**	**42,345**

(in thousands of US dollars)

13. LOANS AND AMOUNTS DUE FROM FINANCIAL INSTITUTIONS, CONTINUED

There were no movements between stages of changes of credit risk during the years ended 31 December 2025, 2024 and 2023.

As at 31 December 2025, 2024 and 2023 no loans and amounts due from financial institutions were past due.

As at 31 December 2025, 2024 and 2023, there were no loans and amounts due from financial institutions in the investment portfolio, whose balance exceeded 10% of total equity of the Bank.

The information on credit ratings on loans and amounts due from financial institutions is presented in the Note 30.

As at 31 December 2025, loans and amounts due from financial institutions include accrued interest income amounting to 4,607 thousand US dollars (31 December 2024: 2,451 thousand US dollars; 31 December 2023: 487 thousand US dollars).

14. LOANS TO CUSTOMERS

	31 December 2025	31 December 2024	31 December 2023
Stage 1 loans	2,611,003	1,987,114	2,159,720
Stage 2 loans	42,111	107,091	300,155
Stage 3 loans:	63,156	50,789	17,946
	2,716,270	**2,144,994**	**2,477,821**
Less: provision for expected credit losses (Note 9)	(103,632)	(94,001)	(117,365)
Total loans to customers	**2,612,638**	**2,050,993**	**2,360,456**

As at 31 December 2025, 2024 and 2023 there were no overdue loans to customers.

(in thousands of US dollars)

14. LOANS TO CUSTOMERS, CONTINUED

The table below summarises the movement of loans to customers during the year ended 31 December 2025:

	Stage 1	Stage 2	Stage 3	Total
Outstanding amount				
As at 1 January 2025	1,987,114	107,091	50,789	2,144,994
Net issue/(redemption)	404,982	(5,986)	(3,463)	395,533
Transfer from Stage 1 to Stage 3	(12,670)	-	12,670	-
Transfer from Stage 2 to Stage 1	79,182	(79,182)	-	-
Net change in (premiums)/ discounts	(140)	(171)	508	197
Recovery of previously written-off loans	-	-	648	648
Effect of foreign currency movements	152,535	20,359	2,004	174,898
As at 31 December 2025	**2,611,003**	**42,111**	**63,156**	**2,716,270**
Provision for expected credit losses				
As at 1 January 2025	(41,849)	(22,316)	(29,836)	(94,001)
Net (charge)/reversal	(6,839)	6,741	(1,256)	(1,354)
Transfer from Stage 1 to Stage 3	7,535	-	(7,535)	-
Transfer from Stage 2 to Stage 1	(4,194)	4,194	-	-
Recovery of previously written-off reserves	-	-	(648)	(648)
Effect of foreign currency movements	(3,062)	(3,503)	(1,064)	(7,629)
As at 31 December 2025	**(48,409)**	**(14,884)**	**(40,339)**	**(103,632)**
Total loans to customers	**2,562,594**	**27,227**	**22,817**	**2,612,638**

The table below summarises the movement of loans to customers during the year ended 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total
Outstanding amount				
As at 1 January 2024	2,159,720	300,155	17,946	2,477,821
Net redemption	(39,934)	(182,414)	(2,517)	(224,865)
Transfer from Stage 1 to Stage 2	(12,696)	12,696	-	-
Transfer from Stage 1 to Stage 3	(35,997)	-	35,997	-
Net change in discounts/(premiums)	8,656	(2,323)	488	6,821
Effect of foreign currency movements	(92,635)	(21,023)	(1,125)	(114,783)
As at 31 December 2024	**1,987,114**	**107,091**	**50,789**	**2,144,994**
Provision for expected credit losses				
As at 1 January 2024	(50,569)	(57,074)	(9,722)	(117,365)
Net (charge)/reversal	(18,305)	34,497	727	16,919
Transfer from Stage 1 to Stage 2	3,395	(3,395)	-	-
Transfer from Stage 1 to Stage 3	21,472	-	(21,472)	-
Effect of foreign currency movements	2,158	3,656	631	6,445
As at 31 December 2024	**(41,849)**	**(22,316)**	**(29,836)**	**(94,001)**
Total loans to customers	**1,945,265**	**84,775**	**20,953**	**2,050,993**

(in thousands of US dollars)

14. LOANS TO CUSTOMERS, CONTINUED

The table below summarises the movement of loans to customers during the year ended 31 December 2023:

	Stage 1	Stage 2	Stage 3	Total
Outstanding amount				
As at 1 January 2023	1,890,287	327,874	106,119	2,324,280
Net issue/(redemption)	445,384	(81,999)	(55,470)	307,915
Transfer from Stage 1 to Stage 2	(107,318)	107,318	-	-
Transfer from Stage 2 to Stage 1	60,602	(60,602)	-	-
Net change in discounts/(premiums)	78	(905)	1,900	1,073
Write-offs	-	-	(32,532)	(32,532)
Effect of foreign currency movements	(129,313)	8,469	(2,071)	(122,915)
As at 31 December 2023	**2,159,720**	**300,155**	**17,946**	**2,477,821**
Provision for expected credit losses				
As at 1 January 2023	(55,703)	(47,760)	(59,932)	(163,395)
Net (charge)/reversal	(15,261)	5,420	15,693	5,852
Transfer from Stage 1 to Stage 2	19,865	(19,865)	-	-
Transfer from Stage 2 to Stage 1	(6,330)	6,330	-	-
Write-offs	-	-	32,532	32,532
Effect of foreign currency movements	6,860	(1,199)	1,985	7,646
As at 31 December 2023	**(50,569)**	**(57,074)**	**(9,722)**	**(117,365)**
Total loans to customers	**2,109,151**	**243,081**	**8,224**	**2,360,456**

The Bank estimates credit impairment for its loans to customers based on an analysis of the future cash flows and collateral realisation approach.

The table below summarises the carrying amount of loans to customers by type of collateral, rather than the fair value of the collateral itself:

	31 December 2025	31 December 2024	31 December 2023
Loans collateralised by real estate, equipment and inventories	924,283	983,536	652,053
Loans collateralised by guarantees of:			
state entities	385,801	362,515	256,808
financial and commercial organisations	708,299	155,714	274,745
Loans collateralised by future cash inflows from clients' contracts	697,887	643,229	1,294,215
	2,716,270	**2,144,994**	**2,477,821**
Less: provision for expected credit losses (Note 9)	(103,632)	(94,001)	(117,365)
Total loans to customers	**2,612,638**	**2,050,993**	**2,360,456**

Recoverability of the above loans is primarily dependent on creditworthiness of the borrowers rather than fair value of collateral, but the Bank considers current value of collateral as one of the factors that reduces the amount of provisions for expected credit losses. In the process of provisions calculation, the Bank does not take into consideration operational collateral, which is directly connected with operational activities of the borrower, as its value significantly deteriorates in case of the borrower's default. The current value of collateral takes into account period of collateral realisation, cost of realisation, liquidity coefficients, therefore, does not equal to fair value of collateral.

(in thousands of US dollars)

14. LOANS TO CUSTOMERS, CONTINUED

As at 31 December 2025, as per the Bank's estimation the fair value of collateral of Stage 3 loans is equal to 42,089 thousand US dollars (31 December 2024: 35,010 thousand US dollars; 31 December 2023: 27,094 thousand US dollars).

The table below presents the economic sector breakdown of the loans to customers:

	31 December 2025	31 December 2024	31 December 2023
Transport	622,001	608,080	604,725
Energy	607,310	404,579	481,419
Mining	523,923	359,826	702,466
Chemical industry	374,916	215,165	189,432
Metallurgy	235,328	308,218	309,282
Agriculture	150,940	104,145	140,955
Infrastructure	146,863	96,783	17,946
Construction	33,957	27,413	7,379
Other	21,032	20,785	24,217
	2,716,270	**2,144,994**	**2,477,821**
Less: provision for expected credit losses (Note 9)	(103,632)	(94,001)	(117,365)
Total loans to customers	**2,612,638**	**2,050,993**	**2,360,456**

As at 31 December 2025, loans to customers included accrued interest income amounting to 49,034 thousand US dollars (31 December 2024: 32,645 thousand US dollars; 31 December 2023: 28,538 thousand US dollars). For the year ended 31 December 2025, net unwinding effect (interest income on loans arising on discounted future cash flows) resulted in net gain of 188 thousand US dollars (31 December 2024: 395 thousand US dollars; 31 December 2023: 365 thousand US dollars).

During the year ended 31 December 2025, there was no impact from modification of loans to customers on statement of profit or loss (31 December 2024: net gain of 505 thousand US dollars; 31 December 2023: net loss of 2,227 thousand US dollars).

The information on credit ratings on loans to customers is presented in the Note 30.

Concentration of loans to customers

As at 31 December 2025, the Bank had no loans to customers, which carrying value exceeded 10% of total equity of the Bank.

As at 31 December 2024, the Bank had loan to one customer, whose carrying value exceeded 10% of total equity of the Bank, and amounted to 302,362 thousand US dollars. The customer was located in the Republic of Kazakhstan and had credit rating «B» according to Internal models.

As at 31 December 2023, the Bank had loans to three customers, whose balances exceeded 10% of total equity of the Bank, and amounted to 396,594 thousand US dollars, 299,967 thousand US dollars and 218,791 thousand US dollars, respectively. The first customer was located in the Republic of Uzbekistan and had credit rating «BB-» according to Internal models, the second – in the Republic of Kazakhstan and had credit rating «B» according to Internal models, and the third – in the Russian Federation and had credit rating «B-» according to Internal models.

(in thousands of US dollars)

14. LOANS TO CUSTOMERS, CONTINUED

Stress-testing of provisions for expected credit loss

The Bank performs stress-testing of expected credit loss provisions via applying a scenario when all loans that are classified into Stage 1 of change of credit risk would be reclassified into Stage 2. Subsequently a lifetime expected credit loss provision instead of 12-month portion provision would be required. According to the result of the stress-testing, as at 31 December 2025 an increase of 229,389 thousand US dollars in expected credit loss provisions would be required (31 December 2024: 189,658 thousand US dollars; 31 December 2023: 173,191 thousand US dollars).

15. FINANCIAL ASSETS UNDER ISLAMIC FINANCE AGREEMENTS

As part of the Bank's strategic course on portfolio diversification, expansion of funding sources and contribution to the economic development of its Member states, the Bank has commenced the development of Islamic finance activities. The necessary internal framework documents have been approved in accordance with the norms and practices of the target Islamic finance market for the implementation of pilot projects, and a Shariah advisor from the group of Dubai Islamic Bank has been appointed. The Bank has successfully implemented its first pilot project under a Commodity Murabaha structure in the amount of 11.8 million US dollars. The transaction was executed in cooperation with the Dubai Multi Commodities Centre in the United Arab Emirates ("UAE").

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 December 2025, 2024 and 2023, financial instruments at fair value through other comprehensive income consist of:

	31 December 2025	31 December 2024	31 December 2023
Debt instruments:			
In Treasury portfolio	1,789,454	1,496,928	201,714
In Investment portfolio	504,601	422,346	470,328
Total financial assets at fair value through other comprehensive income	**2,294,055**	**1,919,274**	**672,042**

As at 31 December 2025, debt instruments at fair value through other comprehensive income in the treasury portfolio include financial assets used as collateral for loans under repurchase agreements with fair value of 3,250 thousand US dollars (31 December 2024: 31,286 thousand US dollars; 31 December 2023: there were no such assets) (Note 19).

(in thousands of US dollars)

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, CONTINUED

The table below presents the breakdown of the debt instruments in the treasury portfolio:

	31 December 2025		31 December 2024		31 December 2023	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value	Nominal interest rate	Fair value
Bonds issued by financial institutions	0.00-18.26%	1,111,591	0.00-1.26%	586,901	1.26%	36,952
Bonds issued by foreign state governments	0.00-5.38%	460,720	0.00-4.13%	800,362	-	-
Bonds issued by governments of Member states of the Bank	4.41-17.01%	126,802	7.20-10.50%	36,395	7.20-10.50%	54,977
Bonds issued by non-financial organisations	1.45-7.45%	90,341	1.45-7.45%	73,270	1.45-20.20%	109,785
		1,789,454		**1,496,928**		**201,714**

The table below summarises the distribution of debt financial instruments in the treasury portfolio between the stages of changes of credit risk as at 31 December 2025, 2024 and 2023:

	31 December 2025	31 December 2024	31 December 2023
Stage 1	1,758,034	1,469,902	171,307
Stage 2	31,420	27,026	30,407
	1,789,454	**1,496,928**	**201,714**

During the year ended 31 December 2025 there were no movements of financial instruments in the treasury portfolio between the stages of changes of credit risk (31 December 2024: no movements; 31 December 2023: 35,619 thousand US dollars – from Stage 2 to Stage 1).

The information on credit ratings of debt instruments' issuers in the treasury portfolio is presented in the Note 30.

The table below presents the breakdown of the debt instruments in the investment portfolio:

	31 December 2025		31 December 2024		31 December 2023	
	Nominal interest rate	Fair value	Nominal interest rate	Fair value	Nominal interest rate	Fair value
Bonds issued by non-financial organisations	10.00-21.75%	264,410	10.00-22.87%	333,813	7.80-21.75%	404,743
Bonds issued by financial institutions	7.54-19.00%	204,321	7.54%	48,441	8.00%	18,817
Bonds issued by governments of Member states of the Bank	6.55-7.48%	35,870	6.55-8.50%	40,092	6.55-8.50%	46,768
		504,601		**422,346**		**470,328**

(in thousands of US dollars)

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, CONTINUED

The table below summarises the distribution of debt financial instruments in the investment portfolio between the stages of changes of credit risk as at 31 December 2025, 2024 and 2023:

	31 December 2025	31 December 2024	31 December 2023
Stage 1	504,601	405,879	452,387
Stage 2	-	16,467	17,941
	504,601	**422,346**	**470,328**

During the year ended 31 December 2025, there were no movements of financial instruments in the investment portfolio between the stages of changes of credit risk (31 December 2024: no movements; 31 December 2023: 18,817 thousand US dollars – from Stage 2 to Stage 1).

The information on credit ratings of debt instruments' issuers in the investment portfolio is presented in the Note 30.

As at 31 December 2025, debt instruments at fair value through other comprehensive income include accrued interest income amounting to 26,419 thousand US dollars (31 December 2024: 15,620 thousand US dollars; 31 December 2023: 18,645 thousand US dollars).

17. DEBT SECURITIES AT AMORTISED COST

The table below presents the breakdown of the debt instruments at amortised cost in the treasury portfolio:

	31 December 2025		31 December 2024		31 December 2023	
	Nominal interest rate	Carrying value	Nominal interest Rate	Carrying value	Nominal interest rate	Carrying value
Bonds issued by governments of Member states of the Bank	5.38-12.75%	87,041	7.13-12.75%	73,856	4.75-12.75%	131,197
Bonds issued by non-financial organisations	3.25-4.85%	78,112	2.63-4.85%	78,908	2.63-4.85%	90,508
Bonds issued by foreign state governments	3.75%	50,265	1.50%	52,498	1.50%	52,341
		215,418		**205,262**		**274,046**
Less: provision for expected credit losses (Note 9)		(1,575)		(3,050)		(5,310)
Total debt securities at amortised cost		**213,843**		**202,212**		**268,736**

The table below summarises the distribution of debt securities at amortised cost in the treasury portfolio between the stages of changes of credit risk as at 31 December 2025, 2024 and 2023:

	31 December 2025	31 December 2024	31 December 2023
Stage 1	175,415	162,196	175,390
Stage 2	40,003	43,066	98,656
	215,418	**205,262**	**274,046**
Less: provision for expected credit losses (Note 9)	(1,575)	(3,050)	(5,310)
Total debt securities at amortised cost	**213,843**	**202,212**	**268,736**

(in thousands of US dollars)

17. DEBT SECURITIES AT AMORTISED COST, CONTINUED

During the year ended 31 December 2025 there were no movements of debt securities and provision for expected credit losses between the stages (31 December 2024: no movements; 31 December 2023: 18,015 thousand US dollars with provision for expected credit losses of 168 thousand US dollars – from Stage 2 to Stage 1).

The information on credit ratings of debt instruments' issuers is presented in the Note 30.

As at 31 December 2025, debt securities at amortised cost include accrued interest income amounting to 1,599 thousand US dollars (31 December 2024: 1,379 thousand US dollars; 31 December 2023: 1,663 thousand US dollars).

As at 31 December 2025, 2024 and 2023, debt instruments at amortised cost were not used as a collateral for loans under repurchase agreements.

18. OTHER ASSETS

	31 December 2025	31 December 2024	31 December 2023
Other financial assets:			
Receivables and accrued commission income	1,806	14,170	12,747
Total other financial assets	**1,806**	**14,170**	**12,747**
Other non-financial assets:			
Receivables and non-financial assets under DIF's projects	6,804	8,601	8,253
Right-of-use assets	6,362	12,886	9,042
Prepaid expenses	1,181	1,499	1,850
Investments in associates	23	23	24
Other debtors	4,794	3,284	2,826
	19,164	**26,293**	**21,995**
Less: provision	(13)	(54)	(13)
Total other non-financial assets	**19,151**	**26,239**	**21,982**
Total other assets	**20,957**	**40,409**	**34,729**

Receivables and other assets under DIF's projects represent prepaid expenses for development of digital projects and received rights on intellectual property on DIF's projects.

19. LOANS AND DEPOSITS FROM FINANCIAL INSTITUTIONS

	31 December 2025	31 December 2024	31 December 2023
Loans from financial institutions	1,264,178	809,910	555,765
Correspondent accounts of financial institutions	20,629	5,316	2,371,271
Loans under repurchase agreements	3,239	31,298	-
Term deposits from financial institutions	-	10,908	163,961
	1,288,046	**857,432**	**3,090,997**

The Bank has signed several loan agreements to receive financing from different financial institutions to fund its investment projects. According to the terms of such agreements, the Bank shall comply with the covenants such as maintaining financial stability, non-payment clauses, cross-default, encumbrances, court proceedings and some others. As at 31 December 2025, 2024 and 2023, the Bank was in compliance with all assigned covenants.

(in thousands of US dollars)

19. LOANS AND DEPOSITS FROM FINANCIAL INSTITUTIONS, CONTINUED

As at 31 December 2025 the outstanding balance of loans from financial institutions included loans attracted in foreign markets in Chinese yuan equivalent to 717,324 thousand US dollars (31 December 2024: 323,596 thousand US dollars; 31 December 2023: 106,388 thousand US dollars).

The Bank concludes repurchase agreement operations in order to satisfy its needs in liquidity. As at 31 December 2025 debt securities in the treasury portfolio with fair value of 3,250 thousand US dollars were used as collateral for loans under repurchase agreements (31 December 2024: 31,286 thousand US dollars; 31 December 2023: there no outstanding repurchase agreement operations) (Note 16).

As at 31 December 2025, loans and deposits from financial institutions included accrued interest payable amounting to 13,197 thousand US dollars (31 December 2024: 9,273 thousand US dollars; 31 December 2023: 10,686 thousand US dollars).

The reconciliation of movement of long-term loans from financial institutions and loans under repurchase agreements to cash flows arising from financing activities in 2025, 2024 and 2023 is as follows:

	31 December 2025	**31 December 2024**	**31 December 2023**
At the beginning of the year	809,910	555,765	522,556
Cash inflow	640,887	402,072	132,544
Cash outflow	(294,391)	(104,841)	(80,051)
Foreign exchange movement	102,846	(45,844)	(14,367)
Interest accrued movement	4,926	2,758	(4,917)
At the end of the year	**1,264,178**	**809,910**	**555,765**

20. DEPOSITS FROM CUSTOMERS

The table below presents the breakdown of the deposits from customers:

	31 December 2025	**31 December 2024**	**31 December 2023**
Current accounts	161,231	195,528	25,271
Deposits from customers	137,989	96,392	114,924
	299,220	**291,920**	**140,195**

As at 31 December 2025, 2024 and 2023, all deposits were from customers based in Member states of the Bank.

(in thousands of US dollars)

21. DEBT SECURITIES ISSUED

The table below presents the breakdown of the debt securities issued:

	31 December 2025	31 December 2024	31 December 2023
Debt securities issued			
in US dollar	1,090,299	1,066,236	839,136
in Russian roubles	521,257	550,718	808,755
in Kazakhstani tenge	493,922	364,550	499,673
in Euro	261,939	230,626	245,843
in UAE dirham	104,932	-	-
in Chinese yuan	73,277	261,263	268,077
Total debt securities issued	**2,545,626**	**2,473,393**	**2,661,484**

In 2025, the Bank placed two issues of coupon bonds denominated in Kazakhstani tenge on the Kazakhstan Stock Exchange, with a total amount of 100 billion Kazakhstani tenge (equivalent to 199,870 thousand US dollars) and one issue of coupon bonds denominated in Chinese yuan in the amount of 500 million Chinese yuan (equivalent to 69,645 thousand US dollars). In addition, a bond issue denominated in UAE dirhams was placed on the Astana International Exchange in the amount of 184,653 thousand UAE dirhams (equivalent to 50,273 thousand US dollars).

The Bank also issued UAE dirhams-denominated bonds in the UAE debt capital market, through a private placement. The total proceeds from the placement amounted to 200 million UAE dirhams (equivalent to 54,459 thousand US dollars).

In 2025, the Bank made scheduled redemptions of its Russian rouble-denominated bonds in the amount of 10 billion Russian roubles (equivalent to 125,663 thousand US dollars), Kazakhstani tenge-denominated bonds in the amount of 25 billion Kazakhstani tenge (equivalent to 46,230 thousand US dollars) and four issues of short-term bonds denominated in Kazakhstani tenge with a total amount of 20 billion Kazakhstani tenge (equivalent to 39,414 thousand US dollars).

During 2025, the Bank repurchased Chinese yuan denominated bonds in the amount of 1,892 million Chinese yuan (equivalent to 265,774 thousand US dollars) and Russian rouble-denominated bonds in the amount of 4,648 million Russian roubles (equivalent to 61,082 thousand US dollars).

As at 31 December 2025, debt securities issued included accrued interest payable amounting to 57,423 thousand US dollars (31 December 2024: 50,086 thousand US dollars; 31 December 2023: 46,599 thousand US dollars).

The reconciliation of debt securities issued movement to cash flows arising from financing activities in 2025, 2024 and 2023 is as follows:

	31 December 2025	31 December 2024	31 December 2023
At the beginning of the year	2,473,393	2,661,484	3,030,076
Cash inflow	408,195	635,430	836,890
Cash outflow	(573,035)	(652,212)	(1,062,781)
Foreign exchange movement	209,382	(172,813)	(148,229)
Interest accrued movement	27,691	1,504	5,528
At the end of the year	**2,545,626**	**2,473,393**	**2,661,484**

(in thousands of US dollars)

22. OTHER LIABILITIES

	31 December 2025	31 December 2024	31 December 2023
Other financial liabilities:			
Lease liabilities	5,994	11,705	7,668
Prepayments for trust management services	-	4	1,351
Other	1,187	760	2,067
Total other financial liabilities	**7,181**	**12,469**	**11,086**
Other non-financial liabilities:			
Payables to employees	41,609	41,382	35,869
Provisions for expected credit losses on guarantees and letters of credit issued	18,514	27,745	17,387
Resources for TAF's projects	11,262	9,926	8,968
Resources for DIF's projects	3,777	8,228	11,632
Other	4,831	4,634	2,627
Total other non-financial liabilities	**79,993**	**91,915**	**76,483**
Total other liabilities	**87,174**	**104,384**	**87,569**

Payables to employees include the Bank's liabilities under the pension program. These liabilities on retirement savings are estimated using time and interest discount factors. The reconciliation between nominal amount and carrying amount is as follows:

Date	Nominal amount	Time discount factor*	Interest discount factor**	Carrying amount
31 December 2025	31,152	2.60 years	3.540%	28,505
31 December 2024	29,725	2.30 years	4.294%	27,018
31 December 2023	25,211	2.20 years	4.794%	22,690

* Time discount factor is estimated as a half of an average term of employment.
** Interest discount factor is equal to US dollar mid-swap interest rate at time discount factor.

23. SHARE CAPITAL

The following tables show the allocation of authorised share capital, callable share capital and paid-in share capital as of 31 December 2025:

	31 December 2025			
	Authorised share capital	Additionally issued payable capital	Callable share capital	Paid-in share capital
The Russian Federation	4,296,749	-	(3,617,900)	678,849
The Republic of Kazakhstan	2,374,451	-	(1,809,300)	565,151
The Republic of Belarus	133,300	-	(54,300)	79,000
The Republic of Tajikistan	66,100	-	(1,600)	64,500
The Republic of Armenia	64,700	-	(600)	64,100
The Kyrgyz Republic	64,700	-	(600)	64,100
The Republic of Uzbekistan	777,777	(158,411)	(609,366)	10,000
Additionally issued capital	756,589	(756,589)	-	-
	8,534,366	**(915,000)**	**(6,093,666)**	**1,525,700**

In October 2025 the Republic of Uzbekistan made its entry contribution of 10,000 thousand US dollars to the share capital of the Bank following accession as a Member state of the Bank, the rest amount of 158,411 thousand US dollars will be paid in accordance with the subscription terms. Upon completion of its payments the Republic of Uzbekistan will have 10% of the voting shares among the current Member states.

(in thousands of US dollars)

23. SHARE CAPITAL, CONTINUED

In July 2024, by resolutions of the Bank's Council, the Bank's authorised share capital was increased from 7,000,000 thousand US dollars to 8,534,366 thousand US dollars by issuing additional 1,534,366 shares. As at 31 December 2025 there were 756,589 additionally issued payable shares, that will be distributed in accordance with the subscription terms approved by the Council of the Bank between the current members of the Bank and possible new members.

	31 December 2024			
	Authorised share capital	**Additionally issued payable capital**	**Callable share capital**	**Paid-in share capital**
The Russian Federation	4,296,749	-	(3,617,900)	678,849
The Republic of Kazakhstan	2,374,451	-	(1,809,300)	565,151
The Republic of Belarus	133,300	-	(54,300)	79,000
The Republic of Tajikistan	66,100	-	(1,600)	64,500
The Republic of Armenia	64,700	-	(600)	64,100
The Kyrgyz Republic	64,700	-	(600)	64,100
Additionally issued capital	1,534,366	(925,000)	(609,366)	-
	8,534,366	**(925,000)**	**(6,093,666)**	**1,515,700**

	31 December 2023		
	Authorised share capital	**Callable share capital**	**Paid-in share capital**
The Russian Federation	4,296,749	(3,617,900)	678,849
The Republic of Kazakhstan	2,374,451	(1,809,300)	565,151
The Republic of Belarus	133,300	(54,300)	79,000
The Republic of Tajikistan	66,100	(1,600)	64,500
The Republic of Armenia	64,700	(600)	64,100
The Kyrgyz Republic	64,700	(600)	64,100
	7,000,000	**(5,484,300)**	**1,515,700**

As at 31 December 2025 and 2024, the authorised share capital consists of 8,534,366 shares (31 December 2023: 7,000,000 shares) with a nominal value of 1,000 US dollars each. In accordance with the terms and conditions for subscription to additional shares payable on demand approved by the Council of the Bank, the Bank has the right to request payment of callable capital, in case of the lack of monetary resources to perform its commitments and obligations, by initiating an extraordinary meeting of the Council of the Bank to make a decision.

Earnings per one paid-in share for years ended 31 December 2025, 2024 and 2023 are as follows:

	Year ended 31 December 2025	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Net profit attributable to the Member states of the Bank	136,708	229,301	125,192
Weighted average number of paid-in shares	1,517,947	1,515,700	1,515,700
Earnings per one paid-in share	**0.0901**	**0.1513**	**0.0826**

(in thousands of US dollars)

23. SHARE CAPITAL, CONTINUED

As at 31 December 2025, 2024 and 2023 the Bank's reserve fund comprised 146,220 thousand US dollars. The Bank has established a reserve fund that represents a segregation of a portion of its retained earnings. The Council of the Bank annually takes decision on the distribution of net profit to the reserve fund. Upon resolution of the Council of the Bank, profit could be distributed among the Bank's member only after the reserve fund reaches fifteen percent of the Bank's share capital.

24. TECHNICAL ASSISTANCE FUND AND DIGITAL INITIATIVE FUND RESERVES

	Technical Assistance Fund reserve	Digital Initiative Fund reserve
31 December 2022	**21,137**	**5,568**
Transfer from retained earnings to TAF reserve	4,598	-
Allocation of TAF reserve	(2,004)	-
Allocation of DIF reserve	-	(4,696)
31 December 2023	**23,731**	**872**
Transfer from retained earnings to TAF reserve	18,779	-
Allocation of TAF reserve	(4,574)	-
31 December 2024	**37,936**	**872**
Transfer from retained earnings to TAF reserve	34,395	-
Allocation of TAF reserve	(5,075)	-
Transfer from retained earnings to DIF reserve	-	6,879
Allocation of DIF reserve	-	(7,751)
31 December 2025	**67,256**	**-**

The purpose of TAF is to effectively assist to strategic objective of the Bank via financing events aimed for preparation and implementation of investment projects, supporting programs of regional integration, carrying out cross-state, interstate, industrial and innovation researches aimed at economic growth, development of market economies, expansion of mutual trade between Member states and other measures related to the mission of the Bank.

The purpose of DIF is to assist the Bank's Member states in creating digital transformation tools and practices by integrating information resources and participating in the development and financing of projects, including those implemented under the EAEU digital agenda.

The Council of the Bank has decided to separate TAF and DIF reserves as individual parts of the equity of the Bank via transferring funds from retained earnings. After the Council of the Bank approves funding of specific TAF/DIF projects and programs, allocated sums are transferred from the equity reserve into liabilities.

The amount of resources available for the TAF and the DIF programs and allocated for specific projects/programs are set by the Council of the Bank on a regular basis. The unused part of the reserves is accumulated and could be used in future periods.

(in thousands of US dollars)

25. CAPITAL RISK MANAGEMENT

The Bank manages its capital to ensure that the Bank will be able to continue as a going concern while improving its performance through the optimisation of debt and equity.

The objective of the Bank's capital is to cover potential losses and safety of invested funds. In accordance with the Bank's internal policies, the capital should be not less than 16% of the sum of credit, market and operational risks, estimated as per the Basel II Standardised approach. As at 31 December 2025, 2024 and 2023, the Bank was in compliance with its internal policy requirements. The Bank is not a subject of local banking regulation in Member states.

The capital structure of the Bank consists of equity attributable to Member states, comprising share capital, reserves and retained earnings as disclosed in the statements of changes in equity.

The Assets and Liabilities Management Committee ("ALMC") reviews the capital structure on a monthly basis. As a part of this review, the ALMC considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the ALMC the Management Board of the Bank makes decisions over the issue of new debt or the redemption of existing debt. Changes in the share capital of the Bank are approved by the Council of the Bank.

26. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank is a party to off-balance financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the statement of financial position.

The Bank's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments. The Bank plans to fund these commitments primarily with debt securities issued. As at 31 December 2025, the maximum credit risk exposure on unused credit lines amounted to 2,463,477 thousand US dollars (31 December 2024: 1,511,865 thousand US dollars; 31 December 2023: 1,114,411 thousand US dollars).

The Bank uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

As at 31 December 2025, 2024 and 2023 contingent liabilities and credit commitments comprised:

	31 December 2025 Nominal amount	31 December 2024 Nominal amount	31 December 2023 Nominal amount
Guarantees and letters of credit issued	302,421	190,881	425,689
Contingent liabilities:			
on loans	2,463,477	1,511,865	1,114,411
on guarantees and letters of credit	372,152	331,974	246,222
on financial assets under Islamic finance agreements	617	-	-
Total contingent liabilities and credit commitments	**3,138,667**	**2,034,720**	**1,786,322**

(in thousands of US dollars)

26. COMMITMENTS AND CONTINGENCIES, CONTINUED

The table below summarises the distribution of issued guarantees and letters of credit between the stages of changes of credit risk as at 31 December 2025:

	Stage 1	Stage 2	Total
Guarantees and letters of credit issued	302,377	44	302,421
Less: provision for expected credit losses (Note 9)	(18,508)	(6)	(18,514)
Total guarantees and letters of credit issued	**283,869**	**38**	**283,907**

During the year ended 31 December 2025 guarantees with outstanding amount of 9,777 thousand US dollars and 568 thousand US dollars of provision for expected credit losses were transferred from Stage 2 to Stage 1.

The table below summarises the distribution of issued guarantees and letters of credit between the stages of changes of credit risk as at 31 December 2024:

	Stage 1	Stage 2	Total
Guarantees and letters of credit issued	178,283	12,598	190,881
Less: provision for expected credit losses (Note 9)	(25,360)	(2,385)	(27,745)
Total guarantees and letters of credit issued	**152,923**	**10,213**	**163,136**

During 2024 there were no movements of guarantees and letters of credit issued between the stages of changes of credit risk.

The table below summarises the distribution of issued guarantees and letters of credit between the stages of changes of credit risk as at 31 December 2023:

	Stage 1	Stage 2	Total
Guarantees and letters of credit issued	335,423	90,266	425,689
Less: provision for expected credit losses (Note 9)	(11,067)	(6,320)	(17,387)
Total guarantees and letters of credit issued	**324,356**	**83,946**	**408,302**

During the year ended 31 December 2023 guarantees and letters of credit issued with outstanding amount of 90,266 thousand US dollars and 6,320 thousand US dollars of provision for expected credit losses were transferred from Stage 1 to Stage 2.

The Bank does not create a provision for expected credit losses on loans commitments and commitments on guarantees and letters of credit, because there are no automatic issues on them. Whenever the Bank receives a request from a customer for a new loan tranche/guarantee or letter of credit, it is reviewed each time on an individual and independent basis. The procedure of issuing includes an updated review of current financial position of a customer by the structural divisions of the Bank and is similar to the procedure of initial approval of credit line. As the Bank on a regular basis declines part of the requests for new loan tranches/guarantees or letters of credit, the Bank considers that the new loan tranche/issue is debatable, and makes a provision for expected credit losses only after transfer of funds to the borrower within the loan commitments or issue of guarantees/letters of credit.

26. COMMITMENTS AND CONTINGENCIES, CONTINUED

Fiduciary activities

On 24 December 2024, the Council of the Eurasian Fund for Stabilization and Development (the "Fund") approved the procedures to transfer the rights, obligations, documents, assets and other property of the Fund resulting from the Bank's activities as the Asset Manager of the Fund.

On 25 June 2025, the Bank completed the transfer to the Fund of all rights, obligations, documents, including archives, assets and other property of the Fund resulting from the Bank's activities as the Asset Manager of the Fund.

Insurance

The insurance industry in Member states is in a developing state and many forms of insurance protection are not yet generally available. The Bank does not have full insurance coverage of the risks that may arise for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Bank property or relating to the Bank's operations. The Bank bears a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

Litigations

In the ordinary course of business, the Bank is subject to legal actions and complaints, however in accordance with the Agreement on Incorporation the Bank possesses immunity against any legal proceedings in the territories of the Member states, except in cases which do not result from its execution of its powers. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the financial conditions of the results of future operations of the Bank.

(in thousands of US dollars)

27. TRANSACTIONS WITH RELATED PARTIES

Related parties and transactions with related parties are assessed in accordance with IAS 24 *"Related Party Disclosures"*.

(a) Transactions with key management personnel

The remuneration of the key management personnel included in staff costs and other payments to employees (Note 10) was as follows:

	Transactions with key management personnel	Total category as per financial statements caption
Year ended 31 December 2025	7,664	40,760
Year ended 31 December 2024	7,503	43,283
Year ended 31 December 2023	8,243	40,849

The outstanding balances as at 31 December 2025, 2024 and 2023 for transactions with the key management personnel are as follows:

Statement of Financial Position	31 December 2025	31 December 2024	31 December 2023
Short-term payments to employees	3,571	4,304	2,118
Retirement savings	4,509	3,674	2,805

(b) Transactions with other related parties

As discussed in the Note 1, the Bank's operations include the financing of projects within its Member states, which include projects undertaken by governmental entities. Accordingly, the Bank enters into transactions with related parties as a result of its ownership by the Member states. According to IAS 24 other related parties of the Bank comprise the Russian Federation and the Republic of Kazakhstan, which have significant influence over the Bank. Other related parties of the Bank also include national companies and other entities controlled by the Russian Federation and/or the Republic of Kazakhstan.

The Bank applies the exemption from the disclosure requirements for government-related entities in accordance with IAS 24. Transactions with the related parties are conducted in the ordinary course of business on terms and conditions that are consistent with those applied to non-related parties and are based on market rates or other standard commercial terms. These transactions comprise loans to customers and financial institutions, customer deposits, puchased bonds. As at 31 December 2025 outstanding gross value of loans issued to related parties amounted to 914,196 thousand US dollars (31 December 2024: 796,036 thousand US dollars; 31 December 2023: 544,708 thousand US dollars); interest income on loans to related parties for 2025 comprised 70,720 thousand US dollars (2024: 64,277 thousand US dollars; 2023: 47,973 thousand US dollars). As at 31 December 2025 outstanding balance of customer deposits from related parties amounted to 140,363 thousand US dollars (31 December 2024: 207,530 thousand US dollars; 31 December 2023: 41,581 thousand US dollars); debt securities issued by related parties and held by the Bank within the assets measured at fair value through profit or loss and through other comprehensive income, and at amortised cost totalled to 753,846 thousand US dollars (31 December 2024: 526,648 thousand US dollars; 31 December 2023: 729,037 thousand US dollars).

(in thousands of US dollars)

28. SEGMENT REPORTING

Segment information for the geographical segments of the Bank as at and for the year ended 31 December 2025 is set out below:

	Russia	Kazakhstan	Belarus	Other Member states	Non-member states	Total
Interest income, calculated using the effective interest method:						
on Investment portfolio	57,935	202,303	16,382	25,988	-	302,608
on Treasury portfolio	64,460	70,462	-	8,293	76,384	219,599
Other interest income on Treasury portfolio	8,856	770	-	-	1,946	11,572
Interest expense	(265,676)	(111,014)	(2,601)	(1,649)	(28,359)	(409,299)
Income on financial assets under Islamic finance agreements	-	86	-	-	-	86
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	62,974	(7,126)	(28)	453	(498)	55,775
Net (loss)/gain on transactions in foreign currencies	(39,309)	32,499	127	625	1,058	(5,000)
Net realised gain on financial assets at fair value through other comprehensive income	1	-	-	-	531	532
Net (loss)/gain from modification, recognition and derecognition of financial instruments	-	(635)	-	89	-	(546)
Fee and commission income	6,817	3,684	1,061	68	106	11,736
Fee and commission expense	(329)	(670)	(4)	(33)	(453)	(1,489)
Net other (expense)/income	-	(1,934)	-	27	(28)	(1,935)
Reversal of/(provision for) expected credit losses on interest bearing assets	11,834	(6,414)	(6,165)	(9,267)	14,719	4,707
Reversal of expected credit losses on guarantees and letters of credit issued	2,382	7,671	721	-	15	10,789
Provision for expected credit losses on financial assets under Islamic finance agreements	-	(39)	-	-	-	(39)
Net operating (loss)/income	**(90,055)**	**189,643**	**9,493**	**24,594**	**65,421**	**199,096**
Cash and cash equivalents	6,237	671,917	278	10,923	183,011	872,366
Financial assets at fair value through profit or loss:	98,567	10,712	-	-	1,371	110,650
in Treasury portfolio	*98,567*	*10,712*	-	-	*1,371*	*110,650*
Loans and amounts due from financial institutions:	410,501	12,843	1,652	47,502	6,525	479,023
in Treasury portfolio	*346,415*	-	-	-	*6,525*	*352,940*
in Investment portfolio	*64,086*	*12,843*	*1,652*	*47,502*	-	*126,083*
Loans to customers	178,343	1,905,850	199,937	328,508	-	2,612,638
Financial assets under Islamic finance agreements	-	11,109	-	-	-	11,109
Financial assets at fair value through other comprehensive income:	118,886	561,587	81,398	-	1,532,184	2,294,055
in Treasury portfolio	*41,261*	*216,009*	-	-	*1,532,184*	*1,789,454*
in Investment portfolio	*77,625*	*345,578*	*81,398*	-	-	*504,601*
Debt securities at amortised cost:	42,873	37,094	-	83,610	50,266	213,843
in Treasury portfolio	*42,873*	*37,094*	-	*83,610*	*50,266*	*213,843*
Property, equipment and intangible assets	3,004	22,427	17	47	-	25,495
Other assets	6,314	10,321	237	1,999	2,086	20,957
Total assets	**864,725**	**3,243,860**	**283,519**	**472,589**	**1,775,443**	**6,640,136**
Total liabilities	**1,923,677**	**1,187,329**	**6,306**	**37,968**	**1,065,989**	**4,221,269**
Contingent liabilities and credit commitments	**619,298**	**1,890,513**	**419,083**	**209,773**	**-**	**3,138,667**
Capital expenditure	**1,428**	**7,180**	**11**	**27**	**-**	**8,646**
Depreciation and amortisation	**705**	**2,969**	**5**	**31**	**-**	**3,710**

(in thousands of US dollars)

28. SEGMENT REPORTING, CONTINUED

Segment information for the geographical segments of the Bank as at and for the year ended 31 December 2024 is set out below:

	Russia	Kazakhstan	Belarus	Other Member states	Non-member states	Total
Interest income, calculated using the effective interest method:						
on Investment portfolio	48,421	182,764	13,464	9,603	36,465	290,717
on Treasury portfolio	121,769	62,571	204	1,775	36,634	222,953
Other interest income on Treasury portfolio	12,980	858	-	-	1,054	14,892
Interest expense	(159,810)	(93,215)	(2,326)	(152)	(75,428)	(330,931)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(34,117)	(39,456)	6,364	(7)	(481)	(67,697)
Net gain/(loss) on transactions in foreign currencies	64,895	6,567	(1,940)	259	55,522	125,303
Net realised (loss)/gain on financial assets at fair value through other comprehensive income	(1,741)	(30)	-	-	32	(1,739)
Net (loss)/gain from modification, recognition and derecognition of financial instruments	(27,860)	749	-	-	-	(27,111)
Fee and commission income	18,315	946	1,291	81	342	20,975
Fee and commission expense	(1,836)	(304)	(4)	(27)	(1,756)	(3,927)
Net other income	13	8	-	26	-	47
Reversal of/(provision for) expected credit losses on interest bearing assets	36,678	(2,733)	(10,675)	(16,906)	56,008	62,372
Reversal of/(provision for) expected credit losses on guarantees and letters of credit issued	10,349	(22,721)	1,901	-	(14)	(10,485)
Net operating income/(loss)	**88,056**	**96,004**	**8,279**	**(5,348)**	**108,378**	**295,369**
Cash and cash equivalents	283,874	464,978	828	85,637	239,129	1,074,446
Financial assets at fair value through profit or loss:	86,395	4,892	-	-	824	92,111
in Treasury portfolio	*86,395*	*4,892*	-	-	*824*	*92,111*
in Investment portfolio	-	-	-	-	-	-
Loans and amounts due from financial institutions:	357,832	25,045	2,408	14,704	194,993	594,982
in Treasury portfolio	*338,742*	*1,447*	-	*1*	*194,993*	*535,183*
in Investment portfolio	*19,090*	*23,598*	*2,408*	*14,703*	-	*59,799*
Loans to customers	182,812	1,612,635	93,725	161,821	-	2,050,993
Financial assets at fair value through other comprehensive income:	93,305	373,798	64,908	-	1,387,263	1,919,274
in Treasury portfolio	*34,564*	*75,101*	-	-	*1,387,263*	*1,496,928*
in Investment portfolio	*58,741*	*298,697*	*64,908*	-	-	*422,346*
Debt securities at amortised cost:	45,024	34,829	-	11,665	110,694	202,212
in Treasury portfolio	*45,024*	*34,829*	-	*11,665*	*110,694*	*202,212*
Property, equipment and intangible assets	2,396	17,913	9	51	-	20,369
Other assets	36,796	1,854	260	684	815	40,409
Total assets	**1,088,434**	**2,535,944**	**162,138**	**274,562**	**1,933,718**	**5,994,796**
Total liabilities	**1,995,790**	**976,352**	**4,645**	**40,698**	**710,117**	**3,727,602**
Contingent liabilities and credit commitments	**444,723**	**993,770**	**347,715**	**226,799**	**21,713**	**2,034,720**
Capital expenditure	**436**	**6,312**	**2**	**8**	**-**	**6,758**
Depreciation and amortisation	**685**	**2,297**	**4**	**47**	**-**	**3,033**

(in thousands of US dollars)

28. SEGMENT REPORTING, CONTINUED

Segment information for the geographical segments of the Bank as at and for the year ended 31 December 2023 is set out below:

	Russia	Kazakhstan	Belarus	Other Member states	Non-member states	Total
Interest income, calculated using the effective interest method:						
on Investment portfolio	68,530	154,583	8,828	7,573	40,888	280,402
on Treasury portfolio	98,151	25,757	2,318	1,778	40,101	168,105
Other interest income on Treasury portfolio	9,484	1,217	-	-	1,806	12,507
Interest expense	(124,638)	(72,546)	(10,374)	(522)	(63,374)	(271,454)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	49,566	(5,753)	43,958	1,601	(4,106)	85,266
Net (loss)/gain on transactions in foreign currencies	(25,584)	13,008	(37,346)	(104)	4,917	(45,109)
Net realised loss on financial assets at fair value through other comprehensive income	(13,534)	(144)	(417)	-	(14,464)	(28,559)
Net loss from modification, recognition and derecognition of financial instruments	(9,705)	(1,887)	-	-	-	(11,592)
Fee and commission income	17,785	570	2,238	204	443	21,240
Fee and commission expense	(4,203)	(564)	(5)	(11)	(136)	(4,919)
Net other (expense)/income	(2)	4	-	2	317	321
(Provision for)/reversal of expected credit losses on interest bearing assets	(9,196)	(8,233)	9,415	(9,335)	350	(16,999)
(Provision for)/reversal of expected credit losses on guarantees and letters of credit issued	(4,794)	42	(439)	-	(275)	(5,466)
Net operating income	**51,860**	**106,054**	**18,176**	**1,186**	**6,467**	**183,743**
Cash and cash equivalents	3,613,255	239,616	73,698	40,267	27,453	3,994,289
Financial assets at fair value through profit or loss:	271,719	11,581	962	-	1,284	285,546
in Treasury portfolio	*258,564*	*11,581*	*962*	-	*1,284*	*272,391*
in Investment portfolio	*13,155*	-	-	-	-	*13,155*
Loans and amounts due from financial institutions:	4,427	47,269	-	-	482,963	534,659
in Treasury portfolio	*4,427*	*4,924*	-	-	*482,963*	*492,314*
in Investment portfolio	-	*42,345*	-	-	-	*42,345*
Loans to customers	518,085	1,266,830	101,993	76,954	396,594	2,360,456
Financial assets at fair value through other comprehensive income:	149,459	467,690	17,941	-	36,952	672,042
in Treasury portfolio	*66,027*	*98,735*	-	-	*36,952*	*201,714*
in Investment portfolio	*83,432*	*368,955*	*17,941*	-	-	*470,328*
Debt securities at amortised cost:	112,299	37,454	-	10,887	108,096	268,736
in Treasury portfolio	*112,299*	*37,454*	-	*10,887*	*108,096*	*268,736*
Property, equipment and intangible assets	2,447	14,299	13	126	-	16,885
Other assets	30,265	1,810	447	393	1,814	34,729
Total assets	**4,701,956**	**2,086,549**	**195,054**	**128,627**	**1,055,156**	**8,167,342**
Total liabilities	**4,297,056**	**874,385**	**383,341**	**47,043**	**577,511**	**6,179,336**
Contingent liabilities and credit commitments	**811,767**	**561,388**	**178,636**	**199,138**	**35,393**	**1,786,322**
Capital expenditure	**1,505**	**4,000**	**-**	**11**	**-**	**5,516**
Depreciation and amortisation	**605**	**2,045**	**11**	**66**	**-**	**2,727**

(in thousands of US dollars)

28. SEGMENT REPORTING, CONTINUED

Segment performance information is presented to the management of the Bank for decision making in the way it is disclosed above. The Bank believes that more detailed disclosure of segment information will not have significant impact on segment performance of the Bank.

The Bank operates in the Member states and other countries. In presenting geographical information the allocation of revenue is based on the geographical location of customers and assets. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Bank's executives, and for which discrete financial information is available. The functions of the executives are performed by the Management Board of the Bank.

External operating income, assets, liabilities and capital expenditure have generally been allocated based on the domicile of the counterparty. Tangible assets (cash on hand, premises and equipment) have been allocated based on the country in which they are physically held.

There are no intersegment revenues. Information on major customers is disclosed in the Notes 13 and 14.

The table below provides a reconciliation between the amounts of net operating income disclosed in segment performance tables and net profit of the Bank:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Net operating income	199,096	295,369	183,743
Operating expenses	(62,388)	(66,068)	(58,551)
Net profit	**136,708**	**229,301**	**125,192**

For the years ended 31 December 2025, 2024 and 2023, there were no loans to customers with interest income exceeding 10% of total interest income.

The Bank allocates assets and liabilities in investment and treasury portfolios, which is another segment reporting form.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determining fair values

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Bank could realise in a market exchange from the sale of its full holdings of a particular instrument.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy in the Note 3. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

(b) Valuation of financial instruments

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Instruments involving significant unobservable inputs are presented by certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

(in thousands of US dollars)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

(b) Valuation of financial instruments, continued

The tables below analyse financial instruments measured at fair value as at 31 December 2025, 2024 and 2023, by level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

	Level 1	Level 2	Level 3	As at 31 December 2025 Total
Financial assets at fair value through profit or loss:				
in Treasury portfolio	106,021	4,629	-	110,650
Financial assets at fair value through other comprehensive income:				
in Treasury portfolio	1,784,681	4,773	-	1,789,454
in Investment portfolio	87,285	417,316	-	504,601
Financial liabilities at fair value through profit or loss	-	(1,203)	-	(1,203)

	Level 1	Level 2	Level 3	As at 31 December 2024 Total
Financial assets at fair value through profit or loss:				
in Treasury portfolio	91,287	824	-	92,111
Financial assets at fair value through other comprehensive income:				
in Treasury portfolio	1,493,260	3,668	-	1,496,928
in Investment portfolio	40,092	382,254	-	422,346
Financial liabilities at fair value through profit or loss	-	(473)	-	(473)

	Level 1	Level 2	Level 3	As at 31 December 2023 Total
Financial assets at fair value through profit or loss:				
in Treasury portfolio	15,523	256,868	-	272,391
in Investment portfolio	-	-	13,155	13,155
Financial assets at fair value through other comprehensive income:				
in Treasury portfolio	161,263	40,451	-	201,714
in Investment portfolio	110,524	359,804	-	470,328
Financial liabilities at fair value through profit or loss	-	(199,091)	-	(199,091)

(in thousands of US dollars)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

(b) Valuation of financial instruments, continued

For the year ended 31 December 2025 there were no financial instruments measured at fair value using Level 3 of the fair value hierarchy. Movements in financial assets in the investment portfolio for the years ended 31 December 2024 and 2023, measured at fair value using Level 3 of the fair value hierarchy, are presented below:

	Level 3	
	Year ended 31 December 2024	**Year ended 31 December 2023**
Financial assets at fair value through profit or loss		
Balance at beginning of the year	13,155	16,339
Revaluation	39,073	(3,184)
Disposal	(52,228)	-
Balance at end of the year	**-**	**13,155**

The Bank uses approach based on discounted cash flow to value the financial instruments at Level 3. Under any scenario the above estimate is sensitive to changes in the market parameters and future expectations and may result in a change of the carrying value of the financial instruments within a one-year horizon.

The tables below analyse the fair value of financial instruments that are not measured at fair value on a recurring basis (but fair value disclosures are required), as at 31 December 2025, 2024 and 2023:

				As at 31 December 2025	
	Level 1	**Level 2**	**Level 3**	**Total fair value**	**Total carrying amount**
Financial assets:					
Cash and cash equivalents	-	499,452	372,914	872,366	872,366
Loans and amounts due from financial institutions:	-	346,414	130,642	477,056	479,023
in Treasury portfolio	-	*346,414*	*6,526*	*352,940*	*352,940*
in Investment portfolio	-	-	*124,116*	*124,116*	*126,083*
Loans to customers	-	-	2,595,000	2,595,000	2,612,638
Debt securities at amortised cost:	211,368	4,051	-	215,419	213,843
in Treasury portfolio	*211,368*	*4,051*	-	*215,419*	*213,843*
Other financial assets	-	-	1,806	1,806	1,806
Financial liabilities:					
Loans and deposits from financial institutions	-	-	1,174,997	1,174,997	1,288,046
Deposits from customers	-	-	288,028	288,028	299,220
Debt securities issued	-	1,349,054	1,084,415	2,433,469	2,545,626
Other financial liabilities	-	-	7,181	7,181	7,181

(in thousands of US dollars)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

(b) Valuation of financial instruments, continued

				As at 31 December 2024	
	Level 1	**Level 2**	**Level 3**	**Total fair value**	**Total carrying amount**
Financial assets:					
Cash and cash equivalents	-	331,850	742,596	1,074,446	1,074,446
Loans and amounts due from financial institutions:	-	333,602	258,072	591,674	594,982
in Treasury portfolio	-	*333,602*	*201,581*	*535,183*	*535,183*
in Investment portfolio	-	-	*56,491*	*56,491*	*59,799*
Loans to customers	-	-	2,006,778	2,006,778	2,050,993
Debt securities at amortised cost:	192,253	3,642	-	195,895	202,212
in Treasury portfolio	*192,253*	*3,642*	-	*195,895*	*202,212*
Other financial assets	-	-	14,170	14,170	14,170
Financial liabilities:					
Loans and deposits from financial institutions	-	-	782,002	782,002	857,432
Deposits from customers	-	-	280,361	280,361	291,920
Debt securities issued	-	-	2,376,572	2,376,572	2,473,393
Other financial liabilities	-	-	12,469	12,469	12,469

				As at 31 December 2023	
	Level 1	**Level 2**	**Level 3**	**Total fair value**	**Total carrying amount**
Financial assets:					
Cash and cash equivalents	-	391,231	3,603,058	3,994,289	3,994,289
Loans and amounts due from financial institutions:	-	-	531,645	531,645	534,659
in Treasury portfolio	-	-	*492,314*	*492,314*	*492,314*
in Investment portfolio	-	-	*39,331*	*39,331*	*42,345*
Loans to customers	-	-	2,345,236	2,345,236	2,360,456
Debt securities at amortised cost:	208,824	51,012	-	259,836	268,736
in Treasury portfolio	*208,824*	*51,012*	-	*259,836*	*268,736*
Other financial assets	-	-	12,747	12,747	12,747
Financial liabilities:					
Loans and deposits from financial institutions	-	-	3,030,134	3,030,134	3,090,997
Deposits from customers	-	-	128,917	128,917	140,195
Debt securities issued	-	463,465	2,088,807	2,552,272	2,661,484
Other financial liabilities	-	-	11,086	11,086	11,086

30. RISK MANAGEMENT

(a) Risk management organisational structure

To achieve its strategic goals the Bank faces risks which arise due to insufficiency and asymmetry of data, non-linear and contradictory nature of economical and other processes, random elements, and other factors.

Establishment and development of effective and integral risk management system, which is an important part of corporate governance system of the Bank, is a key aspect of long-term financial stability of the Bank.

The main purpose of risk management system of the Bank is provision of rational confidence that strategic goals of the Bank would be achieved without detriment to continuity of its operations and financial stability.

Risk management is conducted by (i) the Council, (ii) the Management Board, (iii) ALMC, (iv) the Credit Committee, (v) the Credit and risk management department, (vi) the Assets and liabilities management department, (vii) the Internal audit department, and other Committees and departments of the Bank which together are responsible for devising and implementing the Bank's risk management policies, including credit, market, operational and liquidity risks. In order to manage risks the responsible departments of the Bank prepare required management reports to the Bank's Committees on a regular basis.

(i) The Council

The Council participates in the risk management of the Bank by:

- determining major direction of business and the Strategy of the Bank;
- approving the Bank's Investments regulations;
- approving the Bank's investment projects within its limits in accordance with the Investment regulations;
- approving the Bank's financial ratios within its limits in accordance with the Internal and financial ratios regulations; and
- approving planned annual budget for upcoming year.

(ii) The Management Board

The Management Board is responsible for the overall supervision of risk management of the Bank, including:

- development and realisation of Bank's activity programme, including Investment activity, aimed at achieving strategic goals of the Bank;
- approving risk management rules and regulations of the Bank, including interaction guidelines for different departments of the Bank;
- approving the Bank's investment projects within its limits in accordance with the Investment regulations;
- approving the Bank's financial ratios within its limits in accordance with the internal and financial ratios regulations; and
- creation of collective bodies/committees of the Bank and approving their capabilities.

30. RISK MANAGEMENT, CONTINUED

(a) Risk management organisational structure, continued

(iii) ALMC

ALMC is a permanent collective body reporting to the Management Board which is responsible for setting and implementing the Bank's assets and liabilities management policy, liquidity, market risks, and profitability management policy.

(iv) Credit Committee

The Credit Committee is a permanent collective body reporting to the Management Board which reviews each investment project and makes decisions within its limits. Investment projects beyond Credit Committee limits are reviewed and decisions are made by the Management Board.

(v) Credit and risk management department

The Credit and risk management department executes:
- identification and assessment of credit risk of each individual investment project proposal and makes recommendations to the Credit Committee for associated credit risks reduction (minimisation);
- administrating (control) and monitoring of each individual investment project including monitoring of changes in credit risk accepted by the Bank;
- assessment and monitoring of collateral and other security for the loan;
- loans and other financial assets credit risk classification and provisions for expected credit losses calculation;
- analysis of counterparties and securities issuers risks within treasury operations; monitoring compliance with limits and other restrictions;
- stress-testing of the Bank's risk positions;
- preparation and presentation of analytical information (reports) on the risk management.

(vi) Assets and liabilities management department

The Assets and liabilities management directorate is responsible for evaluation and monitoring of interest rate and liquidity risks, including gap-analysis of these risks, and preparation of management reports and recommendations.

(vii) Internal audit department

The Internal audit department executes independent assessment of the effectiveness of risk management system.

(b) Credit risk

Credit risk is a possibility of financial losses, emerging from non-fulfillment of contractual obligations by the counterparties.

The Bank separates its assets into two segments (portfolios) which are the investment portfolio and the treasury portfolio. The purpose of this separation is to provide management of the Bank information about the portfolios' assets structure as these portfolios serve different aims of the Bank and are managed differently. The sources of credit risk are the investment portfolio of the Bank, comprised mainly of loans/credit lines to borrowers and debt securities, and the treasury portfolio, comprised mainly of cash and cash equivalents, debt securities, interbank loans, reverse REPO operations and derivative financial instruments.

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Assets in the investment portfolio are in line with the strategic objectives of the Bank based on its mandate. These assets must conform with the Investment regulations, which set the main principles that guide the Bank when considering investment projects. Origination and acquisition of these assets must be approved by the Credit Committee, the Management Board and, in certain cases, the Council of the Bank.

Assets in the treasury portfolio are intended to preserve the value of the Bank’s equity, as well as to maintain sufficient level of liquidity. Assets in the treasury portfolio are managed in accordance with the Investment declaration, the Market and liquidity risks management rules and other internal guidelines. These assets are managed by the Treasury Department and controlled by the ALMC.

The Committees of the Bank manage the credit risk through consideration and approval investment projects and limits, monitor realisation of projects and compliance with the limits, and take corrective actions where needed.

The Bank pays close attention to control credit concentration risks. In accordance with the internal regulations the maximum exposure on a single borrower or a group of related borrowers cannot be more than 25% of the Bank's equity.

Credit risk in the investment portfolio

Risk management process during financing of investment projects consists of the following stages: risk identification, risk assessment, control and monitoring of risks.

At risk identification stage the Bank prepares a list of risks and their description. For these purposes the Bank defines following general list of risks that might affect the overall credit risk of an investment project:
- infrastructural risks;
- engineering and project risks;
- constructional and completion risks;
- resources supply risks;
- operational risks and risks related to effectiveness (technology, expenditure and management);
- industry risks;
- FX risks;
- interest rate risks;
- compliance risks;
- legal risks;
- social and ecological risks;
- country (political) risks.

A further analysis of identified risks is conducted to determine the probability of risk events occurrence (risk level) and possible consequences (financial losses). Valuation of identified risks is based on Internal models, which include analysis of wide range of quantative and quality parameters. At this stage the Bank prepares individual counter measures for identified and evaluated risks (risk acceptance «as is», risk rejection, risk diminution, full or partial risk transfer) and sets up a list of covenants for early risk detection that is used for control and monitoring of risks.

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Credit risk in the investment portfolio, continued

At the project approval stage, based on the presentation and preliminary decision of the Credit Committee, either the Management Board or the Council of the Bank (in case if credit exposure on a single borrower or a group of interrelated borrowers exceeds 100,000 thousand US dollars) within the limits of their powers, reviews and approves investment projects and makes decisions on any changes and addenda to the existing agreements.

At the stage of control and monitoring of risks the Bank keeps watch over parameters (covenants) which represent early risk change detection framework and on a regular basis revises risk level of investment projects. For this purpose, Internal models are used. In case of significant increase of risk level of investment projects, the Bank prepares risk reduction measures.

The following tables show financial assets in the investment portfolio by credit ratings, as at 31 December 2025:

	Stage 1	Stage 2	Stage 3	Total
Loans and amounts due from financial institutions:				
with credit ratings BBB+, BBB, BBB-	12,855	-	-	12,855
with credit ratings B+, B, B-	116,859	-	-	116,859
with credit ratings CCC+, CCC, CCC-	2,030	-	-	2,030
	131,744	**-**	**-**	**131,744**
Less: provision for expected credit losses (Note 9)	(5,661)	-	-	(5,661)
Total loans and amounts due from financial institutions	**126,083**	**-**	**-**	**126,083**

	Stage 1	Stage 2	Stage 3	Total
Loans to customers:				
with credit ratings BBB+, BBB, BBB-	152,816	-	-	152,816
with credit ratings BB+, BB, BB-	693,552	-	-	693,552
with credit ratings B+, B, B-	1,373,691	-	-	1,373,691
with credit ratings CCC+, CCC, CCC-	390,944	42,111	-	433,055
with credit ratings CC, C, D	-	-	63,156	63,156
	2,611,003	**42,111**	**63,156**	**2,716,270**
Less: provision for expected credit losses (Note 9)	(48,409)	(14,884)	(40,339)	(103,632)
Total loans to customers	**2,562,594**	**27,227**	**22,817**	**2,612,638**

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Credit risk in the investment portfolio, continued

	Stage 1	Stage 2	Stage 3	Total
Financial assets at fair value through other comprehensive income:				
with credit ratings BBB+, BBB, BBB-	279,815	-	-	279,815
with credit ratings BB+, BB, BB-	59,594	-	-	59,594
with credit ratings B+, B, B-	83,794	-	-	83,794
with credit ratings CCC+, CCC, CCC-	81,398	-	-	81,398
Total financial assets at fair value through other comprehensive income	**504,601**	**-**	**-**	**504,601**

The following tables show financial assets in the investment portfolio by credit ratings, as at 31 December 2024:

	Stage 1	Stage 2	Stage 3	Total
Loans and amounts due from financial institutions:				
with credit ratings BBB+, BBB, BBB-	23,623	-	-	23,623
with credit ratings B+, B, B-	35,200	-	-	35,200
with credit ratings CCC+, CCC, CCC-	3,016	-	-	3,016
	61,839	**-**	**-**	**61,839**
Less: provision for expected credit losses (Note 9)	(2,040) -	-	-	(2,040)
Total loans and amounts due from financial institutions	**59,799**	**-**	**-**	**59,799**

	Stage 1	Stage 2	Stage 3	Total
Loans to customers:				
with credit ratings BBB+, BBB, BBB-	117,773	-	-	117,773
with credit ratings BB+, BB, BB-	212,518	-	-	212,518
with credit ratings B+, B, B-	1,538,593	65,110	-	1,603,703
with credit ratings CCC+, CCC, CCC-	118,230	41,981	-	160,211
with credit ratings CC, C, D	-	-	50,789	50,789
	1,987,114	**107,091**	**50,789**	**2,144,994**
Less: provision for expected credit losses (Note 9)	(41,849)	(22,316)	(29,836)	(94,001)
Total loans to customers	**1,945,265**	**84,775**	**20,953**	**2,050,993**

	Stage 1	Stage 2	Stage 3	Total
Financial assets at fair value through other comprehensive income:				
with credit ratings BBB+, BBB, BBB-	166,976	-	-	166,976
with credit ratings BB+, BB, BB-	100,179	-	-	100,179
with credit ratings B+, B, B-	90,283	-	-	90,283
with credit ratings CCC+, CCC, CCC-	48,441	16,467	-	64,908
Total financial assets at fair value through other comprehensive income	**405,879**	**16,467**	**-**	**422,346**

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Credit risk in the investment portfolio, continued

The following tables show financial assets in the investment portfolio by credit ratings, as at 31 December 2023:

	Stage 1	Stage 2	Stage 3	Total
Loans and amounts due from financial institutions:				
with credit ratings BBB+, BBB, BBB-	33,584	-	-	33,584
with credit ratings BB+, BB, BB-	8,837	-	-	8,837
with credit ratings CCC+, CCC, CCC-	1	-	-	1
	42,422	**-**	**-**	**42,422**
Less: provision for expected credit losses (Note 9)	(77)	-	-	(77)
Total loans and amounts due from financial institutions	**42,345**	**-**	**-**	**42,345**

	Stage 1	Stage 2	Stage 3	Total
Loans to customers:				
with credit ratings BBB+, BBB, BBB-	131,259	-	-	131,259
with credit ratings BB+, BB, BB-	524,053	-	-	524,053
with credit ratings B+, B, B-	1,332,456	257,137	-	1,589,593
with credit ratings CCC+, CCC, CCC-	171,952	43,018	-	214,970
with credit ratings CC, C, D	-	-	17,946	17,946
	2,159,720	**300,155**	**17,946**	**2,477,821**
Less: provision for expected credit losses (Note 9)	(50,569)	(57,074)	(9,722)	(117,365)
Total loans to customers	**2,109,151**	**243,081**	**8,224**	**2,360,456**

	Stage 1	Stage 2	Stage 3	Total
Financial assets at fair value through other comprehensive income:				
with credit ratings BBB+, BBB, BBB-	124,780	-	-	124,780
with credit ratings BB+, BB, BB-	226,668	-	-	226,668
with credit ratings B+, B, B-	100,939	-	-	100,939
with credit ratings CCC+, CCC, CCC-	-	17,941	-	17,941
Total financial assets at fair value through other comprehensive income	**452,387**	**17,941**	**-**	**470,328**

As at 31 December 2025, 2024 and 2023 weighted average credit rating of financial assets in the investment portfolio was at «B+».

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Credit risk in the treasury portfolio

For credit risk management of financial assets in the treasury portfolio the Bank uses a system of limits for the structure of portfolio, different types of financial instruments and individual limits for counterparties and issuers. Structural limits are set by the Management Board, other limits are set by ALMC. In a process of setting limits, the Bank conducts necessary procedures (analysis) of acceptability of credit risk of potential counterparties.

At the stage of control and monitoring of risks the Bank keeps watch on limits and adjusts them if necessary.

The following tables detail the credit ratings of financial assets in the treasury portfolio of the Bank (except equity instruments) assigned by the international credit rating agencies according to the international rating scale as at 31 December 2025, 2024 and 2023:

	31 December 2025	31 December 2024	31 December 2023
Cash and cash equivalents:			
with credit ratings AA+, AA, AA-	1,445	300	163
with credit ratings A+, A, A-	171,896	236,042	27,290
with credit ratings BBB+, BBB, BBB-	668,236	381,662	234,275
with credit ratings BB+, BB, BB-	12,725	91,438	1,512
with credit ratings B+, B, B-	278	13	38,821
with credit ratings CCC+, CCC, CCC-	-	9	-
with credit ratings CC, C, D	175	774	73,734
not rated	17,655	365,240	3,619,064
	872,410	**1,075,478**	**3,994,859**
Less: provision for expected credit losses (Note 9)	(44)	(1,032)	(570)
Total cash and cash equivalents	**872,366**	**1,074,446**	**3,994,289**

	31 December 2025	31 December 2024	31 December 2023
Financial assets at fair value through profit or loss:			
with credit ratings A+, A, A-	1,371	824	1,284
with credit ratings BBB+, BBB, BBB-	10,712	4,893	11,581
not rated	98,567	86,394	259,526
Total financial assets at fair value through profit or loss	**110,650**	**92,111**	**272,391**

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Credit risk in the treasury portfolio, continued

	31 December 2025	31 December 2024	31 December 2023
Loans and amounts due from financial institutions:			
with credit ratings AA+, AA, AA-	11,350	221,370	557,824
with credit ratings A+, A, A-	236	-	5,119
not rated	358,301	340,190	9,351
	369,887	**561,560**	**572,294**
Less: provision (Note 9)	(16,947)	(26,377)	(79,980)
Total loans and amounts due from financial institutions	**352,940**	**535,183**	**492,314**

	31 December 2025	31 December 2024	31 December 2023
Debt instruments at fair value through other comprehensive income:			
with credit ratings AAA	432,274	299,421	-
with credit ratings AA+, AA, AA-	669,967	938,046	36,952
with credit ratings A+, A, A-	429,960	149,796	-
with credit ratings BBB+, BBB, BBB-	175,671	36,395	54,977
with credit ratings BB+, BB, BB-	40,322	38,706	43,759
not rated	41,260	34,564	66,026
Total debt instruments at fair value through other comprehensive income	**1,789,454**	**1,496,928**	**201,714**

	31 December 2025	31 December 2024	31 December 2023
Debt securities at amortised cost:			
with credit ratings AA+, AA, AA-	50,266	52,498	52,341
with credit ratings BBB+, BBB, BBB-	37,129	18,896	21,374
with credit ratings BB+, BB, BB-	75,179	15,977	16,148
with credit ratings B+, B, B-	8,791	70,692	67,512
not rated	44,053	47,199	116,671
	215,418	**205,262**	**274,046**
Less: provision for expected credit losses (Note 9)	(1,575)	(3,050)	(5,310)
Total debt securities at amortised cost	**213,843**	**202,212**	**268,736**

Financial assets in the treasury portfolio that have more than one credit rating are disclosed by the lowest of ratings available.

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Maximum exposure

The maximum exposure to credit risk is generally reflected in the carrying amounts of debt financial assets on the statement of financial position and unused credit lines. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The maximum exposure to credit risk from unused credit lines at the reporting date is presented in the Note 26.

Offsetting financial assets and financial liabilities

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

- are offset in the Bank's statement of financial position, or
- are subject to an enforceable master arrangements or similar agreements that cover similar financial instruments, irrespective of whether they are offset in the statement of financial position.

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

The Bank enters into derivative transactions primarily with the aim of mitigating/hedging its market risks. These operations might carry some credit risk for the Bank. The Bank's derivative transactions that are not transacted on the exchange are entered into under International Derivative Swaps and Dealers Association ("ISDA") Master Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In order to minimise its credit risk these agreements usually have a collateral clause if threshold limits are breached. In the event of an early termination due to a termination event and/or, an event of default, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement transactions.

The Bank's similar financial instruments are covered by global master repurchase agreements with netting terms similar to those of ISDA Master Agreements.

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Offsetting financial assets and financial liabilities, continued

The above ISDA and similar master arrangements do not meet the offsetting criteria in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties. In addition, the Bank and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The tables below show financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements as at 31 December 2025, 2024 and 2023:

31 December 2025			**Related amounts not offset in the statement of financial position**	
Types of financial assets/liabilities	**Gross amounts of recognised financial asset/ liability**	**Net and gross amount of financial assets/ liabilities presented in the statement of financial position**	**Financial instruments / collateral received**	**Net amount**
Derivative assets	4,629	4,629	-	4,629
Loans under reverse repurchase agreements	579,202	579,202	(579,202)	-
Total financial assets	**583,831**	**583,831**	**(579,202)**	**4,629**
Derivatives liabilities	(1,203)	(1,203)	-	(1,203)
Loans under repurchase agreements	(3,239)	(3,239)	3,239	-
Total financial liabilities	**(4,442)**	**(4,442)**	**3,239**	**(1,203)**

31 December 2024			**Related amounts not offset in the statement of financial position**	
Types of financial assets/liabilities	**Gross amounts of recognised financial asset/ liability**	**Net and gross amount of financial assets/ liabilities presented in the statement of financial position**	**Financial instruments / collateral received**	**Net amount**
Derivative assets	824	824	-	824
Loans under reverse repurchase agreements	395,898	395,898	(395,898)	-
Total financial assets	**396,722**	**396,722**	**(395,898)**	**824**
Derivatives liabilities	(473)	(473)	-	(473)
Loans under repurchase agreements	(31,298)	(31,298)	31,298	-
Total financial liabilities	**(31,771)**	**(31,771)**	**31,298**	**(473)**

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(b) Credit risk, continued

Offsetting financial assets and financial liabilities, continued

31 December 2023 **Types of financial assets/liabilities**	**Gross amounts of recognised financial asset/ liability**	**Net and gross amount of financial assets/ liabilities presented in the statement of financial position**	**Related amounts not offset in the statement of financial position** **Financial instruments / collateral received**	**Net amount**
Derivative assets	164,139	164,139	-	164,139
Loans under reverse repurchase agreements	350,377	350,377	(350,377)	-
Total financial assets	**514,516**	**514,516**	**(350,377)**	**164,139**
Derivatives liabilities	(199,091)	(199,091)	-	(199,091)
Total financial liabilities	**(199,091)**	**(199,091)**	**-**	**(199,091)**

(c) Liquidity risk

Liquidity risk is a possibility of financial losses, emerging from insufficiency of funds to fulfil the Bank's financial obligations as they actually fall due.

Liquidity risk arises in the general funding of the Bank's investment activities and in the management of positions. This risk involves both the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates and the risk of being unable to liquidate a position in a timely manner on reasonable terms.

The Bank maintains liquid assets in amount sufficient to ensure that cash can quickly be made available to honor all of its obligations, even under adverse conditions. The ALMC is primarily responsible for the management of liquidity risk and the liquidity profile of the Bank.

The Council of the Bank set the minimum level of liquid assets in the treasury portfolio being not less than 1-year projected net loan disbursements (loans disbursed less repayments and tied financing), if greater than zero, plus the volume of annual financial debt service. This limit is reviewed on a quarterly basis.

An amount of liquid assets in the treasury portfolio is the sum of assets in the treasury portfolio less than assets that were deemed as illiquid, treasury liabilities including deposits from customers. Compliance with liquidity ratio is one of the key management objectives of the Bank.

The monitoring of liquidity risk is done by the Bank on a continuous basis. The ALMC manages this risk through analysis of assets and liabilities maturity. The Assets and liabilities management department of the Bank monitors liquidity indicators and conducts gap analysis taking in consideration possible changes in a composition of assets and liabilities of the Bank. Such analysis is conducted on a semi-monthly basis and is reviewed on ALMC meetings. Based on the results of these reviews ALMC makes decisions on liquidity risk management, including decisions to borrow funds on financial markets.

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(c) Liquidity risk, continued

An analysis of the liquidity risk, based on the contractual dates of repayment of financial assets and liabilities, is presented in the following tables:

	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2025 Total
FINANCIAL ASSETS:							
Cash and cash equivalents	12.06%	516,101	-	-	-	-	516,101
Financial assets at fair value through profit or loss:		331	1,308	23	22,800	82,930	107,392
in Treasury portfolio	*14.60%*	*331*	*1,308*	*23*	*22,800*	*82,930*	*107,392*
Loans and amounts due from financial institutions:		27	22,108	361,484	62,318	26,561	472,498
in Treasury portfolio	*7.33%*	-	*3,901*	*342,514*	-	-	*346,415*
in Investment portfolio	*12.87%*	*27*	*18,207*	*18,970*	*62,318*	*26,561*	*126,083*
Loans to customers	8.34%	30,492	48,578	644,354	1,247,128	642,086	2,612,638
Financial assets at fair value through other comprehensive income:		840,513	56,574	150,477	899,970	346,521	2,294,055
in Treasury portfolio	*4.05%*	*838,059*	*56,333*	*57,482*	*598,840*	*238,740*	*1,789,454*
in Investment portfolio	*12.46%*	*2,454*	*241*	*92,995*	*301,130*	*107,781*	*504,601*
Debt securities at amortised cost:		-	412	76,164	125,541	11,726	213,843
in Treasury portfolio	*6.49%*	-	*412*	*76,164*	*125,541*	*11,726*	*213,843*
Total interest bearing financial assets		**1,387,464**	**128,980**	**1,232,502**	**2,357,757**	**1,109,824**	**6,216,527**
Cash and cash equivalents		356,265	-	-	-	-	356,265
Financial assets at fair value through profit or loss:		3,258	-	-	-	-	3,258
in Treasury portfolio		*3,258*	-	-	-	-	*3,258*
Loans and amounts due from financial institutions:		-	-	6,525	-	-	6,525
in Treasury portfolio		-	-	*6,525*	-	-	*6,525*
Financial assets under Islamic finance agreements		-	654	1,852	8,603	-	11,109
Other financial assets		-	-	1,806	-	-	1,806
Total financial assets		**1,746,987**	**129,634**	**1,242,685**	**2,366,360**	**1,109,824**	**6,595,490**
FINANCIAL LIABILITIES:							
Loans and deposits from financial institutions	5.57%	28,725	68,868	127,492	882,798	180,163	1,288,046
Deposits from customers	7.49%	161,887	37,469	52,790	7,885	39,189	299,220
Debt securities issued*	9.35%	10,158	543,253	722,649	1,269,566	-	2,545,626
Other financial liabilities		171	714	1,964	3,145	-	5,994
Total interest bearing financial liabilities		**200,941**	**650,304**	**904,895**	**2,163,394**	**219,352**	**4,138,886**
Financial liabilities at fair value through profit or loss		1,203	-	-	-	-	1,203
Other financial liabilities		-	-	1,187	-	-	1,187
Total financial liabilities		**202,144**	**650,304**	**906,082**	**2,163,394**	**219,352**	**4,141,276**
Liquidity gap		**1,544,843**	**(520,670)**	**336,603**	**202,966**	**890,472**	

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(c) Liquidity risk, continued

	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2024 Total
FINANCIAL ASSETS:							
Cash and cash equivalents	10.36%	616,120	-	-	-	-	616,120
Financial assets at fair value through profit or loss:		188	1,308	653	19,401	70,561	92,111
in Treasury portfolio	*14.77%*	*188*	*1,308*	*653*	*19,401*	*70,561*	*92,111*
Loans and amounts due from financial institutions:		-	4,394	17,323	365,474	6,210	393,401
in Treasury portfolio	*7.33%*	-	*1,932*	-	*331,670*	-	*333,602*
in Investment portfolio	*13.78%*	-	*2,462*	*17,323*	*33,804*	*6,210*	*59,799*
Loans to customers	9.51%	6,997	35,680	366,607	1,025,601	616,108	2,050,993
Financial assets at fair value through other comprehensive income:		859,103	52,959	468,358	423,297	115,557	1,919,274
in Treasury portfolio	*4.33%*	*859,103*	*50,883*	*351,953*	*222,924*	*12,065*	*1,496,928*
in Investment portfolio	*11.91%*	-	*2,076*	*116,405*	*200,373*	*103,492*	*422,346*
Debt securities at amortised cost:		-	52,996	5,602	134,585	9,029	202,212
in Treasury portfolio	*5.73%*	-	*52,996*	*5,602*	*134,585*	*9,029*	*202,212*
Total interest bearing financial assets		**1,482,408**	**147,337**	**858,543**	**1,968,358**	**817,465**	**5,274,111**
Cash and cash equivalents		458,326	-	-	-	-	458,326
Loans and amounts due from financial institutions:		-	-	201,581	-	-	201,581
in Treasury portfolio		-	-	*201,581*	-	-	*201,581*
Other financial assets		-	-	14,170	-	-	14,170
Total financial assets		**1,940,734**	**147,337**	**1,074,294**	**1,968,358**	**817,465**	**5,948,188**
FINANCIAL LIABILITIES:							
Loans and deposits from financial institutions	6.19%	162,178	30,502	79,199	477,369	108,184	857,432
Deposits from customers	7.05%	245,484	-	-	30,209	16,227	291,920
Debt securities issued*	8.83%	21,129	42,536	529,139	1,880,589	-	2,473,393
Other financial liabilities		100	653	2,428	8,524	-	11,705
Total interest bearing financial liabilities		**428,891**	**73,691**	**610,766**	**2,396,691**	**124,411**	**3,634,450**
Financial liabilities at fair value through profit or loss		444	29	-	-	-	473
Other financial liabilities		-	-	764	-	-	764
Total financial liabilities		**429,335**	**73,720**	**611,530**	**2,396,691**	**124,411**	**3,635,687**
Liquidity gap		**1,511,399**	**73,617**	**462,764**	**(428,333)**	**693,054**	

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(c) Liquidity risk, continued

	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2023 Total
FINANCIAL ASSETS:							
Cash and cash equivalents	4.11%	391,231	-	-	-	-	391,231
Financial assets at fair value through profit or loss:		-	1,308	22	8,616	98,306	108,252
in Treasury portfolio	*14.47%*	-	*1,308*	*22*	*8,616*	*98,306*	*108,252*
Loans and amounts due from financial institutions:		1	2,426	13,464	26,454	-	42,345
in Investment portfolio	*8.54%*	*1*	*2,426*	*13,464*	*26,454*	-	*42,345*
Loans to customers	9.19%	91,737	35,325	417,181	1,286,730	529,483	2,360,456
Financial assets at fair value through other comprehensive income:		11,655	19,241	57,412	379,312	204,422	672,042
in Treasury portfolio	*5.03%*	*11,655*	*16,860*	*695*	*120,691*	*51,813*	*201,714*
in Investment portfolio	*9.87%*	-	*2,381*	*56,717*	*258,621*	*152,609*	*470,328*
Debt securities at amortised cost:		-	837	5,921	251,761	10,217	268,736
in Treasury portfolio	*4.76%*	-	*837*	*5,921*	*251,761*	*10,217*	*268,736*
Total interest bearing financial assets		**494,624**	**59,137**	**494,000**	**1,952,873**	**842,428**	**3,843,062**
Cash and cash equivalents		3,603,058	-	-	-	-	3,603,058
Financial assets at fair value through profit or loss:		18,212	63,426	81,217	14,439	-	177,294
in Treasury portfolio		*18,212*	*63,426*	*81,217*	*1,284*	-	*164,139*
in Investment portfolio		-	-	-	*13,155*	-	*13,155*
Loans and amounts due from financial institutions:		-	-	492,314	-	-	492,314
in Treasury portfolio		-	-	*492,314*	-	-	*492,314*
Other financial assets		-	-	12,747	-	-	12,747
Total financial assets		**4,115,894**	**122,563**	**1,080,278**	**1,967,312**	**842,428**	**8,128,475**
FINANCIAL LIABILITIES:							
Loans and deposits from financial institutions	1.47%	2,540,341	32,287	72,273	300,665	145,431	3,090,997
Deposits from customers	5.90%	84,647	-	325	27,993	27,230	140,195
Debt securities issued*	7.76%	12,356	15,989	529,289	2,103,850	-	2,661,484
Other financial liabilities		396	413	2,001	4,858	-	7,668
Total interest bearing financial liabilities		**2,637,740**	**48,689**	**603,888**	**2,437,366**	**172,661**	**5,900,344**
Financial liabilities at fair value through profit or loss		31,478	62,355	105,197	61	-	199,091
Other financial liabilities		-	-	3,418	-	-	3,418
Total financial liabilities		**2,669,218**	**111,044**	**712,503**	**2,437,427**	**172,661**	**6,102,853**
Liquidity gap		**1,446,676**	**11,519**	**367,775**	**(470,115)**	**669,767**	

*For the purpose of liquidity calculations, the maturity of debt securities issued is taken according to next put option dates (if any).

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(c) Liquidity risk, continued

A further analysis of the liquidity risk is presented in the following tables in accordance with IFRS 7 *"Financial Instruments: Presentation and Disclosure"*. The amounts disclosed in these tables do not correspond to the amounts recorded in the statement of financial position as the presentation below includes a maturity analysis for financial assets and liabilities that indicates the total remaining contractual payments (including interest payments), which are not recognised in the statement of financial position under the effective interest rate method.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2025 Total
FINANCIAL ASSETS:						
Cash and cash equivalents	873,372	-	-	-	-	873,372
Financial assets at fair value through profit or loss:	3,589	2,528	3,517	45,166	102,435	157,235
in Treasury portfolio	*3,589*	*2,528*	*3,517*	*45,166*	*102,435*	*157,235*
Loans and amounts due from financial institutions:	35	27,992	392,171	77,892	33,984	532,074
in Treasury portfolio	-	*6,635*	*362,978*	-	-	*369,613*
in Investment portfolio	*35*	*21,357*	*29,193*	*77,892*	*33,984*	*162,461*
Loans to customers	32,091	71,690	790,848	1,717,333	872,718	3,484,680
Financial assets under Islamic finance agreements	-	812	2,380	9,789	-	12,981
Financial assets at fair value through other comprehensive income:	841,079	59,525	218,125	1,183,517	452,193	2,754,439
in Treasury portfolio	*838,353*	*59,106*	*81,999*	*712,008*	*266,450*	*1,957,916*
in Investment portfolio	*2,726*	*419*	*136,126*	*471,509*	*185,743*	*796,523*
Debt securities at amortised cost:	-	623	85,953	142,609	12,191	241,376
in Treasury portfolio	-	*623*	*85,953*	*142,609*	*12,191*	*241,376*
Other financial assets	-	-	1,806	-	-	1,806
Total financial assets	**1,750,166**	**163,170**	**1,494,800**	**3,176,306**	**1,473,521**	**8,057,963**
FINANCIAL LIABILITIES:						
Loans and deposits from financial institutions	28,789	77,756	167,401	1,022,810	227,313	1,524,069
Financial liabilities at fair value through profit or loss	1,203	-	-	-	-	1,203
Deposits from customers	162,233	37,956	56,100	16,695	44,798	317,782
Debt securities issued	10,532	562,892	847,507	1,529,046	-	2,949,977
Other financial liabilities	171	714	3,151	3,145	-	7,181
Total financial liabilities	**202,928**	**679,318**	**1,074,159**	**2,571,696**	**272,111**	**4,800,212**
Net position	**1,547,238**	**(516,148)**	**420,641**	**604,610**	**1,201,410**	**3,257,751**
Contingent liabilities and credit commitments*	341,335	240,205	758,335	1,796,468	2,324	3,138,667

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(c) Liquidity risk, continued

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2024 Total
FINANCIAL ASSETS:						
Cash and cash equivalents	1,075,723	-	-	-	-	1,075,723
Financial assets at fair value through profit or loss:	188	2,528	3,964	44,880	115,435	166,995
in Treasury portfolio	*188*	*2,528*	*3,964*	*44,880*	*115,435*	*166,995*
Loans and amounts due from financial institutions:	-	7,156	234,943	402,394	9,286	653,779
in Treasury portfolio	-	*3,427*	*211,425*	*359,370*	-	*574,222*
in Investment portfolio	-	*3,729*	*23,518*	*43,024*	*9,286*	*79,557*
Loans to customers	8,614	55,162	493,610	1,486,858	844,432	2,888,676
Financial assets at fair value through other comprehensive income:	860,516	54,620	521,390	578,259	210,882	2,225,667
in Treasury portfolio	*860,516*	*51,774*	*369,735*	*257,474*	*22,006*	*1,561,505*
in Investment portfolio	-	*2,846*	*151,655*	*320,785*	*188,876*	*664,162*
Debt securities at amortised cost:	-	53,388	14,542	150,807	10,102	228,839
in Treasury portfolio	-	*53,388*	*14,542*	*150,807*	*10,102*	*228,839*
Other financial assets	-	-	14,170	-	-	14,170
Total financial assets	**1,945,041**	**172,854**	**1,282,619**	**2,663,198**	**1,190,137**	**7,253,849**
FINANCIAL LIABILITIES:						
Loans and deposits from financial institutions	162,786	35,414	105,338	566,363	134,641	1,004,542
Financial liabilities at fair value through profit or loss	444	29	-	-	-	473
Deposits from customers	246,168	710	3,141	37,993	21,974	309,986
Debt securities issued	22,993	53,645	648,386	2,232,827	-	2,957,851
Other financial liabilities	100	653	3,192	8,524	-	12,469
Total financial liabilities	**432,491**	**90,451**	**760,057**	**2,845,707**	**156,615**	**4,285,321**
Net position	**1,512,550**	**82,403**	**522,562**	**(182,509)**	**1,033,522**	**2,968,528**
Contingent liabilities and credit commitments*	377,097	198,019	306,095	1,089,365	64,144	2,034,720

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(c) Liquidity risk, continued

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2023 Total
FINANCIAL ASSETS:						
Cash and cash equivalents	3,994,612	-	-	-	-	3,994,612
Financial assets at fair value through profit or loss:	18,212	65,954	85,056	47,487	128,076	344,785
in Treasury portfolio	*18,212*	*65,954*	*85,056*	*34,332*	*128,076*	*331,630*
in Investment portfolio	-	-	-	*13,155*	-	*13,155*
Loans and amounts due from financial institutions:	1	2,677	508,331	29,050	-	540,059
in Treasury portfolio	-	-	*492,314*	-	-	*492,314*
in Investment portfolio	*1*	*2,677*	*16,017*	*29,050*	-	*47,745*
Loans to customers	93,360	56,915	608,041	1,746,853	717,804	3,222,973
Financial assets at fair value through other comprehensive income:	11,814	20,896	98,877	546,363	317,140	995,090
in Treasury portfolio	*11,814*	*17,629*	*6,778*	*147,232*	*65,273*	*248,726*
in Investment portfolio	-	*3,267*	*92,099*	*399,131*	*251,867*	*746,364*
Debt securities at amortised cost:	-	1,244	18,578	288,006	12,240	320,068
in Treasury portfolio	-	*1,244*	*18,578*	*288,006*	*12,240*	*320,068*
Other financial assets	-	-	12,747	-	-	12,747
Total financial assets	**4,117,999**	**147,686**	**1,331,630**	**2,657,759**	**1,175,260**	**9,430,334**
FINANCIAL LIABILITIES:						
Loans and deposits from financial institutions	2,540,495	35,590	97,164	402,696	204,573	3,280,518
Financial liabilities at fair value through profit or loss	31,478	62,355	105,197	61	-	199,091
Deposits from customers	84,899	458	2,374	34,559	31,015	153,305
Debt securities issued	14,868	27,219	668,513	2,518,760	-	3,229,360
Other financial liabilities	396	418	5,445	4,861	-	11,120
Total financial liabilities	**2,672,136**	**126,040**	**878,693**	**2,960,937**	**235,588**	**6,873,394**
Net position	**1,445,863**	**21,646**	**452,937**	**(303,178)**	**939,672**	**2,556,940**
Contingent liabilities and credit commitments*	332,711	323,948	538,148	468,520	122,995	1,786,322

The Bank plans to manage its maturity position through the issuance of debt securities and attraction of other borrowed funds. Also financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are eligible to be sold if required for liquidity purposes.

* Contingent liabilities and credit commitments include issued financial guarantees and letters of credit, which represent contingent obligations and based on historical experience, are not expected to result in liquidity outflows. Uncommitted credit lines are disclosed based on their period of availability, such facilities are cancellable at the Bank's discretion and do not give rise to a contractual obligation to extend credit.

(d) Market risk

Market risk covers interest rate risk, FX and price risks. In order to measure price and FX risks the Bank uses a Value-at-Risk (VAR) methodology. In order to measure interest rate risk the Bank conducts sensitivity analysis and applies DV01 metric. The Bank uses a system of limits to manage these risks.

Derivative financial instruments may be used for full or partial hedging, reducing the effect of market risks or open positions, subject to the restrictions imposed by the Investment Declaration. The Bank may open short positions only for the purposes of hedging or risk-reducing transactions.

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

Interest rate sensitivity

Interest rate risk is a possibility of financial losses, emerging from negative changes in market interest rates on balance and off-balance positions of the Bank.

The ALMC of the Bank manages interest rate risk through the management of interest-sensitive asset and liability positions of the Bank, and controls risk from changes in market interest rates through setting limits on the maximum amount of interest rate risk accepted by the Bank. The Bank's Assets and liabilities management department together with the Treasury department monitors interest rate risk, estimates sensitivity of the Bank's financial position in relation to changes in interest rates and the influence of changes in interest rates on the net profit of the Bank.

The Bank conducts a regular analysis of interest rate risk in order to maintain this type of risk at an adequate level and control its impact on the Bank's financial indicators. To analyse the level of interest rate risk, the Bank uses gap analysis and the Economic Value of Equity (EVE) method to assess the Bank's assets and liabilities in terms of sensitivity to changes in interest rates. In order to manage interest rate risk, the Bank sets limits for negative financial result in case of interest rates change. The analysis is carried out by the Assets and liabilities management department, general management and setting of limits – by ALMC.

The following table details the Bank's sensitivity to a 3% change in interest rates in 2025, 2024 and 2023. This is the sensitivity rate used internally when reporting interest rate risk to key management personnel and represents management's assessment of the possible change in interest rates. The sensitivity analysis includes only outstanding financial assets and liabilities with floating interest rates.

An analysis of sensitivity of net profit and equity to changes in interest rates (repricing risk) based on a simplified scenario of a 300 basis points (bps) symmetrical fall or rise in all yield curves and positions of floating interest rate assets and liabilities existing as at 31 December 2025, 2024 and 2023 is as follows:

	31 December 2025		31 December 2024		31 December 2023	
	Interest rate +3%	**Interest rate -3%**	**Interest rate +3%**	**Interest rate -3%**	**Interest rate +3%**	**Interest rate -3%**
Financial assets						
Loans and amounts due from financial institutions:						
in Investment portfolio	2,033	(2,033)	-	-	-	-
Loans to customers	40,532	(40,532)	40,704	(40,704)	45,545	(45,545)
Financial liabilities:						
Loans from financial institutions	(3,196)	2,906	(6,591)	6,591	(5,725)	5,725
Debts securities issued	(20,086)	19,084	(9,146)	9,146	(10,350)	10,350
Net impact on net profit and equity	**19,283**	**(20,575)**	**24,967**	**(24,967)**	**29,470**	**(29,470)**

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

Interest rate sensitivity, continued

An analysis of sensitivity of equity as a result of changes in the financial assets at fair value through other comprehensive income due to changes in the interest rates based on positions existing as at 31 December 2025, 2024 and 2023, and a simplified scenario of a 300 bps symmetrical fall or rise in all yield curves is as follows:

	31 December 2025		**31 December 2024**		**31 December 2023**	
	Interest rate +3%	**Interest rate -3%**	**Interest rate +3%**	**Interest rate -3%**	**Interest rate +3%**	**Interest rate -3%**
Financial assets at fair value through other comprehensive income:						
in Treasury portfolio	(90,295)	101,259	(95,483)	9,169	(23,502)	16,706
in Investment portfolio	(30,583)	42,710	(21,473)	98,179	(16,817)	120,924
Net impact on equity	**(120,878)**	**143,969**	**(116,956)**	**107,348**	**(40,319)**	**137,630**

FX risk

FX risk is a possibility of financial losses, emerging from negative changes in foreign exchange rates. The Bank is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

FX risk analysis is conducted by reviewing the structure of the Bank's assets and liabilities for each currency. Potential changes in the balance sheet structure are also taken into account. The Bank maintains the level of FX risk at an acceptable level. The Bank sets limits on the maximum amount of an open currency position both for individual currency pairs and in aggregate for all currency pairs. The maximum amount of any open currency position of the Bank may not exceed 10% of the Bank’s equity capital in any one of the currency pair or 20% of the Bank’s equity capital in all currency pairs. The Treasury department manages FX risk through the management of the open currency positions, which enables the Bank to minimise losses from significant fluctuations of exchange rates of foreign currencies. The Credit and risk management department monitors the limits set by the ALMC and Management Board of the Bank within the FX risk management framework on a daily basis.

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

FX risk, continued

The Bank's exposure to foreign currency exchange rate risk is presented in the tables below:

	US dollars	Kazakhstani tenge	Russian rouble	Euro	Chinese yuan	Other currencies	31 December 2025 Total
Financial assets:							
Cash and cash equivalents	188,686	255,890	99,253	27,442	297,401	3,694	872,366
Financial assets at fair value through profit or loss:	102,785	331	7,534	-	-	-	110,650
in Treasury portfolio	*102,785*	*331*	*7,534*	-	-	-	*110,650*
Loans and amounts due from financial institutions:	398,557	-	78,814	-	1,652	-	479,023
in Treasury portfolio	*352,940*	-	-	-	-	-	*352,940*
in Investment portfolio	*45,617*	-	*78,814*	-	1,652	-	*126,083*
Loans to customers	1,431,141	124,302	543,362	155,197	358,636	-	2,612,638
Financial assets under Islamic finance agreements	11,109	-	-	-	-	-	11,109
Financial assets at fair value through other comprehensive income:	1,465,930	366,792	141,741	138,111	181,481	-	2,294,055
in Treasury portfolio	*1,465,930*	*57,084*	*28,246*	*138,111*	100,083	-	*1,789,454*
in Investment portfolio	-	*309,708*	*113,495*	-	*81,398*	-	*504,601*
Debt securities at amortised cost:	189,298	-	24,545	-	-	-	213,843
in Treasury portfolio	*189,298*	-	*24,545*	-	-	-	*213,843*
Other financial assets	165	32	102	-	1,440	67	1,806
Total financial assets	**3,787,671**	**747,347**	**895,351**	**320,750**	**840,610**	**3,761**	**6,595,490**
Financial liabilities:							
Loans and deposits from financial institutions	80,444	65,340	391,531	32,391	718,339	1	1,288,046
Financial liabilities at fair value through profit or loss	1,203	-	-	-	-	-	1,203
Deposits from customers	156,272	59,549	2,405	25,979	55,014	1	299,220
Debt securities issued	1,090,299	493,922	521,258	261,939	73,277	104,931	2,545,626
Other financial liabilities	2,388	501	4,029	56	97	110	7,181
Total financial liabilities	**1,330,606**	**619,312**	**919,223**	**320,365**	**846,727**	**105,043**	**4,141,276**
OPEN BALANCE SHEET POSITION	**2,457,065**	**128,035**	**(23,872)**	**385**	**(6,117)**	**(101,282)**	**2,454,214**
Net spot and derivative financial instruments position	132,516	(130,659)	1,431	-	138	-	3,426
TOTAL OPEN POSITION	**2,589,581**	**(2,624)**	**(22,441)**	**385**	**(5,979)**	**(101,282)**	**2,457,640**
Contingent liabilities and credit commitments	1,819,283	539,513	485,090	-	285,382	9,399	3,138,667

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

	US dollars	Kazakhstani tenge	Russian rouble	Euro	Chinese Yuan	Other currencies	31 December 2024 Total
Financial assets:							
Cash and cash equivalents	258,351	64,128	306,209	81,756	360,181	3,821	1,074,446
Financial assets at fair value through profit or loss:	87,030	-	4,893	-	188	-	92,111
in Treasury portfolio	*87,030*	-	*4,893*	-	188	-	*92,111*
Loans and amounts due from financial institutions:	524,225	3,836	42,641	24,280	-	-	594,982
in Treasury portfolio	*509,522*	-	*1,381*	*24,280*	-	-	*535,183*
in Investment portfolio	*14,703*	*3,836*	*41,260*	-	-	-	*59,799*
Loans to customers	1,134,610	175,274	409,712	170,904	160,493	-	2,050,993
Financial assets at fair value through other comprehensive income:	1,452,995	295,726	118,154	3,958	48,441	-	1,919,274
in Treasury portfolio	*1,452,995*	*20,654*	*19,321*	*3,958*	-	-	*1,496,928*
in Investment portfolio	-	*275,072*	*98,833*	-	*48,441*		*422,346*
Debt securities at amortised cost:	183,332	-	18,880	-			202,212
in Treasury portfolio	*183,332*	-	*18,880*	-			*202,212*
Other financial assets	14,059	15	26	-	1	69	14,170
Total financial assets	**3,654,602**	**538,979**	**900,515**	**280,898**	**569,304**	**3,890**	**5,948,188**
Financial liabilities:							
Loans and deposits from financial institutions	128,811	103,197	242,703	58,278	324,442	1	857,432
Financial liabilities at fair value through profit or loss	444	-	-	29	-	-	473
Deposits from customers	191,917	72,406	3,840	21,240	2,516	1	291,920
Debt securities issued	1,066,236	364,550	550,718	230,626	261,263	-	2,473,393
Other financial liabilities	841	377	11,006	63	27	155	12,469
Total financial liabilities	**1,388,249**	**540,530**	**808,267**	**310,236**	**588,248**	**157**	**3,635,687**
OPEN BALANCE SHEET POSITION	**2,266,353**	**(1,551)**	**92,248**	**(29,338)**	(18,944)	**3,733**	**2,312,501**
Net spot and derivative financial instruments position	(1,904)	-	(72,904)	49,208	**25,953**	-	353
TOTAL OPEN POSITION	**2,264,449**	**(1,551)**	**19,344**	**19,870**	**7,009**	**3,733**	**2,312,854**
Contingent liabilities and credit commitments	1,114,253	478,881	203,499	-	**228,212**	9,875	2,034,720

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

FX risk, continued

	US dollars	Kazakhstani tenge	Russian rouble	Euro	Chinese yuan	Other currencies	31 December 2023 Total
Financial assets:							
Cash and cash equivalents	382,842	128,422	3,262,851	38,656	106,006	75,512	3,994,289
Financial assets at fair value through profit or loss:	260,372	-	24,780	-	394	-	285,546
in Treasury portfolio	*260,372*	-	*11,625*	-	*394*	-	*272,391*
in Investment portfolio	-	-	*13,155*	-	-	-	*13,155*
Loans and amounts due from financial institutions:	461,498	8,814	38,389	25,958	-	-	534,659
in Treasury portfolio	*461,498*	-	*4,858*	*25,958*	-	-	*492,314*
in Investment portfolio	-	*8,814*	*33,531*	-	-	-	*42,345*
Loans to customers	1,166,325	172,619	503,826	356,524	131,554	29,608	2,360,456
Financial assets at fair value through other comprehensive income:	131,748	378,571	155,543	6,180	-	-	672,042
in Treasury portfolio	*131,748*	*38,443*	*25,343*	*6,180*	-	-	*201,714*
in Investment portfolio	-	*340,128*	*130,200*	-	-	-	*470,328*
Debt securities at amortised cost:	247,388	-	21,348	-	-	-	268,736
in Treasury portfolio	*247,388*	-	*21,348*	-	-	-	*268,736*
Other financial assets	12,360	-	185	-	25	177	12,747
Total financial assets	**2,662,533**	**688,426**	**4,006,922**	**427,318**	**237,979**	**105,297**	**8,128,475**
Financial liabilities:							
Loans and deposits from financial institutions	238,512	126,985	2,378,570	238,920	106,388	1,622	3,090,997
Financial liabilities at fair value through profit or loss	198,925	-	105	61	-	-	199,091
Deposits from customers	5,799	71,298	47,321	12,786	2,991	-	140,195
Debt securities issued	839,136	499,673	808,755	245,843	268,077	-	2,661,484
Other financial liabilities	2,377	319	8,306	29	3,887	(3,832)	11,086
Total financial liabilities	**1,284,749**	**698,275**	**3,243,057**	**497,639**	**381,343**	**(2,210)**	**6,102,853**
OPEN BALANCE SHEET POSITION	**1,377,784**	**(9,849)**	**763,865**	**(70,321)**	**(143,364)**	**107,507**	**2,025,622**
Net spot and derivative financial instruments position	586,224	(5)	(740,228)	63,092	149,163	(104,752)	(46,506)
TOTAL OPEN POSITION	**1,964,008**	**(9,854)**	**23,637**	**(7,229)**	**5,799**	**2,755**	**1,979,116**
Contingent liabilities and credit commitments	991,732	37,165	568,592	29,552	132,080	27,201	1,786,322

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

FX risk sensitivity

As at 31 December 2025, the Bank's position in other currencies is presented mainly by outstanding balance of its debt securities denominated in UAE dirhams equivalent to 104,932 thousand US dollars (Note 21). As UAE dirham is pegged to the US dollar, the Bank is not exposed to significant FX risk in respect of transactions denominated in UAE dirhams.

The following tables detail the Bank's sensitivity to a 15% change in US Dollar/Russian rouble and US Dollar/Kazakhstani tenge exchange rates as at 31 December 2025, 2024 and 2023, respectively, and a 10% change in the US Dollar/Euro and US Dollar/Chinese yuan exchange rate. These sensitivity rates are used internally when reporting FX risk to key management personnel and represent management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for respective changes in currency rates as at 31 December 2025, 2024 and 2023.

Impact on net profit and equity based on asset values as at 31 December 2025, 2024 and 2023:

	As at 31 December 2025							
	US dollars/ Kazakhstani tenge +15%	US dollars/ Kazakhstani tenge -15%	US dollars/ Russian rouble +15%	US dollars/ Russian rouble -15%	US dollars/ Euro +10%	US dollars/ Euro -10%	US dollars/ Chinese yuan +10%	US dollars/ Chinese yuan -10%
Impact on net profit	(394)	394	(3,366)	3,366	38	(38)	(598)	598
Impact on equity	(394)	394	(3,366)	3,366	38	(38)	(598)	598

	As at 31 December 2024							
	US dollars/ Kazakhstani tenge +15%	US dollars/ Kazakhstani tenge -15%	US dollars/ Russian rouble +15%	US dollars/ Russian rouble -15%	US dollars/ Euro +10%	US dollars/ Euro -10%	US dollars/ Chinese yuan +10%	US dollars/ Chinese yuan -10%
Impact on net profit	(233)	233	2,902	(2,902)	1,987	(1,987)	704	(704)
Impact on equity	(233)	233	2,902	(2,902)	1,987	(1,987)	704	(704)

	As at 31 December 2023							
	US dollars/ Kazakhstani tenge +15%	US dollars/ Kazakhstani tenge -15%	US dollars/ Russian rouble +15%	US dollars/ Russian rouble -15%	US dollars/ Euro +10%	US dollars/ Euro -10%	US dollars/ Chinese yuan +10%	US dollars/ Chinese yuan -10%
Impact on net profit	(1,479)	1,479	3,546	(3,546)	(1,084)	1,084	580	(580)
Impact on equity	(1,479)	1,479	3,546	(3,546)	(1,084)	1,084	580	(580)

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(d) Market risk, continued

FX risk sensitivity, continued

The sensitivity analyses do not take into consideration that the Bank's assets and liabilities are actively managed. Additionally, the financial position of the Bank may vary at the time that any actual market movement occurs. However, if investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocation and taking other protective action. Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value in the statement of financial position. In these circumstances, the different measurement bases for liabilities and assets may lead to volatility in shareholder equity.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Bank's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

(e) Presentation of financial instruments by measurement category

The following tables provide a reconciliation of financial assets with these measurement categories as of 31 December 2025, 2024 and 2023:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	31 December 2025 Total
Cash and cash equivalents	-	-	872,366	872,366
Financial assets at fair value through profit or loss:	110,650	-	-	110,650
in Treasury portfolio	*110,650*	-	-	*110,650*
Loans and amounts due from financial institutions:	-	-	479,023	479,023
in Treasury portfolio	-	-	*352,940*	*352,940*
in Investment portfolio	-	-	*126,083*	*126,083*
Loans to customers	-	-	2,612,638	2,612,638
Financial assets under Islamic finance agreements			11,109	11,109
Financial assets at fair value through other comprehensive income:	-	2,294,055	-	2,294,055
in Treasury portfolio	-	*1,789,454*	-	*1,789,454*
in Investment portfolio	-	*504,601*	-	*504,601*
Debt securities at amortised cost:	-	-	213,843	213,843
in Treasury portfolio	-	-	*213,843*	*213,843*
Other financial assets	-	-	1,806	1,806

(in thousands of US dollars)

30. RISK MANAGEMENT, CONTINUED

(e) Presentation of financial instruments by measurement category, continued

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	31 December 2024 Total
Cash and cash equivalents	-	-	1,074,446	1,074,446
Financial assets at fair value through profit or loss:	92,111	-	-	92,111
in Treasury portfolio	*92,111*	-	-	*92,111*
Loans and amounts due from financial institutions:	-	-	594,982	594,982
in Treasury portfolio	-	-	*535,183*	*535,183*
in Investment portfolio	-	-	*59,799*	*59,799*
Loans to customers	-	-	2,050,993	2,050,993
Financial assets at fair value through other comprehensive income:	-	1,919,274	-	1,919,274
in Treasury portfolio	-	*1,496,928*	-	*1,496,928*
in Investment portfolio	-	*422,346*	-	*422,346*
Debt securities at amortised cost:	-	-	202,212	202,212
in Treasury portfolio	-	-	*202,212*	*202,212*
Other financial assets	-	-	14,170	14,170

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	31 December 2023 Total
Cash and cash equivalents	-	-	3,994,289	3,994,289
Financial assets at fair value through profit or loss:	285,546	-	-	285,546
in Treasury portfolio	*272,391*	-	-	*272,391*
in Investment portfolio	*13,155*	-	-	*13,155*
Loans and amounts due from financial institutions:	-	-	534,659	534,659
in Treasury portfolio	-	-	*492,314*	*492,314*
in Investment portfolio	-	-	*42,345*	*42,345*
Loans to customers	-	-	2,360,456	2,360,456
Financial assets at fair value through other comprehensive income:	-	672,042	-	672,042
in Treasury portfolio	-	*201,714*	-	*201,714*
in Investment portfolio	-	*470,328*	-	*470,328*
Debt securities at amortised cost:	-	-	268,736	268,736
in Treasury portfolio	-	-	*268,736*	*268,736*
Other financial assets	-	-	12,747	12,747

As at 31 December 2025, 2024 and 2023, all of the Bank’s financial liabilities, except for derivative financial instruments measured at fair value through profit or loss, were carried at amortised cost.