



THE REPUBLIC OF KAZAKHSTAN

represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan

2026 Series 1 RMB Bonds (Bond Connect) Offering Circular

Amount of this Series of the Bonds to be Issued : The base offering amount is zero and the maximum offering amount is RMB3.5 billion. The final issuance amount is subject to the Bookbuilding results.

Tenor of this Series of the Bonds : Three (3) years

Credit Enhancement : Unsecured

Long-term Issuer Credit Rating (National Scale) : AAA

Issue Rating of this Series of the Bonds : AAA

Credit Rating Agency : China Lianhe Credit Rating Co., Ltd.

Under its 2026 – 2028 Renminbi Bonds Issuance Program (the “**Program**”), the Republic of Kazakhstan represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan (“**Kazakhstan**” or the “**Issuer**”) may, from time to time for a period of up to two years from the date of the issuance by the National Association of Financial Market Institutional Investors (“**NAFMII**”) of a notice of acceptance of registration with respect to the Program, issue Renminbi-denominated bonds (the “**Bonds**”) in an aggregate principal amount of RMB10 billion on the PRC national interbank bond market (the “**Interbank Market**”), including this issuance of the Bonds (“**this Series of the Bonds**”), the base offering amount of which is zero and the maximum offering amount is RMB3.5 billion. The final issuance amount is subject to the Bookbuilding results.

The Program has been duly authorized by the Issuer under applicable Kazakhstani laws and, upon the issuance of any Bonds by the Issuer, that issuance will have been duly authorized under the applicable Kazakhstani laws.

This Series of the Bonds will be underwritten by the Principal Underwriters specified below (each a “**Principal Underwriter**”, and, together, the “**Principal Underwriters**”).

Subject to the Negative Pledge set out in the Terms of this Series of the Bonds, this Series of the Bonds are unsecured obligations of the Issuer which rank *pari passu*, without any preference among themselves and at least *pari passu* in right of payment with all other outstanding present and future unsecured External Indebtedness (as defined herein) of the Issuer.

This Series of the Bonds are to be delivered and settled through the book-entry facilities of Interbank Market Clearing House Co., Ltd. (also known as the “**Shanghai Clearing House**”).

The transfer and trading of this Series of the Bonds in the secondary market after completion of the issue of this Series of the Bonds and registration with the Shanghai Clearing House will be executed in accordance with applicable rules and regulations governing trading of bonds on the Interbank Market.

Lead Underwriter and Lead Bookrunner



China International Capital Corporation Limited

Joint Lead Underwriters and Joint Bookrunners



Industrial and Commercial Bank of China Limited



China Construction Bank Corporation

May 21, 2026

IMPORTANT NOTICE AND STATEMENTS

The Program will be registered with NAFMII. Kazakhstan may, from time to time for a period of up to two years from the date of the issuance by NAFMII of the notice of acceptance of registration, issue the Bonds in an aggregate principal amount of RMB10 billion on the Interbank Market, including this Series of the Bonds. The base offering amount of this Series of the Bonds is zero and the maximum offering amount is RMB3.5 billion. The final issuance amount is subject to the Bookbuilding results.

This Series of the Bonds will be offered to the qualified institutional investors on the Interbank Market. Investors should read this Offering Circular and the relevant Disclosure Documents (as defined below and listed in Section 11 “*Disclosure Arrangements*”) carefully, and make their own independent investment decisions. The registration of the Program with NAFMII does not constitute an evaluation by NAFMII of an investment in the Bonds nor an assessment of the risks involved in an investment in the Bonds.

This Offering Circular is prepared in accordance with the requirements of the applicable PRC Laws (as defined in Section 1 “*Definitions*”), including the *Interim Measures for the Administration of Bonds Issued by Overseas Issuers on the National Interbank Bond Market* (《全国银行间债券市场境外机构债券发行管理暂行办法》) (hereinafter the “**Interim Measures**”), the regulations and regulatory documents of the People’s Bank of China (hereinafter the “**PBOC**”), *Guidelines on Bond Issuance by Foreign Governmental Agency and International Development Institution Issuers* (《外国政府类机构和国际开发机构债券业务指引》) (hereinafter the “**Guidelines**”) and other relevant self-regulatory rules of NAFMII as well as the registration requirements of NAFMII, and are based on the actual circumstances of the Issuer as of the date of this Offering Circular.

This Offering Circular is intended to provide investors with basic information relating to the Issuer, as well as information relating to the offer and subscription of this Series of the Bonds. The Issuer shall assume responsibility for the truthfulness, accuracy and completeness in all material aspects of the disclosure in this Offering Circular, and confirm that, to the best knowledge and belief of the Issuer, having made all reasonable inquiries, as of the date set out on the cover of this Offering Circular, there are no representations or statements which are misleading in any material aspect nor are there any other facts with respect to the Issuer or this Series of the Bonds the omission of which would, in the context of the offering of this Series of the Bonds, make any statement in this Offering Circular misleading in any material aspect.

The Issuer has not commissioned or authorized any other persons or entities to provide, in the context of the offering of this Series of the Bonds, information not disclosed in this Offering Circular, or to give any explanations as to this Offering Circular. Any information or representation not contained herein must not be relied upon as having been authorized by the Issuer or by the Principal Underwriters. The delivery of this Offering Circular does not at any time imply that the information contained in this Offering Circular is correct at any time subsequent to its date. Should any investor have any queries about this Offering Circular or any documents made available for inspection, it should consult its own securities brokers, legal advisors, professional accountants or other professional advisors.

The distribution of this Offering Circular and the offering or sale of this Series of the Bonds in certain jurisdictions may be restricted by law. Persons who receive this Offering Circular are required by the Issuer and the Principal Underwriters to familiarize themselves with and observe any such restriction.

Neither the Principal Underwriters nor the Issuer makes any representation to any investor in this Series of the Bonds regarding the legality of its investment under any applicable laws. Any investor in this Series of the Bonds should be able to bear the risk of an investment in this Series of the Bonds for an indefinite period of time.

Any acquisition and holding of this Series of the Bonds through subscription, transfer or other legitimate means is deemed as the Bondholder’s consent to the rights and obligations under this Series of the Bonds as prescribed in this Offering Circular.

For the offer, issuance and placement of the Bonds on the Interbank Market, the Issuer is not subject to the local offering and placement requirements.

Statement regarding Negative Pledge

The Terms of this Series of the Bonds (as set out in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”) set forth negative pledge for this Series of the Bonds. So long as any of this Series of the Bonds remains outstanding, the Issuer shall not create, incur, assume or permit to arise or subsist any Security Interest (as defined in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”) (other than a Permitted Security Interest (as defined in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”)) upon the whole or any part of its International Monetary Assets (as defined in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”), present or future, to secure any Public External Indebtedness (as defined in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”) unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds are secured equally and ratably therewith or have the benefit of such other arrangement as may be approved by an extraordinary resolution of Bondholders. Please also refer to Term (8) (*Negative Pledge*) under Section 3 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular.

Statement regarding Event of Default and Cross Default

The Terms of this Series of the Bonds (as set out in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”) set forth the Event of Default for this Series of the Bonds. Under certain circumstances, Bondholders may, by written notice addressed and delivered to the Issuer by the holders not less than 25 per cent. in aggregate outstanding principal amount of this Series of the Bonds, declare all of this Series of the Bonds to immediately become due and payable. Such declaration may be withdrawn with the approval of the respective majority of the Bondholders. Investors should note that Event of Default for this Series of the Bonds include, among others, cross default, the definition of which have a different meaning compared with that adopted on the Interbank Market. Any voluntary acquisition or holding of this Series of the Bonds by each investor through subscription or transfer is deemed as its consent to accept such arrangements set out in this Offering Circular with respect to the Event of Default. For more information on the Event of Default and conditions to withdraw such declaration, please see Term (38) (*Event of Default*) in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular.

Statement regarding grace periods for Event of Default

For this Series of the Bonds, (i) if the Issuer is in default with respect to the payment of principal or interest or additional amounts on any of this Series of the Bonds, the Issuer is entitled to a grace period of 30 days, which means the above failure to pay will not constitute as an Event of Default if the Issuer pays such amounts due in full within 30 days of the relevant due date; and (ii) if the Issuer is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under this Series of the Bonds (other than a default or breach elsewhere specifically dealt with in Term (38)), the Issuer is entitled to a grace period of 60 days, which means the above default will not constitute as an Event of Default if such default was remedied within 60 days after notice thereof has been given to the Issuer by any holder of this Series of the Bonds. During the respective grace period as specified above, subject to the Terms of this Series of the Bonds, the interest on this Series of the Bonds will be accrued based on its coupon rate. For more information on the grace periods for Event of Default, please see Term (38) (*Event of Default*) in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular.

Statement regarding Taxation

The Terms of this Series of the Bonds (as set out in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements*”) set forth the Taxation Considerations for this Series of the Bonds. Please see Term (33) (*Taxation Considerations*) in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular.

Transactions involving this Series of the Bonds may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes, stamp duty, stamp duty reserve tax and/or similar transfer taxes (for details, please refer to Section 8 “*Taxation Relating to this Series of the Bonds*” of this Offering Circular)

may be payable on any transfer or agreement to transfer assets in cases where obligations of the Issuer under this Series of the Bonds are physically settled.

Statement regarding information disclosure arrangements for regulator reports

During the period in which any of this Series of the Bonds remains outstanding, the Issuer will disclose through the Designated Disclosure Platforms (as defined in this Offering Circular) the updated principal economic data of the Issuer for the previous fiscal year in English no later than 31 March of each year, and a Chinese translation thereof within 45 days after the English version is disclosed. Investor should note that, during the period in which any of this Series of the Bonds remains outstanding, the Issuer does not make any specific disclosure regarding any semi-annual or quarterly principal economic data on the Interbank Bond Market. Any voluntary acquisition or holding of this Series of the Bonds by each investor through subscription or transfer is deemed as its consent to accept such disclosure arrangements set out in this Offering Circular with respect to regular reports.

During the period in which any of this Series of the Bonds remains outstanding, if the Issuer makes any specific disclosure regarding any semi-annual or quarterly principal economic data on any other securities markets, it will disclose the same on the Interbank Bond Market as soon as reasonably practicable thereafter.

Statement regarding Business Day

“**Business Day**” referred to in this Offering Circular means a day (other than a statutory holiday in the PRC) on which commercial banks are open for corporate business in Beijing, the PRC and the Depository is open for trading, clearing and settlement of bonds. In reading this Offering Circular and determining the payment date, investors should take note of the definition of “Business Day”.

Statement relating to Forward-Looking Statements

This Offering Circular contains forward-looking statements in respect of the financial condition and operational status of the Issuer. Such forward-looking statements only indicate the Issuer’s beliefs and expectations, instead of statements of the historical facts. Some expressions, e.g., “anticipate”, “expect”, “intend”, “plan”, “believe”, “seek”, “estimate”, “potential” and “reasonably possible” and other combinations and similar wordings are all intended to enable the readers to identify forward-looking statements easily. As such representations are made based on the current plans, estimates and forecasts, investors should not overly rely on them while reading this Offering Circular. Such forward-looking statements have been made on the basis of the objective circumstances existing on the date when they were made, and it should not be assumed that such relevant statements have been amended or updated so as to reflect the latest information or events occurring thereafter. Forward-looking statements involve various inherent risks and uncertain factors. Many factors may result in actual results deviating from the situations expected or implied from such forward-looking statements, and under certain circumstances significant deviations may arise.

Statement relating to the Use of Kazakhstani Legal Terminology in this Offering Circular

This Offering Circular contains certain terms and words (including but not limited to, in relation to Kazakhstani law) that are defined in accordance with applicable Kazakhstani law. As such terms and words may have implications different from those contained in PRC Laws, investors need to refer to the definitions given under the relevant Kazakhstani law while reading this Offering Circular. For any enquiries, investors should consult their own legal and other professional advisors.

Statement relating to the “Collective Actions” Clauses

The terms of this Series of the Bonds include certain provisions relating to the amendments, modifications and waivers to certain terms of this Series of the Bonds, which are commonly referred to as Collective Action Clauses (“CACs”). Such provisions allow the decisions made by a majority of the Bondholders to bind all the Bondholders, including those who did not vote and who voted against such decisions. See “(10) *The Terms of this Series of the Bonds contain CACs*” under “2. *Risks relating to this Series of the Bonds*” in Section 2 “*Risk Factors*” of this Offering Circular for a risk disclosure relating to CACs.

The CACs include arrangements relating to the convening and procedures of, and quorum and voting requirements for, Bondholders' meetings. Such arrangements may be different from the arrangements and procedures for bondholders' meetings set out in the *Procedures for Bondholders' Meetings for Debt Financing Instruments of Non-financial Enterprises on the Interbank Bond Market* (银行间债券市场非金融企业债务融资工具持有人会议规程) and other self-regulatory rules issued by NAFMII, such as the calculation method for voting quorum and cross-series modification. Any voluntary acquisition or holding of this Series of the Bonds by each investor through subscription or transfer is deemed as its consent to accept such arrangements set out in this Offering Circular with respect to Bondholders' meetings. Please refer to Term (39) (*Meetings of Bondholders*) under the heading "1. Terms of this Series of the Bonds" in Section 3 "*Terms of this Series of the Bonds and Offering Arrangements*" and Section 12 "*Investor Protection Mechanism — Meetings of Bondholders*" of this Offering Circular for more information.

Statement relating to the Extraordinary Resolution and Relevant Definitions under the Meetings of Bondholders

The Terms of this Series of the Bonds (as set out in Section 3 "*Terms of this Series of the Bonds and Offering Arrangements*") set forth the arrangements of the Meetings of Bondholders for this Series of the Bonds. Any modification of any provision of, or any action in respect of, these Terms of this Series of the Bonds may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution. In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution. Investors should note that "Extraordinary Resolution" "Written Resolution" and relating definitions for this Series of the Bonds have different meanings compared with those adopted on the Interbank Market. Any voluntary acquisition or holding of this Series of the Bonds by each investor through subscription or transfer is deemed as its consent to accept such arrangements set out in this Offering Circular with respect to such arrangements under the Meetings of Bondholders. For more information regarding the Meetings of Bondholders, please see Term (39) (*Meetings of Bondholders*) under the heading "1. Terms of this Series of the Bonds" in Section 3 "*Terms of this Series of the Bonds and Offering Arrangements*" and Section 12 "*Investor Protection Mechanism — Meetings of Bondholders*" of this Offering Circular.

Statement relating to the Language Used for Information Disclosure

Certain documents prepared by the Issuer for public disclosure with respect to this Series of the Bonds have been made in both English and Chinese. For any inconsistency between the two language versions, the Chinese version shall prevail.

Access to Information

Investors may obtain full access to this Offering Circular on the website of the Shanghai Clearing House (<http://www.shclearing.com.cn>), China Money (<http://www.chinamoney.com.cn>), Beijing Financial Assets Exchange (<http://www.cfae.cn>) or at any place, or on any website or through any media as otherwise designated during the offering period of this Series of the Bonds.

Statement relating to the Foreign Currency Translation and Rates of Exchange

The Issuer's presentation currency is the Kazakhstan tenge, the official currency of Kazakhstan. Amounts specified in Section 4 "*Description of the Issuer*" and Section 5 "*Principal Economic Data of Kazakhstan*" are expressed Kazakhstan tenge. For illustration purposes only, the reference rate of CNY/KZT expressed as the amount of KZT per CNY, as published on the Silk Road Currency Regional Trading Information Platform (<https://rfi.chinamoney.com.cn/wlmq/>) of the China Foreign Exchange Trade System (the "CFETS"), a sub-institutional organization of PBOC, was 69.7122 on March 31, 2026.

Statement regarding Selling Restrictions

The distribution of this Offering Circular, the offer, sale and delivery of any of this Series of the Bonds may be restricted by law in certain jurisdictions. Persons receiving this Offering Circular are required

by the Issuer and the Principal Underwriters to inform themselves about, and to observe, any such restrictions. For description of certain restrictions on the offer and sale of this Series of the Bonds and on the distribution of this Offering Circular, see Section 7 “*Selling Restrictions*” of this Offering Circular.

In particular, this Series of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (hereinafter, the “**U.S. Securities Act**”). This Series of the Bonds may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. This Series of the Bonds are being offered outside the United States in reliance on Regulation S under the U.S. Securities Act.

Neither this Offering Circular nor any supplement thereto constitutes an offer to sell or solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation.

Statement relating to “Bond Connect”

Offshore investors participating in the subscription of this Series of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of this Series of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Administration of Mutual Bond Market Access between the Mainland China and Hong Kong SAR* (《内地与香港债券市场互联互通合作管理暂行办法》) published by PBOC, as well as rules of other relevant parties and service providers.

Statement relating to Governing Law of this Series of the Bonds

This Series of the Bonds are governed by, and any dispute in connection with this Series of the Bonds should be resolved pursuant to, PRC Laws.

IMPORTANT NOTICE ON ENGLISH VERSION OF THE OFFERING CIRCULAR

THIS VERSION OF THE OFFERING CIRCULAR (“ENGLISH OFFERING CIRCULAR”) IS AN ENGLISH TRANSLATION OF THE CHINESE VERSION OF THE OFFERING CIRCULAR (“CHINESE OFFERING CIRCULAR”) WHICH ACCOMPANIES THIS ENGLISH OFFERING CIRCULAR.

THIS ENGLISH OFFERING CIRCULAR

- 1. IS ONLY PROVIDED FOR THE EASE OF YOUR REFERENCE;**
- 2. IS OF NO LEGAL EFFECT;**
- 3. MAY NOT BE AN ACCURATE TRANSLATION OF THE CHINESE OFFERING CIRCULAR DUE TO THE DIFFERENCES IN GRAMMAR AND LEGAL TERMINOLOGIES. TERMS OR WORDS USED IN THE CHINESE OFFERING CIRCULAR MAY HAVE DIFFERENT MEANINGS OR CONNOTATIONS COMPARED TO THE ENGLISH OFFERING CIRCULAR;**
- 4. IS NEITHER REVIEWED NOR APPROVED BY ANY REGULATORY AUTHORITY (WHETHER IN THE PRC OR ELSEWHERE);**
- 5. MUST NOT BE RELIED UPON IN MAKING ANY DECISION OR TAKING ANY ACTION OTHER THAN AS A GUIDE AS TO THE CONTENTS OF THE CHINESE OFFERING CIRCULAR.**

THE CHINESE OFFERING CIRCULAR PREVAILS OVER THE ENGLISH OFFERING CIRCULAR FOR ALL PURPOSES AND UNDER ALL CIRCUMSTANCES (WHETHER OR NOT ENGLISH OFFERING CIRCULAR AND THE CHINESE OFFERING CIRCULAR ARE INCONSISTENT).

NEITHER THE ISSUER NOR THE PRINCIPAL UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY AS TO THE TRUTHFULNESS OR ACCURACY OF THE ENGLISH OFFERING CIRCULAR. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE ISSUER AND THE PRINCIPAL UNDERWRITERS DISCLAIM ALL LIABILITY FOR ANY ERRORS, OMISSIONS, DEFECTS OR MISREPRESENTATIONS IN, OR FOR ANY LOSS OR DAMAGE (WHETHER DIRECT OR INDIRECT, AND HOWSOEVER CAUSED) BY ANY PERSON WHO USES OR RELIES ON INFORMATION CONTAINED IN THE ENGLISH OFFERING CIRCULAR.

ANY READER OF THE ENGLISH OFFERING CIRCULAR ACKNOWLEDGES AND AGREES TO THE TERMS OF THIS IMPORTANT NOTICE AND AGREES NOT TO MAKE ANY CLAIM, NOR TAKE ANY ACTION OR PROCEEDINGS, AGAINST THE ISSUER OR THE PRINCIPAL UNDERWRITERS IN RESPECT OF THE ENGLISH OFFERING CIRCULAR.

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SECTION 1: DEFINITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, the following terms shall have the following meanings:

“AIX”	Astana International Exchange.
“BFAE”	Beijing Financial Assets Exchange, which is a PBOC authorized platform for the issuance and trading of bonds, a state-owned financial assets transaction platform designated by the Ministry of Finance of the People’s Republic of China, and a transaction platform designated by NAFMII.
“Bonds”	RMB-denominated bonds to be issued by the Issuer from time to time under the Programme.
“Bondholders”	the holder of this Series of the Bonds, whose names are listed on the registry maintained by the Depository designated by PBOC.
“Bookbuilding”	the process of determining the final interest rate/price and placement by the Bookrunners through recording the interest rate/price and quantity of this Series of the Bonds to be subscribed by the Underwriting Syndicate and investors, in accordance with an agreed method of pricing and placement, after the Issuer and the Principal Underwriters have determined the range of interest rate/price and the members of the Underwriting Syndicate have issued a subscription order. The Bookbuilding for this Series of the Bonds will be undertaken through a centralized online process at BFAE’s central bookbuilding system.
“Bookrunners”	the institutions responsible for the Bookbuilding of this Series of the Bonds, including all aspects of centralized bookbuilding such as formulating the centralized bookbuilding workflow and specifically operating the centralized bookbuilding, including the Lead Bookrunner and Joint Bookrunners.
“Business Day”	a day (other than a statutory holiday in the PRC) on which commercial banks are open for corporate business in Beijing, the PRC and the Depository is open for trading, clearing and settlement of bonds.
“Budget Code”	the Budget Code of the Republic of Kazakhstan dated 4 December 2008 No. 95-IV.
“CACs”	Collective Action Clauses.
“China” or “PRC”	the People’s Republic of China.
“CIETAC”	China International Economic and Trade Arbitration Commission.
“CIS”	Commonwealth of Independent States
“COVID-19”	Coronavirus Disease 2019.

“Credit Rating Agency” or “Lianhe Ratings”	China Lianhe Credit Rating Co., Ltd.
“Depository” or “Depository designated by PBOC”	Interbank Market Clearing House Co., Ltd., also referred to as the “Shanghai Clearing House” .
“Designated Disclosure Platforms”	the disclosure of the relevant information through the websites of the Depository designated by PBOC (http://www.shclearing.com.cn), China Money (http://www.chinamoney.com.cn), Beijing Financial Assets Exchange (http://www.cfae.cn) and other platforms or methods designed by the regulators (if any).
“Disclosure Documents”	this Offering Circular and the other documents listed under Section 11 <i>“Disclosure Arrangements”</i> , including any amendments or supplements thereto.
“EU”	European Union.
“FPL”	JSC <i>“Fund of Problem Loans”</i> .
“FX”	foreign exchange.
“Government”	the Government of the Republic of Kazakhstan.
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China.
“IMF”	International Monetary Fund.
“Interbank Market”	the PRC national interbank bond market.
“Interest Payment Date”	May 28 of each year during the life of this Series of the Bonds. The first Interest Payment Date shall be May 28, 2027 and the last Interest Payment Date shall be May 28, 2029. If an Interest Payment Date falls on a day that is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid as a result of such delay in payment.
“Issuer” or “Kazakhstan”	The Republic of Kazakhstan represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan.
“Joint Bookrunners”	Industrial and Commercial Bank of China Limited and China Construction Bank Corporation.
“Joint Lead Underwriters”	Industrial and Commercial Bank of China Limited and China Construction Bank Corporation.
“KASE”	Kazakhstan Stock Exchange.
“Kazakhstan tenge”, “Tenge” or “KZT”	the official currency of Kazakhstan.
“KEGOC”	Kazakhstan Electricity Grid Operating Company JSC.

“Lead Bookrunner”	China International Capital Corporation Limited.
“Lead Underwriter”	China International Capital Corporation Limited.
“LSE”	London Stock Exchange.
“Maturity Date”	May 28, 2029. If the Maturity Date falls on a day that is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid on the principal of this Series of the Bonds as a result of such delay in payment
“MNE”	the Ministry of National Economy of Kazakhstan.
“MoF” or “Ministry of Finance”	the Ministry of Finance of the Republic of Kazakhstan.
“NAFMII”	the National Association of Financial Market Institutional Investors.
“National Fund”	National Fund of Kazakhstan.
“NBK”	National Bank of Kazakhstan.
“New York Convention”	United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards concluded in New York on 10 June 1958.
“NSB”	Bureau of National Statistics of Kazakhstan.
“Offering Circular” or “this Offering Circular”	“The Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) Offering Circular” prepared by the Issuer for the purposes of the offering of this Series of the Bonds, which discloses to investors certain information relating to this Series of the Bonds.
“PBOC”	People’s Bank of China, the central bank of China.
“PRC Laws”	laws, regulations, rules and regulatory documents issued by authorities having legislative, judicial or administrative power in the PRC and rules of self-regulatory authorities or organizations of the PRC, including NAFMII (for the purpose of this Offering Circular, excluding laws, regulations, rules and regulatory documents issued by authorities having legislative, judicial or administrative power in Hong Kong, the Macau Special Administrative Region or Taiwan Region).
“Principal Underwriters”	collectively, the Lead Underwriter and Joint Lead Underwriters.
“Post-issuance Manager”	China International Capital Corporation Limited, the institution responsible for advising the Issuer on the performance of its on-going obligations under this Series of the Bonds.
“Programme”	The Republic of Kazakhstan’s 2026 – 2028 Renminbi Bonds Issuance Programme, under which the Issuer may, from time to time for a period of up to two years from the date of issuance by

	NAFMII of a notice of acceptance of registration with respect thereto, issue Bonds in an aggregate principal amount of RMB10 billion.
“QazaqGaz”	National Company “QazaqGaz” JSC.
“Regulation S”	Regulation S under the U.S. Securities Act.
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC.
“Reserved Matters”	as defined in Term (39) under the part “ <i>1. Terms of this Series of the Bonds</i> ” in Section 3 “ <i>Terms of this Series of the Bonds and Offering Arrangements</i> ” of this Offering Circular.
“Terms”	the terms of this Series of the Bonds as set out under the heading “ <i>1. Terms of this Series of the Bonds</i> ” in Section 3 “ <i>Terms of this Series of the Bonds and Offering Arrangements</i> ” of this Offering Circular and any reference therein to a particularly term.
“this Series of the Bonds”	The Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) to be issued by the Issuer and offered under this Offering Circular.
“Underwriting Syndicate”	the underwriting syndicate organized by the Principal Underwriters for the purpose of underwriting this Series of the Bonds, consisting of the Principal Underwriters and other underwriters.
“UK”	the United Kingdom.
“UN”	United Nations.
“United States” or “U.S.”	United States of America.
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended.
“\$”, “USD” or “US dollars”	United States dollars, the lawful currency of the United States.

SECTION 2: RISK FACTORS

The following section does not describe all of the risks and investment considerations (including those relating to each prospective investor's particular circumstances) with respect to an investment in this Series of the Bonds. Prior to making an investment decision, each prospective investor should carefully consider the following risk factors, along with the other matters set out in this Offering Circular. All of these factors may have a material adverse effect on the Issuer. Prior to making an investment decision with respect to this Series of the Bonds, each prospective investor should carefully consider all the information set out in this Offering Circular.

1. Risks relating to the Issuer

Risks relating to Kazakhstan's global position as an emerging market

(1) Kazakhstan is an emerging market and subject to greater risk than more developed markets.

Investors in emerging markets such as Kazakhstan should be aware that such markets are subject to greater risk than more developed markets, including in some cases significant legal, regulatory, economic, social and political risks. Investors should also note that emerging economies such as Kazakhstan's are subject to rapid change and that the information set out in this Offering Circular may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, making an investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult with their own legal and financial advisers before making an investment in the Bonds.

Disruptions in the international capital markets and changing regulatory environments can lead to reduced liquidity and increased credit risk premiums for certain market participants and result in a reduction of available financing. Countries located in emerging markets may be particularly susceptible to these disruptions and changes and also to reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty.

In addition, the availability of credit to emerging markets is significantly influenced by levels of investor confidence in such markets as a whole. Accordingly, any factors that impact market confidence, such as a decrease in credit ratings or state or central bank intervention in a particular market, could affect the price or availability of funding for these markets, which could, in turn, have an impact on the wider economies of such markets.

Fluctuations in the global economy or an increase in the perceived risks associated with investing in countries located in emerging markets could reduce foreign investment in Kazakhstan and, as a result, have an adverse effect on Kazakhstan's economy. If foreign investment in Kazakhstan's economy decreases, it may experience liquidity constraints, limiting the availability of capital for businesses and potentially slowing Kazakhstan's economic growth. Kazakhstan's economy is also not immune from developments in the economies of other countries located in emerging markets. Financial unrest or instability experienced in one or more countries located in emerging markets, especially countries in the Commonwealth of Independent States ("CIS"), around the Caspian Sea or in Central Asia (some of which have recently experienced significant political instability, including terrorism and internal unrest), could have a negative impact on Kazakhstan's economy and a material adverse effect on the trading price of the Bonds and, potentially, the Issuer's ability to make payments of principal and interest under the Bonds.

(2) Kazakhstan's economy is vulnerable to external shocks and fluctuations in the global economy.

Kazakhstan's economy and finances have been affected adversely by global financial developments and political changes in certain emerging markets. Real GDP growth was 3.2 per cent. in 2022, 5.1 per cent. in 2023 and to 5.0 per cent. in 2024. While in recent years Kazakhstan has sought to diversify its economy and, in particular, to increase export of manufacturing products, Kazakhstan continues to remain heavily reliant on the oil and gas industry and on hydrocarbon exports. For more information on the risks associated with the relatively undiversified nature of Kazakhstan's

economy and a significant degree of reliance of the country's public finances on the performance of the oil and gas industry, see "*— Any material reduction in the price of commodities may have a material adverse effect on the revenues and financial condition of Kazakhstan*".

Changes in both the global and domestic environment have resulted in, amongst other things, tighter credit conditions for Kazakhstan companies generally and fluctuating global demand for, and instability in, the price of crude oil and other commodities and downward pressure on the Tenge. In 2022, the Tenge faced new pressures and volatility due to the conflict between Ukraine and Russia, the sanctions imposed by numerous countries on Russia, a major trade partner of Kazakhstan, and resultant disruptions in supply chains and historical trading relationships. The Tenge experienced sharp depreciation in the first quarter of 2022, with the exchange rate reaching KZT512.19: USD1.00. By the end of 2022, the exchange rate stabilized around KZT462.65: USD1.00. By the end of 2023, it averaged KZT456.98: USD1.00, by the end of 2024, it averaged KZT525.11: USD1.00. On July 28, 2025, the Tenge depreciated to a record low of KZT544.87: USD1.00 reflecting the impact of higher import costs and vulnerabilities inherent in Kazakhstan's import-dependent economy and in December 2025, the average exchange rate was KZT511.9: USD1.00.

Kazakhstan's economy remains vulnerable to external shocks and the economic performance of its trade partners. A significant decline in economic growth in the EU or any of Kazakhstan's other major trade partners, including Russia (whether or not resulting from sanctions imposed by, among others, the U.S., the UK and the EU), could have a material adverse effect on Kazakhstan's balance of trade and adversely affect Kazakhstan's economic growth. Kazakhstan also depends on neighboring states to access world markets for a number of its major exports. Should access to these export routes be materially impaired, this could adversely impact Kazakhstan's economy. Events occurring in one geographic or financial market sometimes have so-called "contagion effects", whereby they result in an entire region or class of investments being disfavored by international investors. Kazakhstan has been adversely affected by contagion effects in the past and it is possible that the market for investments in Kazakhstan, including the Bonds, will be similarly affected in the future by negative economic or financial developments in neighboring countries or countries whose economies or credit ratings are similar to those of Kazakhstan. See "*— The Russia-Ukraine conflict and the sanctions imposed on Russia by numerous national and international authorities in response, as well as countermeasures taken by Russia, have had, and will continue to have, an adverse impact on Kazakhstan's economic situation*" below. The most significant contagion affecting Kazakhstan's economy is the global change in prices for energy resources, metals and other commodities. Several global economies are experiencing a slowdown in economic growth and stock market volatility. Any disruption to economic stability or growth in the trade partners of Kazakhstan could have an adverse effect on the economy of Kazakhstan and the trading prices of the Bonds. Additionally, changes in U.S. trade policies under the Trump administration, including the reciprocal tariffs imposed on Kazakhstan as of August 7, 2025, could disrupt global trade, trigger retaliatory measures, stoke inflation and slow global economic growth, which in turn may negatively impact Kazakhstan's economy. Since major Kazakh exports, such as oil, uranium, silver, ferroalloys, tantalum and titanium, are currently exempt from these tariffs, most exports to the U.S. would not be immediately affected. However, if these tariffs are expanded to include these commodities, or if further tariffs are imposed, Kazakhstan's economy could be materially impacted.

There can be no assurance that weaknesses in the global economy, or a future external economic crisis, will not have a negative effect on Kazakhstan's economy or on investors' confidence in Kazakhstan. This could affect Kazakhstan's ability to raise capital in the international capital markets and may negatively affect the trading prices of the Bonds.

(3) Any material reduction in the price of commodities may have a material adverse effect on the revenues and financial condition of Kazakhstan.

Kazakhstan is a major exporter of commodities, including oil and natural gas. In 2023 and 2024, mineral products (including oil, gas and coal as well as metals and precious stones) accounted for 65.7 per cent. and 63.5 per cent., respectively, of Kazakhstan's exports based on actual trade flows. For the eight months ended August 31, 2025, mineral products (including oil, gas and coal as well

as metals and precious stones) accounted for 15.1 per cent. of Kazakhstan's exports based on actual trade flows.

Kazakhstan's economy and the State Budget, therefore, particularly rely on fiscal revenues from the export of minerals, in particular crude oil and oil products. Taxes on oil and petroleum product companies are a major source of revenue for the National Fund of Kazakhstan (the "**National Fund**"), which has an important stabilizing function in the Kazakhstan economy and is responsible for accumulating financial resources for the benefit of future generations in Kazakhstan. The National Fund is currently the source for official transfers to the State Budget, which amounted to KZT4.6 trillion in 2022, KZT4.0 trillion in 2023 and KZT5.6 trillion in 2024. As at December 31, 2025, the National Fund held foreign currency assets of USD63.90 billion. These assets allow the National Fund to act as a fiscal buffer against external shocks to the economy and to offset any shortfalls in tax revenues from extraction sector enterprises in a given year. It also provides protection to Kazakhstan against a devaluation of the Tenge. In the event of a sustained decline in oil prices, the resources of the National Fund may be insufficient to maintain the appropriate level of liquidity in order to fund guaranteed transfers from the National Fund to the State Budget.

International crude oil prices have fluctuated widely in recent years in response to global supply and demand, general economic conditions, competition from other energy sources and other factors. Any decrease in oil and gas prices has a significant negative impact on Kazakhstan's budget revenues.

In 2022, the average spot price for Brent crude oil increased by 42.5 per cent. to USD100.9 per barrel, resulting in a substantial growth in budget revenues from the oil sector to KZT5,666.1 billion. The spot price fell to USD82.4 per barrel in 2023, an 18.3 per cent. decrease compared to the spot price in 2022, causing budget revenues from the oil sector to drop to KZT7,201.1 billion. The OPEC countries and non-OPEC oil-producing countries, including Kazakhstan and Russia, under the OPEC Plus Agreement have implemented a series of output cuts since late 2022. On June 2, 2024, the OPEC Plus group agreed to extend a significant portion of these substantial oil production cuts well into 2025 to stabilize the market amidst modest demand growth, elevated interest rates and increasing supply from rising U.S. production. Such actions have not, however, reversed the downward pressure on the oil market. Such decreases in oil prices and production volumes have resulted in corresponding decreases in oil producers' income and payments to the State Budget, which could, in turn, have a material adverse effect on Kazakhstan's economy and public finances. Kazakhstan's 2024 Budget Law assumes an average price per barrel of Brent crude oil of USD80 in each of 2024, 2025 and 2026. As at July 1, 2024, the world price for Brent crude oil was USD86.5 per barrel. However, there can be no assurance that international crude oil prices will stay at or above that level or that further revisions of the State Budget will not be required in light of continuing oil price volatility.

Any material reduction in commodity prices generally would have an adverse effect on Kazakhstan's economy and a sustained or material decline in the price of crude oil will have a significant effect on Kazakhstan's budgetary revenues and foreign reserves and may materially adversely affect Kazakhstan's financial condition, including its ability to make payments on the Bonds.

(4) Production and transportation problems in the oil industry may result in reduced revenue for the National Fund.

Any production problems in the oil industry, such as the suspension of production at the Kashagan oil field from 25 September 2013 due to significant delays in achieving forecast production and substantial cost overruns in replacing the oil and gas pipelines to 28 September 2016 when production resumed with reduced output levels, could lead to reduced revenue for the National Fund.

No assurance can be given that similar production stoppages will not occur in the future. Additionally, any disruption of oil transportation, in particular due to Kazakhstan's heavy reliance on the Caspian Pipeline Consortium, for any reason, including as a result of regional conflict, infrastructure failure, terrorism, natural disaster, industrial accident, public health threats and global pandemics or change in national government policy, could have a material adverse effect on

Kazakhstan's economy. The occurrence of similar circumstances in the future could result in continued reduced revenue for the National Fund, which, in turn, could have a significant effect on Kazakhstan's budgetary revenues and may materially adversely affect Kazakhstan's financial condition, including its ability to make payments on the Bonds.

In addition, in relation to certain proceedings affecting Kazakhstan's interests in the Kashagan oil field and certain other assets, see "*— Risks relating to the Stati Claimant Enforcement Proceedings*" below.

(5) The Russia-Ukraine conflict and the sanctions imposed on Russia by numerous national and international authorities in response, as well as countermeasures taken by Russia, have had, and will continue to have, an adverse impact on Kazakhstan's economic situation.

The Russia-Ukraine conflict that intensified in February 2022, as well as the sanctions imposed on persons in or related to Russia by the U.S., UK, EU and other authorities since 2014 have had, and are expected to continue to have, a significant disruptive effect on Kazakhstan, as well as global markets, including oil and gas markets, as well as supply chains, more generally. The Russia-Ukraine conflict and the sanctions and export-control measures implemented by various countries and authorities against Russian and Belarusian persons and entities in response, have contributed, and are likely to continue to contribute, to increased inflationary pressures, increased costs, supply chain disruptions, gas supply shortages, market volatility and economic uncertainty.

Factors which affect the Russian Ruble tend to also impact the exchange rate of the Tenge. The significant depreciation of the Tenge against the U.S. dollar in 2022 was, at least in part, due to the depreciation of the Russian Ruble in the same year. Possible further actions by the U.S. or other countries towards Russia could adversely affect the Russian financial market, which could lead to short-term volatility in the Tenge. Nevertheless, the most important factor affecting the value of the Tenge are the oil market conditions. See "*— Any material reduction in the price of commodities may have a material adverse effect on the revenues and financial condition of Kazakhstan*". Any possible future expansion of U.S. or EU or UK sanctions which adversely affects the operations or finances of Russian financial institutions having a substantial presence in the Kazakhstan market may impact the ability of such financial institutions to provide certain financial and trade-related services to their customers in Kazakhstan.

Kazakhstan maintains strong independent diplomatic relations with both Russia and Ukraine and has adopted a neutral position with respect to the Russia-Ukraine conflict. Nevertheless, Russia is one of the main trading partners of Kazakhstan. Since February 2022, Kazakhstan has experienced significant inward migration, particularly from Russia, as well as increased financial flows, with several Russian businesses and individuals relocating their operations to or expanding their activities in Kazakhstan in response to geopolitical uncertainties. In addition, there are great similarities in the structures of the economies of the two countries, in particular in their dependence on raw materials exports, and there are historical relationships (political, economic, commercial and cultural). When making decisions in the field of monetary policy, the National Bank of Kazakhstan (the "**NBK**") pays special attention to the Central Bank of the Russian Federation's actions in the area of interest and currency policy. Accordingly, the economic situation and policy measures in Russia, including monetary policy of the Central Bank of the Russian Federation, have a significant influence on the economic situation in Kazakhstan. Furthermore, Russia and Kazakhstan, together with Belarus, are members of the Customs Union and Common Economic Space and established the Eurasian Economic Union on 1 January 2015 (with subsequent accession by Armenia and Kyrgyzstan). In 2024, the trade turnover between Kazakhstan and Russia amounted to USD28 billion, representing an approximately 8.1 per cent. increase compared to the USD25.9 billion recorded in 2023. In addition, a significant amount of the natural gas transported through Kazakhstan's natural gas pipeline system is transported to Russia or from one part of Russia to another through Kazakhstan's territory. Since Russia is the main trade partner of Kazakhstan and is a member of the Eurasian Economic Union, the ongoing geopolitical developments involving Russia may adversely impact Kazakhstan's economy.

The continuation, escalation or expansion of hostilities between Russia and Ukraine, or in the

Middle East or elsewhere, may lead to further restrictions, sanctions or countersanctions, increased economic instability worldwide, heightened operating risks and cyber disruptions or attacks. Kazakhstan's close economic links with Russia, the Russia-Ukraine conflict and the related sanctions, counter-sanctions and restrictions have had, and may continue to have, adverse impacts on the global economy, capital markets, supply chains, energy prices, suppliers and consumer demand as a result of increased inflationary pressures directly associated with the conflict, all of which could have a material adverse effect on Kazakhstan and the ability of Kazakhstan to repay principal and make payments of interest on the Bonds.

(6) The occurrence of pandemics and natural disasters and the impact of climate change may adversely impact Kazakhstan's economy.

The occurrence of pandemics (including but not limited to COVID-19) may adversely impact Kazakhstan's economy by causing, amongst other things, supply chain disruptions and market volatility. For example, since 2020, the global economy has been exposed to the continuing effect of the COVID-19 pandemic which negatively affected the global economy and trade, and which also adversely impacted the economy of Kazakhstan by, amongst other things, contributing to a decline in GDP growth and to increased unemployment.

Natural disasters, including earthquakes and floods, are a threat to Kazakhstan's economy. Kazakhstan may also be increasingly threatened by climate change. A global increase in the mean temperature is likely to lead to changed precipitation patterns, sea level rises and more frequent extreme weather events, such as prolonged droughts and flooding. Kazakhstan's economy is dependent on climate sensitive sectors, such as agriculture and Kazakhstan has suffered from severe droughts and flooding in the past which may become more frequent as a result of climate change. A change in climate may have several other consequences, including lower agricultural productivity, damage to coastal infrastructure, fragile ecosystems, impact on health and biodiversity, financial market disruption, lower GDP and altered migration patterns.

In an effort to reduce the negative impacts associated with climate change, the Government has incorporated a number of climate change adaptation and mitigation provisions into national legislation. The new Environmental Code includes provisions on adaptation to climate change which envisages ongoing information gathering and vulnerability assessment, planning, development and implementation of climate change mitigation measures, followed by monitoring and evaluation of the effectiveness of climate change adaptation measures, regular reporting on the impact of climate change on Kazakhstan, and allows for regular adjustment of such measures by the Government. Expenditures associated with pandemic, natural disaster relief efforts or climate change mitigation efforts may adversely affect Kazakhstan's budgetary position and, as a result, may impair Kazakhstan's ability to service payments on the Bonds.

Risks relating to Kazakhstan's financial condition from internal factors

(1) Kazakhstan's banking sector remains weak and vulnerable to external shocks.

Following the onset of the global financial crisis in 2008, credit growth in Kazakhstan stopped due to the lack of availability of wholesale debt financing, deposits became volatile and property prices decreased significantly. Oil prices declined significantly as well, which had an adverse effect on Kazakhstan's banking sector and the broader economy, as well as the exchange rate of the Tenge. These factors caused significant losses for Kazakhstan's banks and a general destabilization of Kazakhstan's banking sector. As a result, there was a material deterioration in the loan portfolio of banks, which, in some cases, continued through 2018. In some banks, the losses were so significant that it led to their insolvency and required the adoption of measures to resolve such insolvencies, including the revocation of their license and liquidation, the recognition of losses by shareholders and some qualified creditors and Government support measures.

As at June 1, 2024, JSC SB VTB Bank (Kazakhstan) ("**VTB Bank (Kazakhstan)**") is the only remaining Russian owned bank in Kazakhstan, holding less than 0.5 per cent. market share in key financial indicators. The exit of JSC SB Sberbank and JSC SB Alfa Bank in 2022 following the imposition of sanctions related to the Russia-Ukraine conflict had minimal impact on Kazakhstan's

banking sector. These exits led to the transfer of the clients' assets to Kazakhstan's domestic financial institution thus moderately increasing the concentration of assets and liabilities within domestic financial institutions.

The low asset quality of Kazakhstan banks was caused not only by problems among borrowers but also by poor credit practices, including lending and collateral policies and practices. In light of debt restructurings, actual loan quality may be worse than indicated by reported levels of non-performing loans (loans overdue by more than 90 days) (“NPLs”), which were 3.4 per cent. and 2.9 per cent. of total loans for the banking sector as at December 31, 2022 and 2023, respectively. As a result, the banking sector might need additional financial assistance from the Government, which may be unwilling or unable to provide it. At the same time, loans with low returns and low coverage of provisions remain on the balance sheet of banks, which put pressure on the banks' capital.

Deficiencies in the Kazakhstan banking sector, combined with a deterioration in NPL portfolios held by banks in Kazakhstan, may result in the banking sector being more susceptible to future worldwide credit market downturns and/or economic slowdowns, which could have a material adverse effect on the trading price of the Bonds.

(2) The high level of concentration in the banking sector elevates the level of systemic risk in the sector.

There is a high level of concentration in the Kazakhstan banking sector, with the five largest banks collectively holding 72.9 per cent. of all customer deposits and accounting for 75.7 per cent. of the aggregate loan portfolio of all Kazakhstan banks as at September 1, 2025. In addition, the NPLs of the three largest Kazakhstan banks, JSC Halyk Bank (“**Halyk Bank**”), JSC Kaspi Bank (“**Kaspi Bank**”) and JSC Bank CenterCredit (“**BCC**”), accounted for 4.17 per cent., 6.02 per cent. and 1.63 per cent., respectively, of the total NPLs of all Kazakhstan banks as at March 1, 2026. The high level of concentration in the banking sector can significantly elevate the systemic risk, making the financial system more vulnerable to shocks and increasing the likelihood of widespread financial instability. Ongoing banking reform and related measures that may facilitate the establishment of foreign bank branches and subsidiaries may mitigate systemic risk to a degree, but the implementation of such measures is ongoing and their impact is not certain.

(3) The Kazakhstan Tenge is subject to volatility and depreciation.

Since Kazakhstan introduced a free-floating exchange rate regime in 2015, the value of the Tenge has fluctuated considerably. See “— *Changes to exchange rate policies could affect Kazakhstan's economy and public finances*”. Any depreciation of the Tenge against the U.S. dollar and any future devaluations in the currencies of Kazakhstan's main trade partners (specifically including Russia; see “— *The Russia-Ukraine conflict and the sanctions imposed on Russia by numerous national and international authorities in response, as well as countermeasures taken by Russia, have had, and will continue to have, an adverse impact on Kazakhstan's economic situation*”) may adversely affect the financial condition of Kazakhstan and its economy, as well as Kazakhstan's ability to repay its debt denominated in currencies other than the Tenge, including amounts due under the Bonds.

In the free-floating exchange rate regime, daily fluctuations of the exchange rate occur in one direction or another depending on market factors. Currently, the intervention of the NBK is minimal. The participation of the NBK in the foreign exchange market is aimed exclusively at preventing sudden destabilizing changes in the exchange rate, caused mainly by the influence of non-fundamental factors (such as speculative operations and panic moods of market participants). The NBK most recently intervened in July 2024 (net volume USD869.8 million) and August 2024 (net volume -USD241.5 million) following a long period of non-intervention. The long-term trend will be determined by the effect of fundamental factors, mainly the price of oil and the exchange rates of the currencies of the main trade partners.

Any fluctuation in the value of the Tenge relative to the U.S. dollar may cause volatility in revenues of Kazakhstan from U.S. dollar-denominated oil exports. A significant devaluation of the Tenge will materially affect the ability of Kazakhstan to service its non-Tenge denominated debt. Additionally, any depreciation or further devaluation of the Tenge could result in reduced revenues

in the balance of payments or outflow of capital from Kazakhstan, and may also lead to increased inflation and domestic interest rates, any of which could have a material adverse effect on Kazakhstan's economy in general, and the asset quality of the Kazakhstan banking sector.

As at August 1, 2024, approximately 8.89 per cent. of total loans granted and approximately 24.3 per cent. of deposits in the banking system in Kazakhstan were denominated in currencies other than Tenge. There is a risk that the depreciation or further devaluation of the Tenge could also have a material adverse effect on Kazakhstan's banking sector and economy.

(4) Changes to exchange rate policies could affect Kazakhstan's economy and public finances.

Although the Tenge is convertible for current account transactions, it is not a fully convertible currency for capital account transactions outside Kazakhstan. Since the NBK adopted a floating exchange rate policy for the Tenge in April 1999, the Tenge has fluctuated significantly and the NBK has adopted a number of exchange rate policies with the latest policy adopted in August 2015.

In 2022, the Tenge faced pressures and volatility due to the conflict between Ukraine and Russia, the sanctions imposed on Russia, a major trade partner of Kazakhstan, and resultant supply chain disruptions. The Tenge experienced sharp depreciation in the first quarter of 2022, with the exchange rate reaching KZT512.19: U.S.\$1.00. By the end of 2022, the exchange rate stabilized around KZT462.65: U.S.\$1.00. By the end of 2023, it averaged KZT457.79: U.S.\$1.00, by the end of 2024, it averaged KZT519.74: U.S.\$1.00. On 28 July 2025, the Tenge depreciated to a record low of KZT544.87: U.S.\$1.00 reflecting the impact of higher import costs and vulnerabilities inherent in Kazakhstan's import-dependent economy and in December 2025, the average exchange rate was KZT511.9: U.S.\$1.00.

There can be no assurance that the NBK will maintain its free-floating exchange rate and medium-term inflation targeting policy. Any change in the NBK's exchange rate policy could have an adverse effect on Kazakhstan's public finances and economy.

(5) Kazakhstan's Currency Control Law allows the Government to introduce currency control measures which may hinder the stability and growth of Kazakhstan's economy.

Under the Law "On Currency Regulation and Currency Control" No. 167-VI dated July 2, 2018 (the "**Currency Control Law**"), the Government – based on a joint recommendation from the NBK and other competent authorities – is entitled to introduce "payment balance protection measures". These measures can be established when there is a serious threat to the stability of (i) the balance of payments, (ii) the internal currency market, and/or (iii) the economic security of Kazakhstan, provided that such threats cannot be resolved by other economic policy measures. The payment balance protection measures must comply with the international treaties ratified by Kazakhstan, if and when such treaties entered into within the framework of participation in international organizations. Such measures must have temporary effect and be cancelled when the circumstances that led to their introduction are eliminated. Should the payment balance protection measures impose new permits (licenses) or notification requirements, such new permits (licenses) or notification requirements are exempt from the requirements of the Law "On Permits and Notifications" No. 202-V dated May 16, 2014. In order for Kazakhstan to remain in compliance with its membership obligations under the Charter of the IMF, the currency regime cannot restrict residents from repaying foreign currency-denominated obligations. As at the date of this Offering Circular, the Government has not invoked payment balance protection measures. Should the Government decide to introduce such measures in the future, Kazakhstan may face potential risks such as reduced foreign investment, diminished investor confidence and restricted access to international capital markets, which could have a material adverse effect on Kazakhstan's economic stability and growth.

(6) Kazakhstan's economy is under inflationary pressure.

The economy of Kazakhstan is significantly affected by inflationary pressure. According to the Bureau of National Statistics of Kazakhstan ("**NSB**"), the annual inflation rate in 2023, 2024 and 2025 was 9.8 per cent., 8.6 per cent., and 12.3 per cent., respectively. Although Kazakhstan's inflation rate for 2022 (20.3 per cent.) was higher than that of Kyrgyzstan (14.7 per cent.) and Uzbekistan (12.3 per cent.), it largely reflected the broader regional trend of rising inflation

influenced by global economic pressures. Expenses of local businesses are mostly denominated in Tenge and, accordingly, may be affected by inflation. In particular, the dependence on imports in the Kazakhstan economy creates inflation rate risk related to increases in world prices for food products and other products and services. Employee wages have been, and are likely to continue to be, particularly sensitive to monetary inflation in Kazakhstan. While the NBK has in recent years been able to manage the inflation by implementing a prudent monetary policy, it may not be able to do so in the future. Sustained high inflation could lead to market instability, a reduction in consumer purchasing power, erosion of consumer confidence, and could also hamper efforts of the NBK to decrease the dollarization of the Kazakhstan economy. Any of these events could have a material adverse impact on the financial and economic condition of Kazakhstan.

(7) The securities market in Kazakhstan is underdeveloped.

Kazakhstan has a less-developed securities market than the U.S. or the UK and other Western European countries, which may hinder the development of the Kazakhstan economy. An organized securities market was established in Kazakhstan only in the mid-to-late 1990s and procedures for settlement, clearing and registration of securities transactions may, therefore, be subject to legal uncertainties, technical difficulties and delays. Although significant developments have occurred in recent years, including an initiative to develop Astana as an international financial center, the sophisticated legal and regulatory frameworks necessary for the efficient functioning of modern capital markets have yet to be fully developed in Kazakhstan. In particular, legal protections against market manipulation and insider trading are not as well developed or as strictly enforced in Kazakhstan as they are in the U.S. or the UK and other Western European countries, and existing laws and regulations may be applied inconsistently. In addition, less information relating to Kazakhstan-based entities may be publicly-available to investors in such entities than is available to investors in entities organized in the U.S. or the UK and other Western European countries. The above-mentioned factors may impair foreign investment in Kazakhstan and hinder the development of Kazakhstan's economy.

(8) Kazakhstan's continuing need to fight corruption and improve business climate may hinder the growth of Kazakhstan's economy and its ability to meet obligations under the Bonds.

Kazakhstan is a member of the Extractive Industries Transparency Initiative in relation to a number of companies, and Kazakhstan continues to work towards improving accountability and governance standards in various extractive sectors. However, independent analysts, including Transparency International, have identified corruption as a problem in Kazakhstan. Of the 182 countries and territories included in the 2026 Corruption Perceptions Index published by Transparency International, Kazakhstan ranked number 96th, indicating that a perception of public sector corruption occurring within the country remains widespread.

Kazakhstan's business climate and competitive indicators are also negatively affected by the need for reform in investor protection arrangements, the cost of establishing a business, the tax system, resolving insolvency and contract enforcement. Any future allegations of corruption in Kazakhstan and the failure to address the need for reforms could have a negative effect on the ability of Kazakhstan to attract foreign investment, and thus have a negative effect on both the economy of Kazakhstan and the ability of Kazakhstan to repay principal and make payments of interest on the Bonds.

(9) There can be no assurance that further market-based reforms such as the Comprehensive Privatization Plans will be successfully implemented.

In recent years, the Government has introduced a number of measures to encourage privatization and competition among Kazakhstan companies. In 2012, the Government launched the "People's IPO" programme in order to, among other things, stimulate the domestic equities market. The "People's IPO" programme was terminated at the end of 2015. In March 2014, the Government adopted a decree, which set out its "Comprehensive Privatization Plan" for the 2014-2016 period, and in December 2015, the Government approved a further Comprehensive Privatization Plan for the 2016-2020 period. On December 29, 2020, the Government approved the Comprehensive Privatization Plan for the 2021-2025 period, which became effective on January 1, 2021. The

Government's privatization programme is driven by the need for substantial investment in many enterprises. As at December 31, 2025, 402 assets worth KZT977.2 billion were privatized under the 2021- 2025 Comprehensive Privatization Plan (the "Plan").

On October 24, 2025, the Government approved an another decree to set out new lists of organisations to optimize quasi-public sector entities and state owned objects for the 2026 – 2030 period. It includes a catalog of organisations to transfer to a competitive environment, to transfer into trust management, proposed for reorganization and for liquidation.

In 2022, up to 5 per cent. of KazMunayGas shares began trading on the Astana International Exchange (the "AIX") and the Kazakhstan Stock Exchange (the "KASE") following their initial public offering ("IPO"). In 2023, a secondary public offering ("SPO") of KEGOC shares took place. In February 2024, Air Astana conducted an IPO with a triple listing on the London Stock Exchange (the "LSE"), AIX and KASE. In 2025, the Plan contemplates IPOs of Kazakhstan Temir Zholy and QazaqGaz. The Plan has, however, excluded certain enterprises deemed strategically significant by the Government and there remains a need for substantial investment in many sectors of the Kazakhstan economy, including business infrastructure. There can be no assurance that the Government's privatization plans or other market-based reforms will be successfully implemented. Should these market-based reforms prove to be unsuccessful, Kazakhstan may face continued underinvestment in key sectors, limiting economic growth and reducing competitiveness in the global market which may have a material adverse impact on the financial and economic condition of Kazakhstan.

(10) Challenges in the implementation of economic and financial reforms may mean such reforms are delayed or do not happen, which may have a negative effect on the performance of Kazakhstan's economy.

In order to ensure the sustainable growth of Kazakhstan's economy, the Government has been implementing a wide range of economic, financial and banking system reforms, and reforms of the legal, tax and regulatory environment. The Government has approved policy measures and actions to promote private sector investments, diversify the economy, to broaden the tax base and to facilitate access to credit to further foster private investment in Kazakhstan by both local and foreign investors.

The continued pursuit of Kazakhstan's long-term objectives in these areas, including those contemplated by the Kazakhstan-2050 Strategy, National Development Plan 2029 and National Plan 2025, will depend on a number of factors, including continued political support in Kazakhstan and across multiple government ministries, adequate funding, the outcome of policy reviews, improved security, power sector reform, availability of human capital and enhanced coordination between the relevant stakeholders. The economic and other assumptions underlying the objectives set forth in the Kazakhstan-2050 Strategy, National Development Plan 2029 and National Plan 2025, including with respect to oil prices and production, GDP growth, inflation, external debt and the fiscal deficit, may not be met, which would undermine Kazakhstan's ability to achieve its stated objectives. Failure to achieve one or more of the objectives or complete certain reforms or projects set forth in the Kazakhstan-2050 Strategy and National Plan 2025 may render it difficult to achieve other stated objectives, and Kazakhstan's ability to achieve its strategic objectives may be affected by many factors beyond its control. Moreover, some planned reforms may disadvantage certain existing stakeholders, who may seek to curtail such reforms. In addition, the Government has a number of privatization plans, which may be difficult to achieve without implementing further legislation or active participation from international investors.

If the Government is not able to fund or implement the large number of reforms and proposals (including privatizations) currently being proposed, or if there is a delay in such funding or implementation, then the Government may not be able to meet the long-term strategic objectives, which could result in an adverse effect on the economy of Kazakhstan and its ability to meet its obligations under the Bonds.

(11) The shadow economy may have a material adverse effect on revenue collection by the Kazakhstan Government.

A significant portion of Kazakhstan's economy is an informal or shadow economy. The size of the informal economy was estimated by the NSB to constitute 16.71 per cent. of GDP in 2024, 17.58 per cent. of GDP in 2023 and 18.78 per cent. of GDP in 2022. The informal economy is not recorded, resulting in a lack of revenue for the Government through collection of taxes, ineffective regulation or reform, unreliable statistical information (including the understatement of GDP and the contribution to GDP of various sectors) and an inability to monitor or otherwise regulate a large portion of the economy. The Government has stated that it intends to address the problems created by the shadow economy by improving business infrastructure and tax administration and by continuing the privatization process. There can be no assurance, however, that these measures will be effective or that any failure to implement them may not have a material adverse effect on Kazakhstan.

(12) Revenues in the State Budget depend on the performance of state-owned enterprises.

State-owned enterprises represent a significant portion of the Kazakhstan economy. For example, as at June 30, 2024, the assets held by state holding JSC "Sovereign Wealth Fund "Samruk-Kazyna" ("Samruk-Kazyna") represent approximately 30 per cent. of Kazakhstan's GDP. Poor economic performance of state-owned businesses, regardless of its cause, may have both direct and indirect adverse impacts on the revenues in Kazakhstan's State Budget.

(13) Protests or civil unrests, such as events in Kazakhstan in 2022, as well as any difficulties following the transfer of presidential power in Kazakhstan, may have an adverse effect on Kazakhstan's economy and its ability to meet obligations under the Bonds.

In January 2022, there were widespread protests in Kazakhstan in response to the removal of a cap on the price of liquefied petroleum gas and the resultant increase in price for consumers. Some commentators have reported that the protests were moreover an attempted coup d'état by dissident forces operating within the country. The protests resulted in disruption and damage throughout Kazakhstan to public and private property and infrastructure with numerous casualties among civilians and security forces. The protests started in the city of Zhanaozen and spread to other cities across Kazakhstan including Almaty, Aktau and Atyrau. As the protests spread throughout various cities in Kazakhstan, President Kassym-Jomart Tokayev imposed a state of emergency and removed the government and various ministers and officials from office. Following the cessation of the state of emergency and a stabilization of the situation on January 19, 2022, President Kassym-Jomart Tokayev appointed a new government.

Whereas order was restored swiftly following the outbreak of the protests, there can be no guarantee that civil unrest will not occur in the future.

The prevailing political conditions in Kazakhstan have continued to develop following the events of January 2022 and early presidential elections were conducted on November 20, 2022. President Tokayev was re-elected for a 7-year term until 2029. However, renewed uncertainty with respect to the political environment in Kazakhstan, with possible political and economic reforms, their absence or similar events, circumstances or other forms of political instability may have a material adverse impact on the financial and economic condition of Kazakhstan, and thus have a negative effect on the ability of Kazakhstan to repay principal and make payments of interest on the Bonds.

(14) Official statistics in Kazakhstan may be unreliable.

Kazakhstan's system for gathering and publishing statistical information relating to its economy generally or specific economic sectors within it or corporate or financial information relating to companies and other economic enterprises may not be as complete or reliable as the systems of more developed countries. Official statistics and other data may also be produced on different bases from those used in more developed countries. In particular, information about Kazakhstan's hydrocarbon and mineral reserves is partially based on a system employed in the former Soviet Union and does not necessarily reflect economically recoverable reserves, and economic data may underestimate the contribution of the unofficial economy to Kazakhstan's overall economy. Unreliable official statistics in Kazakhstan may lead to ineffective policymaking due to incomplete, inaccurate or outdated data, increasing uncertainty, deterring foreign investment and potentially compromising

economic stability of Kazakhstan.

Legal and regulatory risks

(1) Enforcement of liabilities can be difficult in certain jurisdictions.

Kazakhstan is a sovereign state and has not submitted to the jurisdiction of any foreign courts in connection with the Bonds. Term (37) provides that, any dispute arising from or in connection with this Series of the Bonds shall be submitted to CIETAC for arbitration to be conducted in accordance with the CIETAC arbitration rules in effect at the time of the submission for arbitration. Term (37) further provide that such arbitral awards shall be final and binding upon both parties. Despite Kazakhstan's waiver of sovereign immunity, there remains a risk that a claimant will not be able to enforce an arbitration award against assets of Kazakhstan in certain jurisdictions without Kazakhstan having specifically consented to such enforcement at the time when the enforcement is sought. This may include the inability of a claimant to enforce an arrest order or attachment or seizure of Kazakhstan's assets and the subsequent sale of these assets.

Kazakhstan's courts will not enforce a judgment obtained in a court outside Kazakhstan unless there is a treaty in effect between the relevant country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty. There is no such treaty in effect between Kazakhstan and China. However, Kazakhstan and China are parties to the New York Convention and, accordingly, an arbitral award should generally be recognized and enforceable in Kazakhstan provided the conditions to enforcement set out in the New York Convention and Kazakhstan law are met.

However, even if an applicable international treaty is in effect, or a foreign judgment might otherwise be recognized and enforced on the basis of reciprocity, the recognition and enforcement of a foreign judgment will remain subject to any exceptions and limitations provided for in Kazakhstan law. Therefore, there remains a risk that a claimant will not be able to have a foreign judgment recognized or enforced in the Kazakhstan courts. For example, a Kazakhstan court may refuse to recognize or enforce a foreign judgment if its recognition or enforcement would be contrary to Kazakhstan public policy. In addition, as per the provisions of the Civil Code of the Republic of Kazakhstan, judgments cannot be enforced against assets allocated to state bodies unless specified otherwise by (i) an international agreement, (ii) a written contract that is not an international agreement, or (iii) a declaration to the court or a written notification in specific proceedings.

As a result, it may be difficult for claimants to obtain recognition or enforcement in Kazakhstan of a foreign judgment in respect of the Bonds.

(2) Kazakhstan's legislative, tax and regulatory framework and court system still continue to develop compared to established market economies, which may create uncertainty for businesses and investment in Kazakhstan.

Although a large volume of legislation has been enacted in Kazakhstan since early 1995 (including new tax codes in January 2002, January 2009 and January 2018 and new or amended laws relating to foreign arbitration and foreign investment, additional regulation of the banking sector and other legislation covering such matters as securities exchanges, economic partnerships and companies, and state enterprise reform and privatization throughout the period), the legal framework in Kazakhstan (although one of the most developed among the countries of the former Soviet Union) is still evolving compared to countries with established market economies.

The judicial system, judicial officials and other Government officials in Kazakhstan may not be fully independent of external social, economic and political forces. For example, there have been instances of improper payments being made to public officials. Therefore, court decisions can be difficult to predict and administrative decisions have on occasion been inconsistent. Kazakhstan is a civil law-based jurisdiction and, as such, judicial precedents have no binding effect on subsequent decisions.

Kazakhstan's tax system is still in a transitional phase and it is expected that tax legislation in Kazakhstan will continue to evolve. The Code of the Republic of Kazakhstan "On Taxes and Other

Obligatory Payments to the Budget” (the “**Tax Code**”) which became effective in January 2018 contains a number of new features, such as a presumption of innocence concept, pursuant to which any ambiguities arising out of the application of law in the process of a tax audit must be interpreted in favor of the taxpayer. The Tax Code further provides for a higher degree of predictability of tax regulation by setting forth that all amendments to the tax code in any given year must be adopted by no later than December 1 of a particular year and become effective no earlier than January 1 of the following year. There nonetheless remains a risk that legal and tax authorities may make arbitrary judgments and assessments of tax liabilities and challenge previous judgments and tax assessments, thereby rendering it difficult for companies to ascertain whether they are liable for additional taxes, penalties and interest. As a result of these ambiguities, including, in particular, the uncertainty surrounding judgments rendered under the previous tax code which was replaced by the Tax Code in 2018, as well as a lack of an established system of precedent or consistency in legal interpretation, the legal and tax risks involved in doing business in Kazakhstan are substantially more significant than those in jurisdictions with a more developed legal and tax system.

2. Risks relating to the Bonds

(1) This Series of the Bonds may not be a suitable investment for all investors.

Each investor who intends to invest in any of this Series of the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, such investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation on such investment, the merits and risks of investing in this Series of the Bonds and the information contained in this Offering Circular;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in this Series of the Bonds and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in this Series of the Bonds, including where principal or interest is payable in one or more currencies where the currency for principal or interest payments is different from the investor’s currency;
- (d) understand thoroughly the terms of this Series of the Bonds and be familiar with the behavior of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

(2) This Series of the Bonds are unsecured obligations.

It will be particularly important for the investor to evaluate the Issuer’s credit risk when considering an investment in this Series of the Bonds as this Series of the Bonds are unsecured. If the Issuer became unable to pay amounts owed to the investor under this Series of the Bonds, such investor does not have recourse to any other security or collateral and, in a worst case scenario, may not receive any payments under this Series of the Bonds.

(3) This Series of the Bonds will only rank *pari passu* with unsecured external indebtedness not all indebtedness of the Issuer.

Subject to the Negative Pledge set out in the Terms of this Series of the Bonds, this Series of the Bonds are unsecured obligations of the Issuer which rank *pari passu*, without any preference among themselves and at least *pari passu* in right of payment with all other outstanding present and future unsecured External Indebtedness (as defined in Section 3 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular) of the Issuer.

(4) There may be no active trading market or secondary market liquidity for this Series of the Bonds.

This Series of the Bonds to be issued will be new securities which may not be widely distributed and for which there is no active trading market. After their initial issuance, this Series of the Bonds may trade at a discount to their initial offering price, depending upon factors including prevailing interest rates, the market for similar bonds (as applicable), general economic conditions and the financial condition of the Issuer. Accordingly, the investor is subject to the risk that its investment in this Series of the Bonds may be difficult or impossible to trade.

A lessening of the liquidity of this Series of the Bonds may cause, in turn, an increase in the volatility associated with the price of this Series of the Bonds. An investor in this Series of the Bonds is subject to the risk, that to the extent there is no liquid market in this Series of the Bonds, an investor may have to wait until the maturity thereof in order to realize the value of its investment and, as such, an investor should proceed on the assumption that they may have to bear the economic risk of an investment in this Series of the Bonds until their maturity.

(5) Certain factors may affect the value and trading price of this Series of the Bonds.

The value of this Series of the Bonds prior to maturity is expected to depend on a number of factors:

- (a) the trading price of this Series of the Bonds;
- (b) the time remaining to maturity;
- (c) any change(s) in interim interest rates and investment return rates; and
- (d) any change(s) in currency exchange rates.

As a result of these factors the price at which a Bondholder will be able to sell this Series of the Bonds prior to maturity may be less than the initial amount invested in this Series of the Bonds. Each of these factors interrelates in complex ways (for example, one factor may offset an increase in the trading value of this Series of the Bonds caused by another factor). Investors are subject to the risk that the value of this Series of the Bonds may be adversely affected by one or more of the above factors.

(6) General economic conditions may affect this Series of the Bonds.

The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Asia and other regions and countries. There can be no assurance that events occurring in Asia and other regions and countries will not cause market volatility, that such volatility will not adversely affect the price of this Series of the Bonds, and that economic and market conditions will not have any other adverse effect.

(7) Change of law may have an adverse effect on this Series of the Bonds.

The terms of this Series of the Bonds are based on PRC Laws and Kazakhstani laws in effect as at the date of this Offering Circular. There is a risk that the interpretation and/or effect of the terms of this Series of the Bonds may be subject to change in such a manner as to adversely affect the contractual rights of holders of this Series of the Bonds. The value of this Series of the Bonds may also be affected by changes in laws.

No assurance can be given as to the impact of any possible judicial decision or change to PRC Laws or Kazakhstani laws or change in administrative practices after the date of this Offering Circular.

(8) The investors will only be able to trade this Series of the Bonds through the clearing system of the Depositary designated by PBOC and be subject to any risks relating to the clearing system.

The investors will only be able to trade this Series of the Bonds only through the clearing system of the Depositary designated by PBOC and will have to rely on their procedures for transfer, payment and communication with the Issuer to receive payment under this Series of the Bonds.

The Issuer has no responsibility or liability for the relevant records relating to, or payment procedure in respect of, this Series of the Bonds.

(9) Resolutions passed on Bondholder meetings may not be in the best interest of all Bondholders.

Term (39) of this Series of the Bonds and Section 12 “*Investor Protection Mechanism — Meetings of Bondholders*” of this Offering Circular sets forth the provisions for calling meeting of the Bondholders to consider matters affecting their interests. These provisions include the adoption of extraordinary resolutions approving amendments to these provisions or other arrangements. Any resolutions officially passed in such meetings in accordance therewith bind Bondholders, including the Bondholders who did not attend or vote at the relevant meeting and the Bondholders who voted to the contrary, so the Bondholders are subject to the risk that resolutions not for their benefit may be adopted.

(10) The Terms of this Series of the Bonds contain CACs.

This Series of the Bonds contain collective action clauses under which the terms of this Series of the Bonds may be amended, modified or waived without the consent of all the holders of this Series of the Bonds or all the holders of any other series of Bonds being aggregated, as the case may be

The Terms of this Series of the Bonds contain provisions regarding amendments, modifications and waivers, commonly referred to as "collective action" clauses. Such clauses permit defined majorities to bind all Bondholders, including Bondholders who did not vote and Bondholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to reserved matters, multiple series of the Bonds to be aggregated for voting purposes (provided that each such series also contains the collective action clauses in its terms).

The Issuer expects that all series of the bonds to be issued under the Program will include such collective action clauses, thereby giving the Issuer the ability to request modifications or actions in respect of reserved matters across multiple series of Bonds. This means that a defined majority of the holders of this Series of the Bonds (when taken in the aggregate) would be able to bind all holders of Bonds in all the relevant aggregated Series.

Any modification or actions relating to reserved matters, including in respect of payments and other important terms, may be made to a single series of Bonds with the consent of the holders of 75 per cent. of the aggregate principal amount outstanding of such Bonds, and to multiple series of Bonds with the consent of both (i) the holders of $66\frac{2}{3}$ per cent. of the aggregate principal amount outstanding of all series of Bonds being aggregated and (ii) the holders of 50 per cent. in aggregate principal amount outstanding of each series of Bonds being aggregated. Any modification or action proposed by the Issuer may, at the option of the Issuer, be made in respect of some series of Bonds only and, for the avoidance of doubt, the provisions may be used for different groups of two or more series of Bonds simultaneously. At the time of any proposed modification or action, the Issuer will be obliged, among other things, to specify which method or methods of aggregation will be used by the Issuer.

In the future, the Issuer may issue debt securities which contain collective action clauses in the same form as the collective action clauses in the Terms of the Bonds. If this occurs, then this could mean that any Series of Bonds to be issued under the Programme would be capable of aggregation with any such future debt securities. The Terms of the Bonds also include a provision in respect of the establishment of a Bondholders' Committee, which may represent the holders of a single Series of Bonds or multiple series of Bonds.

(11) The Terms of this Series of the Bonds restrict specific Bondholders to declare the occurrence of an Event of Default, and allow a majority of holders to withdraw the relevant declaration.

If an Event of Default under this Series of the Bonds occurs and is continuing, all of this Series of the Bonds may, by written notice addressed and delivered to the Issuer by the holders of not less than 25 per cent. in aggregate outstanding principal amount of this Series of the Bonds, be declared immediately due and payable at their principal amount together with accrued interest.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate outstanding principal amount of this Series of the Bonds to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Bondholders, whereupon the relevant declaration shall be withdrawn and

shall have no further effect, but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to the Terms of this Series of the Bonds or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Bondholder in relation thereto.

(12) Interest rate risk.

Investors in this Series of the Bonds are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the fixed rate bonds. In the case that the interest rates in the market increases beyond the fixed interest rates of this Series of the Bonds, the investors will not be able to obtain such benefits.

Investments in this Series of the Bonds may involve interest rate risk with respect to the currency of denomination of this Series of the Bonds. A variety of factors influences interest rates such as macroeconomic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of this Series of the Bonds.

(13) Exchange rate risk.

The value of Renminbi has been fluctuating against Euro, US dollars and other major currencies and affected by PRC and international political or economic conditions and other factors. If investors evaluate their investment returns in a currency other than Renminbi (“**Investor Currency**”), there will be certain exchange rate risks associated with the investment in this Series of the Bonds, including significant fluctuations in exchange rates between Renminbi and the Investor Currency. The depreciation of Renminbi against the Investor Currency may result in a decline in the actual yield on investment in this Series of the Bonds lower than the coupon rates on this Series of the Bonds as well as exchange losses from converting the interest income and gains from this Series of the Bonds into the Investor Currency. As a result, investors may receive less than, or in some circumstances, substantially less than their expected return on principal or interest.

(14) Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to laws and regulations relating to legal investment, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) this Series of the Bonds are legal investments for it, (ii) this Series of the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of this Series of the Bonds. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of this Series of the Bonds under any applicable risk-based capital or similar rules.

(15) Taxation in relation to this Series of the Bonds.

Transactions involving this Series of the Bonds may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes, stamp duty, stamp duty reserve tax and/or similar transfer taxes (for details, please refer to Section 8 “*Taxation Relating to this Series of the Bonds*” of this Offering Circular) may be payable on any transfer or agreement to transfer assets in cases where obligations of the Issuer under this Series of the Bonds are physically settled.

3. Risks relating to Cross-border Offering

(1) The Issuer’s ability to source Renminbi outside the PRC and to remit Renminbi into the PRC to service this Series of the Bonds may be limited.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into or out of the PRC. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually. As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited, and the size of Renminbi-denominated financial assets outside the PRC is limited. Although it is expected that the offshore Renminbi market will continue to grow in depth

and size, its growth may be subject to many constraints as a result of foreign exchange management policies or other factors beyond the control of the Issuer. Neither is there any assurance that new regulations will not be promulgated by the PRC government which will have the effect of restricting the availability of Renminbi outside the PRC. The above factors, including the restrictions on the convertibility and remittance of Renminbi and the limited availability of Renminbi outside the PRC, may adversely affect the liquidity of this Series of the Bonds and the Issuer's ability to service this Series of the Bonds by obtaining offshore Renminbi.

(2) The Issuer may claim sovereign immunity to legal proceedings with respect to its certain property or assets.

In Term (37), the Issuer waives its right to claim sovereign immunity in any arbitration in CIETAC or in any Kazakhstan court to enforce any relief given or arbitral awards rendered by CIETAC. To the extent that Kazakhstan may in any jurisdiction claim for itself or its assets or revenues immunity from arbitration, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), Kazakhstan has agreed not to claim and irrevocably waives such immunity to the fullest extent permitted by applicable law. However, it is only a specific and limited waiver of sovereign immunity in relation to this Series of the Bonds and under no circumstances shall it be interpreted as a general waiver by the Issuer or a waiver with respect to proceedings unrelated to this Series of the Bonds. Further, the Issuer will not agree to waive its right to immunity regarding with respect to:

- (a) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961;
- (b) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963;
- (c) any other property or assets used solely for official state purposes in Kazakhstan or elsewhere;
- (d) military property or military assets of Kazakhstan related thereto;
- (e) assets of the National Fund of the Republic of Kazakhstan may not be used as collateral for debt obligations under state or non-state loans under the laws of the Republic of Kazakhstan.

Thus, the Issuer may assert immunity to such actions or with respect to such property or assets. The Bondholders may have difficulties making any claims as described above or enforcing arbitral awards against such properties or assets.

SECTION 3: TERMS OF THIS SERIES OF THE BONDS AND OFFERING ARRANGEMENTS

1. Terms of this Series of the Bonds

(1) Name of this Series of the Bonds

The Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect).

(2) Issuer

The Republic of Kazakhstan represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan.

(3) Notice of Acceptance of Registration Number

NAFMII Registration No. [2026]RB5.

(4) Registered Amount of the Programme

RMB10 billion.

(5) Amount of this Series of the Bonds to be Issued

The Issuer will adopt the dynamic adjustment mechanism in the offering to determine the issuance amount.

The base offering amount is zero and the maximum offering amount is RMB3.5 billion. The final issuance amount is subject to the Bookbuilding results.

(6) Status of this Series of the Bonds

Subject to the Negative Pledge set out in Term (8), this Series of the Bonds are unsecured obligations of the Issuer which rank *pari passu*, without any preference among themselves and at least *pari passu* in right of payment with all other outstanding present and future unsecured External Indebtedness of the Issuer.

(7) Unsecured

This Series of the Bonds are not secured.

(8) Negative Pledge

So long as any of this Series of the Bonds remains outstanding, the Issuer shall not create, incur, assume or permit to arise or subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its International Monetary Assets, present or future, to secure any Public External Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are secured equally and ratably therewith or have the benefit of such other arrangement as may be approved by an extraordinary resolution of Bondholders.

In this Term:

“**External Indebtedness**” means all obligations, and Guarantees in respect of obligations, for money borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) denominated or payable, or which at the option of the relevant creditor or holder thereof may be payable, in a currency other than the lawful currency of the Issuer;

“**Guarantee**” means any guarantee of or indemnity in respect of Indebtedness or other like obligation;

“**Indebtedness**” means any indebtedness of any Person for money borrowed, whether incurred, assumed or guaranteed, other than trade credit in the ordinary course of business;

“**International Monetary Assets**” means all the Issuer's official holdings of gold and all the Issuer's and the Issuer's Monetary Authorities' holdings of (i) Special Drawing Rights, (ii) Reserve Position in the Fund and (iii) Foreign Exchange, and the terms “**Special Drawing Rights**”, “**Reserve Position in the Fund**” and “**Foreign Exchange**” have, as to the types of assets included,

the meanings given to them in the publication of the IMF entitled “International Financial Statistics” or such other meanings as shall be formally adopted by the IMF from time to time;

“**Issuer’s Monetary Authorities**” means the Issuer’s monetary authorities, including the National Bank of the Republic of Kazakhstan and, to the extent that they perform monetary authorities’ functions, currency boards, exchange stabilization funds and treasuries of the Issuer;

“**Permitted Security Interest**” means:

- (a) any Security Interest upon property to secure Public External Indebtedness incurred for the purpose of financing the acquisition of such property and any renewal and extension of such Security Interest which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;
- (b) any Security Interest existing on property at the time of its acquisition to secure Public External Indebtedness and any renewal or extension of any such Security Interest which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;
- (c) any Security Interest arising by operation of law which has not been foreclosed or otherwise enforced against the assets to which it applies; and
- (d) any Security Interest securing Public External Indebtedness or any Guarantee of Public External Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project, provided that (a) the holders of such Public External Indebtedness or Guarantee expressly agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Indebtedness, and (b) the property over which such Security Interest is granted consists solely of such assets and revenues;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organization, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality;

“**Public External Indebtedness**” means External Indebtedness of the Issuer which is in the form of, or represented by, bonds, notes, or other securities and which is, or may be, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system, over-the-counter securities market or other securities market; and

“**Security Interest**” means any mortgage, charge, pledge, lien, security interest or other encumbrance securing any obligation of any Person or any other type of preferential arrangement having similar effect over any assets or revenues of such Person.

(9) Form of this Series of the Bonds

This Series of the Bonds will be issued in real name book-entry form, to be centrally held in custody by the Depository designated by PBOC.

(10) Tenor of this Series of the Bonds

The tenor of this Series of the Bonds will be three (3) years.

(11) Use of Proceeds

Proceeds from the issuance of the Bonds will be remitted outside the PRC and credited to the account of the National Bank of the Republic of Kazakhstan, to be subsequently converted into Kazakhstan Tenge. Such proceeds will be used for the state budgetary purposes of the Republic of Kazakhstan.

(12) Denomination

This Series of the Bonds will be issued in denominations of RMB100, i.e. with each accounting entry for a Bond being RMB100.

(13) Issue Price

This Series of the Bonds will be issued at par.

(14) Minimum Subscription Amount

The minimum amount to be subscribed by an investor shall be RMB10,000,000 and integral multiples of RMB10,000,000 in excess thereof.

(15) Interest Basis

Interest shall be fixed, based on an annual rate and calculated at simple interest, without any compounding.

If the interest on this Series of the Bonds is required to be calculated for any period less than a year, it will be calculated on the basis of the actual number of days in that period in respect of which payment is being made divided by 365 days or, in a leap year, 366 days.

(16) Interest Rate

The rate of interest on this Series of the Bonds shall be fixed. The final rate of interest shall be disclosed in an announcement made in accordance with the applicable rules and be determined by the Issuer and the Principal Underwriters after the centralized Bookbuilding in respect of this Series of the Bonds. The rate of interest shall not change during the life of this Series of the Bonds.

(17) Bookbuilding Date for this Series of the Bonds

May 26, 2026.

(18) Distribution Date(s) for this Series of the Bonds

From May 27, 2026 to May 28, 2026.

(19) Interest Accrual Date for this Series of the Bonds

May 28, 2026.

(20) Settlement Date for this Series of the Bonds

May 28, 2026.

(21) Creditor's Rights and Debt Registration Date for this Series of the Bonds

May 28, 2026.

(22) First Trade Date for this Series of the Bonds

May 29, 2026.

(23) Interest Payment Period for this Series of the Bonds

From May 28, 2026 to May 27, 2029.

(24) Interest Payment Dates for this Series of the Bonds

Each Interest Payment Date is May 28 of each year during the life of this Series of the Bonds. The first Interest Payment Date shall be May 28, 2027 and the last Interest Payment Date shall be May 28, 2029. If an Interest Payment Date falls on a day that is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid as a result of such delay in payment.

(25) Maturity Date for this Series of the Bonds

The Maturity Date is May 28, 2029. If the Maturity Date falls on a day that is not a Business Day, it will be postponed to the next Business Day. Additional interest will not be paid on the principal of this Series of the Bonds as a result of such delay in payment.

(26) Method of Payment of Principal and Interest

Interest on this Series of the Bonds shall be paid on the Interest Payment Dates. The principal of this Series of the Bonds shall be paid in one lump sum on the Maturity Date. The interest and principal payable in respect of this Series of the Bonds shall be made in accordance with the rules

of the Depository designated by PBOC, and shall be completed by the Depository designated by PBOC.

If any Interest Payment Date or the Maturity Date is not a Business Day, the Bondholders will not be paid such interest or principal until the next following Business Day nor any interest or other sum in respect of such postponed payment. The Issuer shall, for so long as this Series of the Bonds are outstanding, at least five (5) Business Days prior to any Interest Payment Date or the Maturity Date (as the case may be), publish, or procure the publication of, an “Interest Payment Announcement” or “Redemption at Maturity Announcement” through the Designated Disclosure Platforms. The payment of interest and principal of this Series of the Bonds shall be made in accordance with the rules of the Depository, and shall be completed by the Depository. Any payment made by or on behalf of the Issuer to the Depository or its agent pursuant to the relevant agreement between the Issuer and the Depository for the account of a person in whose name any of this Series of the Bonds is, at the time such payment is made, registered in the register held by the Depository, constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of this Series of the Bonds in relation to which such payment was made.

(27) Offering Method

This Series of the Bonds will be offered to qualified institutional investors through centralized Bookbuilding and allocation at BFAE.

(28) Target Investors

Any institutional investor in the Interbank Market other than those restricted by the laws or regulations.

Offshore investors participating in the subscription of this Series of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of this Series of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Administration of Mutual Bond Market Access between the Mainland China and Hong Kong SAR* (《内地与香港债券市场互联互通合作管理暂行办法》) published by PBOC, as well as rules of other relevant parties and service providers.

(29) No Early Redemption

The Issuer may not redeem this Series of the Bonds prior to the Maturity Date.

(30) No Put Right

Investors do not have the right to sell this Series of the Bonds back to the Issuer.

(31) Credit Rating

On 23 April 2026, the Credit Rating Agency has assigned “AAA” long-term issuer credit rating (national scale) to the Issuer and “AAA” issue rating to this Series of the Bonds; the rating outlook is Stable.

(32) Trading

After the completion of the issuance of this Series of the Bonds and confirmation of the rights and obligations relating to this Series of the Bonds, and upon the completion of registration with the Depository designated by PBOC, this Series of the Bonds can be traded on the Interbank Market in accordance with its rules.

(33) Taxation Considerations

All payments of principal and interest in respect of this Series of the Bonds by the Issuer are subject in all cases to applicable PRC tax laws, regulations and directives, which will be borne by the Bondholders.

All payments of principal and interest in respect of this Series of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental

charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any of this Series of the Bonds presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of this Series of the Bonds by reason of its having some connection with Kazakhstan other than the mere holding of this Series of the Bonds;
- (b) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented this Series of the Bonds on the last day of such period of 30 days;
- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Series of the Bonds to another paying agent in a member state of the European Union; or
- (d) where (in the case of a payment of principal or interest on redemption) this Series of the Bonds is surrendered for payment in the Republic of Kazakhstan.

In addition, if and to the extent that the obligations of the Issuer, to pay additional amounts pursuant to this Term (33) are or have become illegal, unenforceable or otherwise invalid, the Issuer will indemnify and hold harmless each holder of this Series of the Bonds from and against, and will, upon written request of a holder and presentation of reasonable supporting documentation, reimburse each such holder for, the amount of any taxes withheld or deducted from, or paid by such holder in respect of, payments made under or with respect to this Series of the Bonds and which would not have been withheld, deducted or paid had the said obligations not been or become illegal, unenforceable or otherwise invalid.

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due, and (b) if the full amount payable has not been received by the relevant Bondholder on or prior to such due date, the date on which the full amount having been so received by the Bondholder;

Any reference in these Terms to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Term (33).

(34) Depositary

Shanghai Clearing House, as the Depositary designated by PBOC.

(35) Underwriting

This Series of the Bonds will be underwritten by the Principal Underwriters on a standby commitment underwriting basis.

(36) Governing Law of this Series of the Bonds and the Debt Obligations Represented by Such Bonds

PRC Laws.

(37) Dispute Resolution

Any dispute arising from or in connection with any of this Series of the Bonds, including any dispute relating to the existence, validity, interpretation, performance, default, termination and consequences of invalidity, shall be submitted to CIETAC for arbitration which shall be conducted in Beijing in accordance with the CIETAC arbitration rules in effect at the time of the submission of the dispute for arbitration. The arbitral tribunal shall consist of three (3) arbitrators. Each of the Issuer as a party and the Bondholders participating in the dispute as the other party may appoint any

person, whether on the arbitrator list provided by CIETAC or not, as an arbitrator. The arbitration proceedings shall be conducted in both English and Chinese. The arbitral award is final and binding upon both parties.

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from arbitration, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), the Issuer agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by applicable law, provided that the Issuer does not waive any immunity with respect to those items specifically set out under Section 2 “*Risk Factors — Risks relating to Cross-border Offering — The Issuer may claim sovereign immunity to legal proceedings with respect to its certain property or assets*” of this Offering Circular.

(38) Event of Default

If any of the following event (each, an “**Event of Default**”) occurs and is continuing:

- (a) *Non-payment*: the Issuer is in default with respect to the payment of principal or interest or additional amounts on any of this Series of the Bonds and such default continues for a period of 30 days; or
- (b) *Breach of other Obligations*: the Issuer is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under this Series of the Bonds (other than a default or breach elsewhere specifically dealt with in this Term (38)) and such default or breach is not remedied within 60 days after notice thereof has been given to the Issuer by any holder of this Series of the Bonds; or
- (c) *Cross Default*: (a) any Public External Indebtedness of the Issuer (i) becomes due and payable prior to the due date for payment thereof by reason of default by the Issuer, or (ii) is not repaid at maturity as extended by the period of grace, if any, applicable thereto, or (b) any Guarantee given by the Issuer in respect of Public External Indebtedness of any other Person is not honored when due and called upon; provided that the aggregate amount of the relevant Public External Indebtedness or liability under such Guarantee in respect of which one or more of the events mentioned in this Term 38(c) shall have occurred equals or exceeds USD65,000,000 or its equivalent in other currencies; or
- (d) *Moratorium*: a general suspension of, or a moratorium on, the payment of principal of, or interest on, the Public External Indebtedness of the Issuer is declared by the Issuer, or the Issuer is, or admits that it is, unable to pay any Public External Indebtedness as it falls due, or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness; or
- (e) *Invalidity or unenforceability*: the validity of this Series of the Bonds is contested by the Issuer or the Issuer shall deny any of its obligations under this Series of the Bonds (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in this Series of the Bonds or all or any of its obligations set out in this Series of the Bonds shall be or become unenforceable or invalid.

then, all of this Series of the Bonds may, by written notice addressed and delivered to the Issuer by the holders of not less than 25 per cent. in aggregate outstanding principal amount of this Series of the Bonds, be declared immediately due and payable at their principal amount together with accrued interest.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate outstanding principal amount of this Series of the Bonds to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Bondholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect, but without prejudice to any rights or obligations which may have arisen

before the Issuer gives such notice (whether pursuant to these Terms or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Bondholder in relation thereto.

(39) Meetings of Bondholders

(a) *Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions:*

The Issuer may convene a meeting of the Bondholders at any time in respect of this Series of the Bonds in accordance with this Term (39). The Issuer will determine the time, place and purpose of the meeting not less than 21 and not more than 45 days (exclusive of the day on which the notice is given and of the day on which the relevant meeting is held) before the meeting.

The following provisions set forth the conditions and procedures for convening meetings of Bondholders to consider matters relating to this Series of the Bonds, including, without limitation, the modification of any provision of these Terms. Any such modification may be made if, having been approved in writing by the Issuer, it is sanctioned by an Extraordinary Resolution. Additional details on the procedures of meetings of Bondholders are set forth under the heading “3. Meetings of Bondholders” in Section 12 “Investor Protection Mechanism” of this Offering Circular. If this Term (39) and the provisions under the heading “3. Meetings of Bondholders” in Section 12 “Investor Protection Mechanism” of this Offering Circular do not include such procedures, or additional procedures are required, the Issuer and the Post-issuance Manager will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

The meeting of Bondholders shall be convened by the Post-issuance Manager upon the request (addressed to the Post-issuance Manager or to the Issuer, with a copy to the other, and setting out the purpose of the requested meeting) in writing of the Bondholders holding not less than 10% of the aggregate principal amount of this Series of the Bonds then outstanding (as defined in Term (39)(i) (*Bonds controlled by the Issuer*)). The Post-issuance Manager will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Post-issuance Manager, as the case may be, will notify the Bondholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place no less than 21 and no more than 45 days after the date on which such notification is given.

The notice convening any meeting will specify, *inter alia*;

- (A) the date, time and location of the meeting;
- (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
- (C) the record date for the meeting, which shall be no more than 5 Business Days before the date of the meeting;
- (D) the documentation required to be produced by a Bondholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Bondholder’s behalf at the meeting;
- (E) any time deadline and procedures required by the Depositary designated by PBOC;
- (F) whether Term (39)(b) (*Modification of this Series of the Bonds only*), or Term (39)(c) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
- (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;

- (H) such information that is required to be provided by the Issuer in accordance with Term (39)(e) (*Information*);
- (I) the identity of the Aggregation Agent and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Term(39)(f) (*Claims Valuation*); and
- (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

All information to be provided pursuant to Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.

In these Terms:

Any reference to “**debt securities**” means any bonds (including the Bonds), notes, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.

“**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference this Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) and Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms providing for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

A “**record date**” in relation to any proposed modification or action means the date fixed by the Issuer for determining the Bondholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Two Limb Written Resolution.

A “**Written Resolution**” means any of a Single Series Written Resolution, and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(b) *Modification of this Series of the Bonds only:*

Any modification of any provision of, or any action in respect of, these Terms of this Series of the Bonds may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

A “**Single Series Extraordinary Resolution**” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Post-issuance Manager pursuant to Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) by a majority of:

- (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of this Series of the Bonds then outstanding; or
- (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of this Series of the Bonds then outstanding.

A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

- (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of this Series of the Bonds then outstanding; or
- (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate

principal amount of this Series of the Bonds then outstanding.

Any Single Series Written Resolution may be contained in one document or in several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders.

Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Bondholders, whether or not they attended any meeting, whether or not they voted in favor thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) *Multiple Series Aggregation – Two limb voting*

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed in Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) or similar provisions in the applicable bond documentation, as supplemented if necessary, which is passed by a majority of:

(A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(iii) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(v) Any modification or action proposed under Term (39)(c)(i) may be made in respect of certain series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Term (39)(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) *Reserved Matter:*

In these Terms, “**Reserved Matter**” means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of this Series of the Bonds, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of this Series of the Bonds or to change the method of calculating the amount of principal, interest or any other amount payable in respect of this Series of the Bonds on any date;
- (ii) to change the currency in which any amount due in respect of this Series of the Bonds is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution, or any other resolution of Bondholders or the number or percentage of votes required to be cast, or the number or percentage of this Series of the Bonds required to be held, in connection with the taking of any decision or action by or on behalf of the Bondholders or any of them;
- (iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (v) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (vi) to change the definition of “outstanding” or to modify Term (39)(i) (*Bonds controlled by the Issuer*);
- (vii) to change the legal ranking of this Series of the Bonds;
- (viii) to change any provision of this Series of the Bonds describing circumstances in which this Series of the Bonds may be declared due and payable prior to their scheduled maturity date, as set out in Term (38) (*Events of Default*);
- (ix) amend the law governing this Series of the Bonds, the arbitral tribunal of the jurisdiction to which the Issuer has submitted in connection with this Series of the Bonds, or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Bondholder as set out in Term (36) (*Governing Law of this Series of the Bonds and the Debt Obligations Represented by Such Bonds*) and Term (37) (*Dispute Resolution*);
- (x) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of this Series of the Bonds, including by way of the addition of a call option;
- (xi) to modify the provisions of this Terms (39)(d) (*Reserved Matter*);
- (xii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under this Series of the Bonds or to change the terms of any such guarantee or security;
- (xiii) to exchange or substitute all of this Series of the Bonds for, or convert all of this Series of the Bonds into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Terms in connection with any exchange or substitution of this Series of the Bonds for, or the conversion of this Series of the Bonds into, any other obligations or securities of the Issuer or any other person, which would result in these Terms as so modified being less favourable to the Bondholders which are subject to the Terms of this Series of the Bonds as so modified than:
 - (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

- (B) if more than one series of other obligations or debt securities result from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount; or
- (xiv) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the this Series of the Bonds.
- (e) *Information*
- Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Term (39)(b) (*Modification of this Series of the Bonds only*) or Term (39)(c) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Term (39)(j) (*Aggregation Agent; Aggregation Procedures*), and provide the Post-issuance Manager with, the following information:
- (i) a description of the Issuer’s economic and financial circumstances which are, in the Issuer’s opinion, relevant to the request for any potential modification or action, a description of the Issuer’s existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
 - (ii) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement, and where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
 - (iii) a description of the Issuer’s proposed treatment of securities representing External Indebtedness that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
 - (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Bondholders in Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*).
- (f) *Claims Valuation*
- For the purpose of calculating the face value of this Series of the Bonds and any affected series of debt securities which are to be aggregated with this Series of the Bonds in accordance with Term (39)(c) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a Calculation Agent. The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the face value of this Series of the Bonds and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for this Series of the Bonds and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.
- (g) *Manifest Error, etc.:*
- This Series of the Bonds and these Terms may, subject to the prior written approval of the Issuer, be amended without the consent of the Bondholders if:
- (i) the amendment or modification of this Series of the Bonds is of a formal, minor or technical nature or is made to correct a manifest error;
 - (ii) the amendment or modification is made to comply with mandatory provisions of PRC Laws to correct a manifest error; or
 - (iii) in the reasonable belief of the Issuer, the amendment or modification does not prejudice the interest of the Bondholders.

(h) *Bondholders Committee:*

- (i) *Appointment:* The Bondholders may, by a resolution passed at a meeting of the Bondholders duly convened and held in accordance with Term (39) by a majority of more than 50% in aggregate principal amount of this Series of the Bonds then outstanding, or by notice in writing to the Post-issuance Manager signed by or on behalf of the Bondholders holding more than 50% in aggregate principal amount of this Series of the Bonds then outstanding, appoint any person(s) as a committee to represent the interests of the Bondholders if any of the following events occurs:
- (a) an Event of Default;
 - (b) any event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Term (38) (*Events of Default*) become an Event of Default or an Event of Acceleration;
 - (c) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of this Series of the Bonds or any other debt securities (whether by amendment, exchange offer or otherwise); or
 - (d) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst this Series of the Bonds or any other debt securities are outstanding.
- (ii) Upon receipt of a written notice that a committee has been appointed in accordance with Term (39)(h)(i), and a certificate delivered pursuant to Term (39)(h)(vi) (*Certification*), the Issuer shall give notice of the appointment of such a committee to:
- (A) all Bondholders in accordance with Term (39)(j)(vii) (*Manner of publication*); and
 - (B) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities,
- as soon as practicable after such written notice and such certificate are delivered to the Issuer.
- (iii) *Powers:* Such committee in its discretion may, among other things, (i) engage legal advisers and financial advisers to assist it in representing the interests of the Bondholders, (ii) adopt such rules as it considers appropriate regarding its proceedings, (iii) enter into discussions with the Issuer and/or other creditors of the Issuer, (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.
- Except to the extent provided in this Term (39)(h)(iii), such committee shall not have the ability to exercise any powers or discretions which the Bondholders could themselves exercise.
- (iv) *Engagement with the committee and provision of information*
- The Issuer shall:
- (A) subject to Term (39)(h)(v), engage with the committee in good faith;
 - (B) provide the committee with information equivalent to that required under paragraph (e) (*Information*) of Term (39) (*Meetings of Bondholders*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
 - (C) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (v) If more than one committee has been appointed by the Bondholders and the affected series

of debt securities in accordance with the provisions of this Term (39)(h) (*Bondholders Committee*) and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(vi) *Certification*

Upon the appointment of a committee, the person or persons constituting such a committee (the “**Members**”) will provide a certificate to the Issuer and the Post-issuance Manager signed by the authorized representatives of the Members, and the Issuer and the Post-issuance Manager may rely upon the terms of such certificate.

The certificate shall certify:

- (A) that the committee has been appointed;
- (B) the identity of the initial Members; and
- (C) that such appointment complies with these Terms.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Post-issuance Manager may rely on conclusively, will be delivered to the Issuer and the Post-issuance Manager identifying the new Members. Each of the Issuer and the Post-issuance Manager will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Term (39)(h)(vi) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Term (39)(h)(iv) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of the Bondholders, the Bondholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

(i) *Bonds controlled by the Issuer:*

For the purposes of (i) determining the right to attend and vote at any meeting of Bondholders, or the right to sign or confirm in writing, or authorize the signature of, any Written Resolution, and (ii) Term (38) (*Events of Default*) and Term (39) (*Meetings of Bondholders*), any of this Series of the Bonds which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer, shall be disregarded and be deemed not to remain outstanding, where:

- (i) “**public sector instrumentality**” means the National Bank of the Republic of Kazakhstan and any department, ministry or agency of the government of the Republic of Kazakhstan or any corporation, trust, financial institution or other entity owned or controlled by the government of the Republic of Kazakhstan or any of the foregoing; and
- (ii) “**control**” means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

Any of this Series of the Bonds will also be deemed to be not outstanding if it has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, it has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its

obligations to make all payments due in respect of the Bond in accordance with its terms.

In advance of any meeting of Bondholders, or in connection with any Written Resolution, the Issuer shall provide to the Post-issuance Manager a copy of the certificate prepared pursuant to paragraph (iv) (*Certificate*) of Term (39)(j) (*Aggregation Agent; Aggregation Procedures*), which includes information on the total principal amount of Bonds which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Bonds shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Bondholders or the right to sign, or authorize the signature of, any Written Resolution in respect of any such meeting. The Post-issuance Manager shall make any such certificate available for inspection during normal business hours at their specified offices and, upon reasonable request, will allow copies of such certificate to be taken.

(j) *Aggregation Agent; Aggregation Procedures*

- (i) *Appointment:* The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of this Series of the Bonds, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Terms of this Series of the Bonds and the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.
- (ii) *Extraordinary Resolutions:* If an Extraordinary Resolution has been proposed at a duly convened meeting of Bondholders to modify any provision of, or action in respect of, these Terms or the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of this Series of the Bonds then outstanding and, where relevant, each other affected series of debt securities, have voted in favor of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.
- (iii) *Written Resolutions:* If a Written Resolution has been proposed under Term (39) to modify any provision of, or action in respect of, these Terms or the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of this Series of the Bonds then outstanding and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favor of the Written Resolution such that the Written Resolution is approved. If so, the Aggregation Agent will determine that the Written Resolution has been approved.
- (iv) *Certificate:* For the purposes of paragraph (ii) (*Extraordinary Resolutions*) and paragraph (iii) (*Written Resolutions*) of this Term (39)(j), the Issuer will provide a certificate to the Aggregation Agent up to 3 days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of this Series of the Bonds only*) or paragraph (c) (*Multiple Series Aggregation – Two limb voting*) of Term (39) (*Meetings of Bondholders*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (a) list the total principal amount of this Series of the Bonds and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt

securities outstanding on the record date; and

- (b) clearly indicate this Series of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (i) (*Bonds controlled by the Issuer*) of Term (39) (*Meetings of Bondholders*) on the record date identifying the holders of this Series of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

- (v) *Notification*: The Aggregation Agent will cause each determination made by it for the purposes of this Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) to be notified to the Post-issuance Manager and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Bondholders.
- (vi) *Binding nature of determinations; no liability*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Post-issuance Manager, the Bondholders and (subject to as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (vii) *Manner of publication*: The Issuer will publish all notices and other matters required to be published pursuant to these Terms including any matters required to be published pursuant to Term (39) (*Meetings of Bondholders*), including but not limited to, this Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) and Term (39)(h) (*Bondholders Committee*), and Term (38) (*Events of Default*):
 - (a) on <https://www.gov.kz/memleket/entities/minfin?lang=ru>
 - (b) through the website of the Depository designated by PBOC (<http://www.shclearing.com.cn>), China Money (<http://www.chinamoney.com.cn>), and BFAE (<http://www.cfae.cn/>); and
 - (c) in such other places and in such other manner as may be required by applicable law or regulation.

2. Plan of Issuance for this Series of the Bonds

(1) Centralized Bookbuilding arrangements

This Series of the Bonds will be issued through centralized Bookbuilding at BFAE. Specific methods and requirements for investors to participate in the Bookbuilding allocation of this Series of the Bonds will be set forth in the Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) Terms of Subscription to be published. Underwriting Syndicate members must submit to the Lead Bookrunner the Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) Subscription Offer (the “**Subscription Offer**”) through the centralized bookbuilding system between 9:00 am and 6:00 pm on May 26, 2026, and the time of subscription shall be at the time at which the Subscription Offer is submitted to the Lead Bookrunner through the centralized bookbuilding system.

The minimum amount to be subscribed by an investor shall be RMB10,000,000 and integral multiples of RMB10,000,000 in excess thereof.

(2) Plan of distribution

Subscribers of this Series of the Bonds shall be institutional investors in the Interbank Market unless

otherwise restricted by the laws or regulations.

Domestic investors shall hold Class A or B holders' accounts with the Depository designated by PBOC, or hold Class C holders' accounts through settlement agencies on the Interbank Market. Other institutional investors may hold Class C holders' accounts with the Depository designated by PBOC through the underwriters or settlement agencies on the Interbank Market.

Offshore investors participating in the subscription of this Series of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing, settlement of this Series of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Administration of Mutual Bond Market Access between the Mainland China and Hong Kong SAR* (《内地与香港债券市场互联互通合作管理暂行办法》) published by PBOC, as well as rules of other relevant parties and service providers.

(3) Payment and Settlement Arrangements

Payment time: Prior to 15:00 on May 28, 2026.

The Lead Bookrunner shall send the Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) Allocation Confirmation and Notice of Payment (the "**Notice of Payment**") through the centralized bookbuilding system by May 27, 2026, giving notice to each Underwriting Syndicate member their respective allocation amount and subscription money payable, payment date and accounts.

Members of the Underwriting Syndicate shall, prior to 15:00 on May 28, 2026, remit the proceeds to the following account in accordance with their respective underwritten amount as set forth in the Notice of Payment by the Lead Bookrunner:

Account name: China International Capital Corporation Limited

Account bank: Industrial and Commercial Bank of China Limited Beijing International Trade Centre Branch

Account number: 0200041629027305941

CNAPS code: 102100004164

Any failure by a qualified underwriter to pay in full shall be dealt with in accordance with relevant rules of NAFMII and the relevant provisions of the underwriting agreement (including any supplements or amendments thereto) and the underwriting syndicate agreement, if any.

Upon the completion of the issuance of this Series of the Bonds, such Bonds can be transferred or pledged in accordance with the rules and regulations issued by the competent authorities.

(4) Registration and Depository Arrangements

This Series of the Bonds will be issued in real name book-entry form. Bonds subscribed by investors will be registered and held in a depository account with the Depository designated by PBOC.

Investors are not required to pay additional fees for the preparation of subscription, registration or depository of this Series of the Bonds. Investors shall comply with relevant provisions of the Depository designated by PBOC in their preparation of the registration or depository procedures.

If there is any conflict or contravention between the above provisions relating to the subscription and custody of this Series of the Bonds and any laws, regulations or rules of the Depository designated by PBOC currently in force or revised or enacted from time to time, the provisions of any laws, regulations or rules of the Depository designated by PBOC currently in force or revised or enacted from time to time shall prevail.

(5) Trading Arrangements

Trading in this Series of the Bonds on the Interbank Market will commence on the Business Day following the bond registration date, in accordance with the rules of the Interbank Market.

3. Issuer's Representations and Warranties

The Issuer represents and warrants to and (where applicable) agrees with the Bondholders that:

- (1) the Issuer is a sovereign state, a legal person under Kazakhstani law;
- (2) the Issuer as legal person has full power and capacity to execute and issue this Offering Circular, to establish the Programme, to create and issue this Series of the Bonds, and to perform its obligations thereunder, and has taken all necessary actions to approve and to authorize the same;
- (3) the issuance of this Series of the Bonds by the Issuer, the performance of its obligations under this Series of the Bonds and the Offering Circular and the exercise of any of its rights under this Series of the Bonds and the Offering Circular will not contravene any laws (including budget acts), regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the Issuer, and which would cause a significant adverse impact on the Issuer's ability to pay, or if there exists any contravention, the Issuer has obtained effective waivers from the relevant regulatory authorities or administrative departments, and such waivers are legal, valid and can be specifically enforced in accordance with the laws of the PRC and Kazakhstan; and
- (4) with respect to this Series of the Bonds, and in compliance with the requirements of regulatory authorities, any relevant administrative departments or other related authorities, the Issuer will submit, register or file on time, in the appropriate form, all reports, resolutions, returns or any required documents.

4. Investor's Representations and Warranties

Each Investor represents and warrants to and (where applicable) agrees with the Issuer that:

- (1) investors possess membership qualifications for the Interbank Market;
- (2) investors have sufficient power, authorizations and legal rights to purchase this Series of the Bonds, and to do such acts of a legal person or other acts necessary for the purchase of this Series of the Bonds;
- (3) the purchase of this Series of the Bonds or the performance of obligations under this Series of the Bonds or the exercise of any rights under this Series of the Bonds by the investors will not contravene any laws, regulations, rules, decisions, orders, authorizations, agreements or obligations applicable to the investors;
- (4) investors purchasing this Series of the Bonds have fully understood and seriously considered each and every risk relating to this Series of the Bonds, including but not limited to the risks described in this Offering Circular;
- (5) investors have fully understood and accepted the provisions in this Offering Circular in respect of the rights and obligations under this Series of the Bonds and agrees to be bound by them, and have obtained relevant advice from legal or other professional advisers;
- (6) subject to the Terms set out under Section 3, after the completion of the issuance of this Series of the Bonds, in accordance with the future needs of the Issuer and upon obtaining the registration with NAFMII, the Issuer may continue to issue debt instruments which either rank equally with or senior to this Series of the Bonds, without requiring the consent of the investors of this Series of the Bonds;
- (7) where any modifications to the Terms of this Series of the Bonds are made in accordance with applicable laws and regulations and the Terms of this Series of the Bonds as set out in under Section 3, upon the approval by the relevant regulatory authorities (if applicable) and after disclosure in respect thereof in accordance with applicable laws and regulations, the investor agrees to and accepts such modifications; and
- (8) offshore investors participating in the subscription of this Series of the Bonds through the "Bond Connect" regime should, in connection with the registration, custody, clearing,

settlement of this Series of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Administration of Mutual Bond Market Access between the Mainland China and Hong Kong SAR* (《内地与香港债券市场互联互通合作管理暂行办法》) published by PBOC, as well as rules of other relevant parties and service providers.

SECTION 4: DESCRIPTION OF THE ISSUER

1. Overview of Kazakhstan

(1) Basic Information about the Issuer

Chinese name of the Issuer: 哈萨克斯坦共和国（经哈萨克斯坦共和国政府授权并由哈萨克斯坦共和国财政部代表）

English name of the Issuer: The Republic of Kazakhstan represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan.

Address: Astana, 010000, Kazakhstan, 8, Mangilik El Avenue, Entrance 4

Contact: Aitpysheva Madina, Kassenova Assem, Iskarinova Dinara

Tel: + 7 712 75 02 45, + 7 717 2 75 03 91

E-mail: m.aitpysheva@minfin.gov.kz, e.karamendina@minfin.gov.kz, as.kasenova@minfin.gov.kz, di.iskarinova@minfin.gov.kz, b.kogay@minfin.gov.kz

(2) Ratings by International Rating Agencies

Set forth below are the current ratings assigned by international rating agencies to Kazakhstan as of the date of this Offering Circular.

Rating Agency	Government Bond Rating	Outlook
Moody's	Baa1	Stable
Standard & Poor's	BBB-	Positive
Fitch	BBB	Stable

(3) General

The Republic of Kazakhstan, which is the second largest former Soviet Union republic after Russia based on land mass, became an independent state in 1991.

Kazakhstan is the largest landlocked country located in Central Asia and is bordered by Russia to the north and west, China to the east, Kyrgyzstan, Uzbekistan and Turkmenistan to the south and the Caspian Sea to the west. In the Caspian Sea, Kazakhstan shares maritime boundaries with Russia, Iran, Turkmenistan and Azerbaijan. It is the ninth largest country in the world based on land mass, covering 2.7 million square kilometers, approximately the same size as Western Europe. In December 1997, the capital moved from Almaty to Astana (formerly known as Akmola), which is located in northern Kazakhstan, and the President, the Parliament and all ministries have since relocated to Astana. In 2019, Astana was renamed as Nur-Sultan to honor the first President of the Republic of Kazakhstan, Nursultan Nazarbayev, who resigned in March 2019. In 2022, Nur-Sultan was renamed back to Astana. Almaty remains, however, the financial, cultural and scientific center of the country and is the largest city in Kazakhstan.

As at June 1, 2025, the population of Kazakhstan was around 20.4 million. Kazakhstan is one of the most sparsely populated countries in the world with an average population density of approximately 7.4 people per square kilometer. The population of Kazakhstan is ethnically diverse. The relative size of the Kazakh ethnic group has increased since the country's independence, mainly because of the emigration of non-Kazakh ethnic groups and because of the return of many ethnic Kazakhs to the country.

Historically, Kazakhstan belongs to the Turkic-speaking world. Kazakh is the official language of Kazakhstan. Russian is widely spoken and is permitted under Kazakhstan's Constitution to be used officially on equal grounds with the Kazakh language in State institutions and local self-administrative bodies.

The secular status of the country is enshrined in Kazakhstan’s Constitution, which also provides for the right to religious freedom. Various religious and ethnic groups live in peaceful co-existence. The principal religions are Islam and Orthodox Christianity. The country is also home to Jews, Buddhists, Catholics and Protestants, particularly in the German communities.

Kazakhstan is rich in natural resources. According to the Energy Institute Statistical Review of World Energy 2025, in 2024, Kazakhstan was the thirteenth largest oil producer in the world and the second largest oil producer in the CIS after Russia. The country is also a significant exporter of wool, wheat, meat, machinery and various chemicals.

(4) Political System

(i) Constitution

Kazakhstan’s current constitution (the “**Constitution**”) was adopted in August 1995 by a national referendum and came in to force on September 5, 1995. The Constitution has since been amended in 1998, 2007, 2011, 2017, 2019 and 2022. The Constitution provides for a separation of powers between the executive, legislative and judicial functions. It establishes and sets out the powers and functions of the President, Parliament (of two chambers: the upper chamber, the “**Senate**” and the lower chamber, the “**Majilis**”), the Government (headed by the Prime Minister), the Supreme Court, the Constitutional Court and local governments and administrations.

The Constitution protects certain fundamental rights and personal freedoms of the citizens of Kazakhstan, including the right to life and protection from discrimination based on ethnicity, social status, occupation, gender, race, nationality or beliefs. The Constitution also provides for the right to a private life, the right to own property and the right to defend oneself in a court of law. Foreign individuals and stateless persons benefit from the fundamental rights under the Constitution (although this is subject to statutory derogations). Death penalty is prohibited under the Constitution.

Amendments to the Constitution can be proposed by the President, Parliament or the Government. Such proposals are then required to be submitted to a national referendum. More than 50.0 per cent. of Kazakhstan citizens who have a right to vote must participate in any national referendum regarding a proposed amendment to the Constitution in order for it to be valid. The proposed amendments are then adopted if more than 50.0 per cent. of Kazakhstan citizens who participated in the voting, in not less than two-thirds of the country’s 17 regions (“**oblasts**”), major cities and the capital city Astana, vote in favor of the amendments. However, as an alternative to a referendum, the President may decide to submit a proposal for an amendment to the Constitution directly to Parliament, which can approve such an amendment with not less than 75.0 per cent. of the votes of each chamber. The President also has the power to refuse to submit a Parliamentary proposal for an amendment to the Constitution to a national referendum. Following such a refusal by the President, Parliament can, with not less than 80.0 per cent. of the votes of each chamber, adopt the law on amendments to the Constitution, after which the President must then sign this law or submit it for a national referendum.

The Constitution was most recently amended in June and September 2022. In June 2022, amendments were made to, among other things, establish the Constitutional Court and update the procedure for electing members of Parliament. In September 2022, amendments increased the term of office of the President of Kazakhstan to seven years while limiting re-election to a single term. See “— *The President*” below.

(ii) The President

Under the Constitution, the President is the head of State and Kazakhstan’s highest ranking official. The President ensures the responsibility and accountability of Kazakhstan’s authorities to the citizens of Kazakhstan, is commander-in-chief of the armed forces and has the power to issue decrees and orders that are binding on the entire State. The President can initiate constitutional amendments and call referenda. The President also appoints administrative heads of oblasts and the heads of the capital, Astana, the city of Shymkent and the city of Almaty with consent from the local representative body (the “**maslikhat**”) of the relevant oblast, the capital, Astana, the city of Shymkent and the city of Almaty. The President has the power to dissolve Parliament as a whole or solely the Majilis following

consultation with the chairpersons of both chambers of Parliament and the Prime Minister.

The President has other significant powers of appointment and dismissal, including the power to appoint and dismiss the Prime Minister (in consultation with and following the approval of the Majilis), members of the Government (in consultation with the Prime Minister), the Governor of the NBK (following approval from the Senate) and the Chairperson of the Constitutional Court (following approval from the Senate).

In December 1991, Nursultan Nazarbayev, who had been the First Secretary of the Kazakh Communist Party, was elected as the first President of Kazakhstan. A referendum in April 1995 extended the term of his presidency until 2000, and he was re-elected in January 1999, December 2005, April 2011 and April 2015.

On March 19, 2019, the President of Kazakhstan Nursultan Nazarbayev resigned from his post. The President's powers were transferred to Kassym-Jomart Tokayev, who was at the time the Chairman of the Senate and who became the President until the next presidential election, which was at the time scheduled to be held in April 2020. On April 9, 2019, Kassym-Jomart Tokayev announced that the early presidential election will take place on June 9, 2019. Tokayev said that he called for the early election because it was "absolutely necessary" to ensure "continuity, predictability and stability" at the time of political transition and "to remove any uncertainty". Before the announcement, on April 8, 2019, consultations were held with the participation of the Chairman of the Senate, Prime Minister, Chairman of the Constitutional Court and Deputy Chairman of the Majilis. On June 9, 2019, a presidential election was held and President Tokayev won the election receiving 70.96 per cent. of the votes.

Following the January 2022 protests, President Tokayev introduced the political concept of "New Kazakhstan" in his state-of-the-nation address on September 1, 2022. Tokayev stated that "for the successful implementation of radical and comprehensive reforms aimed at building a just Kazakhstan, a new mandate of trust from the people is required." He further noted that these reforms can only be implemented over an extended period of time which is why he would be seeking re-election. In September 2022, President Tokayev signed a decree for an early presidential election which he won in November 2022 after securing 81.31 per cent. of the votes.

Under the Constitution, with effect from September 2022 (see "*— Constitution*") the President is elected to office by a popular vote for a term of seven years; the same person may not be elected President more than once.

(iii) The Parliament

The Parliament is the highest representative body of Kazakhstan exercising legislative power.

The current parliamentary structure of Kazakhstan includes a bicameral Parliament, consisting of two chambers: the Senate and the Majilis.

The Senate consists of 50 deputies, 10 of whom are appointed by the President (five of which on the proposal of the Assembly of People of Kazakhstan) and the remainder of whom are appointed by the representative body of each oblast, the capital city Astana, Almaty and Shymkent. The term of office for members in the Senate is six years. Every three years, half of the seats in the Senate are up for re-election. Senate elections were last held on January 14, 2023 and will be next held in 2026.

The Majilis consists of 98 members elected under a mixed electoral system, which includes proportional representation from a unified national election district based on party lists and single-mandate territorial election districts. The term of office for members in the Majilis is five years. The most recent election for the Majilis took place on March 19, 2023, in which seven political parties participated. Besides, 29 candidates were elected in the Majilis in single-mandate territorial election districts. The next Majilis election is scheduled to take place in 2028.

The process of introducing new legislation is initiated by Government agencies, which send proposals for new legislation to the Ministry of Justice of Kazakhstan. The Ministry of Justice drafts an overall legislative plan containing all proposals that have been received. The draft legislative plan, which is signed by the Prime Minister, is then sent to the Presidential administration, for review.

If the proposal is included into the legislative plan, the relevant Government agency drafts the bill. The Government then forwards the relevant bill to Parliament, where following adoption by the Majilis, it is sent to the Senate. The Senate can then either approve the bill, or suggest amendments and submit the amended bill back to the Majilis for its consideration. Once both chambers of Parliament have approved the bill, it is sent to the President for signature, after which the law becomes effective.

(iv) The Government

The executive branch is the Government, headed by the Prime Minister. The Government is responsible for the development and implementation of social and economic policies of Kazakhstan, its defense, security and ensuring public order; implementation of legislation and international treaties; and preparation and implementation of the Republican Budget, as well as the conduct of the foreign policy.

The Government is a collegial body, which exercises the executive power of the State, heads the countrywide system of various executive bodies and manages their activities. The Government is accountable to the President and Parliament. The Government is formed by the President in the manner prescribed by the Constitution. The Government consists of the Prime Minister, the Prime Minister's deputies, ministers representing 21 ministries and other officials.

(v) The Supreme Court and Judicial System

Judicial authority is vested in the Supreme Court, local courts and other courts created by legislation. The Supreme Court is the highest judicial body of last resort for all civil, criminal and other matters tried in local and other courts. The chairperson and the judges of the Supreme Court are elected by the Senate from candidates nominated by the President based on recommendations of the Supreme Judicial Council. The President approves the number of judges on the Supreme Court based on the recommendation of the chairperson of the Supreme Court. The chairperson of the Supreme Court is elected for a term of five years. The Supreme Judicial Council is comprised of the chairperson of the Supreme Judicial Council and other members appointed by the President. The Chairperson of the Supreme Judicial Council shall be appointed by the President following approval from the Senate. Chairpersons and judges of all local and other courts, other than the Supreme Court are appointed by the President on a permanent basis upon the recommendation of the Supreme Judicial Council and may be removed if a panel of judges (consisting of nine judges, including judges from district and regional courts and the Supreme Court) determines that the judge is professionally incompetent, commits a disciplinary offence or fails to meet certain prescribed standards.

On July 5, 2024, amendments to the Law “On the Judicial System and the Status of Judges of the Republic of Kazakhstan” were adopted, which takes effect on July 1, 2025. These amendments establish separate Cassation courts in Kazakhstan, which will function as interregional courts. The President will establish the Cassation courts based on the proposal of the Chairperson of the Supreme Court, with the consent of the Supreme Judicial Council. The Cassation courts will serve as the cassation instance, a role currently fulfilled by the Supreme Court until the amendments come into force.

(vi) The Constitutional Court

In 2022, the Constitution was amended to transform the Constitutional Council into the Constitutional Court. Prior to the amendments, Constitutional Council was responsible for providing official interpretations of the provisions of the Constitution, ensuring the constitutionality of legislation and international treaties and resolving disputes over presidential and parliamentary elections and public referenda.

The Constitutional Court, in addition to the powers formerly exercised by Constitutional Council, examines legal acts that directly affect the rights and freedoms of individuals enshrined in the Constitution for their compliance with the Constitution. The Constitutional Court consists of 11 judges, including the Chairperson, whose term of office is eight years. The Chairperson of the Constitutional Court is appointed by the President following approval from the Senate.

(vii) Local Government

The structure of local government was established in December 1993 and is comprised of maslikhats for each of the country's 17 oblasts and the cities which have the status of “cities of republican status”

(Astana, Almaty and, since 19 June 2018, Shymkent). Approximately 188 rural districts and a further 89 cities together make up the second tier of territorial administration. The maslikhats are responsible for, among other things, approval of economic and social development plans and the local budget and are also required to report on the execution of such budget. See “*Public Finance — State Budgetary Process*”.

(viii) Political Parties

The principle of political plurality is enshrined in the Constitution. There are seven registered political parties, the main ones being the Amanat party (formerly known as Nur-Otan party), the Democratic party of Kazakhstan Ak Zhol, the People’s party of Kazakhstan, the National Social Democratic party and the Auyl party.

(5) International Relations

Kazakhstan has established diplomatic relations with over 187 countries. Kazakhstan is a full member of the United Nations (“UN”), the International Monetary Fund (“IMF”), the World Bank (including the International Bank for Reconstruction and Development (“IBRD”), the International Development Association (“IDA”), the Multilateral Investment Guarantee Agency (“MIGA”), the International Finance Corporation (“IFC”), the Organization for Security and Cooperation in Europe (“OSCE”), the United Nations Educational, Scientific and Cultural Organization (“UNESCO”), the International Atomic Energy Agency, the European Bank for Reconstruction and Development (the “EBRD”), the Asian Development Bank (the “ADB”), the International Organisation of Securities Commissions, Japan International Cooperation Agency and the Islamic Development Bank (the “IDB”). Kazakhstan was elected twice as a member of the UN Human Rights Council for the terms 2013-2015 and 2022-2024. In January 2006, Kazakhstan and Russia established the Eurasian Development Bank, a regional development bank focussed on promoting economic development and facilitating integration in Eurasia. The bank currently has six member states, including Kazakhstan, Russia, Armenia, Kyrgyzstan, Tajikistan and Belarus.

Kazakhstan maintains peaceful relations with countries of the global community and has no outstanding disputes relating to state borders. On February 8, 2019, Kazakhstan ratified the Convention on the Legal Status of the Caspian Sea, which was signed on August 12, 2018 by the leaders of Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan. Under this convention, the waters of the Caspian Sea are divided into three zones: territorial waters, fishery zones and the “common maritime space”. The territorial waters extend from the coastline up to 15 nautical miles. They are subject to the sovereignty of the coastal state. The signatories’ respective fishery zones extend to a belt of a further 10 nautical miles adjacent to the territorial waters, in which each signatory state has exclusive rights over the aquatic biological resources. The waters located beyond the signatories’ respective fishery zones (i.e., beyond a maximum of 25 nautical miles from the coasts) are part of the “common maritime space”. It is open for use by all signatory states. Thus far, Azerbaijan, Kazakhstan, Russia and Turkmenistan have ratified this convention. Iran has not yet ratified the convention. The convention will enter into force once all signatories have ratified it.

Relationship with China

Political relations with China, Kazakhstan’s significant neighbour, have steadily developed since Kazakhstan’s independence. Kazakhstan first established diplomatic relations with China in 1992. In 1994, both countries signed an accord defining the China-Kazakhstan border and further reaffirmed the position through supplemental agreements in 1996, 1997, 1998 and 1999. In 2001, Kazakhstan and China signed an agreement on cooperation for cross-boundary river use and protection. Kazakhstan and China continue to cooperate within international and regional frameworks such as the UN and the Shanghai Cooperation Organization (“SCO”).

China entered Kazakhstan’s energy market after signing an Intergovernmental Agreement on Cooperation in the Field of Oil and Gas in September 1997. A general agreement between Kazakhstan’s Ministry for Energy and Mineral Resources and China’s National Petroleum Corporation (CNPC) was also signed, which included the development of oil projects in Kazakhstan and the construction of the Kazakhstan-China Oil Pipeline. This agreement facilitated the implementation of additional joint

projects beneficial to both countries. In July 2013, ConocoPhillips sold its 8.4 per cent. of shares in Kazakhstan's Kashagan oil field to CNPC, marking the first equity holding by a Chinese company in a major offshore Caspian energy field.

Oil is down streamed directly to China from Kazakhstan via the Kazakhstan-China Oil Pipeline, which consists of two existing Soviet-era pipeline sections and three major new sections, totalling around 2,800 km from Atyrau in western Kazakhstan to Alashankou on the Kazakhstan-China border. It is one of the world's longest oil pipeline systems. The three new segments are operated by joint ventures between KazMunayGas and CNPC or PetroChina. The Turkmenistan-China Gas Pipeline (lines A, B, and C) operated by Asian Gas Pipeline LLP is a major transit pipeline transporting Turkmen and Uzbek gas to China, exporting Kazakh gas to China. The length of the gas pipeline through Kazakhstan is 2,612 km for lines A and B and 1,304 km for line C.

The two countries also cooperate in security and military spheres. In August 2006, Kazakhstan's National Security Committee and China's Public Security Ministry conducted an anti-terrorist exercise at the border. Law enforcement agencies of both countries continue to collaborate on combating drug trafficking, weapons and explosive materials smuggling and organised transnational crimes.

In May 2015, the Chinese President Xi Jinping and former President of Kazakhstan Nazarbayev agreed to align the China-proposed Belt and Road Initiative with Kazakhstan's "Nurly Zhol" infrastructure development programme to achieve common development and prosperity based on equality and reciprocity. Kazakhstan has also agreed to cooperate with China on trade, industrial capacity, energy and technology. Significant investments have been made in transportation infrastructure related to the Belt and Road Initiative, particularly in railways. The railway linking China with Western Europe runs through Kazakhstan, reducing transport time between China and Western Europe to approximately 15 days, compared to about 45 days by sea.

Economic relations between Kazakhstan and China continue to develop. According to NBK statistics, the value of China's direct investments into Kazakhstan amounted to U.S.\$1.81 billion as at 31 December 2023. China remains one of the largest external trade partners of Kazakhstan, accounting for 24.8 per cent. of Kazakhstan's total external trade turnover for the period 1 January to 30 June 2024, compared with 17.9 per cent. for 2023.

Cooperation between Kazakhstan and China in the energy sector and other economic sectors has developed within the framework of the SCO. The SCO has become a key platform for fostering regional security, economic cooperation and diplomatic engagement. As a founding member of the SCO, Kazakhstan has been actively involved in developing the organization's strategic direction since its establishment in 2001. In recent years, the SCO's scope has expanded beyond political and security issues to include combating extremism, terrorism and separatism, as well as strengthening economic cooperation in energy, transport, industry and agriculture. The Energy Club within the SCO was established to resolve energy issues among member states by facilitating energy dialogues and the signing of bilateral agreements. The importance of Kazakhstan's membership was enhanced by its recent chairmanship in the SCO for the term 2023-2024. Kazakhstan has chaired the SCO on four occasions in total.

Given Kazakhstan's central location in Central Asia, regional security is of prime importance to the SCO. The SCO provides multilateral forum for combating terrorism, extremism, and separatism. Through the SCO's Regional Anti-Terrorist Structure (RATS), Kazakhstan works closely with member states like Russia, China, and its Central Asian neighbours to enhance regional stability. During the 24th Meeting of the Council of Heads of State of the SCO held in Astana in July 2024, Kazakhstan's president Kassym-Jomart Tokayev also outlined the security as the one of the priorities of strategic importance under Kazakhstan's chairmanship of the SCO. He emphasized that the SCO has exceptional opportunities to serve as a guarantor of peace and security throughout the Eurasian continent. In this regard, Kazakhstan's Initiative on World Unity for Just Peace, Harmony, and Development has received unanimous support from SCO member states.

The SCO also offers Kazakhstan opportunities for economic cooperation with key members, particularly China and Russia.

From a multilateral diplomacy perspective, Kazakhstan's membership of the SCO strengthens its diplomatic ties with other member and observer states, such as India, Pakistan, and Iran. The SCO enhances Kazakhstan's international standing and allows it to balance relations with major global powers.

Kazakhstan also engages in broader cultural and humanitarian cooperation through the SCO. The Kazakh chairmanship has, for instance, focused on enhancing cultural and humanitarian ties. Key projects include the SCO Spiritual Sanctuaries and its first international music festival, SCO Silk Road. Ten tourist territories have also been identified for the implementation of joint projects. The city of Almaty in Kazakhstan has been designated as the cultural and tourist capital of the SCO.

China remains one of the largest external trade partners of Kazakhstan. In 2024, the exports to and imports from China accounted for 18.3% and 25.35%, respectively, of Kazakhstan's total exports and imports. In addition, China's share of Kazakhstan's official trade turnover in 2024 reached to 21.3%. For the six months ended 30 June 2025, China is the second largest contributors of gross FDI inflows for Kazakhstan with an amount of U.S.\$1.4 billion.

(6) Development Strategy

In October 1997, former President Nazarbayev presented a strategy for the development of Kazakhstan through to 2030 (the “**Kazakhstan-2030 Strategy**”). In December 2012, the Kazakhstan-2030 Strategy was replaced with the Kazakhstan-2050 Strategy (the “**Kazakhstan-2050 Strategy**”), which is a long-term development strategy with seven main focus areas that aims for Kazakhstan to become one of the 30 most developed countries in the world by 2050. The focus areas cover economic development, encouragement of entrepreneurship, social policy, knowledge and skills development, public service delivery, corporate governance, foreign policy and ethnic and religious diversity. The Kazakhstan-2050 Strategy includes Kazakhstan's objective of becoming a member of the WTO, which Kazakhstan achieved on 30 November 2015. The Kazakhstan-2050 Strategy is implemented through the National Development Plan 2029 (as defined below), the National Security Strategy of the Republic of Kazakhstan and development plans of state bodies and national companies.

In May 2015, following the presidential election, former President Nazarbayev announced the “Plan of the Nation-100 Specific Steps” programme, which outlined 100 specific steps to implement five institutional reforms. The aim of the programme is to provide a clear direction for Kazakhstan's development and to enable the international community to track Kazakhstan's progress. The programme is also a response to global and local challenges and its ultimate goal is for Kazakhstan to become one of the 30 most developed countries in the world. Since its announcement, the government of Kazakhstan has periodically reviewed progress of the plan's implementation. During the most recent review, it was reported that 76 steps have been completed. The Kazakh authorities remain committed to continuing the implementation of the remaining steps.

On 12 December 2017, the so-called Digital Kazakhstan development programme (the “**Digital Programme**”) was adopted by the resolution of the Government. The Digital Programme was aimed at, among other things, accelerating the development of the Kazakhstan economy, improving the quality of life by digital technologies in the medium term, and creating conditions for the transition of the Kazakhstan economy to a fundamentally new development path which ensures the creation of a digital economy of the future in the long term. Because the Digital Programme was ended on 17 May 2022, the Government approved the new rules for the digital transformation of public administration on 9 November 2022. The rules provide, among other things, for the development and implementation of digital transformation roadmaps for a three-year period.

In 2022, according to the UN E-Government Development Index (EGDI), Kazakhstan was ranked 28th out of 193 countries by the level of development of electronic government (e-Gov). The level of digital literacy has increased over the period from 2019 to 2023 by 8.9 per cent. up to 90.2 per cent. as at the year end of 31 December 2023.

On 21 May 2024, President Tokayev signed a law on the digitalisation of the country. In particular, the law concerns the development of fibre-optic communication lines, cellular infrastructure, electronic documents, navigation satellite technologies, etc. The document provides for the introduction of

amendments to certain legislative acts on the issues of communication, digitalisation, improving the investment climate and eliminating unnecessary legislative regulation.

On 30 July 2024, President Tokayev signed a decree approving the “National Development Plan of the Republic of Kazakhstan until 2029” (the “**National Development Plan 2029**”), replacing the prior National Plan 2025, which had aimed at addressing the consequences of the COVID-19 pandemic as well as developing a sustainable and inclusive economy in light of the prevailing economic conditions. The National Development Plan 2029 aims to renew and grow Kazakhstan’s economy and improve citizens’ welfare and introduces measure aimed at achieving these objectives by 2029. It is built on five key principles: promoting competition, supporting entrepreneurship, investing in education and innovation, improving productivity and ensuring balanced regional development. The plan addresses 17 areas, each with specific goals for 2029 and aligns with the UN’s Sustainable Development Goals. Progress in social and economic development is tracked using a set of national indicators. To achieve the strategic directions set out in the National Development Plan 2029, a map of key national indicators was created, which provides for 39 indicators of socio-economic development of the country. The map includes a number of indicators to measure the welfare of citizens and the quality of social benefits. Sociological surveys will be conducted among the population and businesses to monitor the qualitative institutional improvement until 2029.

2. The Economy of Kazakhstan

(1) Gross Domestic Product

The following table below sets forth data regarding Kazakhstan’s GDP and population for the periods presented.

	Year ended 31 December		
	2023	2024 ⁽¹⁾	2025 ⁽²⁾
Nominal GDP (KZT billions).....	119,442.3	136,693.3	159,561.3
Real GDP growth rate (% change).....	5.1	5.0	6.5
Nominal GDP per capita (KZT).....	6,002,027.1	6,780,886.4	7,825,590.8
Nominal GDP per capita (U.S.\$).....	13,153.4	14,444.6	15,003.3
Real GDP per capita growth (% change)	3.7	3.7	5.3
GDP deflator (% change)	11.2	9.0	9.7
Total population (thousands) (end of period)	19,900.3	20,158.6	20,499.8

Source: NSB, MNE

Notes:

(1) Updated data.

(2) Operational data.

Kazakhstan’s real GDP was U.S.\$262 billion, U.S.\$288 billion and U.S.\$192.4 billion for the years ended 2023 and 2024 and for the nine months ended 30 September 2025, respectively.

In 2024, Kazakhstan’s real GDP grew by 5.0 per cent. According to preliminary data from the NSB, for the 2025 year ended 31 December 2025, GDP grew by 6.5 per cent. in real terms compared to the corresponding period in 2024, largely driven by strong performance in transport and storage, construction, mining and quarrying and trade. Please see below for more information in relation to the GDP by source and GDP by use.

(2) GDP by Source

The following table sets forth the composition of Kazakhstan’s nominal GDP by source for the periods presented.

	Year ended 31 December		
	2023	2024 ⁽¹⁾	2025 ⁽²⁾
	(KZT millions)		

Production of goods	43,301,995.5	49,202,895.7	57,587,219.0
<i>of which:</i>			
Agriculture, forestry and fishing	4,568,671.3	5,306,833.1	5,973,644.0
Industry	32,012,398.6	35,717,802.5	41,947,709.6
<i>of which:</i>			
Mining and quarrying.....	15,365,189.3	16,430,049.2	18,947,271.6
Manufacturing	14,677,293.6	16,941,133.3	20,273,449.1
Electricity, gas, steam and air conditioning supply	1,690,003.0	2,016,982.3	2,379,741.8
Water supply; sewerage, waste management and recycling.....	279,912.7	329,637.7	347,247.1
Construction	6,720,925.6	8,178,260.1	9,665,865.4
Production of services	67,299,123.5	79,203,932.4	92,070,150.0
<i>of which:</i>			
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	21,816,414.2	26,007,101.5	30,592,907.6
Transport and storage	6,716,351.2	7,752,756.9	9,525,040.6
Accommodation and food service activities	1,305,506.8	1,580,662.4	1,856,034.4
Communications and information	2,595,103.4	3,013,049.3	3,483,896.4
Financial and insurance activities.....	3,934,921.8	4,649,709.1	5,769,692.9
Real estate activities	8,942,176.8	11,576,195.0	13,204,921.0
Professional, scientific and technical activities	4,188,167.1	4,252,469.0	4,580,306.1
Administrative and support service activities	2,821,767.4	3,210,188.6	3,384,143.8
Public administration and defence; compulsory social security	2,442,908.7	2,630,560.3	3,023,100.2
Education.....	5,337,072.7	5,729,285.5	6,536,117.1
Human health and social work activities	3,490,168.7	4,075,853.2	4,618,998.0
Arts, entertainment and recreation	1,047,193.4	1,257,750.9	1,476,899.9
Other service activities	2,460,139.8	3,175,149.4	3,680,991.2
Activities of households as employers; undifferentiated goods and services – producing activities of households for own use.....	201,231.5	293,201.3	337,100.8
Gross value added	110,601,119.0	128,406,828.1	149,657,369.0
Net taxes on products and imports	8,841,170.7	8,286,490.2	—
Product and import taxes.....	9,180,745.3	8,713,991.3	9,903,977.6
Product and import subsidies	339,574.6	427,501.1	—
Total GDP	119,442,289.7	136,693,318.3	159,561,346.6

Source: NSB

Notes:

- (1) Updated data.
- (2) Operational data.

The following table sets forth the composition of Kazakhstan's nominal GDP by source, as a percentage of total GDP, for the periods presented.

	Year ended 31 December		
	2023	2024*	2025**
Production of goods	36.2	35.9	36.1
<i>of which:</i>			
	<i>(percentage share of GDP)</i>		

Agriculture, forestry and fishing	3.8	3.8	3.7
Industry	26.8	26.1	26.3
<i>of which:</i>			
Mining and quarrying	13.0	12.0	11.9
Manufacturing	12.2	12.4	12.7
Electricity, gas, steam and air conditioning supply ...	1.4	1.5	1.5
Water supply; sewerage, waste management and recycling.....	0.2	0.2	0.2
Construction	5.6	6.0	6.1
Production of services	56.4	58.0	57.7
<i>of which:</i>			
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	18.2	19.0	19.2
Transport and warehousing	5.6	5.7	6.0
Accommodation and food service activities	1.1	1.2	1.2
Communications and information	2.2	2.2	2.2
Financial and insurance activities.....	3.3	3.4	3.6
Real estate activities	7.5	8.5	8.3
Professional, scientific and technical activities	3.5	3.1	2.8
Administrative and support service activities.....	2.4	2.4	2.1
Public administration and defence; compulsory social security	2.0	1.9	1.9
Education.....	4.5	4.2	4.1
Human health and social work activities.....	2.9	3.0	2.9
Arts, entertainment and recreation	0.9	0.9	0.9
Other service activities	2.1	2.3	2.3
Activities of households as employers; undifferentiated goods and services-producing activities of households for own use.....	0.2	0.2	0.2
Gross value added	92.6	93.9	93.8
Net taxes on products and imports	7.4	6.1	n/a
Product and import taxes.....	7.7	6.4	6.2
Product and import subsidies	0.3	0.3	n/a
Total GDP	100.0	100.0	100.0

* Updated data

** Operational data

Source: NSB, MNE

GDP increased by 6.5% in real terms compared to the corresponding period of the previous year.

The largest nominal growth was shown by financial and insurance activities (24.1%), transport and warehousing (22.9%), manufacturing industry (19.7%), construction (18.2%), wholesale and retail trade, car and motorcycle repair (17.6%).

(3) GDP by Use

The following table sets forth the composition of GDP by use for the periods indicated.

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>(percentage share of GDP)</i>			
Consumption.....	59.9	62.9	64.4	61.5
Private.....	49.1	51.4	53.4	49.7

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	Public.....	10.5	11.2	10.8
Non-profit institutions.....	0.3	0.3	0.2	0.4
Gross domestic investment	25.0	28.1	27.5	30.6
Fixed capital.....	22.1	24.9	24.5	25.7
Inventory accumulation.....	2.9	3.2	2.9	4.9
Net exports	14.8	7.0	5.5	5.3
Exports of goods and services.....	41.6	34.7	31.2	35.3
Imports of goods and services.....	26.8	27.7	25.7	30.0
Statistical discrepancy	0.3	2.0	2.6	2.6
GDP	100.0	100.0	100.0	100.0

Source: NSB, MNE

(4) Principal Sectors of the Economy

(i) Industry

The following table sets forth Kazakhstan's industrial output (goods and services) by economic sector in Tenge for the periods presented.

	Year ended 31 December		
	2023	2024	2025
Mining and quarrying.....	21,925,281.779	22,902,616.437	26,844,380.399
<i>Of which:</i>		(KZT millions)	
Coal and lignite.....	539,631.826	546,153.465	683,652.150
Crude oil.....	15,822,890.400	16,112,419.608	18,048,198.093
Natural gas.....	264,066.432	236,590.724	547,789.455
Metal ores.....	3,884,675.651	4,537,894.761	5,822,617.109
Other mining.....	409,590.388	429,860.977	633,976.236
Technical services to mining industry.....	1,004,427.082	1,039,696.902	1,108,108.357
Manufacturing.....	22,047,486.010	25,051,001.301	30,631,691.711
<i>Of which:</i>			
Foods.....	3,184,968.764	3,286,394.857	3,917,712.906
Beverages.....	904,197.453	937,657.467	1,220,125.681
Tobacco.....	282,650.673	293,849.573	543,356.119
Light industry.....	237,409.918	219,310.227	259,547.564
Wood and cork products (excluding furniture), straw wares and wickerwork....	64,207.323	65,032.932	58,036.747
Paper products.....	138,848.359	146,534.678	162,408.714
Coke and refined petroleum products.....	1,135,396.045	1,267,307.757	1,355,921.114
Chemicals and chemical products.....	1,006,760.574	1,190,833.015	1,583,155.050
Basic pharmaceuticals.....	139,845.470	175,839.687	191,150.793
Rubber and plastic products.....	448,754.832	451,693.820	520,470.690
Other non-metallic mineral products.....	1,281,367.560	1,441,925.897	1,734,642.607
Metallurgy ⁽¹⁾	8,191,948.263	9,876,843.995	12,400,367.571

	Year ended 31 December		
	2023	2024	2025
	<i>(KZT millions)</i>		
Metal products (excluding machines and equipment)			
.....	480,556.526	586,630.852	660,820.029
Engineering, including machine building	4,317,533.929	4,835,625.949	5,708,248.950
Furniture	106,256.427	126,230.731	165,112.017
Electrical supply, gas supply, steam supply and air conditioning.....	2,590,672.901	2,995,319.890	3,580,252.798
Water supply, sewer system, waste system collection and removal of waste.....	428,345.972	520,145.924	504,320.940
Total industrial output.....	46,991,786.662	51,469,084.552	61,560,645.848

Kazakhstan has a sizeable industrial base, with a large share of its industrial activity concentrated in heavy industry. Kazakhstan was a major raw materials supplier to the former Soviet Union and has sizeable, largely unexploited, endowments of oil, natural gas and minerals.

Total industrial output (goods and services) increased by 4.3 per cent., 2.8 per cent. and 7.5 per cent. in 2023, 2024 and 2025, respectively, in each case as compared to the previous year. The increase in 2023 as compared to 2022 was mainly driven by increased output in extraction of crude oil and manufacturing production. The increase in 2024 as compared to 2023 was mainly driven by increased output in extraction of metal ores, as well as increased output in metallurgy production. On 31 December 2025, industrial production grew by 7.5 per cent., manufacturing grew by 6.4 per cent. and mining grew by 9.4 per cent, in each case when compared to the corresponding period in 2024. Fifteen regions showed growth in industry, with the largest increases in Zhambyl (18.9 per cent.), Atyrau (17.4 per cent.), North Kazakhstan (16.9 per cent.), Shymkent (15.8 per cent.) and Almaty (14 per cent.) and falls in East Kazakhstan (6.5 per cent.), Akmola (0.6 per cent.), Kyzylorda (0.4 per cent.), Ulytau (1.9 per cent.), and Abai (0.4 per cent.)

(ii) Oil and Natural Gas

The oil and gas sector is of strategic importance to Kazakhstan because it is the principal source of Kazakhstan's export earnings and reserves, fiscal revenue and future FDI inflow. According to the Annual Statistical Bulletin for 2024 published by the Organisation of the Petroleum Exporting Countries ("OPEC"), in 2023, Kazakhstan ranked 11th in the world for its level of proven crude oil reserves and 20th in the world for its level of proven natural gas reserves. As at 31 March 2024, there were 306 hydrocarbon subsoil use contracts registered in Kazakhstan.

The national oil and gas company, JSC NC KazMunayGas ("KazMunayGas"), was created in 2002 to represent the Kazakhstan's interests in Kazakhstan's oil and gas industry. KazMunayGas has a number of subsidiaries, including companies operating in the areas of exploration, extraction, transportation, refining and sales of hydrocarbon raw materials. KazMunayGas holds equity interests in the Tengiz field (20 per cent.), the Kashagan field (16.88 per cent.) and the Karachaganak field (10 per cent.), as well as interests ranging between 33 per cent. and 100 per cent. in other onshore and offshore operating projects. The Government of the Republic of Kazakhstan approved a Comprehensive Plan for the Development of the Gas Industry. One of the points of the plan approved by the Cabinet of Ministers was the change of the name of JSC NC KazTransGas to JSC National Company QazaqGaz and its rebranding, marking the start of a new phase in its operations and strategy.

In Kazakhstan, gas has long been treated as a residual resource. With high oil prices over the years, the state and investors focused on developing oil fields and used gas for the most part, as a tool for increasing the volume of liquid hydrocarbon production. In recent years, the role of gas has grown significantly on a global scale. Natural gas, among other hydrocarbon raw materials, is increasingly replacing traditional

fuels in the transition to a low-carbon economy as renewable energy sources develop. National company “QazaqGaz” will begin a new stage of development of the country’s gas industry with the aiming of re-positioning the company in the domestic and international markets.

Increasing oil production has been the result of an influx of foreign investment into Kazakhstan’s oil sector since 1991. International investment in the oil and gas sector in Kazakhstan has taken the form of joint ventures, including with KazMunayGas, as well as production-sharing agreements and exploration/field concessions.

Kazakhstan’s methods of classifying oil and gas reserves, which are based on the system employed in the former Soviet Union, differ significantly from the standard international methodology. Accordingly, stated reserves do not necessarily correspond to economically recoverable reserves. The oil and gas reserve information contained herein represents total “explored reserves”, consisting of oil and gas reserves in categories A, B and C1, and “preliminary reserves” in category C2 of the Kazakhstan classification system.

Oil

Kazakhstan is the second largest oil producer in the CIS after Russia and has the Caspian region’s largest recoverable crude oil reserves. According to the OPEC Annual Statistical Bulletin 2024, as at 31 December 2023, Kazakhstan had proven reserves of approximately 30 billion barrels of oil, or 1.9 per cent. of global proven reserves, and according to the Energy Institute Statistical Review of World Energy 2024, as at 31 December 2023, Kazakhstan produced 90.0 million tonnes of oil in 2023, or 2.0 per cent. of global production in that year.

In 2016, Kazakhstan joined the OPEC Plus Agreement. Since that time, Kazakhstan continues to cooperate with OPEC and non-OPEC countries within the OPEC Plus Agreement. The OPEC countries and non-OPEC oil-producing countries, including Kazakhstan and Russia, under the OPEC Plus Agreement have implemented a series of output cuts since late 2022. On 2 June 2024, the OPEC Plus group agreed to extend a significant portion of these substantial oil production cuts well into 2025 to stabilise the market amidst modest demand growth, elevated interest rates and increasing supply from rising U.S. production.

The most significant oil fields in Kazakhstan are the Tengiz field, the Kashagan field and the Karachaganak field. The following table sets out production of oil in Kazakhstan’s major oil fields for the periods indicated.

Oil and Gas Condensate Field	Year ended 31 December		
	2022	2023	2024
	<i>(million tonnes)</i>		
Tengiz	29.2	28.9	27.8
Karachaganak ⁽¹⁾	11.3	12.1	12.2
Kashagan ⁽¹⁾	12.7	18.8	17.4

Source: KazMunayGas Annual reports, MNE

Note:

(1) Production of liquid hydrocarbons for Karachaganak and oil and condensate production for Kashagan.

Total production of oil and gas condensate in Kazakhstan in 2022, 2023 and 2024 amounted to 84.2 million tonnes, 89.9 million tonnes and 87.7 million tonnes, respectively. For 2025, the planned production of oil and gas condensate is 96.2 million tonnes.

Kazakhstan exports most of the oil it produces. Exports of crude oil have increased significantly since 2000, and most of the oil produced in Kazakhstan is currently delivered to international markets by pipelines, through Russia, to shipping points on the Black Sea. The opening of the CPC Pipeline in 2001 increased the crude oil export capacity of Kazakhstan substantially. See “ – Pipelines” below. In 2022, 2023 and 2024, Kazakhstan exported 52.2 million tonnes, 56.1 million tonnes and 68.6 million tonnes of crude oil, respectively. In 2024, the largest importers oil by volume were Italy, The Netherlands,

France, Greece and Switzerland. For 2025, the planned production of oil and gas condensate is 96.2 million tonnes.

For the six months ended 30 June 2025, Kazakhstan produced 49.9 million tonnes of oil, compared with 44.7 million tonnes in the corresponding period in 2024. Oil exports rose to 39.6 million tonnes, up from 35.4 million tonnes for the same period.

The Development of Oil Processing Plan 2025-2040 aims to increase the sector's competitiveness amid the global energy transition, providing for investment in infrastructure modernization, expansion of exports and integration of sustainable practices. Key oil refineries in Atyrau, Pavlodar and Shymkent have been modernized and the country's annual oil processing capacity reached 17 million tonnes per year as of 31 December 2024; 17.9 million tonnes were refined in 2024.

Kazakhstan plans to begin shale oil production in 2025. The country's shale oil reserves are estimated at 56.4 million tonnes at fields in Kyzylorda and Ulytau.

On 17 February 2025, the Kropotkinskaya pumping station (the "**Kropotkinskaya PS**") of the Caspian Pipeline Consortium (the "**CPC**") was attacked by seven unmanned aerial vehicles. CPC personnel and contractors were not harmed. Since the attack occurred on the territory of the Russian Federation, the investigation into this incident was carried out by the competent authorities of the Russian Federation. Despite the damage caused, oil transportation through the CPC pipeline system continued, bypassing the temporarily decommissioned Kropotkinskaya PS. There were no restrictions on Kazakh oil from the CPC, and the shipment of raw materials for export through the sea terminal was carried out as planned. On 23 May 2025, the Kropotkinskaya PS was put into operation after a series of restoration works. On 29 August 2025, the CPC suspended operations at its second mooring point after an accident during a loading operation and an oil spill at its Black Sea terminal. The pipeline has since resumed normal operations.

Natural Gas

According to the OPEC Annual Statistical Bulletin 2025, as of 31 December 2024, Kazakhstan had proven reserves of approximately 1.83 trillion cubic metres of natural gas, or 0.9 per cent. of global reserves, and according to the Energy Institute Statistical Review of World Energy 2025, Kazakhstan produced 59 billion cubic metres of natural gas in 2024, or 0.8 per cent. of global production. Most of Kazakhstan's natural gas reserves are in crude oil or condensate-rich fields. Two of the three largest petroleum liquids fields, Karachaganak and Tengiz, are also the two largest natural gas fields. Output from natural gas extraction (goods and services) accounted for 9.4 per cent. of Kazakhstan's GDP in 2024.

Total production of natural gas in Kazakhstan in 2022, 2023 and 2024 amounted to 53.2 billion cubic metres, 59.1 billion cubic metres and 56.4 billion cubic metres, respectively. Output from natural gas extraction (goods and services) accounted for 11.3 percent., 9.1 per cent. and 9.4 per cent. of Kazakhstan's GDP in 2022, 2023 and 2024, respectively.

Natural gas has been in the second place for a long time in the structure of domestic consumption and the national energy balance of the country. The main weight in the structure of total primary consumption is occupied by coal (on average over the last ten years – approximately 50.0 per cent.), due to the rich raw material base, low production costs and, as a consequence, affordable price. The share of gas, in terms of use, is half as much (a ten-year average of 24.0 per cent.), but is gradually increasing, from 19.0 per cent. in 2015 to 26.0 per cent. in 2022. According to IHS Mark it forecasts, by 2040 the share of coal will decrease to 42.0 per cent., and gas, on the contrary, will increase to 29.0 per cent.

Gas is the most environmentally friendly and cheapest compared to other types of organic non-renewable fuel in Kazakhstan. Karachaganak is currently the largest gas-producing field in Kazakhstan. Karachaganak operates within the scope of a final production sharing agreement entered into between the Government and a consortium of foreign investors.

The following table sets out the amount of natural gas consumed in Kazakhstan and exported by Kazakhstan, for the periods presented.

Year ended 31 December

	2022	2023	2024
	<i>(billion cubic metres)</i>		
Total consumption of natural gas in Kazakhstan	19.3	19.4	21.2
Total natural gas exports	12.8	13.5	8.7

Source: Ministry of Energy

Domestic gas consumption in Kazakhstan is increasing. Domestic gas consumption for the six months ended 30 June 2025 was 12.3 billion cubic metres. Domestic gas consumption increased in 2024 by 9.3 per cent. as compared to 2023 and amounted to 21.2 billion cubic metres. Kazakhstan encourages the use of gas instead of coal and other energy sources that are associated with higher levels of air pollution. For example, public transport in some cities is now powered by gas. Another state priority is the development of a petrochemical industry for the production of polyethylene and polypropylene from associated gas. Further, in 2014, the Government adopted the General Plan for Gasification of the Republic of Kazakhstan, under which it plans to make natural gas available by 2030 to 56.0 per cent. of the population.

(iii) Electricity

Electricity in Kazakhstan is generated by more than 170 power plants with various forms of ownership. In 2024, the volume of electricity generated in Kazakhstan was 117.9 billion kWh, of which thermal power stations generated 87.3 billion kWh, hydropower plants generated 7.7 billion kWh, gas turbine stations generated 11.0 billion kWh, wind stations generated 3.8 billion kWh and solar power stations generated 1.8 billion kWh. The aggregate installed electricity capacity in Kazakhstan as of 31 December 2024 was 25,314.9 MW and the available capacity was 21,034.4 MW (with the difference being due to the age and disrepair of certain generation assets).

Renewable energy sources have become a key component in the development of Kazakhstan's energy sector in recent years. The volume of electricity generated by renewable energy facilities in 2024 amounted to 7.6 billion kWh or 6.43 per cent. of total electricity production. The installed capacity of renewable energy facilities in Kazakhstan in 2014 was just 178 MW.

As of September 2025, there were 158 renewable energy facilities in Kazakhstan with a total capacity of 3,248.12 MW, comprised of 64 wind farms (1,670.05 MW), 48 solar power plants (1,262.61 MW), 43 hydropower power plants (313,685 MW) and three biogas power plants (1.77 MW). There are currently plans for nine additional renewable energy facilities with a total capacity of 455.5 MW: five wind farms with 387.5 MW capacity, two hydroelectric power plants with 28 MW capacity, two solar power plants with 40 MW capacity. In 2025 the following plants were commissioned: two wind power plants with a total capacity of 150 MW (the Hyperborea LLP 50 MW plant in the Karaganda region and the Mezgilder Qushteri LLP 100 MW plant in the Ulytau region), two solar power plants with a total capacity of 40 MW in the Kyzylorda region (Tesis LLP) and one hydroelectric power plant with a capacity of 26 MW in the Zhetisu region (Korinskaya HPP 2 LLP).

The location and capacity of renewable energy facilities in Kazakhstan is as follows:

Region/city	Number of facilities	Total capacity (MW)
Zhambyl	21	560.83
Akmola	19	541.35
Almaty	24	374.446
Karaganda	9	322.47
Turkestan	21	278.285
Zhetisu	17	250.575
Abai	8	159.7
Kyzylorda	8	128.97
Mangistau	6	115.6
Ulytau	2	110
Aktobe	4	108.95
Atyrau	2	100.8

Region/city	Number of facilities	Total capacity (MW)
Kostanay	3	98.35
East Kazakhstan	5	66.705
Shymkent	3	21.35
North Kazakhstan	3	7.96
Almaty	3	1.83

The table below shows the installed and electricity production capacity of Kazakhstan as of the dates presented.

	As of 31 December		
	2022	2023	2024
Installed electricity capacity	24,320	24,641	25,314
Electricity production capacity.....	20,310	20,428	21,034

Source: Kazakhstan Electricity Grid Operating Company (KEGOC)

Kazakhstan exported 2.2 billion KWh, 2.5 billion KWh and 2.3 billion KWh of electricity in, 2022, 2023 and 2024, respectively. Due to the fact that Kazakhstan’s electricity transmission and distribution network was constructed as a part of the former Soviet Union’s electricity system and is concentrated in the northern region of Kazakhstan, which is close to the main sources of power generation in the country, Kazakhstan imports electricity to serve its southern and western zones. In the past, Russia was the main purchaser of exported electricity from Kazakhstan and most of such electricity came from Ekibastuzskaya GRES-1.

The power industry remains a key factor in Kazakhstan’s industrial development and economic growth. The Government approved the “Concept on Development on Fuel Energy Sector until 2030”, which includes goals and measures for the development of the energy sector.

On 26 July 2024, ADB and the Government signed a transaction advisory services agreement to develop around 600 MW of hydropower across the Alaol, Balkash, and Irtysh/Zaysan basins in the southeast Kazakhstan as part of Kazakhstan’s Hydropower Development Programme. The Hydropower Development Programme aims to attract private sector investment and participation in designing, financing, constructing, operating and maintaining multiple hydropower projects. ADB will conduct pre-feasibility studies, assist in the preparation of tender documents and a template power purchasing agreement and work to attract competitive bids to engage investors. This marks another step towards helping Kazakhstan increase its renewable energy capacity, reduce carbon emissions and enhance energy security.

In June 2025, the Kazakhstan Nuclear Energy Agency announced that the Russian state-owned State Atomic Energy Corporation Rosatom (Rosatom) and the Chinese state-owned China National Nuclear Corporation (CNNC) will lead separate consortiums to build the first nuclear power plants in Kazakhstan.

(iv) Mining

In addition to its oil and gas reserves, Kazakhstan has significant reserves of other energy producing minerals. Kazakhstan is a leading producer of many mineral commodities. Despite being a major mineral producer, Kazakhstan’s mining output has been relatively modest in relation to its estimated reserves. Moreover, further reserves are known to exist which have not yet been fully surveyed.

Production of coal (excluding coal concentrate) was 113.7 million tonnes in 2022, 112.7 million tonnes in 2023 and 108.4 million tonnes in 2024. As of 31 December 2024, Kazakhstan had proven reserves of 33.6 billion tonnes of coal, or 3.8 per cent. of global recoverable reserves. There are ten pools of black and brown coal, and more than 300 explored deposits, in Kazakhstan. Most of the coal deposits are located in the Karaganda, Pavlodar and Kostanai regions. The Karaganda coal basin is the main coal basin in Kazakhstan, covering an area of more than 3,600 square kilometres. The second largest coal basin in Kazakhstan is Ekibastuz, which is located between the Saryarka and Priertysskoy plains.

Kazakhstan continues to maintain a leading position in the global natural uranium market. According to data from nuclear industry information company UxC, as reported in the 2023 annual report of National Atomic Company Kazatomprom JSC, Kazakhstan accounted for approximately 39.0 per cent. of global uranium production in 2023. The volume of uranium production was 23.3 thousand tonnes in 2024, 21.1 thousand tonnes in 2023 and 21.3 thousand tonnes in 2022.

Kazakhstan produces a significant amount of precious metals. Kazakhstan produced volumes of gold of approximately 73.0 tonnes in 2022, 72.9 tonnes in 2023 and 51.5 tonnes in 2024. Kazakhstan also produces a significant amount of the world's silver (estimated to be the 12th largest silver producing country globally in 2022 and 2023), producing 997.5 tonnes in 2022, 884.5 tonnes in 2023 and 767.2 tonnes in 2024.

According to the Kazakhstan Institute of Geology, Kazakhstan has substantial reserves of non-ferrous minerals, including lead, zinc and copper. In 2022, Kazakhstan approximately produced 108.7 thousand tonnes of lead, 266.1 thousand tonnes of zinc and 451.9 thousand tonnes of copper. In 2023, Kazakhstan produced 101.4 thousand tonnes of lead, 279.9 thousand tonnes of zinc and 419.3 thousand tonnes of copper. In 2024, Kazakhstan produced 112.2 thousand tonnes of lead, 416.2 thousand tonnes of zinc and 820.5 thousand tonnes of copper.

Ferrous and non-ferrous metals mined in Kazakhstan are exported principally to Japan, South Korea, the U.S., Canada, Russia, China and the countries of the EU.

(v) Construction

The construction sector accounted for 5.3 per cent., 5.5 per cent. and 6 per cent. of GDP in 2022, 2023 and 2024, respectively. According to the NSB, 19 million square metres of housing were introduced in Kazakhstan in 2024, which is 6.4 per cent. more than in 2023. In 2024, about KZT1.5 trillion was spent on the construction of residential buildings in Kazakhstan, which is 14.5 per cent. more than in 2023. In 2024, Kazakhstan commissioned 42,687 new facilities, including 38,628 residential buildings, 86 public schools, 29 preschool organizations, 4 hospitals, and 249 outpatient clinics.

For the eight months ended 31 August 2025, the volume of construction works increased by 18.1 per cent. with growth in 18 regions, the largest increases being in Kyzylorda (44.6 per cent.), North Kazakhstan (41.5 per cent.), West Kazakhstan (37.5 per cent.), Kostanay (35.6 per cent.) and Almaty (36.6 per cent.) and decreases in Atyrau (36.2 per cent.) and Ulytau (2.7 per cent.) and 10.9 million square metres of new housing were commissioned, representing an increase of 4.5 per cent. over the corresponding period in 2024.

(vi) Agriculture

Agriculture has traditionally been the second largest sector in Kazakhstan's economy after the industrial sector, both in terms of employment and contribution to GDP. However, its relative importance has decreased in recent years. The agricultural sector (agriculture, forestry and fishing) accounted for 5.2 per cent. and 4.3 per cent. and 3.9 per cent. of Kazakhstan's total GDP in 2022, 2023 and 2024, respectively. Gross production of agricultural products (services) amounted to KZT5.4 trillion, KZT4.5 trillion and KZT5.2 trillion in 2022, 2023 and 2024, respectively. For the seven months period ended 31 July 2025, gross output (services) in agriculture, forestry, and fisheries increased by 3.4 per cent., with the highest rates of growth occurring in Northern Kazakhstan (9.3 per cent.), Atyrau (7.6 per cent.), Akmola (7 per cent.), Kostanay (6.2 per cent.) and Western Kazakhstan (5.5 per cent.).

Of the country's overall land mass of 272.5 million hectares, approximately 219 million hectares are classified as agricultural land. Pastures account for 183 million hectares, or 84.0 per cent., of agricultural land. The agricultural sector in Kazakhstan is comprised of crop cultivation and livestock farming.

Kazakhstan has implemented a number of measures to support its agriculture sector, including investing in new irrigation technologies, taking steps to diversify crop farming by encouraging the cultivation of crops other than wheat, supporting the modernisation of agricultural equipment and machinery and providing low interest loans to companies and individuals working within the agricultural sector. Kazakhstan has also taken steps to support its fishing industry, including cleaning oil products in the Caspian Sea and increasing protection against illegal fishing practices. In order to support the agriculture

sector, the Government has implemented several programmes to improve the investment climate for farming in Kazakhstan.

JSC Development Bank of Kazakhstan (“**DBK**”) has launched the Programme of Support of Investment Projects in Agro-Industrial Complex and Food and Beverages Sector for 2024-2029. The volume of financing under the programme is set at KZT500 billion. It aims to support investment projects focused on processing agricultural products to reduce imports and expand exports. The two investment projects that have already been approved under the programme include: (i) a poultry farm for meat production and (ii) the modernisation of an oil plant for producing packaged refined vegetable oil.

DBK is also considering the implementation of a number of other projects, including the deep processing of wheat and corn, development of poultry farms for meat production, construction of a greenhouse complex, expansion of a confectionery factory and the formation of an export-oriented agro-industrial cluster. Financing under this programme is provided in the amount of KZT3 billion for a period ranging from 5 to 20 years.

On 30 December 2021, Kazakhstan adopted the Concept of Development of Agro-Industrial Complex of Kazakhstan for 2021-2030. This concept is aimed at creating a competitive agro-industrial complex by threefold increase of labour productivity, twofold increase in exports of agro-industrial products and expanding the domestic production of socially important food products. During the reporting period, it was planned to achieve 19 target indicators and implement 3,697 measures. As at 2024, of the planned 19 target indicators: 11 have been achieved, 2 are in the process of fulfilment, and 6 are partially fulfilled.

Concessional financing for farmers is expected to increase from U.S.\$1.2 billion in 2024 to U.S.\$1.37 billion in 2025. There are expected to be 286 agricultural projects worth U.S.\$1.36 billion implemented in 2025, compared to 258 agricultural projects worth U.S.\$532.3 million in 2024. The Government also allocated U.S.\$381.9 million for preferential leasing of agricultural machinery in 2025, compared with U.S.\$255.1 million in 2024.

Investment in the agricultural sector remains a priority for the Government. For the six months ended 30 June 2025, fixed investments in this sector amounted to KZT616.6 billion, of which KZT442.7 billion was spent on agriculture and fisheries, KZT104.2 billion on food production and KZT69.7 billion on beverages. 683 investment projects worth KZT3.4 trillion are planned to be implemented under the Agro-Industrial Sector Development Plan 2025-2027. As of 12 September 2025, 202 investment projects were underway with aim of reducing import dependency and targeting self-sufficiency levels for poultry (of 79 per cent.), cheese and cottage cheese (of 52 per cent.), sugar (of 33 per cent.), cured meats (of 60 per cent.) and fish products (of 67 per cent.).

(vii) Transportation

Kazakhstan has a railway network, 19 airports, a merchant fleet, a comprehensive road network and extensive pipeline infrastructure. The market for the provision of transport services has been liberalised and restructured, particularly in the rail sector.

Transportation is considered a key strategic sector of the Kazakhstan economy. At the 25th plenary session of the Foreign Investors’ Council in September 2012, former President Nazarbayev announced the commencement of the implementation of a “New Silk Way” project. Pursuant to this project, Kazakhstan would seek to revive its historic role and become the largest business transit hub within the Central Asian region and provide a unique connection between Europe and Asia. The project consists of creating favourable conditions for transit and reducing existing physical and non-physical barriers, so that Kazakhstan will serve as a land bridge between the East and the West, opening the way for the transit of goods from western China to Europe, Russia, the Gulf countries, Central Asia and the Caucasus.

Railways

As of 19 August 2025, the main railway network had a total length of 16,000 km, with wear levels of 57 per cent., impairing efficiency and safety standards. By 2029, 5,000 km of tracks are expected to be modernized and 11,000 km are expected to be repaired.

As a result of certain geographical characteristics particular to Kazakhstan, such as its vast territory, extensive land borders, highly dispersed population, the location of natural resources and the location

of centres of economic activity, the Kazakhstan economy is heavily reliant on rail freight transportation. The railway network plays an important role in transporting coal, minerals and other commodities over vast distances, as Kazakhstan's economy places a strong emphasis on the production of raw materials and related products. The Kazakhstan railway network also includes an extensive passenger network, providing suburban, intercity and interregional passenger services throughout Kazakhstan. Kazakhstan serves as a vital hub for trade from Russia, China, the EU and the Republics of Kyrgyzstan, Uzbekistan and Turkmenistan and, as such, has one of the busiest railways in terms of volume of traffic among the countries in Eastern Europe and Central Asia.

Kazakhstan is currently taking steps to reform the railway industry, with the aim of improving efficiency and the quality of services as well as increasing freight transit volumes, through liberalisation reforms and the involvement of private investment and private initiatives. These reforms include: (i) disposing of non-core business activities; (ii) de-regulation of the transportation businesses; (iii) subsidising the passenger business; and (iv) privatising potentially viable businesses in the railway industry. Kazakhstan is also developing its domestic rail engineering industry in order to meet increasing domestic demand and export growth, in part related to the implementation of the China-proposed Silk Road Economic Belt initiative.

The Government is planning to attract KZT657 billion in investment by 2025, of which KZT455 billion is planned to be from private sources, to upgrade the country's rolling stock within the framework of the Nurly Zhol Programme.

The MNE regulates activities of Kazakhstan Temir Zholy by establishing tariffs for domestic, import and export freight transportation on the mainline railway network and tariffs for interregional, intercity and suburban passenger transportation. Kazakhstan Temir Zholy currently receives Government grants as compensation for certain passenger transportation tariffs that are set at levels that are either low or not profitable.

By agreement under the CES, Kazakhstan, Belarus and Russia each enacted into law on 1 January 2012 rules that regulate the standards for establishing certain tariff policies for rail transportation services on an agreed basis across these countries and unified rail transportation tariffs in each of these countries, effective from 1 January 2013, across export, import and domestic freight tariffs. However, the agreement permits rail transportation operators, based on certain economic factors, to change those tariffs at their discretion up to certain caps set under national law. In addition, since 1 January 2015, transport operators have had access to the railway infrastructure at the borders of other EU member states (within the scope set out by the infrastructure operator of the relevant area of railway infrastructure concerned).

Air Transport

Kazakhstan currently has 19 airports, of which the Almaty, Shymkent and Astana airports account for most of the freight and passenger transportation load. The volume of air freight transportation in Kazakhstan in 2023, 2024 and 2025 was approximately 23.8 thousand tonnes, 27.8 thousand tonnes and 30.1 thousand tonnes, respectively.

Air Astana has been the country's flagship carrier since 2004. Previously the country's flagship carrier was Air Kazakhstan from 1996 to 2004 and Kazakhstan Airlines from 1991 to 1996. In 2015, a new airline owned by Samruk-Kazyna, QazaqAir, commenced operating domestic flights. In November 2018, Air Astana, Samruk-Kazyna and BAE Systems agreed to create the first low-cost carrier in Kazakhstan, FlyArystan, as a subsidiary of Air Astana. FlyArystan began flying on domestic routes from its base in Almaty to Astana, Karaganda, Taraz, Pavlodar, Shymkent and Uralsk in May 2019 using Airbus A320 planes. Before the restrictions on air transportation were imposed due to the COVID-19 pandemic, Kazakhstan had air links with 26 foreign countries on 99 international routes. Currently, regular flights to international destinations are operated to 29 countries on 107 routes with a frequency of 579 flights per week. In the beginning of 2024, Air Astana completed its IPO, marking a significant milestone in the airline's development.

Ports and Shipping

As at 1 January 2024, Kazakhstan had two river ports (Pavlodar and Atyrau), three Caspian Sea ports

(Aktau, Kuryk and Bautino) and 2,104 kilometres of internal navigable water routes. The sea ports of Aktau and Kuryk are focussed on international shipping of various dry cargoes, crude oil and oil products and ferry cargoes. The total capacity of Kazakhstan's sea ports was 21 million tonnes per year as at 31 December 2023.

On 29 April 2024, the Government approved the Comprehensive Plan for the Development of Maritime Infrastructure for 2024-2028. The Comprehensive Plan aims to enhance the transport and logistics infrastructure by constructing and upgrading terminal capacities at maritime ports. The initiative seeks to increase the cargo handling capacity from 21.0 million tonnes to 30.0 million tonnes annually, including 200,000 TEUs (Twenty-foot Equivalent Units). Additionally, the plan focuses on expanding the range of cargo types handled, improving logistics services for international transport and advancing digitalisation in maritime transportation. These developments are designed to bolster Kazakhstan's maritime capabilities, ensuring robust support for economic growth and integration into global trade networks.

Roads

In 2024, the public road network spanned 96,000 km, consisting of 24,900 km of national roads and 71,000 km of regional and district roads. Under the Prime Minister's directive of 4 February 2023, the Ministry of Transport, together with KazAvtoZhol, launched technical category II and III toll road sections for freight vehicles. From 8 October 2023 to 1 December 2023, KazAvtoZhol gradually introduced tolls in 6 sections totalling 1,060 km at Pavlodar-Semey-Kalbatau (453 km), Beineu-Akzhigit (85 km), Uralsk-Samara (56 km), Pavlodar-Omsk (198.2 km), Kokshetau-Petropavlovsk (169 km) and Uralsk-Saratov (98.9 km). Tolls were introduced for cargo vehicles (classes 2-6), while passenger vehicles are exempt. In 2024, the total length of the 17 toll road sections (including 11 technical category I toll road sections and 6 technical category II and III toll road sections) was 3,221 km, covering 13 per cent. of the total national road network.

As of 22 August 2025, at the government meeting works are planned to improve 13,000 km of roads, including 2,000 km of national highways, 6,600 km of roads between regional hubs and 4,100 km of local roads, with 94 per cent. of national highways and 91 per cent. of local roads expected to be brought up to requisite standards.

Pipelines

Kazakhstan has a land-locked geographic position in that its only coastlines lie on closed seas. As a result, the pipeline infrastructure through neighbouring countries has played an important role in the transportation of Kazakhstan's hydrocarbon resources, allowing it to reach international markets. As at 31 December 2025, there were 10,297 km of pipelines in Kazakhstan. Kazakhstan's pipeline infrastructure is owned and operated by State-owned companies and the CPC.

- Oil pipelines

The main oil pipelines, which are mostly used to export crude oil from Kazakhstan to bordering states, are:

- the Uzen-Atyrau-Samara (UAS) pipeline, with a pipeline capacity of 17.5 million tonnes per year, which transports crude oil from Western Kazakhstan to the Baltic Sea ports of Russia;
- the CPC Pipeline, with a pipeline capacity of 83 million tonnes of oil and gas condensate per year, including to 72.5 million tonnes per year on the Kazakhstan segment, for transportation of crude oil from the Tengiz Kashagan and Karachaganak fields to the Novorossiysk sea port in Russia; and
- the Kazakhstan-China Oil Pipeline, with a pipeline capacity of 20 million tonnes per year, which exports oil from Kazakhstan to China and transits Russian oil and is among the world's longest oil pipeline systems.

- Gas pipelines

Kazakhstan's natural gas pipeline system transports natural gas from Turkmenistan and Uzbekistan to Russia and China, as well as from one part of Russia to another through Kazakhstan territory. In addition,

gas supply is provided within Kazakhstan, and gas produced in Kazakhstan is exported to China, Russia and Kyrgyzstan. The natural gas pipeline network includes the transnational Turkmenistan-Uzbekistan-Kazakhstan-China gas pipeline (branches A, B and C), operated by Asian Gas Pipeline LLP (the “**Asia Gas Pipeline**”), which is the shortest pipeline route from the gas producing regions of Central Asia (principally Turkmenistan and Uzbekistan) through Russia to Europe.

The Asia Gas Pipeline is a major transit gas pipeline that transports Turkmen and Uzbek gas in the direction of China, exports Kazakhstan gas to China and ensures uninterrupted gas supply to the southern regions of Kazakhstan. The length of the gas pipeline through the territory of Kazakhstan is 2,612 km for the A and B branches and 1,304 km for the C branch. The total throughput of the Asia Gas Pipeline is 55 bcm per year (30 bcm for the A and B branches and 25 bcm for the C branch).

In 2016, Kazakhstan completed construction of the Beineu-Bozoi-Shymkent gas pipeline designed to transport gas from west Kazakhstan for use in the southern regions of Kazakhstan and export to China. The Beineu-Bozoy-Shymkent gas pipeline is the second section of the Kazakhstan-China gas pipeline and connects the western oil and natural gas fields with the southern regions of the country, as well as with the gas pipelines of the Bukhara gas-bearing region – Tashkent-Bishkek-Almaty and Gazli-Shymkent and the C branch of the Asia Gas Pipeline. With the launch of the Kokyt Atacompressor station at the end of January 2019, the project to increase the pipeline capacity of the Beineu-Bozoi-Shymkent Gas Pipeline from 10 billion cubic metres per year to 13 billion cubic metres per year was completed. The length of the Beineu-Bozoy-Shymkent gas pipeline is 1,454 km.

The Bukhara Urals gas pipeline originates in Uzbekistan and was initially built to supply gas from Uzbekistan to north-east Kazakhstan and Russia’s southeast Urals region. Gas flows along the pipeline are variable and, at times, the pipeline transfers gas southwards from Russia. The annual throughput capacity of the Bukhara Urals gas pipeline is approximately 21.0 bcm. Bukhara-Tashkent-Bishkek-Almaty is a transit gas pipeline that provides gas from Uzbekistan to Kazakhstan’s main southern population centre. Between Shymkent and Almaty, the pipeline crosses Kyrgyz territory to supply gas to Bishkek, the Kyrgyz capital. The annual throughput capacity of the Bukhara-Tashkent-Bishkek-Almaty gas pipeline is 5.8 bcm.

(viii) Telecommunications

The telecommunications sector in Kazakhstan has expanded rapidly in recent years.

Testing of 5G technology in Kazakhstan commenced in 2019, and 5G technologies were introduced by the end of 2023 in the cities of republican significance (Astana, Almaty and Shymkent) and regional centres. By 2025, communication operators plan to install over 3,500 5G base stations in cities of republican significance and regional centres.

On 14 June 2024, the Ministry of Digital Development, Innovation and Aerospace Industry of Kazakhstan proposed several measures to improve telecommunications in Kazakhstan including plans for infrastructure communication networks in populated areas, revised standards for the maximum permissible level of radio signal of base stations eliminating “blank spots” with poor communications in cities, launching Voice over Wi-Fi (VoWiFi) technology and launching a “Digital Telecommunications Map” to improve the quality of communications across the country.

The Ministry of Digital Development, Innovation and Aerospace Industry of Kazakhstan announced the following three projects aimed at turning Kazakhstan into a regional digital hub: (i) laying fibre optics totalling 370km along the bottom of the Caspian Sea with investments from telecom operators of Kazakhstan and Azerbaijan of more than KZT23 billion (on 14 June 2024, a joint venture was formed between Kazakhtelecom JSC and AzerTelecom LLC, and a tender to appoint a contractor for the design and works was underway); (ii) construction of the West-East optical hyper highway, which will create a high-speed data link for international internet traffic between Europe and East Asia., and (iii) building tier-III certified data centres.

The projects aim to provide an alternative route for international data transit and attract the large tech companies such as Google, Amazon and Microsoft to Kazakhstan.

Internet access is available to 93 per cent. of the population, while 98 per cent. of the country has mobile

coverage, including 3,000 5G base stations operating nationwide. Kazakhstan has risen to 41st place globally in the Telecommunications Infrastructure Index. The fiber optic line network expanded twelvefold in the last ten years, reaching 71 per cent. of built-up areas. The Accessible Internet project is bringing 4G coverage nationwide and 5G to major cities. Satellite internet pilots are operating on major railway routes, with plans to extend coverage to all Talgo trains. Partnerships with Amazon Kuiper, Shanghai Spacecom, and Eutelsat-OneWeb are expected to boost satellite services. SpaceX Starlink, launched in August 2025, is expected to provide reliable high-speed connectivity in remote areas. By 2026, over 3,000 rural villages are expected to have high-speed internet access.

(ix) Infrastructure

In 2024, the Government announced a National Infrastructure Development Project in effect until 2029, with the objective of modernizing energy and utility infrastructure, including water supply and wastewater networks and facilities, in order to ensure reliable, high-quality public services and sustainable economic development. The project will provide long-term preferential financing for a large-scale overhaul of housing and utility infrastructure. A key measure of success will be the reduction of wear and tear in utility networks.

In 2025, 13 pilot projects are expected to be launched as part of the National Project involving 8 natural monopoly entities in water supply and 5 in wastewater services, including the modernisation of the energy and utilities sectors with the goal of gradually reducing dependence on the oil sector and its revenues over the medium term. Over KZT600 billion has been deployed for the repair of more than 12,000 km of utility networks, reducing wear and tear by an average of 6.2 per cent. A large-scale modernization of the Zhezkazgan CHP plant is being carried out, and KZT99.3 billion was deployed for water supply network repairs. These efforts have reduced average network wear by 4 per cent. and decreased the number of disruptions by 5 per cent.

The development of the Trans-Caspian International Transport Route led to a 2.8-fold increase in container traffic from 2023 to 2024. For the period from January to June 2025, cargo volume along the Trans-Caspian International Transport Route was 2.3 million tonnes (including 40,000 TEUs), representing a 2 per cent. increase compared with the same period in 2024. The Government plans for cargo volume along the Trans-Caspian International Transport Route to reach 5.2 million tonnes in 2025 (including 70,000 TEUs) and 10 million tonnes per year by 2027 (including 300,000 TEUs).

(x) Manufacturing

The Government plans to launch 190 manufacturing projects in 2025 worth U.S.\$2.94 billion, compared to 180 projects worth U.S.\$2.77 billion launched in 2024. The 2025 plans include 17 large-scale, high value-add projects in metallurgy, mechanical engineering, petrochemicals, agriculture and other industries. Procurement of domestic products by the quasi-public sector and subsoil users will be prioritized. The Government also plans to develop special economic and industrial zones in 2025, including the creation of 37 small industrial zones across eight (8) regions.

(5) Employment

In 2022, 2023 and 2024, an average of 8.9 million, 9.0 million and 9.2 million people, respectively, were employed in Kazakhstan representing 95.1 per cent., 95.2 per cent. and 95.3 per cent., respectively, of the labour force. As of 31 December 2025, 95.4 per cent of the labour force was employed.

Kazakhstan’s unemployment rate was 4.7 per cent. in each of 2023 and 2024 and 4.6 per cent in 2025.

(6) Wages and Income

The following table sets out information on the average monthly nominal wages in Kazakhstan for the years indicated.

	Year ended 31 December		
	2023	2024	2025
Average monthly nominal earnings	364,295	434,982	473,158

Source: NSB

In real terms, the average monthly nominal wage increased by 8.8 per cent in the fourth quarter of 2025 compared to the fourth quarter of 2024 due to increases in the wages of public sector employees, the implementation of Government programmes aimed at supporting certain categories of employees (including in the health and education sectors).

Average monthly nominal wages increased by 23.7 per cent. in 2022 and 17.6 per cent. in 2023, each compared with the previous year. These increases were due to increases in the wages of public sector employees, the implementation of special Government programmes aimed at supporting certain categories of employees (including those working in the health and education sectors) and, prior to the outbreak of the COVID-19 pandemic, an overall improvement in the country's macroeconomic situation.

The average per capita income of the population in December 2025 was KZT 254,446, representing an increase of 9.8 per cent. in nominal terms and a decrease of 2.3 per cent. in real terms when compared with December 2024.

The minimum wage is set annually by the Law "On the Republican Budget" for the relevant financial year. Under the applicable law, the minimum wage may not be below the subsistence level and does not include bonuses, allowances, compensation and welfare payments, and other incentive payments, and is paid in proportion to the time worked. The minimum wage has steadily increased over the past five years, KZT70,000 per month in 2023, KZT85,000 per month in 2024 and KZT85,000 per month in 2025.

(7) Social Benefits and Expenditure

Social security benefits were introduced in Kazakhstan in 1991, with new institutions founded to deliver social benefits.

The social security system includes a range of allowances and social benefits for children, including child birth allowances, maternity allowances, childcare benefits, benefits for children from families with a low annual income and benefits for disabled children. The system also provides benefits for disabled persons, military veterans, other distinguished individuals, mothers with many children and persons who work in difficult conditions. Other allowances and benefits include housing aid and unemployment benefits.

Social security and social aid are provided through expenditures of the Republican Budget and local budgets. In addition, since 2005, social benefits have also been provided through the State Social Insurance Fund (the "SSIF").

Social assistance and social security, which includes social benefits and state pensions, is the largest expenditure item in the State Budget and accounted for 23.4 per cent., 20.8 per cent. and 23.1 per cent. of total State Budget expenditure in 2022, 2023 and 2024, respectively.

(8) Education

Primary, junior and secondary school education is provided by the State free of charge and is compulsory from the age of six; children typically attend at least nine years of school. The majority of the population has a primary, junior and secondary school education. All secondary school graduates are required to pass the Unified National Test, which serves as an entrance examination to universities and colleges.

Education accounted for 21.0 per cent., 23.0 per cent. and 21.6 per cent. of total State Budget expenditure in 2022, 2023 and 2024, respectively. The education sector accounted for 5.47 per cent., 4.87 per cent. and 4.2 per cent. of Kazakhstan's GDP in 2022, 2023 and 2024, respectively.

(9) Healthcare

Citizens of Kazakhstan are entitled to guaranteed free medical care. The scope of free medical care is approved by the Government and is subject to adjustment as necessary. The healthcare system is normally funded by the State Budget.

In recent years, there has been significant improvement in the health of the citizens of Kazakhstan and a reduction in the rate of mortality from preventable causes. For example, as at 31 May 2024, early detection and use of hi-tech means of diagnostics and treatment have helped to reduce the mortality rate

from malignancies from 186.2 per 100,000 in 2023 to 184.4 per 100,000 in 2024, reduce maternal mortality from 13.6 per 100,000 live births in 2023 to 10.5 per 100,000 livebirths in 2024 and the rate of accidental deaths, poisonings and injuries from 48.79 per 100,000 people in 2023 to 48.13 per 100,000 people in 2024.

(10) Pensions and Pension Reform

The following table sets out information regarding pension assets and contributions in Kazakhstan for the periods presented.

	Year ended 31 December		
	2023	2024	2025
		<i>(KZT billions)</i>	
Pension assets (end of year)	17,864.6	22,538.9	25,213.6
<i>of which:</i>			
Investment income (end of year).....	9,360.6	12,695.4	14,438.6
Pension contributions	2,161.4	2,558.0	2,795.0

Source: NBK

**Investment income as of July 2025 was 13,790.7 (KZT billions).*

The role of the pension sector in Kazakhstan’s economy is growing. As at 31 December 2025, pension assets were KZT25.2 trillion (including KZT1.10 trillion of investment income), representing an increase of 12 per cent since 31 December 2024, consisting of Government securities (42.2 per cent.), NBK notes (zero), non-government securities of foreign issuers (2.2 per cent.), foreign government securities (15.3 per cent.), international financial institutions securities (1.7 per cent.), non-government securities of domestic issuers (13.6 per cent.), deposits in banks (4.3 per cent.), assets under external management (20.2 per cent.) and monetary funds on investment account and other assets (0.2 per cent.) As of 31 December 2024, the total assets of the pension system amounted to KZT 22.5 trillion (including KZT 3.33 trillion of investment income), an increase of 26.17 per cent. as compared to 31 December 2023.

From 2021 to May 2025, the foreign currency share of Kazakhstan’s pension assets was gradually increased to US\$18.2 billion or 40.6 per cent. of Kazakhstan’s pension assets. These foreign currency assets are invested in accordance with strategic asset allocation across U.S. treasuries, emerging market bonds, investment-grade corporate bonds and global equities. To manage portfolios of global equities, emerging market bonds and investment-grade corporate bonds, 12 external managers were engaged, with U.S.\$9.1 billion or 20.5 per cent. of Kazakhstan’s pension assets allocated under their management.

On 21 June 2013, the Parliament adopted a new pension law (the “**Pension Law**”), which reformed the country’s pension system by consolidating the accounts of payers of mandatory pension contributions to private pension funds into a single state pension fund. Key changes of the reform introduced by the Pension Law included: the establishment of a single state pension fund, the JSC “Unified Accumulative Pension Fund” (the “**UAPF**”), which replaced private pension funds and is currently the only organisation in Kazakhstan that is eligible to accept mandatory pension contributions; the introduction of mandatory professional pension contributions paid at the expense of employers whose employees are involved in heavy or hazardous work (paid at a rate of 5.0 per cent. of the employee’s monthly income); and a phased increase of the retirement age of women from 58 to 63 years (63 years being the current retirement age for men), which increase is being implemented within 10 years, starting from January 2018.

Kazakhstan introduced mandatory employer pension contributions (MEPC) on 1 January 2024. Employers will now transfer mandatory pension contributions for their employees each month using their own funds. Kazakhstan adopted the Social Code of the Republic of Kazakhstan No. 224-VII dated 20 April 2023 (the “**Social Code**”), which repealed the Pension Law.

The UAPF is a non-commercial organisation, which is established in the form of a joint stock company by the Government, being its sole shareholder. The establishment of the UAPF did not change the

principles of the pension savings system. The UAPF maintains the pension savings accounts of individuals, and the Government guarantees the security of mandatory pension contributions subject to inflation adjustments. The UAPF consolidated the accounts of payers of mandatory pension contributions to private pension funds. The consolidation was completed in March 2014.

The pension savings in the UAPF amounted to KZT14,663 billion, KZT17,362 billion and KZT19,876 billion in 2022, 2023 and 2024, respectively.

(11) Privatisation

Kazakhstan has undertaken a substantial programme of privatising State-owned enterprises. According to data collected by the Committee of State Assets and Privatisation of the Ministry of Finance of the Republic of Kazakhstan, the aggregate selling price for entities that were privatised from 2021 to 2025 was as follows (as at December 2025): within the framework of the 2021-2025 Comprehensive Privatisation Plan: (i) in 2021, 219 entities were privatised with an aggregate sale price of KZT60 billion; (ii) in 2022, 150 entities were privatised with an aggregate sale price of KZT251.9 billion, (iii) in 2023, 23 entities were privatised with an aggregate sale price of KZT30 billion, (iv) in 2024, 14 entities were privatised with an aggregate sale price of KZT589.5 billion; and (v) in 2025, 10 entities were privatised with an aggregate sale price of KZT48.6 billion.

As at December 2025, totally 402 entities were privatised with an aggregate sale price of KZT977.2 billion.

On 29 December 2020, the Government approved the 2021-2025 Comprehensive Privatisation Plan (the “**Comprehensive Plan**”), which became effective on 1 January 2021. As part of this Comprehensive Plan, the following six national companies belonging to Samruk-Kazyna group are planned for IPO/SPO: Kazakhstan Temir Zholy, KazMunayGas, QazaqGaz, Samruk Energy, Air Astana and KEGOC. In December 2022, KazMunayGas conducted an IPO, as a result of which 3.0 per cent. of the total number of placed ordinary shares of KazMunayGas were sold for a total amount of KZT153.8 billion. In September-November 2023, KEGOC conducted a SPO, as a result of which 5.6 per cent. of the total number of placed shares of KEGOC were sold for a total amount of KZT22.6 billion. In February 2024, Air Astana conducted an IPO, as a result of which 43.7 per cent. of the total number of placed shares of Air Astana were sold for a total amount of U.S.\$370 million.

The placement of shares in an IPO, as well as other types of disposals of the Samruk-Kazyna’s assets, is carried out by Samruk-Kazyna independently pursuant to the Kazakhstan Law “On National Welfare Fund”, the Kazakhstan Law “On Joint Stock Companies” and other legislative acts and internal corporate documents.

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 1141 “On some issues of privatization for 2016-2020” dated 30 December 2015 and No. 908 “On some issues of privatisation for 2021-2025” dated 29 December 2020, Kazakhtelecom JSC and Kazpost JSC was included in the list of companies subject to privatisation on apriority basis.

In this connection, in the List of strategic objects transferred to the authorised capital and/or owned by national holdings and/or national companies or their affiliates, as well as other legal entities with the participation of the state, approved by the Government of the Republic of Kazakhstan No. 651 dated 30 June 2008, the corresponding changes were made to the withdrawal of 10 per cent. of ordinary shares of Kazakhtelecom JSC owned by Samruk-Kazyna for further IPO (in accordance with the RoK Resolution No. 186 dated 11 April 2019).

At the same time, at present, Samruk-Kazyna is working to find a strategic investor as part of the transfer of Kazpost JSC to the competitive environment. In order to implement the above-mentioned Comprehensive Privatisation Plan, the Ministry is working on amending the legislation in the field of mail.

As part of the 2021-2025 Comprehensive Privatisation Plan, the privatisation of JSC “Qazaq Air” (a subsidiary of Samruk-Kazyna) was scheduled for 2024. This move was aimed at unlocking new growth opportunities in the country’s aviation market, including expanding Qazaq Air’s flight network, increasing its fleet, and introducing innovative solutions. The privatisation, managed by the airline’s

sole shareholder, Samruk-Kazyna, will comply with national aviation regulations.

In May 2024, the President Tokayev announced that Qazaq Air was sold to a Vietnamese company, Sovico Group (which also owns VietJet Air). Sovico Group have committed to expanding Qazaq Air's fleet by 20 to 50 new aircrafts over the next five years, with a focus on Boeing 737 Max 8 and Airbus A320/321 models (the carrier's fleet currently consists of five De Havilland turboprop-powered aircrafts). It is expected that the total amount of direct investments would exceed U.S.\$1 billion. The investor will also fully repay Qazaq Air's debt to Samruk-Kazyna.

(12) State-Owned Enterprises

As at 31 May 2024, in Kazakhstan there were 172 republican State-owned enterprises (of which 106 republican State-owned enterprises with the right of economic management and 66 republican State-owned government enterprises), 133 joint stock companies and 33 limited liability partnerships.

3. Balance of Payments and Foreign Trade

(1) Balance of Payments

The following table sets forth the balance of payments of Kazakhstan for the years presented based on the methodology of the Balance of Payments and International Investment Position Manual (Sixth Edition, 2009):

	Year ended December 31		
	2023	2024	2025
	<i>(USD millions)</i>		
Current account	(8,284.4)	(6,763.9)	(12,451.0)
Trade balance.....	20,167.0	17,483.2	11,043.8
Exports	80,216.2	78,278.5	77,325.4
Imports	60,049.2	60,795.3	66,281.6
Services.....	(1,817.0)	(1,092.7)	(1,192.2)
Exports	10,525.2	11,866.7	12,818.9
Imports	12,342.2	12,959.4	14,011.1
Primary income	(26,236.5)	(23,338.6)	(22,134.3)
Compensation of employees, net	(1,921.1)	(2,015.6)	(2,061.6)
Investment income, net	(24,507.0)	(21,545.3)	(20,319.0)
Other primary income, net	191.6	222.3	246.4
Secondary income	(397.9)	184.2	(168.4)
Capital account balance	1,249.5	(313.4)	(277.6)
Financial account ⁽¹⁾	(1,685.9)	(3,866.9)	(64.4)
Direct investment.....	(2,578.3)	(3,994.6)	1,684.9
Net acquisition of financial assets	3,145.2	(1,901.5)	468.5
Net incurrence of liabilities	5,723.6	2,093.1	(916.4)
Portfolio investment	5,097.6	3,491.7	848.9
Net acquisition of financial assets	3,681.9	3,811.3	7,101.9
Net incurrence of liabilities	(1,415.8)	319.7	6,253.1
Financial derivatives, net	(21.8)	(19.5)	(12.8)
Other investment	(4,183.4)	(3,344.4)	(2,285.4)
Other equity, net.....	64.1	58.7	7.1
Medium- and long-term debt instruments.....	(1,241.1)	(2,106.3)	(3,094.1)
Short-term debt instruments	(3,006.5)	(1,296.7)	801.6
Net errors and omissions	(572.9)	2,317.6	7,293.0
Overall balance	5,921.8	892.9	5,371.2
Financing	(5,921.8)	(892.9)	(5,371.2)
Reserve assets of NBK.....	(5,921.8)	(892.9)	(5,371.2)

Source: NBK

Note:

(1) Financial account does not include reserve assets of the NBK.

(i) Current Account

The following table provides for dynamics of the current account of the balance of payments:

	Year ended December 31		
	2023	2024	2025
	<i>(billion U.S. dollars)</i>		
Current account	(8.3)	(6.8)	(12.5)
<i>in % of GDP</i>	<i>(3.2%)</i>	<i>(2.3%)</i>	<i>(4.1%)</i>
Trade balance	20.2	17.5	11.0
<i>Export</i>	<i>80.2</i>	<i>78.3</i>	<i>77.3</i>
<i>Import</i>	<i>60.0</i>	<i>60.8</i>	<i>66.3</i>
Balance of services	(1.8)	(1.1)	(1.2)
Income balance	(26.2)	(23.3)	(22.1)

Source: NBK

In 2024, the current account showed a deficit of U.S.\$6.8 billion, down from a deficit of U.S.\$8.3 billion in 2023. The main reasons for the improvement were a reduction in income payable to foreign direct investors and an increase in income received from external investments. The trade surplus in 2024 was U.S.\$17.5 billion, decreasing from U.S.\$20.2 billion in 2023. Exports of goods fell by 2.4 per cent. to U.S.\$78.3 billion due to a fall in oil (BOP methodology), grain and gas exports. Imports of goods rose by 1.2 per cent. to U.S.\$60.8 billion (compared to U.S.\$60.0 billion in 2023) driven by higher domestic consumption. The deficit in services fell by 38.9 per cent. to U.S.\$1.1 billion in 2024 when compared to U.S.\$1.8 billion in 2023 due to an increase in services exports, reflecting positive trends in the services sector. Overall, flows of international trade in services rose, reaching U.S.\$24.8 billion.

In 2023, the current account recorded a deficit of U.S.\$8.3 billion, compared to a surplus of U.S.\$6.4 billion in 2022. The trade surplus declined significantly to U.S.\$20.2 billion from U.S.\$35.0 billion in 2022. Exports of goods fell by 6.3 per cent. to U.S.\$80.2 billion, while imports decreased by 0.9 per cent. to U.S.\$60.0 billion. The deficit in services increased to U.S.\$1.8 billion from U.S.\$1.6 billion in 2022, while services exports rose to U.S.\$10.5 billion and services imports increased to U.S.\$12.3 billion. The deficit in primary income widened slightly to U.S.\$26.2 billion (compared to U.S.\$25.9 billion in 2022).

For 2025, the current account is expected to record a deficit of U.S.\$12.5 billion, compared to a deficit of U.S.\$6.8 billion in 2024. The trade surplus is projected to decrease further to U.S.\$11.0 billion. Exports of goods are expected to decline to U.S.\$77.3 billion, while imports of goods are projected to increase to U.S.\$66.3 billion. The deficit in services is estimated at U.S.\$1.2 billion, with services exports increasing to U.S.\$12.8 billion and services imports rising to U.S.\$14.0 billion. Meanwhile, the deficit in primary income is projected to narrow to U.S.\$22.1 billion.

(ii) Financial Account

In 2024, net inflow in the financial account (excluding reserve assets) amounted to U.S.\$3.9 billion compared with a net outflow of U.S.\$1.7 billion in 2023. For foreign direct investment (FDI), the net capital inflow for 2024 amounted to U.S.\$4.0 billion. The reduction of FDI assets by U.S.\$1.9 billion was due to the withdrawal of capital in foreign subsidiaries by Kazakh companies and the reduction of debt requirements to fellow foreign enterprises. For portfolio investments, net capital outflow amounted to U.S.\$3.5 billion, mainly associated with an increase in the assets of Kazakh residents. For medium- and long-term debt instruments reflected in the item “Other investment”, there was a net outflow of capital of U.S.\$2.1 billion.

For 2025, net outflows in the financial account (excluding reserve assets) were U.S.\$0.1 billion. FDI net inflows reached U.S.\$1.7 billion in 2025 compared with a net outflow of U.S.\$4.0 billion in 2024. Net capital inflow for portfolio investments amounted to U.S.\$0.8 billion.

(2) Foreign Direct Investment

The following table shows the gross FDI inflow into, and outflow from, Kazakhstan for the periods presented.

	Year ended December 31		
	2023	2024	2025
		<i>(U.S.\$ millions)</i>	
Gross inflow of FDI⁽¹⁾	23,866	17,881	20,451
<i>Including:</i>			
Mining and quarrying.....	23,866	6,371.4	3,374.7
- including extraction of crude oil and natural gas.....		3,109.1	615.9
Manufacturing	8,626.8	2,951.4	4,351.3
Construction	5,805.3	290.9	(238.9)
Wholesale and retail trade; repair of motor vehicles and motorcycles	5,378.7	5,334.7	4,774.7
Transportation and storage	906.9	170.4	976.9
Information and communication	4,990.0	571.9	1,387.6
Financial and insurance activities.....	1,119.5	648.2	4,259.6
Professional, scientific and technical activities	369.7	907.6	307.9
Gross outflow of FDI⁽²⁾	4,946	1,882	2,446
<i>Including:</i>			
Mining and quarrying.....	52.1	(30.8)	(21.0)
Manufacturing	171.6	132.3	211.9
Construction	22.1	51.6	44.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	142.4	94.9	40.8
Transportation and storage	160.1	127.1	85.9
Financial and insurance activities.....	3,469.4	953.7	1,502.4
Professional, scientific and technical activities	509.0	51.6	41.8
Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use.....	270.9	408.2	449.6

Source: NBK

Notes:

- (1) Gross inflow of FDI includes: (i) purchase of at least 10.0 per cent. of voting shares or shares in domestic enterprises by non-residents or purchase of real estate in Kazakhstan by non-residents, (ii) reinvested earnings: share of foreign direct investors in undistributed income (loss) in domestic enterprises and (iii) increase in debt instruments: flow of funds from foreign direct investors (both in cash and other forms, including goods, services, intangible assets and purchase of securities) without amortisation.
- (2) Gross outflow of FDI includes: (i) purchase of at least 10.0 per cent. of voting shares or shares in foreign enterprises by residents of Kazakhstan or purchase of foreign real estate by residents of Kazakhstan, (ii) reinvested earnings: share of domestic direct investors in undistributed income (loss) in foreign enterprises and (iii) increase in debt instruments: flow of funds from domestic direct investors (both in cash and other forms, including goods, services, intangible assets and purchase of securities) without amortisation.

For 2025, gross FDI inflows were U.S.\$20.5 billion, showing an increase of 14.4 per cent. compared to 2024 (U.S.\$17.9 billion). Inflows from non-resource-based sectors over this period were approximately U.S.\$17.1 billion.

Over this period, the five largest contributors of gross FDI inflows were: The Netherlands (19 per cent.), China (18 per cent.), Russian Federation (14 per cent.), the United Arab Emirates (9 per cent.) and Qatar (8 per cent.).

The FDI inflows were received by the following sectors: wholesale and retail trade; repair of motor vehicles and motorcycles (U.S.\$4.8 billion); manufacturing (U.S.\$4.4 billion); financial and insurance activities (U.S.\$4.3 billion); and the mining sector (including production of crude oil and natural gas) (U.S.\$3.4 billion).

4. Public Finance

The State Budget is a centralized monetary fund of the state, combining the Republican and local budgets, excluding mutual offsetting transactions between them.

The Consolidated Budget is a centralized financial fund of the state that aggregates the budget of the central government, regions, cities of national significance and the capital, along with revenues and expenditures of the National Fund of the Republic of Kazakhstan and other extrabudgetary funds, excluding mutual offsetting transactions among them.

The following tables set forth certain summary information on Kazakhstan's Consolidated Budget, State Budget, Republican Budget and Local Budgets (in KZT millions) for the periods indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(KZT millions)</i>		
Consolidated Budget ⁽¹⁾			
Receipts	30,048,105.4	35,216,772.1	38,424,286
Revenues ⁽²⁾	25,553,531.3	25,595,826.5	28,682,747
Expenditure	29,815,977.4	33,516,099.7	37,582,933
Balance (Deficit)/Surplus	232,128.0	1,700,672.4	841,353
State Budget			
Receipts	25,164,650	27,454,895	30,145,099
Revenues ⁽²⁾	24,917,246	27,132,165	29,871,048
Expenditure	27,975,751	31,040,937	34,528,970
Balance (Deficit)/Surplus	(2,811,101)	(3,586,042)	(4,383,871)
Republican Budget ⁽³⁾			
Receipts	19,296,574	19,945,098.1	21,382,467
Revenues ⁽²⁾	19,037,979	19,624,012.1	21,090,148
Expenditure	22,417,424	23,593,988.6	25,447,690
Balance (Deficit)/Surplus	(3,120,850)	(3,648,890.5)	(4,065,223)
Local Budgets ⁽⁴⁾			
Receipts	13,601,578	15,440,502.1	17,140,430
Revenues ⁽²⁾	13,552,443	15,346,310.8	17,039,799
Expenditure	13,482,561	15,448,930.5	17,546,789
Balance – (Deficit)/Surplus	119,017	(8,428.4)	(406,359)

Source: Ministry of Finance

Notes:

- (1) The Consolidated Budget includes (a) the State Budget, (b) revenues and expenditures of the National Fund and (c) revenues and expenditures of extrabudgetary funds.
- (2) Revenues comprise receipts less (a) payment of budget credits, (b) receipts from loans and (c) receipts from the sale of financial assets.
- (3) Prior to elimination of extrabudgetary transfers and loans from local budgets.
- (4) Less extrabudgetary transfers and loans within the Republican Budget.

The following tables set forth certain summary information on Kazakhstan's Consolidated Budget, State Budget, Republican Budget and Local Budgets (as a % of GDP) for the periods indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(as a % of GDP, unless otherwise indicated)</i>		
Consolidated Budget⁽²⁾			
Receipts	25.2	25.8	18.1
Revenues ⁽³⁾	21.4	18.7	18.0
Expenditure	25.0	24.5	20.3
Balance – (Deficit)/Surplus	0.2	1.2	0.5
State Budget			
Receipts	21.1	20.1	18.9
Revenues ⁽³⁾	20.9	19.8	18.7
Expenditure	23.4	22.7	21.6
Balance – (Deficit)/Surplus	(2.4)	(2.6)	(2.7)
Republican Budget⁽⁴⁾			
Receipts	16.2	14.6	13.4
Revenues ⁽³⁾	15.9	14.4	13.2
Expenditure	18.8	17.3	15.9
Balance – (Deficit)/Surplus	(2.6)	(2.7)	(2.5)
Local Budgets⁽⁵⁾			
Receipts	11.4	11.3	10.7
Revenues ⁽³⁾	11.3	11.2	10.7
Expenditure	11.3	11.3	10.9
Balance – (Deficit)/Surplus	0.1	(0.01)	(0.3)
GDP (KZT billions)	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Notes:

(1) Preliminary data.

(2) The Consolidated Budget includes (a) the State Budget, (b) revenues and expenditures of the National Fund and (c) revenues and expenditures of extrabudgetary funds.

(3) Revenues comprise receipts less (a) payment of budget credits, (b) receipts from loans and (c) receipts from the sale of financial assets.

(4) Prior to elimination of interbudgetary transfers and loans from local budgets.

(5) Less interbudgetary transfers and loans within the Republican Budget.

Up until 1 September 2024, the local budget income amounted 126.0 per cent. of the projected budget. The local budget was set at KZT3.2 trillion, but the actual realised income amounted to approximately KZT4 trillion, which is a significant increase as compared to the same period last year. This represents a year-on-year growth of KZT914 billion and a gross rate of 13.0 per cent. The total local budget income is comprised of 94.0 per cent. of tax proceeds, which were 121.0 per cent. above the projected budget. The plan was to receive KZT3 trillion in tax revenue, but the actual collected amount stood at KZT3.7 trillion, resulting in an increase of KZT649 billion, a year-on-year growth of 27.6 per cent, or an absolute increase of KZT800 billion in tax receipts.

(1) State Budgetary Process

(i) Budget Preparation and Adoption

The Budget Code was adopted on 4 December 2008 and came into effect on 1 January 2009, with the exception of certain provisions that became effective from 5 December 2008 and 1 January 2013, respectively. The Budget Code regulates budgetary and intergovernmental fiscal relations. It also provides the main provisions, principles and mechanisms for the functioning of Kazakhstan's budgetary system, the origin and use of budgetary funds as well as the formation and use of the National Fund. See “—National Fund”.

In accordance with the Budget Code, budgets are prepared every year for the relevant period. The Republican Budget is prepared every year for the relevant period by the central authorised body of budget planning, which takes into account the social-economic development forecast. The Republican Budget is approved by the republican budget law (the “**Budget Law**”), which sets out the Republican Budget for the following budgetary year and also includes separate projected budgets for the second and third budgetary years. The projected budgets for the second and third years are then adjusted as required in the Budget Laws approved in each year preceding those budgetary years. The draft of the Republican Budget is prepared in accordance with the structure defined in the Budget Code and the unified budget classification (providing for a classification of budget revenues, a functional classification of budget expenditures and an economic classification of expenditures). The Budget Law sets out projected revenues from each revenue source and estimated costs of the various budget programmes. Revenues to be allocated to the National Fund for the following three years are also set out in the Budget Law. See “—*National Fund*”.

The Ministry of Finance prepares the Republican Budget for the forthcoming budgetary period after taking into account the requests of Government ministries, governmental authorities and local executive authorities as well as data provided by the NSB and the NBK. The Republican Budget accounts for amounts required to be transferred from or to local authorities in order to balance local budgets (which are legally required to be balanced). Once the Republican Budget has been agreed by the Government, it is submitted to Parliament for approval. According to the Budget Code, the Government is required to submit the Republican Budget to Parliament by 1 September of the year preceding a budget year.

Local governments prepare the local budgets. Drafts of local budgets are required to be submitted by local governments to the local parliaments by 15 October of the year preceding a budget year. The consolidation into the State Budget of the Republican Budget and the local budgets occurs after Parliament has approved the Republican Budget.

Pursuant to the Budget Code and the law “On Approval of the Action Plan for the Implementation of the Budget” dated 6 June 2008, since 1 January 2013, state agencies in Kazakhstan have been required to prepare their accounting and financial statements in accordance with the International Public Sector Accounting Standards (“**IPSAS**”), which have been developed by the International Federation of Accountants. The IPSAS have been adopted to ensure that the accounting standards used by state agencies are in line with international standards.

A new Budget Code (the “**New Budget Code**”), which came into effect on 25 March 2025 introduced several reforms:

Co-ordination of fiscal and monetary policies: development of long-term forecasts, consolidated accounting of all public sector assets and liabilities, budget rules that consider inflation targets, restrictions on the use of the National Fund’s resources and analysis and accounting of budgetary losses resulting from tax exemptions and preferences;

Improved quality of revenue forecasting: application of the tax gap (a tax policy target), alongside the introduction of a register of parafiscal payments;

Improved quality of expenditure planning with prioritisation: evaluation of economic returns from the realisation of public investment projects, expansion of analytical tools and consistency and continuity of budgetary decisions;

Inter-budget relations: planning expenditures according to basic infrastructure standards and allocating any surplus from local budgets first to debt repayment, followed by funding for infrastructure projects; and

Transparency and accountability: strengthening parliamentary oversight, ensuring the publication and discussion of budget-related documents and establishing personal liability for violations of budget legislation.

(ii) **Budget Implementation**

The budget year commences on 1 January and ends on 31 December. In accordance with the Budget Code, the Government is responsible for the implementation of the Republican Budget, and local

authorities are responsible for the implementation of their respective local budgets. Implementation of the budgets involves ensuring revenues are collected, budget programmes are implemented and that the deficit is financed. The Ministry of Finance and the local authorities develop regulations concerning the implementation of the budgets, provide methodological guidance and provide accounting and financial budgetary reporting services in relation to the execution of their respective budgets. Implementation of the budget is carried out within the limits of the prescribed budgetary funds for the applicable financial year, as approved by the Republican Budget or local budgets, and budgetary funds which are allocated to be used in the second or third year of the three-year budget cycle are ring-fenced and are not permitted to be used in the first year on the budget cycle. Procedures regarding budget implementation and cash management are set out by the Ministry of Finance.

(2) Fiscal Policy

The Government's fiscal strategy for the medium term focuses on (i) achieving a targeted non-oil State Budget deficit of 5.0 per cent. of non-oil GDP in 2024–2025 and (ii) decreasing the use of National Fund resources to finance current budget expenditures, which reflects a transition to funding budget expenditures solely from normal budget revenues. On the revenue side, the main objective is to provide for a stable environment for economic activity, thereby supporting industrial innovation, promoting non-oil sector development and attracting investments.

As part of the Government's initiative to improve the legal environment for the conduct of business in Kazakhstan and improving the tax administration, a new Tax Code was enacted in December 2017 and came into force with effect from 1 January 2018. Among other things, the Tax Code places the onus of proving a tax violation or tax underpayment on tax authorities, eliminates tax penalties if the taxpayer acted in accordance with the tax authorities' guidelines (whether or not they were subsequently repealed) and states that any uncertainty in tax laws or regulations must be interpreted in favour of the taxpayer. In addition, the Tax Code changed the fiscal policy by abolishing inefficient taxes and tax privileges under the requirements of the WTO, decreasing the tax burden on the financial services sector and aiming to improve taxation of investment projects in special economic zones. Furthermore, the Tax Code seeks to enhance tax administration by, among other things, decreasing the statute of limitation for tax claims. The Tax Code also seeks to encourage exploration activities in the subsoil sector by abolishing, with effect from 2019, tax on exploration activities. Furthermore, corporate income tax on projects relating to certain mineral deposits only becomes payable after the company starts receiving profits. The Tax Code also allows companies to carry forward losses to subsequent years. Under the Tax Code, a company-taxpayer that has made a contract with the tax authorities may submit its proposed tax scheme for approval by the tax authorities. Once approved, the tax authorities cannot impose taxes and/or penalties in relation to the scheme notwithstanding any subsequent changes of the tax authorities' view on the tax scheme.

Fiscal policy is designed to be countercyclical. During periods of strong economic activity, Government spending will be controlled at a level lower than the nominal rate of GDP growth, while during economic downturns such spending aims to support domestic demand, particularly through public investment. This approach is expected to allow for an appropriate policy response both to a worsening of global economic conditions and to a potential overheating of the economy.

The Eurasian Economic Union Agreement provides that the annual State Budget deficit of a Eurasian Economic Union member must be below 3 per cent. of GDP, total public debt must not exceed 50 per cent. of GDP and inflation must not be more than 5 per cent. higher than that of the lowest inflation rate of any other Eurasian Economic Union member.

On 10 September 2022, Kazakhstan approved the Concept of Public Finance Management of the Republic of Kazakhstan until 2030 (the "**2030 Budgetary Policy**"). The 2030 Budgetary Policy introduces revisions to budgetary, fiscal and macroeconomic policies, as well as debt parameters for public debt and government debt. It establishes that public debt should not exceed 32.0 per cent. of GDP, government debt should remain below 27.5 per cent. of GDP, total public debt and quasi-governmental debt should be capped at 53.2 per cent. of GDP, the cost of servicing government debt should not exceed 10.0 per cent. of the Republican Budget expenditures, and budget deficit should not exceed 2.0 per cent. of GDP.

The following table presents the indicators of public debt and budget deficit as of 1 January of the specified years.

Name of indicators	2024	2025	2026
Public debt not to exceed 32% <i>(in billions Tenge)</i>	27,165.7	31,838.1	36,444.2
GDP <i>(in %)</i>	22.8	23.7	22.5
Deficit <i>(in billions Tenge)</i>	(3,208.5)	(3,670.9)	(4,065.2)
GDP <i>(in %)</i>	2.7	2.7	2.5

Source: Ministry of Finance

Public debt increases annually by the amount needed to finance the budget deficit through borrowing, adjusted for exchange rate differences. The overall reduction of public debt is conditional on the corresponding reduction of the budget deficit. As at December 2025, the principal debt indicators remain within acceptable ranges and do not exceed the thresholds set by the 2030 Budgetary Policy. Rating agencies Fitch, Moody's and S&P have reported Kazakhstan's public debt levels as stable.

The Government's fiscal policy, and if necessary, the budgetary framework, is adjusted as necessary in order to address or adapt to domestic or international developments.

(3) 2024 Budget Law

The following table sets forth certain summary information regarding Kazakhstan's Republican Budget for 2024 as provided for in the 2024 Budget Law. Budget figures are forward looking and subject to change in the future based on a number of factors, including, fluctuations in global commodity prices, specifically the oil price, inflation and the overall condition of the Kazakhstan economy. Actual results of the budget may differ materially from budgeted figures.

Republican Budget			
	2024	2025	2026
	<i>(KZT millions)</i>		
Total receipts, of which:	20,449,124	20,134,389	21,201,715
Total revenue, of which:	20,194,797	19,877,694	20,908,680
Tax revenue, of which:	15,759,823	16,996,154	18,025,344
Corporate income taxes	4,802,014	5,390,502	5,874,974
VAT	7,341,442	7,474,955	8,012,247
Excise taxes	190,313	192,212	196,056
Natural resource extraction tax	1,148,607	1,283,034	1,343,519
Other taxes	2,227,445	2,655,449	2,598,547
Non-tax revenue	361,446	374,243	377,743
Proceeds from sales of fixed assets	2,750	1,800	1,400
Transfer receipts ⁽¹⁾	4,070,777	2,505,495	2,504,192
Repayment of budget loans	254,326	256,695	293,035
Proceeds from sales of financial assets	-	-	-
Total expenditure, of which:	23,316,158	23,513,109	24,877,185
State administration	1,004,521	912,506	928,067
Defence	1,187,630	1,104,138	1,090,281
Law and order	1,278,199	1,196,847	1,184,903
Education	1,643,205	1,807,047	1,095,106
Health care	2,383,119	2,377,158	2,498,761
Social assistance and social security	5,426,904	6,146,680	6,795,011
Housing and communal services	446,627	148,005	114,640
Culture, sports, tourism and information media	257,779	228,418	230,065
Fuel and energy complex and subsoil assets use	167,876	33,937	24,475
Agriculture, forestry, water and fish industries, environmental protection	313,573	263,331	211,092

Industry and construction	20,359	15,257	14,323
Transport and communications	858,088	454,021	440,665
Other expenditure	1,040,635	601,583	951,374
Debt service	2,022,608	2,449,876	3,524,114
Transfers	5,265,026	5,774,300	5,774,300
Deficit	(3,534,767)	(3,672,837)	(3,969,587)

Source: 2024 Budget Law

Note:

(1) Includes transfers from the National Fund and transfers from the State Budget. See “National Fund”.

The 2024 Budget Law provides for a fiscal deficit in the 2024 Republican Budget of KZT3,534 billion representing 2.6 per cent. of the projected nominal GDP for 2024. There was a slight increase in the fiscal deficit in the 2024 Republican Budget as compared to the 2023 Republican Budget. According to the 2024 Budget Law, a transfer of KZT5,959 billion from the National Fund to the Republican Budget has been approved for 2024, of which KZT2,000 billion is a guaranteed transfer and KZT1,600 billion is a targeted transfer. The 2024-2028 Forecast of the country’s socio-economic development reflects an assumed world oil price in 2024, 2025 and 2026 of U.S.\$80 per barrel, significantly below budgeted amounts of U.S.\$55 per barrel in the 2021-2023 State Budget.

The actual tax receipts of the Republican Budget in July 2024 reached KZT881.0 billion, or 96.2 of the target of KZT916.1 billion with the KZT35.1 billion shortfall largely due to the VAT refunds of KZT95.5 billion.

In January 2024, the price of Brent crude oil amounted to U.S.\$79.15 per barrel, rising to U.S.\$81.72 per barrel in February and U.S.\$84.67 per barrel in March. The average price for the first three months of 2024 was U.S.\$81.76 per barrel as compared to U.S.\$82.06 per barrel in the first three months of 2023. IFI consensus forecasts project Brent crude oil price at U.S.\$83.7 per barrel in 2024 and U.S.\$80.2 per barrel in 2025. The IMF forecasts U.S.\$78.6 per barrel in 2024 and U.S.\$73.7 per barrel in 2025, while the World Bank projects U.S.\$81 per barrel in 2024 and U.S.\$78 per barrel in 2025.

The Republican Budget expenditures are projected in absolute terms at KZT23,000.0 billion in 2025, KZT23,167.4 billion in 2026 and KZT24,565.2 billion in 2027. Over the medium term, expenditures will average 13.7 per cent. of GDP. The budget deficit is expected to be 2.3 per cent. of GDP in 2025, decreasing to 2.2 per cent. of GDP in 2026 and 1.9 per cent. of GDP in 2027.

The level of non-oil deficit is projected to decrease from 5.7 per cent. of GDP in 2025 to 3.9 per cent. of GDP in 2027. State Budget revenues and expenditures (excluding transfers) for 2025 are projected at KZT23,517.1 billion, a 7.8 per cent. increase as compared to the 2024 plan.

(4) State Budget Performance

In 2022, the State Budget had a fiscal deficit of KZT2,169.1 billion, or 3.6 per cent. of GDP. Actual State Budget revenues in 2022 amounted to KZT2,0248.1 billion or 30.9 per cent. of GDP, as compared to the budgeted amount of 24.5 per cent. of GDP, while actual total expenditure amounted to 32.8 per cent. of GDP, as compared to the budgeted amount of 32.1 per cent. of GDP.

In 2023, the State Budget had a fiscal deficit of KZT2,811.1 billion, or 3.7 per cent. of GDP. Actual State Budget revenues in 2023 amounted to KZT24,917.2 or 32.9 per cent. of GDP, as compared to the budgeted amount of 29.5 per cent. of GDP, while actual total expenditure amounted to 35.4 per cent. of GDP, as compared to the budgeted amount 34.5 per cent. of GDP.

In 2024, the State Budget recorded a fiscal deficit of KZT3,586 billion, equivalent to 2.7 per cent. of GDP. Actual revenues were 20.1 per cent. of GDP, exceeding the budgeted 15.1 per cent., while actual expenditure was 23 per cent. of GDP, compared to the budgeted 19.5 per cent.

For the six months ended 30 June 2025, the State Budget showed a deficit of KZT1,525.3 billion or 2.5 per cent. of GDP.

(5) State Budget Revenues

The following table presents State Budget revenues and receipts (on an income basis) for the periods shown.

	Year ended 31 December		
	2023	2024	2025
	(KZT millions)		
Tax revenue, of which	18,912,204.5	19,700,516.9	23,188,178.6
Corporate income taxes	5,045,696.1	5,213,291.4	6,322,628.9
Personal income tax	1,992,384.9	2,451,640.0	2,859,192.4
Social tax	1,321,272.8	1,579,329.4	1,866,744.5
VAT. of which	5,674,110.6	5,179,378.1	6,111,842.3
Domestic VAT	2,850,405.7	2,398,349.2	2,784,488.6
Import VAT	2,823,704.8	2,781,028.9	3,327,353.8
Excise taxes	840,215.7	844,910.0	1,039,998.8
Natural resource extraction tax	715,540.1	925,260.5	1,143,400.5
Taxes on international trade and foreign transactions	2,215,539.5	2,217,468.0	2,411,699.2
Other taxes	1,107,444.8	1,289,239.5	1,432,671.9
Non-tax revenue	1,822,932.9	1,629,968.0	1,248,358.7
Proceeds from sales of fixed assets	182,108.7	201,680.1	184,510.5
Transfer receipts ⁽¹⁾	4,000,000.0	5,600,000.0	5,250,000.0
Total revenue	24,917,246.1	27,132,165.0	29,871,047.8
GDP (KZT billions)	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Note:

(1) Includes transfers from the National Fund. See “—National Fund”.

The following table presents State Budget revenues and receipts as a percentage of total GDP for the periods shown.

	Year ended 31 December		
	2023	2024	2025
	(as a % of GDP, unless otherwise indicated)		
Tax revenue, of which:	15.8	14.4	14.5
Corporate income taxes	4.2	3.8	4.0
Personal income tax	1.7	1.8	1.8
Social tax	1.1	1.2	1.2
VAT. of which:	4.8	3.8	3.8
Domestic VAT	2.4	1.8	1.7
Import VAT	2.4	2.0	2.1
Excise taxes	0.7	0.6	0.7
Natural resource extraction tax	0.6	0.7	0.7
Taxes on international trade and foreign transactions	1.9	1.6	1.5
Other taxes	0.9	0.9	0.9
Non-tax revenue	1.5	1.2	0.8
Proceeds from sales of fixed assets	0.2	0.1	0.1
Transfer receipts ⁽¹⁾	3.3	4.1	3.3
Total revenue	20.9	19.8	18.7
GDP (KZT billions)	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Note:

(1) Includes transfers from the National Fund. See “—National Fund”.

(i) Sources of State Budget Revenue

Tax Revenue

Taxes are the main source of Kazakhstan's State Budget revenue. The Code of the Republic of Kazakhstan "On Taxes and Other Obligatory Payments to the Budget" (the "**Tax Code**") was adopted on 25 December 2017 and came into force as at 1 January 2018. The main taxes imposed by the Kazakhstan tax system are corporate income tax, VAT, personal income tax and subsurface users tax. Kazakhstan has a unified tax system and all taxes are contained in the Tax Code. Most of the taxes and other mandatory payments in the Kazakhstan tax system are revenues to the Republican Budget, with few exceptions.

In 2024, the State Budget's tax revenue was primarily composed of corporate income tax (26.5 per cent. of the total tax revenue), VAT (26.3 per cent.), natural resource extraction tax (4.7 per cent.), individual income tax (12.4 per cent.), social tax (8.0 per cent.) and international trade taxes (11.3 per cent.).

Non-Tax Revenue

Non-tax revenues are mandatory, non-refundable payments to the State budget, set out in the Budget Code and other legislation, and include the proceeds from the sale of fixed assets and other revenues transferred to the budget at no cost, excluding transfer receipts.

Receipts from oil sector organisations amounted to KZT6,409.9 billion in 2023 and KZT2,781.1 in the six months ended 30 June 2024.

Transfer Receipts

State Budget revenues include transfers from the National Fund. See "*—National Fund*".

(ii) State Budget Revenue Performance

In 2022, State Budget revenues amounted to KZT20,248 billion, which was 25.7 per cent. higher than the originally budgeted target of KZT16,101 billion. State Budget tax revenues amounted to KZT14,843 billion, and non-tax revenues amounted to KZT584.8 billion. Transfer receipts from the National Fund amounted to KZT4,580.0 billion.

In 2023, State Budget revenues amounted to KZT24,917 billion, which was 11.8 per cent. higher than the originally budgeted target of KZT22,286 billion. State Budget tax revenues amounted to KZT18,912 billion, and non-tax revenues amounted to KZT1,822 billion. Transfer receipts from the National Fund amounted to KZT4,000.0 billion.

In 2024, State Budget revenues amounted to KZT27,132.2 billion, which was 4.5 per cent. higher than the originally budgeted target of KZT25,958.0 billion. State Budget tax revenues amounted to KZT19,700.5 billion, and non-tax revenues amounted to KZT1,630.0 billion. Transfer receipts from the National Fund amounted to KZT5,600.0 billion.

As of 1 April 2025, State Budget revenues amounted to KZT6,964.3 billion, compared with the approved annual budget amount of KZT28,614.0 billion. State Budget tax revenues amounted to KZT5,170.4 billion, and non-tax revenues amounted to KZT299.3 billion. Transfer receipts from the National Fund amounted to KZT1,450.0

As at 1 January 2022, 2023 and 2024, arrears on taxes and other obligatory payments to the State Budget were KZT807.9 billion, KZT923.5 billion and KZT897.2 billion, respectively.

In 2023, the tax authorities collected KZT118.8 billion through enforcement actions. As at 1 July 2024, arrears on taxes and other obligatory payments to the State Budget were KZT800.5 billion, which represented a decrease of KZT96.7 billion, or 10.8 per cent., as compared to 1 January 2024.

As at 1 July 2024, the arrears on mandatory pension contributions amounted to KZT2.6 billion, which represented a decrease of KZT0.3 billion, or 10 per cent., as compared to KZT2.9 billion as at 1 January 2024.

(6) State Budget Expenditures

The following table presents information related to State Budget expenditure for the periods presented:

	Year ended 31 December		
	2023	2024	2025
	(KZT millions)		
Total expenditure	27,975,751	31,040,936.9	34,528,970.0
Debt service	1,865,649	2,232,329.2	2,660,521.4
<i>of which:</i>			
Domestic debt service	1,529,374	1,878,950.8	2,257,586.4
External debt service	336,275	352,620	402,935.0
Non-interest expenditure	26,110,102	28,808,607.7	31,868,448.6
<i>of which:</i>			
State administration	1,489,260	1,776,016.4	1,878,285.2
Law and order	1,611,951	1,670,629.3	1,823,270.4
Defence	1,169,572	1,184,492.1	1,318,214.0
Education	5,810,567	6,707,200.2	7,100,858.9
Health care	2,503,068	2,499,750.2	2,847,071.0
Social assistance and social security	5,312,782	6,035,107.1	6,703,200.2
Housing and communal services	1,957,788	2,456,826.6	2,785,611.0
Culture, sports, tourism and information media	878,172	1,082,471.8	1,230,536.4
Fuel and energy complex and subsoil assets use	343,550	434,088.5	447,303.8
Agriculture, forestry, water and fish industries, environmental protection	1,374,538	1,385,913.8	1,706,584.2
Industry and construction	275,451	277,978.6	144,867.9
Transport and communications	1,801,442	2,194,773.6	2,875,056.5
Other expenditure ⁽¹⁾	1,581,961	1,103,329.6	1,007,589.1
Transfers	—	—	—

Source: Ministry of Finance

Note:

- (1) Other expenditures include those relating to (a) the implementation of new government programmes and initiatives, (b) payments for services and operational costs of certain government agencies and (c) payments made to the State emergency fund.

The following table presents information related to State Budget expenditure as a percentage of total GDP for the periods shown.

	Year ended 31 December		
	2023	2024	2025
	(% of GDP, unless otherwise indicated)		
Total expenditure	23.4	22.7	21.6
Debt service	1.6	1.6	1.7
Domestic debt service	1.3	1.4	1.4
External debt service	0.3	0.3	0.3
Non-interest expenditure	21.9	21.1	20.0
State administration	1.2	1.3	1.2
Law and order	1.3	1.2	1.1
Defence	1.0	0.9	0.8
Education	4.9	4.9	4.5
Health care	2.1	1.8	1.8
Social assistance and social security	4.4	4.4	4.2
Housing and communal services	1.6	1.8	1.7
Culture, sports, tourism and information media	0.7	0.8	0.8
Fuel and energy complex and subsoil assets use	0.3	0.3	0.3

	Year ended 31 December		
	2023	2024	2025
	(% of GDP, unless otherwise indicated)		
Agriculture, forestry, water and fish industries, environmental protection	1.2	1.0	1.1
Industry and construction	0.2	0.2	0.1
Transport and communications	1.5	1.6	1.8
Other expenditure ⁽¹⁾	1.3	0.8	0.6
Transfers	0.0	0.0	0.0
GDP (KZT billions)	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Notes:

(1) Other expenditures include those relating to (a) the implementation of new government programmes and initiatives, (b) payments for services and operational costs of certain government agencies and (c) payments made to the State emergency fund.

Total State Budget expenditure in 2023 increased by 24.0 per cent. as compared to 2022. The expenditure categories which were subject to the largest increases as compared to 2022 were fuel and energy complex (52.3 per cent.), housing and communal services (41.5 per cent.), transport and communications (30.5 per cent.) and education (28.4 per cent.).

In 2024, total State Budget expenditures in 2024 increased by 11 per cent. as compared to 2023. The expenditure categories that saw the largest increases relative to 2023 were fuel and energy (up 26.4 per cent.), housing and community services (up 25.5 per cent.), and culture, sports, tourism and information media (up 23.3 per cent.).

In 2025, total State Budget expenditures in 2025 decreased by 18 per cent. as compared to 2024, and the main expenditure categories that result in the decrease are education (down 78.24 per cent.) and housing and communal services (down 89.42 per cent.).

Non-interest expenditures rose from 67.5 per cent. in 2020 to 72.6 per cent. in 2024, driven by higher spending on education (up by 2.1 times), social assistance and social security (up by 1.6 times), culture, sports, tourism, and information media (up by 2.2 times) and transportation and communications (up by 2 times).

Debt service (including payments on discounts and interest on public debt) increased from 1.2 per cent. of GDP in 2021 to 1.7 per cent. of GDP in 2024.

In 2024, general transfers from the Republican Budget to local governments amounted to KZT7,328.1 billion (including subsidies of KZT5,265 billion) or 31.1 per cent. of total expenditure of the Republican Budget.

(7) State Budget Deficit Financing

The State Budget deficit is financed by Government borrowing. See “*Public Debt—Debt Management Policy*”.

The following table presents the State Budget deficit, net external borrowing and net domestic borrowing (as a percentage of GDP) for the years shown.

	2023	2024	2025
	(% of GDP)		
State Budget deficit	(2.4)	(2.6)	(2.7)
Net external borrowing	0.19	0.22	0.33
Net domestic borrowing	2.69	2.43	2.22

Source: Ministry of Finance

(8) State-Local Fiscal Relationship

The Kazakhstan budget system includes the Republican Budget and local budgets, which consist of all regional budgets, the budgets of the “cities of Republican status” (Astana, Almaty and Shymkent) and district budgets (budgets of the cities of regional significance).

Local budgets that cover a three-year period are prepared by local governments. Local budgets are approved by the respective local parliaments. Local budgets are intended to finance the operations of local government and fund any State policy that is required to be implemented in Kazakhstan’s regions. Revenues contributing to the local budgets include tax revenues and non-tax revenues as defined in the Budget Code.

The State Budget includes the Republican Budget and all local budgets, after elimination of interbudgetary transactions. The allocation of all revenues received by the Government, among the Republican Budget, local budgets and the National Fund, is carried out on a daily basis by the Ministry of Finance, in accordance with the Budget Code.

In addition to tax revenues and non-tax revenues, revenues are also received via transfers from higher level budgets. Local budgets are legally required to be balanced, and the Republican Budget takes into account any amounts required to be transferred from or to local authorities in order to balance local budgets. Budgetary transfers are either in the form of cash transfers or regulated loans. Transfers are categorised as general, special transfers or special development transfers.

(9) National Fund

The National Fund of Kazakhstan was established in August 2000 by Decree No. 402 of the President of Kazakhstan. According to the Budget Code, the National Fund represents State assets in the form of financial assets held in the Government’s account with the NBK, as well as in other forms except for intangible assets.

The National Fund was established in order to facilitate a stable socio-economic development of the nation, accumulate financial resources for future generations (the saving function) and reduce the impact on the economy from adverse external factors (the stabilising function). According to the Concept of Funding and Utilisation of the National Fund approved by Decree No. 962 dated 2 April 2010 of the President (the “**Concept**”), the main goal of the National Fund is the accumulation of financial resources for the benefit of future generations and making the Republican Budget less dependent on the situation in the global commodity market.

The functions of the National Fund are divided between a saving function and stabilising function. The saving function is performed by investing in long-term instruments with a moderate risk level in order to ensure the accumulation of financial assets and other property (except for intangible property) and revenue from such assets. The stabilising function is intended to maintain the appropriate level of liquidity in order to fund guaranteed transfers from the National Fund to the Republican Budget. The assets of the National Fund may be invested into permitted financial instruments, as specified by the Government.

To enable the saving and stabilising functions, the assets of the National Fund are structured into two portfolios: a savings portfolio (fixed income portfolios and an equity portfolio, a gold portfolio, a portfolio of alternative investments) and a stabilising portfolio.

In order to safeguard the National Fund’s assets, the following legislative measures were implemented: (i) under the New Budget Code, the National Fund may not invest in or finance domestic businesses other than projects of national importance, (ii) the adoption of a government decree regulating the due diligence process for determining projects of national importance, (iii) tightening of the conditions for granting finance to projects of national importance under principles laid down by the government for debt finance management, and (iv) the New Tax Code, which aims to increase budget revenues and reduce transfers from the National Fund.

(i) Assets of the National Fund

The following table presents information on the market value of the assets of the National Fund for the

years shown.

	Year ended 31 December		
	2023	2024	2025
	<i>(USD billions)</i>		
Market Value of Assets	60.0	58.8	63.9

Source: NBK

As of 31 December 2025, the total market value of the National Fund's foreign currency assets was at U.S.\$63.9 billion after deducting U.S.\$1.5 billion of liabilities under the "National Fund for Children" program.

Specifically, the National Fund has seen an increase in the ratio of its foreign currency assets to external liabilities since 2021 and has maintained a stable level thereafter. As of 30 June 2025, the National Fund's foreign currency assets stood at U.S.\$60.3 billion, compared to U.S.\$16.1 billion in external public debt. This represents a steady increase from previous years: U.S.\$55.7 billion versus U.S.\$17.0 billion in 2022, U.S.\$60.0 billion versus U.S.\$15.6 billion in 2023 and U.S.\$58.8 billion versus U.S.\$15.9 billion in 2024. As of 31 August 2025, the National Fund's foreign currency assets were 4.1 times greater than its external debt.

The Government has set an ambitious goal to increase the assets of the National Fund to U.S.\$100 billion by 2030.

(ii) Funding and Utilisation of the National Fund

The following table sets out information on the funding and utilisation of the National Fund for the periods presented.

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>(KZT millions)</i>			
Opening balance as of 1 January	28,015,718.1	26,774,885.7	29,854,109.9	34,730,106.8
Revenues including investment income.....	6,588,967.3	6,409,814.8	8,828,234.1	5,327,763.9
<i>of which:</i>				
Investment income	(826,513.5)	1,819,743.5	4,988,343.2	n/a*
Corporate income taxes	2,266,198.2	1,532,974.1	1,265,821.6	875,791.8
Excess profit tax	99,976.8	57,524.8	37,567.2	35,007.6
Bonuses	7,847.6	15,959.8	428.5	1,049.4
Natural resources extraction tax/royalty	1,582,031.5	1,282,494.7	680,875.3	780,616.2
Rent export tax	751,053.0	452,026.7	442,123.2	244,351.4
Revenues under production sharing agreements	1,477,397.2	1,035,543.3	1,202,176.4	803,582.5
Additional subsoil user payment	213,862.1	180,894.1	179,978.9	85,575.4
Administrative fines, penalties, sanctions	521.1	3,202.1	14,211.4	1,728.7
Other fines, penalties, sanctions, collections.....	2,711.9	3,417.1	1,154.1	1,804.7
Money from subsoil users under claims.....	656.7	1,536.3	593.8	10,278.3
Other non-tax revenues	195.5	308.6	1,440.8	1,470.8

Revenues from privatization of state assets.....	4,711.7	1,236.1	1,408.8	906.7
Revenues from sale of agricultural land plots.....	99.4	53.3	62.9	1,115.0
Return of the targeted transfer from the Republican Budget.....	110,121.9	0	0	0
Other receipts and income.....	40,398.4	22,900.0	0	0
Utilisation	4,601,663.2	4,069,933.8	5,621,456.5	4,220,048.3
<i>of which:</i>				
Guaranteed transfers.....	4,030,000.0	2,200,000.0	2,000,000.0	2,000,000.0
Targeted transfers.....	550,000.0	1,800,000.0	3,600,000.0	2,185,000.0
Costs of audit administration and management of the National Fund.	21,663.2	69,933.8	21,456.5	35,048.3
Closing balances at period end.....	26,774,885.7	29,114,766.9	33,060,887.5	35,837,822.4

* Investment income for six months ended 30 June 2025 was 2,480,802.2 (KZT millions)

Source: Ministry of Finance

The primary sources of revenues for the National Fund are:

- direct taxes paid by petroleum industry companies (other than tax revenues to local budgets), including corporate income tax, excess profit tax, natural resource extraction tax, bonuses (including signing bonuses and discovery bonuses), rent export tax and other payments;
- other revenues from operations carried out by petroleum industry companies (other than revenues to local budgets) including payments resulting from breach of oil contracts (other than revenues to local budgets);
- revenues from privatisation of State property pertaining to the mining and processing industries; and
- revenues from the sale of agricultural lands.

Petroleum industry companies include legal entities that produce or sell crude oil and/or gas condensate or that have entered into crude oil and/or gas condensate exploration contracts.

According to the Budget Code, funds in the National Fund may be utilised for making guaranteed transfers to the Republican Budget; for making targeted transfers to the Republican Budget for such purposes as the President of Kazakhstan may identify; and to cover the costs of an audit of the National Fund. If funds in the National Fund are insufficient to make a transfer to the Republican Budget under this requirement, the amount of the guaranteed and/or targeted transfer will be reduced accordingly. A guaranteed transfer from the National Fund becomes non-refundable revenues to the Republican Budget from the National Fund for funding the implementation of development programmes. The saving function of the National Fund is guaranteed by its minimum required balance, being equal to 30 per cent. of the projected GDP for the relevant budget year.

Therefore, should a guaranteed transfer or targeted transfer from the National Fund jeopardise the minimum required balance for the saving function, such transfer will be reduced accordingly or not be made at all, if necessary.

The saving function is being performed by placement of funds into permitted financial instruments. Investment of funds is done with a long-term perspective under moderate risk with the principal purpose of protecting the assets of the National Fund and accumulating financial resources for future generations.

The amounts of guaranteed transfers are approved by the Law on the Republican Budget and may not exceed the volume of direct tax revenues from oil sector organizations accruing to the National Fund. Specifically, targeted transfers are made from the National Fund to the Republican Budget to finance critically important facilities and projects of nationwide significance. For 2025, guaranteed transfers of KZT2,000 billion and targeted transfers of KZT3,250 billion have been approved.

(10) State Social Insurance Fund

The State Social Insurance Fund (the “**SSIF**”) is an extrabudgetary fund that was established in 2004. The SSIF is funded by mandatory social insurance contributions, penalties for late and/or incomplete payment of social contributions, and investment income. The SSIF collects payments from and makes payments to participants in the mandatory social insurance system. The SSIF may invest its assets in financial instruments via the NBK. See “*The Economy of Kazakhstan—Social Benefits and Expenditure*”.

5. Public Debt

(1) Debt Management Policy

The Government aims to adopt best international practices in debt management in order to ensure the appropriate management of risk exposure and to minimise debt-servicing costs while meeting their fund raising targets. The primary reason for the incurrence of debt by the Government is to finance the deficit of the Republican Budget.

In addition, the Government endeavours to use its debt policy to advance Kazakhstan’s social and economic development. As such, a majority of the money raised via external debt, is used to fund investment projects in such areas as industrial and agricultural development, social projects and innovation technologies. The purpose of domestic borrowing through the issue of government bonds issued by the Ministry of Finance (“**Government Bonds**”) is to fund the deficit of the Republican Budget. The monitoring of the profitability of Government Bonds is carried out as part of the Government’s domestic debt management. When increased liquidity is required, repeated auctions are conducted as part of the Government Bonds strategy, which helps to increase the number of Government Bonds in circulation and promotes a reduction in the number of issues of Government Bonds. With respect to access to international capital markets, previous issues of Eurobonds by Kazakhstan have established benchmarks, which have helped Kazakhstan banks and corporate issuers to gain access to the international capital markets. The Kazakhstan authorities also aim to improve the system for monitoring the foreign borrowing of State-owned and private companies.

The Budget Code establishes the legal framework for various types of State borrowing, including direct borrowing by the Government, the NBK and local executive authorities and Government-guaranteed borrowing. The Budget Code defines clear procedures for State borrowing and the granting of State guarantees and contains a number of important provisions including limits on State indebtedness. Under this legislation, the Ministry of Finance (following approval by the Government) may undertake external borrowing via loans or bonds within the permitted annual limit specified in the State Budget. The limit on public debt (including domestic and external debt, but not including debt of the NBK) as of 31 December 2022, 2023 and 2024 was set at KZT21,495 billion, KZT25,209 billion and KZT28,744 billion, respectively. The limits on new Government guarantees was KZT1,000 billion for each of 2022, 2023 and 2024. The State debt limit as of 31 December 2025, is KZT32,844 billion and the limit on new Government guarantees is KZT1,000 billion.

As of 1 July 2025, State debt amounted to KZT33,534.3 billion (U.S.\$64.4 billion) or 22.2 per cent. of GDP of which 96 per cent. was owed by the Government (KZT32,191.7 billion, or 21.4 per cent. of GDP). State debt, including guarantees and sureties, amounted to KZT35,662.9 billion as of 1 July 2025, increasing by 5.6 per cent. since the beginning of 2025. Domestic debt was KZT23,794.0 billion or 17 per cent. of GDP and external debt was KZT10,053.2 billion (U.S.\$19.3 billion) or 6.7 per cent. of GDP.

(2) Public External Debt

As of 31 December 2025, public external debt, (including government guarantees) was approximately U.S.\$20.6 billion or 27 per cent. of total public debt. As of 31 December 2025, the total public external debt accounted for 6.4 per cent. of GDP. The government's external borrowing is generally used to finance large construction and infrastructure projects. Proceeds from the government’s external borrowing are also used to finance the State budget deficit.

The following table sets forth information with respect to public external debt as of the dates presented.

Public External Debt of Kazakhstan

	As of 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions, except percentages)</i>		
General Government External Debt	15,577	15,872	17,307
External debt guaranteed by the Government	2,769	2,971	3,281
Total public external debt	18,347	18,843	20,589
Total public external debt as a percentage of GDP (%)	7.0	7.2	6.4

Source: Ministry of Finance

The following table sets forth information with respect to General Government External Debt and Government guaranteed external debt by creditor as of the dates presented.

Public External Debt of Kazakhstan by Creditor⁽¹⁾

	As of 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions)</i>		
Total General Government External Debt	15,577	15,872	17,307
World Bank	3,368	3,817	3,626
Other	2,613	2,671	2,371
Total external debt guaranteed by the Government	2,769	2,971	3,281

Source: Ministry of Finance

Note:

(1) Foreign currency values of outstanding external debt have been converted into U.S. dollars at the relevant market exchange rates prevailing at the end of the indicated period.

As of 31 December 2025, total external debt consisted of eurobonds (52 per cent.), International Bank for Reconstruction and Development Bank debt (23 per cent.), Asia Infrastructure Investment Bank debt (9 per cent.), Asian Development Bank debt (9 per cent.) and other debt (6 per cent.).

(3) External Debt Service

The following table sets forth historical long-term General Government External Debt and Government guaranteed external debt service payments for the periods presented.

	Year ended 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions)</i>		
Principal repayments	1,553.6	2,557.6	3,398.9
Interest payments and charges	855.2	889.8	799.5
Total ⁽¹⁾	2,408.8	3,447.4	4,198.4

Source: Ministry of Finance

Note:

(1) Interest payments and principal repayments of Government guaranteed debt are made from the State Budget and own funds of borrowers.

The service of the Government's public external debt accounted for 0.3 per cent. of GDP in each of 2022, 2023 and 2024. As of 1 April 2025, the Republican Budget revenue amounted to KZT4,980 billion, while the cost of debt servicing was KZT978.5 billion.

Kazakhstan has never defaulted on any payment of principal of, or premium or interest on, any public external debt. Kazakhstan is not currently in default of any of its public external debt.

The following table sets forth a projection of the Government’s contractual public external debt service from 2026 to 2035, with respect to principal and interest payable on all external debt outstanding as of 30 June 2025, on the basis of the exchange rates and interest rates as of 30 June 2025. This table does not reflect external debt service (i) on any new borrowings by or on behalf of the Government since 1 July 2025, (ii) on any new drawdowns on existing borrowings by or on behalf of the Government from 1 January 2026 to 31 December 2035, or (iii) on any Bonds being issued under the Program after the date of this Offering Circular.

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
	<i>(U.S.\$ millions)</i>									
Principal repayments	872	893	1,569	905	929	877	1,911	499	1,073	1,862
Interest payments and charges	736	626	582	530	494	444	413	326	311	642
Total	1,608	1,519	2,151	1,435	1,423	1,321	2,324	825	1,384	2,504

Source: Ministry of Finance

(4) Domestic Public Debt

Domestic public debt consists primarily of short-term notes issued by the NBK (“NBK notes”) and Government securities, some of which are denominated in U.S. dollars but are payable in Tenge. See “Monetary and Financial System—Capital Markets—Government Securities”. The following table sets forth the domestic public debt of Kazakhstan as of the dates presented in millions of U.S. dollars.

	<u>As of 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>(U.S.\$ millions, except percentages)</i>		
NBK notes	2,640	867.4	995
Government Bonds	39,234	41,573	52,026
Local executive authorities	2,312	2,500	3,182
Government guarantees (internal and external)	3,216	3,661	4,563
Total domestic debt	44,632	45,630	56,501
Total domestic debt as a percentage of GDP (%)..	17.0	17.5	19.0

Source: Ministry of Finance

Notes:

(1) Excludes internal guarantees provided by the government, the total outstanding amount of which as of December 31, 2025 was U.S.\$11.9 million.

(2) In accordance with the new Budget Code of the Republic of Kazakhstan, the debt of NBK is not included in the national debt.

The Ministry of Finance issues Government Bonds with maturities ranging from one year to 30 years and having both fixed and index-linked coupon rates. As of 1 January 2025, long-term Government Bonds accounted for 81 per cent. of the total Government Bonds in circulation until maturity, 11 per cent. were medium-term Government Bonds, and 8 per cent. were short-term Government Bonds.

(i) Government Bonds

The NBK issues bonds every four weeks, subject to a cap of KZT500 billion. The Government’s 2025 issuance plan contemplates issuing KZT6.9 trillion with maturities ranging from 1 to 15 years. As of 1 July 2025, the NBK has issued the equivalent of U.S.\$45.7 billion in government bonds, made up of long-term bonds (85 per cent.), short-term and indexed rate bonds (8 per cent.) and medium-term bonds (7 per cent.).

The following tables set out the monthly bonds (planned and issued) for 2025 (in billions of Tenge):

Bonds	January	February	March	April	May	June	Total
Planned	300	670.0	480.0	570.0	850.0	590.0	3,460.0
Issued	286.1	514.5	614.4	570.8	664.3	615.3	3,265.4
Deviation	-13.9	-155.5	134.4	0.8	-185.7	25.3	-194.6

Bonds	July	August	September	October	November	December	Total
Planned	460.0	600.0	430.0	690.0	850.0	437.0	3,467.0
Issued	558.9	590.6	434.8	345.6	568.1	263.5	2,761.5
Deviation	98.9	-9.4	4.8	-344.4	-281.9	-173.5	-705.5

The following table sets out the interest rates on government bonds by tenor issued in 2025:

Tenor	Rate
1 year	16.78%
2 years	17.05%
3 years	16.50%
4 years	16.99%
5 years	15.46%
6 years	16.60%
7 years	17.10%
8 years	15.55%
9 years	15.50%
10 years	16.10%
11 years	15.55%
12 years	14.10%
13 years	14.10%
14 years	13.17%
15 years	17.10%

As of 1 September 2025, the total amount of government bonds outstanding was KZT24.7 trillion, of which KZT20.6 trillion were long-term bonds, KZT0.8 trillion were long-term (inflation linked) bonds, KZT1.7 trillion were medium-term bonds, KZT0.7 trillion were short-term bonds and KZT1.1 trillion were TONIA floating rate bonds. Non-residents held approximately KZT1.127 trillion (U.S.\$2.1 billion) representing 4.6 per cent. of the total bonds outstanding.

(ii) Government Domestic Debt Service

The service of the Government's domestic public debt accounted for 1.2 per cent, 1.3 per cent. and 1.4 per cent of GDP for 2023, 2024 and 2025 respectively.

In light of the contemplated deficit of the Republican Budget, it is expected that public debt is expected to gradually increase from KZT37,218.1 billion (24.5 per cent. of GDP) in 2025 to KZT52,725.9 billion (21.7 per cent. of GDP) in 2029. Public debt is forecasted to remain below 50.0 per cent. of GDP set by the Treaty on the Eurasian Economic Union.

Government debt is projected to increase from KZT32,228.7 billion (21.2 per cent. of GDP) in 2025 to KZT47,736.5 billion (19.7 per cent. of GDP) in 2029. To mitigate currency risks, the domestic borrowing will be prioritised, with access to external loan capital markets as needed.

(iii) Government Domestic Public Debt Policy

The Ministry of Finance takes into account the following factors when considering its policy regarding the planning and issuing of domestic public debt:

- maintaining a sufficient level of bonds in circulation in order to provide an appropriate reference for the stock exchange;
- expansion and diversification of the investor base;

- development of alternative debt instruments including the issuance of revenue-yielding bonds in order to meet the needs of market participants; and
- improvement of the operations of the primary market for bonds.

Further development of the Kazakhstan debt securities market is one of the key medium-term priorities of Kazakhstan’s domestic public debt policy.

(iv) Other Public Sector Domestic Debt

Kazakhstan’s domestic public sector debt includes the debt of local governments in the form of municipal bonds issued in the internal market for the financing of local governments’ budget deficits and loans from the central Government. The Government is not legally responsible for the debts of local governments.

(5) Debt Ratings

On 15 July 2025, Fitch Ratings agency confirmed Kazakhstan’s sovereign credit rating at the level of “BBB” (outlook stable).

On 20 February 2026, S&P Global Ratings affirmed its “BBB-” long-term and “A-3” short-term sovereign credit ratings on Kazakhstan and maintained the positive outlook on the long-term ratings.

On 6 October 2025, Moody’s confirmed Kazakhstan’s sovereign credit rating at the level of “Baa1” (outlook stable).

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

6. Monetary and Financial System

(1) National Bank of Kazakhstan

The NBK is the central bank of Kazakhstan. Although it is an independent institution, it is subordinate to the President of Kazakhstan. The President of Kazakhstan has the power, among other things, to appoint (for a term of up to six years) and dismiss the Governor of the NBK (upon consent by the Senate), to appoint (for a term of up to six years) and dismiss the Deputy Governor of the NBK upon the proposal of the Governor of the NBK, to approve the annual report of the NBK, to approve the concept of the design of the national currency and to request information from the NBK. Mr Timur Suleimenov was appointed as Governor of the NBK in September 2023 for a fixed term of six years.

The primary goal of the NBK is to ensure price stability in Kazakhstan. To accomplish this goal, the NBK develops and implements Kazakhstan’s monetary policy; ensures the functionality of the payment systems; implements currency regulation and currency controls; promotes the stability of the financial system; and carries out statistics activities in the areas of the monetary system and external sector. The implementation of monetary policy involves managing bank liquidity to influence money market rates and align them with the NBK’s base rate, which is the main instrument of monetary policy. The base rate determines the cost of resources in the economy and serves as a benchmark for market rates. Thus, the system of monetary policy instruments allows the NBK to regulate liquidity and money market interest rates, influence banks’ lending activity, and impact the volume of money supply in circulation. To strengthen the role of the base rate, the NBK has taken measures to enshrine its status in the legislation of Kazakhstan. The NBK conducts liquidity withdrawal and provision operations, which are divided into open market operations and standing facilities. Open market operations are conducted in the form of auctions at the initiative of the NBK, while standing facilities are permanent mechanisms that second-tier banks can resort to if necessary, i.e., on their initiative, but at “penalty” rates. The principal governing bodies of the NBK are the Executive Board, the Monetary Policy Committee and the Board of Directors. The Executive Board, the highest governing body of the NBK, consists of nine members, including the Governor of the NBK, four other representatives of the NBK, one representative of the President of Kazakhstan, two representatives of the Government of Kazakhstan and one representative of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (the “**ARDFM**”). The Monetary Policy Committee of the NBK was established in 2021, with the main objective of making strategic decisions in the field of monetary policy, including

setting the base rate and its band.

Pursuant to the Social Code, the NBK manages the UAPF, on the basis of a trust management agreement between the NBK and the UAPF. See “*The Economy of Kazakhstan—Pensions and Pension Reform*”.

(2) Monetary Policy

The NBK is responsible for implementing monetary policy. Since August 2015, the NBK has been implementing monetary policy in accordance with the principles of inflation targeting, according to which the emphasis is placed on the interest rate policy under the free-floating exchange rate. The previous policy aimed at maintaining a stable exchange rate led to imbalances in the economy in the face of the negative impact of external shocks. In September 2015, the National Bank began the practice of setting the base rate as the main monetary policy tool.

In the first half of 2023, the NBK maintained a disinflationary policy, keeping the base rate at 16.75 per cent. Inflation peaked at 21.3 per cent. in February 2023 but began to decline gradually due to monetary policy and Government measures. In August 2023, the NBK started easing the base rate, reducing it by 25 basis points to 16.5 per cent., then to 16.0 per cent. in October 2023, and further to 15.75 per cent. in November 2023, aided by decreasing inflation and favourable external conditions. By the end of 2023, annual inflation had decreased to 9.8 per cent., reaching single digits. On 19 January 2024, the NBK decided to reduce the base rate to 15.25 per cent. External inflation processes continue to develop favourably against the background of declining world food prices and restrained policies of central banks. Domestically, inflation pressures remain due to robust domestic demand supported by fiscal stimulus and elevated and volatile inflation expectations.

On 23 February 2024, the Monetary Policy Committee decided to reduce the base rate by 50 basis points to 14.75 per cent. per annum. The decline in world food prices continued, making a positive impact on the external inflationary background. Inflationary pressures remained in the domestic economy due to robust domestic demand and unanchored inflation expectations.

Annual inflation continued to decline in February and March, but at a slower pace. Inflation expectations decreased slightly, but remained at a fairly high level. The external inflationary background continued to develop neutrally while the downward trend in grain prices on world markets continued. Inflationary pressures remained in the domestic economy due to robust domestic demand and unanchored inflation expectations. Given these conditions, on 12 April 2024, the Monetary Policy Committee decided to keep the base rate unchanged at 14.75 per cent.

On 31 May 2024, the Monetary Policy Committee reduced the base rate by 25 basis points and set it at 14.5 per cent. Inflation in April of 2024 decreased in accordance with forecasts. There has been a slowdown in the persistent part of inflation. Inflation expectations of the population, contrary to the general price dynamics, showed an increase against the backdrop of floods and the ongoing reform of housing and communal services. The external inflationary background is assessed as neutral, reflecting the impact of the contractionary policies of central banks and price dynamics in world food markets. Pro-inflationary pressure within the economy is supported by ongoing fiscal stimulus, housing and communal services reform, and stable domestic demand.

In the second half of 2024, the long-term trend of declining inflation since August 2023, came to a halt. On 29 November 2024, the NBK raised the base rate by 100 basis points to 15.25 per cent., followed by a further 125 basis points hike to 16.5 per cent. on 7 March 2025. On 11 April 2025, the NBK decided to maintain the base rate at 16.5 per cent. intended to pre-empt the need for more substantial tightening in the future and to guide inflation back onto a sustainable downward trajectory toward the 5 per cent. target over the medium term.

On 10 October 2025, the base rate was raised to 18.0 per cent. The easing of monetary conditions amid accelerating inflation, signs of demand outpacing supply expansion and active fiscal policy required a significant response to stabilize inflation dynamics and to prevent the risk of an inflationary spiral. Pro-inflationary risks were largely driven by domestic factors and stemmed primarily from persistently strong domestic demand, second-round effects associated with the implementation of tariff reform and fuel market liberalization, and the inflationary impact of the tax reform, including VAT. A substantial

acceleration in inflation, elevated inflation expectations and the weakening of the real effective exchange rate led to a notable easing of overall monetary conditions and a deviation of projected inflation from a sustainable downward trajectory. Further, external inflationary pressures persisted and intensified primarily in global food markets, with record price increases in recent years for meat and vegetable oils.

On 28 November 2025, the NBK maintained the base rate at 18.00 per cent. This decision was driven by a combination of persistent domestic inflationary pressures, elevated external risks, and an overall balance of risks that remains firmly tilted to the upside. At its subsequent decision on 23 January 2026, the NBK kept the base rate unchanged at 18.00 per cent, taking into account current inflation dynamics, elevated and volatile inflation expectations, and prevailing pro-inflationary risks. Currently, pro-inflationary risks are primarily driven by domestic factors: persistently strong domestic demand, secondary effects associated with the implementation of the tariff reform and the liberalization of the fuel market. Additional uncertainty stems from the parameters of the planned large-scale quasi-fiscal stimulus, which may reduce the disinflationary effect of fiscal consolidation. Risks are also associated with the implementation of the tax reform, which involves both an increase in the VAT rate and an expansion of the taxpayer base.

In decision-making regarding monetary policy, the NBK performs risk assessments, both for existing and future inflation and monitors the dynamics of a broad range of external and internal factors. If there is an increase in risks of unfavourable shocks, which may translate into significant deviation of forecasted inflation from the target, the NBK is able to implement a tighter monetary policy.

The exchange rate continues to be determined by free-floating principles. However, in light of the specific structure of the economy, including a high dependence on imports and insufficiently developed financial markets, the NBK has retained the right to intervene in the foreign exchange market in order to prevent sharp destabilising changes in the exchange rate (including those caused by the impact of non-fundamental factors), while not distorting the formation of a general market trend. Such NBK interventions are not viewed as inconsistent with the principles of the inflation targeting regime.

(3) Instruments of Monetary Policy

Currently, the NBK implements monetary policy through open market operations (such as issuances of NBK notes and deposit auctions) and standing facilities (such as repos and currency swaps on the KASE and overnight deposits). The measures undertaken by the NBK are aimed at reducing the dollarisation of the economy, stabilising volatile interest rates and preventing speculation in the money market. It is intended that these measures will result in an increase in the flexibility and efficiency of liquidity regulation and monetary policy implementation.

The following table sets out information on the monetary policy instruments used by the NBK.

Purpose	Type of Instrument	Instrument	Collateral	Frequency	Provision / withdrawal duration
Liquidity provision	Standing facilities	KASE currency swap	U.S. dollars	Upon request from commercial banks	1 day
		KASE reverse repo	Government bond	Upon request from commercial banks	1 day
	Open market operations	NBK auction for the purchase of securities with the reverse sale	Lombard list	As needed	7 day
NBK notes auction		-	In accordance with the schedule of issuance of notes	28, 91 and 182 days	
Liquidity withdrawal	Open market operations	NBK deposit auction	-	Daily	7 day

Standing facilities	KASE currency swap	U.S. dollars	Upon request from commercial banks	1 day
	KASE direct repo	Government bond	Upon request from commercial banks	1 day
	NBK deposits	no collateral	Upon request from commercial banks	1 day

The NBK's main tool of monetary policy is setting the base rate, which is used to regulate nominal interbank interest rates. By determining the level of the base rate, the NBK determines the target rate of the interbank short- term loans interest rate to ensure price stability in the medium term.

The following table sets out the values of the base rate set on the dates presented.

Date of setting of rate(s)	Rate (%)	Corridor of rate (%)
25.01.2022	10.25	9.25-11.25
24.02.2022	13.50	12.50-14.50
10.03.2022	13.50	12.50-14.50
26.04.2022	14.00	13.00-15.00
07.06.2022	14.00	13.00-15.00
26.07.2022	14.50	13.50-15.50
06.09.2022	14.50	13.50-15.50
27.10.2022	16.00	15.00-17.00
06.12.2022	16.75	15.75-17.75
16.01.2023	16.75	15.75-17.75
27.02.2023	16.75	15.75-17.75
10.04.2023	16.75	15.75-17.75
29.05.2023	16.75	15.75-17.75
10.07.2023	16.75	15.75-17.75
28.08.2023	16.50	15.50-17.50
09.10.2023	16.00	15.00-17.00
27.11.2023	15.75	14.75-16.75
22.01.2024	15.25	14.25-16.25
26.02.2024	14.75	13.75-15.75
15.04.2024	14.75	13.75-15.75
03.06.2024	14.50	13.50-15.50
15.07.2024	14.25	13.25-15.25
02.09.2024	14.25	13.25-15.25
14.10.2024	14.25	13.25-15.25
02.12.2024	15.25	14.25-16.25
20.01.2025	15.25	14.25-16.25
11.03.2025	16.50	15.50-17.50
14.04.2025	16.50	15.50-17.50
09.06.2025	16.50	15.50-17.50
14.07.2025	16.50	15.50-17.50
02.09.2025	16.50	15.50-17.50
13.10.2025	18.00	17.00-19.00
01.12.2025	18.00	17.00-19.00
26.01.2026	18.00	17.00-19.00

Source: NBK

Minimum reserve requirements remain an additional tool for regulating liquidity of banks and interest rates on the money market. Minimum reserve requirements affect the reserve assets of banks and consequently affect the borrowing policies of banks. In July 2019, the NBK changed the rules on minimum reserve requirements for banks in Kazakhstan. The changes aimed to encourage banks to raise

Tenge-denominated financing. From 16 July 2019, minimum reserve requirements are set on the basis of currency and term of liabilities. Instead of the previous eight separate categories of reserve requirements, there are currently just four categories:

- for short-term and long-term liabilities in national currency: 2.0 per cent. and 0.0 per cent., respectively; and
- for short-term and long-term liabilities in foreign currency: 3.0 per cent. and 1.0 per cent., respectively.

In 2020, the minimum reserve requirements were extended to apply to branches of non-resident banks.

In addition, the NBK introduced a limit on the use of cash as a reserve asset in the amount of not more than 50.0 per cent. of the minimum reserve requirements (there were no limits on the use of cash previously). The remaining reserve assets have to consist of balances on correspondent accounts of banks in the NBK. The average weighted bank loan rate in 2022, 2023 and 2024 was 15.9 per cent., 18.2 per cent. and 18.4 per cent., respectively. The weighted average rate for all bank loans extended in 2020 to 2024 inclusive was 16.4 per cent.

(4) Money Supply

The following table sets forth information concerning Kazakhstan's money supply as of the dates presented.

	As of 31 December		
	2023	2024	2025
	<i>(KZT billions)</i>		
Net foreign assets	44,267	55,093	65,530
Net domestic assets	(5,965.31)	(9,433.01)	(12,778.75)
Domestic credit	42,943	50,247	56,971
Net claims on central Government	4,365	6,107	4,661
Net claims on other government	13	14	22
Credit to the private sector ⁽¹⁾	20,227	21,121	24,482
Other claims on the economy ⁽²⁾	18,338	23,005	27,806
Other items, net	(21,491)	(28,591)	(37,321)
Broad money (M3)	38,302	45,660	52,752
Currency in circulation (M0)	3,640	4,375	4,749
Total deposits	34,662	41,285	48,003
Domestic currency deposits	26,604	32,002	37,864
Foreign currency deposits	8,057	9,284	10,139
Non-liquid liabilities	—	—	—
Monetary base (broad definition) ⁽³⁾	11,540	14,607	15,679
Money supply (M2) (national definition) ⁽⁴⁾ ...	32,747	39,255	45,806
Velocity of M2	3.7	3.4	3.5

Source: NBK

Notes:

- (1) Includes claims on other financial corporations, public and other nonfinancial corporations, non-profit institutions.
- (2) Includes claims on households.
- (3) Comprises cash outside of the NBK, correspondent account balances, deposit account balances and reserves of commercial banks maintained at the NBK.
- (4) M2 is defined as total cash in circulation (outside of banks) and transferable deposits in the domestic currency on accounts of non-bank organisations and individuals plus other deposits in the domestic currency and transferable deposits in the foreign currency on accounts of non-bank resident organisations and individuals.

The analysis set out below on monetary reserves does not take into account the assets held by the National Fund. The data above is presented in accordance with the IMF's "Monetary and Financial Statistics Manual".

From 31 December 2020 to 31 December 2025, the monetary base expanded by 60.4 per cent. On average, each year, the monetary base increased by 15.6 per cent., money supply (M3) increased by 16.3 per cent. and the volume of cash in circulation increased by 13.0 per cent. During this period, the money supply growth was driven by the lending to the economy and by the increase in net foreign assets in the banking system.

From 31 December 2023 to 31 December 2024, the monetary base expanded by 26.6 per cent., money supply (M3) increased by 19.2 per cent. and the volume of cash in circulation increased by 20.2 per cent. The main contribution to the money supply growth came from the credit channel, through increased lending to households and businesses, and the fiscal channel, driven by the rising issuance of Government securities.

Between 31 December 2024 and 31 December 2025, the monetary base expanded by 7.3 per cent., money supply (M3) increased by 15.5 per cent. and the volume of cash in circulation increased by 8.6 per cent. The main contribution to the money supply growth came from the credit channel, through increased lending to households and businesses, as well as a stronger contribution from fiscal operations and external assets driven by government’s external borrowing to finance the budget deficit.

(5) Inflation

In 2019, the NBK decreased its target inflation corridor to 4.0 to 6.0 per cent. The inflation target in 2020-2022 was set between 4.0 and 6.0 per cent. Previous interval values were in the range of 4.0 and 5.0 per cent. for 2023- 2024 and 3.0 and 4.0 per cent. starting from 2025. The monetary policy target from 2023 is to maintain annual inflation near 5.0 per cent. in the medium term.

The following table sets forth the rates of consumer price inflation and producer price inflation for the periods presented.

	Year ended 31 December		
	2023	2024	2025
Inflation, consumer prices (annual %, end of period) ...	9.8	8.6	12.3
Inflation, consumer prices (annual %, period average) .	14.7	8.7	11.4
Inflation, producer prices (annual %, end of period).....	2.0	7.3	n/a
Inflation, producer prices (annual %, period average) ..	(2.1)	5.0	n/a

Source: NSB

In 2023, the annual inflation rate was 9.8 per cent., which was above the newly established target of 5.0 per cent. The slowdown in inflation compared to 2022 occurred due to the expiry of the high base effect of 2022, lower world food prices, weakening global inflationary pressure as well as the monetary policy pursued. The annual growth rate for food prices was 8.5 per cent. Non-food prices increased by 9.1 per cent. year-on-year. The slowdown in non-food inflation as compared to 2022 was facilitated by a stable nominal exchange rate and the high base effect of 2022. Service prices rose by 12.4 per cent., primarily due to the “Tariff in Exchange for Investment” programme aimed at updating the infrastructure. The annual growth rate for regulated services was 20.1 per cent., driven by increased tariffs for regulated utilities.

The trend of slowing inflation continued, allowing for a further reduction of the base rate by 125 basis points to 14.50 per cent. in the six months ended 30 June 2024. As at May 2024, inflation stood at 8.5 per cent. (as compared to 8.7 per cent. in April 2024). It is expected that by the end of 2024, there will be a gradual slowdown in food price growth thanks to lower producer prices for food and agricultural products, as well as low growth rates of import prices for both food and non-food items. Current monetary and credit conditions and the level of the base rate will contribute to stabilising inflation and gradually reducing it to 7.5-9.5 per cent. in 2024.

However, the ongoing programme of updating communal networks “Tariff in Exchange for Investments” will continue to exert inflationary pressure. In 2023, the monthly inflation rate amounted to 1.0 per cent. in January, 1.3 per cent. in February, 0.9 per cent. in March, 0.9 per cent. in April, 0.5 per cent. in May,

0.5 per cent. in June, 0.5 per cent. in July, 0.7 per cent. in August, 0.5 per cent. in September, 0.7 per cent. in October, 1.0 per cent. in November and 0.7 per cent. in December, each as compared to the previous month. In 2024, the monthly inflation rate amounted to 0.8 per cent. in January, 1.1 per cent. in February, 0.7 per cent. in March, 0.6 per cent. in April, 0.4 per cent. in May, 0.4 per cent. in June and 0.7 per cent. in July, each as compared to the previous month.

In 2024, the annual rate of inflation was 8.6 per cent., persisting above the target rate of 5.0 per cent. The downward trend in inflation during the first half of 2024 was driven by the high base effect of 2023, a decline in global food prices, easing global inflationary pressures, and a stable nominal exchange rate of the Tenge. In the second half of 2024, the disinflationary trajectory reversed and became inflationary, influenced by less favourable external conditions, namely, high inflation in Russia, the country's main trading partner, as well as the depreciation of the Tenge's nominal exchange rate due to a strengthening U.S. dollar in light of political changes in the United States. While food and non-food prices, grew by 5.5 per cent. and 8.3 per cent. respectively, paid services increased by 13.3 per cent. amid the ongoing "Tariff in Exchange for Investment" program aimed at upgrading infrastructure. As a result, paid services became the main driver of inflation in 2024.

In 2025, the annual rate of inflation was 12.3 per cent, persisting above the target rate of 5.0 per cent. From January to September 2025, inflation consistently accelerated, reaching a peak of 12.9 per cent, after which, amid the implementation of the Government's anti-inflation measures and against the backdrop of tighter monetary policy conditions in the fourth quarter, it began to slow down. The upward trend in inflation during the first nine months of 2025 was driven by a combination of domestic and external factors. External contributors include high global prices for meat and vegetable oil, which stimulated exports and reduced domestic supply, high inflation in Russia, and the appreciation of the Russian rouble. Among the domestic factors, key drivers were the liberalization of the fuel market, the implementation of the "Tariff in Exchange for Investment" programme aimed at increasing tariffs for regulated housing and communal services (HCS) in order to attract investment into the sector, elevated inflation expectations, fiscal stimulation, and resilient consumer demand. In October 2025, the government announced a moratorium on increases in tariffs for regulated (HCS), as well as on price increases for 92-octane gasoline (Research Octane Number, RON) and diesel fuel. This factor, in combination with tighter monetary policy conditions and the appreciation of the nominal exchange rate of the tenge, contributed to disinflationary pressure.

As of December 2025, inflation stood at 12.3 per cent (compared to 8.6 per cent in December 2024). Food prices rose by 13.5 per cent (5.5 per cent), non-food prices by 11.1 per cent (8.3 per cent), and paid services by 12 per cent (13.3 per cent).

The government reforms in the fuel market and housing and communal services, while pro-inflationary in the short term, are necessary to address infrastructure deterioration, correct market distortions, and support long-term economic sustainability. Over time, modernized utility systems, competitive fuel pricing, and improved market efficiency are expected to enhance service quality, reduce costs, attract investment, and support stable growth.

(6) International Reserves

Official international reserves include gold and foreign currency reserves of the NBK. The foreign currency assets of the National Fund are funds of the Government and are held in the account of the Ministry of Finance at the NBK. See "*Public Finance—National Fund*" for more information on the National Fund.

As at 31 December 2022, Kazakhstan's total international reserves including gold and the National Fund's foreign currency reserves, were U.S.\$90.8 billion (of which assets of the National Fund amounted to U.S.\$55.7 billion, an increase of 1.24 per cent. as compared to 31 December 2021). Official international reserves represented 7.0 months of import coverage and, together with National Fund foreign currency reserves, represented more than 17.7 months of import coverage.

As at 31 December 2023, Kazakhstan's total international reserves including gold and the National

Fund's foreign currency reserves, were U.S.\$96.0 billion (of which assets of the National Fund amounted to U.S.\$60.0 billion, an increase of 5.7 per cent. as compared to 31 December 2022). Official international reserves represented 6.0 months of import coverage and, together with National Fund foreign currency reserves, represented more than 15.6 months of import coverage.

Kazakhstan's gross international reserves (including gold and foreign exchange reserves of the NBK and assets of the National Fund) increased by 23.5 per cent. to U.S.\$129.3 billion from 1 January to 31 December 2025. As of 31 December 2025, the assets of the National Fund were U.S.\$63.9 billion and gross international reserves of the NBK were U.S.\$65.4 billion.

Kazakhstan is a net creditor from a global perspective.

(7) Interest Rates

The following table sets out key interest rates and related data for the periods indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(Annual average, %)</i>		
NBK refinancing rate (% , period-end).....	15.75	15.25	16.5
Tenge deposit rates			
Deposits of legal entities (KZT).....	14.5	13.5	15.6
Deposits of legal entities (hard currency).....	1.9	2.5	2.5
Deposits of individuals (KZT)	13.8	13.5	14.2
Deposits of individuals (hard currency)	0.9	0.9	0.9
Demand deposits (KZT and hard currency)	1.3	1.5	3.9
Time deposits (KZT and hard currency)	13.5	12.7	14.6
Tenge lending rates			
Loans to legal entities (KZT)	19.0	17.8	19.2
Loans to legal entities (hard currency)	6.6	7.3	6.9
Loans to individuals (KZT).....	19.1	19.9	21.1
Loans to individuals (hard currency).....	3.9	4.7	5.7
Consumer Price Index inflation.....	14.7	8.7	11.4

Source: NBK

(8) Exchange Rates

The currency of Kazakhstan is the Tenge, which was introduced in November 1993. The NBK maintains a flexible exchange rate regime, under which the exchange rate is primarily determined by market forces. The NBK intervenes only as necessary to mitigate excessive volatility and preserve financial market stability.

In 2022, the Tenge exchange rate fluctuated within a wide range from KZT414.79 to KZT512.17 per U.S.\$1, depreciating by 7.1 per cent. at the year-end to KZT462.66 per U.S.\$1. The Tenge exchange rate was influenced by geopolitical tensions, volatility in oil prices, and the disinflationary policies pursued by central banks of developed countries. Internally, the Tenge dynamics were affected by growing demand during periods of high uncertainty. At the same time, several factors supported the Tenge: greater attractiveness of Tenge assets due to the increase in the base rate, the Tenge deposit protection programme; sales of foreign exchange proceeds by quasi-public sector entities; the NBK's operations to convert the National Fund assets; and the NBK's interventions at the beginning of the year to prevent destabilisation of the FX market.

In 2023, the Tenge exchange rate ranged from KZT431.06 to KZT482.24 tenge per U.S.\$1, strengthening by 1.7 per cent. to KZT454.69 per U.S.\$1 by the end of the year. The Tenge exchange rate was shaped by the volatility of oil prices, the disinflationary policies implemented by central banks

of developed countries and market participants' expectations regarding monetary policy. Internal determinants that contributed to the strengthening of the Tenge included the monetary policy conducted by the NBK, the high interest rate differential between Tenge and foreign currency deposits, the inflow of funds from foreign investors into the Government Bonds market, the sale of foreign currency proceeds by quasi-state entities (from January to August), as well as the NBK's operations in converting the assets of the National Fund.

In the first half of 2024, the Tenge showed a strengthening trend, supported by elevated foreign currency sales from the National Fund to finance budget transfers. However, in the second half of 2024, the Tenge came under significant pressure amid global US dollar appreciation, rising geopolitical tensions (which in particular, caused a sharp depreciation of the Russian rouble), and volatility in prices of key export commodities. In November 2024, the Tenge breached the threshold of 500 KZT per US dollar, amid low market liquidity and limited foreign currency supply. Additional pressure came from higher demand for foreign currency, partly driven by increased budgetary injections into the economy. As a result, the Tenge depreciated by 15.5 per cent. over the year, from 454.69 to 525.10 KZT per US dollar.

To stabilize the market, the NBK implemented a set of measures. From mid-November to December 2024, the NBK conducted foreign exchange interventions totalling around U.S.\$1.4 billion to smooth excessive exchange rate volatility and provide liquidity during periods of market shortage. In coordination with the Government of Kazakhstan, mandatory conversion of part of the quasi-sovereign sector's export revenues was reinstated in November 2024.

Additionally, the NBK raised its policy rate by 100 basis points to 15.25 per cent., enhancing the attractiveness of Tenge-denominated assets. Throughout the year, FX sales from the National Fund to support budget transfers and purchases of bonds issued by Kazakhstani entities (amounting to U.S.\$10.2 billion) also helped support the currency. Between July and November 2024, the NBK evenly sold U.S.\$984.8 million from its foreign exchange reserves to mirror previous foreign currency purchases related to the Government's acquisition of Kazatomprom shares into the National Fund.

Since the beginning of 2025, the dynamics of the Tenge exchange rate have been mixed. In the first months of 2025, the national currency demonstrated appreciation, strengthening by 2.7 per cent. from KZT525.10:U.S.\$1.00 to KZT510.82 in May. Key factors supporting the exchange rate were an increased supply of foreign currency in the market, including from exporters during periods of significant tax payments, and a tightening of monetary policy, which helped maintain the attractiveness of assets in national currency.

From June 2025, the Tenge exchange rate experienced seasonal fluctuations amid rising demand for foreign currency. The primary drivers being the vacation season among the population and an increase in imports by legal entities, associated with the active phase of implementing budget programs and government procurement.

In July 2025, the NBK conducted currency interventions totalling U.S.\$125.6 million in response to a sharp depreciation to KZT550: U.S.\$1.00, triggered by extremely low liquidity and heightened speculative pressure. These interventions contributed to reducing speculative activity and ensuring the necessary liquidity in the market. In December 2025, the official exchange rate of the Tenge against the U.S. dollar fluctuated in the range of 499.7–522.3, averaging 511.9 in December 2025.

Support for the national currency's exchange rate is provided by foreign currency sales conducted by the NBK within the framework of budget transfers from the National Fund and amounted to U.S.\$8.2 billion for the twelve months ended 31 December 2025, as well as operations mirroring purchases of refined gold, amounting to U.S.\$7 billion over the same period.

At the start of 2025, the NBK introduced a mirroring mechanism in the FX market in support of the 5 per cent. target rate for inflation and to achieve monetary neutrality in gold purchase operations. Under this framework, the NBK sells U.S. dollars against Tenge in volumes equivalent to the Tenge amount issued for the gold purchases. These operations are implemented in strict adherence to the principle of market neutrality. This mechanism improves transparency and helps monetary policy respond to new

challenges while maintaining economic stability. For the nine months ended 30 September 2025, the NBK sold U.S.\$4.3 billion under the mirroring mechanism. Following these measures, the Tenge exchange rate stabilized, the volatility declined and market liquidity normalized. For the twelve months ended 31 December 2025, the NBK sold U.S.\$7 billion under the mirroring mechanism.

To strengthen monetary policy transparency and enhance exchange rate predictability, the NBK has taken several important steps. While the NBK's share of FX operations is relatively small, any such operations are conducted in a fully open and transparent manner. By adhering to the principle of neutrality, avoiding the pursuit of a specific exchange rate level, and publishing comprehensive information on all FX operations, NBK policy framework fosters a degree of predictability in the dynamics of the Tenge, which supports the confidence and expectations of international investors.

The exchange system in Kazakhstan is free from restrictions on payments and transfers for current international transactions, although the Tenge is not fully convertible for capital account transactions outside of Kazakhstan.

(9) Kazakhstan's Banking Industry

(i) Structure of the Kazakhstan Banking System

Kazakhstan has a two-tier banking system with the NBK comprising the first tier and commercial banks comprising the second tier (with the exception of DBK, which as a state development bank has a special status and belongs to neither tier). All credit institutions in Kazakhstan are required to be licensed and regulated by the regulator, which is currently the ARDFM. According to data published by the ARDFM, as of 1 September 2025, there were 23 commercial banks in Kazakhstan (excluding DBK and the NBK), of which 15 were banks with foreign shareholders (including 10 subsidiaries of foreign banks), and one of which was a 100.0 per cent. state-owned bank. The five largest banks in the second tier accounted for 69 per cent. of total assets, 76 per cent. of total loans and 73 per cent. of total deposits of the banking sector.

For the twelve months ended 31 December 2025, total bank loans were KZT43,286.8 billion, representing an increase of 20.4 per cent. over the period. Loans to legal entities increased by 18.6 per cent. to KZT15,412.0 billion, while loans to individuals increased by 21.4 per cent. to KZT 27,874.8 billion. Deposits were KZT48,002.5 billion, increasing by 16.3 per cent during the year. Deposits from legal entities increased by 16.8 per cent. to KZT21,834.1 billion, while deposits from individuals increased by 15.8 per cent. to KZT26,168.5 billion. The share of deposits in national currency increased from 77.5 per cent to 78.9 per cent. over the period.

The ARDFM expects to continue to increase and enhance the competitiveness of the banking sector, the aim being to develop a group of strong banks with desired robust level of capital reserves.

(ii) Foreign Capital in the Banking Sector

The liberalisation of the Kazakhstan economy in recent years has resulted in a number of foreign companies, including banks, establishing operations in Kazakhstan through direct investment or by participating in the banking and financial services sector.

Prior to December 2020, foreign banks were prohibited from opening branches in Kazakhstan, and foreign banks were required to set up a local entity (i.e., subsidiary or joint venture company that was a Kazakhstan joint stock company) and obtain a regular local banking license to operate in Kazakhstan. In December 2020, Kazakhstan law was amended to widen access to the local financial market for foreign banks. Foreign banks are now able to provide a full range of banking services in Kazakhstan through their Kazakhstan branch offices by submitting simplified applications. The scope of the license to be issued by the ARDFM to a branch office of a foreign bank under the simplified applications must correspond to the scope of the license that the foreign bank holds in its home jurisdiction. Branch offices of foreign banks are subject to Kazakhstan regulatory requirements including, amongst others, the relevant local capital requirements and other requirements related to risk management, internal controls system and corporate governance.

A number of foreign banks have opened representative offices in Kazakhstan, including Bank of TokyoMitsubishi UFJ Ltd, Commerzbank AG, Deutsche Bank AG, ING Bank N.V., JP Morgan Chase Bank, N.A., Société Générale and UBS AG. In addition, as at 1 February 2024, there were 11 banks operating in Kazakhstan with foreign shareholders, including Citibank Kazakhstan and VTB Bank Kazakhstan. Under the relevant legislation, a bank with foreign holding is defined as being a bank with more than one-third foreign ownership. Banks with less than one-third, direct or indirect, foreign ownership are considered to be domestic banks. As at 31 May 2024, the total assets of VTB Bank Kazakhstan represented KZT0.2 trillion or 0.4 per cent. of the total assets of the Kazakhstan banking sector.

On 1 September 2023, President Kassym-Jomart Tokayev expressed the view that three reliable foreign banks should be attracted to Kazakhstan to increase competition in the banking sector. Kazakhstan is currently developing legislative amendments to liberalise the procedure for foreign banks to open their subsidiaries or branches in the country.

Recently, certain major international financial institutions successfully entered Kazakhstan's banking sector, including BNK Financial Group from South Korea, Abu Dhabi Commercial Bank from the United Arab Emirates and Lesha Bank from Qatar.

In October 2024, Abu Dhabi Commercial Bank PJSC acquired JSC "Islamic Bank Al Hilal", which was then renamed JSC "Islamic Bank ADCB". In October 2024, Qatar's Lesha Bank acquired JSC "Bereke Bank". In June 2025, a banking licence was issued to JSC "BNK Commercial Bank", a new digital bank. In March 2025, JSC MFO KMF received permission to convert to a second-tier bank and in August 2025 it received a banking licence. The official name of the new bank is JSC KMF Bank.

(iii) Banking Sector Supervision and Regulation

Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM)

With effect 1 January 2020, a new independent regulatory body, the ARDFM was established through a reorganisation of the NBK and took over the functions of regulation and development of the financial sector (banks, participants in the insurance market, securities market, microfinance and mortgage organisations, credit partnerships, pawn shops, online creditors, collection agencies and credit bureaus), including control and supervision, resolution procedures, liquidation of financial organisations and cybersecurity of the financial sector.

Prior to 2004, these functions were carried out by the NBK. From 2004 until April 2011, the regulatory function was carried out by Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organisations (the "FMISA") an independent entity that reported directly to the President. From April 2011, the NBK's functions in respect of the control and supervision of the financial sector were performed by the NBK's Committee for the Control and Supervision of the Financial Market and Financial Organisations (the "FMSC"). In January 2014, the FMSC was dissolved and its functions were then performed by the NBK.

The ARDFM is responsible for the licensing and supervision of financial institutions, supervision and development of the financial market, as well as consumer rights protection, while the NBK focuses on monetary and currency control policies as well as inflation control. The NBK has retained the functions related to collection and processing of financial reports of organisations in the financial sector, control and/or supervision and resolution procedures with respect to payment organisations, non-banking foreign exchange offices and collection organisations. The ARDFM is responsible for most of the supervisory and regulatory functions in the Kazakhstan financial sector. The ARDFM has the authority to regulate and supervise Kazakhstan's banking and insurance sectors, as well as the activities of accumulated pension funds, investment funds, credit bureaus and the securities market in Kazakhstan. In this respect, the ARDFM grants licences to financial institutions, monitors the activities of such institutions, applies necessary sanctions and participates in the liquidation of financial institutions.

The ARDFM is a state institution accountable to the President. The President has the power, amongst other things, to appoint and remove the Chairman of the ARDFM and, upon proposal of the Chairman of the ARDFM, the ARDFM's Deputy Chairman.

While the Competition Authority administers anti-monopoly legislation in Kazakhstan with respect to the banking sector, certain issues of anti-monopoly regulation are under the jurisdiction of both the Competition Authority and the ARDFM. For example, certain transactions with a value exceeding certain thresholds require the prior consent of the Competition Authority, and the thresholds that are applicable to regulated financial organisations are established jointly by the Competition Authority and the ARDFM.

To enhance financial stability, the NBK and the ARDFM coordinate their activities and have mutual representation in their governing bodies. They also share key information related to the financial markets with each other. A unified database of statistical and regulatory information has been created with equal access from the NBK and the ARDFM.

Capital Adequacy

The ARDFM monitors compliance with capital adequacy standards (in compliance with international standards set by the Basel Committee), current liquidity ratios, maximum credit exposures to single borrowers and related parties, maximum investments in fixed and other non-financial assets and limits on contingent obligations and foreign exchange positions. Since 1 July 2011, the minimum capital requirements for banks have been KZT10 billion. The minimum capital requirement for residential construction savings banks is currently KZT4 billion.

The ARDFM is currently continuing with implementation of Basel III standards, which were adopted in December 2010. The implementation of Basel III has been postponed on several occasions in line with the extended implementation of the Third Basel Accord. In September 2017, the NBK adopted amended prudential requirements, which, in line with Basel III, differ for banks that fall within the definition of systematically- important banks and banks which do not have such status. The amended requirements introduced two additional capital buffers: a “capital conservation buffer” and a “systematic buffer”. Systematically-important banks are required to maintain k1 of 9.5 per cent., k1-2 of 10.5 per cent. and k2 of 12 per cent. taking into account the “capital conservation buffer” and “systematic buffer”. Banks which are not considered systematically-important are required to maintain k1 of 7.5 per cent., k1-2 of 8.5 per cent. and k2 of 10 per cent. taking into account the “capital conservation buffer” and “systematic buffer”.

To mitigate the cyclical effects on the economy, a “countercyclical buffer” has been introduced, ranging from 0.0 to 3.0 per cent. of the aggregate of risk-weighted assets, contingent and possible liabilities.

As part of the development of risk-based supervision, several new measures were introduced in December 2023:

- 1) supervisory surcharge based on SREP results, ranging from 0.0 to 3.0 per cent. of the risk-weighted assets, contingent and possible liabilities;
- 2) supervisory surcharge based on SREP and regular AQR results, ranging from 0.0 to 6.0 per cent. of the risk-weighted assets, contingent and possible liabilities; and
- 3) buffer based on SST, ranging from 0.0 to 3.0 per cent. of the risk-weighted assets, contingent and possible liabilities.

Each of the supervisory surcharges based on SREP results and the combination of SREP and regular AQR results and the buffer based on SST is reviewed and set annually and remains in effect until a new amount is established.

The ARDFM has set the liquidity coverage and net stable funding ratios at 0.9 until 31 December 2025.

Deposit Insurance

In December 1999, a self-funded domestic deposit insurance scheme was established and, as at 1 November 2017, 30 banks were covered by the scheme. The insurance coverage is presently limited to personal deposits in any currency and current accounts up to a maximum amount per customer of KZT15 million for Tenge-denominated saving deposits, KZT10 million for Tenge-denominated deposits (other than saving) and KZT5 million for deposits denominated in foreign currencies. Only banks participating in the deposit insurance scheme are authorised to open accounts and take deposits from private

individuals.

Anti-Money Laundering Regulation

The NBK exercises control over financial institutions' compliance with the relevant anti-money laundering and anti-terrorist financing legislation. In August 2009, the Parliament adopted the Law "On Anti-money Laundering and Combating Financing of Terrorism" (the "AML Law"), which came into effect in March 2010 and which identifies various types of transactions subject to financial monitoring, such as exchanges or withdrawals of large sums of cash, large insurance payments and major securities or real estate transactions and establishes thresholds for each of them. Banks, pension funds, insurance and reinsurance companies and certain other financial institutions and individuals are required to monitor any such transaction entered into by their clients by conducting diligence as outlined in the AML Law with respect both to the clients and their transactions. In case it is not possible to conduct such diligence, the financial institution cannot establish relations with such clients and a transaction cannot be performed. The AML Law also requires any suspicious transaction to be reported to an authorised state body.

(iv) Performance of the Banking Sector

As of 31 December 2025, the total capital of commercial banks was KZT10,594 billion, compared to KZT8,890 billion and KZT7,492 billion as of 31 December 2024 and 29 December 2023, respectively. The total assets of the commercial banks increased to KZT70,774 billion as of 31 December 2025 from KZT61,557 billion as of 31 December 2024 and KZT51,440 billion as of 29 December 2023. Cumulative liabilities amounted to KZT60,180 billion as of 31 December 2025, compared to KZT52,667 billion and KZT44,580 billion as of 31 December 2024 and 29 December 2023, respectively. As of 31 December 2025, the liquid assets in the Kazakh banking sector accounted for 28.3 per cent. of total assets compared to 29.6 per cent. as of 31 December 2024. Non-performing loans as a share of total loans in the banking sector increased from 3.05 per cent. as of 31 December 2024 to 3.6 per cent. as of 31 December 2025.

De-dollarisation of the economy

Since transitioning to an inflation targeting regime and a freely floating exchange rate for the Tenge in 2015, despite certain periods of macroeconomic and political instability (such as in 2020 during the onset of the COVID-19 pandemic, as well as during the expansion of the Russia-Ukraine conflict in 2022), the NBK has managed to reduce the level of dollarisation from a peak of 70.0 per cent. in January 2016 to historically low levels.

As at 1 June 2024, the dollarisation of deposits is near a 26-year low, decreasing by 5.9 percentage points annually to 22.5 per cent. Dollarisation of retail deposits reached a 26-year low at 20.4 per cent, and corporate deposits dollarisation stood at 25.1 per cent. The downward trend in dollarisation was influenced by the following factors.

Firstly, high interest rates on tenge deposits amidst a moderately tight monetary policy. The increase in Tenge deposits is linked to higher rates on tenge deposits, and the corresponding increased differential between deposit rates in different currencies. Secondly, changes in the deposit guarantee system also supported the trend of de-dollarisation. The maximum amount of deposit insurance coverage for savings deposits in tenge increased from KZT15 million to KZT20 million in January 2022. As a result, the maximum guarantee amounts were set at KZT10-20 million for deposits, and KZT5.0 million for foreign currency deposits. Thirdly, the exchange rate policy under a floating exchange rate regime and two-way exchange rate volatility.

(10) Foreign Exchange Regulations

In 1996, Kazakhstan accepted the conditions of Article VIII of the IMF Articles of Agreement. The Law "On Foreign Exchange Regulation and Foreign Exchange Control", which was implemented in 1996, defined the list of current currency operations that could be accomplished without restrictions. In particular, while operations which assumed capital outflow required licensing, registration of capital inflow operations was conducted solely for statistical purposes and was not considered to be a restrictive measure.

By 2002, there was a need to develop new approaches to liberalisation of the currency exchange regime, which would lead to removal of certain restrictions on conducting currency operations, use of new methods of regulation of currency operations in accordance with demands of time and international experience. As a result, in 2002, the NBK established the concept of foreign exchange regime liberalisation in Kazakhstan, which envisaged step-by-step liberalisation of foreign exchange regime, complete removal of currency restrictions on capital flows and a transition to the full convertibility of the Tenge on current and capital operations by 2007. In accordance with the Foreign Exchange Control Law, further liberalisation of foreign exchange regime was implemented in June 2005. As a result, by 2007, legislative restrictions on the convertibility of the Tenge on current and capital operations were removed and conditions for transition to full convertibility of the Tenge were created. In 2018, new Law “On Foreign Exchange Regulation and Foreign Exchange Control” was introduced. The principal changes in the new law were the acknowledgement of branches of foreign non-financial organisations engaged in business activities in Kazakhstan through permanent offices (except those on the specifically established list of non-residents, who have contracts with the Government of Kazakhstan entered into prior to 1 July 2019) as residents of Kazakhstan; clarification of rules for foreign currency circulation in Kazakhstan; assignment of contract identification procedure instead of registration and notification regimes; definition of foreign exchange domestic market; identification of foreign exchange transactions potentially aimed at transferring funds out of Kazakhstan and optimisation of the reports collection from banks on foreign exchange transactions (notification of foreign exchange transactions).

The present foreign exchange regime of Kazakhstan does not contain limitations on capital movement or on commercial activities in the country. Currently, the goal of foreign exchange regulation in Kazakhstan is to support the Government policy of accomplishing sustainable economic growth and ensuring economic security of the country. Specifically, the main objective of foreign exchange regulation is maintenance of a database on currency operations and capital flows. From 1 July 2019, there is a single procedure for accounting of contracts on capital movements and accounts in foreign banks. When making a payment and/or transferring money under a contract, to which the requirement of obtaining an account number applies, or using an account in a foreign bank, to which an account number is assigned, an authorised bank (its branch) checks the availability of details in the payment document of contract and its account number. Requirement of assignment of contract identification number applies to contracts for the capital movement transactions, in which residents are involved (except authorised banks and branches (representative offices) of foreign organisations). Information and data on transactions that are subject for financial monitoring are provided by subjects of financial monitoring to the authorised body responsible for financial monitoring.

In order to ensure the supply of currency on the internal currency market, the foreign exchange legislation of Kazakhstan envisages a requirement for currency repatriation. According to applicable legislation, the time period for currency repatriation is determined solely by the conditions of an external economic contract. There are no limitations on conducting export or import transactions after the repatriation period. The currency repatriation requirement applies only to residents of Kazakhstan (corporate entities and entrepreneurs).

Due to existing risks of external shocks, the Foreign Exchange Control Law envisages a mechanism for the timely reaction to a threat to the stability of the balance of payments, the stability of the domestic foreign exchange market and economic security of Kazakhstan and the stability of its financial system. In particular, if a problem cannot be resolved by other measures of economic policy, the law envisages the possibility of a temporary (no more than one year) implementation of measures providing special procedure for conducting individual currency transactions in the framework of measures to protect the balance of payments, which may be introduced only by the Government after consultation with the NBK and other competent authorities. To date, Kazakhstan has not applied the measures to protect the balance of payments.

In March 2019, the NBK amended the Rules on Foreign Exchange Operations in Kazakhstan. Pursuant to these amendments, banks in Kazakhstan must notify the NBK about all transactions, in which the transaction amount equals or exceeds U.S.\$50,000 for the purpose of building a complete information base for all major foreign exchange transactions and capital flows.

(11) Foreign Exchange Market

The largest share of transactions on the currency spot market occurs on the KASE. The NBK buys and sells currencies when it acts to influence exchange rates. The major currency traded is the U.S. dollar, with a trading volume of KZT16.92 trillion in 2024, accounting for approximately 90.12 per cent. of total turnover (including currency swap operations). The second most frequently traded currency is the Russian rouble, with a trading volume of KZT1,923.20 billion in 2024, which accounted for 84.32 per cent. of total turnover (including currency swap operations).

With regard to exchange rates, the market rates of national currencies reflect the supply and demand for the currency. Since 2019, the exchange rates of countries, including Tenge, have been shaped by volatile oil prices, the disinflationary policy of central banks of developed countries, and an unstable geopolitical situation. In 2023, there was a tendency to strengthen the Tenge. Kazakhstan's foreign exchange market quickly adapted to external shocks and was balanced in terms of supply and demand with a moderate, adequate level of volatility. Further dynamics of exchange rates of national currencies will depend on internal and external factors, however, there is a trend toward weakening disinflationary processes, lower interest rates by central banks and gradual stabilisation of global markets.

(12) Capital Markets

(i) KASE

The principal stock exchange in Kazakhstan, the KASE is a commercial organisation. It is located in Almaty and was founded in 1993 as the Kazakhstan Interbank Currency Exchange. The KASE is a universal financial market, which can be conditionally divided into five major sectors: foreign exchange market, government securities market (including bonds of international finance institutions), equity and corporate bonds market, repo transactions market and derivatives market. Presently, the securities traded on the KASE include NBK notes, corporate securities issued by Kazakhstan entities and municipal bonds.

In 2024, the total trading volume on the KASE amounted to U.S.\$830.4 billion. Of this total volume, U.S.\$80.5 billion accounted for the foreign exchange market, while U.S.\$722.2 billion was traded on the money markets (including foreign exchange swap operations). The trading volume of government securities reached U.S.\$17.2 billion, and the trading volume of non-government securities amounted to U.S.\$10.5 billion. Derivatives trading totaled less than U.S.\$0.1 million.

In 2025, the total trading volume on the KASE amounted to U.S.\$769.1 billion. Of this total volume, U.S.\$98.2 billion accounted for the foreign exchange market, while U.S.\$641.1 billion was traded on the money markets (including foreign exchange swap operations). The trading volume of government securities reached U.S.\$16.5 billion, and the trading volume of non-government securities amounted to U.S.\$13.3 billion. Derivatives trading volume amounted to U.S.\$18.3 million.

For the one month ended 31 January 2026, the total volume of trades in securities on the KASE amounted to U.S.\$1.36 billion while the total trading volume on money markets (including repo and foreign exchange swap operations) reached U.S.\$72.49 billion.

(ii) AIFC

On 19 May 2015, the Former President Nursultan Nazarbayev adopted a decree on the establishment of the AIFC as an important component of country-wide economic and institutional reform playing a key role at enhancing economic growth, as part of the 100 Specific Steps programme. The AIFC was established the following year. The establishment of the AIFC and the related legal framework was aimed at improving conditions for investors including having dealings between participants of the AIFC governed by English law principles, norms and precedents, use of the English language in the AIFC, having the AIFC meet standards of leading world financial centres and the establishment of a court (with participation of common law judges) for settlement of disputes, including investment disputes.

The AIFC is now a full-fledged financial centre with its own legal and regulatory framework. The AIFC operates within a special legal regime based on common law principles, which regulates the legal relationships between AIFC participants and third parties and is aimed at the development of the financial market. The Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" of 7 December 2015 (the "AIFC Framework Law"), lies at the core of the AIFC

legal framework. The institutional framework established under the AIFC Framework Law includes the AIFC Management Council, the AIFC Authority, the Astana Financial Services Authority, the AIFC Court and the International Arbitration Centre, the AIX, the Bureau for Continuing Professional Development, the Expat Centre, the FinTech Hub, the Green Finance Centre and AIFC Business Connect.

Under the AIFC Framework Law, AIFC's participants are exempt from corporate income tax on income received in the territory of the AIFC for 50 years until 2066. Profits realised from the capital gain and dividends on the securities in the official list of the AIX are exempt from income tax. The AIFC Framework Law also provides for simplified visa and labour regimes for the AIFC entities and participants.

According to the AIFC's development strategy through 2025, which was approved in July 2020. In accordance with the strategy, the vision of AIFC is to become the leading financial centre in the region that includes Central Asia, the Caucasus, Eurasian Economic Union countries, western China, Mongolia, and Eastern Europe. The mission of the AIFC is in assisting the sustainable and long-term development of the region. The strategic directions for the sustainable development of the AIFC include the development of a circular economy, financial technologies and a "digital financial centre".

(iii) AIX

AIX was established in 2017 as part of the AIFC. The AIX's mission is to develop the public equity and debt capital markets in Kazakhstan and the Central Asian region. The AIX's shareholders are the AIFC, the Shanghai Stock Exchange, the Silk Road Fund and Nasdaq, which provides the AIX trading platform. The AIX operates in the AIFC regulatory environment and is regulated by the Astana Financial Services Authority, an independent regulator established within the AIFC.

The AIX operates through an ecosystem of over 43 trading members, including brokers operating in Kazakhstan, as well as brokers from Europe, China, Russia and Middle East. The AIX's securities market consists of the following segments: Main Board (Equity / Debt); Regional Equity Market Segment; Pre-IPO Listing Segment; Belt and Road Market Segment; and Junior Mining Segment. Securities traded on the AIX include shares, GDRs, Exchange-Traded Funds (ETFs), structured products and debt securities (including corporate bonds, green bonds, social bonds, Sukuk, Exchange-Traded Notes (ETNs), sovereign bonds and Eurobonds).

The AIX operates a central order book market model where bid and offer orders are submitted by members.

On 8 January 2024, the European Securities and Markets Authority (ESMA), which is the EU's financial markets regulator and supervisor, recognised AIX as an eligible third-country trading venue for the purpose of transparency compliance under MiFID II / MiFIR. AIX was included into the positive assessed list of the ESMA's Transparency opinion. Being included in the ESMA's positive assessment list implies that the European investment firms executing trades on AIX are exempt from the mandatory transaction reporting of such trades under MiFIR.

As at 1 June 2024, 177 securities of 108 various issuers listed, including shares and GDRs, bonds, exchange-traded notes and structured products.

In the five months ended 31 May 2024, the aggregate volume of trades on AIX has already exceeded the volume of trades for the whole of 2023. The AIX CSD has 1.75 million customer accounts (including +167,000 in the five months of 2024).

(iv) Regulation of the Securities Market

Since 1 January 2020, the ARDFM has been responsible for the Kazakhstan state policy on the functioning of the domestic securities market (excluding the AIFC), the development of its infrastructure and the protection of rights and interests of investors. One of its functions is securities market development, regulation, control and supervision. The functions of the ARDFM in this regard include development and drafting of legislative acts, registration of securities issues, maintenance of a register of all securities issued and circulating in Kazakhstan, licensing of professional activities in the securities markets and overseeing compliance with Kazakhstan's securities law.

The Astana Financial Services Authority (the “**AFSA**”) is responsible for regulating and supervising capital markets in the AIFC, including securities market and market participants. In its regulatory and supervisory capacity, the AFSA is independent from the NBK, the ARDFM and other Kazakhstan governmental authorities.

The Financial Institutions Association of Kazakhstan, a self-regulatory organisation that was established in 1999, also plays a role in the regulation of the securities market.

(v) Pension Funds

Since March 2014, all pension assets in Kazakhstan have been held by the UAPF. Since January 2021 citizens who have pension savings in the UAPF have been given the opportunity to place a part of their pension savings, that exceeds the minimum threshold of sufficiency, under discretionary management in private investment management companies. Pension savings can be transferred only to those private investment management companies that have a license to manage the investment portfolio and meet the additional requirements established by the ARDFM.

As at 31 December 2025, total pension assets in Kazakhstan were KZT25,213.6 billion, consisting of Government securities (42.2 per cent.), NBK notes (0 per cent.), non-government securities of foreign issuers (2.2 per cent.), foreign government securities (15.3 per cent.), international financial institution securities (1.7 per cent.), non-government domestic securities (13.6 per cent.), bank deposits (4.3 per cent.), assets under external management (20.2 per cent.) and monetary funds on investment account and other assets (0.2 per cent.).

(vi) Government Securities

The market for KZT-denominated government securities comprises KZT-denominated Government Bonds, NBK notes and bonds issued by local government authorities. Secondary trading in NBK notes takes place on the KASE and on the interbank market.

The NBK is currently working on building an adequate yield curve. For this purpose, the NBK and the Ministry of Finance are working on consolidation of issuance of Government securities on key maturities in order to create benchmark points for the yield curve. Additionally, the NBK, together with the Ministry of Finance, is currently working to bring about the inclusion of Kazakhstan sovereign bonds in international emerging market indices.

Active measures are being taken to include Kazakhstan’s sovereign bonds in the JP Morgan GBI-EM index. For this purpose, a joint plan of the Government, the NBK and the ARDFM was established. Such inclusion would be expected to increase the recognition of Government bonds of Kazakhstan among the global investment community, attract foreign portfolio investments and contribute to the further development of the local stock market.

SECTION 5: PRINCIPAL ECONOMIC DATA OF KAZAKHSTAN

1. The Economy of Kazakhstan

Table 1: Gross Domestic Product

The following table below sets forth data regarding Kazakhstan's GDP and population for the periods presented.

	Year ended 31 December		
	2023	2024 ⁽¹⁾	2025 ⁽²⁾
Nominal GDP (KZT billions).....	119,442.3	136,693.3	159,561.3
Real GDP growth rate (% change).....	5.1	5.0	6.5
Nominal GDP per capita (KZT).....	6,002,027.1	6,780,886.4	7,825,590.8
Nominal GDP per capita (U.S.\$).....	13,153.4	14,444.6	15,003.3
Real GDP per capita growth (% change)	3.7	3.7	5.3
GDP deflator (% change)	11.2	9.0	9.7
Total population (thousands) (end of period)	19,900.3	20,158.6	20,499.8

Source: NSB, MNE

Notes:

(1) Updated data

(2) Operational data

Table 2: GDP by Source

The following table sets forth the composition of Kazakhstan's nominal GDP by source for the periods presented.

	Year ended 31 December		
	2023	2024 ⁽¹⁾	2025 ⁽²⁾
	<i>(KZT millions)</i>		
Production of goods	43,301,995.5	49,202,895.7	57,587,219.0
<i>of which:</i>			
Agriculture, forestry and fishing	4,568,671.3	5,306,833.1	5,973,644.0
Industry	32,012,398.6	35,717,802.5	41,947,709.6
<i>of which:</i>			
Mining and quarrying	15,365,189.3	16,430,049.2	18,947,271.6
Manufacturing	14,677,293.6	16,941,133.3	20,273,449.1
Electricity, gas, steam and air conditioning supply	1,690,003.0	2,016,982.3	2,379,741.8
Water supply; sewerage, waste management and recycling	279,912.7	329,637.7	347,247.1
Construction	6,720,925.6	8,178,260.1	9,665,865.4
Production of services	67,299,123.5	79,203,932.4	92,070,150.0
<i>of which:</i>			
Wholesale and retail trade; repair of motor vehicles and motorcycles	21,816,414.2	26,007,101.5	30,592,907.6
Transport and storage	6,716,351.2	7,752,756.9	9,525,040.6
Accommodation and food service activities	1,305,506.8	1,580,662.4	1,856,034.4
Communications and information	2,595,103.4	3,013,049.3	3,483,896.4
Financial and insurance activities.....	3,934,921.8	4,649,709.1	5,769,692.9
Real estate activities	8,942,176.8	11,576,195.0	13,204,921.0
Professional, scientific and technical activities	4,188,167.1	4,252,469.0	4,580,306.1

	Year ended 31 December		
	2023	2024⁽¹⁾	2025⁽²⁾
	<i>(KZT millions)</i>		
Administrative and support service activities	2,821,767.4	3,210,188.6	3,384,143.8
Public administration and defence; compulsory social security	2,442,908.7	2,630,560.3	3,023,100.2
Education.....	5,337,072.7	5,729,285.5	6,536,117.1
Human health and social work activities	3,490,168.7	4,075,853.2	4,618,998.0
Arts, entertainment and recreation	1,047,193.4	1,257,750.9	1,476,899.9
Other service activities	2,460,139.8	3,175,149.4	3,680,991.2
Activities of households as employers; undifferentiated goods and services – producing activities of households for own use.....	201,231.5	293,201.3	337,100.8
Gross value added	110,601,119.0	128,406,828.1	149,657,369.0
Net taxes on products and imports	8,841,170.7	8,286,490.2	—
Product and import taxes.....	9,180,745.3	8,713,991.3	9,903,977.6
Product and import subsidies	339,574.6	427,501.1	—
Total GDP	119,442,289.7	136,693,318.3	159,561,346.6

Source: NSB, MNE

Notes:

(1) Updated data

(2) Operational data

Table 3: GDP by Source, as a percentage of total GDP

The following table sets forth the composition of Kazakhstan’s nominal GDP by source, as a percentage of total GDP, for the periods presented.

	Year ended 31 December		
	2023	2024*	2025**
	<i>(percentage share of GDP)</i>		
Production of goods	36.2	35.9	36.1
<i>of which:</i>			
Agriculture, forestry and fishing	3.8	3.8	3.7
Industry	26.8	26.1	26.3
<i>of which:</i>			
Mining and quarrying	13.0	12.0	11.9
Manufacturing	12.2	12.4	12.7
Electricity, gas, steam and air conditioning supply ...	1.4	1.5	1.5
Water supply; sewerage, waste management and recycling.....	0.2	0.2	0.2
Construction	5.6	6.0	6.1
Production of services	56.4	58.0	57.7
<i>of which:</i>			
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	18.2	19.0	19.2
Transport and warehousing	5.6	5.7	6.0
Accommodation and food service activities	1.1	1.2	1.2
Communications and information	2.2	2.2	2.2
Financial and insurance activities.....	3.3	3.4	3.6
Real estate activities	7.5	8.5	8.3

	Year ended 31 December		
	2023	2024*	2025**
	<i>(percentage share of GDP)</i>		
Professional, scientific and technical activities.....	3.5	3.1	2.8
Administrative and support service activities.....	2.4	2.4	2.1
Public administration and defence; compulsory social security.....	2.0	1.9	1.9
Education.....	4.5	4.2	4.1
Human health and social work activities.....	2.9	3.0	2.9
Arts, entertainment and recreation	0.9	0.9	0.9
Other service activities	2.1	2.3	2.3
Activities of households as employers; undifferentiated goods and services-producing activities of households for own use.....	0.2	0.2	0.2
Gross value added	92.6	93.9	93.8
Net taxes on products and imports	7.4	6.1	n/a
Product and import taxes	7.7	6.4	6.2
Product and import subsidies.....	0.3	0.3	n/a
Total GDP	100.0	100.0	100.0

Source: NSB, MNE

Notes:

* Updated data

** Operational data

Table 4: GDP by Use

The following table sets forth the composition of GDP by use for the periods indicated.

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>(percentage share of GDP)</i>			
Consumption.....	59.9	62.9	64.4	61.5
Private.....	49.1	51.4	53.4	49.7
Public.....	10.5	11.2	10.8	11.4
Non-profit institutions	0.3	0.3	0.2	0.4
Gross domestic investment	25.0	28.1	27.5	30.6
Fixed capital	22.1	24.9	24.5	25.7
Inventory accumulation.....	2.9	3.2	2.9	4.9
Net exports	14.8	7.0	5.5	5.3
Exports of goods and services	41.6	34.7	31.2	35.3
Imports of goods and services	26.8	27.7	25.7	30.0
Statistical discrepancy.....	0.3	2.0	2.6	2.6
GDP	100.0	100.0	100.0	100.0

Source: NSB, MNE

Table 5: Industrial Output by Economic Sector

The following table sets forth Kazakhstan's industrial output (goods and services) by economic sector in Tenge for the periods presented.

	Year ended 31 December		
	2023	2024	2025
Mining and quarrying.....	21,925,281.779	22,902,616.437	26,844,380.399
<i>of which:</i>		<i>(KZT millions)</i>	
Coal and lignite	539,631.826	546,153.465	683,652.150
Crude oil	15,822,890.400	16,112,419.608	18,048,198.093
Natural gas.....	264,066.432	236,590.724	547,789.455
Metal ores	3,884,675.651	4,537,894.761	5,822,617.109
Other mining	409,590.388	429,860.977	633,976.236
Technical services to mining industry	1,004,427.082	1,039,696.902	1,108,108.357
Manufacturing	22,047,486.010	25,051,001.301	30,631,691.711
<i>of which:</i>			
Foods	3,184,968.764	3,286,394.857	3,917,712.906
Beverages	904,197.453	937,657.467	1,220,125.681
Tobacco	282,650.673	293,849.573	543,356.119
Light industry	237,409.918	219,310.227	259,547.564
Wood and cork products (excluding furniture), straw wares and wickerwork....	64,207.323	65,032.932	58,036.747
Paper products	138,848.359	146,534.678	162,408.714
Coke and refined petroleum products	1,135,396.045	1,267,307.757	1,355,921.114
Chemicals and chemical products	1,006,760.574	1,190,833.015	1,583,155.050
Basic pharmaceuticals	139,845.470	175,839.687	191,150.793
Rubber and plastic products	448,754.832	451,693.820	520,470.690
Other non-metallic mineral products	1,281,367.560	1,441,925.897	1,734,642.607
Metallurgy ⁽¹⁾	8,191,948.263	9,876,843.995	12,400,367.571
Metal products (excluding machines and equipment)	480,556.526	586,630.852	660,820.029
Engineering, including machine building	4,317,533.929	4,835,625.949	5,708,248.950
Furniture	106,256.427	126,230.731	165,112.017
Electrical supply, gas supply, steam supply and air conditioning.....	2,590,672.901	2,995,319.890	3,580,252.798
Water supply, sewer system, waste system collection and removal of waste.....	428,345.972	520,145.924	504,320.940
Total industrial output.....	46,991,786.662	51,469,084.552	61,560,645.848

Table 6: Kazakhstan's Major Oil Fields

The following table sets out production of oil in Kazakhstan's major oil fields for the periods indicated.

Oil and Gas Condensate Field	Year ended 31 December		
	2022	2023	2024
		<i>(million tonnes)</i>	
Tengiz	29.2	28.9	27.8
Karachaganak ⁽¹⁾	11.3	12.1	12.2
Kashagan ⁽¹⁾	12.7	18.8	17.4

Source: KazMunayGas Annual reports, MNE

Note:

(1) Production of liquid hydrocarbons for Karachaganak and oil and condensate production for Kashagan.

Table 7: Natural Gas Consumed

The following table sets out the amount of natural gas consumed in Kazakhstan and exported by Kazakhstan, for the periods presented.

	Year ended December 31		
	2022	2023	2024
	<i>(billion cubic meters)</i>		
Total consumption of natural gas in Kazakhstan	19.3	19.4	21.2
Total natural gas exports	12.8	13.5	8.7

Source: Ministry of Energy

Table 8: Renewable Energy Facilities

The location and capacity of renewable energy facilities in Kazakhstan is as follows.

Region/city	Number of facilities	Total capacity (MW)
Zhambyl	21	560.83
Akmola	19	541.35
Almaty	24	374.446
Karaganda	9	322.47
Turkestan	21	278.285
Zhetisu	17	250.575
Abai	8	159.7
Kyzylorda	8	128.97
Mangistau	6	115.6
Ulytau	2	110
Aktobe	4	108.95
Atyrau	2	100.8
Kostanay	3	98.35
East Kazakhstan	5	66.705
Shymkent	3	21.35
North Kazakhstan	3	7.96
Almaty	3	1.83

Table 9: Electricity Capacity

The table below shows the installed and electricity production capacity of Kazakhstan as of the dates presented.

	As of December 31		
	2022	2023	2024
	<i>(MW)</i>		
Installed electricity capacity	24,320	24,641	25,314
Electricity production capacity	20,310	20,428	21,034

Source: Kazakhstan Electricity Grid Operating Company (KEGOC)

Table 10: Average Monthly Nominal Wages

The following table sets out information on the average monthly nominal wages in Kazakhstan for the years indicated.

	Year ended 31 December		
	2023	2024	2025
Average monthly nominal earnings	364,295	434,982	473,158

Source: NSB

Table 11: Pensions

The following table sets out information regarding pension assets and contributions in Kazakhstan for the periods presented.

	Year ended 31 December		
	2023	2024	2025
		(KZT)	
Pension assets (end of year)	17,864.6	22,538.9	25,213.6
<i>of which:</i>			
Investment income (end of year).....	9,360.6	12,695.4	14,438.6
Pension contributions	2,161.4	2,558.0	2,795.0

Source: NBK

*Investment income as of July 2025 was 13,790.7 (KZT billions).

2. Balance of Payments and Foreign Trade

Table 12: Balance of Payments

The following table sets forth the balance of payments of Kazakhstan for the years presented based on the methodology of the Balance of Payments and International Investment Position Manual (Sixth Edition, 2009).

	Year ended December 31		
	2023	2024	2025
		(USD millions)	
Current account	(8,284.4)	(6,763.9)	(12,451.0)
<i>Trade balance</i>	20,167.0	17,483.2	11,043.8
Exports	80,216.2	78,278.5	77,325.4
Imports	60,049.2	60,795.3	66,281.6
<i>Services</i>	(1,817.0)	(1,092.7)	(1,192.2)
Exports	10,525.2	11,866.7	12,818.9
Imports	12,342.2	12,959.4	14,011.1
<i>Primary income</i>	(26,236.5)	(23,338.6)	(22,134.3)
Compensation of employees, net	(1,921.1)	(2,015.6)	(2,061.6)
Investment income, net	(24,507.0)	(21,545.3)	(20,319.0)
Other primary income, net	191.6	222.3	246.4
<i>Secondary income</i>	(397.9)	184.2	(168.4)
Capital account balance	1,249.5	(313.4)	(277.6)
Financial account ⁽¹⁾	(1,685.9)	(3,866.9)	(64.4)
<i>Direct investment</i>	(2,578.3)	(3,994.6)	1,684.9
Net acquisition of financial assets	3,145.2	(1,901.5)	468.5
Net incurrence of liabilities	5,723.6	2,093.1	(916.4)
<i>Portfolio investment</i>	5,097.6	3,491.7	848.9
Net acquisition of financial assets	3,681.9	3,811.3	7,101.9
Net incurrence of liabilities	(1,415.8)	319.7	6,253.1
<i>Financial derivatives, net</i>	(21.8)	(19.5)	(12.8)
<i>Other investment</i>	(4,183.4)	(3,344.4)	(2,285.4)

	Year ended December 31		
	2023	2024	2025
	<i>(USD millions)</i>		
Other equity, net.....	64.1	58.7	7.1
Medium- and long-term debt instruments.....	(1,241.1)	(2,106.3)	(3,094.1)
Short-term debt instruments.....	(3,006.5)	(1,296.7)	801.6
Net errors and omissions	(572.9)	2,317.6	7,293.0
Overall balance	5,921.8	892.9	5,371.2
Financing	(5,921.8)	(892.9)	(5,371.2)
<i>Reserve assets of NBK</i>	(5,921.8)	(892.9)	(5,371.2)

Source: NBK

Note:

(1) Financial account does not include reserve assets of the NBK.

Table 13: Current Account

The following table provides for dynamics of the current account of the balance of payments.

	2023	2024	2025
	<i>(billion U.S. dollars)</i>		
Current account	(8.3)	(6.8)	(12.5)
<i>in % of GDP</i>	(3.2%)	(2.3%)	(4.1%)
Trade balance	20.2	17.5	11.0
<i>Export</i>	80.2	78.3	77.3
<i>Import</i>	60.0	60.8	66.3
Balance of services	(1.8)	(1.1)	(1.2)
Income balance	(26.2)	(23.3)	(22.1)

Source: NBK

Table 14: Composition of Exports

The following table sets out the composition of Kazakhstan's exports on a customs basis (excluding unregistered trade adjustments) for the periods presented.

	Year ended December 31					
	2023		2024		2025	
	<i>(U.S.\$ millions)</i>	<i>(%)</i>	<i>(U.S.\$ millions)</i>	<i>(%)</i>	<i>(U.S.\$ millions)</i>	<i>(%)</i>
Exports						
Products of animal and vegetable origin, finished foodstuffs.....	5,376.4	6.8	5,100.3	6.2	7,087.6	9.0
Mineral products ⁽¹⁾	51,990.5	65.7	51,934.2	63.6	48,661.9	61.6
Chemical products and products of related sectors (including rubber and plastic)	5,843.3	7.3	7,042.9	8.6	6,854.9	8.7
Leather and fur products....	13.9	0.0	18.5	0.0	22.3	0.1
Timber, wood pulp and paper products	199.5	0.3	197.5	0.2	148.4	0.2
Textiles and textile products	309.9	0.4	369.6	0.5	287.5	0.4
Footwear, headwear and fashion accessories	21.3	0.0	33.2	0.1	37.6	0.1

	Year ended December 31					
	2023		2024		2025	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Construction materials.....	80.5	0.1	98.9	0.1	115.7	0.1
Metals and metal products ⁽²⁾	9,667.7	12.2	10,921.1	13.5	10,407.1	13.1
Machinery, equipment and transport, devices and apparatus.....	4,394.7	5.6	4,738.9	5.8	3,770.2	15.9
Other.....	1,240.7	1.6	1,219.3	1.5	1,647.9	2.1
Total exports	79,138.7	100.0	81,674.1	100.0	79,041.2	100.0

Source: Ministry of Finance, MNE

Notes:

(1) Mineral products include oil, gas and coal as well as metals and precious stones.

(2) Metals and metal products (including precious metals and items produced from them) are at a more advanced stage of refining or processing than metals in the mineral products category.

Table 15: Composition of Imports

The following table sets out the composition of Kazakhstan's imports on a customs basis (excluding unregistered trade adjustments) for the periods presented.

	Year ended December 31					
	2023		2024		2025	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Imports						
Products of animal and vegetable origin, finished foodstuffs.....	6,381.8	10.6	6,733.5	11.1	7,428.8	11.5
Mineral products ⁽¹⁾	3,223.3	5.3	3,157.3	5.2	3,739.5	5.8
Chemical products and products of related sectors (including rubber and plastic)	9,003.6	14.9	9,560.8	15.8	10,213.5	15.8
Leather and fur products ...	222.5	0.4	160.6	0.3	214.4	0.3
Timber, wood pulp and paper products	1,252.5	2.1	1,317.3	2.2	1,399.9	2.2
Textiles and textile products	3,600.6	6.0	3,482.3	5.8	2,863.4	4.4
Footwear, headwear and fashion accessories	907.8	0.5	723.3	1.2	348.7	0.4
Construction materials.....	752.4	1.2	879.9	1.5	701.3	1.1
Metals and metal products ⁽²⁾	5,662.6	9.4	5,941.3	9.8	6,051.3	9.3
Machinery, equipment and transport, devices and apparatus.....	27,288.2	45.1	26,001.4	43.1	28,977.5	44.7
Other.....	2,116.8	3.5	2,440.3	4.0	2,908.5	4.5
Total imports	60,412.2	100.0	60,397.9	100.0	64,847.0	100.0

Table 16: Trade Balance

The following table sets out the balance between Kazakhstan's exports and imports by products category and for total exports and imports on a customs basis (excluding unregistered trade adjustments) for the

years presented.

	Year ended December 31					
	2022		2023		2024	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Trade Balance						
Products of animal and vegetable origin, finished foodstuffs	(569.4)	(1.7)	(866.3)	(4.9)	1,711.8	(7.8)
Mineral products ⁽¹⁾	53,914.9	160.2	48,798.0	278.6	(48,740.0)	223.3
Chemical products and products of related sectors (including rubber and plastic)	(3,763.8)	(11.2)	(3,258.8)	(18.6)	2,390.8	(11.0)
Leather and fur products.....	(139.0)	(0.4)	(208.0)	(1.2)	141.9	(0.7)
Timber, wood pulp and paper products	(1,135.3)	(3.4)	(1,099.3)	(6.3)	1,108.3	(5.1)
Textiles and textile products.....	(2,306.9)	(6.9)	(4,454.4)	(25.4)	3,065.6	(14.0)
Footwear, headwear and fashion accessories	(499.8)	(1.5)	(1,025.9)	(5.9)	693.1	(3.2)
Construction materials.....	(696.1)	(2.1)	(661.4)	(3.8)	778.1	(3.6)
Metals and metal products ⁽²⁾	6,664.6	19.8	4,023.6	23.0	(5,076.4)	23.3
Machinery, equipment and transport, devices and apparatus.....	(16,507.6)	(49.0)	(22,889.9)	(130.7)	20,885.0	(95.7)
Other	(1,303.0)	(3.9)	(842.0)	(4.8)	1,209.9	(5.5)
Total trade balance	33,658.7	100.0	17,515.6	100.0	(21,831.1)	100.0

Source: Ministry of Finance, MNE

Notes:

- (1) Mineral products include oil, gas and coal as well as metals and precious stones.
- (2) Metals and metal products (including precious metals and items produced from them) are at a more advanced stage of refining or processing than metals in the mineral products category.

Table 17: Exports of Oil and Gas

The following table sets out the volumes of exports of the main oil and gas products from Kazakhstan for the years presented.

	Year ended December 31		
	2022	2023	2024
	(million tons)		
Crude oil	65.2	70.6	71.0
Fuel oil	2.3	2.2	1.5
Natural gas condensate billion m ³	4.4	5.3	8.7

Source: Ministry of Finance

Table 18: Geographic Distribution of Kazakhstan's Exports

The following table sets out the geographic distribution of Kazakhstan's exports based on actual trade flows (excluding unregistered trade adjustments) for the years presented.

	Year ended December 31		
	2023	2024	2025
	(U.S.\$ millions)		
Exports to non-CIS countries, including	62,622.5	65,867.1	63,496.0
Germany	740.3	1,160.8	1,247.2
United Kingdom.....	702.9	420.1	1,220.4
Netherlands	4,056.5	5,295.6	5,981.9

	Year ended December 31		
	2023	2024	2025
	<i>(U.S.\$ millions)</i>		
Switzerland.....	940.6	1,228.2	1,079.2
Japan.....	587.7	506.6	435.2
U.S.....	1,509.8	1,974.0	1,031.6
Italy	14,833.8	18,663.8	15,636.8
Finland.....	3.1	8.6	11.6
France.....	2,949.5	3,688.8	3,325.8
Egypt	23.7	137.2	209.7
India.....	449.2	464.2	415.7
Iran	83.5	123.3	239.3
Lithuania	92.9	71.6	65.8
China	14,666.9	14,891.4	15,208.7
Turkey	3,943.1	3,314.4	3,899.9
Exports to CIS countries, including.....	16,515.9	15,806.9	15,545.2
Ukraine.....	55.0	68.2	40.9
Belarus.....	183.4	171.3	271.2
Russia	10,207.2	9,551.9	8,141.5
Uzbekistan.....	3,129.1	2,836.6	3,521.8
Total exports	79,138.8	81,674.1	79,041.2

Source: NSB

Table 19: Geographic Distribution of Kazakhstan's Imports

The following table sets out the geographic distribution of Kazakhstan's imports based on actual trade flows (excluding unregistered trade adjustments) for the years presented.

	Year ended December 31		
	2023	2024	2025
	<i>(U.S.\$ millions)</i>		
Imports from non-CIS countries,			
<i>including</i>	40,036.4	38,378.7	42,039.2
Germany.....	3,033.3	2,845.9	3,138.6
US.....	2,543.5	2,245.8	2,154.0
Japan.....	1,604.3	1,284.9	1,348.0
Italy	1,242.1	1,278.1	1,277.3
South Korea.....	2,209.5	1,878.5	2,245.1
Finland.....	205.1	163.3	171.6
France.....	1,296.0	1,861.9	1,525.5
Poland.....	696.5	640.3	667.0
United Kingdom.....	478.8	466.2	301.9
Netherlands	392.4	387.0	350.8
Argentina.....	23.5	36.0	30.6
Brazil.....	237.5	164.1	184.4
India.....	580.7	516.9	507.6
Malaysia	213.6	140.7	205.3
Thailand.....	312.3	230.4	216.5
China	15,389.2	15,266.2	18,940.8
Turkey	2,041.6	1,662.0	1,512.6
Imports from CIS countries, including	20,375.8	22,019.2	22,807.8
Ukraine.....	336.8	326.1	374.9
Belarus.....	764.8	760.9	937.4
Russia	16,847.0	18,583.7	19,231.3
Uzbekistan.....	1,287.9	1,304.0	1,279.8

	Year ended December 31		
	2023	2024	2025
		<i>(U.S.\$ millions)</i>	
Total imports	60,412.2	60,398.0	64,847.0

Source: NSB

Table 20: Foreign Direct Investment

The following table shows the gross FDI inflow into, and outflow from, Kazakhstan for the periods presented.

	Year ended December 31		
	2023	2024	2025
		<i>(U.S.\$ millions)</i>	
Gross inflow of FDI⁽¹⁾	23,866	17,881	20,451
<i>including</i>			
Mining and quarrying	23,866	6,371.4	3,374.7
- <i>including extraction of crude oil and natural gas</i>		3,109.1	615.9
Manufacturing	8,626.8	2,951.4	4,351.3
Construction	5,805.3	290.9	(238.9)
Wholesale and retail trade; repair of motor vehicles and motorcycles	5,378.7	5,334.7	4,774.7
Transportation and storage	906.9	170.4	976.9
Information and communication	4,990.0	571.9	1,387.6
Financial and insurance activities	1,119.5	648.2	4,259.6
Professional, scientific and technical activities	369.7	907.6	307.9
Gross outflow of FDI⁽²⁾	4,946	1,882	2,446
<i>including</i>			
Mining and quarrying	52.1	(30.8)	(21.0)
Manufacturing	171.6	132.3	211.9
Construction	22.1	51.6	44.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	142.4	94.9	40.8
Transportation and storage	160.1	127.1	85.9
Financial and insurance activities	3,469.4	953.7	1,502.4
Professional, scientific and technical activities	509.0	51.6	41.8
Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use	270.9	408.2	449.6

Source: NBK

Notes:

- (1) Gross inflow of FDI includes: (i) purchase of at least 10.0 per cent. of voting shares or shares in domestic enterprises by non-residents or purchase of real estate in Kazakhstan by non-residents, (ii) reinvested earnings: share of foreign direct investors in undistributed income (loss) in domestic enterprises and (iii) increase in debt instruments: flow of funds from foreign direct investors (both in cash and other forms, including goods, services, intangible assets and purchase of securities) without amortisation.
- (2) Gross outflow of FDI includes: (i) purchase of at least 10.0 per cent. of voting shares or shares in foreign enterprises by residents of Kazakhstan or purchase of foreign real estate by residents of Kazakhstan, (ii) reinvested earnings: share of domestic direct investors in undistributed income (loss) in foreign enterprises and (iii) increase in debt instruments: flow of funds from domestic direct investors (both in cash and other forms, including goods, services, intangible assets and purchase of securities) without amortisation.

3. Public Finance

Table 21: Budget (in KTZ millions)

The following tables set forth certain summary information on Kazakhstan's Consolidated Budget, State Budget, Republican Budget and Local Budgets (in KTZ millions) for the periods indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(KZT millions)</i>		
Consolidated Budget ⁽²⁾			
Receipts	30,048,105.4	35,216,772.1	38,424,286
Revenues ⁽³⁾	25,553,531.3	25,595,826.5	28,682,747
Expenditure ⁽⁴⁾	29,815,977.4	33 516 099.7	37,582,933
Balance (Deficit)/Surplus	232,128.0	1,700,672.4	841,353
State Budget			
Receipts	25,164,650	27,454,895	30,145,099
Revenues ⁽³⁾	24,917,246	27,132,165	29,871,048
Expenditure ⁽⁴⁾	27,975,751	31,040,937	34,528,970
Balance (Deficit)/Surplus	(2,811,101)	(3,586,042)	(4,383,871)
Republican Budget ⁽⁵⁾			
Receipts	19,296,574	19,945,098.1	21,382,467
Revenues ⁽³⁾	19,037,979	19,624,012.1	21,090,148
Expenditure ⁽⁴⁾	22,417,424	23,593,988.6	25,447,690
Balance (Deficit)/Surplus	(3,120,850)	(3,648,890.5)	(4,065,223)
Local Budgets ⁽⁶⁾			
Receipts	13,601,578	15,440,502.1	17,140,430
Revenues ⁽³⁾	13,552,443	15,346,310.8	17,039,799
Expenditure ⁽⁴⁾	13,482,561	15,448,930.5	17,546,789
Balance – (Deficit)/Surplus	119,017	(8,428.4)	(406,359)

Source: Ministry of Finance

Notes:

- (1) The Consolidated Budget includes (a) the State Budget, (b) revenues and expenditures of the National Fund and (c) revenues and expenditures of extrabudgetary funds.
- (2) Revenues comprise receipts less (a) payment of budget credits, (b) receipts from loans and (c) receipts from the sale of financial assets.
- (3) Prior to elimination of extrabudgetary transfers and loans from local budgets.
- (4) Less extrabudgetary transfers and loans within the Republican Budget.

Table 22: Budget (as a % of GDP)

The following tables set forth certain summary information on Kazakhstan's Consolidated Budget, State Budget, Republican Budget and Local Budgets (as a % of GDP) for the periods indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(as a % of GDP, unless otherwise indicated)</i>		
Consolidated Budget ⁽²⁾			
Receipts	25.2	25.8	18.1
Revenues ⁽³⁾	21.4	18.7	18.0
Expenditure	25.0	24.5	20.3
Balance – (Deficit)/Surplus	0.2	1.2	0.5
State Budget			
Receipts	21.1	20.1	18.9
Revenues ⁽³⁾	20.9	19.8	18.7

	Year ended 31 December		
	2023	2024	2025
	<i>(as a % of GDP, unless otherwise indicated)</i>		
Expenditure	23.4	22.7	21.6
Balance – (Deficit)/Surplus	(2.4)	(2.6)	(2.7)
Republican Budget⁽⁴⁾			
Receipts	16.2	14.6	13.4
Revenues ⁽³⁾	15.9	14.4	13.2
Expenditure	18.8	17.3	15.9
Balance – (Deficit)/Surplus	(2.6)	(2.7)	(2.5)
Local Budgets⁽⁵⁾			
Receipts	11.4	11.3	10.7
Revenues ⁽³⁾	11.3	11.2	10.7
Expenditure	11.3	11.3	10.9
Balance – (Deficit)/Surplus	0.1	(0.01)	(0.3)
GDP (KZT billions)	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Notes:

- (1) Preliminary data.
- (2) The Consolidated Budget includes (a) the State Budget, (b) revenues and expenditures of the National Fund and (c) revenues and expenditures of extrabudgetary funds.
- (3) Revenues comprise receipts less (a) payment of budget credits, (b) receipts from loans and (c) receipts from the sale of financial assets.
- (4) Prior to elimination of interbudgetary transfers and loans from local budgets.
- (5) Less interbudgetary transfers and loans within the Republican Budget.

Table 23: Public Debt and Budget Deficit

The following table presents the indicators of public debt and budget deficit as of January 1 of the specified years.

Name of indicators	2024	2025	2026
Public debt not to exceed 32% <i>(in billions Tenge)</i>	27,165.7	31,838.1	36,444.2
GDP <i>(in %)</i>	22.8	23.7	22.5
Deficit <i>(in billions Tenge)</i>	(3,208.5)	(3,670.9)	(4,065.2)
GDP <i>(in %)</i>	2.7	2.7	2.5

Source: Ministry of Finance

Table 24: State Budget Revenues and Receipts (on an Income Basis)

The following table presents State Budget revenues and receipts (on an income basis) for the periods shown.

	Year ended 31 December		
	2023	2024	2025
	<i>(KZT millions)</i>		
Tax revenue, of which	18,912,204.5	19,700,516.9	23,188,178.6
Corporate income taxes	5,045,696.1	5,213,291.4	6,322,628.9
Personal income tax	1,992,384.9	2,451,640.0	2,859,192.4
Social tax	1,321,272.8	1,579,329.4	1,866,744.5
VAT, of which	5,674,110.6	5,179,378.1	6,111,842.3
Domestic VAT	2,850,405.7	2,398,349.2	2,784,488.6
Import VAT.....	2,823,704.8	2,781,028.9	3,327,353.8

	Year ended 31 December		
	2023	2024	2025
	(KZT millions)		
Excise taxes.....	840,215.7	844,910.0	1,039,998.8
Natural resource extraction tax	715,540.1	925,260.5	1,143,400.5
Taxes on international trade and foreign transactions.....	2,215,539.5	2,217,468.0	2,411,699.2
Other taxes	1,107,444.8	1,289,239.5	1,432,671.9
Non-tax revenue.....	1,822,932.9	1,629,968.0	1,248,358.7
Proceeds from sales of fixed assets.....	182,108.7	201,680.1	184,510.5
Transfer receipts⁽¹⁾	4,000,000.0	5,600,000.0	5,250,000.0
Total revenue	24,917,246.1	27,132,165.0	29,871,047.8
GDP (KZT billions).....	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Note:

(1) Includes transfers from the National Fund. See “—National Fund”.

Table 25: State Budget Revenues and Receipts (as a Percentage of Total GDP)

The following table presents State Budget revenues and receipts as a percentage of total GDP for the periods shown.

	Year ended 31 December		
	2023	2024	2025
	(as a % of GDP, unless otherwise indicated)		
Tax revenue, of which:.....	15.8	14.4	14.5
Corporate income taxes.....	4.2	3.8	4.0
Personal income tax	1.7	1.8	1.8
Social tax.....	1.1	1.2	1.2
VAT, of which:.....	4.8	3.8	3.8
Domestic VAT	2.4	1.8	1.7
Import VAT.....	2.4	2.0	2.1
Excise taxes.....	0.7	0.6	0.7
Natural resource extraction tax	0.6	0.7	0.7
Taxes on international trade and foreign transactions	1.9	1.6	1.5
Other taxes	0.9	0.9	0.9
Non-tax revenue.....	1.5	1.2	0.8
Proceeds from sales of fixed assets.....	0.2	0.1	0.1
Transfer receipts⁽¹⁾	3.3	4.1	3.3
Total revenue	20.9	19.8	18.7
GDP (KZT billions).....	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Note:

(1) Includes transfers from the National Fund. See “—National Fund”.

Table 26: State Budget Expenditure (in KZT millions)

The following table presents information related to State Budget expenditure for the periods presented.

	Year ended 31 December		
	2023	2024	2025
	(KZT millions)		
Total expenditure	27,975,751	31,040,936.9	34,528,970.0
Debt service.....	1,865,649	2,232,329.2	2,660,521.4

	Year ended 31 December		
	2023	2024	2025
	(KZT millions)		
<i>of which:</i>			
Domestic debt service	1,529,374	1,878,950.8	2,257,586.4
External debt service	336,275	352,620	402,935.0
Non-interest expenditure	26,110,102	28,808,607.7	31,868,448.6
<i>of which:</i>			
State administration.....	1,489,260	1,776,016.4	1,878,285.2
Law and order.....	1,611,951	1,670,629.3	1,823,270.4
Defence.....	1,169,572	1,184,492.1	1,318,214.0
Education.....	5,810,567	6,707,200.2	7,100,858.9
Health care.....	2,503,068	2,499,750.2	2,847,071.0
Social assistance and social security	5,312,782	6,035,107.1	6,703,200.2
Housing and communal services.....	1,957,788	2,456,826.6	2,785,611.0
Culture, sports, tourism and information media.....	878,172	1,082,471.8	1,230,536.4
Fuel and energy complex and subsoil assets use	343,550	434,088.5	447,303.8
Agriculture, forestry, water and fish industries, environmental protection	1,374,538	1,385,913.8	1,706,584.2
Industry and construction	275,451	277,978.6	144,867.9
Transport and communications	1,801,442	2,194,773.6	2,875,056.5
Other expenditure ⁽¹⁾	1,581,961	1,103,329.6	1,007,589.1
Transfers.....	—	—	—

Source: Ministry of Finance

Note:

- (1) Other expenditures include those relating to (a) the implementation of new government programs and initiatives, (b) payments for services and operational costs of certain government agencies and (c) payments made to the State emergency fund.

Table 27: State Budget Expenditure (as a % of GDP)

The following table presents information related to State Budget expenditure as a percentage of total GDP for the periods shown.

	Year ended 31 December		
	2023	2024	2025
	(% of GDP, unless otherwise indicated)		
Total expenditure	23.4	22.7	21.6
Debt service.....	1.6	1.6	1.7
Domestic debt service	1.3	1.4	1.4
External debt service	0.3	0.3	0.3
Non-interest expenditure	21.9	21.1	20.0
State administration.....	1.2	1.3	1.2
Law and order	1.3	1.2	1.1
Defence	1.0	0.9	0.8
Education.....	4.9	4.9	4.5
Health care	2.1	1.8	1.8
Social assistance and social security	4.4	4.4	4.2
Housing and communal services.....	1.6	1.8	1.7
Culture, sports, tourism and information media	0.7	0.8	0.8
Fuel and energy complex and subsoil assets use.....	0.3	0.3	0.3

	Year ended 31 December		
	2023	2024	2025
	<i>(% of GDP, unless otherwise indicated)</i>		
Agriculture, forestry, water and fish industries, environmental protection	1.2	1.0	1.1
Industry and construction	0.2	0.2	0.1
Transport and communications	1.5	1.6	1.8
Other expenditure ⁽¹⁾	1.3	0.8	0.6
Transfers	0.0	0.0	0.0
GDP (KZT billions)	119,442.3	136,693.3	159,561.3

Source: Ministry of Finance

Notes:

(1) Other expenditures include those relating to (a) the implementation of new government programs and initiatives, (b) payments for services and operational costs of certain government agencies and (c) payments made to the State emergency fund.

Table 28: State Budget Deficit Financing

The following table presents the State Budget deficit, net external borrowing and net domestic borrowing (as a percentage of GDP) for the years shown.

	2023	2024	2025
	<i>(% of GDP)</i>		
State Budget deficit	(2.4)	(2.6)	(2.7)
Net external borrowing	0.19	0.22	0.33
Net domestic borrowing	2.69	2.43	2.22

Source: Ministry of Finance

Table 29: Assets of National Fund

The following table presents information on the market value of the assets of the National Fund for the years shown.

	Year ended 31 December		
	2023	2024	2025
	<i>(USD billions)</i>		
Market Value of Assets	60.0	58.8	63.9

Source: NBK

Table 30: Funding and Utilisation of National Fund

The following table sets out information on the funding and utilisation of the National Fund for the periods presented.

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>(KZT millions)</i>			
Opening balance as of 1 January	28,015,718.1	26,774,885.7	29,854,109.9	34,730,106.8
Revenues including investment income	6,588,967.3	6,409,814.8	8,828,234.1	5,327,763.9
<i>of which:</i>				
Investment income	(826,513.5)	1,819,743.5	4,988,343.2	n/a*

	Year ended 31 December			Nine months ended 30 September
	2022	2023	2024	2025
	<i>(KZT millions)</i>			
Corporate income taxes.....	2,266,198.2	1,532,974.1	1,265,821.6	875,791.8
Excess profit tax.....	99,976.8	57,524.8	37,567.2	35,007.6
Bonuses.....	7,847.6	15,959.8	428.5	1,049.4
Natural resources extraction tax/royalty.....	1,582,031.5	1,282,494.7	680,875.3	780,616.2
Rent export tax.....	751,053.0	452,026.7	442,123.2	244,351.4
Revenues under production sharing agreements.....	1,477,397.2	1,035,543.3	1,202,176.4	803,582.5
Additional subsoil user payment	213,862.1	180,894.1	179,978.9	85,575.4
Administrative fines, penalties, sanctions.....	521.1	3,202.1	14,211.4	1,728.7
Other fines, penalties, sanctions, collections.....	2,711.9	3,417.1	1,154.1	1,804.7
Money from subsoil users under claims.....	656.7	1,536.3	593.8	10,278.3
Other non-tax revenues.....	195.5	308.6	1,440.8	1,470.8
Revenues from privatization of state assets.....	4,711.7	1,236.1	1,408.8	906.7
Revenues from sale of agricultural land plots.....	99.4	53.3	62.9	1,115.0
Return of the targeted transfer from the Republican Budget.....	110,121.9	0	0	0
Other receipts and income.....	40,398.4	22,900.0	0	0
Utilisation.....	4,601,663.2	4,069,933.8	5,621,456.5	4,220,048.3
<i>of which:</i>				
Guaranteed transfers.....	4,030,000.0	2,200,000.0	2,000,000.0	2,000,000.0
Targeted transfers.....	550,000.0	1,800,000.0	3,600,000.0	2,185,000.0
Costs of audit administration and management of the National Fund.....	21,663.2	69,933.8	21,456.5	35,048.3
Closing balances at period end.....	26,774,885.7	29,114,766.9	33,060,887.5	35,837,822.4

Source: Ministry of Finance

* Investment income for six months ended June 30, 2025 was 2,480,802.2 (KZT millions)

4. Public Debt

Table 31: Public External Debt

The following table sets forth the information with respect to public external debt as of the dates presented.

	Year ended 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions, except percentages)</i>		
General Government External Debt.....	15,577	15,872	17,307
External debt guaranteed by the Government ..	2,769	2,971	3,281
Total public external debt.....	18,347	18,843	20,589
Total public external debt as a percentage of GDP (%).....	7.0	7.2	6.4

Source: Ministry of Finance

Table 32: Public External Debt by Creditor

The following table sets forth the information with respect to the General Government External Debt and government guaranteed external debt by creditor as of the dates presented.

Public External Debt of Kazakhstan by Creditor⁽¹⁾

	As at 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions)</i>		
Total General Government External Debt	15,577	15,872	17,307
World Bank	3,368	3,817	3,626
Other.....	2,613	2,671	2,371
Total external debt guaranteed by the Government	2,769	2,971	3,281

Source: Ministry of Finance

Note:

- (1) Foreign currency values of outstanding external debt have been converted into U.S. dollars at the relevant market exchange rates prevailing at the end of the indicated period.

Table 33: External Debt Service

The following table sets forth historical long-term General Government External Debt and Government guaranteed external debt service payments for the periods presented.

	Year ended 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions)</i>		
Principal repayments	1,553.6	2,557.6	3,398.9
Interest payments and charges.....	855.2	889.8	799.5
Total⁽¹⁾.....	2,408.8	3,447.4	4,198.4

Source: Ministry of Finance

Note:

- (1) Interest payments and principal repayments of Government guaranteed debt are made from the State Budget and own funds of borrowers.

Table 34: Public External Debt Service Projections

The following table sets forth a projection of the Government's contractual public external debt service from 2026 to 2035, with respect to principal and interest payable on all external debt outstanding as of December 31, 2025, on the basis of the exchange rates and interest rates as of December 31, 2025. This table does not reflect external debt service (i) on any borrowings by or on behalf of the Government since January 1, 2026, (ii) on any new drawdowns on existing borrowings by or on behalf of the Government from January 1, 2026 to December 31, 2035, or (iii) on any Bonds being issued under the Program after the date of this Offering Circular.

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	<i>(U.S.\$ millions)</i>									
Principal repayments ..	872	893	1,569	905	929	877	1,911	499	1,073	1862
Interest payments and charges	736	626	582	530	494	444	413	326	311	642
Total.....	1,608	1,519	2,151	1,435	1,423	1,321	2,324	825	1,384	2,504

Source: Ministry of Finance

Table 35: Domestic Public Debt

The following table sets forth the domestic public debt of Kazakhstan as of the dates presented in millions of U.S. dollars.

	As of 31 December		
	2023	2024	2025
	<i>(U.S.\$ millions, except percentages)</i>		
NBK notes	2,640	867.4	995
Government Bonds.....	39,234	41,573	52,026
Local executive authorities.....	2,312	2,500	3,182
Government guarantees (internal and external) ..	3,216	3,661	4,563
Total domestic debt	44,632	45,630	56,501
Total domestic debt as a percentage of GDP (%)	17.0	17.5	19.0

Source: Ministry of Finance

Notes:

- (1) Excludes internal guarantees provided by the government, the total outstanding amount of which as of December 31, 2025 was U.S.\$11.9 million.
- (2) In accordance with the new Budget Code of the Republic of Kazakhstan, the debt of the National Bank of Kazakhstan is not included in the national debt.

Table 36: Government Bonds

The following tables set out the monthly bonds (planned and issued) for 2025 (in billions of Tenge).

Bonds	January	February	March	April	May	June	Total
Planned	300	670.0	480.0	570.0	850.0	590.0	3,460.0
Issued	286.1	514.5	614.4	570.8	664.3	615.3	3,265.4
Deviation	-13.9	-155.5	134.4	0.8	-185.7	25.3	-194.6

Bonds	July	August	September	October	November	December	Total
Planned	460.0	600.0	430.0	690.0	850.0	437.0	3,467.0
Issued	558.9	590.6	434.8	345.6	568.1	263.5	2,761.5
Deviation	98.9	-9.4	4.8	-344.4	-281.9	-173.5	-705.5

Table 37: Interest Rates on Government Bonds

The following table sets out the interest rates on government bonds by tenor issued in 2025.

Tenor	Rate
1 year	16.78%
2 years	17.05%
3 years	16.50%
4 years	16.99%
5 years	15.46%
6 years	16.60%
7 years	17.10%
8 years	15.55%
9 years	15.50%
10 years	16.10%
11 years	15.55%
12 years	14.10%
13 years	14.10%
14 years	13.17%
15 years	17.10%

5. Monetary and Financial System

Table 38: Money Supply

The following table sets forth information concerning Kazakhstan's money supply as of the dates presented.

	As of 31 December		
	2023	2024	2025
	<i>(KZT billions)</i>		
Net foreign assets	44,267	55,093	65,530
Net domestic assets	(5,965.31)	(9,433.01)	(12,778.75)
Domestic credit	42,943	50,247	56,971
Net claims on central Government.....	4,365	6,107	4,661
Net claims on other government	13	14	22
Credit to the private sector ⁽¹⁾	20,227	21,121	24,482
Other claims on the economy ⁽²⁾	18,338	23,005	27,806
Other items, net	(21,491)	(28,591)	(37,321)
Broad money (M3)	38,302	45,660	52,752
Currency in circulation (M0)	3,640	4,375	4,749
Total deposits	34,662	41,285	48,003
Domestic currency deposits.....	26,604	32,002	37,864
Foreign currency deposits	8,057	9,284	10,139
Non-liquid liabilities	—	—	—
Monetary base (broad definition) ⁽³⁾	11,540	14,607	15,679
Money supply (M2) (national definition) ⁽⁴⁾ ...	32,747	39,255	45,806
Velocity of M2	3.7	3.4	3.5

Source: NBK

Notes:

- (1) Includes claims on other financial corporations, public and other nonfinancial corporations, non-profit institutions.
- (2) Includes claims on households.
- (3) Comprises cash outside of the NBK, correspondent account balances, deposit account balances and reserves of commercial banks maintained at the NBK.
- (4) M2 is defined as total cash in circulation (outside of banks) and transferable deposits in the domestic currency on accounts of non-bank organisations and individuals plus other deposits in the domestic currency and transferable deposits in the foreign currency on accounts of non-bank resident organisations and individuals.

Table 39: Inflation

The following table sets forth the rates of consumer price inflation and producer price inflation for the periods presented.

	Year ended 31 December		
	2023	2024	2025
Inflation, consumer prices (annual %, end of period) ...	9.8	8.6	12.3
Inflation, consumer prices (annual %, period average).	14.7	8.7	11.4
Inflation, producer prices (annual %, end of period).....	2.0	7.3	n/a
Inflation, producer prices (annual %, period average) ..	(2.1)	5.0	n/a

Source: NSB

Table 40: Interest Rates

The following table sets out key interest rates and related data for the periods indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(Annual average, %)</i>		
NBK refinancing rate (% , period-end).....	15.75	15.25	16.5
Tenge deposit rates			
Deposits of legal entities (KZT).....	14.5	13.5	15.6
Deposits of legal entities (hard currency).....	1.9	2.5	2.5
Deposits of individuals (KZT)	13.8	13.5	14.2
Deposits of individuals (hard currency)	0.9	0.9	0.9
Demand deposits (KZT and hard currency)	1.3	1.5	3.9
Time deposits (KZT and hard currency)	13.5	12.7	14.6
Tenge lending rates			
Loans to legal entities (KZT)	19.0	17.8	19.2
Loans to legal entities (hard currency)	6.6	7.3	6.9
Loans to individuals (KZT).....	19.1	19.9	21.1
Loans to individuals (hard currency).....	3.9	4.7	5.7
Consumer Price Index inflation.....	14.7	8.7	11.4

Source: NBK

SECTION 6: USE OF PROCEEDS

The proceeds from the issuance of the Bonds will be remitted outside the PRC and credited to the account of the National Bank of the Republic of Kazakhstan, to be subsequently converted into Kazakhstan Tenge. Such proceeds will be used for the state budgetary purposes of the Republic of Kazakhstan.

The Issuer undertakes the use, remittance and transfer of the proceeds from the offering of this Series of the Bonds and fund flows relating to such proceeds shall be in compliance with the applicable laws of China, including without limitation the *Provisions on the Administration of Funds Raised by Overseas Issuers Issuing Bonds in China by PBOC and State Administration of Foreign Exchange (Yin Fa [2022] No.272)* (《中国人民银行 国家外汇管理局关于境外机构境内发行债券资金管理有关事宜的通知》(银发〔2022〕272号)).

SECTION 7: SELLING RESTRICTIONS

1. General

The distribution of this Offering Circular or any other offering materials relating to this Series of the Bonds and the issue, sale and delivery of this Series of the Bonds must comply with the rules and limitations of any selling restrictions of the relevant jurisdictions. Accordingly, each reader of this Offering Circular or any other offering documents relating to this Series of the Bonds shall consult with its own legal advisors with regard to selling restrictions and is advised to observe such selling restrictions. This Offering Circular does not constitute an offer or an invitation to subscribe for or purchase any Bonds without authorization.

This Series of the Bonds will be offered only on the Interbank Market. Except for the registration with NAFMII, no actions have been taken or will be taken in relation to a public offering of this Series of the Bonds, nor in respect of listing on the Shanghai Stock Exchange or the Shenzhen Stock Exchange or in any other countries or jurisdictions.

2. PRC

This Series of the Bonds will only be offered or distributed to institutional investors of the Interbank Market (other than purchasers prohibited under PRC Laws and these distribution restriction provisions) and this Series of the Bonds will be only traded among institutional investors of the Interbank Market (other than purchasers prohibited from the PRC Laws and these distribution restriction provisions). Offshore investors participating in the subscription of this Series of the Bonds through the “Bond Connect” regime should, in connection with the registration, custody, clearing, settlement of this Series of the Bonds and remittance and conversion of funds, comply with applicable laws and regulations, including the *Interim Measures for the Administration of Mutual Bond Market Access between the Mainland China and Hong Kong SAR* (《内地与香港债券市场互联互通合作管理暂行办法》) published by PBOC, as well as rules of other relevant parties and service providers.

3. Hong Kong

This Series of the Bonds have not been and will not be offered or sold in Hong Kong by means of any document other than: (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to this Series of the Bonds has been or will be issued (whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to this Series of the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

4. United States

This Series of the Bonds have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Principal Underwriters has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, any Bonds within the United States except in accordance with Rule 903 of Regulation S under the U.S. Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of any of the Principal Underwriters or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to this Series of the Bonds. Terms used in this paragraph have the same meanings assigned to them in Regulation S under the U.S. Securities Act.

5. Kazakhstan

The placement of the Bonds outside Kazakhstan is not prohibited. Under Kazakhstan law this entails the need to comply with certain additional requirements in relation to the local offering and placement. However, the Issuer is not subject to these local offering and placement requirements.

SECTION 8: TAXATION RELATING TO THIS SERIES OF THE BONDS

The following summary of certain tax consequences of the purchase, ownership and disposition of this Series of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect).

This summary is not intended to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of this Series of the Bonds and is not intended to deal with consequences applicable to all categories of prospective investors, some of which may be subject to special rules. Each prospective investor considering the purchase of this Series of the Bonds should consult its own tax advisors concerning the possible tax consequences relating to this Series of the Bonds.

1. PRC Taxation

(1) Value-added tax (“VAT”) and local surcharge and levies

(a) Domestic PRC investors

Pursuant to the Value-added Tax Law of the PRC, effective 1 January 2026, any entity or individual that sells services in the PRC is a VAT taxpayer and shall pay VAT. Financial products are deemed being sold in the PRC if such products are issued in the PRC or if the seller of such products is an entity or individual domiciled in the PRC. Services are deemed being sold in the PRC if the consumption of services occurs in the PRC or if the service provider is an entity or individual domiciled in the PRC. The Public Notice on Comprehensive Roll-out of the Pilot Programme for Transforming Business Tax to VAT issued by the Ministry of Finance of the PRC and the State Administration of Taxation (Caishui [2016] No.36) provides that income derived from the usage and borrowing of funds, including interest income derived during the period of holding (including at the time of maturity) of financial products, is subject to VAT. VAT applies to lending services where the turnover is the gross amount of the interest income and any income in the nature of interest. The transfer of financial products, including transfer of the ownership of marketable securities, is subject to VAT on the turnover which is the balance of the sales price less the purchase price. With respect to a general VAT taxpayer, VAT payable shall be calculated at 6% of the taxable turnover on the difference between output VAT and input VAT on the taxable items mentioned above. From 1 January 2023 to 31 December 2027, small-scale VAT taxpayers with monthly turnover of less than RMB100,000 are exempt from VAT; other small-scale VAT taxpayers, who were previously subject to a VAT rate of 3%, are subject to a reduced VAT rate of 1% on their taxable turnover. A VAT taxpayer is also subject to urban maintenance and construction tax (at 7% of the VAT), education surcharge (at 3% of the VAT), local education surcharge (at 2% of the VAT) and potential applicable other local surcharges; from 1 January 2023 to 31 December 2027, urban maintenance and construction tax, education surcharge and local education surcharge levied on small-scale VAT taxpayers shall be reduced by half. Therefore, domestic PRC investors’ interest income during their holding period of this Series of the Bonds or gains from transferring or selling this Series of the Bonds are subject to VAT and the relevant surcharges.

(b) Foreign investors

Pursuant to the Rules on Implementation of the Value-added Tax Law of the PRC, services are deemed being consumed in the PRC if an overseas entity or individual sells services to entities or individuals domiciled in the PRC (other than the services consumed on the spot outside the PRC). Accordingly, under the PRC Value-added Tax Law and its implementing rules, if an overseas investor’s purchase and holding of this Series of the Bonds and receiving interest income from this Series of the Bonds is determined not to constitute a service that is consumed in the PRC or provided by an entity or individual domiciled in the PRC, such interest income should not be subject to VAT in the PRC. Furthermore, pursuant to the Announcement on the Renewal of Enterprise Income Tax and Value-added Tax in relation to Investments in PRC Bond Markets by Overseas Institutional Investors issued by the Ministry of Finance and the State Administration of Taxation of the PRC, during period from 1 January 2026 to 31

December 2027, interest income received by overseas institutional investors from investing in the PRC bond markets is exempt from VAT.

With respect to the transfer of financial products, given that this Series of the Bonds are issued in the PRC, any transfer of this Series of the Bonds by overseas investors constitutes a taxable transaction occurring in China and is therefore subject to VAT under the Value-added Tax Law of the PRC. However, pursuant to the Supplemental Circular on VAT Policies Relating to Transactions between Financial Institutions issued by the Ministry of Finance of the PRC and the State Administration of Taxation (Caishui [2016] No.70), the income of foreign institutions that are approved by PBOC from investing in the interbank bond market is exempt from VAT. Therefore, if the gains of foreign investors on the transfer or sale of any Bonds are recognised as such income, such gains are exempt from VAT.

In addition, given that the PRC Value-added Tax Law and its implementing rules came into force on 1 January 2026, how they will be implemented and enforced is still subject to detailed guidance from the competent authorities.

(2) Enterprise Income Tax (“EIT”)

(a) EIT for PRC Tax Residents

According to the Enterprise Income Tax Law of the PRC and its Implementation Rules, investors of this Series of the Bonds who are PRC resident enterprises shall be subject to income tax for the interest income received from this Series of the Bonds held by them during their holding period of this Series of the Bonds and for gains received from the transfer or sale of this Series of the Bonds. Such income shall be included in such investors’ revenues recognised in the respective period, income tax on which is assessed at the standard rate of 25%.

(b) EIT for Non-PRC Tax Residents

The Enterprise Income Tax Law of the PRC and its Implementation Rules provide that a non-resident enterprise that has no business establishment or place in the PRC, or has business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, is subject to EIT on the income sourced from the PRC. The source of income for interest is determined on the basis of the location of the enterprise or entity that bears or pays such interest; for income derived from transfer of movable property, the source of income is determined on the basis of the location of the enterprise or entity that transfers such property.

If an investor of this Series of the Bonds is a non-resident enterprise that has no business establishment or place in the PRC or that has a business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, and the interest arising from this Series of the Bonds is borne and paid by a foreign bond issuer, such interest income shall be regarded as income sourced from outside of the PRC and such investor shall not be subject to EIT on such interest income. The gain derived by non-resident enterprise from transferring or selling this Series of the Bonds shall be regarded as the income sourced from outside the PRC and thus shall not be subject to EIT. Furthermore, pursuant to Announcement on the Renewal of Enterprise Income Tax and Value-added Tax in relation to Investments in PRC Bond Markets by Overseas Institutional Investors issued by the Ministry of Finance and the State Administration of Taxation of the PRC, during the period from 1 January 2026 to 31 December 2027, interest income received by overseas institutional investors from investing in the PRC bond markets that are not derived from, nor associated with, any entities or establishments of such overseas institution in the PRC is exempt from EIT.

(3) Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (the “**Stamp Duty Law**”), effective 1 July 2022, persons or entities who conclude taxable vouchers or conduct securities transactions within the PRC shall be taxpayers of stamp duty and pay stamp duty. Currently, the instrument executed for the transfer of bonds is not listed as a taxable document, accordingly, the transfer of this Series of the Bonds is not subject to

stamp duty under the Stamp Duty Law and its implementing rules. However, it is uncertain whether or when the PRC government will impose stamp duty on such transactions in the future and if imposed, what the stamp duty tax rate of such transactions will be.

2. Kazakhstan Taxation

The interest income and capital gains of non-Kazakhstan investors derived from the government-issued securities (including bonds) is not subject to withholding tax pursuant to subparagraph 14) of Article 681 of the 2025 Tax Code.

SECTION 9: CREDIT RATINGS

1. Summary of the Rating

The Credit Rating Agency, China Lianhe Credit Rating Co., Ltd., has assigned a long-term issuer credit rating (national scale) of AAA to Kazakhstan and an issue rating of AAA to this Series of the Bonds with a stable outlook on 23 April 2026.

Kazakhstan has undertaken progressive democratic reforms, with governance capacity remaining stable in recent years. As an open economy sensitive to global economic fluctuations, Kazakhstan has experienced relatively volatile growth since 2020 due to the challenges of the COVID-19, the geopolitical situation involving Russia and Ukraine and the global economic slowdown. However, the economy demonstrated robust resilience, with particularly rapid expansion in 2025 driven by the transportation, construction and mining sectors. While the unemployment rate remained stable, the inflation rose to elevated levels. Kazakhstan's economic and industrial structure has maintained stable in recent years, and risks related to the banking sector remain at a manageable level. Both the government receipts and expenditure experienced upward trends during past few years, while the fiscal deficit narrowed amid volatility. The government debt level in Kazakhstan was indicated a downward trend and well covered by stable government revenue in recent years. Kazakhstan's external debt level has a downward trend, with the National Fund of the Republic of Kazakhstan assets serving as reserves, indicating an improving capacity to service external debt. Additionally, Lianhe Ratings also factors in the enhanced economic relations between China and Kazakhstan, as well as the currency swap agreement and a memorandum of understanding (MoU) on establishing a Renminbi clearing arrangement signed by the People's Bank of China (PBOC) and the NBK.

In conclusion, Lianhe Ratings has assigned "AAA" long-term issuer credit rating (national scale) to Kazakhstan and "AAA" issue rating to this Series of the Bonds; the rating outlook is stable.

The credit rating information of the Issuer and this Series of the Bonds specified above is cited from the Credit Rating Report on the Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) issued by China Lianhe Credit Rating Co., Ltd. on 23 April 2026 and such citation has been confirmed by China Lianhe Credit Rating Co., Ltd. in writing.

2. Strengths

- (1) **Kazakhstan's economy demonstrated robust resilience, with rapid growths following the COVID-19 pandemic.** Elevated oil prices and the "New Investment Cycle" catalyzed a surge in fixed asset investment and revitalized non-oil sectors, while the Trans-Caspian International Transport Corridor, a favorable business climate and resilient domestic demand mitigated external headwinds effectively. These factors collectively advanced economic diversification and high-quality development, underpinning strong performance that is likely to continue in the near term.
- (2) **The government's continuously improved fiscal and debt positions, with a strong capacity for debt repayment.** The government debt level in Kazakhstan indicated a downward trend and remained low from 2021 to 2025, with the coverage ratio of government receipts to government debt staying at a high level, indicating low repayment pressure.
- (3) **External debt servicing capacity continues to strengthen.** Kazakhstan's capacity to service external debt continues strengthening, with the coverage ratios of both CAR and foreign reserves against external debt showing upward trends from 2021 to 2025.
- (4) **Extremely strong solvency for the Bonds.** The principal and interests of this Series of the Bonds will be repaid from the actual annual budget of the government, which is deemed a stable and reliable source of repayment.

3. Concerns

- (1) **Inflationary pressures have remained elevated in recent years.** Driven by soaring global energy prices, external shocks, and supply chain disruptions, the inflation peaked in 2022. It moderated significantly in 2023 and 2024 after the monetary policy tightening, but rebounded in 2025 on the back of robust domestic demand, currency depreciation and rising global food prices.

- (2) **Kazakhstan's reliance on mining-based commodity exports renders its economy highly sensitive to external volatility.** Kazakhstan's economy remains oriented toward raw material production, creating structural vulnerability where oil price downturns directly trigger declines in export earnings and fiscal revenues.
- (3) **Structural imbalances have become evident in the balance of payments, marked by a widening current account deficit.** The combination of weak external demand and robust domestic demand has eroded the trade surplus since 2023. This shift turned the current account balance from a surplus into a deficit, with the deficit-to-GDP ratio widened further in 2025.

4. Surveillance Arrangements for this Series of the Bonds

In accordance with applicable rules and compliance requirements, Lianhe Ratings will perform regular or ad hoc surveillances during the tenor of this Series of the Bonds.

Kazakhstan shall provide Lianhe Ratings with the information required for surveillances at Lianhe Ratings' request. Lianhe Ratings will perform surveillances during the tenor of this Series of the Bonds, in accordance with relevant regulatory policies and requirements, as well as the provisions of the entrustment rating contract

In case of major changes of Kazakhstan or this Series of the Bonds, or emergencies that may materially affect the credit status of Kazakhstan or this Series of the Bonds, Kazakhstan shall inform Lianhe Ratings in a timely manner and provide Lianhe Ratings with relevant information.

Lianhe Ratings will keep an eye on the economic trend and fiscal stance of Kazakhstan, external financing environment, as well as relevant information about this Series of the Bonds. In case of major changes of Kazakhstan or emergencies that may materially affect the credit status of Kazakhstan or this Series of the Bonds, Lianhe Ratings may affirm or adjust the credit ratings based on its research and analysis on such events, issue the surveillances, and submit and disclose the surveillances and results in accordance with regulatory policies and requirements as well as the provisions of the entrustment rating contract.

If Kazakhstan fails to provide Lianhe Ratings with the relevant information required for surveillances in a timely manner, or other circumstances as stipulated by regulatory provisions or the entrustment rating contract arise, Lianhe Ratings may withdraw the credit ratings based on the relevant situation.

SECTION 10: CREDIT ENHANCEMENT

This Series of the Bonds are not secured, and the interest on and principal of this Series of the Bonds will be paid on the Issuer's credit.

SECTION 11: DISCLOSURE ARRANGEMENTS

The Issuer shall make accurate, truthful, complete and timely disclose of the information related to this Series of the Bonds in accordance with the requirements of NAFMII. During the offering process of this Series of the Bonds and during the period in which they remain outstanding, the Issuer will disclose the relevant information through the Designated Disclosure Platforms, on the Interbank Market in accordance with the requirements of NAFMII.

1. Documents Relating to this Series of the Bonds

The Issuer will, by no later than two (2) Business Days before the Bookbuilding Date of this Series of the Bonds, disclose the following documents through the Designated Disclosure Platforms:

- (1) the Offering Circular and any supplement thereto (where applicable) in relation to this Series of the Bonds (English and Chinese versions);
- (2) a copy of the legal opinion of Kinstellar LLP in relation to the issuance of this Series of the Bonds (English version with Chinese translation);
- (3) a copy of the legal opinion of Fangda Partners in relation to the issuance of this Series of the Bonds;
- (4) a copy of the credit rating report issued by the Credit Rating Agency for this Series of the Bonds; and
- (5) principal economic data of the Issuer for the recent three fiscal years (Chinese and English versions).

2. Regular Reports

During the period in which any of this Series of the Bonds remains outstanding, the Issuer will disclose through the Designated Disclosure Platforms the updated principal economic data of the Issuer for the previous fiscal year in English no later than 31 March of each year, and a Chinese translation thereof within 45 days after the English version is disclosed.

3. Disclosure of Material Events

During the period in which any of this Series of the Bonds remains outstanding, upon the occurrence of any Material Events (as listed below) affecting the Issuer's ability to perform its obligations to pay the interest or principal of this Series of the Bonds, the Issuer will disclose such Material Events in Chinese or English (in the latter case, with a Chinese summary to be published within seven Business Days upon the publication of the English version) through the Designated Disclosure Platforms as soon as reasonably practicable.

“Material Events” include:

- any changes in laws, regulations, treaties, conventions, approvals or authorizations of the Issuer (or its home country or region) that may have a material impact on this Series of the Bonds;
- any Event of Default under, or acceleration or debt restructuring of, any external indebtedness of the Issuer;
- any change in the rights of Bondholders, including, but not limited to, any change in the terms and conditions of the Issuer's other debt obligations that indirectly alters the rights of the holders of this Series of the Bonds; and
- any other events that may have a material adverse effect on the Issuer's ability to perform its obligations (including, but not limited to, the obligation to make full payment of the principal and interest on this Series of the Bonds when due) under this Series of the Bonds.

4. Payments of Interest and Repayment of Principal

The Issuer will, on the fifth Business Day prior to the payment date of the interest of this Series of the Bonds, publish an Interest Payment Announcement through the Designated Disclosure Platforms

in accordance with applicable regulatory requirements. The Issuer will, on the fifth Business Day prior to the payment date of the principal of this Series of the Bonds, publish a Final Redemption Announcement through the Designated Disclosure Platforms in accordance with applicable regulatory requirements.

5. Downgrades of Credit Rating

During the period in which any of this Series of the Bonds remains outstanding, the Issuer will disclose to investors through the Designated Disclosure Platforms any downgrades of credit rating on this Series of the Bonds by the Credit Rating Agency (or any other PRC rating agency substituted for the Credit Rating Agency at the direction by the Issuer) within five (5) Business Days after such downgrades.

6. Others

If the Issuer makes any disclosure to any overseas markets (such as the U.S. or Europe) that may affect the decisions of the investors of this Series of the Bonds, the Issuer will, simultaneously or as soon as reasonably practicable thereafter, make the same disclosure in the PRC in accordance with applicable regulatory requirements through the Designated Disclosure Platforms.

SECTION 12: INVESTOR PROTECTION MECHANISM

1. Post-issuance Manager and Related Responsibilities

As the Issuer of this Series of the Bonds, the Issuer assumes on-going obligations in certain aspects relating to this Series of the Bonds. The Principal Underwriters will monitor the Issuer to perform its on-going obligations under this Series of the Bonds, and China International Capital Corporation Limited has agreed to take a leading role to act as the Post-issuance Manager of the Issuer, with respect to such on-going obligations of the Issuer under this Series of the Bonds. The responsibilities of the Principal Underwriters include:

- (1) prompting, guiding and assisting the Issuer in a timely manner to disclose all the information that should be disclosed in a true, accurate, and complete manner (see Section 11 “*Disclosure Arrangements*”);
- (2) prompting, guiding and assisting the Issuer in a timely manner to specify the interest rate on this Series of the Bonds in the Announcement on the Results of the Offering (see Term (16) (*Interest Rate*) in Section 5 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular);
- (3) (i) reminding the Issuer at least twenty (20) Business Days prior to each relevant date of the payment of the interest or principal of this Series of the Bonds and (ii) prompting, guiding and assisting the Issuer in a timely manner to publish information in relation to the payment of the interest on and principal of this Series of the Bonds through the Designated Disclosure Platforms to fulfil the Issuer’s disclosure obligations under PRC Laws;
- (4) prompting and assisting the Issuer in a timely manner to disclose, through the Designated Disclosure Platforms, the documents as specified in the “Regular Reports” under the Section 11 “*Disclosure Arrangements*” of this Offering Circular in accordance with the respective timeline set forth therein;
- (5) convening meetings of the holders of this Series of the Bonds and prompting, guiding and assisting the Issuer in a timely manner to manage the holding of such meeting of this Series of the Bonds (see Term (39) (*Meetings of Bondholders*) in Section 5 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular); and
- (6) prompting and assisting the Issuer in a timely manner to timely report any material events potentially affecting the repayment ability of the Issuer to the competent authorities of China and assisting the Issuer to make an announcement to fulfil the Issuer’s disclosure obligations under PRC Laws (see below as well as Term (38) (*Event of Default*) in Section 5 “*Terms of this Series of the Bonds and Offering Arrangements — Terms of this Series of the Bonds*” of this Offering Circular).

2. Event of Default

If any of the following event (each, an “**Event of Default**”) occurs and is continuing:

- (a) *Non-payment*: the Issuer is in default with respect to the payment of principal or interest or additional amounts on any of this Series of the Bonds and such default continues for a period of 30 days; or
- (b) *Breach of other Obligations*: the Issuer is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under this Series of the Bonds (other than a default or breach elsewhere specifically dealt with in this Term (38)) and such default or breach is not remedied within 60 days after notice thereof has been given to the Issuer by any holder of this Series of the Bonds; or
- (c) *Cross Default*: (a) any Public External Indebtedness of the Issuer (i) becomes due and payable prior to the due date for payment thereof by reason of default by the Issuer, or (ii) is not repaid at maturity as extended by the period of grace, if any, applicable thereto, or (b) any Guarantee

given by the Issuer in respect of Public External Indebtedness of any other Person is not honored when due and called upon; provided that the aggregate amount of the relevant Public External Indebtedness or liability under such Guarantee in respect of which one or more of the events mentioned in this Term 38(c) shall have occurred equals or exceeds USD65,000,000 or its equivalent in other currencies; or

- (d) *Moratorium*: a general suspension of, or a moratorium on, the payment of principal of, or interest on, the Public External Indebtedness of the Issuer is declared by the Issuer, or the Issuer is, or admits that it is, unable to pay any Public External Indebtedness as it falls due, or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness; or
- (e) *Invalidity or unenforceability*: the validity of this Series of the Bonds is contested by the Issuer or the Issuer shall deny any of its obligations under this Series of the Bonds (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in this Series of the Bonds or all or any of its obligations set out in this Series of the Bonds shall be or become unenforceable or invalid.

then, all of this Series of the Bonds may, by written notice addressed and delivered to the Issuer by the holders of not less than 25 per cent. in aggregate outstanding principal amount of this Series of the Bonds, be declared immediately due and payable at their principal amount together with accrued interest.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate outstanding principal amount of this Series of the Bonds to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Bondholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect, but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Terms or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Bondholder in relation thereto.

3. Meetings of Bondholders

(a) *Definition*

“**24 hours**” means a period of 24 hours including all or part of a day which is a Business Day (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day which is a Business Day; and

“**48 hours**” means two consecutive periods of 24 hours.

“**Debt securities**” means any bonds (including the Bonds), notes, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.

“**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*) and Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms providing for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution, and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

A “**record date**” in relation to any proposed modification or action means the date fixed by the Issuer for determining the Bondholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple

Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Two Limb Written Resolution.

A “**Reserved Matter**” means any proposal to:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of this Series of the Bonds, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of this Series of the Bonds or to change the method of calculating the amount of principal, interest or any other amount payable in respect of this Series of the Bonds on any date;
- (ii) to change the currency in which any amount due in respect of this Series of the Bonds is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution, or any other resolution of Bondholders or the number or percentage of votes required to be cast, or the number or percentage of this Series of the Bonds required to be held, in connection with the taking of any decision or action by or on behalf of the Bondholders or any of them;
- (iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (v) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (vi) to change the definition of “outstanding” or to modify Term (39)(i) (*Bonds controlled by the Issuer*);
- (vii) to change the legal ranking of this Series of the Bonds;
- (viii) to change any provision of this Series of the Bonds describing circumstances in which this Series of the Bonds may be declared due and payable prior to their scheduled maturity date, as set out in Term (38) (*Events of Default*);
- (ix) amend the law governing this Series of the Bonds, the arbitral tribunal of the jurisdiction to which the Issuer has submitted in connection with this Series of the Bonds, or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Bondholder as set out in Term (36) (*Governing Law*) and Term (37) (*Dispute Resolution*);
- (x) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of this Series of the Bonds, including by way of the addition of a call option;
- (xi) to modify the provisions of this Terms (39)(d) (*Reserved Matter*);
- (xii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under this Series of the Bonds or to change the terms of any such guarantee or security;
- (xiii) to exchange or substitute all of this Series of the Bonds for, or convert all of this Series of the Bonds into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Terms in connection with any exchange or substitution of this Series of the Bonds for, or the conversion of this Series of the Bonds into, any other obligations or securities of the Issuer or any other person, which would result in these Terms as so modified being less favourable to the Bondholders which are subject to the Terms of this Series of the Bonds as so modified than:
 - (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

- (B) if more than one series of other obligations or debt securities result from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount; or
- (xiv) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the this Series of the Bonds.

A “**Written Resolution**” means any of a Single Series Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(b) *Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions:*

The Issuer may convene a meeting of the Bondholders at any time in respect of this Series of the Bonds in accordance with Term (39). The Issuer will determine the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

The following provisions set forth the conditions and procedures for convening meetings of Bondholders to consider matters relating to this Series of the Bonds, including, without limitation, the modification of any provision of the Terms. Any such modification may be made if, having been approved in writing by the Issuer, it is sanctioned by an Extraordinary Resolution. If Term (39) does not include such procedures, or additional procedures are required, the Issuer and the Post-issuance Manager will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

The meeting of Bondholders shall be convened by the Post-issuance Manager upon the request (addressed to the Post-issuance Manager or to the Issuer, with a copy to the other, and setting out the purpose of the requested meeting) in writing of the Bondholders holding not less than 10% of the aggregate principal amount of the outstanding Bonds (as defined in Term (39)(i) (*Bonds controlled by the Issuer*)). The Post-issuance Manager will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Post-issuance Manager, as the case may be, will notify the Bondholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place no less than 21 and no more than 45 days (exclusive of the day on which the notice is given and of the day on which the relevant meeting is held) after the date on which such notification is given.

The notice convening any meeting will specify, *inter alia*,

- (A) the date, time and location of the meeting;
- (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
- (C) the record date for the meeting, which shall be no more than 5 Business Days before the date of the meeting;
- (D) the documentation required to be produced by a Bondholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Bondholder’s behalf at the meeting;
- (E) any time deadline and procedures required by the Depositary designated by PBOC;
- (F) whether Term (39)(b) (*Modification of this Series of the Bonds only*), or Term (39)(c) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
- (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
- (H) such information that is required to be provided by the Issuer in accordance with Term

(39)(e) *(Information)*;

- (I) the identity of the Aggregation Agent and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Term(39)(f) *(Claims Valuation)*; and
- (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.

All information to be provided pursuant to Term (39)(a) *(Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions)* shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.

(c) *Modification of this Series of the Bonds only:*

Any modification of any provision of, or any action in respect of, the Terms of this Series of the Bonds may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

A “**Single Series Extraordinary Resolution**” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Post-issuance Manager pursuant to Term (39)(a) *(Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions)* by a majority of:

- (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of this Series of the Bonds then outstanding; or
- (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of this Series of the Bonds then outstanding.

A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

- (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of this Series of the Bonds then outstanding; or
- (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of this Series of the Bonds then outstanding.

Any Single Series Written Resolution may be contained in one document or in several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders.

Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Bondholders, whether or not they attended any meeting, whether or not they voted in favor thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(d) *Multiple Series Aggregation – Two limb voting*

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (ii) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed in Term (39)(a) *(Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions)* or similar provisions in the applicable bond documentation, as supplemented if necessary, which is passed by a majority of:

- (A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- (iii) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
- (A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Bondholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.
- (v) Any modification or action proposed under Term (39)(c)(i) may be made in respect of certain series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in Term (39)(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) *Information*

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Term (39)(b) (*Modification of this Series of the Bonds only*), Term (39)(c) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Term (39)(j) (*Aggregation Agent; Aggregation Procedures*), and provide the Post-issuance Manager with, the following information:

- (i) a description of the Issuer’s economic and financial circumstances which are, in the Issuer’s opinion, relevant to the request for any potential modification or action, a description of the Issuer’s existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (ii) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement, and where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Issuer’s proposed treatment of securities representing External Indebtedness that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such

group, as required for a notice convening a meeting of the Bondholders in Term (39)(a) (*Convening Meetings of Bondholders; Conduct of meetings of Bondholders; Written Resolutions*).

(f) *Chairman*

An individual (who may, but need not, be a Bondholder) nominated in writing by the Issuer may take the chair at any meeting of Bondholders. If no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the meeting, Bondholders present or their proxies at the meeting shall elect one of themselves to take the chair, upon the failure of which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

(g) *Adjourned Meeting*

The chairman may, with the consent of (and shall if directed by) any meeting, adjourn such meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

(h) *Notice Following Adjournment*

The Post-issuance Manager will, no less than 10 days (exclusive of the day on which the notice is given and of the day on which the relevant meeting is held) prior to the date affixed for the resumed meeting, notify the Bondholders of the date, time and place of the resumed meeting

(i) *Participation on Meeting of Bondholders*

The following persons may attend and speak at a meeting:

- (i) Bondholders and their proxies;
- (ii) representatives of the Issuer and the Post-issuance Manager;
- (iii) the financial advisers of the Issuer;
- (iv) the legal counsel to the Issuer and to the Post-issuance Manager; and
- (v) any other person approved by the meeting.

(j) *Show of Hands*

Every question submitted to a meeting of the Bondholders shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

(k) *Poll*

A demand for a poll shall be valid if it is made by the chairman, the Issuer or one or more persons holding or representing no less than 2% the aggregate principal amount of this Series of the Bonds then outstanding (or, in case of a Meeting of Bondholders of Multiple Series, 2% of the aggregate principal amount of each affected series of Debt Securities Capable of Aggregation). The poll may be taken immediately or after such adjournment as the chairman directs, but any poll demanded on the election of the chairman or on any question of adjournment shall be taken at the meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant meeting for any other business as the chairman directs.

At any meeting on a poll every person whose name appears in the Bondholders Record or who is a proxy or representative so present shall have one vote in respect of each Bond (face value of RMB100).

(l) *Bondholders Record*

The Issuer shall confirm who are the Bondholders on the Record Date who are entitled to attend the meeting of Bondholders, but the Record Date shall not be more than 10 calendar days before the meeting of the Bondholders. The Issuer shall be responsible for obtaining the record of the Bondholders as at the Record Date (the “**Bondholders Record**”) from the Custodian designated by the PBOC or assisting the Post-issuance Manager (when the Post-issuance Manager convened the meeting of Bondholders) to obtain such Bondholders Record at least 48 hours before the meeting of the Bondholders. The Bondholders registered on the Bondholders Record shall for all purposes in connection with the relevant meeting or adjourned meeting of Bondholders be deemed to be entitled to attend the meeting of Bondholders.

Any person who is a holder of a Bond on the Record Date for a proposed modification, and any person duly appointed as a proxy by a holder of an outstanding Bond on the Record Date for a proposed modification, will be entitled to vote on the proposed modification at a meeting of Bondholders and to sign a written resolution with respect to the proposed modification.

Without prejudice to the obligations of the proxies named in any form of proxy, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

(m) *Proxy*

- (i) *Appointment:* Any holder of this Series of the Bonds may appoint a proxy to vote on a meeting of Bondholders. An appointment of proxy may be revoked if the Post-issuance Manager has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting.
- (ii) *Adjourned meetings:* Unless revoked, any appointment of a proxy in relation to a meeting of Bondholders shall remain in force in relation to any resumption of such meeting following an adjournment.
- (iii) Any vote by a proxy in accordance with the relevant instruction shall be valid even if such instruction has been amended or revoked, provided that no Post-issuance Manager has been notified in writing of such amendment or revocation by 24 hours prior to the time fixed for the relevant meeting.

(n) *Minutes*

Minutes shall be made of all resolutions and proceedings at each meeting of the Bondholders. The chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been summarized and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

(o) *Claims Valuation*

For the purpose of calculating the face value of this Series of the Bonds and any affected series of debt securities which are to be aggregated with this Series of the Bonds in accordance with Term (39)(c) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a Calculation Agent. The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the face value of this Series of the Bonds and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for this Series of the Bonds and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(p) *Manifest Error, etc.:*

This Series of the Bonds and these Terms may, subject to the prior written approval of the Issuer, be amended without the consent of the Bondholders if:

- (i) the amendment or modification of this Series of the Bonds is of a formal, minor or technical nature or is made to correct a manifest error;
- (ii) the amendment or modification is made to comply with mandatory provisions of PRC Laws to correct a manifest error; or
- (iii) in the reasonable belief of the Issuer, the amendment or modification does not prejudice the interest of the Bondholders.

(q) *Bondholders Committee:*

- (i) *Appointment:* The Bondholders may, by a resolution passed at a meeting of the Bondholders duly convened and held in accordance with Term (39) by a majority of more than 50% in aggregate principal amount of this Series of the Bonds then outstanding, or by notice in writing to the Post-issuance Manager signed by or on behalf of the Bondholders holding more than 50% in aggregate principal amount of this Series of the Bonds then outstanding, appoint any person(s) as a committee to represent the interests of the Bondholders if any of the following events occurs:

- (a) an Event of Default;
- (b) any event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Term (38) (*Events of Default*) become an Event of Default or an Event of Acceleration;
- (c) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of this Series of the Bonds or any other debt securities (whether by amendment, exchange offer or otherwise); or
- (d) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst this Series of the Bonds or any other debt securities are outstanding.

- (ii) Upon receipt of a written notice that a committee has been appointed in accordance with Term (39)(h)(i), and a certificate delivered pursuant to Term (39)(h)(vi) (*Certification*), the Issuer shall give notice of the appointment of such a committee to:

- (A) all Bondholders in accordance with Term (39)(j)(vii) (*Manner of publication*); and
- (B) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities,

as soon as practicable after such written notice and such certificate are delivered to the Issuer.

- (iii) *Powers:* Such committee in its discretion may, among other things, (i) engage legal advisers and financial advisers to assist it in representing the interests of the Bondholders, (ii) adopt such rules as it considers appropriate regarding its proceedings, (iii) enter into discussions with the Issuer and/or other creditors of the Issuer, (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in Term (39)(i)(iii), such committee shall not have the ability to exercise any powers or discretions which the Bondholders could themselves exercise.

- (iv) *Engagement with the committee and provision of information*

The Issuer shall:

- (A) subject to Term (39)(h)(v), engage with the committee in good faith;
- (B) provide the committee with information equivalent to that required under paragraph (e) (*Information*) of Term (39) (*Meetings of Bondholders*) and related proposals, if any, in each case as the same become available, subject to any applicable information

disclosure policies, rules and regulations; and

- (C) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.
- (v) If more than one committee has been appointed by the Bondholders and the affected series of debt securities in accordance with the provisions of Term (39)(h) (*Representative Committee of the Bondholders*) and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(vi) *Certification*

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and the Post-issuance Manager signed by the authorized representatives of the Members, and the Issuer and the Post-issuance Manager may rely upon the terms of such certificate.

The certificate shall certify:

- (A) that the committee has been appointed;
- (B) the identity of the initial Members; and
- (C) that such appointment complies with the Terms.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Post-issuance Manager may rely on conclusively, will be delivered to the Issuer and the Post-issuance Manager identifying the new Members. Each of the Issuer and the Post-issuance Manager will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of Term (39)(h)(vi) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Term (39)(h)(iv) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of the Bondholders, the Bondholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

(r) *Bonds controlled by the Issuer:*

For the purposes of (i) determining the right to attend and vote at any meeting of Bondholders, or the right to sign or confirm in writing, or authorize the signature of, any Written Resolution, and (ii) Term (38) (*Events of Default*) and Term (39) (*Meetings of Bondholders*), any of this Series of the Bonds which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer, shall be disregarded and be deemed not to remain outstanding, where:

- (i) "**public sector instrumentality**" means the National Bank of the Republic of Kazakhstan and any department, ministry or agency of the government of the Republic of Kazakhstan or any corporation, trust, financial institution or other entity owned or controlled by the government of the Republic of Kazakhstan or any of the foregoing; and
- (ii) "**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons

performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

Any of this Series of the Bonds will also be deemed to be not outstanding if it has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, it has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Bond in accordance with its terms.

In advance of any meeting of Bondholders, or in connection with any Written Resolution, the Issuer shall provide to the Post-issuance Manager a copy of the certificate prepared pursuant to paragraph (iv) (*Certificate*) of Term (39)(j) (*Aggregation Agent; Aggregation Procedures*), which includes information on the total principal amount of Bonds which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Bonds shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Bondholders or the right to sign, or authorize the signature of, any Written Resolution in respect of any such meeting. The Post-issuance Manager shall make any such certificate available for inspection during normal business hours at their specified offices and, upon reasonable request, will allow copies of such certificate to be taken.

(s) *Aggregation Agent; Aggregation Procedures*

- (i) *Appointment*: The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of this Series of the Bonds, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, the Terms of this Series of the Bonds and the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.
- (ii) *Extraordinary Resolutions*: If an Extraordinary Resolution has been proposed at a duly convened meeting of Bondholders to modify any provision of, or action in respect of, the Terms or the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of this Series of the Bonds then outstanding and, where relevant, each other affected series of debt securities, have voted in favor of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.
- (iii) *Written Resolutions*: If a Written Resolution has been proposed under Term (39) to modify any provision of, or action in respect of, the Terms or the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of this Series of the Bonds then outstanding and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favor of the Written Resolution such that the Written Resolution is approved. If so, the Aggregation Agent will determine that the Written Resolution has been approved.
- (iv) *Certificate*: For the purposes of paragraph (ii) (*Extraordinary Resolutions*) and paragraph (iii) (*Written Resolutions*) of Term (39)(j), the Issuer will provide a certificate to the Aggregation Agent up to 3 days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of this Series of the Bonds only*) or paragraph (c) (*Multiple Series Aggregation – Two limb*

voting) of Term (39) (*Meetings of Bondholders*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (a) list the total principal amount of this Series of the Bonds and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (b) clearly indicate this Series of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (i) (*Bonds controlled by the Issuer*) of Term (39) (*Meetings of Bondholders*) on the record date identifying the holders of this Series of the Bonds and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

- (v) *Notification:* The Aggregation Agent will cause each determination made by it for the purposes of Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) to be notified to the Post-issuance Manager and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Bondholders.
- (vi) *Binding nature of determinations; no liability:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Post-issuance Manager, the Bondholders and (subject to as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (vii) *Manner of publication:* The Issuer will publish all notices and other matters required to be published pursuant to the Terms including any matters required to be published pursuant to Term (39) (*Meetings of Bondholders*), including but not limited to, Term (39)(j) (*Aggregation Agent; Aggregation Procedures*) and Term (39)(h) (*Representative Committee of the Bondholders*), and Term (38) (*Events of Default*):
 - (a) on <https://www.gov.kz/memleket/entities/minfin?lang=ru>;
 - (b) through the website of the Depository designated by PBOC (<http://www.shclearing.com.cn>), China Money (<http://www.chinamoney.com.cn>), and BFAE (<http://www.cfae.cn/>); and
 - (c) in such other places and in such other manner as may be required by applicable law or regulation.

SECTION 13: PARTIES INVOLVED IN THE OFFERING

1. Contact Information of the Issuer and other intermediaries relating to the Offering

Issuer	The Republic of Kazakhstan Represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan Address: Astana, 010000, Kazakhstan, 8, Mangilik El Avenue, Entrance 4 Contact: Aitpysheva Madina, Kassenova Assem, Iskarinova Dinara Tel: + 7 7172 75 03 03, + 7 7172 75 02 45, + 7 7172 75 03 91 E-mail: m.aitpysheva@minfin.gov.kz, e.karamendina@minfin.gov.kz, as.kasenova@minfin.gov.kz, di.iskarinova@minfin.gov.kz
Lead Underwriter, Lead Bookrunner and Post-issuance Manager	China International Capital Corporation Limited Address: 28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing, China Zip Code: 100004 Legal Representative: Liang Chen (陈亮) Contact: Qin Qi, Wendong Rui, Xinyun Zhang, Terigele Tel: +86 10 6505 1166 Fax: +86 10 6505 1156
Joint Lead Underwriter and Joint Bookrunner	Industrial and Commercial Bank of China Limited Address: No.55 Fuxingmennei Avenue, Xicheng District, Beijing Zip Code: 100140 Legal Representative: Lin Liao (廖林) Contact: Chen Jiang Tel: +86 10 8101 1708 Fax: +86 10 6610 7567
Joint Lead Underwriter and Joint Bookrunner	China Construction Bank Corporation Address: 1-1, Naoshikou Street, Xicheng District, Beijing, China Zip Code: 100033 Legal Representative: Jinliang Zhang (张金良) Contact: Peng Zhou Tel: +86 10 6759 6478 Fax: +86 10 6627 5830
Issuer's PRC Counsel	Fangda Partners Address: 24/F, HKRI Centre Two, HKRI Taikoo Hui, 288 Shi Men

Yi Road, Shanghai, China
Zip Code: 200041
Director of the Firm: Nuo Ji (季诺)
Contact: Christine Chen
Tel: +86 21 2208 1166
Fax: +86 21 5298 5599

**Issuer's Kazakhstani
Counsel**

Kinstellar LLP

Address: Office 501, TURAR Business Centre 502, Seifullin
Avenue, Almaty, Kazakhstan
Zip Code: 050012
Contact: Pavel Kornilov
Tel: +7 777 778 88 30
Fax: +7 727 355 05 40

Credit Rating Agency

China Lianhe Credit Rating Co., Ltd.

Address: 17/F, PICC Building, 2 Jianguomenwai Street, Chaoyang
District, Beijing, China
Zip Code: 100022
Legal Representative: Shaobo Wang
Contact: Yiran Xu
Tel: +86 10 8567 9696
Fax: +86 10 8567 9228

**Bonds Registration and
Depositary Institution**

Interbank Market Clearing House Co., Ltd.

Address: No. 2, Beijing East Road, Huangpu District, Shanghai,
China
Zip Code: 200002
Legal Representative: Jianyang Ma
Contact: Issuance Department
Tel: +86 21 2319 8888
Fax: +86 21 2319 8866

**Technology Supporting
Institution for Central
Bookbuilding**

Beijing Financial Asset Exchange

Address: No. 17B Finance Street, Xicheng District, Beijing, China
Zip Code: 100032
Legal Representative: Guo Bing
Contact: Issuing Department
Tel: +86 10 5789 6722; +86 10 5789 6516
Fax: +86 10 5789 6726

2. Potential Conflicts of Interest Between the Issuer and the Principal Underwriters

The Principal Underwriters and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Principal Underwriters may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer from time to time. In the ordinary course of their various business activities, the Principal Underwriters and their respective affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer including this Series of the Bonds, may be entered into at the same time or proximate to offers and sales of this Series of the Bonds or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of this Series of the Bonds. This Series of the Bonds may be purchased by or be allocated to any Principal Underwriter or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

SECTION 14: DOCUMENTS AVAILABLE FOR INSPECTION

1. Documents Available for Inspection

- (1) Notice of Acceptance of Registration issued by NAFMII (NAFMII Registration No. [2026]RB5);
- (2) A copy of the internal authorization document;
- (3) A copy of the legal opinion of Kinstellar LLP in relation to the issuance of this Series of the Bonds (English version with Chinese translation);
- (4) A copy of the legal opinion of Fangda Partners in relation to the issuance of this Series of the Bonds;
- (5) a copy of the credit rating report issued by the Credit Rating Agency for this Series of the Bonds; and
- (6) principal economic data of the Issuer for the recent three fiscal years (Chinese and English versions).

2. Address for Keeping the Documents

Issuer	The Republic of Kazakhstan Represented by the Ministry of Finance of the Republic of Kazakhstan acting upon the authorisation of the Government of the Republic of Kazakhstan
Address:	Astana, 010000, Kazakhstan, 8, Mangilik El Avenue, Entrance 4
Contact:	Aitpysheva Madina, Kassenova Assem, Iskarinova Dinara
Tel:	+ 7 7172 75 03 03, + 7 7172 75 02 45, + 7 7172 75 03 91
Lead Underwriter, Lead Bookrunner and Post-issuance Manager:	China International Capital Corporation Limited
Address:	28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing, China
Zip Code:	100004
Legal Representative:	Liang Chen (陈亮)
Contact:	Qin Qi, Wendong Rui, Xinyun Zhang, Terigele
Tel:	+86 10 6505 1166
Fax:	Fax: +86 10 6505 1156
Joint Lead Underwriter and Joint Bookrunner:	Industrial and Commercial Bank of China Limited
Address:	No.55 Fuxingmennei Avenue, Xicheng District, Beijing
Zip Code:	100140
Legal Representative:	Lin Liao (廖林)
Contact:	Chen Jiang
Tel:	+86 10 8101 1708
Fax:	+86 10 6610 7567
Joint Lead Underwriter and Joint Bookrunner:	China Construction Bank Corporation
Address:	1-1, Naoshikou Street, Xicheng District, Beijing, China
Zip Code:	100033
Legal Representative:	Jinliang Zhang (张金良)
Contact:	Peng Zhou
Tel:	+86 10 6759 6478
Fax:	+86 10 6759 5830

Investors may also access to the full text of this Offering Circular and the documents mentioned above on the following websites:

<http://www.shclearing.com.cn>

<http://www.chinamoney.com.cn>

<http://www.cfae.cn>

Investors who have any questions regarding this Offering Circular and the above-mentioned documents on record should consult their own securities brokers, legal advisors, accountants or other professional advisors.

(This page is the signature page to the Republic of Kazakhstan 2026 Series 1 RMB Bonds (Bond Connect) Offering Circular.)

The Republic of Kazakhstan

Represented by the Ministry of Finance
of the Republic of Kazakhstan acting
upon the authorisation of the
Government of the Republic of
Kazakhstan

By: 

Name: Madi Takiyev

Title: Minister, Ministry of Finance of the
Republic of Kazakhstan

Date: May 21, 2026