Welcome Speech by T. Suleimenov, Governor of the National Bank, at the Annual Congress of Financiers of Kazakhstan

Esteemed colleagues, dear friends!

It is a pleasure to welcome you **to the annual Congress of Financiers of Kazakhstan!** In anticipation of the National Currency Day, our professional holiday, we traditionally meet to sum up our achievements and outline our plans for a next period.

I. MACROECONOMIC STABILITY

Let us briefly review the macroeconomic conditions, external conditions within which our economy operates. This year, the global economic growth will slow down to **3.1%,** while the global inflation, driven by various unfolding events, will grow to **4.7%.** Trade restrictions, geopolitical uncertainty, and fluctuations in commodity prices all impact Kazakhstan's export revenues and inflation levels. Furthermore, artificial intelligence is transforming the technological paradigm across economies worldwide.

Against this background, our economy continues its steady growth. In the first nine months of 2026, GDP rose by **4.2%,** and ignoring the mining sector, this growth reached **5.4%.** For the past four years, we have maintained a growth rate of 5–5.5%.

Current account of the balance of payments has recorded a surplus. Exports are expanding across more than **80%** of product categories, well beyond just oil, and **85%** of foreign direct investment is now directed toward non-extractive sectors.

Construction, transport, and manufacturing industry remain key growth drivers. Private investments in these sectors have increased by **25%.**

All these confirm importance of combining macroeconomic stability with structural diversification of our economy.

Inflation, which had remained at elevated levels for a long time, has been declining for 12 consecutive months and currently stands at **9.2%.** The 2027 target is **6.5–8.5%,** with a further reduction to **5%** by **2028**.

In his Address, the Head of State emphasized that the National Bank must ensure price and financial stability, while also actively contributing to the economic development.

These objectives are closely interconnected and will certainly be achieved. Low and stable inflation enables businesses and investors to plan over a longer horizon and to make investment decisions, a foundation for future growth, with greater confidence and proactivity. Resilient banking system must provide businesses with long-term financing.

We are already working to ensure that banks have stronger incentives to finance businesses rather than consumer lending. In cooperation with the Government and Parliament, we have introduced legislative amendments that provide more favorable tax treatment for income derived from business lending compared to other types of bank income, taxed at 20% and 25%, respectively.

Together with the Agency for Regulation and Development of the Financial Market, we have implemented a series of prudential regulatory measures designed to expand capacities of banks to lend to enterprises. We have revised minimum reserve requirements to reduce excess liquidity, enhance effectiveness of monetary policy, and create additional incentives for banks to lend to the real economy, thereby limiting the scope for generating the so-called passive income. Our goal is for banks to actively engage in lending.

Structure of new loan disbursements is already shifting. In the first nine months of this year, banks issued **16.6 trillion** KZT in new loans to businesses, an increase of **19.5%** compared to the same period last year. The previously overheated consumer lending market has stabilized and no longer gives us any cause for concern.

From a macroeconomic perspective, Kazakhstan maintains **solid positions**. All three major rating agencies, S&P, Moody's, and Fitch, affirm sovereign credit rating of the country at an investment-grade level.

This year, **for the first time since 2016**, **S&P** upgraded Kazakhstan's sovereign rating to **BBB** with a stable outlook. The agency highlighted several key factors, including the economy's resilience to external shocks, substantial international reserves, a

prudent monetary policy, and a disciplined approach to managing the assets of the National Fund.

II. FINANCIAL SECTOR AND CAPITAL MARKETS

Stability of the macroeconomic environment provides a foundation for continued development of the financial market.

As of the end of the first ten months, assets under management of the National Bank totaled approximately **USD 205 billion.**

In 2025, the National Fund achieved a return of **15.1%,** the best annual performance in the Fund's history. Return on gold and foreign currency reserves reached **43.7%.**

Since consolidation of pension assets, the Unified Accumulative Pension Fund (UAPF) has generated a cumulative return of **214.1%,** outpacing the cumulative inflation rate over the same period.

It is essential for us to evaluate management of such significant assets not based on a single year or quarter but over a long-term horizon, given the risk profile and specific objectives for each portfolio.

The banking sector remains robust.

Bank assets have reached **77 trillion KZT**, a 15% growth over the year. Deposits have expanded to **52 trillion KZT** and equity capital has increased by 17% to **11.4 trillion KZT.** The banking system is healthy, stable and prepared for further growth.

Another priority is to enhance role of the banking sector in financing of the real economy. Over the past three years, the portfolio of loans to businesses has grown at a steady and robust pace, approximately 17%.

Along with that, the domestic capital market also undergoes development.

Total trading volume on the Kazakhstan Stock Exchange (KASE) has reached **437 trillion KZT**. KASE Index rose by **12.6%,** while equity market capitalization soared by **23%**.

Our long-awaited, long-term reform implemented this year in cooperation with the Ministry of Finance was introduction of a primary dealer system for government securities.

The results are already evident: liquidity in the secondary market for government securities increased more than fivefold in September, reaching **850 billion KZT.**

The corporate debt market is also expanding. Companies have raised **5.3 trillion KZT** through bond issues, and volume of secondary trading in corporate securities has grown by nearly a third.

All these gradually strengthen the role of the capital market as an extra source of long-term financing.

International investor interest in Kazakhstan's financial instruments is on the rise.

Assignment of **the "Index Watch Positive"** status to our country's government bonds by J.P. Morgan marks an important milestone toward inclusion in the GBI-EM (Government Bond Index-Emerging Markets).

Since the beginning of the year, non-resident investment in government securities has increased by nearly **1 trillion KZT.**

Total investment has reached about **2.8 trillion KZT**, equivalent to USD 6.2 billion, which accounts for roughly 8.8% of the total volume of government securities issued by the Ministry of Finance.

Expanding the international investor base contributes to greater market liquidity and formation of a more stable yield curve.

III. DIGITAL TRANSFORMATION AND REGULATORY DEVELOPMENT

2026 declared by the Head of State as the Year of Digitalization and Artificial Intelligence has marked a significant milestone in digital transformation of our financial sector.

Over the past decade, volume of cashless payments by the public has soared **116-fold,** reaching **190 trillion KZT**. Cashless transactions now account for **90%** of retail turnover.

Development of the national digital financial infrastructure is consistent.

A major reform has been a full-scale launch of a unified QR payment system and interbank transfers via phone number.

This system has consolidated payment market of the country, enabling seamless transactions across all banks. In just

four months, **about 75 million transactions totaling 1.4 trillion KZT** have been processed. Its share of retail, offline, interbank payments is approaching **30%** and continues to grow.

We see that banks are now competing more actively for clients, offering more favorable rates and reducing their fees for businesses. Combined with other reforms and initiatives, this has led to a 40% reduction in fees for entrepreneurs over the last three years.

We continue to develop tools to combat financial fraud. The National Anti-Fraud Center has already helped prevent and block theft of **130 billion KZT.** Capabilities of the NBK AI Platform are used by the Ministry of Internal Affairs to analyze and uncover highly complex cases. Biometric identification services of the National Bank ensure secure delivery of digital financial products, processing approximately **4 million operations every month**. It is important to indicate that, according to the Prosecutor General's Office, volume of financial fraud has decreased by more than 20% for the first nine months of this year, the first such decline since 2020. This indicates that the consolidated efforts of law enforcement agencies, financial regulators, legislators, and, of course, the banks themselves are already yielding tangible results.

Digital KZT has moved beyond pilot projects toward concrete, practical application.

In cooperation with the Government, we plan to bring volume of digital KZT in circulation to **2 trillion KZT**. We intend to utilize this instrument as part of the Head of State's large-scale "Khalyktyk Kurylys" (People's Construction) initiative.

We would remind that a year ago we discussed several offers that were merely concepts at the time; today, they have become reality.

Particularly significant progress has been made regarding the new Law on Banks and the emerging digital asset industry.

Kazakhstan has become one of the first nations in the world to establish a comprehensive legal framework for the digital asset sector covering everything from legal circulation of crypto currencies to tokenization of tangible assets.

Starting **May 1 of this year**, the entire supporting regulatory framework has come into full effect, and necessary infrastructure

has been established, including creation of essential registries and a national crypto-custody service, at the facilities of **Central Securities Depository.**

KASE has launched both a **tokenization platform** and a **trading platform for digital assets.**

National **Crypto Reserve** has been launched.

Key milestone was signing of a decree on development of digital assets by the Head of State. In essence, this serves as a national strategy for development of this sector. Beyond establishing a national institutional framework, the decree creates a favorable tax regime for crypto currency transactions and provides a legal, regulated environment for growth of a tokenized economy.

In July, **the first license for a crypto exchange** was issued; today, eight official crypto exchanges are in operation, with a combined turnover of **45 billion KZT.**

Subject to an instruction of the Head of State, tokenization is actively pursued. On **October 27**, the first issue of **digital financial assets** (tokenized bonds) by private issuers took place on the KASE platform.

On **November 9,** the National Bank issued its own **notes in a tokenized format** for the first time. Success of these trades confirms that the infrastructure and institutional solutions are **fully prepared** for expansion of this mechanism. **In the near future**, in cooperation with the Ministry of Finance, we plan to issue tokenized government bonds, likely within the first quarter of next year.

Another issue is **tokenization of tangible assets,** such as real estate, precious metals, and mineral resources. Tokenization **transforms any type of asset** into a financial asset, thereby democratizing access to finance and reducing costs.

A **new institute** of category 1 payment organization, effectively "payment banks", has been introduced. These entities have an access to the National Bank’s settlement infrastructure and will compete with traditional banks, enabling a more dynamic approach to development of the sector.

2030 Stock Market Development Program and draft Law "Capital Market" have been prepared together with the Agency for Regulation and Development of the Financial Market.

This year, citizens have also been afforded an opportunity to entrust up to **100% of their pension savings** to private asset managers.

IV. A UNIFIED STRATEGY AND FINANCIAL ECOSYSTEM

In his Address, the Head of State set the objective **to consolidate the ongoing reforms** within the Unified Strategy for Development of the Financial Market.

It is essential to ensure coordinated development of financial infrastructure, capital market, digital solutions, and mechanisms to attract investment.

KASE, AIX and Alatau City are expected to play a significant role. Fundamentally, we see mutual recognition of traded instruments, administrative cooperation, information exchange, protection of our financial perimeter, and joint international positioning.

Basic legal and infrastructural conditions have already been **formulated**. Now, active engagement from all market participants is required.

Our Congress is taking place on the eve of the **35th anniversary of our country’s independence.**

Over these years, Kazakhstan has come a long way in development of its own financial system. The national currency has become **one of key symbols** of our economic and financial sovereignty.

We possess stable institutions, modern financial infrastructure, and new technologies, and, most importantly, political will and professional community capable of implementing all these reforms.

We still have a lot of tasks ahead of us: curb the inflation, expand long-term financing for the economy, develop the capital market, continue digital transformation, and enhance stability of the financial system.

We wish everyone good health, professional success, and productive exchange of views throughout today’s Congress! Thank you very much!