**IMPORTANT NOTICE**

**THE ATTACHED BASE OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (I) QIBS (AS DEFINED BELOW) OR (II) LOCATED OUTSIDE OF THE UNITED STATES**

**IMPORTANT: You must read the following before continuing.** The following applies to the Base Offering Circular following this page (the "**Base Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Offering Circular. In accessing the Base Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING BASE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED BY THE RECIPIENT TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

**Confirmation of your Representation:** In order to be eligible to view the Base Offering Circular or make an investment decision with respect to the securities, investors must be (i) "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A under the Securities Act), or (ii) located outside the United States who are transacting in an "offshore transaction" (in accordance with Regulation S) who are not acting for the account or benefit of U.S. persons. By accepting the email and accessing the Base Offering Circular, you shall be deemed to have represented to us that: (i) you are a QIB acquiring the securities referred to herein for your own account and/or for another QIB or (ii) you are outside the United States and not a U.S. person and/or not acting for the account or benefit of a U.S. person.

You are reminded that the Base Offering Circular has been delivered to you on the basis that you are a person into whose possession the Base Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Offering Circular to any other person.

Under no circumstances shall the Base Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor any sale of these securities in any jurisdiction in which such offer, solicitation or sale, would be unlawful. The Base Offering Circular may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **"Order"),** (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 as amended) in connection with the issue or sale of any securities of the Kyrgyz Republic (the "**Issuer**"), represented by the Cabinet of Ministers of the Kyrgyz Republic acting through the Ministry of Finance of the Kyrgyz Republic, may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant persons**"). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

**Manufacturer target market (MiFID II / UK MiFIR Product Governance)** is eligible counterparties and professional clients only (all distribution channels). No EEA PRIIPs key information document (KID) has been prepared as not available to retail in EEA (each, as defined in the defined in the Base Offering Circular).

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise stated in the Final Terms in

respect of any Notes and notified to the Dealers prior to an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

If a jurisdiction requires that the offering be made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Kyrgyz Republic in such jurisdiction.

The Base Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers (as defined in the Base Offering Circular) nor any person who controls them nor any director, officer, employee nor agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any such Arranger.

**BASE OFFERING CIRCULAR** **DATED 22 MAY 2025**

# KYRGYZ REPUBLIC

*(represented by the Cabinet of Ministers of the Kyrgyz Republic acting through the Ministry of Finance of the Kyrgyz Republic)*

## US$1,700,000,000
## Global Medium Term Note Programme

Under the Global Medium Term Note Programme described in this Base Offering Circular (the "**Programme**"), the Kyrgyz Republic (the "**Issuer**" or "**Kyrgyzstan**"), represented by the Cabinet of Ministers of the Kyrgyz Republic acting through the Ministry of Finance of the Kyrgyz Republic, may from time to time issue notes (the "**Notes**"). The aggregate principal amount of Notes outstanding at any time will not exceed US$1,700,000,000 (or its equivalent in other currencies).

Application may be made to the United Kingdom ("**UK**") Financial Conduct Authority (the "**FCA**") for Notes to be admitted to the Official List of the FCA (the "**Official List**") and to be admitted to trading on the Main Market (the "**Market**") of the London Stock Exchange plc (the "**London Stock Exchange**") on an issue by issue basis from the date hereof. For the purposes of this application, the Issuer is an exempt issuer pursuant to Article 1(2) of Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (as amended, the "**UK Prospectus Regulation**"). Accordingly, this Base Offering Circular has not been reviewed or approved by the FCA and has not been approved as a base prospectus by any other competent authority under the UK Prospectus Regulation. Any Notes issued under the Programme are not subject to the prospectus requirements of the UK Prospectus Regulation but will be issued in accordance with the listing rules of the London Stock Exchange. The London Stock Exchange's main market is a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) № 600/2014 on markets in financial instruments as it forms part of domestic law in the UK by virtue of the EUWA ("**UK MiFIR**").

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only during the period of 12 months after the date of this Base Offering Circular on the Hong Kong Stock Exchange. This Base Offering Circular is for distribution to Professional Investors only.

The Programme also permits Notes to be issued on an unlisted basis or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges, regulated markets and/or quotation systems as may be agreed with the Issuer.

Notice of the aggregate nominal amount of interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein that are applicable to, each Tranche (as defined in "*Overview of the Programme*") of Notes will be set forth in a final terms document (the "**Final Terms**") or in a separate offering circular specific to such Tranche (the "**Drawdown Offering Circular**") as described below in "*Final Terms and Drawdown Offering Circulars*", which, with respect to Notes to be admitted to the Official List and to be admitted to trading on the Market, will be delivered to the London Stock Exchange on or before the date of issue of the Notes of such Tranche and, in the case of Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange on or before the date of issue of the Notes for such Tranche.

The Notes of each Series (as defined in "*Overview of the Programme*") will be issued in registered form and may be offered and sold (a) outside the United States in reliance on Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**Securities Act**") (the "**Unrestricted Notes**") and represented by a registered global note certificate (each an "**Unrestricted Global Note**") without interest coupons which may be deposited on the relevant issue date (i) in the case of a Series intended to be cleared through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") with a common depositary (the "**Common Depositary**") and (ii) in the case of a Series intended to be cleared though a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg, or delivered outside of a clearing system, as agreed between the Issuer and the relevant Dealers, and/or (b) within the United States only to "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A (the "**Restricted Notes**") and will be represented by one or more registered global note certificates (each a "**Restricted Global Note**" and together with the Unrestricted Global Notes, the "**Global Notes**"), without interest coupons, which, as specified in the Final Terms may be cleared through Euroclear and/or Clearstream, Luxembourg or through The Depository Trust Company ("**DTC**") and which may be deposited on the relevant issue date with either a Common Depositary or a custodian (the "**Custodian**") for DTC and registered in the name of Cede & Co. as nominee for DTC. Prospective purchasers are hereby notified that sellers of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Interests in Restricted Global Notes will be subject to certain restrictions on transfer. See "*Transfer Restrictions*". Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, certificates for Notes will not be issued in exchange for beneficial interests in a Global Note.

The Issuer's current long term debt rating by S&P Global Ratings UK Limited ("**S&P**") is B+, by Fitch (Hong Kong) Limited ("**Fitch**") is B and by Moody's Ratings ("**Moody's**") is B3. S&P is not established in the UK and has not applied for registration under the UK CRA Regulation. The rating issued by S&P has been endorsed by S&P Global Ratings UK Limited in accordance with the UK CRA Regulation and has not been withdrawn. S&P Global Ratings UK Limited is established in the UK and is registered in accordance with the UK CRA Regulation. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Where a Tranche is rated, the applicable rating(s)

will be specified in the relevant Final Terms. 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 agency.

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or other jurisdiction of the United States, 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. For a summary of certain restrictions on resale, see "*Subscription and Sale*" and "*Transfer Restrictions*".

**Notice to Hong Kong investors:** The Issuer confirms that the Notes to be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes, to the extent that such Notes are to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

**The Hong Kong Stock Exchange has not reviewed the contents of this Base Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Base Offering Circular to Professional Investors only have been reproduced in this Base Offering Circular. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme or the Notes or the Issuer or quality of disclosure in this Base Offering Circular.** Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Base Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Base Offering Circular.

This Base Offering Circular should be read and construed together with any amendment or supplement hereto. Further, in relation to any Series, this Base Offering Circular should be read and construed together with the relevant Final Terms.

Investing in the Notes involves certain risks. See "*Risk Factors*" beginning on page 6.

*Arrangers and Permanent Dealers*

| | | | |
|---|---|---|---|
| **Citigroup** | **China CITIC Bank International** | **Oppenheimer & Co.** | **TF International** |

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## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Offering Circular and declares that, to the best of its knowledge, the information contained in this Base Offering Circular (including the information incorporated herein by reference) is in accordance with the facts and the Base Offering Circular as completed by Final Terms makes no omission likely to affect the import of such information.

To the best of the knowledge and belief of the Issuer, this Base Offering Circular contains all information regarding the Issuer and the Notes which (in the context of the issue of the Notes) is material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Base Offering Circular on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Base Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

This Base Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in this Base Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

No person has been authorised to give any information or to make any representation other than those contained in this Base Offering Circular in connection with the offering, issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Arranger or Dealer (each as defined in "*Overview of the Programme*").

Neither the Arrangers nor the Dealers have separately verified the information contained herein. None of the Arrangers or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Offering Circular. Neither this Base Offering Circular nor any Final Terms are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Offering Circular or any Final Terms should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Offering Circular and any Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Offering Circular and any Final Terms nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or the Dealers.

Generally, investment in emerging markets such as Kyrgyzstan is only suitable for investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors are urged to consult their own legal and financial advisers before making an investment. Emerging markets can also experience more instances of corruption by government officials and misuse of public funds than do more mature markets, which could affect the ability of governments to meet their obligations under issued securities.

Investors should also note that emerging markets such as Kyrgyzstan are subject to rapid change and that the information set out in this Base Offering Circular may become outdated relatively quickly.

## SUPPLEMENTS TO THIS BASE OFFERING CIRCULAR

The Issuer has undertaken, in connection with the listing of the Notes on the Official List, that in the event of a change in the condition of the Issuer, which is material in the context of the Programme or the issue of Notes,

and if there is a significant new factor, material mistake or material inaccuracy relating to the information contained in this Base Offering Circular which is capable of affecting the assessment of any Notes, which inclusion would be required by investors for the purpose of making an informed assessment of the economic, fiscal and political condition of the Issuer and the rights attaching to the relevant Notes, the Issuer will prepare or procure the preparation of a supplement to this Base Offering Circular or, as the case may be, publish a new offering circular, for use in connection with that or any subsequent issue by the Issuer of Notes listed on the Official List.

## IMPORTANT NOTICES

Neither the delivery of this Base Offering Circular or any Final Terms nor the offering, sale or delivery of any Note shall, under any circumstances, create any implication that the information contained in this Base Offering Circular is accurate subsequent to the date hereof or that there has been no change in the affairs of the Issuer since the date hereof or the date upon which the Base Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the economic, fiscal and political condition of the Issuer since the date hereof or the date upon which the Base Offering Circular has been most recently amended or supplemented or any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. This Base Offering Circular may only be used for the purpose for which it has been prepared.

The distribution of this Base Offering Circular and any Final Terms and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Circular or any Final Terms comes are required by the Issuer, the Arrangers and the Dealers to inform themselves and to observe any such restriction. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Offering Circular and any Final Terms and the offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the Securities Act and will be offered and sold outside the United States in reliance on Regulation S and sold in the United States only to QIBs in reliance on Rule 144A. Prospective purchasers of Notes are hereby notified that sellers of Notes may be relying on the exemption from registration requirements of Section 5 of the Securities Act provided by Rule 144A.

This Base Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers or the Dealers to subscribe for, or purchase, any Notes. In particular, this Base Offering Circular does not constitute an offer of securities to the public in the United Kingdom. Consequently, this document is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the FSMA (Financial Promotion) Order 2005 (the "**Order**"); (b) high net worth entities falling within article 49(2)(a) to (d) of the Order and (iii) any other person to whom it may be lawfully communicated under the Order (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Base Offering Circular may come are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe such restrictions.

## FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute "forward looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); however, this Base Offering Circular is not entitled to the benefit of the safe harbour created thereby. Such statements, certain of which can be identified by the use of forward looking terminology such as "believes", "expects", "may", "are expected to", "plans", "intends", "will", "will continue", "should", "could", "would be", "seeks", "estimates", "predicts", "projects", "forecasts", "aims" or "anticipates", or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions, involve a number of risks and uncertainties. Such forward looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised. Therefore, undue reliance should not be placed on them. The Issuer has based these forward looking statements on its current view with respect to future events and financial results.

Forward looking statements speak only as at the date on which they are made and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events. Forward looking

statements involve inherent risks and uncertainties. Forward looking statements include, but are not limited to: (i) plans with respect to the implementation of economic policy; (ii) expectations about the behaviour of the economy if certain economic policies are implemented; (iii) the outlook for gross domestic product, inflation, exchange rates, interest rates, commodity prices, foreign investment, balance of payments, trade and fiscal balances; and (iv) estimates of external debt repayment and debt service.

The Issuer cautions that a number of important factors could cause actual results to differ materially from those contained in any forward looking statement. The information contained in this Base Offering Circular identifies important factors that could cause such differences, including, but not limited, to the following adverse external factors, such as:

- adverse events in other emerging market countries, which could dampen foreign investment or adversely affect the trading price of the Notes; and
- adverse domestic factors, such as:
    - changes in economic or other policies, including monetary policy applicable in Kyrgyzstan, which could affect inflation, growth rates and/or other aspects of the Kyrgyzstan economy;
    - a decline in foreign direct investment ("**FDI**"), increases in domestic inflation, high domestic interest rates, exchange rate volatility or an increase in the level of domestic and external debt, which could lead to lower economic growth, a decrease in Kyrgyzstan's fiscal revenues or an increase in debt service requirements; and
    - any deterioration in political or economic stability or in investor perceptions thereof; and
- changes in international commodities prices, foreign exchange rates or prevailing interest rates, which could adversely affect Kyrgyzstan's balance of payments and external reserves.

The sections of this Base Offering Circular entitled "*Risk Factors*", "*The Kyrgyz Republic*" and "*The Kyrgyz Economy*" contain a more complete discussion of the factors that could adversely affect the Issuer. In light of these risks, uncertainties and assumptions, the forward looking events described in this Base Offering Circular may not occur. The Issuer does not undertake any obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise, except as may be required by law or applicable regulations. All subsequent written and oral forward looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Offering Circular.

As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward looking statements.

## BENCHMARKS REGULATIONS

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") or Regulation (EU) 2016/1011 as it forms part of domestic law in the UK pursuant to the EUWA (the "**UK Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation or the FCA pursuant to Article 36 of the UK Benchmarks Regulation. Not every reference rate will fall within the scope of the EU Benchmarks Regulation or UK Benchmarks Regulation. Transitional provisions in the EU Benchmarks Regulation and UK Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the European Union or United Kingdom (as applicable), recognition, endorsement or equivalence). The registration status of any administrator under the EU Benchmarks Regulation and UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

## STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "**Stabilisation Manager(s)**") (or persons acting on behalf of the Stabilisation Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over allotment must be conducted by the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws, regulations and rules.

## NOTICE TO PROSPECTIVE UNITED STATES INVESTORS

**THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES REVIEWED OR PASSED UPON OR ENDORSED THE MERITS OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

This Base Offering Circular is being furnished only to a limited number of investors in the United States who are persons reasonably believed to be QIBs and to investors outside the United States. Any reproduction or distribution of this Base Offering Circular, in whole or in part, in the United States and any disclosure of its contents or use of any information herein in the United States for any purpose, other than in considering an investment by the recipient in the Notes, is prohibited. Each potential investor in the Notes, by accepting delivery of this Base Offering Circular agrees to the foregoing and each purchaser or holder of interests in Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain acknowledgements, representations and agreements as set out in "*Subscription and Sale*" and "*Transfer Restrictions*".

## NOTICE TO HONG KONG INVESTORS

The Issuer confirms that any Notes that may be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes to be issued under the Programme (to the extent that such Notes are to be listed on the Hong Kong Stock Exchange) will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

## EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend titled "EU MiFID II Product Governance" that will outline the target market assessment in respect of such Notes and which channels for distribution of such Notes are appropriate. Any person subsequently offering, selling or recommending such Notes (a "**distributor**") should take into consideration the target market assessment; *however*, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a "manufacturer" in respect of such Notes, but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" that will outline the target market assessment in respect of such Notes and which channels for distribution of such Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a "manufacturer" in respect of such Notes, but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## KINGDOM OF SAUDI ARABIA NOTICE

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Markets Authority**"). The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

## SINGAPORE SFA PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise stated in the Final Terms in respect of any Notes and notified to the Dealers prior to an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

## NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT IMPORTANT NOTICE TO PROSPECTIVE INVESTOR

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme, each such offering, a "**CMI Offering**", including certain Dealers, may be "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to

prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders (where applicable) of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise.As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Final Terms or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

## FINAL TERMS AND DRAWDOWN OFFERING CIRCULARS

In this section the expression "necessary information" means, in relation to any Tranche, the information necessary to enable investors to make an informed assessment of the prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Offering Circular all of the necessary information except for

information relating to the Notes which is not known at the date of this Base Offering Circular and which can only be determined at the time of an individual issue of a Tranche.

Any information relating to the Notes which is not included in this Base Offering Circular and which is required in order to complete the necessary information in relation to a Tranche will be contained either in the relevant Final Terms or in a Drawdown Offering Circular.

For a Tranche which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Offering Circular and must be read in conjunction with this Base Offering Circular. The terms and conditions applicable to any particular Tranche which is the subject of Final Terms are the Terms and Conditions of the Notes described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche which is the subject of a Drawdown Offering Circular will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Offering Circular. In the case of a Tranche which is the subject of a Drawdown Offering Circular, each reference in this Base Offering Circular to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Offering Circular unless the context requires otherwise.

## PRESENTATION OF INFORMATION

Statistical data appearing in this Base Offering Circular has, unless otherwise stated, been obtained from the National Statistical Committee of the Kyrgyz Republic, the Ministry of Finance of the Kyrgyz Republic and the National Bank of the Kyrgyz Republic. Some statistical information has also been derived from information publicly made available by third parties such as the International Monetary Fund (the "**IMF**") and other third parties. Where such third party information has been so sourced the source is stated where it appears in this Base Offering Circular. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced inaccurate or misleading. Similar statistics may be obtainable from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source.

References to gross domestic product ("**GDP**") are to nominal GDP unless indicated otherwise.

In this Base Offering Circular, unless otherwise specified, references to "**Kyrgyzstan**" or the "**State**" are to the Kyrgyz Republic; references to the "**Government**" are to the Cabinet of Ministers of the Kyrgyz Republic; references to the "**Zhogorku Kenesh**" or "**Parliament**" are to the Zhogorku Kenesh (Parliament) of the Kyrgyz Republic; references to the "**National Bank**" are to the National Bank of the Kyrgyz Republic; references to the "**Ministry of Finance**" are to the Ministry of Finance of the Kyrgyz Republic; references to the "**Ministry of Economy and Commerce**" are to the Ministry of Economy and Commerce of the Kyrgyz Republic; references to the "**CIS**" are to the Commonwealth of Independent States; references to the "**EAEU**" are to the Eurasian Economic Union; references to "**KGS**" and "**som**" are to the lawful currency of the Kyrgyz Republic; references to "**CNY**", "**Renminbi**" and "**RMB**" are to the lawful currency of the People's Republic of China (the "**PRC**") which, for the purposes of this Base Offering Circular, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan; and references to "**U.S. dollars**", "**USD**" and "**US$**" are to the currency of the United States of America. References to "billions" are to thousands of millions.

Conversions of amounts from som to U.S. dollars are solely for the convenience of the reader and, unless otherwise stated, are made at various exchange rates. No representation is made that Kyrgyzstan som or U.S. dollar amounts referred to herein could have been or could be converted to U.S. dollars or som, as the case may be, at any particular rate or at all.

Websites referred to in this Base Offering Circular and the information therein do not form part of this Base Offering Circular.

Certain figures included in this Base Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same item of information may vary to reflect such rounding, and figures shown as totals may not be the arithmetical aggregate of their components.

Please note that certain existing data included in this Base Offering Circular may be subject to revision in future. See "*Risk Factors – Risks Related to Kyrgyzstan – Statistical Information*".

**Public Official Information**

Information included in this Base Offering Circular and identified as being derived from information published by Kyrgyzstan or one of its agencies or instrumentalities is included herein on the authority of such publication as a public official document of the Kyrgyz Republic. All other information herein with respect to Kyrgyzstan is included herein as a public official statement made on the authority of the Ministry of Finance.

## EXCHANGE RATES

Solely for convenience, this Base Offering Circular includes conversions of certain som amounts into U.S. dollars at specified rates.

The following table sets forth the period-end, average and high and low rates for som, each expressed in som and based on the som/U.S. dollar exchange rates as reported by the National Bank for the years indicated:

| ***Year*** | **High** | **Low** | **Average[(1)]** | **Period end** |
|---|---|---|---|---|
| | | (*KGS/USD*) | | |
| 2025 (up to and including 21 April 2025) | 87.4500 | 85.6093 | 87.1948 | 87.1000 |
| 2024 | 89.5100 | 84.0300 | 87.1424 | 87.0000 |
| 2023 | 89.3200 | 85.6800 | 87.8605 | 89.0853 |
| 2022 | 105.0000 | 79.5000 | 84.1253 | 85.6800 |
| 2021 | 84.8113 | 83.0132 | 84.6399 | 84.7586 |
| 2020 | 84.8988 | 69.5117 | 77.3616 | 82.6498 |

(1) The average annual exchange rate is calculated based on the official daily exchange rates published during the period.
*Source: National Bank*

As of 21 April 2025, the official exchange rate of National Bank was US$1.00 to KGS 87.1000.

The exchange rates set out in the table above may differ from the actual rates used in the preparation of the information appearing in this Base Offering Circular. The inclusion of these exchange rates is not meant to suggest that any amount of the currencies specified above has been, or could be, converted into the applicable currency at the exchange rates indicated or at any other exchange rate.

## ENFORCEMENT OF FOREIGN JUDGMENTS AND AWARDS

### Enforcement of Foreign Court Judgments

Foreign judgments will not be enforced in Kyrgyzstan until they have passed the procedure of recognition. Recognition is a formal procedure providing for participation of the parties to the dispute but without re-consideration of the merits of the dispute. The main aim of recognition is to determine whether there are any formal grounds for refusal of recognition and enforcement of foreign judgments.

The Civil Procedure Code of the Kyrgyz Republic (the "**CPC**") provides that foreign judgements, including decisions approving settlement agreements, shall be recognised and enforced in the Kyrgyz Republic, if it is provided by law or international treaties, to which the Kyrgyz Republic is a party that have entered into force under the procedure established by law, or on the basis of reciprocity. The Kyrgyz legislation does not include clear rules on the application of the principle of reciprocity. Thus, there can be no assurance that the courts of the Kyrgyz Republic will recognise and enforce a judgment rendered by courts of a jurisdiction with which the Kyrgyz Republic has no agreement on the basis of the principle of reciprocity.

The legal basis for recognition and enforcement of foreign judgments includes the following:

- the CPC (Chapter 48);
- the Law of the Kyrgyz Republic No. 15 on the Status of Bailiffs and Enforcement Proceedings dated 28 January 2017; and
- international (bilateral and multilateral) treaties to which the Kyrgyz Republic is a party that have entered into force under the procedure established by law (including the Convention on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters dated 22 January 1993 (Minsk Convention) and the Convention on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters dated 7 October 2002 (Kishinev Convention) concluded by the member states of the Commonwealth of Independent States, and bilateral treaties with the People's Republic of China, the Russian Federation, the Republic of Kazakhstan and other countries). The Kyrgyz Republic does not have either an effective bilateral treaty on legal assistance with the United Kingdom nor reciprocity practice with the United Kingdom.

The procedure for enforcement of foreign judgments is provided by the CPC and international treaties.

A proceeding is commenced after an application for the recognition and enforcement of a foreign judgment (with relevant documents) is filed by an enforcement applicant with a district or equivalent court at the place of residence or location of a debtor or, at the location of the debtor's property, if the debtor's place of residence or location is unknown. The application shall be considered in a court session by a single judge within 30 days from the date of receipt by the court under the rules of the CPC. Service is generally required. The legislation of the Kyrgyz Republic provides that notices and summonses shall be generally sent to the parties of the proceedings (to their relevant addresses: the one indicated by a person/ place of his/ her work – for an individual; at the location of a body – for a legal entity) by registered mail with notification of service to the addressee so that they have sufficient time to prepare for the case and appear in court in a timely manner.

The CPC provides that a local court shall refuse to recognise and enforce the judgment of a foreign court in whole or in part if:

1. the judgment under the law of the state, in the territory of which it is made, has not entered into legal force or is not enforceable, except for the cases where a judgment is enforceable before it enters into legal force;
2. the party, against which the decision is made, has not been timely and duly notified of the time and place of trial of the case or for other reasons has not been able not provide its explanations to the court;
3. trial of the case under the international treaty, to which the Kyrgyz Republic is a party, or law falls within the exclusive competence of a court of the Kyrgyz Republic;

4. if there is an existing enforceable judgment of a court of the Kyrgyz Republic or a recognised judgment of a court of a third country on a dispute between the same parties, on the same subject matter and on the same grounds;

5. a case is pending trial by a court of the Kyrgyz Republic on the dispute between the same parties, on the same subject matter and on the same grounds, the proceedings on which have been initiated before the proceedings initiated in a foreign court;

6. the statute of limitations for the enforcement of a foreign judgment has expired and the court has not reinstated the statute of limitations; or

7. enforcement of a foreign judgment would contradict to the public policy (order) of the Kyrgyz Republic.

The legislation of the Kyrgyz Republic does not specify what is covered by the notion of public policy / order (fundamentals of law and order). The concept of public policy is not well developed in Kyrgyzstan. There may be an expansive interpretation of this concept in practice.

**Enforcement of Foreign Arbitral Awards**

The procedure provided by the CPC for enforcement of foreign court judgments is generally applicable to the enforcement of arbitral awards of international arbitration courts and foreign arbitration courts made in a foreign state (decisions of foreign (international) arbitration).

The Kyrgyz Republic is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards dated 10 June 1958 (the "**New York Convention**").

Pursuant to the CPC, recognition and enforcement of a foreign (international) arbitral award may be refused on request of the party against whom it is directed, if that party submits evidence to the court where recognition and enforcement are sought that:

1. the parties to the arbitration agreement were in any way incapacitated by the law applicable to them, or this agreement is invalid under the law to which the parties subordinated this agreement, and in the absence of such indication - under the law of the country where the decision was made;

2. the party against whom the award was made was not properly notified of the appointment of an arbitrator or of the arbitration proceedings, or for other reasons was not able to provide its explanations;

3. the decision is made on a dispute that is not provided for by the arbitration agreement or does not fall under its terms, or contains rulings on issues beyond the scope of the arbitration agreement. If, in a foreign (international) arbitral award, rulings on matters covered by an arbitration agreement can be separated from those not covered by such an agreement, the part of the award containing rulings on matters covered by the arbitration agreement may be recognised and enforced;

4. the composition of the arbitration court or the arbitration proceedings did not comply with the agreement of the parties or, in the absence of such agreement, did not comply with the law of the country in which the arbitration took place; or

5. the award has not yet become final for the parties, or has been annulled, or its enforcement has been suspended by a court of the country in which or in accordance with the law of which it was made.

Recognition and enforcement of a foreign (international) arbitral award may also be refused if the court of the Kyrgyz Republic finds that:

1. the subject of the dispute may not be the subject of arbitration proceedings under the laws of the Kyrgyz Republic; or

2. the recognition and enforcement of the award is contrary to the public policy (order) of the Kyrgyz Republic.

Notwithstanding the foregoing, recognition and enforcement of arbitral awards in Kyrgyzstan may still be difficult. In particular, if the enforcement of an arbitral award conflicts with the public policy of Kyrgyzstan, a Kyrgyz court may refuse to recognise and enforce such arbitral award.

## OVERVIEW OF THE PROGRAMME

*This overview does not purport to be complete and must be read as an introduction to this Base Offering Circular and any decision to invest in the Notes should be based on a consideration of this Base Offering Circular as a whole.*

*Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this overview.*

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| **Issuer** ..... | The Kyrgyz Republic, represented by the Cabinet of Ministers of the Kyrgyz Republic acting through the Ministry of Finance of the Kyrgyz Republic |
| **Description and Size**..... | Global Medium Term Note Programme<br><br>US$1,700,000,000 (or its equivalent in other currencies calculated in accordance with the provisions of the Dealer Agreement) outstanding at any one time. The Issuer may increase the amount of the Programme at any time in accordance with the Dealer Agreement. |
| **Arrangers** ..... | Citigroup Global Markets Limited<br>China CITIC Bank International Limited<br>Oppenheimer & Co. Inc.<br>TFI Securities and Futures Limited |
| **Permanent Dealers** ..... | Citigroup Global Markets Limited<br>China CITIC Bank International Limited<br>Oppenheimer & Co. Inc.<br>TFI Securities and Futures Limited<br><br>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Offering Circular to "**Permanent Dealers**" are to those persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. |
| **Fiscal Agent, Exchange Agent and Calculation Agent**..... | Citibank, N.A., London Branch |
| **Principal Paying and Transfer Agent**..... | Citibank, N.A., London Branch |
| **Registrar**..... | Citibank Europe Plc |
| **Method of Issue**..... | The Notes will be issued in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. However, further notes having the same terms and conditions as the Notes of a particular Series so as to form a single series with the Notes of the particular Series will be issued with a separate CUSIP and ISIN unless such further notes are fungible with the original Notes for U.S. federal income tax purposes. Each Series may comprise one or more tranches of notes (each, a "**Tranche**") issued on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the denominations, issue date, issue price, first payment |

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| | of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms or the Drawdown Offering Circular (as the case may be) which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Base Offering Circular and must be read in conjunction with this Base Offering Circular. The terms and conditions applicable to any particular Tranche are the Terms and Conditions of the Notes as supplemented, amended or replaced by the relevant Final Terms or the relevant Drawdown Offering Circular (as the case may be). |
| **Issue Price** ..... | Notes may be issued at any price on a fully paid basis, as specified in the Final Terms. The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. |
| **Form of Notes**..... | Each Series will be issued in registered form only.<br><br>Restricted Notes will initially be represented by a Restricted Global Note and Unrestricted Notes will initially be represented by an Unrestricted Global Note. The Global Notes will be exchangeable for Definitive Note Certificates (as defined herein) in the limited circumstances specified in the Global Notes. |
| **Clearing Systems** ..... | Euroclear, Clearstream, Luxembourg and DTC, unless otherwise agreed, and such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s). |
| **Currencies**..... | Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal, regulatory and central bank requirements. |
| **Maturities**..... | Subject to compliance with all relevant laws, regulations, directives and/or central bank requirements, any maturity. |
| **Denominations**..... | Notes will be issued in such denominations as may be specified in the relevant Final Terms (the "**Specified Denomination**"), *provided that*, subject to the below, the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency. For so long as the Notes are represented by a Global Note, and the relevant clearing system(s) so permit, subject to the below, the Notes shall be tradeable only in the minimum authorised denomination of €100,000 or its equivalent in another currency and higher integral multiples of any smaller amount specified in the relevant Final Terms. Interests in the Restricted Notes shall be held in amounts of not less than US$200,000 or its equivalent in other currencies.<br><br>Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or |

(b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA.

**Fixed Rate Notes**..... Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes**..... Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions or the latest version of the 2021 ISDA Definitions, each as published by the International Swaps and Derivatives Association, Inc.; or

(ii) by reference to SOFR, EURIBOR, HIBOR or EIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

In the event where the benchmark used to calculate interest payable is discontinued, the Terms and Conditions of the Notes provide methodology to determine successor or alternative rates.

**Zero Coupon Notes**..... Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Redemption**..... The relevant Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity or that such Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The Notes may also be redeemed before their stated maturity at the option of Noteholders to the extent (if at all) specified in the relevant Final Terms.

Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whole issue otherwise would constitute a contravention of section 19 of the FSMA will have a minimum redemption amount of £100,000 (or its equivalent in the relevant currency).

**Status of the Notes**..... The Notes constitute direct, general, unconditional and (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and will at all times rank *pari passu* without preference among themselves and at least *pari passu* in right of payment with all other unsecured External Indebtedness of the Issuer from time to time outstanding, *provided further that* the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to the Notes or any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and *vice versa*.

**Negative Pledge**..... The Notes will have the benefit of a negative pledge as described in Condition 6 (*Negative Pledge*).

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| **Credit Ratings**..... | Where a Tranche is rated, the applicable rating(s) will be specified in the relevant Final Terms.<br><br>A credit 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. |
| **Taxation**..... | All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Kyrgyz Republic or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.<br><br>In that event, the Issuer shall pay such amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction has been required, subject to certain exceptions set out in Condition 12 (*Taxation*). |
| **Governing Law** ..... | English law. |
| **Transfer Restrictions** ..... | The offering and sale of Notes is subject to applicable laws and regulations including, without limitation, those of the United States, the United Kingdom, the EEA, the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market), the Dubai International Financial Centre, the Abu Dhabi Global Market Singapore, Hong Kong, the Kyrgyz Republic, Korea, Taiwan, the People's Republic of China, Macau and Australia. See "*Subscription and Sale*".<br><br>The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any State securities law. Consequently, the Notes 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 and any applicable state securities laws. See "*Transfer Restrictions*". |
| **Listing and Trading**..... | Application may be made for the Notes to be admitted to listing on the Official List and to trading on the Market and references to "listing" shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market.<br><br>Application has also been made to the Hong Kong Stock Exchange for the listing of the Programme under which the Notes may be issued by way of debt issues to Professional Investors only during the period of 12 months after the date of this Base Offering Circular on the Hong Kong Stock Exchange.<br><br>Notes may also be unlisted or may be listed or admitted to trading, as the case may be, on any market (including any unregulated or regulated market for the purposes of EU MiFID II) as may be agreed among the Issuer and the relevant Dealer(s) or (in the case of a direct purchase of Notes by an investor) the relevant Noteholders(s) in relation to each relevant Series. |
| **Enforcement of Notes in Global Form**..... | In the case of Global Notes, individual investors' rights against the Issuer will be governed by a deed of covenant dated 22 May 2025 (the "**Deed of Covenant**"), a copy of which is available for inspection at the specified office of the Fiscal Agent. |

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|---|---|
| **Risk Factors** ..... | Investing in the Notes involves a high degree of risk, which investors should ensure they fully understand. These include: risks associated with emerging markets, risks relating to Kyrgyzstan and risks relating to the Notes. See "*Risk Factors*". |
| **Use of Proceeds** ..... | Unless otherwise stated in the relevant Final Terms, the net proceeds of the issue of the Notes will be used by the Issuer for general budgetary purposes, including financing hydroelectric power projects and other infrastructure projects. |

## RISK FACTORS

*Investment in the Notes involves a high degree of risk. Prospective investors should carefully consider the following risk factors, together with the other information set out in this Base Offering Circular, before making a decision to invest in the Notes and should understand that the risks set forth below could, individually or in the aggregate, have a material adverse effect on the Issuer's ability to repay principal and make payments of interest on the Notes or otherwise fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Additional risks and uncertainties not currently known to the Issuer or that the Issuer currently deems to be immaterial may also materially affect the Issuer's economy and its ability to fulfil its obligations under the Notes. In any such case, investors may lose all or part of their investment in the Notes.*

### Risks Relating to Emerging Markets

#### *Investing in securities involving emerging markets generally involves a higher degree of risk than investing in securities in more developed markets*

Investors in emerging markets should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant economic, political, social and legal risks. Investors should also note that emerging economies, such as the Kyrgyz Republic, are subject to rapid change and that the information set forth herein 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 Notes.

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 as well as to reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty.

In general, the level of investor confidence in emerging markets as a whole significantly influence the availability of credit to entities operating in such markets. 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 entities within any of 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 emerging markets could reduce foreign investment in Kyrgyzstan and, as a result, have an adverse effect on Kyrgyzstan's economy. If foreign investment in Kyrgyzstan's economy declines, it may experience liquidity constraints. Kyrgyzstan's economy is also not immune from developments in the economies of other countries located in emerging markets. Even if Kyrgyzstan's economy remains relatively stable, financial unrest or instability experienced in one or more emerging market countries, especially countries in the CIS, the Caspian Sea or Central Asian regions (which have recently experienced significant political instability, including terrorism and internal unrest), could have a negative impact on Kyrgyzstan's economy.

Any of the aforementioned risks could have a negative effect on Kyrgyzstan's economy, and thus could have a material adverse effect on the trading price of the Notes.

### Risks Relating to Kyrgyzstan

#### *Vulnerability to Global and Regional Economic Conditions*

The Kyrgyz economy is vulnerable to external factors. Kyrgyzstan has a relatively small economy, with nominal GDP estimated to be approximately US$17.5 billion in 2024, a reliance on remittances by labour migrants and a reliance on imports (69.9% of GDP in 2024). As such, the Kyrgyz economy is sensitive to exogenous

economic and political developments. For example, Kyrgyzstan's GDP contracted sharply by 7.1% in 2020 due to the effects of the COVID-19 pandemic and other factors.

Global and regional conflicts, including conflicts between Russia and Ukraine and in the Middle East, together with unpredictable economic and political consequences associated with such conflicts, could have a material adverse effect on the Kyrgyz economy. Several global economies, including China, are experiencing a slowdown in economic growth and stock market volatility. Trade tensions between the United States and China, including recent tariff implementations and retaliations, may further contribute to economic uncertainty and supply chain disruptions, potentially impacting China's industrial output and trade flows.

Kyrgyzstan has historically had a relatively narrow export base and is particularly vulnerable to global demand for gold, which tends to be cyclical, reflecting global production and demand. The gold mining sector contributes significantly to the country's GDP (as part of mining and manufacturing), employment and public finances. In the nine months ended 30 September 2024, gold accounted for 31.0% of total exports, as compared to 37.9% for 2023. Because of the country's reliance on commodity exports, Kyrgyzstan is at risk of shocks stemming from declines in the prices of its major exports, such as gold. In addition, most of Kyrgyzstan's fuel and a large share of its food are imported, making it vulnerable to changes in global food and fuel prices. China is the largest origin of imports to Kyrgyzstan, accounting for 62.7% of total imports from non-EAEU countries in 2024.

Additionally, China, Russia and Kazakhstan are major sources of FDI in Kyrgyzstan, in industry sectors including among others transportation and logistics, infrastructure, energy, mining and metals, telecommunications, manufacturing, construction, high technology and agriculture. Increased economic uncertainty and financial pressures on investors in these countries may lead to reduced capital inflows, delays in major projects, or a scaling back of planned economic cooperation initiatives, which could slow Kyrgyzstan's development efforts and limit employment opportunities in key sectors.

Kyrgyzstan depends on its labour exports and the resulting remittance income earned by migrant workers (mainly based in Russia), which, on a net basis, represented 14.6% of GDP in 2024. As a result, Kyrgyzstan is exposed to fluctuations in the external demand for its migrant labour force. Kyrgyzstan's economy remains vulnerable to further external shocks. Due to the strong correlation between Kyrgyzstan's and Russia's economic performance, Kyrgyzstan's economy is also vulnerable to volatility in global oil prices, which are a key factor in Russian economic performance given the importance of the oil and gas sector in Russia.

Whilst Kyrgyzstan has sought to diversify its economy (with a growing industrial sector, planned increases in hydroelectric power supply and increased emphasis on the agro-industrial sector, tourism and digital and innovative solutions), attract higher-quality FDI and better integrate into the global economy, its vulnerability to the foregoing risks currently remains significant. There can be no assurance that weaknesses in the global economy, or a future external economic crisis, will not have a negative effect on Kyrgyzstan's economy or on investors' confidence in Kyrgyzstan. This could affect Kyrgyzstan's ability to raise capital in the international debt markets and may have a material adverse effect on the trading price of the Notes.

***Political Risks Associated with a Transitional Democracy***

With its independence only re-established in 1991, Kyrgyzstan remains a transitional democracy and its political institutions are still maturing.

As a transitional democracy, Kyrgyzstan's political institutions may be less established than political institutions in mature democracies and may not carry the same institutional legitimacy as in the case of mature democracies. Kyrgyzstan's percentile ranks in the World Bank's Worldwide Governance Indicator (WGI) for Government Effectiveness and Rule of Law for 2023 were 30.5 out of 100 for Government Effectiveness and 25.7 out of 100 for Rule of Law.

Transitional democracies may also be more prone to mass demonstrations and street protests. As has occurred in certain other former members of the Soviet Union, such as Georgia and Ukraine, Kyrgyzstan has had popular uprisings, so-called "colour revolutions," resulting in extra-constitutional transfers of power or contested elections being repeated. In particular, in 2005 Kyrgyzstan experienced an uprising named the "Tulip Revolution," in 2010, a second major uprising took place, sometimes referred to as the "Melon Revolution" or

the "April Revolution," and another period of civil unrest occurred in 2020 after controversial parliamentary elections led to accusations of vote-buying and fraud.

Economic hardship, higher prices for electricity, heat and transportation, increased food prices, and/or perceived governmental mismanagement could provoke social unrest. While the Government is currently pursuing a course of reforms, such policies may not continue. The pursuit of reforms and economic growth may be frustrated as a result of a change in the Government or changes affecting the stability of the Government or as a result of a rejection or reversal of governmental policies.

***Relationship with Russia***

Kyrgyzstan has historically maintained good relations with Russia, which is vital for Kyrgyzstan taking into consideration the role that Russia plays in Kyrgyzstan's trade and investment, workers' remittances, energy supply and distribution and military security. Although Kyrgyzstan has sought to diversify its economy, attract higher-quality FDI and better integrate into the global markets, Kyrgyzstan's economy continues to rely heavily on Russia. As a result, it is possible that a significant downturn in the Russian economy might have negative repercussions for the Kyrgyz economy.

Since 2015 Kyrgyzstan has been a member of the Eurasian Economic Union (EAEU), which seeks to integrate the economies of its member states. The other current EAEU member states are the Russian Federation, Armenia, Belarus and Kazakhstan. Kyrgyzstan is part of the EAEU's customs union and no tariffs apply within the EAEU. Membership in the EAEU is among the priorities of the economic policy of Kyrgyzstan, along with cooperation with Russia, China, the United States, the European Union (the "**EU**") and its member states, as well as other European countries, the UK, and partner countries of the Near East, America, Asia and Oceania, and Africa. Trade and economic cooperation with other EAEU member states is one of the most important factors that has a visible positive impact on Kyrgyzstan's economic growth.

Kyrgyzstan relies on its neighbouring countries within the EAEU, such as Russia and Kazakhstan, for energy resources. The country imports oil, natural gas, and coal to meet its domestic energy demand. Specifically, Russian state-owned oil company Rosneft has a presence in Kyrgyzstan's retail fuel market and has acquired companies engaged in fuel distribution, such as the Bishkek Oil Company Group and INTEK, and Gazprom Kyrgyzstan, a wholly-owned subsidiary of Russian state-owned gas company Gazprom, serves as the exclusive importer of natural gas to Kyrgyzstan and also owns Kyrgyzstan's gas transmission and distribution systems. In June 2024, Gazprom signed a long-term contract for the transmission of Russian natural gas across Kazakhstan to Kyrgyzstan, further solidifying its role as the primary provider of these resources to the Kyrgyz Republic.

Russia also serves as Kyrgyzstan's primary security partner, providing military assistance, training, and equipment. This relationship is further solidified by Kyrgyzstan's membership in the Collective Security Treaty Organisation (the "**CSTO**"), a Russia-led military alliance.

Given the traditional allied relations between Kyrgyzstan and Russia, any deterioration in their relationship could, in light of Russia's vital economic, energy and military importance to Kyrgyzstan, have a significant effect on Kyrgyzstan's economy and security.

***Russia-Ukraine War and Related Sanctions***

The Russia-Ukraine war, which started in February 2022, as well as the sanctions imposed on persons and activities in or related to Russia by the United States, the UK, the EU and other authorities since 2014, have disrupted global markets and supply chains and have contributed to increased inflationary pressures, gas supply shortages in Europe, market volatility and economic uncertainty.

The EU member states and the United States (as well as other countries such as Australia, Canada, Japan, Switzerland and the UK) have imposed several rounds of economic sanctions against Russian entities and individuals. Among other measures, EU, UK and United States persons were prohibited from doing business with certain Russian individuals and entities, whose assets in the United States, UK and EU were "frozen" or immobilised. A number of Russian government officials, businessmen, banks and companies have been targeted. Since February 2022, the sanctions against Russia have intensified significantly. The United States, EU, and UK have implemented numerous new sanctions and export controls targeting various sectors of the Russian economy, as well as individuals and entities linked to the conflict. In 2022, the EU introduced several

sanction packages, imposing asset freezes, travel bans and restrictions on economic relations with the Donetsk and Luhansk regions. These measures also prohibited dealings in Russian sovereign debt and restricted access to European financial markets for Russian state-owned enterprises. In 2023 and 2024, the United States expanded its sanctions, first targeting the metals and mining sectors, and imposed further restrictions on several Russian financial institutions and the energy sector. These included new designations of Russian banks involved in the evasion of sanctions. In 2025, the United States has continued to target Russia's energy sector, including the imposition of a new petroleum services ban, expanded secondary sanctions authority, and designations of certain Russian oil producers, insurance providers, and more than 180 so-called "shadow-fleet" vessels. The EU continued to enhance its sanctions regime, with additional packages focusing on asset freezes, export control restrictions and prohibitions on provision of certain professional services to Russia. Sanctions also targeted numerous individuals and entities involved in arms trafficking, the evasion of sanctions, and other illicit activities supporting Russia's war effort. Further sanctions are possible. The sanctions imposed to date have had an adverse effect on the Russian economy, causing volatility in Russian markets. These sanctions prompted downward revisions to the credit ratings of the Russian Federation and a number of major Russian companies that are ultimately controlled by the Russian Federation, causing extensive capital outflows from Russia and impairing the ability of Russian issuers to access the international capital markets.

Kyrgyzstan maintains independent diplomatic relationships with both Russia and Ukraine, and it has significant economic relations with Russia. See " – *Relationship with Russia*" above. As a result of global supply chain disruptions and increased prices for essential goods since February 2022, Kyrgyzstan, being heavily dependent on imports, has experienced significant inflation. The conflict has also caused fluctuations in global energy prices, which have directly impacted Kyrgyzstan's economy, particularly its imports of fuel and other energy resources. The war has also led to changes in trade patterns, with Kyrgyzstan relying more heavily on China for imports. The continuation, escalation or expansion of hostilities between Russia and Ukraine may lead to further restrictions, sanctions or countersanctions, increased economic instability and inflationary pressures worldwide, additional supply chain disruptions, heightened operating risks and cyber disruptions or attacks, all of which could have a material adverse effect on Kyrgyzstan. If persons, including Kyrgyz businesses, conduct business with sanctioned Russian businesses or nationals, there is a risk they could be directly sanctioned, harming the Kyrgyz economy. In addition, given Kyrgyzstan's close economic relationship with Russia, there can be no assurance that individuals or businesses located in Kyrgyzstan will not themselves become subject to secondary sanctions imposed by the United States, the UK and the EU, among other countries.

Due to Kyrgyzstan's close economic links with Russia, the existing sanctions imposed on certain Russian and Ukrainian persons and entities or any future sanctions could have a material adverse effect on Kyrgyzstan's economy, which in turn could have a material adverse effect on the trading price of the Notes.

***Volatility and Depreciation of the Kyrgyz Som***

There has been significant volatility in the som-U.S. dollar exchange rate in recent years. For example, between 2013 and 2023, the som's exchange rate against the U.S. dollar has fluctuated significantly, with the most pronounced devaluation occurring in 2015 when the som lost approximately 25% of its value against the U.S. dollar, caused in part by weakening of the Russian and Kazakhstan currencies and declining money remittances from Kyrgyz citizens working abroad.

As of 28 February 2025, approximately 50% of Kyrgyzstan's external debt was denominated in U.S. dollars, and this percentage will increase following the issuance of the Notes. Such concentration exposes the country to currency risks associated with exchange rate fluctuations. Depreciation of the som against the U.S. dollar (or other foreign currencies in which Kyrgyzstan's Government debt is denominated or payable) negatively affects Kyrgyzstan's public sector finances because it results in an increase in the som amount of Kyrgyzstan public funds required for debt servicing. Furthermore, depreciation of the som increases prices of imported goods. Accordingly, an abrupt and significant fall in the som against foreign currencies (and in particular against the U.S. dollar), as was experienced in late 2015, may adversely affect the financial and economic condition of Kyrgyzstan.

***Inflation***

Kyrgyzstan's economy is significantly affected by inflationary pressure. Annual inflation in Kyrgyzstan, as measured by the end-of-period Consumer Price Index ("**CPI**"), was 6.3% in 2020, 11.9% in 2021, 13.9% in 2022, 10.8% in 2023 and 5.0% in 2024. The National Bank has projected annual inflation to be approximately

6.5% at the end of 2025. Inflation in 2022 was influenced by, among other factors, global supply chain disruptions following the onset of the Russia-Ukraine war. Sustained high inflation could lead to market instability, a reduction in consumer purchasing power, erosion of consumer confidence, and could also hamper efforts to decrease the dollarisation of the Kyrgyz economy. Any of these events could have a material adverse impact on the financial and economic condition of Kyrgyzstan.

***External Debt Burden***

Kyrgyzstan's total Public Debt (as such term is defined in "*Public Debt*") was US$6.6 billion as of 31 December 2024, representing approximately 37.6% of GDP for 2024. As of 31 December 2024, Kyrgyzstan's total External Public Debt (as such term is defined in "*Public Debt*") was US$4.5 billion, approximately 98.6% of which was funded by multilateral institutions on concessional terms. Kyrgyzstan has received financial assistance from the IMF through various borrowing arrangements to support its economy and address pressing fiscal and balance of payments needs. In particular, in 2020, Kyrgyzstan borrowed funds from the IMF to address urgent balance of payments needs and support fiscal measures in response to the COVID-19 pandemic.

As of 31 December 2024, the average weighted interest rate on External Public Debt was 1.57% per annum. As of 31 December 2024, 89.9% of Kyrgyzstan's External Public Debt portfolio carried fixed interest rates, and the remainder carried floating rates. Multilateral lenders have also provided significant financing to the Kyrgyzstan banking sector. Kyrgyzstan has good relations with its multilateral lenders and seeks to satisfy the conditions of their lending programmes. However, if multilateral lenders were to curtail future lending to Kyrgyzstan, this could have a material adverse effect on the financial and economic condition of Kyrgyzstan. As Kyrgyzstan graduates from concessional financings from multilateral institutions, its borrowing costs are expected to increase. Depreciation of the som would increase the cost, in som terms, of servicing Kyrgyzstan's External Public Debt. Kyrgyzstan's relatively high levels of debt (as measured against its GDP) may constrain its ability to attract new net financing. Kyrgyzstan may not be able to meet future debt service obligations out of current revenues and it may have to rely in part on additional financing from the domestic and international capital markets (or multilateral or bilateral sources) in order to do so. In the future, Kyrgyzstan may not be able or willing to access such markets or sources of funding, and Kyrgyzstan's ability to service its public debt, including the Notes, may be adversely affected. See also " *– Volatility and Depreciation of the Kyrgyz Som*" above.

***Structural Current Account Deficit***

Historically, Kyrgyzstan has experienced a current account deficit. Based on preliminary data, in 2024, Kyrgyzstan's current account deficit was US$3,989.3 million (22.7% of GDP), compared to US$6,736.2 million (44.2% of GDP) in 2023. See "*Balance of Payments and Foreign Trade—Current Account*".

The net inflow of remittances, which predominantly originate in Russia, has historically been financing a substantial share of Kyrgyzstan's current account deficit. Net inflows of remittances to Kyrgyzstan have recently fluctuated. As a percentage of GDP, the net inflow of remittances decreased from 22.8% in 2020 and 23.7% in 2021, to 15.4% in 2022, 14.1% in 2023 and 14.6% in 2024. The decrease in the net inflow of remittances can be attributed to several factors, including a significant increase in the GDP of the Kyrgyz Republic, the economic situation in the recipient countries of labour migrants, a decrease in the number of migrants working abroad and exchange rate fluctuations, particularly the depreciation of the ruble. The National Bank expects the share of net money transfers inflows as measured in terms of share of GDP (and hence, their importance) to stabilise at lower levels. See "*Balance of Payments and Foreign Trade—Remittances*" and "*—Vulnerability to Global and Regional Economic Conditions*". A possible widening of the current account deficit may result in a further increase in the levels of public and private borrowing to finance the current account deficit and/or a depreciation of the som. It may also affect the capacity the Kyrgyz economy to generate foreign currency assets sufficient to cover liabilities arising from private external debt and External Public Debt. As the IMF has observed, the combination of the current account deficit and high dollarisation of the Kyrgyz economy leave it vulnerable to external shocks. A widening current account deficit could have a material adverse effect on the financial and economic condition of Kyrgyzstan.

***Fiscal Deficits***

Over the past decade, Kyrgyzstan has frequently run a fiscal deficit. In 2020, the fiscal deficit was 3.3% of GDP; and it was 0.2% in 2021, 1.1% in 2022. In 2023 and 2024, there were budget surpluses of 1.0% and 2.4%,

respectively. In 2020, the deficit was impacted by, among other things, emergency measures taken to support economic activity, in the context of a significantly deteriorated external environment due to the effects of the COVID-19 pandemic and internal political instability. The fiscal deficit has been largely funded by a combination of increased borrowing, especially funding from multilateral institutions and the issuance of som-denominated treasury bills in the domestic capital markets. The domestic capital markets nonetheless remain underdeveloped, reflecting, according to the IMF, low market transparency and a lack of a comprehensive regulatory regime, which constrains the ability of the Government to raise financing domestically and contributes to the dollarisation of the economy. To the extent the fiscal deficits continue, the lack of future debt funding (or the deterioration of terms on which funding is made) could have a material adverse effect on the financial and economic condition of Kyrgyzstan. The Government has been able to manage the fiscal deficit in recent years, but there is no assurance this will remain the case, especially if the Government needs to address an economic downturn or if fiscal policy loosens. In general, social and geopolitical pressures may constrain the Government's ability to prioritise fiscal consolidation given the potential for increases in spending requirements due to these, or any other spending pressures that may arise. Increasing fiscal deficits could have a material adverse effect on the financial and economic condition of Kyrgyzstan.

***Dollarisation of the Economy***

Kyrgyzstan is a highly dollarised economy. As of 31 December 2024, foreign currency deposits accounted for 42.9% of all deposits and foreign currency loans accounted for 20.1% of all loans. The National Bank has taken various measures to decrease the level of dollarisation in the Kyrgyzstan economy, including by establishing stricter requirements on banks for mandatory reserves for deposits in foreign currency and restrictive terms and conditions for transfers and deposits in foreign currencies. In April 2023, the Board of the National Bank approved the Economic Action Plan of the National Bank on de-dollarisation of the economy and made appropriate decisions on its implementation in order to reduce dollarisation of the economy in the Kyrgyz Republic and further strengthen confidence in the national currency. Nonetheless, the extent of dollarisation remains a concern. The dollarisation rate tempers the effectiveness of the National Bank's monetary and exchange rate policies and makes the Kyrgyz economy more vulnerable to external shocks. Kyrgyz banks are also exposed to the risk that borrowers are borrowing in foreign currencies but their revenues are in som. See "*Monetary and Financial System—Banking and Financial Institutions*".

***Corruption***

Corruption has been identified as a significant problem in Kyrgyzstan. In the Transparency International 2023 Corruption Perceptions Index, Kyrgyzstan scored 26 out of 100, ranking 141st out of 180 countries. This score indicates a high level of perceived public sector corruption. Corruption can lead to the misallocation of state funds, tax revenues or the mismanagement of state projects, and corruption or allegations of corruption may have a negative impact on emerging economies and their reputation abroad, especially on their ability to attract foreign investment.

Combatting corruption has been identified by the Government as a key area of reform in the National Development Strategy of the Kyrgyz Republic for 2018–2040. The failure, or delay, in the Government's efforts to implement on-going or additional reforms or to effectively enforce such reforms could have a negative impact on the economy and/or on perceptions of the business environment in Kyrgyzstan. In addition, any future allegations of corruption in Kyrgyzstan could have a negative effect on the ability of Kyrgyzstan to attract foreign investment, and thus have a negative effect on both the economy of Kyrgyzstan and the ability of Kyrgyzstan to make payments on the Notes.

***Unobserved Economy***

In common with other transition economies, a certain portion of Kyrgyzstan's economy is comprised of an unobserved (informal or shadow) economy. By its nature, it is not possible to accurately measure, but the Government estimates it to have been approximately 20% of GDP in 2022. The informal economy is not recorded or taxed, resulting in a lack of revenue for the Government, ineffective regulation, 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. Likewise, the unobserved economy is not fully policed and regulated, giving rise to other issues such as non-compliance with health and safety standards. The National Statistical Committee estimates the volume of the unobserved economy when it calculates GDP. However, the accuracy of these estimates is limited by the challenges of data collection.

Although the Government is attempting to address the unobserved economy by streamlining certain regulations, particularly tax laws to improve compliance and tax collection, there can be no assurance that such reforms will adequately address the issues and bring the unobserved economy into the formal sector.

***Climate and Environmental Risks***

As a mountainous country, Kyrgyzstan is highly vulnerable to climate change, natural disasters, and natural resource degradation, all three of which reinforce one another increasing risks, particularly for vulnerable populations in rural areas that depend on natural resources for their livelihoods. According to the World Bank, Kyrgyzstan's water, energy, agriculture, and infrastructure sectors are most vulnerable to climate change impacts. Approximately two-thirds of the Kyrgyzstan population live in rural areas and are dependent on agriculture, and hydropower constitutes approximately 90% of the country's electricity generation. Because Kyrgyzstan suffers from relatively low agricultural productivity and is dependent on its water resources, it is particularly vulnerable to the adverse effects of global 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. As a result, the adverse impacts of climate change and related environmental events could have a material adverse effect on Kyrgyzstan's economy and its ability to make payments on the Notes.

***Relations with Neighbouring Countries***

In the past, Kyrgyzstan has had a number of disputes with neighbouring countries, particularly with Tajikistan and Uzbekistan.

Disputes over the Kyrgyzstan-Tajikistan border have led to multiple violent clashes between the two countries in recent years. In September 2022, border clashes resulted in approximately 100 fatalities, with additional clashes occurring in 2023. However, on 13 March 2025, the presidents of Kyrgyzstan and Tajikistan signed a historic border agreement to conclusively demarcate their frontier and end disagreements that have plagued bilateral relations for three decades.

Disputes over shared water resources have been an ongoing source of tension between Kyrgyzstan and its neighbours, particularly Uzbekistan and Tajikistan. Differences in water management policies and competition for water resources have occasionally led to diplomatic disagreements and concerns over potential water-related conflicts in the region.

Kyrgyzstan has had a number of disagreements with Uzbekistan regarding Uzbek gas and electricity supplies. In December 2009, Uzbekistan announced plans to withdraw from a shared Soviet-era power grid, the Central Asian United Energy System, because it had established new power lines for its own use. Uzbekistan's withdrawal from the grid led to electricity supply disruption for Kyrgyzstan and Tajikistan. Uzbekistan, Kyrgyzstan and Tajikistan (since August 2024), among others, have since reconnected to the joint Central Asian Unified Power System. Kyrgyzstan and Uzbekistan have also had border disputes regarding Kyrgyzstan's attempts to reclaim a disputed water reservoir. Kyrgyzstan maintains that the Ala-Buka reservoir is 10 kilometres ("**km**") within its own borders with Uzbekistan, but Uzbekistan retains current control of the reservoir.

In addition, in 2010, violent clashes between Kyrgyz and ethnic Uzbeks in southern Kyrgyzstan resulted in hundreds of deaths and significant displacement. While the situation has improved since then, there are still occasional tensions between ethnic Kyrgyz and Uzbeks in the region.

No assurance can be given that Kyrgyzstan's current foreign policy goals and relationships with its neighbours will continue. A change of policy of the Government of Kyrgyzstan or deterioration of relations between Kyrgyzstan and its neighbours in the future could have a material adverse effect on the Kyrgyz economy.

***Developing Legal System***

As is the case in many other emerging market jurisdictions, the legal framework of the Kyrgyz Republic is relatively new when compared to countries with long-established legal traditions and is still evolving. the legal system of the Kyrgyz Republic continues to be essentially in transition and is, therefore, subject to greater risks and uncertainties than more mature legal systems. In particular, risks associated with the Kyrgyz legal system include: (i) inconsistencies between and among the Constitution of the Kyrgyz Republic (the "**Constitution**")

and various laws, presidential decrees, governmental, ministerial and local orders, decisions, resolutions and other acts; (ii) provisions in the laws and regulations that are ambiguously worded or which lack specificity and thereby raise difficulties when implemented or interpreted; (iii) difficulty in predicting the outcome of judicial application of Kyrgyz legislation due to, amongst other factors, a general inconsistency in the judicial interpretation of such legislation in the same or similar cases; and (iv) the fact that not all Kyrgyzstan resolutions, orders and decrees and other similar acts are readily available to the public or available in understandably organised form. Reforms have been implemented to enhance judicial autonomy and impartiality, to streamline court proceedings, to expand the availability of legal aid services and to combat corruption within the judiciary, law enforcement agencies, and other legal institutions and to improve the enforcement of court decisions. Nevertheless, existing inadequacies of the Kyrgyz judicial system may generally deter foreign and domestic investment in Kyrgyzstan, and materially adversely affect its economic growth.

***Statistical Information***

As is the case in many other emerging market countries, the accuracy and dependability of Kyrgyzstan statistical information and the state resources available to collect information may fall short of comparable statistics-gathering in more developed countries, although Kyrgyzstan has subscribed to the IMF's SDDS since 2004. A number of State institutions, including the Ministry of Finance, the National Bank and the National Statistical Committee produce statistics relating to Kyrgyzstan and its economy. However, there can be no assurance that these statistics are as accurate or reliable as those produced by the relevant bodies in more developed countries. Potential investors in the Notes should be aware that the data on Kyrgyzstan's GDP and other data referred to in this Base Offering Circular may not have been prepared in accordance with international standards and/or to the same degree of accuracy as equivalent statistics produced by the relevant bodies in more developed countries.

In addition, the accuracy of statistical data can vary from one institution to another or from one period to another, due to various factors, including different methodologies having been applied. In this Base Offering Circular, the data is presented as having been provided by the relevant responsible ministry to which it relates, and there has been no attempt to reconcile this data with the data collected by other ministries or other organisations, such as the IMF or World Bank. See "*Presentation of Information*".

The existence of a substantial unobserved or unrecorded economy may also affect the accuracy and reliability of statistical data. Potential investors should also be aware that none of the statistical data presented in this Base Offering Circular has been independently verified.

**Factors Which Are Material for the Purpose of Assessing the Risks Associated with the Notes**

***Risks related to the Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

*Structure of a particular Issue of Notes*

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

- Variable Rate Notes

  Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

- Inverse Floating Rate Notes

  Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of these Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference

rate not only decreases the interest rate on the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

- Notes Issued at a Substantial Discount or Premium

  The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility compared to conventional interest-bearing securities with comparable maturities.

- Fixed Rate Notes

  Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Notes contain collective action clauses under which the terms of any one Series and/or multiple Series may be amended, modified or waived without the consent of all the holders of the Notes of that Series or all the holders of any other Series being aggregated, as the case may be***

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

The Issuer expects that all Series issued under the Programme 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. This means that a defined majority of the holders of such Series (when taken in the aggregate) would be able to bind all holders of Notes 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 with the consent of the holders of 75% of the aggregate principal amount outstanding of such Notes, and to multiple Series with the consent of both (i) the holders of $66^{2/3}$% of the aggregate principal amount outstanding of all Series being aggregated and (ii) the holders of 50% in aggregate principal amount outstanding of each Series being aggregated. In addition, under certain circumstances, including the satisfaction of the Uniformly Applicable Condition in the Terms and Conditions of the Notes, any such modification or action relating to reserved matters may be made to multiple Series with the consent of 75% of the aggregate principal amount outstanding of all Series being aggregated only, without requiring a particular percentage of the holders in any individual affected Series to vote in favour of any proposed modification or action. Any modification or action proposed by the Issuer may, at the option of the Issuer, be made in respect of some Series only and, for the avoidance of doubt, the provisions may be used for different groups of two or more Series simultaneously. At the time of any proposed modification or action, the Issuer will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the Issuer.

There is a risk therefore that the Terms and Conditions of a Series may be amended, modified or waived in circumstances whereby the Noteholders voting in favour of an amendment, modification or waiver may be Noteholders of a different Series and as such, less than 75% of the Noteholders of the relevant Series would have voted in favour of such amendment, modification or waiver. In addition, there is a risk that the provisions allowing for aggregation across multiple Series may make the Notes less attractive to purchasers in the secondary market on the occurrence of an Event of Default or in a distress situation. Further, any such amendment, modification or waiver in relation to any Notes may adversely affect their trading price.

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 and Conditions of the Notes. If this occurs, then this could mean that any Series issued under the Programme would be capable of aggregation with any such future debt securities. The Terms and Conditions of the Notes also include a provision in respect of the establishment of a Noteholders' Committee, which may represent the holders of a single Series or multiple Series.

***The Issuer is not required to effect equal or rateable payment(s) with respect to the Notes or any other External Indebtedness, and is not required to pay other External Indebtedness at the same time or as a condition of paying sums on the Notes and vice versa***

Notes issued under the Programme will at all times rank at least *pari passu* in right of payment with all other unsecured External Indebtedness (as defined in the Terms and Conditions of the Notes) of the Issuer, from time to time outstanding. However, the Issuer will have no obligation to effect equal or rateable payment(s) at any time with respect to the Notes or any other External Indebtedness and, in particular, will have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and vice versa. See Condition 5 (*Status*) of the Terms and Conditions of the Notes.

***The Terms and Conditions restrict the ability of an individual Noteholder to declare an event of default, and permit a majority of Noteholders to rescind a declaration of such a default***

The Terms and Conditions contain a provision, which, if an Event of Default occurs, permits the holders of at least 25% in aggregate nominal amount of the outstanding Notes of the relevant Series to declare all the Notes of that Series to be immediately due and payable by providing notice in writing to the Issuer, whereupon the Notes of that Series shall become immediately due and payable, at their nominal amount with accrued interest, without further action or formality.

The Terms and Conditions also contain a provision permitting the holders of at least 50% in aggregate nominal amount of the outstanding Notes of the relevant Series to notify the Issuer to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration 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 Noteholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if Definitive Note Certificates are subsequently issued***

The Terms and Conditions do not permit the sale or transfer of Notes in such circumstances as would result in amounts being held by a Noteholder which are lower than the minimum Specified Denomination (as defined in the Terms and Conditions). However, in the event that a Noteholder holds a principal amount of less than the minimum Specified Denomination, such Noteholder would need to purchase an additional amount of Notes such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Notes. Noteholders should be aware that Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Noteholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Noteholder may not receive a Definitive Note Certificate in respect of such holding (should Definitive Note Certificates be issued) and would need to purchase a principal amount of Notes such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a Definitive Note Certificate.

If Definitive Note Certificates are issued, Noteholders should be aware that Definitive Note Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes, vote at meetings of Noteholders and exercise any rights and remedies***

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a custodian for DTC (each as defined under "*Summary of Provisions Relating to Notes in Global Form*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters on a timely basis.

Similarly, upon the occurrence of an event of default under the Notes, unless and until definitive registered Notes are issued in respect of all book-entry interests, if investors own a book-entry interest investors will be restricted to acting through DTC, Euroclear and/or Clearstream, Luxembourg and if investors are not participants in DTC, Euroclear and/or Clearstream, Luxembourg, through the relevant participant. The Issuer cannot assure prospective investors that the procedures to be implemented through DTC, Euroclear and/or Clearstream, Luxembourg will be adequate to ensure the timely exercise of rights under the Notes on a timely basis or at all. See "*Book Entry Ownership*" and "*Settlement and Transfer of Notes*".

***Transferability of the Notes may be limited under applicable securities laws***

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. Notes issued under the Programme may not be offered, sold or otherwise transferred in the United States other than to persons that are QIBs. Each purchaser of Notes will be deemed, by its acceptance of such Notes, to have made certain representations and agreements intended by the Issuer to restrict transfers of Notes as described under "*Subscription and Sale*" and "*Transfer Restrictions*". It is the obligation of each purchaser of Notes to ensure that its offers and sales of Notes comply with all applicable securities laws.

In addition, if at any time the Issuer determines that any owner of Notes, or any account on behalf of which an owner of Notes purchased its Notes, is a person that is required to be a QIB, the Issuer may compel that such owner's Notes be sold or transferred to a person designated by or acceptable to the Issuer.

***Enforcement of judgments or arbitral awards against Kyrgyzstan may be difficult in certain jurisdictions***

Kyrgyzstan is a sovereign state and has not submitted to the jurisdiction of any foreign courts in connection with the Notes. The Conditions provide that arbitration will be the exclusive remedy in relation to any dispute relating to the Notes. If a Noteholder is granted a monetary award in any arbitration proceedings in relation to the Notes, it may attempt to enforce that award or bring proceedings on the award as a debt owing to it in Kyrgyzstan and attempt to obtain a judgment thereon. In addition, Kyrgyzstan, the United Kingdom and the United States are parties to the New York Convention and accordingly, an arbitral award should generally be recognised and enforceable in

Kyrgyzstan provided the conditions for enforcement set out in the New York Convention are met. See "*Enforcement of Foreign Judgments and Awards*" for more information on enforcing an arbitral award in Kyrgyzstan.

The Civil Procedure Code (CPC) of the Kyrgyz Republic provides that foreign judgements, including decisions approving settlement agreements, shall be recognised and enforced in the Kyrgyz Republic, if it is provided by law or international treaties, to which the Kyrgyz Republic is a party that have entered into force under the procedure established by law, or on the basis of reciprocity. Kyrgyz legislation does not include clear rules on the application of the principle of reciprocity. Thus, there can be no assurance that the courts of Kyrgyzstan will recognise and enforce a judgment rendered by courts of a jurisdiction with which Kyrgyzstan has no agreement on the basis of the principle of reciprocity. The Kyrgyz Republic does not have either an effective bilateral treaty on legal assistance with the United Kingdom or the United States nor reciprocity practice with the United Kingdom or the United States.

Even if an applicable international treaty is in effect or a foreign judgment might otherwise be recognised and enforced on the basis of reciprocity, the recognition and enforcement of a foreign judgment will in all events be subject to exceptions and limitations provided for under Kyrgyz law. For example, a Kyrgyzstan court may refuse to recognise or enforce a foreign judgment or arbitral award if its recognition or enforcement would be contrary to Kyrgyzstan's public policy / order (fundamentals of law and order).

In addition, notwithstanding the waiver of sovereign immunity by Kyrgyzstan, a claimant will not be able to enforce an award against assets of Kyrgyzstan in certain jurisdictions (including by way of an arrest order or attachment or seizure of such assets and their subsequent sale) without Kyrgyzstan having specifically consented to such enforcement at the time when the enforcement is sought. Furthermore, Kyrgyzstan reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it under any United States federal or state securities law.

As a result of the foregoing, it may be difficult to obtain recognition or enforcement of a foreign judgment or arbitral award in respect of the Notes.

**Risks Related To the Market Generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***The secondary market generally***

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. In addition, if the Notes are traded after their initial issuance they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, global economic conditions and the financial condition of Kyrgyzstan. Furthermore, if a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes. This is particularly the case for the Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

***Credit ratings may not reflect all risks***

The credit rating(s) assigned to the Notes at any time may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Further, other ratings (including confidential or unpublished ratings) may be assigned with respect to the Issuer or the Notes (now or in the future) which may differ (and which may be lower) from the ratings set out in this Base Offering Circular or any relevant Final Terms.

In general, European regulated investors are restricted under the Regulation (EC) No. 1060/2009 (as amended, the "**EU CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

***The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing benchmarks***

Reference rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate ("**EURIBOR**"), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), are the subject of national, international and other regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"), among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following

effects on certain benchmarks (i) discourage market participants from continuing to administer or contribute to the benchmark, (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes (other than those that reference SOFR (as defined in the Terms and Conditions)) is to be determined, the Terms and Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions provide for the Rate of Interest to be that determined as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

The Terms and Conditions provide for certain fallback arrangements if a Benchmark Event (as defined in the Terms and Conditions) occurs. Benchmark Events include (amongst other events) (i) the permanent discontinuation of an Original Reference Rate and (ii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is (or will be deemed by such supervisor to be) no longer representative of its relevant underlying market. If a Benchmark Event occurs and Screen Rate Determination applies (whether or not the relevant Floating Rate Notes reference SOFR), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate, despite the continued availability of the Original Reference Rate in the case of (ii) above. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. In addition, the market (if any) for Notes linked to any such Successor Rate or Alternative Rate may be less liquid than the market for Notes linked to the Original Reference Rate. Prospective investors should note that an Independent Adviser appointed pursuant to the Terms and Conditions shall, in the absence of bad faith or fraud have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to the Terms and Conditions.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions provide that the Issuer may vary the Fiscal Agency Agreement and the Terms and Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks and/or supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Issuer determines that no such spread is customarily applied, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser, determines and which is recognised or acknowledged as being the industry standard for

over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. The choice of a replacement Benchmark is uncertain and could result in the use of risk-free rates such as SOFR (see "– *The market continues to develop in relation to risk-free rates (including SONIA) as a reference rate for Floating Rate Notes*" below) and/or in the replacement Benchmark being unavailable or indeterminable.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate prior to the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Accrual Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Accrual Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Interest Accrual Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, is likely to result in Notes linked to or referencing the relevant Benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming Fixed Rate Notes.

In the case of Floating Rate Notes where the Original Reference Rate is SOFR, where the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, a Benchmark replacement as determined in accordance with Condition 8.5 (*Benchmark Discontinuation (SOFR)*) will replace the then-current Benchmark for all purposes relating to such Notes. Such Benchmark replacement may result in the Notes behaving differently (which may include payment of a lower Rate of Interest).

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions or the 2021 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Terms and expressions used but not defined in this risk factor have the respective meanings given to them in the Terms and Conditions.

***The market continues to develop in relation to risk-free rates (including SOFR) as a reference rate for Floating Rate Notes***

Investors should be aware that the international debt capital markets continue to develop in relation to SOFR as a reference rate in the capital markets and its adoption as an alternative to the relevant interbank offered rates. In particular, market participants and relevant working groups are exploring alternative reference rates,

including term reference rates (which seek to measure the market's forward expectation of an average rate over a designated term).

Furthermore, the SOFR reference rate is based on "overnight rates". Overnight rates differ from interbank offered rates, such as EURIBOR, in a number of material respects, including (without limitation) that such rates are backwards-looking, risk-free overnight rates, whereas EURIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that overnight rates may behave materially differently as interest reference rates for Notes issued under the Programme compared with interbank offered rates.

The future performance of SOFR is impossible to predict. The level of SOFR over the term of Floating Rate Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables, such as correlations, may change in the future. While some pre-publication hypothetical performance data has been published by the Federal Reserve Bank of New York (the "**Federal Reserve**") for SOFR, such data inherently involves assumptions, estimates and approximations. As such, no future performance of risk-free rates or Floating Rate Notes linked to or which reference a risk-free rate may be inferred from any of the hypothetical or actual historical performance data. In addition, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

In addition, the market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions. The Issuer may also in the future issue securities referencing SOFR that differ materially in respect of interest determination when compared with any Notes referencing a risk-free-rate issued by it under the Terms and Conditions. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time. As SOFR is published and calculated by third parties based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to or which reference a SOFR rate (or that any applicable benchmark fallback provisions provided for in the Terms and Conditions will provide a rate which is economically equivalent for Noteholders). The Federal Reserve, in respect of SOFR, does not have any obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing SOFR. If the manner in which a risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading price of such Notes. Further, the Rate of Interest payable on Floating Rate Notes which reference a risk-free rate is only capable of being determined at the end of the relevant Interest Period and shortly prior to the relevant Interest Payment Date. It may therefore be difficult for investors in Floating Rate Notes which reference a risk-free rate to reliably estimate the amount of interest which will be payable on such Notes. Further, in contrast to EURIBOR-based Notes, if Notes referencing a risk-free rate become due and payable as a result of an Event of Default under Condition 13 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

Investors should also be aware that the manner of adoption or application of SOFR as a reference rate in the international debt capital markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR as a reference rate across these markets may impact any hedging or financial other arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes linked to or which reference a risk-free rate.

Since risk-free rates are relatively new market indices (publication of SOFR having only commenced on 3 April 2018) and continue to develop, Floating Rate Notes linked to or which reference a risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to or which reference a risk-free rate may evolve over time and, as a result, trading prices of such Notes may be lower than those of Notes that are linked to or which reference a risk-free rate that are issued later. Further, if a risk-free rate does not prove to be widely used in securities like the Notes, the trading price of Floating Rate Notes linked to or which reference a risk-free rate may be lower than those of Notes linked to or which reference indices that are more widely used. Investors in

such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should note that interest on Notes linked to or which reference a risk-free rate will be calculated and paid in accordance with the detailed provisions of the Terms and Conditions and the applicable Final Terms. In particular where the Interest Determination Date in respect of an Interest Accrual Period falls before the end of that Interest Accrual Period, the interest payable in respect of that Interest Accrual Period will not reflect any increase (or decrease) in the relevant underlying daily risk-free rate after that Interest Determination Date.

Investors should consider these matters when making their investment decision with respect to any Floating Rate Notes linked to or which reference a risk-free rate.

Terms and expressions used but not defined in this risk factor have the respective meanings given to them in the Conditions.

***Payments on the Notes are subject to exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.

An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Risks relating to Notes denominated in Renminbi***

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") is set out below.

*Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes*

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been a significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency,

there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes*

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong; has established the Cross-Border Interbank Payments System (CIPS) to facilitate cross-border Renminbi settlement, and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC is limited. There are restrictions imposed by PBoC on Renminbi business-participating banks in respect of cross border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore interbank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*Investment in the Renminbi Notes is subject to exchange rate risks*

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has, in recent years, implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to the Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

*An investment in Renminbi Notes is subject to interest rate risks*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

*Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes*

All payments to investors in respect of the Renminbi Notes will be made solely: (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong; or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

*Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws*

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20% of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20% of the PRC-sourced gains derived by such non-PRC resident individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and as read in conjunction with the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. References in the terms and conditions to "Notes" are, unless the context requires otherwise, to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

### 1 Introduction

The Kyrgyz Republic (the "**Issuer**"), represented by the Cabinet of Ministers of the Kyrgyz Republic acting through the Ministry of Finance of the Kyrgyz Republic, has established a Global Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**"). The Notes are constituted by, are subject to and have the benefit of a deed of covenant dated 22 May 2025 (as may be amended or supplemented from time to time, the "**Deed of Covenant**") executed by the Issuer for the benefit of holders of the Notes ("**Noteholders**" or "**holders**") and are the subject of a fiscal agency agreement dated 22 May 2025 (as may be amended or supplemented from time to time, the "**Fiscal Agency Agreement**") and made among the Issuer, Citibank Europe plc, as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), Citibank, N.A., London Branch, as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the transfer agents, paying agents and other agents named therein.

Notes issued under the Programme will be issued in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches of notes (each, a "**Tranche**") issued on the same or different issue dates. The specific terms of each Tranche (which will, save in respect of the denominations, issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable Final Terms (the "**Final Terms**"), which should be read in conjunction with these terms and conditions. The terms and conditions applicable to any particular Tranche are these terms and conditions, as completed by the relevant Final Terms (together, the "**Terms and Conditions**"). In the event of any inconsistency between these terms and conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

All subsequent references in these Terms and Conditions to "**Notes**" are to the Notes of the same Series. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

Certain provisions of these Terms and Conditions are summaries of the Fiscal Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The Noteholders are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement and the Deed of Covenant applicable to them. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of the Fiscal Agent, the initial Specified Office of which are set out below.

### 2 Definitions and Interpretation

### 2.1 Definitions

Terms defined in the Fiscal Agency Agreement or the Deed of Covenant shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein.

In these Terms and Conditions the following expressions have the following meanings:

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Final Terms;

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(b) the Issuer, following consultation with the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)

(c) the Issuer, following consultation with the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 8.4 is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

"**Average Representative Market Rate**" shall mean the arithmetic mean of the Representative Market Rates for the last five FX Business Days immediately before (and including) the applicable Rate Calculation Date. In the event that the Calculation Agent is unable to make this calculation due to the unavailability of Representative Market Rates necessary for the calculation, then the Calculation Agent shall take the arithmetic mean of the NBKR Rate for the last five days that such NBKR Rate was published;

"**Benchmark**" means, initially, SOFR; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Event**" means:

(a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will be (or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(f) it has become unlawful for any Paying Agent, the Calculation Agent, or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the Original Reference Rate and (iii) in the case of sub-paragraph (e) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date.

(a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (ii) the Benchmark Replacement Adjustment;

(b) the sum of: (i) the ISDA Fallback Rate and (ii) the Benchmark Replacement Adjustment; or

(c) the sum of: (i) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(a) in the case of sub-paragraph (a) or (b) of the definition of "**Benchmark Transition Event**," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(b) in the case of sub-paragraph (c) of the definition of "**Benchmark Transition Event**," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Broken Amount(s)**" has the meaning given in the relevant Final Terms;

"**Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

(a) in the case of Euros, any day on which T2 is open for the settlement of payments in Euro (a "**Target Business Day**");

(b) in the case of a Specified Currency other than Euros and Renminbi, a day (other than a Saturday, a Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre for that currency; or

(c) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;

(d) in the case of a Specified Currency or one or more Business Centre(s) specified in the relevant Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign

exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Business Day**" shall mean an FX Business Day used to determine the Average Representative Market Rate;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms,:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such in the applicable Final Terms or, if none so specified, the Interest Payment Date(s);

(b) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(e) if "**Actual/360**" is specified in the applicable Final Terms, means the actual number of days in the Calculation Period divided by 360;

(f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(g) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction\ = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(h) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction\ = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

"**Euro Exchange Date**" means the date on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes denominated in Euros are available for exchange;

"**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;

"**Extraordinary Resolution**" has the meaning given in Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*);

"**Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**FX Business Day**" shall mean, solely for the purposes of determining the Representative Market Rate, a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for business in Bishkek, Kyrgyz Republic.

"**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;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense;

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

"**ISDA Definitions**" means (i) if "2006 ISDA Definitions" is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes;

"**ISDA Determination**" has the meaning given in the relevant Final Terms;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Kyrgyz som**" means the lawful currency for the time being of the Kyrgyz Republic;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Rate of Interest**" has the meaning given in the relevant Final Terms;

"**Minimum Rate of Interest**" has the meaning given in the relevant Final Terms;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Participating Member State**" means a Member State of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(a) if the currency of payment is Euros, any day which is:

(i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a Target Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not Euros, any day which is:

(i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre and which, if the currency of payment is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively;

"**Permitted Security Interest**" means:

(i) 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;

(ii) 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;

(iii) any Security Interest arising by operation of law which has not been foreclosed or otherwise enforced against the assets to which it applies; and

(iv) 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 organisation, 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;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

(a) in relation to Euros, it means the principal financial centre of such Participating Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**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;

"**Rate Calculation Date**" shall mean the third FX Business Day preceding each Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Final Terms or calculated or determined in accordance with the provisions of these Terms and Conditions and the relevant Final Terms;

"**Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Reference Banks**" means the four major banks selected by the Issuer in the market that is most closely connected with the FX Reference Rate, and in the case of any Series of Notes denominated in Kyrgyz som, "**Reference Banks**" shall mean CJSC "Kyrgyz Investment and Credit Bank", OJSC "Aiyl Bank", OJSC "Eldik Bank" and CJSC "Demir Kyrgyz International Bank" or their legal successors, or any other person named as such in the relevant Final Terms;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" has the meaning given in the relevant Final Terms;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, the SOFR Determination Time, and (2) if the Benchmark is not SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**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 in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(a) the European Commission, the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means the page, section or other part of a particular information service specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Representative Market Rate**" shall mean, with respect to any Calculation Business Day, the Kyrgyz som / U.S. Dollar daily official (market) foreign exchange rate for the previous FX Business Day, expressed as the amount of Kyrgyz som per one U.S. Dollar and as reported by the National Bank of the Kyrgyz Republic and published on its website (https://www.nbkr.kg/index1.jsp?item=1562&lang=ENG or any successor page thereto) (the "**NBKR Rate**"), as determined by the Calculation Agent. In the event that the NBKR Rate is unavailable for any Calculation Business Day, then the Calculation Agent shall determine the Representative Market Rate by polling the Reference Banks on the immediately following FX Business Day for the Kyrgyz som / U.S. Dollar exchange rate at noon Bishkek time on such Calculation Business Day for the professional market and taking the arithmetic mean of the polled exchange rates, provided that at least two quotations are obtained (the "**FX Reference Rate**");

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**Screen Rate Determination**" has the meaning given in the relevant Final Terms;

"**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;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 8.4 or as specified in the applicable Final Terms;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable in the applicable Final Terms, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

(iv) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described in Condition 8.3(b) "**SOFR Observation Shift**", and the term "**SOFR Observation Shift Days**" shall mean 2 U.S. Government Securities Business Days; or

(v) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 8.4 shall apply as specified in the applicable Final Terms;

"**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms prior to the first day of such Interest Period;

"**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Final Terms;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Interest Payment Date**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Fiscal Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

**2.2 Interpretation**

In these Terms and Conditions:

(a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Terms and Conditions;

(b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Terms and Conditions;

(c) references to Notes being "outstanding" shall be construed in accordance with the Fiscal Agency Agreement; and

(d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

**3 Form, Denomination and Title**

The Notes are issued in registered form in the Specified Denomination(s) shown in the relevant Final Terms, without interest coupons, provided that:

(a) the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency;

(b) interests in the Restricted Notes shall be held in amounts of not less than U.S.$200,000 or its equivalent in other currencies; and

(c) Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in another currency).

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

## 4 Transfers of Notes

### 4.1 Transfer

One or more Notes may be transferred, in whole or in part in the Specified Denominations set out in the applicable Final Terms and subject to the minimum transfer amounts specified therein, upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the relevant Note or Notes, together with the form of transfer endorsed on such Note or Notes (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent (as applicable) may reasonably require, including for the purposes of establishing title to the relevant Note, and the identity of the person making the request. In the case of a transfer of part only of a holding of a Note, a new Note shall be issued to the transferee in respect of the part transferred and a further new Note in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Fiscal Agency Agreement. A copy of the current regulations will be made available by the Registrar or any Transfer Agent to any Noteholder upon request.

### 4.2 Delivery

Each new Note to be issued pursuant to Condition 4.1 (*Transfer*) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Note for exchange. Delivery of the new Note(s) shall be made at the specified office of the Registrar or the relevant Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and such insurance as it may specify. In this Condition 4.2, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

### 4.3 No Charge

Transfers of Notes shall be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and security as the Registrar or the relevant Transfer Agent may require).

### 4.4 Restrictions on Transfer

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for redemption of, or payment of any Interest Amount in respect of, that Note.

## 5 Status

The Notes constitute direct, general, unconditional and (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and the full faith and credit of the Issuer is pledged for the due and punctual payment of principal and interest on the Notes and for the performance of all obligations of the Issuer in respect of the Notes and the Deed of Covenant. The Notes will at all times rank pari passu without preference among themselves and at least *pari passu* in right of payment with all other unsecured External Indebtedness of the Issuer from time to time outstanding, provided further that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to the Notes or any other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and *vice versa*.

## 6 Negative Pledge

So long as any Note 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, present or future assets or revenues to secure (i) any Public External Indebtedness or (ii) any Guarantee in respect of Public External Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Deed of Covenant are secured equally and rateably therewith or have the benefit of such other arrangement as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of Noteholders.

## 7 Fixed Rate Note Provisions

### 7.1 Application to Fixed Rate Notes

This Condition 7 is applicable to the Notes only if the relevant Final Terms specifies the Fixed Rate Note Provisions as being applicable.

### 7.2 Rate of Interest for Fixed Rate Notes

The Notes bear interest on the outstanding principal amount from the Interest Commencement Date at the rate(s) per annum equal to Rate(s) of Interest payable in arrear on each Interest Payment Date (provided that if the Specified Currency is Renminbi and any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day) in each year and on the Maturity Date if the Maturity Date does not fall on an Interest Payment Date, subject as provided in Condition 11 (*Payments*). The amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount(s) so specified.

### 7.3 Calculation of Interest Amounts for Fixed Rate Notes

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. In these Terms and Conditions "**sub unit**" means, with respect of any currency other than the U.S. dollar, the lowest amount of such currency that is available as legal tender in the country of such currency, and with respect to U.S. dollars means one cent.

## 8 Floating Rate Note Provisions

### 8.1 Application to Floating Rate Notes

This Condition 8 is applicable to the Notes only if the relevant Final Terms specifies the Floating Rate Note Provisions.

### 8.2 Interest Payment Dates

The Notes bear interest on the outstanding principal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(a) the Specified Interest Payment Date(s) (each, an "**Interest Payment Date**") in each year specified in the relevant Final Terms; or

(b) if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls in the number of months or other period specified as the Specified Period in

the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or, as the case may be, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

**8.3 Rate of Interest for Floating Rate Notes**

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

(A) Screen Rate Determination (Term Rates not referencing SOFR)

(x) Subject to Condition 8.4, Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(i) the offered quotation; or

(ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as indicated in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of paragraph above, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark:

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 8.7, all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or Compounded SOFR Index, as follows (subject in each case to Condition 8.5 or as further specified in the applicable Final Terms):

(i) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Final Terms as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Final Terms:

(1) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i\ -\times USBD}\ \times\ n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i\text{-}xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Final Terms;

"**d**" means the number of calendar days in the relevant Interest Period;

"**$d_o$**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**$n_i$**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(2) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i\ \times\ n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR$_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**$d_o$**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to do, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**$n_i$**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(C) ISDA Determination:

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this paragraph (C), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(1) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;

(2) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Final Terms;

(3) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;

(4) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

(I) Compounding with Lookback is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b)

Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms;

(II) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Final Terms; or

(III) Compounding with Lockout is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms; and

(5) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Final Terms;

(6) references in the relevant ISDA Definitions to:

(I) "Confirmation" shall be deemed to be references to the applicable Final Terms;

(II) "Calculation Period" shall be deemed to be references to the relevant Interest Accrual Period;

(III) "Termination Date" shall be deemed to be references to the Maturity Date; and

(IV) "Effective Date" shall be deemed to be references to the Interest Commencement Date; and

(ii) if the Final Terms specify "2021 ISDA Definitions" as the applicable ISDA Definitions:

(1) Benchmark Event shall be disapplied; and

(2) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(D) Linear Interpolation

Where Linear Interpolation is specified in the applicable Final Terms in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer (acting in good faith and in a commercially reasonable manner, and in consultation with an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer) shall determine such rate at such time and by reference to such sources as it determines appropriate

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

**8.4 Benchmark Discontinuation (Non-SOFR)**

Where the Original Reference Rate is not SOFR, in addition and notwithstanding the terms set forth elsewhere in these Conditions, this Condition 8.4 shall apply:

(a) *Independent Adviser:* If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 8.4(b)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 8.4(d)). In making such determination, the Independent Adviser shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 8.4(a);

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8.4(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest / determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 8.4(a);

(b) *Successor Rate or Alternative Rate:*

If the Issuer, following consultation with the Independent Adviser, determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 8.4); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 8.4);

(c) *Adjustment Spread:* The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread;

(d) *Benchmark Amendments:* If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 8.4 and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions and/or the Fiscal Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 8.4(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Fiscal Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 8.4, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 8.4 to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 8.4(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) *Notices:* Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 8.4 will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents. In accordance with Condition 20, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by two Authorised Signatories of the Issuer:

(i) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the applicable Adjustment Spread and (d) the

specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 8.4; and

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 8.4, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8.4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(f) *Survival of Original Reference Rate:* Without prejudice to the obligations of the Issuer under Condition 8.4(a), 8.4(b), 8.4(c) and 8.4(d), the Original Reference Rate and the fallback provisions provided for in Condition 8.3(a) will continue to apply unless and until a Benchmark Event has occurred.

**8.5 Benchmark Discontinuation (SOFR)**

Where the Original Reference Rate is SOFR, in addition and notwithstanding the terms set forth elsewhere in these Conditions, this Condition 8.5 shall apply:

(a) *Benchmark Replacement:* If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates;

(b) *Benchmark Replacement Conforming Changes:* In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Fiscal Agent (if required). Further, none of the Fiscal Agent or the Calculation Agent shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

*Decisions and Determinations:* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 8.5, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable, and notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

**8.6 Minimum and Maximum Rate of Interest**

(a) If any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 8.4 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(b) If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(c) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

**8.7 Determination and Publication of Rates of Interest, Interest Amounts, Redemption Amounts and Optional Redemption Amounts**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the relevant Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the relevant Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and/or admitted to trading on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 13, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each

determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

### 8.8 Notices Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 9 Zero Coupon Note Provisions

### 9.1 Application for Zero Coupon Notes

This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

### 9.2 Redemption Amount Improperly Refused

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(a) the Reference Price; and

(b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## 10 Redemption and Purchase

### 10.1 Final Redemption

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms, subject as provided in Condition 11 (*Payments*). In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Maturity Date falls on a day which is not a Business Day, the Maturity Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Maturity Date shall be brought forward to the immediately preceding Business Day.

### 10.2 Redemption at the option of the Issuer (Call Option)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice each as specified in applicable Final Terms to the Noteholders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if Make-whole Amount is specified in the applicable Final Terms, will be the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to

be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent.

In this Condition:

"**DA Selected Bond**" means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

"**Determination Agent**" means a leading investment bank or financial institution of international standing selected by the Issuer;

"**Quotation Time**" shall be as set out in the applicable Final Terms;

"**Redemption Margin**" shall be as set out in the applicable Final Terms;

"**Reference Bond**" shall be as set out in the applicable Final Terms or the DA Selected Bond;

"**Reference Bond Price**" means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"**Reference Date**" will be set out in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 10.2 (*Redemption at the option of the Issuer (Call Option)*);

In the case of a partial redemption of Notes, the Notes to be redeemed (the "**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by Definitive Note Certificates, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by Definitive Note Certificates, a list of the serial numbers of such Redeemed Notes

will be published in accordance with Condition 20 (Notices) not less than 15 days prior to the date fixed for redemption.

**10.3 Redemption at the option of the Noteholders (Put Option)**

If Put Option is specified in the applicable Final Terms, (unless prior to the giving of the relevant Exercise Notice (as defined below) the Issuer has given notice of redemption under Condition 10.2 (*Redemption at the option of the Issuer (Call Option)*) above), the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount each as specified in the applicable Final Terms, together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option the holder must deposit such Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**10.4 Purchase**

The Issuer may at any time purchase, or procure others to purchase for its account, Notes in the open market or otherwise and at any price. Notes so purchased may be held or resold (provided that such resale is outside the United States as defined in Regulation S under the United States Securities Act of 1933, as amended, or, in the case of any Notes resold pursuant to Rule 144A under that Act is only made in accordance with that Rule and otherwise in compliance with all Applicable Law) or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer or any Person acting on behalf of the Issuer, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders.

**10.5 Cancellation**

All Notes which are submitted for cancellation pursuant to Condition 10.3 (*Purchase*) will be cancelled and may not be reissued or resold. For so long as the Notes are admitted to trading on the regulated market of the London Stock Exchange plc (the "**Stock Exchange**") and the rules of such exchange so require, the Issuer shall promptly inform the Stock Exchange of the cancellation of any Notes under this Condition 10.5 (*Cancellation*).

**11 Payments**

**11.1 Payments**

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent or of the Registrar by transfer to an account denominated in the currency in which the payment is due (and, in the case of any Series of Notes denominated in Kyrgyz som, in U.S. Dollar) (and, in the case of any Series of Notes denominated in Kyrgyz som, in U.S. Dollars) (or, if that currency is Euros, any other account to which Euros may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency. In the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

**11.2 Record Date**

Payments of interest shall, subject to Condition 11.5 (*Payment Business Day*), be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in the relevant currency (and, in the case of

any Series of Notes denominated in Kyrgyz som, in U.S. Dollars) by transfer to the registered account of the Noteholder. Upon application by the holder to the specified office of any Paying Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

In this Condition 11.2, "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

**11.3 Payments Subject to Applicable Laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

**11.4 Series of Notes denominated in Kyrgyz som**

Amounts of interest and principal due in respect of any Series of Notes denominated in Kyrgyz som, will be calculated by the Calculation Agent for payment in U.S. Dollars by dividing the relevant Kyrgyz som amounts by the Average Representative Market Rate on the applicable Rate Calculation Date. The Calculation Agent will, on each Rate Calculation Date, notify the Issuer and the Fiscal Agent of the amounts of interest and principal (stated in both Kyrgyz som and U.S. Dollars) payable on any Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions, as applicable, as well as the applicable Average Representative Market Rate.

**11.5 Payment Business Day**

If the due date for payment of any amount in respect of any Note is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

**11.6 Calculation Agent opinions etc. binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer and the Fiscal Agent and the Noteholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

**11.7 Non-Business Days**

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the applicable Final Terms and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a Target Business Day; or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

## 12 Taxation

### 12.1 Payments Free and Clear of Taxes

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer 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 Kyrgyz Republic 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 Noteholders 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 Note presented for payment:

(a) by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Kyrgyz Republic other than the mere holding of such Note; or

(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 such Note on the last day of such period of 30 days; or

(c) where (in the case of a payment of principal or interest on redemption) the relevant Note is surrendered for payment in the Kyrgyz Republic.

In addition, if and to the extent that the obligations of the Issuer, to pay additional amounts pursuant to this Condition 12 are or have become illegal, unenforceable or otherwise invalid, the Issuer will indemnify and hold harmless each holder of a Note 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 the Notes or the Deed of Covenant and which would not have been withheld, deducted or paid had the said obligations not been or become illegal, unenforceable or otherwise invalid. Solely for purposes of these Terms and Conditions, any payment made pursuant to this paragraph shall be considered an additional amount.

### 12.2 FATCA

Notwithstanding anything to the contrary in this Condition 12, none of the Issuer, any Paying Agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**") or any laws of the Kyrgyz Republic, or any agreement between the United States of America and the Kyrgyz Republic, that in either case implement FATCA.

## 13 Events of Default

If any of the following events (each, an "**Event of Default**") occurs and is continuing, then the holders of not less than 25 per cent. in aggregate outstanding principal amount of the Notes may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes to be due and payable, whereupon they shall immediately become due and repayable at their principal amount together with accrued interest without further action or formality and notice of any such declaration shall promptly be given to all other Noteholders by the Issuer:

(a) *Non-payment:* the Issuer is in default with respect to the payment of principal, interest or additional amounts on any of the Notes 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 the Notes (other than a default or breach elsewhere specifically dealt with in this Condition 13) and such default or

breach is not remedied within 60 days after notice thereof has been given to the Issuer at the Specified Office of the Fiscal Agent by any holder of Notes; or

(c) *Cross Acceleration:* (a) any other 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 honoured 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 Condition 13(c) shall have occurred equals or exceeds U.S.$25,000,000 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) *IMF Membership:* the Issuer shall cease to be a member of the International Monetary Fund (IMF) or shall cease to be eligible to use the general resources of the IMF; or

(f) *Invalidity or unenforceability:* the validity of the Notes is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes (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 the Notes or all or any of its obligations set out in the Notes shall be or become unenforceable or invalid.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate outstanding principal amount of the Notes 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 Noteholders (with a copy to the Fiscal Agent), 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 Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

## 14 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 15 Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent (as defined in the Fiscal Agency Agreement), subject to all Applicable Law and listing authority, stock exchange or quotation system requirements (if any), upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

## 16 Agents

### 16.1 Agents of the Issuer

In acting under the Fiscal Agency Agreement and in connection with the Notes, the Fiscal Agent acts solely as agent of the Issuer. The Fiscal Agent does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

### 16.2 Requirements to Maintain Agents

The initial Fiscal Agent, Paying Agent, Transfer Agent and Registrar and their respective initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and to appoint a successor Fiscal Agent, Paying Agent, Transfer Agent, Registrar or Calculation Agent and additional or successor agents; provided, however, that:

(a) the Issuer shall at all times maintain a Fiscal Agent;

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent;

(c) if and for so long as the Notes are admitted to listing, trading or quotation, by any listing authority, stock exchange or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such listing authority, stock exchange or quotation system; and

(d) the Issuer shall maintain a Registrar whose Specified Office shall be outside the United Kingdom.

Notice of any change in any of the Agents or their respective Specified Offices shall promptly be given to the Noteholders.

## 17 Meetings of Noteholders; Written Resolutions and Electronic Consents

### 17.1 Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

(a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the provisions of the Fiscal Agency Agreement. The Issuer will determine the time and place of the meeting and will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

(b) The Issuer will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Fiscal Agency Agreement and described in Condition 17.9 (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer setting out the purpose of the meeting. The Issuer will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

(c) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Fiscal Agency Agreement. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent 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.

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

(i) the date, time and location of the meeting;

(ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

(iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;

(iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;

(v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;

(vi) whether Condition 17.2 (*Modification of this Series of Notes only*), or Condition 17.3 (*Multiple Series Aggregation — Single limb voting*), or Condition 17.4 (*Multiple Series Aggregation — Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;

(vii) 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;

(viii) such information that is required to be provided by the Issuer in accordance with Condition 17.6 (*Information*);

(ix) 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 Condition 17.7 (*Claims Valuation*); and

(x) 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.

(e) In addition, the Fiscal Agency Agreement contains provisions relating to Written Resolutions and Electronic Consents. All information to be provided pursuant to this Condition 17.1 shall also be provided, mutatis mutandis, in respect of Written Resolutions and Electronic Consents.

(f) A "**record date**" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders 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 Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

(g) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

(h) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(i) Any reference to "**debt securities**" means any notes (including the Notes), bonds, debentures or other debt securities (which for these purposes shall be deemed to include any sukuk representing the credit of the Kyrgyz Republic or any other similar instrument) issued directly or indirectly by the Issuer in one or more series with an original stated maturity of more than one year.

(j) "**Debt Securities Capable of Aggregation**" means those debt securities which include or incorporate by reference this Condition 17 and Condition 18 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities

which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

**17.2 Modification of this Series of Notes only**

(a) Any modification of any provision of, or any action in respect of, these Terms and Conditions, the Fiscal Agency Agreement and/or the Deed of Covenant in respect of the Notes may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(b) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes held by Noteholders present in person or represented by proxy; or

(ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes held by Noteholders present in person or represented by proxy.

(c) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or

(ii) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

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

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

**17.3 Multiple Series Aggregation — Single limb voting**

(a) 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 Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.

(b) A "**Multiple Series Single 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 by the Issuer and the Fiscal Agent pursuant to Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(c) A "**Multiple Series Single 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 at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single 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 Noteholders or one or more holders of each affected series of debt securities.

(d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders 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 favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

(e) The "**Uniformly Applicable**" condition will be satisfied if:

(i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (A) the same new instrument or other consideration or (B) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).

(f) It is understood that a proposal under paragraph (a) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected Series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and, the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected Series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected Series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

(g) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 17.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

### 17.4 Multiple Series Aggregation — Two limb voting

(a) 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.

(b) 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 by the Issuer and the Fiscal Agent pursuant to Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

(i) at least 66 per cent. of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

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

(c) 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:

(i) at least 66 per cent. 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

(ii) more than 50 per cent. 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 Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

(d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders 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 favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(e) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 17.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

### 17.5 Reserved Matters

In these Conditions, "**Reserved Matter**" means any proposal:

(a) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest (other than any variation arising from the discontinuation of any interest rate benchmark used to determine the amount of any payment in respect of the Notes) or any other amount payable in respect of the Notes on any date;

(b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;

(c) to change the majority required to pass an Extraordinary Resolution, a Written Resolution, an Electronic Consent or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

(d) 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", "Electronic Consent" or "Multiple Series Two Limb Written Resolution";

(e) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";

(f) to change the definition of "Uniformly Applicable";

(g) to change the definition of "outstanding" or to modify the provisions of Condition 17.9 (*Notes controlled by the Issuer*);

(h) to change the legal ranking of the Notes;

(i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 13 (*Events of Default*);

(j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 24 (*Governing Law and Arbitration*);

(k) 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 the Notes, including by way of the addition of a call option;

(l) to modify the provisions of this Condition 17.5;

(m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security;

(n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Terms and Conditions in connection with any exchange of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer, which would result in the Terms and Conditions as so modified being less favourable to the Noteholders which are subject to the Terms and Conditions as so modified than:

  (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or conversion; or

  (ii) if more than one series of other obligations or debt securities results from the relevant exchange or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount; or

(o) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes and the Deed of Covenant.

**17.6 Information**

Prior to or on the date that the Issuer proposes any Extraordinary Resolution, Written Resolution or Electronic Consent pursuant to Condition 17.2 (*Modification of this Series of Notes only*), Condition 17.3 (*Multiple Series Aggregation – Single limb voting*) or Condition 17.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 18.8 (*Manner of publication*) and provide the Fiscal Agent with the following information:

(a) 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;

(b) 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;

(c) a description of the Issuer's proposed treatment of external debt securities 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

(d) 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 Noteholders in Condition 17.1(d)(vii).

**17.7 Claims Valuation**

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 17.3 (*Multiple Series Aggregation – Single limb voting*) and Condition 17.4 (*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 Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes 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.

**17.8 Manifest error, etc.**

The Notes, these Terms and Conditions and the provisions of the Fiscal Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

**17.9 Notes controlled by the Issuer**

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) and (c) Condition 13 (*Events of Default*), any Notes 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 Kyrgyz Republic, any department, ministry or agency of the government of the Kyrgyz Republic or any corporation, trust, financial institution or other entity owned or controlled by the government of the Kyrgyz Republic 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.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued or, where relevant, the Note 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 Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution or Electronic Consent, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 18.5 (*Certificate*) which includes information on the total number of Notes 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 Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution or vote in respect of any Electronic Consent. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

**17.10 Publication**

The Issuer shall publish all Extraordinary Resolutions, Written Resolutions and Electronic Consents which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 18.8 (*Manner of publication*).

**17.11 Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions or Electronic Consents which have been duly passed and which modify any provision of, or action in respect of, the Terms and Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders.

**17.12 Written Resolutions and Electronic Consents**

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as any Notes are in the form of a Global Note held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the "relevant clearing system(s)"), then the approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures:

(a) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders; or

(b) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:

(i) in respect of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes only*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or more than 50 per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;

(ii) in respect of a proposal Condition 17.3 (*Multiple Series Aggregation — Single limb voting*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); or

(iii) in respect of a proposal pursuant to Condition 17.4 (*Multiple Series Aggregation — Two limb voting*), (x) the persons holding at least 66 2/3 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (i), (ii) and (iii), each an "**Electronic Consent**") shall, for all purposes (including Reserved Matters) take effect as (A) a Single Series Extraordinary Resolution (in the case of (i) above), (B) a Multiple Series Single Limb Extraordinary Resolution (in the case of (ii) above) or (C) a Multiple Series Two Limb Extraordinary Resolution (in the case of (iii) above), as applicable.

The notice given to Noteholders shall specify, in sufficient detail to enable Noteholders (in the case of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 17.3 (*Multiple Series Aggregation — Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation — Two Limb Voting*) to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Consent Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Consent Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Noteholders (in the case of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 17.3 (*Multiple Series Aggregation — Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation — Two Limb Voting*) that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders (in the case of a proposal pursuant to Condition 17.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 17.3 (*Multiple Series Aggregation — Single Limb Voting*) or Condition 17.4 (*Multiple Series Aggregation — Two Limb Voting*) that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to Relevant Consent Date shall be construed accordingly.

An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any Global Note and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (d) of Condition 17.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) shall also be provided, mutatis mutandis, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

## 18 Aggregation Agent; Aggregation Procedures

### 18.1 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 Notes 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 and Conditions or the Fiscal Agency Agreement in respect of the Notes and in respect of 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.

### 18.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Terms and Conditions and 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 the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour 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.

### 18.3 Written Resolutions

If a Written Resolution has been proposed under the Terms and Conditions to modify any provision of, or action in respect of, these Terms and Conditions and 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 the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written

Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

**18.4 Electronic Consents**

If approval of a resolution proposed under the terms of these Terms and Conditions to modify any provision of, or action in respect of, these Terms and Conditions and the terms and conditions of other affected series of debt securities, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

**18.5 Certificate**

For the purposes of Condition 18.2 (*Extraordinary Resolutions*), Condition 18.3 (*Written Resolutions*) and Condition 18.4 (*Electronic Consents*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 17.2 (*Modification of this Series of Notes only*), Condition 17.3 (*Multiple Series Aggregation – Single limb voting*) or Condition 17.4 (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution and, with respect to an Electronic Consent, the date arranged for voting on the Electronic Consent.

The certificate shall:

(a) list the total principal amount of Notes 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 the Notes 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 Condition 17.9 (*Notes controlled by the Issuer*) on the record date identifying the holders of the Notes 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.

**18.6 Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 18 to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

**18.7 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 Condition 18 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and (subject 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.

**18.8 Manner of publication**

The Issuer will publish all notices and other matters required to be published pursuant to the Fiscal Agency Agreement including any matters required to be published pursuant to Condition 17 (*Meetings*

*of Noteholders; Written Resolutions and Electronic Consents*), this Condition 18 and Condition 13 (*Events of Default*):

(a) through Euroclear, Clearstream Luxembourg and DTC and/or any other clearing system in which the Notes are held;

(b) in such other places and in such other manner as may be required by Applicable Law; and

(c) in such other places and in such other manner as may be customary.

## 19 Further Issues and Consolidation

The Issuer may from time to time, without notice to or the consent of the Noteholders and in accordance with the Fiscal Agency Agreement, create and issue further notes having the same terms and conditions as the Notes of a particular Series in all respects (or in all respects except for the issue price, issue date and first payment of interest) so as to form a single series with the Notes of the particular Series, provided that, unless such further notes are fungible with the original Notes for U.S. federal income tax purposes, such further notes will be issued with a separate CUSIP and ISIN. The Fiscal Agency Agreement contains provisions for convening a single meeting of the Noteholders of a particular Series and the holders of Notes of other Series.

The Issuer may, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), from time to time on any Interest Payment Date occurring on or after the Redenomination Date (as defined in Condition 23 (*Redenomination*)) on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 20 (*Notices*), without the consent of the Noteholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in the same currency provided such other Notes have been redenominated into the Specified Currency (if not originally so denominated) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 20 Notices

Notices required to be given to Noteholders pursuant to the Conditions will be valid if published in a manner which complies with the rules and regulations of the Stock Exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given by publication in a newspaper of general circulation in London (which is expected to be the Financial Times).

## 21 Currency Indemnity

If any Noteholder receives or recovers any amount in a currency other than that in which the relevant payment is expressed to be due (the "**Contractual Currency**") (whether as a result of, or of the enforcement of, an award, judgment or order of any court or other tribunal) in respect of any sum expressed to be due to it from the Issuer that amount will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the relevant Noteholder under the Notes, the Issuer will indemnify such Noteholder against any loss sustained by it as a result on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent or any Paying Agent. In any event, the Issuer will indemnify the relevant Noteholder against the cost of making any such purchase.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 22 Rounding

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in these Terms and Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent., being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up) and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 23 Redenomination

### 23.1 Redenomination

This Condition 23 is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

### 23.2 Redenomination Date

If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Fiscal Agent and the Noteholders, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

### 23.3 Calculation of Redenominated Notes

Notwithstanding the other provisions of these Terms and Conditions, with effect from the Redenomination Date:

(a) the Notes shall be deemed to be redenominated into Euros in the denomination of Euros 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euros at the rate for conversion of such currency into Euros established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); provided, however, that, if the Issuer determines, with the agreement of the Fiscal Agent that the then market practice in respect of the redenomination into Euros 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange or quotation system (if any) by which the Notes have then been admitted to listing, trading or quotation and the Fiscal Agent of such deemed amendments;

(b) if Notes have been issued in definitive form:

(i) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 23) shall remain in full force and effect; and

(ii) new Notes denominated in Euros will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and

(c) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euros, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euros by credit or transfer to a Euros account (or any other account to which Euros may be

credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Communities.

**23.4 Calculation of Interest on redenominated Definitive Note Certificates**

Following redenomination of the Notes pursuant to this Condition 23, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes held by the relevant holder.

**23.5 Change of Interest Determination Date**

If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second Target Business Day before the first day of the relevant Interest Period.

**24 Governing Law and Arbitration**

**24.1 Governing Law**

The Notes and the arbitration agreement in Condition 24.2 (*Arbitration*) (including any non-contractual obligations arising out of or in connection with the Notes) are governed by, and shall be construed in accordance with, English law.

**24.2 Arbitration**

Any dispute, controversy or claim, be it contractual or non-contractual, arising out of or in connection with the Notes, including any question regarding their formation, existence, validity or termination (a "**Dispute**") shall be referred to and finally resolved:

**24.2.1** By arbitration administered by the London Court of International Arbitration (the "**LCIA Court**") in accordance with its Rules (the "**Rules**"). The Rules are deemed to be incorporated by reference into this Condition 24.2.

**24.2.2** The number of arbitrators shall be three, each party having the right to nominate one arbitrator. If one party fails to appoint an arbitrator within 30 days of receiving notice of the appointment of an arbitrator by the other party, then that arbitrator shall be appointed by the LCIA Court.

**24.2.3** The third arbitrator, who shall act as chairman of the tribunal, shall be chosen by the two arbitrators chosen by or on behalf of the parties. If he is not chosen and appointed within 15 days of the date on which the later of the two-party appointed arbitrators is appointed, he shall be appointed by the LCIA.

**24.2.4** The seat of arbitration shall be London, England where all hearings and meetings shall be held, unless the parties agree otherwise. The language to be used in the arbitral proceedings shall be English.

**24.2.5** Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

**24.2.6** It is agreed that the arbitrators shall have no authority to award exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under the relevant applicable law, the parties hereby waiving their right, if any, to recover such damages.

**24.2.7** The parties agree that the arbitrators shall have power to award on a provisional basis any relief that they would have power to grant on a final award.

**24.2.8** Without prejudice to the powers of the arbitrators provided by the Rules, statute or otherwise, the arbitrators shall have power at any time, on the basis of written evidence and the

submissions of the parties alone, to make an award in favour of the claimant (or the respondent if a counterclaim) in respect of any claims (or counterclaims) to which there is no reasonably arguable defence, either at all or except as to the amount of any damages or other sum to be awarded.

**24.2.9** Nothing in this Condition 24.2 shall be construed as preventing either party from seeking conservatory or similar interim relief in any court of competent jurisdiction nor shall anything in this Condition 24.2 prohibit a party from bringing an action to enforce a money judgment in any other jurisdiction.

**24.2.10** The parties agree that the arbitration and any facts, documents, awards or other information related to the arbitration or the dispute, controversy or claim to which it relates shall be kept strictly confidential and shall not be disclosed to any third party without the express written consent of the other party, unless such disclosure is required to comply with any legal or regulatory requirement.

**24.3 Service of Process**

The Issuer agrees that the process by which any proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Condition 24.2 (*Arbitration*) may be served on it by being delivered to the Ambassador of the Kyrgyz Republic to the Court of St. James's from time to time, at the Embassy of the Kyrgyz Republic, currently located at Ascot House 119 Crawford Street London W1U 6BJ United Kingdom or, in his absence, his designate as its authorised agent for service of process in England. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of a Noteholder appoint a further person in England to accept service of process on its behalf and, failing such appointment within 14 days, such Noteholder shall be entitled to appoint such a person by written notice to the Issuer. Nothing in this paragraph shall affect the right of the Noteholder to serve process in any other manner permitted by law.

**24.4 Enforcement of Awards; Waiver of Immunity**

Any award made pursuant to Condition 24.2 (*Arbitration*) in relation to a Dispute may be enforced in any tribunal or court of competent jurisdiction. To the extent that the Issuer may in any jurisdiction claim for itself or its assets, property or revenues (irrespective of their use or intended use) immunity from jurisdiction, suit, enforcement, execution, attachment (whether in aid of execution, before the making of a judgment or award or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets, property or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction subject to the provisions of Condition 24.5 (*Waiver of Immunity – Exclusions*). The Issuer reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it in any court of, or in, the United States of America under any United States federal or state securities law.

**24.5 Waiver of Immunity – Exclusions**

Notwithstanding any of the provisions of Condition 24.4 (*Enforcement of Awards; Waiver of Immunity*), the Issuer does not waive any immunity in relation to: (a) property, including any bank account, used by a diplomatic or consular mission of the Issuer or its special missions or delegations to international organisations including their heads and other employees, (except to the extent they are appointed as process agent and it is required for any service of process pursuant to these Conditions); (b) property of military character and under the control of a military authority or defence agency of the Issuer; and (c) property located in the Kyrgyz Republic that is used for public or governmental purposes (as distinct from property dedicated to a commercial use).

**24.6 Consolidation of Disputes**

**24.6.1** In this Condition 24.6:

"**Joinder Order**" means an order by a Tribunal that a Primary Dispute and a Linked Dispute be resolved in the same arbitral proceedings;

"**Linked Dispute**" means any Dispute and/or any dispute, claim, difference or controversy arising out of, relating to or having any connection with these Terms and Conditions and/or the Deed of Covenant, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them, in which a Request for Arbitration (as defined in the Rules) is served after a Request for Arbitration has been served in respect of a Primary Dispute;

"**Primary Dispute**" means any Dispute and/or any dispute, claim, difference or controversy arising out of, relating to or having any connection with these Terms and Conditions and/or the Deed of Covenant, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them, in which a Request for Arbitration has been served before a Request for Arbitration has been served in relation to any Linked Dispute; and

"**Tribunal**" means any arbitral tribunal appointed under these Terms and Conditions.

**24.6.2** Any party to both a Primary Dispute and a Linked Dispute may apply to the Tribunal appointed in relation to the Primary Dispute for a Joinder Order in relation to any Linked Dispute.

**24.6.3** The applicant for a Joinder Order must promptly notify all parties to the Primary Dispute and the Linked Dispute of any application under (i) above.

**24.6.4** The Tribunal appointed in relation to the Primary Dispute may, if it considers it just, make a Joinder Order on hearing an application brought under (i) above. In determining whether to make a Joinder Order, the Tribunal must take account of:

(i) the likelihood and consequences of inconsistent decisions if joinder is not ordered;

(ii) any failure on the part of the party seeking joinder to make a timely application; and

(iii) the likely consequences of joinder in terms of cost and time.

**24.6.5** If the Tribunal makes a Joinder Order:

(i) it will immediately, to the exclusion of any other Tribunal, have jurisdiction to resolve finally the Linked Dispute in addition to its jurisdiction in relation to the Primary Dispute;

(ii) it must order that notice of the Joinder Order and its effect be given immediately to any arbitrators already appointed in relation to the Linked Dispute and to all parties to the Linked Dispute and to all parties to the Primary Dispute;

(iii) any appointment of an arbitrator in relation to the Linked Dispute before the date of the Joinder Order will terminate immediately and that arbitrator will be deemed to be *functus officio* with effect from the date of the Joinder Order. Such termination is without prejudice to:

(A) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(B) his entitlement to be paid his proper fees and disbursements; and

(C) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(iv) it may also give any other directions it considers appropriate to:

(A) give effect to the Joinder Order and make provisions for any costs which may result from it (including costs in any arbitration terminated as a result of the Joinder Order); and

(B) ensure the proper organisation of the arbitration proceedings and the proper formulation and resolution of the issues between the parties.

**24.6.6** If a Tribunal appointed in respect of a Primary Dispute under these Terms and Conditions makes a Joinder Order which confers on that Tribunal jurisdiction to resolve a Linked Dispute arising under these Conditions, that Joinder Order and the award of that Tribunal will bind the parties to the Primary Dispute and the Linked Dispute being heard by that Tribunal.

**24.6.7** For the avoidance of doubt, where a Tribunal is appointed under these Conditions, the whole of its award (including any part relating to a Linked Dispute) is deemed for the purposes of the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958 to be contemplated by these Conditions.

**24.6.8** Each of the Issuer and the Noteholders waives any objection, on the basis of a Joinder Order, to the validity and/or enforcement of any arbitral award made by a Tribunal following any Joinder Order.

## 25 Rights of Third Parties

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

**[EU MIFID II product governance / Professional investors and ECPs only target market –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")][EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[SINGAPORE SFA PRODUCT CLASSIFICATION**: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital market products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[These Final Terms are for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

**Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange (as defined below) on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.**

**The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") has not reviewed the contents of these Final Terms, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of these Final Terms to Professional Investors only have been reproduced in these Final Terms. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme,**

**the Notes or the Issuer or quality of disclosure in these Final Terms. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of these Final Terms, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of these Final Terms.** These Final Terms, together with the Base Offering Circular (as defined below), includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in these Final Terms and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]*

**[Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors" appearing on pages [●] to [●] of the Base Offering Circular, and CMIs (as defined in the Base Offering Circular) should refer to the section on "Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)" appearing on pages [●] to [●] of the Base Offering Circular.]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "Notes") under the US$1,700,000,000 Global Medium Term Note Programme**

*Applicable for Notes to be listed on the Hong Kong Stock Exchange only.

**Part A**
**Contractual Terms**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Offering Circular dated 22 May 2025 [and the supplement[s] dated [●]] (the "**Base Offering Circular**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Offering Circular [as so supplemented]. Copies of the Base Offering Circular [and the supplement[s] dated [●]] may be obtained from the specified offices of the Fiscal Agent during normal business hours and are available on the website of the Ministry of Finance of Kyrgyzstan at https://www.minfin.kg.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base [Prospectus][Offering Circular] dated [●] which are incorporated by reference in the Base Offering Circular dated 22 May 2025. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Offering Circular dated 22 May 2025 [and the supplement[s] dated [●]] (the "**Base Offering Circular**") including the Conditions incorporated by reference in the Base Offering Circular, in order to obtain all relevant information. Copies of the Base Offering Circular [and the supplement[s] dated [●]] may be obtained from the specified offices of the Fiscal Agent during normal business hours and are available on the website of the Ministry of Finance of Kyrgyzstan at https://www.minfin.kg.

| | | | |
|---|---|---|---|
| **1** | Issuer: | | The Kyrgyz Republic, represented by the Cabinet of Ministers of the Kyrgyz Republic acting through the Ministry of Finance of the Kyrgyz Republic |
| **2** | [(i)] | Series Number: | [●] |
| | [(ii)] | Tranche Number: | [●] |
| **3** | Specified Currency or Currencies: | | [●] |
| **4** | Aggregate Nominal Amount of Notes: | | |
| | [(i)] | Series: | [●] |
| | [(ii)] | Tranche: | [●] |
| | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date].] |
| **5** | Issue Price: | | [●] per cent., of the Aggregate Nominal Amount [plus accrued interest from [●] (if applicable)] |
| **6** | (i) | Specified Denomination(s): | [●] |
| | (ii) | Calculation Amount: | [●] |
| **7** | [(i)] | Issue Date: | [●] |
| | [(ii)] | Interest Commencement Date: | [*Specify*/Issue Date/Not Applicable] |
| **8** | Maturity Date: | | [[●]/Interest Payment Date falling on or nearest to [●]]<br><br>(*Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here*) |

| | | |
|---|---|---|
| **9** | Interest Basis: | [[●] per cent. Fixed Rate]<br><br>[●] +/- [●] per cent. Floating Rate]<br><br>[Zero Coupon]<br><br>[Other (*specify*)]<br><br>(further particulars specified below) |
| **10** | Payment Basis: | [Redemption at par] |
| | Redemption Amount: | [●] |
| **11** | Date approval for issuance of Notes obtained: | [●] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| **12** | Fixed Rate Note Provisions: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | Rate[(s)] of Interest: | [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] |
| | Interest Payment Date(s): | [●] in each year [adjusted in accordance with [●]/not adjusted]<br><br>(*Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day"*) |
| | Fixed Coupon Amount[(s)]: | [●] per Calculation Amount<br><br>(*Note for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification alternative wording may be required*) |
| | Broken Amount(s): | [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] |
| | Day Count Fraction: | [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/Actual / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)] |
| | Determination Date(s): | [●] in each year |
| **13** | Floating Rate Note Provisions: | [Applicable/Not Applicable] |
| | Specified Interest Period(s): | [●] |

| | |
|---|---|
| Specified Interest Payment Dates: | [●] |
| First Interest Payment Date: | [●] |
| Interest Period Date: | [Not applicable/[●]] |
| Business Day Convention: | [FRN Convention/Floating Rate Convention/ Eurodollar Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable] |
| Business Centre(s): | [●] |
| Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination] |
| Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): | [●] |
| Screen Rate Determination: | |
| • Reference Rate: | [●] (*EURIBOR, HIBOR, EIBOR or SOFR or other, although additional information is required if other*) |
| • Interest Determination Date(s): | [●] |
| • Relevant Screen Page: | [●] (*HKABHIBOR or EIBOR=)* |
| • Relevant Time: | [●] |
| • Reference Banks: | [●] |
| • SOFR | |
| o SOFR Benchmark | [Compounded Daily SOFR/Compounded SOFR Index] |
| o Compounded Daily SOFR | [SOFR Lag/SOFR Observation Shift]<br>(*Only applicable in case of Compounded Daily SOFR*) |
| o Lookback Days | [Not Applicable/[●] U.S. Government Securities Business Day(s)]<br>(*Only applicable in the case of SOFR Lag*) |
| o SOFR Observation Shift Days | [Not Applicable/[●] U.S. Government Securities Business Day(s)]<br>(*Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index*) |
| o SOFR $\text{Index}_{\text{Start}}$ | [Not Applicable/[●] U.S. Government Securities Business Day(s)]<br>(*Only applicable in the case of Compounded SOFR Index*) |

| | |
|---|---|
| ○ SOFR $\text{Index}_{\text{End}}$ | [Not Applicable/[●] U.S. Government Securities Business Day(s)]<br><br>(*Only applicable in the case of Compounded SOFR Index*) |
| ISDA Determination: | |
| • ISDA Definitions | [2006 ISDA Definitions/2021 ISDA Definitions] |
| • Floating Rate Option: | [Overnight Floating Rate Option/Index Floating Rate Option/[●]] |
| • Designated Maturity: | [●] |
| • Reset Date: | [●] |
| • Compounding: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete "Compounding Method" below*) |
| • Compounding Method: | [Compounding with Lookback Lookback: [[•] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]<br><br>[Compounding with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days<br>Observation Period Shift Additional Business Days: [[•]/[Not Applicable]]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]<br><br>[Compounding with Lockout: [•] Lockout Period Business Days<br>Lockout Period Business Days: [[•]/[Applicable Business Days]]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] |
| • Index Provisions: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete "Index Method" below*) |
| • Index Method: | Compounded Index Method with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days<br><br>Observation Period Shift Additional Business Days: [•]/[Not Applicable]] |
| Linear Interpolation: | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation] |
| Margin(s): | [+/-][●] per cent. per annum |
| Minimum Rate of Interest: | [●] per cent. per annum |

| | | |
|---|---|---|
| | Maximum Rate of Interest: | [●] per cent. per annum |
| | Day Count Fraction: | [Actual/365 / Actual/Actual(ISDA) / Actual/Actual / Actual/365(Fixed) / Actual/365 (Sterling) / Actual/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / Actual/Actual(ICMA)] |
| | Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: | [Not Applicable/[*Specify*]] |
| **14** | Zero Coupon Note Provisions: | [Applicable/Not Applicable] |
| | [Amortisation Yield /Accrual Yield]: | [●] per cent. per annum |
| | Reference Price: | [●] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| **15** | Call Option: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) Optional Redemption Date(s): | [●] |
| | (b) Optional Redemption Amount(s) of each Note: | [[●] per Calculation Amount][Make-whole Amount]<br>[(*If Make-whole Amount is selected, include items (i) to (iii) below or relevant options as are set out in the Conditions*)] |
| | (i) Reference Bond: | [●]/[Not Applicable] |
| | (ii) Redemption Margin: | [●] per cent. |
| | (iii) Quotation Time: | [●] |
| | (c) If redeemable in part: | [Not Applicable] |
| | (i) Minimum Redemption Amount: | [●] |
| | (ii) Maximum Redemption Amount: | [●] |
| | (iii) Notice periods: | Minimum period: [●] days<br>Maximum period: [●] days |
| **16** | Put Option: | [Applicable]/[Not Applicable]<br>[(*if not applicable, delete the remaining sub paragraphs of this paragraph*)] |
| | (i) Optional Redemption Date(s): | [●] |
| | (ii) Optional Redemption Amount(s) of each Note: | [●] per Calculation Amount |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| **17** | Financial Centre(s): | [Not Applicable/[●]] |
| | Additional Financial Centre(s): | [Not Applicable/[●]] |
| | Redenomination: | [Applicable/Not Applicable] |
| | Calculation Agent: | [●] |

**LISTING AND ADMISSION TO TRADING APPLICATION**

[Application has been made to the London Stock Exchange for the Notes to be admitted to the Official List and trading on its main market with effect from [●]. These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange of the Notes described herein pursuant to the Global Medium Term Note Programme of the Kyrgyz Republic.]

[Application will be made to The Stock Exchange of Hong Kong Limited for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only and such permission is expected to become effective on [●].]

**[THIRD PARTY INFORMATION**

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer: [●]

Dated: [●]

By: [●]

Duly authorised

**Part B**
**Other Information**

**1 LISTING**

| | |
|---|---|
| (i) Listing and admission to trading: | [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the FCA and to the London Stock Exchange plc and for such Notes to be admitted to trading on the London Stock Exchange's Main Market with effect from or around [●].]/[Application will be made to The Stock Exchange of Hong Kong Limited for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only and such permission is expected to become effective on [●].]/[Not Applicable]<br><br>*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)* |
| (ii) Estimate of total expenses related to admission to trading: | [●] |

**2 RATINGS**

| | |
|---|---|
| Ratings: | The Notes to be issued [have been/are expected to be] rated:<br><br>[S&P: [●]]<br><br>[Fitch: [●]]<br><br>[Other: [●]]<br><br>[Not Applicable] |

**3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business for which they may receive fees.]

**4 [Fixed Rate Notes only – YIELD**

| | |
|---|---|
| Indication of yield: | [●]<br><br>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] |

**5 OPERATIONAL INFORMATION**

| | |
|---|---|
| ISIN Code (Reg S Notes): | [●] |
| ISIN Code (Rule 144A Notes): | [●] |

| | |
|---|---|
| Common Code (Reg S Notes): | [●] |
| Common Code (Rule 144A Notes): | [●] |
| [CFI: | Not Applicable/[●]] |
| [FISN: | Not Applicable/[●]] |
| CUSIP (Rule 144A Notes): | [●] |
| [CINS: | [●]] |
| Any clearing system(s) other than [DTC,] Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)] |
| Delivery: | Delivery [against/free of] payment |
| Names and addresses of additional Paying Agent(s) (if any): | [●] |

**6 DISTRIBUTION**

| | |
|---|---|
| Method of distribution: | [Syndicated/Non-syndicated] |
| If syndicated, names of Managers: | [Not Applicable/*give names*] |
| Date of Subscription Agreement: | [●] |
| Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| If non-syndicated, name of relevant Dealer: | [Not Applicable/*give name*] |

**7 SELLING RESTRICTIONS**

| | |
|---|---|
| United States: | [CAT 1]/[TEFRA not applicable] |
| Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br>*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)* |
| [Singapore Sales to Institutional Investors and Accredited Investors only: | [Applicable/Not Applicable]]<br>*(If sales are not made into Singapore, this can be deleted. If sales are to be made into Singapore, advice should be taken from Singaporean counsel before disapplying this selling restriction.)* |
| Additional selling restrictions: | [Not Applicable/*give details*] |

**8 OTHER INFORMATION**

| | |
|---|---|
| Use of proceeds | [●] |

**9 HONG KONG SFC CODE OF CONDUCT**

| | |
|---|---|
| (i) Rebates | [A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable] |
| (ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: | [*Include relevant contact email addresses of the Dealers where the underlying investor information should be sent – OCs to provide*] / [Not Applicable] |
| (iii) Marketing and Investor Targeting Strategy | [As indicated in the Base Offering Circular] / [*Describe if different from the Base Offering Circular]* |

## SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM

### The Global Notes

Each Series will be issued in registered form and evidenced on issue by a Global Note.

Notes offered and sold outside the United States in reliance on Regulation S will be represented by interests in an Unrestricted Global Note which will be deposited on issue with a Common Depositary for Euroclear and/or Clearstream, Luxembourg and registered in the name of a nominee for a Common Depositary in respect of interests held through Euroclear and Clearstream, Luxembourg.

Notes offered and sold in reliance on Rule 144A will be represented by interests in a Restricted Global Note which will be registered in the name of Cede & Co. as nominee for, and which will be deposited with the Custodian for DTC, in respect of interests held though DTC.

Beneficial interests in each Global Note will be subject to certain restrictions on transfer set forth therein and in the fiscal agency agreement dated 22 May 2025 relating to the Notes (as may be amended or supplemented from time to time, the "**Fiscal Agency Agreement**") and, with respect to a Restricted Global Note, as set forth in Rule 144A and the Restricted Notes will bear the legends set forth thereon regarding such restrictions set forth under "*Transfer Restrictions*".

Any beneficial interest in an Unrestricted Global Note that is transferred to a person who takes delivery in the form of an interest in a Restricted Global Note will, upon transfer, cease to be an interest in that Unrestricted Global Note and become an interest in the corresponding Restricted Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in that Restricted Global Note for as long as it remains such an interest. Any beneficial interest in a Restricted Global Note that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Note will, upon transfer, cease to be an interest in that Restricted Global Note and become an interest in that Unrestricted Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Unrestricted Global Note for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes in definitive form ("**Definitive Note Certificates**"). The Notes are not issuable in bearer form.

### Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that they represent, some of which modify the effects of the Terms and Conditions of the Notes. The following is a summary of those provisions:

*Payments*

Payments of principal and interest in respect of Notes evidenced by a Global Notes will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment (the "**Record Date**"), where "**Clearing System Business Day**" means Monday to Friday inclusive, except 25 December and 1 January.

*Notices*

So long as any Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Terms and Conditions of the Notes *provided however, that*, so long as the Notes are listed on a stock exchange and its rules so require, notices will also have to be filed in accordance with the rules of such stock exchange.

*Issuer's Options*

Any option of the Issuer provided for in the Terms and Conditions of any Notes while such Notes are represented by a Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions, except that in the case of a partial

exercise of an option the Notes to be redeemed shall be selected (i) in the case of Unrestricted Global Notes, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other clearing system and (ii) in the case of Restricted Global Notes, in accordance with the rules and procedures of DTC and/or any other clearing system.

*Noteholders' Options*

Any option of the Noteholders provided for in the Terms and Conditions of any Notes while such Notes are represented by a Global Note may be exercised by the holder of the relevant Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent or Transfer Agent set out in the Terms and Conditions, in accordance with the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg and any alternative Clearing System, as applicable, failing which, in the form of the notice available from any Paying Agent and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

*Meetings*

The holder of each Global Note will be treated as being one person for the purposes of any quorum requirements of, or have the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each 1,000 units of the currency in which the relevant Notes are denominated as comprise the principal amount of Notes for which the relevant Global Note may be exchangeable.

*Purchase and Cancellation*

Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

**Exchange for Definitive Note Certificates**

***Exchange***

Notes initially represented by a Restricted Global Note are exchangeable in whole, but not in part, (free of charge to the Holder) for Restricted Definitive Note Certificates (i) if the Restricted Global Note is held by or on behalf of DTC and DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Note or ceases to be a "clearing agency" registered under the Exchange Act or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, by the Holder giving notice to the Registrar or a Paying and Transfer Agent, (ii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 12 (*Taxation*) which would not be suffered were the Notes in definitive form or (iii) an Event of Default occurs. The Issuer shall notify the Noteholders of the occurrence of any of the events specified above as soon as practicable thereafter.

Notes initially represented by an Unrestricted Global Note are exchangeable in whole, but not in part, (free of charge to the Holder) for Unrestricted Definitive Note Certificates (i) if the Unrestricted Global Note is held by or on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the Holder giving notice to the Registrar or a Paying and Transfer Agent, (ii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 12 (*Taxation*) which would not be suffered were the Notes in definitive form or (iii) an Event of Default occurs. The Issuer shall notify the Noteholders of the occurrence of any of the events specified above as soon as practicable thereafter.

On or after the Exchange Date, the holder of the relevant Global Note may surrender such Global Note to or to the order of the Registrar. In exchange for the relevant Global Note, as provided in the Fiscal Agency Agreement, the Registrar will deliver, or procure the delivery of, an equal aggregate amount of duly executed and authenticated Definitive Note Certificates in or substantially in the form set out in the relevant schedule to the Fiscal Agency Agreement.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note for Definitive Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

"**Exchange Date**" means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or a Paying and Transfer Agent is located.

***Delivery of Definitive Note Certificates***

In such circumstances, the relevant Global Note shall be exchanged in full for Definitive Note Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity and/or security as the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Note Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Notes and, in the case of a Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Note Certificates issued in exchange for a beneficial interest in a Restricted Global Note shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

***Legends***

The holder of a Definitive Note Certificate may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Paying and Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Restricted Definitive Note Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Restricted Definitive Note Certificate, the Issuer will deliver only Restricted Definitive Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer and the Registrar that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

## USE OF PROCEEDS

Unless otherwise stated in the relevant Final Terms, the net proceeds of the issue of the Notes will be used by the Issuer for general budgetary purposes, including financing hydroelectric power projects and other infrastrutcure projects.

## THE KYRGYZ REPUBLIC

### Territory, Population and Society

The Kyrgyz Republic is a land-locked country located in the north-east of Central Asia. It is bordered on the north by Kazakhstan, on the south-west by Uzbekistan, on the south by Tajikistan and on the east and south-east by China.

The area of the territory of Kyrgyzstan is 199,951 square kilometres (77,202 square miles). Kyrgyzstan is a mountainous country. Almost 90% of the total territory is located higher than 1,500 metres above sea level. The climate of the country is sharply continental, summer in the cities is relatively hot, and it is relatively cool in the mountains. Winters are cold and snowy, especially in the highlands. The country's lowland areas, though occupying only one-seventh of the total area, are home to most of the population.

As of 1 January 2025, the population of Kyrgyzstan was approximately 7.3 million, with approximately 1.2 million people living in the capital city of Bishkek. The average population density of the country is 36 people per square kilometre. According to data from the population census and the Kyrgyz Republic Housing Fund, as of 1 January 2024, 78% of the population was of Kyrgyz ethnicity, with approximately 14% Uzbek, approximately 4% Russian, approximately 1% Dungan, approximately 1% Tajik and the remainder other ethnic groups. Approximately 90% of the population is Muslim with approximately 7% Christian and several other religions accounting for the remainder of the population. The official state language is Kyrgyz, spoken by the majority of the population. Russian is also widely spoken and has the status of an official language.

The following table sets forth selected comparative social indicators for Kyrgyzstan and certain selected other countries.

| | Kyrgyzstan | Armenia | Kazakhstan | Mongolia | Tajikistan | Uzbekistan |
|---|---|---|---|---|---|---|
| Gross national income per capita (2017 PPP basis) (US$)[1] | 4,782 | 15,598 | 23,943 | 10,840 | 4,943 | 8,174 |
| Life expectancy at birth (years)[1] | 71.9 | 76.1 | 74.0 | 72.3 | 71.6 | 70.9 |
| Adult literacy rate (%)[2] | 99.6 | 99.7 | 99.8 | 99.2 | 99.8 | 100.0 |
| Mean years of schooling[2] | 11.4 | 11.7 | 12.3 | 10.3 | 10.7 | 11.9 |
| Gender inequality index[2][3] | 0.346 | 0.216 | 0.177 | 0.304 | 0.288 | 0.258 |
| Infant mortality rate (per 1,000 live births)[1] | 15.0 | 10.4 | 8.8 | 13.9 | 27.9 | 13.7 |

(1) Data in respect of 2022 year.
(2) For most recent available year, respectively.
(3) The gender inequality index reflects women's disadvantage in three dimensions—reproductive health, empowerment, and the labour market. The index shows the loss in human development due to inequality between female and male achievements in these dimensions. 1 indicates absolute inequality, as measured by the gender inequality index, and 0 indicates perfect equality.

*Source: UNDP Human Development Report 2023/2024; UNDP Data Center*

### History

The Kyrgyz people as an ethnic group are said to have originated in the Yenisei River region of southern Siberia and migrated to the area that is now Kyrgyzstan around the 9th century. Historically, the area has been under the influence of various empires and nomadic groups, including Scythians, Persians and later Turkic tribes. By the 12th century, the region was conquered by the Mongols under Genghis Khan, resulting in several centuries of Mongol influence. Kyrgyzstan occupied an important place on the Great Silk Road, an ancient trade route between China and the Mediterranean. Goods and caravans passed through the country, mixing different cultures and traditions.

In the 19th century, the territory of Kyrgyzstan was gradually incorporated into the Russian Empire as part of its expansion into Central Asia. In 1876 it was fully annexed by Russia. In 1916, there was a major uprising of the Kyrgyz people against the Tsarist administration, during which it is estimated that up to one-sixth of the Kyrgyz population perished. After the Russian Revolution of 1917, Kyrgyzstan became part of the Soviet

Union, initially as the Kara-Kyrgyz Autonomous District in 1924 and later, in 1936, as the Kyrgyz Soviet Socialist Republic. During the Soviet period, Kyrgyzstan experienced industrialisation and modernisation, although traditional ways of life were altered. With the collapse of the Soviet Union in 1991, Kyrgyzstan declared its independence on 31 August 1991.

The first president of independent Kyrgyzstan, Askar Akayev, laid the foundations of modern democracy in the country, including a free press, an independent judiciary and a popularly elected parliament. However, beginning in the mid-1990s, Kyrgyzstan experienced a sharp economic decline. As the economic situation deteriorated, there was growing dissatisfaction with President Akayev's rule. Allegations of corruption and what observers judged to be unfree parliamentary elections in 2005 led to mass demonstrations in March 2005 known as the "Tulip Revolution", which resulted in Akayev's resignation from the presidency. In July 2005, Kurmanbek Bakiyev was elected president in a snap election.

In April 2010, discontent over economic hardship, allegations of corruption and rising energy prices sparked mass unrest known as the 2010 Kyrgyz Revolution or the "Melon Revolution", which led to the removal of President Bakiyev from power.

In June 2010, a referendum supported by approximately 90% of the population resulted in the adoption of a new Constitution, which changed the form of the country's government from a presidential system to a parliamentary-presidential system, with the prime minister acting as head of government and the president as head of state. In October 2010, the first parliamentary elections under the new Constitution were held. The nationalist Ata-Jurt (Fatherland) party, which included several supporters of former President Bakiyev and opposed constitutional reforms, won the largest number of seats, but no party achieved a majority. A coalition government was formed led by Almazbek Atambaev, the leader of the Social Democratic Party of Kyrgyzstan (the "**SDPK**"), as prime minister.

In October 2011, Atambaev won the presidential election. Term limits prevented him from running for a second term, and in October 2017 Sooronbai Jeenbekov, an associate of Atambaev who had previously served as prime minister, was elected president.

In August 2019, former President Atambaev was arrested on charges of corruption and other criminal charges. While he was in custody awaiting trial, his supporters and allies founded a new political party loyal to the former president called the Social Democrats of Kyrgyzstan (the "**SDK**").

Of the three political groupings formed on the basis of the former ruling party (the SDPK), only the SDK contested the parliamentary elections on 4 October 2020. According to official results, the parties supporting the incumbent President Jeenbekov won a convincing victory in these elections. However, reports of administrative violations and vote-buying sparked a wave of protests in Bishkek. Protesters also released several political figures from detention, including former President Atambaev, former Prime Minister Sapar Isakov and Sadyr Zhaparov. On 6 October 2020, Prime Minister Kubatbek Boronov resigned amid the unrest, and on 10 October 2020, the country's parliament elected Zhaparov as prime minister. On the same day, Jeenbekov ratified the decision and resigned on 15 October 2020, making Zhaparov acting President.

In January 2021, President Zhaparov won an extraordinary presidential election to a full term. In an accompanying referendum, the majority of voters supported a return to a presidential system of government. In April 2021, a national referendum approved a new Constitution that significantly strengthened the power of the President, and the new Constitution entered into force in May 2021.

In elections in November 2021, President Zhaparov's allies won a solid majority of seats in the parliament. In January 2024, President Zhaparov officially announced his intention to run for a second term in the upcoming 2026 presidential election.

**Constitution and Political System**

The Kyrgyz Republic is an independent, sovereign, democratic, unitary, secular and social state. The first post-Soviet Constitution of Kyrgyzstan was adopted in 1993. Subsequently, the Constitution has been amended several times, with the most significant changes having been made in 2010 and 2021. The 2010 amendments, made by referendum, changed the system of government from a presidential republic to a parliamentary-presidential republic, with the powers of the president reduced in favour of the parliament and the government. The 2021 amendments, also made by referendum, largely reversed these changes, reinforcing the role of the

president and establishing a hybrid form of government with a dominant executive. The aim of the 2021 amendments was to enhance political stability and improve government efficiency. The current Constitution enshrines a wide range of citizens' rights and freedoms (including freedom of speech, assembly, and religion) and reaffirms Kyrgyzstan's commitment to the principles of a secular state, equality before the law and the rule of law.

State authority is organised on the basis of separate executive, legislative and judicial branches.

**Executive Branch**

Executive power is exercised by the President. The President is the head of state and head of government, with a wide range of executive powers. He is responsible for, among other things, national defence, foreign policy and the appointment of key officials.

The President has a Cabinet of Ministers to carry out the day-to-day functions of state administration. The Cabinet of Ministers, headed by its Chairman, is responsible for the implementation of state policy in practice, including coordinating economic management, internal affairs and the implementation of laws and decisions. The Chairman of the Cabinet of Ministers is also the head of the Presidential Administration, which ensures close coordination between the Office of Head of State and the Office of Head of Government. The structure and composition of the Cabinet of Ministers are determined by the President. The Chairman of the Cabinet of Ministers, his deputies and other members of the Cabinet of Ministers are appointed by the President with the consent of the Zhogorku Kenesh.

***Legislative Branch***

The Zhogorku Kenesh, the unicameral parliament of the Kyrgyz Republic, is the supreme legislative body in the country. The main functions of the Zhogorku Kenesh are adopting laws, ratifying international treaties, approving the State Budget and exercising parliamentary control over the implementation of laws. The Zhogorku Kenesh also consents to the appointment by the President of the Chairman of the Cabinet of Ministers and the composition of the Cabinet of Ministers, which ensures a certain balance and accountability of the executive branch to the legislative branch.

The Zhogorku Kenesh consists of 90 members, reduced from 120 in the 2021 constitutional reforms. Members are elected for 5-year terms through a proportional representation system by party lists.

In addition to the Zhogorku Kenesh, the legislative branch includes the People's Kurultai, a socially representative assembly, which was established in 2021. As a deliberative and supervisory assembly, the People's Kurultai gives recommendations on areas of social development.

***Judicial Branch***

The judicial system of the Kyrgyz Republic is established by the Constitution and laws. It includes the Constitutional Court, the Supreme Court and local courts. Judicial power is exercised through constitutional, civil, criminal, administrative and other forms of legal proceedings provided for by law. The Constitutional Court is authorised to review the compliance of laws, regulations and presidential decrees for constitutionality. The Supreme Court is the highest court for civil, criminal, administrative and other cases, ensuring uniformity of judicial practice throughout the country. The Constitution proclaims the independence of the judiciary.

***Regional and Local Government***

The administrative-territorial structure of Kyrgyzstan includes seven oblasts and two cities of republican significance (Bishkek and Osh), as well as 268 local self-governmental bodies, including 33 cities of *rayon* subordination (cities that fall under the administrative jurisdiction of a district) and 235 *aiyl aimaks* (rural administrative districts). The Constitution guarantees local authorities a certain degree of autonomy within the framework of the state. Local self-governmental bodies, consisting of elected *aiyl okmotu* (village councils) and city *keneshs* (councils), administer local government and are responsible for resolving local issues and developing their respective territories.

### *Political Parties*

Kyrgyzstan's political landscape is diverse and dynamic. Since the Tulip Revolution in 2005, the role of political parties has increased significantly. During President Bakiyev's rule, his Ak Zhol party became the first party to gain a majority of seats in parliament. After the change of power in 2010, the SDPK, formed in 1993, became the most powerful party, but by the end of the 2010s, internal divisions led to the division of the party into several factions. There are currently dozens of parties operating in the Kyrgyz Republic. The key parties include the following:

- *Mekenchil*: A nationalist party led by Sadyr Zhaparov, the current President of Kyrgyzstan.
- *Ata-Jurt (Fatherland)*: A nationalist and conservative party with strong support in the south of Kyrgyzstan.
- *Birimdik (Unity)*: Founded in recent years, Birimdik is considered pro-presidential and has generally supported the government of President Sadyr Zhaparov.
- *SDPK (Social Democratic Party of Kyrgyzstan)*: Traditionally a center-left party, the SDPK was one of the dominant parties under former President Atambayev.
- *Mekenim Kyrgyzstan (My Homeland Kyrgyzstan)*: A relatively new party that rose to prominence in the 2020 parliamentary elections, Mekenim Kyrgyzstan is known for its pro-business stance and appeals to younger voters.
- *Butun Kyrgyzstan (United Kyrgyzstan)*: This nationalist and socially conservative party appeals to voters interested in traditional values and Kyrgyz sovereignty.
- *Reform*: A newer, pro-reform party that gained popularity among younger, urban voters. Reform advocates for anti-corruption, transparency, and judicial independence, with a strong focus on modernizing the political and economic landscape of Kyrgyzstan.

## International Relations

Kyrgyzstan has established bilateral and diplomatic relations with over 160 countries and has 49 diplomatic missions, including 31 embassies, 10 general consulates, one consular agency, six embassy offices and one visa office abroad. Kyrgyzstan hosts 72 diplomatic and consular missions and several missions of international organisations. Kyrgyzstan is a member of a number of international and regional organisations, including the United Nations (the "**UN**"), the IMF, the World Bank, the European Bank for Reconstruction and Development ("**EBRD**"), the World Trade Organisation (the "**WTO**"), the CIS, the EAEU, the CSTO and the Organization for Security and Co-operation in Europe (OSCE).

### *International Organisations*

*Commonwealth of Independent States (CIS)*

On 21 December 1991, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan signed the Alma-Ata Protocol and established the CIS. Georgia joined the CIS in 1993, then withdrew in 2009; and Turkmenistan withdrew and became an associate member in 2005. In 2018, Ukraine formally withdrew its representatives from CIS institutions. The CIS works to promote coordination in areas of trade, finance, law-making and security, and to support cooperation on democratisation and cross-border crime prevention across the former Soviet republics. Kyrgyzstan is an active participant in the development and implementation of cooperation programmes within the CIS.

*Eurasian Economic Union (EAEU)*

Kyrgyzstan signed the Treaty on the Accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union on 23 December 2014. The treaty came into force on 12 August 2015, marking Kyrgyzstan's official membership in the EAEU. The EAEU is a regional economic integration organisation comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. It was established with the aim of creating a single market for goods, services, labour, and capital among its member countries. The EAEU also seeks to promote economic

growth and stability in the region by coordinating the economic policies of its members. Kyrgyzstan is part of the EAEU's customs union and no tariffs apply within the EAEU.

*Collective Security Treaty Organisation (CSTO)*

The Collective Security Treaty Organisation is a regional collective security organisation founded by Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. The CSTO's goals are to support international and regional security and to collectively protect the independence, territorial integrity and the sovereignty of each of its members through the coordination of military and political efforts. Additionally, the members of the CSTO have undertaken not to participate in any military union or group of nations or take actions that are directed against any other member of the CSTO (which has been viewed as ruling out NATO membership for any member of the CSTO). The member states of the CSTO have conducted joint military exercises in the past. Kyrgyzstan remains an active member in the CSTO.

*World Trade Organisation (WTO)*

Kyrgyzstan became a member of the World Trade Organisation on 20 December 1998, after completing its accession negotiations. The country's membership in the WTO has provided it with increased access to global markets, as well as the opportunity to participate in the development of international trade rules and regulations. During the accession process, Kyrgyzstan undertook significant reforms and made commitments in various areas, such as customs procedures, intellectual property rights, and the liberalisation of trade in goods and services. The country also agreed to lower its import tariffs, eliminate non-tariff barriers, and ensure a transparent and predictable business environment for foreign investors. Since joining the WTO, Kyrgyzstan has actively participated in the organisation's activities and has made efforts to further integrate into the global trading system. The country has also engaged in bilateral and multilateral trade negotiations to improve its market access and promote economic development.

*United Nations*

A relationship between Kyrgyzstan and the UN was established soon after the collapse of the Soviet Union and the restoration of Kyrgyzstan's independence. Kyrgyzstan was admitted to the UN in March 1992 and the Permanent Mission of the Kyrgyz Republic to the UN was opened in New York in 1992.

***Foreign States***

*Russia*

Russia plays a significant role in Kyrgyzstan's trade, investments, remittances, energy supply and military security. The Russian Federation recognised the independence of the Kyrgyz Republic on 27 December 1991 and, on the same day, diplomatic relations between the two countries were officially established. Kyrgyzstan and Russia cooperate within regional multilateral institutions, including the EAEU and the CIS. Cooperation between Kyrgyzstan and Russia have developed on the basis of the Treaty of Friendship, Cooperation, and Mutual Assistance (1992), the Collective Security Treaty (1999) and the Kant Air Base Agreement (2003). Russia remains one of Kyrgyzstan's key foreign trade partners. According to preliminary data, trade turnover between the two countries totalled US$3.55 billion (22.2% of Kyrgyzstan's total trade turnover) in 2024. Russia also serves as Kyrgyzstan's primary security partner, providing military assistance, training, and equipment. This relationship is further solidified by Kyrgyzstan's membership in the CSTO. See "*Risk Factors—Risk Factors Relating to Kyrgyzstan—Relations with Russia*" and "*Balance of Payments and Foreign Trade*".

*China*

Kyrgyzstan's economic ties with neighbouring China are extensive and have been increasing. China accounts for a substantial part of Kyrgyzstan's foreign investment and foreign trade. China has extended loans and has helped to build roads, tunnels and power infrastructure in Kyrgyzstan. For example, as of the end of February 2025, approximately 36.7% of Kyrgyzstan's total External Public Debt was owed to China, primarily from infrastructure projects under the Belt and Road Initiative. China is an important source of investments in Kyrgyzstan, with Chinese firms investing in various sectors of the economy including transportation and logistics, infrastructure, energy, mining and metals, telecommunications, manufacturing, construction, high technology and agriculture. In 2023, the largest source of FDI into Kyrgyzstan in 2023 was China, which accounted for 27.7% or US$220.8 million of FDI. According to preliminary data, trade turnover with China

accounted for 34.8% of Kyrgyzstan's total trade turnover in 2024, and imports from China in 2024 totalled US$5.45 billion, or 44.6% of Kyrgyzstan's total imports.

*European Union (EU)*

The basis for EU-Kyrgyzstan relations is the Kyrgyzstan-EU Enhanced Partnership and Cooperation Agreement (the "**EPCA**"), which was signed on 25 June 2024 and replaced the Partnership and Cooperation Agreement which was signed in 1995 and came into force in 1999. The EPCA facilitates political dialogue, trade, investment, and social cooperation, setting up a legal and institutional framework for their collaboration. EU-Kyrgyzstan relations today are conducted within the framework of the EU Central Asia Strategy, which promotes regional connectivity, climate resilience, border management, and security cooperation, fostering integration and stability across Central Asia. The EU provides significant financial support to Kyrgyzstan, mainly through its Multiannual Indicative Program. Key areas of focus include rural development, social protection, education, public administration reform, and rule of law. This aid supports Kyrgyzstan's goals for sustainable development and poverty reduction. The EU has several projects in the Kyrgyz Republic in the areas of Governance and Digital Transformation, Human Development, and Green and Climate Resilient Economy, in line with the priority areas of the Multiannual Indicative Programme for Kyrgyz Republic 2021-2027. The EU supports important infrastructure projects in Kyrgyzstan through "blending", where grants are provided in combination with loans from international development banks. The EU is a major trade partner for Kyrgyzstan, providing preferential market access under the Generalised Scheme of Preferences Plus (GSP+). This status allows Kyrgyzstan to export many products to the EU tariff-free, encouraging economic diversification and integration into global markets.

*Uzbekistan*

Kyrgyzstan-Uzbekistan diplomatic relations were established on 16 February 1993 and the two countries have embassies in their respective capital cities. Uzbekistan and Kyrgyzstan have entered into 249 bilateral agreements, with the key agreements being the Treaty of Eternal Friendship dated 12 December 1996 and the Declaration on Strategic Partnership, Strengthening of Friendship, Good Neighbourliness and Confidence dated 5 October 2017. Since the establishment of the Joint Intergovernmental Commission on Bilateral Cooperation by the countries in 1996, 10 meetings of the Commission have been held. Kyrgyzstan-Uzbekistan relations have been developing rapidly in recent years on the basis of strategic partnership, mutual respect for sovereignty, good-neighbourliness and mutual benefit. In 2021 and 2022, the presidents of the two countries held dozens of contacts and jointly participated in regional forums. Economic and humanitarian cooperation is also growing. Major initiatives are being supported, including the establishment of the Uzbekistan-Kyrgyzstan Development Fund with capital of US$200 million and the implementation of infrastructure projects such as the construction of the China-Kyrgyzstan-Uzbekistan railway and the Kambarata-1 hydropower plant ("**HPP**"). According to preliminary data, trade turnover between the two countries totalled US$852.8 million (5.3% of Kyrgyzstan's total trade turnover) in 2024. On 31 March 2025, the presidents of Kyrgyzstan, Tajikistan and Uzbekistan signed an agreement on the junction point of the three state borders and a declaration of eternal friendship.

*Kazakhstan*

Kyrgyzstan-Kazakhstan relations have traditionally been built on the basis of mutually beneficial cooperation in the political, trade-economic, scientific, technical, cultural and other spheres. Taking into account the common roots and historically established ties between the peoples of the two neighbouring countries, as well as the prospects for economic development, Kyrgyzstan places a priority on the further development and deepening of mutually beneficial cooperation with Kazakhstan. Both countries are members of international organisations such as the CIS, the EAEU, and the Shanghai Cooperation Organisation (the "**SCO**"), which further strengthens their bilateral cooperation.

Kyrgyzstan and Kazakhstan cooperate closely within various international and regional organisations. Kazakhstan is one of the major trade partners of Kyrgyzstan and is considered a strategic partner. In September 2015, Kazakhstan and Kyrgyzstan signed a strategic partnership agreement providing for cooperation in military and military-technical spheres, in the sphere of civil defence, as well as the promotion of cooperation in science and technology, health, education, culture, tourism and sport. In terms of economic relations, Kazakhstan is one of Kyrgyzstan's largest trading partners. In recent years, their bilateral trade turnover has exceeded US$1.5 billion, and both countries have expressed interest in expanding their economic cooperation. Kazakhstan has been actively investing in Kyrgyzstan's energy, infrastructure, and agricultural sectors. FDI from Kazakhstan

to the Kyrgyz Republic from 2020 to 2024 totaled approximately US$341 million. The two countries also cooperate in the joint use of the region's water resources.

*Tajikistan*

Kyrgyzstan-Tajikistan relations are based on traditional political and economic ties and are developing along the lines of bilateral treaties, traditional friendship, good neighbourliness and mutually beneficial cooperation. Kyrgyzstan and Tajikistan cooperate pursuant to the Interstate Coordination Council of the Republic of Tajikistan and the Kyrgyz Republic and within various international and regional organisations such as the UN, the CIS, the SCO and the CSTO. Kyrgyzstan's trade and economic relations with Tajikistan have recently been developing in the areas of transportation, mining, hydropower, and the mutual supply of consumer goods. As priorities for long-term cooperation, Kyrgyzstan and Tajikistan have highlighted power engineering, rational and efficient use of water resources, joint exploration and production of mineral resources, improvement of transportation infrastructure, implementation of joint transportation policy, creation of joint enterprises, development of cooperative deliveries and expanding commodity exports and imports. Despite occasional tensions, an active diplomatic dialogue continues, including regular high-level visits, meetings of foreign ministers and participation in multilateral forums. Interstate councils, intergovernmental commissions and special working groups have been formed to address issues such as border delimitation and demarcation and other bilateral matters. On 13 March 2025, the presidents of Kyrgyzstan and Tajikistan signed a historic border agreement to conclusively demarcate their frontier and end disagreements that have plagued bilateral relations for three decades. On 31 March 2025, the presidents of Kyrgyzstan, Tajikistan and Uzbekistan signed an agreement on the junction point of the three state borders and a declaration of eternal friendship.

*United States*

Diplomatic relations between Kyrgyzstan and the United States were established in 1991. Cooperation between Kyrgyzstan and the United States has developed on the basis of the Bilateral Investment Treaty (BIT) (1993), the Partnership Framework Agreement (1993) and the Agreement on the Manas Transit Center (2001), pursuant to which, following the September 11 attacks in the United States, Kyrgyzstan agreed to allow the U.S. to establish a military base at Manas International Airport near Bishkek, which was used for logistics and refuelling operations during the U.S.-led war in Afghanistan. The base was operational until 2014 at which time the agreement was not renewed.

## THE KYRGYZ ECONOMY

### Background

Kyrgyzstan has experienced an economic transformation since it gained independence in 1991. Upon independence, the country began transitioning from a planned economy to a market economy.

The 1990s were marked by economic hardship, declining GDP and high inflation. The Government pursued liberal economic reforms and was the first country in Central Asia to join the WTO in 1998. However, political instability and regime changes in 2005, 2010, and 2020 adversely impacted economic growth.

Following the outbreak of COVID-19 and internal political conflict in 2020, GDP contracted sharply by 7.1%. In common with other economies in the Central Asia region, the Kyrgyz economy began to recover in 2021, supported by growth in industry, trade, transport and other services. Real GDP grew by 9.0% in each of 2022, 2023 and 2024.

Agriculture remains a significant part of the economy, employing a large portion of the workforce and having represented 12.4%, 11.0% and 8.6% of GDP in 2022, 2023 and 2024, respectively. Key agricultural products include wool, milk, cotton, tobacco, and fruits.

Kyrgyzstan is rich in minerals, with gold being its most important export commodity. Revenues from the state-owned Kumtor gold mine are the most important source of foreign exchange and government budget revenues. Metallurgy is a major component of the manufacturing sector, particularly through gold production. Other minerals such as coal, uranium, and rare earth elements are present but underdeveloped.

Kyrgyzstan has significant hydropower potential, with the Naryn River, in particular, providing significant potential for energy production and exports. While some energy that is produced is exported, the majority is used domestically.

Tourism, centred on the scenic Issyk-Kul Lake and mountain trekking, has grown as a modest budget revenue source. The service sector, mainly retail, trade, and finance, is expanding as the economy diversifies.

The Kyrgyz economy is reliant on remittances from Kyrgyz workers abroad, particularly from Russia. These remittances provide a stable income for many households, but the economy's dependence on external labour markets makes it vulnerable to external economic and political changes. Remittances represented, on a net basis, approximately 14.6% of GDP in 2024.

In recent years, Kyrgyzstan has sought to strengthen ties with regional economies through the EAEU and the Belt and Road Initiative with China, aiming to improve trade and attract investment in infrastructure. Economic diversification, investment in education, infrastructure modernisation, and governance reforms are seen as essential for long-term stability and growth.

### Recent Economic Developments and Economic Outlook

Despite high exposure to the effects of the Russia-Ukraine war, economic growth in Kyrgyzstan has been robust in recent years. Real GDP grew by 9.0% in each of 2022, 2023 and 2024. Growth in these years was supported by significant increases in gold production and strong performance in the agricultural sector, with domestic demand supported by increased remittance inflows from migrant workers in Russia, supported by a strong Russian ruble. New trade and labour migration patterns that emerged since the start of the Russia-Ukraine war have boosted growth in the country. The Russia-Ukraine war and the sanctions it triggered have reshaped trade and migration patterns. An inflow of productive labour and income from Russia and a significant increase in trade, predominantly re-exports from China to Russia, have provided a boost to domestic demand and growth. Tax revenues have increased significantly since 2021, Public Debt declined to 37.6% of GDP as of 31 December 2024, and inflation decelerated to 5% as of 31 December 2024. As the Russia-Ukraine war and its repercussions continue, Kyrgyzstan remains vulnerable to risks amid a slowdown in global growth, increased prices, disrupted regional trade and transit and continued exposure of Kyrgyz migrant workers to the deterioration of the Russian economy.

In 2023, the economy of Kyrgyzstan continued to adapt to changed external conditions, which were characterised by strengthening of regional trade, multidirectional dynamics of world prices in the commodity markets and weak global economic recovery. The National Bank and the Cabinet of Ministers took active

measures to ensure price and macroeconomic stability in the country. In 2023, the Kyrgyz economy grew by 9.0% led by construction and trade, despite the challenging regional environment. Consumer demand expanded due to increased wages and social benefits payments, growth of consumer lending and migration inflow to the country. The annual inflation rate (CPI) decreased from 14.7% in December 2022 to 7.3% in December 2023, supported by a prudent monetary policy. The growth in domestic consumption, the revision of the Government's tariff policy, as well as a restrained slowdown in price increases for imported non-food products were the main factors affecting inflation in 2023. Fiscal consolidation policy contributed to positive dynamics in the fiscal sector. The State Budget surplus amounted to 1.0% of GDP in 2023, as compared to a State Budget deficit of 1.0% of GDP in 2022. Tax revenue mobilisation improved, and Public Debt declined. Changes in the terms of trade in the region remained the main factor having a significant impact on the external sector of the Kyrgyz economy in 2023. The official current account deficit remained significant due to a widening trade deficit and a deterioration in the balance of services. In 2023, the current account balance was a deficit of US$6,820.5 million, representing 45.0% of GDP. The current account deficit was accompanied by net capital inflow on the capital account in the amount of US$220.6 million and on the financial account in the amount of US$157.8 million. The overall balance of payments was negative. Gross international reserves as of 31 December 2023 were US$3,236.5 million, an increase by 15.7% compared to 31 December 2022.

In 2024, real GDP grew by 9.0%, as compared to 2023, driven by consumption, exports and investment. On the production side, growth was supported by construction and services. Industry accounted for 16.5% of GDP. CPI inflation was 6.3% as of 31 December 2024. For the nine months ended 30 September 2024, the current account deficit was 38.7% of GDP (US$4.5 billion). For such nine-month period, exports of goods in freight on board prices ("**FOB**") were US$2,752.7 million, a decrease by 28.1% compared to the same period of 2023. Exports excluding gold were US$1,898.8 million in the nine months ended 30 September 2024, an increase by 24.2% compared to the same period of 2023. Imports of goods and services (including imports intended for re-export) increased by 4.0% in the nine months ended 30 September 2024, as compared to the corresponding period in 2023. The fiscal position remained strong in 2024, with a surplus of 2.4% of GDP based on preliminary data, supported by increases in tax and non-tax revenues compared to 2023 (by 0.8 and 0.5 percentage points of GDP, respectively), as well as repayments of on-lent loans to the budget by state-owned enterprises ("**SOEs**"). Current expenditures decreased by one percentage point of GDP and capital expenditures increased by 0.1 percentage points of GDP, each as compared to 2023. Public Debt decreased from 42.0% of GDP in December 2023 to 37.6% as of 31 December 2024.

The IMF has projected that growth will moderate to under 7.0% in 2025 and converge to approximately 5.25% in the medium term, with this slowdown from exceptionally high growth rates of the past three years reflecting normalisation of the re-export trade. According to the forecast of the National Bank: annual inflation in the Kyrgyz Republic is expected to be 6.5% at the end of 2025, remaining within the established medium-term target (5%-7%); the current account deficit is projected to be 22.8% of GDP; and the current account of the balance of payments will be negative at the level of 29.4% of GDP, with the projected current account deficit level for 2025 being facilitated by the deterioration of a negative balance of the goods and services account and a compression of the balance of the secondary income account. According to the National Bank's forecast, in 2026, the current account deficit is projected to be 28.1% of GDP due to a number of factors related to a slight decrease in the trade deficit, an improvement in the negative balance of services and the negative balance of primary income, as well as a decrease in the inflow of secondary income.

**Economic Policy**

The current economic policy of the Kyrgyz Republic is primarily set out in the National Development Strategy of the Kyrgyz Republic for 2018-2040 (the "**National Development Strategy**"). This comprehensive strategy outlines the country's long-term development strategy and objectives and the ways to achieve sustainable growth across various sectors. The strategy is designed to be implemented in phases, with periodic assessments to monitor progress and make necessary adjustments. The strategy emphasises collaboration between government agencies, the private sector and civil society to achieve its objectives.

Kyrgyzstan's current economic policy is focused on sustainable growth, infrastructure development, and regional integration. The following areas are core components of Kyrgyzstan's economic development policy:

- *Economic growth and diversification*: The Government aims to modernise the economy by stimulating industrial growth, developing the agricultural sector, and leveraging the country's natural resources. As

part of the implementation of the National Development Strategy, special emphasis is placed on economic diversification. In addition to traditional sectors (mining, energy and agriculture), the Government encourages the development of non-natural-resource exports, tourism, transport and logistics, information technology and financial services.

- *Investment climate*: Creating favourable conditions for domestic and foreign investors is one of the strategic directions of the current economic policy. The Government is taking steps to improve the legal and regulatory framework, simplify permitting procedures and increase guarantees of investor protection. A moratorium on unscheduled inspections of small and medium-sized businesses has been introduced, and "one window" and other services are being created to facilitate the registration of enterprises and obtaining permits. At the same time, corruption is being actively combated and the judicial system is being reformed, which are important factors affecting investor confidence. Kyrgyzstan has made progress in implementing public-private partnerships ("**PPPs**"), particularly in transportation, energy, education and healthcare. In 2024, more US$300 million was invested through PPPs. The establishment of the Kyrgyz PPP Centre in 2019 and the adoption of a new PPP law in 2021 have played key roles in this progress.

- *Improving infrastructure*: Developing robust infrastructure, including transportation networks and energy systems, is regarded as essential for economic growth. The National Development Strategy outlines plans to improve connectivity and to ensure energy security. The Government pays particular attention to equalisation of living conditions among the different regions of the country. Large-scale projects are being implemented to build and modernise roads, bridges, electricity and hydropower facilities, as well as social infrastructure (schools, hospitals and housing). This policy not only aims to stimulate economic growth and create jobs, but it also promotes regional equality, by a gradual reduction of disparities between the capital and remote areas. Improved transport connectivity within the country and with neighbouring countries opens up new opportunities for trade, tourism and investment in the regions. In the long term, infrastructure development is designed to diversify the economy by unlocking the potential of areas (e.g. agribusiness, local tourism, extractive and processing industries), ensuring a more sustainable and inclusive development of the country as a whole.

- *Improving the business environment*: The Government is focusing on strengthening public institutions, enhancing transparency and accountability, and promoting public participation in decision-making processes, and the National Development Strategy underscores the need for an independent judiciary and effective law enforcement to uphold the rule of law. The structure of government bodies has recently been optimised. A number of ministries and departments have been reorganised in order to eliminate duplicative functions and improve efficiency of state bodies. In addition, digitalisation and modern information technologies are being introduced into state services and administration (e-government, digital services for citizens and businesses) under the personal supervision of the President. These measures are aimed at increasing transparency, reducing bureaucratic barriers and preventing corruption, thus creating a more comfortable environment for doing business and investing.

- *Social protection and human capital development*: Priorities include improving healthcare, education, and social protection systems, as well as addressing poverty and inequality. Improving the quality of education and healthcare services is a priority. This component of economic policy is aimed at reducing poverty, ensuring social protection and promoting gender equality to build a more inclusive society.

- *Environmental sustainability*: Recognizing the importance of environmental conservation, the National Development Strategy promotes sustainable use of natural resources and addresses climate change. It encourages the adoption of green technologies and practices and emphasises the importance of sustainable management of natural resources, promoting renewable energy, and addressing climate change. Environmental aspects are taken into account in the implementation of economic projects. Kyrgyzstan, having significant water and energy resources, relies on their rational use, including the development of hydropower and renewable energy sources.

- *Regional cooperation and integration*: Kyrgyzstan seeks to enhance its regional partnerships, especially within the EAEU and the SCO, to facilitate trade, investment, and knowledge exchange. As a member of the EAEU and the WTO, Kyrgyzstan seeks to maximise the benefits of integration in order to expand access of its products to partner markets and to attract technology and capital.

- *International support and development*: Kyrgyzstan maintains openness in its foreign economic policy, developing mutually beneficial ties with other countries and associations. For example, the World Bank has expressed commitment to supporting Kyrgyzstan's sustainable development, including projects such as the Kambarata-1 HPP, which is aimed at enhancing energy infrastructure and regional cooperation. In addition, the GSP+ regime with the EU continues to operate, and new agreements have been concluded to attract investment from the Middle East and Asia.

**Gross Domestic Product**

The following table sets forth certain information regarding Kyrgyzstan's GDP for the years indicated.

**Gross Domestic Product Indicators**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| Nominal GDP[2] (KGS billions) | 639.7 | 782.9 | 1,020.7 | 1,333.7 | 1,523.2 |
| Nominal GDP[2] (US$ millions) | 8,275.0 | 9,253.0 | 12,137.0 | 15,173.0 | 17,468.3 |
| Real GDP growth (year-on-year) (%)[2][3] | (7.1) | 5.5 | 9.0 | 9.0 | 9.0 |
| GDP deflator (year-on-year) (%) | 6.6 | 16.0 | 19.7 | 19.9 | 4.7 |
| Nominal GDP per capita (KGS thousands) | 95.1 | 114.3 | 146.3 | 187.9 | 210.9 |
| Nominal GDP per capita (US$) | 1,230.3 | 1,350.7 | 1,740.1 | 2,137.1 | 2,418.8 |
| Real GDP per capita growth (year-on-year) (%) | (9.0) | 3.5 | 7.1 | 7.1 | 7.2[4] |

(1) Preliminary data.
(2) On 31 May 2023, the National Statistical Committee released revised GDP figures for 2022 and published full year figures for 2023, using new internationally recommended methodology (System of National Accounts 2008). The real GDP growth rate for 2022 was increased from 6.2% to 9.0%.
(3) Indicators given by gross value added.
(4) S&P data.
*Source: National Bank; National Statistical Committee*

From 2020 to 2024, the average annual increase of Kyrgyzstan's GDP in real terms was approximately 5.1%.

In 2020, real GDP decreased by 7.1%, amounting to KGS 639.7 billion. The sharp decline was due to the influence of restrictive measures taken in light of the COVID-19 pandemic and the unstable political situation in Kyrgyzstan in that year. Industrial sector output decreased by 6.5%, construction sector output decreased by 15.6% and services sector output decreased by 7.9%, in each case as compared to 2019. The decrease in industrial production was mainly attributable to decreases in the production of petroleum products, textiles, clothing and footwear, leather and leather products, wood and paper products, and printing activities. In 2020, the share of industry in GDP was 17.6%.

In 2021, GDP increased by 5.5%, amounting to KGS 782.9 billion. The services and industrial sectors made the main contributions to economic growth, with growth rates of 6.9% and 6.5%, respectively. This growth was offset in part by decreased production output in the agriculture and construction sectors. The industrial sector grew by 6.5% due to an increase in the production output of petroleum products, rubber, plastic products, and other sectors.

In 2022, economic activity demonstrated stable recovery. The real GDP growth rate increased to 9.0%, with nominal GDP of KGS 1,020.7 billion. As with 2021, the substantial majority of the main sectors of the economy contributed to the economic growth, although the water and electricity supply sectors declined due to water shortages during the year. Domestic demand increased due to growth of real wages.

In 2023, real GDP grew by 9.0%, amounting to KGS 1,333.7 billion. There were positive dynamics in all sectors of the economy. In 2023, the services sector, construction and manufacturing sectors provided the greatest contribution to GDP growth. The contribution of net taxes on products to overall GDP growth was 2.5 percentage points, remaining relatively high in the structure of real GDP, as compared to a 2.0 percentage points contribution to the growth rate in 2022. Domestic demand remained strong in 2023 due to growing volumes of consumer lending, increased wages and growth of net inflow of cross-border remittances. The GDP growth was offset in part by a reduction in output at the Kumtor gold mine during 2023.

In 2024, real GDP grew by 9.0%, amounting to KGS 1,523.2 billion, driven by consumption, exports and investment. There were positive dynamics in all sectors of the economy. In 2024, the services, construction and manufacturing sectors provided the greatest contribution to GDP growth. In the structure of GDP, the largest share (52.1%) was accounted for by services, an increase by 0.8 percentage points compared to 2023, while the share of goods-producing industries was 33.4%, an increase by 0.3 percentage points compared to 2023.

In common with other transition economies, a certain portion of Kyrgyzstan's economy is comprised of an unobserved (informal or shadow) economy. By its nature, it is not possible to accurately measure, but the National Statistical Committee estimates it to have been approximately 20% of GDP in 2022. The unobserved economy is taken into account in the GDP data presented in this Base Offering Circular based on estimates of the National Statistical Committee. However, the accuracy of these estimates is limited by the challenges of data collection. In addition, the unobserved economy is not fully taxed, resulting in reduced State Budget revenue. The Government is taking steps to address the unobserved economy by streamlining various regulations on non-cash transactions, amending tax laws to improve compliance and tax collection.

**Principal Sectors of the Economy**

Kyrgyzstan has a diverse economy, with particular strengths in agriculture, manufacturing, and construction. Agriculture has traditionally been the largest contributor to the Kyrgyzstan economy, although its percentage of total GDP has been decreasing in recent years as the economy has developed. Kyrgyzstan's main agricultural products include wool, milk, cotton, tobacco, and fruits.

In 2024, the industrial sector comprised the manufacturing sub-sector (76.5% of the industrial sector's contribution to GDP), mining (11.8%), provision of electricity, gas, steam and air conditioning (0.5%) and water supply, waste treatment and management and recycling (1.2%). Metallurgy is the main component of the manufacturing sub-sector, particularly the production of gold. Services accounted for 50.7%, 51.1%, 51.0%, 51.3% and 52.1% of GDP in 2020, 2021, 2022, 2023 and 2024, respectively.

Diversification of the industrial base to reduce the economy's dependence on gold mining is one of the strategic priorities of the Government. The Government is implementing strategies to stimulate industrial development, including improving the legal and regulatory framework, attracting investment and promoting innovation in the manufacturing sector. Kyrgyzstan's strategic location between major markets such as China, Russia and Europe offers potential for increased trade and investment in the manufacturing sector.

The following tables set out Kyrgyzstan's nominal GDP by economic sector in KGS billions and as a percentage of GDP for the years presented, calculated in accordance with the System of National Accounts (SNA) 2008.

**Nominal GDP by Economic Sector**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | *(KGS billions)* | | | | |
| Agriculture, forestry and fishery | 77.8 | 97.2 | 112.2 | 126.6 | 131.1 |
| Industry | 112.3 | 128.5 | 174.8 | 216.9 | 251.0 |
| Mining | 6.8 | 21.1 | 18.4 | 26.2 | 29.6 |
| Manufacturing (processing) | 84.2 | 92.4 | 139.3 | 167.5 | 192.1 |
| Provision (supply) of electricity, gas, steam and air conditioning | 19.6 | 12.3 | 14.9 | 20.6 | 26.3 |
| Water supply, waste treatment and management and recycling | 1.7 | 2.6 | 2.2 | 2.5 | 3.0 |
| Construction | 59.8 | 57.4 | 72.1 | 97.7 | 125.9 |
| Services | 324.3 | 399.5 | 520.7 | 684.2 | 794.2 |
| Wholesale and retail trade | 92.7 | 122.4 | 154.6 | 220.9 | 267.5 |
| Transportation and storage | 18.3 | 28.0 | 30.5 | 40.6 | 46.8 |
| Information and communication | 16.4 | 20.9 | 23.2 | 33.5 | 36.5 |
| Other services | 190.3 | 218.8 | 297.5 | 364.6 | 443.4 |
| Net taxes on products | 65.5 | 100.2 | 140.8 | 208.4 | 221.0 |
| **Nominal GDP** | **639.7** | **782.9** | **1,020.7** | **1,333.7** | **1,523.2** |

(1) Preliminary data.

*Source: National Statistical Committee; National Bank calculations*

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | *(in percentage of GDP)* | | | | |
| Agriculture, forestry and fishery | 12.2 | 12.4 | 11.0 | 9.5 | 8.6 |
| Industry | 17.6 | 16.4 | 17.1 | 16.3 | 16.5 |
| Mining | 1.1 | 2.7 | 1.8 | 2.0 | 2.0 |
| Manufacturing (processing) | 13.1 | 11.8 | 13.6 | 12.6 | 12.6 |
| Provision (supply) of electricity, gas, steam and air conditioning | 3.1 | 1.6 | 1.5 | 1.5 | 1.7 |
| Water supply, waste treatment and management and recycling | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Construction | 9.3 | 7.3 | 7.1 | 7.3 | 8.3 |
| Services | 50.7 | 51.1 | 51.0 | 51.3 | 52.1 |
| Wholesale and retail trade | 14.5 | 15.6 | 15.2 | 16.6 | 17.6 |
| Transportation and storage | 2.9 | 3.6 | 3.0 | 3.0 | 3.1 |
| Information and communication | 2.6 | 2.7 | 2.3 | 2.5 | 2.4 |
| Other services | 25.4 | 24.1 | 22.9 | 22.0 | 29.1 |
| Net taxes on products | 10.2 | 12.8 | 13.8 | 15.6 | 14.5 |
| **GDP** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

(1) Preliminary data.

*Source: National Statistical Committee; National Bank calculations*

The following table sets out Kyrgyzstan's real GDP growth by economic sector for the years presented, calculated in accordance with the System of National Accounts (SNA) 2008.

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | *(percentage change, year-on-year)* | | | | |
| Agriculture, forestry and fishery | 0.9 | (4.5) | 7.3 | 0.6 | 6.3 |
| Mining | (18.5) | 20.0 | 8.2 | 3.4 | 4.0 |
| Manufacturing (processing) | (6.3) | 6.3 | 16.1 | 4.6 | 4.4 |
| Provision (supply) of electricity, gas, steam and air conditioning | 2.6 | 1.1 | (8.1) | 8.2 | 15.8 |
| Water supply, waste treatment and management and recycling | (1.9) | 22.6 | (10.5) | 4.8 | 17.7 |
| Construction | (15.6) | (4.9) | 9.1 | 22.7 | 18.0 |
| Wholesale and retail trade | (14.9) | 15.3 | 11.1 | 16.2 | 16.3 |
| Transportation and storage | (30.6) | 18.5 | 16.1 | 7.7 | 5.5 |
| Information and communication | (4.0) | 11.2 | 12.3 | 11.3 | 6.7 |
| Net taxes on products | (5.8) | 18.2 | 15.2 | 17.9 | 9.2 |
| **GDP** | **(7.1)** | **5.5** | **9.0** | **9.0** | **9.0** |

(1) Preliminary data.

*Source: National Statistical Committee; National Bank calculations*

**Agriculture, Forestry and Fishery**

Kyrgyzstan has traditionally had an economy focused on agriculture. Kyrgyzstan's main agricultural products include wool, milk, cotton, tobacco, and fruits. Agriculture, forestry and fishery accounted for 8.6% of Kyrgyzstan's GDP in 2024, as compared to 9.5% in 2023 and 11.0% in 2022.

The following table sets forth the structure of Kyrgyzstan's agricultural sector gross production (including intermediate inputs) by sub-sector for the years indicated:

| | For the Year Ended 31 December | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | | 2023 | | 2024[1] | |
| | *KGS millions* | *% change* | *KGS millions* | *% change* | *KGS millions* | *% change* | *KGS millions* | *% change* | *KGS millions* | *% change* |
| **Crop production** | **125.7** | **13.5** | **169.7** | **35.0** | **177.4** | **4.6** | **183.1** | **3.2** | **184.5** | **0.8** |
| Grains and legumes | 35.7 | 13.8 | 41.6 | 16.5 | 49.6 | 19.2 | 40.2 | (18.9) | 45.6 | 13.5 |
| Potatoes | 20.4 | 32.7 | 32.0 | 56.5 | 26.9 | (15.8) | 30.9 | 15.0 | 25.3 | (18.3) |
| Vegetables | 25.7 | (12.1) | 42.7 | 66.0 | 41.4 | (2.9) | 45.1 | 8.8 | 41.1 | (8.7) |
| Raw cotton | 4.0 | 7.3 | 6.8 | 71.7 | 7.4 | 8.1 | 4.8 | (34.9) | 2.9 | (38.4) |
| Tobacco | 0.1 | (12.9) | 0.1 | (36.6) | 0.2 | 139.2 | 0.3 | 38.3 | 0.1 | (68.4) |
| Sugar beet (fabric) | 1.4 | (43.1) | 1.5 | 9.4 | 2.8 | 85.7 | 3.6 | 24.9 | 5.1 | 43.3 |
| Melons | 3.6 | 11.8 | 3.5 | (1.5) | 4.4 | 25.4 | 3.9 | (11.1) | 4.4 | 11.0 |
| Fruit | 13.0 | 41.3 | 13.8 | 6.1 | 15.6 | 13.0 | 18.7 | 20.1 | 19.5 | 4.4 |
| Grapes | 0.5 | (3.6) | 0.5 | 3.4 | 0.4 | (13.1) | 0.6 | 41.9 | 0.7 | 13.6 |
| Other | 21.4 | 37.2 | 27.3 | 27.4 | 28.7 | 5.3 | 35.0 | 22.1 | 39.7 | 13.4 |
| **Livestock** | **116.3** | **11.8** | **145.3** | **24.9** | **167.9** | **15.5** | **181.6** | **8.2** | **193.1** | **6.3** |
| Growing livestock and poultry | 73.6 | 14.4 | 95.7 | 30.0 | 105.5 | 10.3 | 112.4 | 6.6 | 116.8 | 3.9 |
| Milk | 36.6 | 7.9 | 42.3 | 15.7 | 55.0 | 29.9 | 59.8 | 8.8 | 62.0 | 3.7 |
| Eggs | 4.1 | 14.1 | 4.9 | 20.5 | 4.8 | (2.8) | 6.4 | 32.4 | 8.0 | 25.3 |
| Wool | 0.2 | (37.2) | 0.2 | 1.5 | 0.2 | (9.1) | 0.1 | (47.9) | 0.6 | 386.5 |
| Other | 1.8 | 0.3 | 2.2 | 19.2 | 2.4 | 9.6 | 2.9 | 23.4 | 5.8 | 96.9 |
| **Services** | 6.2 | 16.3 | 7.6 | 22.7 | 8.3 | 8.7 | 9.5 | 14.9 | 10.0 | 5.1 |
| **Hunting and forestry** | 0.3 | (15.6) | 0.4 | 22.7 | 0.6 | 55.6 | 1.2 | 108.1 | 1.2 | 2.5 |
| **Fishery** | 0.9 | 120.4 | 1.5 | 62.6 | 4.2 | 174.2 | 6.6 | 57.5 | 6.8 | 3.1 |
| **Total[2]** | **249.5** | **12.9** | **324.5** | **30.1** | **358.3** | **10.4** | **382.0** | **6.6** | **395.6** | **3.6** |

(1) Preliminary data.

(2) Includes both value-added and intermediate inputs and therefore differs from GDP by industry, which only includes value added.

*Source: National Statistical Committee; National Bank calculations*

Crop production and livestock together accounted for the substantial majority of production in the agricultural sector from 2020 to 2024. Crop production was KGS 184.5 million in 2024, as compared to KGS 183.1 million in 2023. Livestock accounted for production of KGS 193.1 million in 2024, as compared to KGS 181.6 million in 2023.

There are several current programs and initiatives in Kyrgyzstan's agriculture sector that aim to promote sustainable practices, improve food security, and enhance the livelihoods of farmers. In particular, Kyrgyzstan has joined the Green Agriculture Initiative of the Food and Agriculture Organisation of the UN (the "**FAO**") as a pilot country, working towards a transition to a green economy in the agriculture sector. In addition, the FAO and the EBRD are partnering to improve farmland management and strengthen food security in Kyrgyzstan through sustainable agriculture practices. There is also an ongoing FAO project that aims to facilitate the transition to sustainable agriculture in the face of climate change by promoting local farmers' innovative approaches. In addition, the FAO, in collaboration with the Ministry of Water Resources, Agriculture, and Processing Industry of Kyrgyzstan, is launching a new project aimed at introducing and scaling up the technology for creating artificial glaciers and an integrated water management system called "Glacier-Reservoir-Farmer."

***Mining and Quarrying***

Mining and quarrying accounted for 1.1%, 2.7%, 1.8%, 1.8% and 2.0% of Kyrgyzstan's nominal GDP in 2020, 2021, 2022, 2023 and 2024, respectively. Kyrgyzstan is rich in mineral resources, and gold mining has historically been the backbone of its mining industry. Other mineral resources in the country include coal, uranium, antimony, rare earth elements, mercury, and several other strategic and industrial minerals.

The gold mining sector is a critical part of Kyrgyzstan's economy, contributing significantly to the country's GDP, exports, and employment, as well as its public finances. Major gold deposits in the country include the Kumtor gold mine, which is the largest and most significant gold deposit in Kyrgyzstan, located in the Tien Shan mountain range in the Issyk-Kul region of Kyrgyzstan. It is one of Central Asia's largest gold mines. Discovered in 1978, it commenced operations in 1997. It was operated for many years by international companies including Centerra Gold but it was nationalised in 2021 pursuant to an agreement with Centerra Gold, and it is now wholly owned by the Kyrgyz Republic and operated by Kumtor Gold Company CJSC ("**Kumtor Gold Company**"), which is in turn owned by state-owned company OJSC "Kyrgyzaltyn", a gold production company which is the largest domestic enterprise in the Kyrgyz Republic. According to Kumtor Gold Company, the mine produced approximately 13.5 tonnes of gold in 2023 and 7.96 tonnes of gold in the nine months ended 30 September 2024. This output was lower than in previous years, where annual production reached up to 20-22 tonnes. The decrease is attributable to the mining of lower grade ore. Kumtor Gold Company not only makes a significant contribution to the economy but also invests in the sustainable development and prosperity of the country.

Other notable gold mines include Makmal, Taldy-Bulak Levoberezhny, Bozymchak, and several smaller deposits. Gold also contributes significantly to the country's GDP as part of the manufacturing sector through gold production. See " – *Manufacturing*" below. Gold accounts for the majority of Kyrgyzstan's mineral exports. Revenues from gold mining are the most important source of foreign exchange and government budget revenues. The sector supports jobs directly in mining operations and indirectly through supply chains. Licensing is overseen by the State Committee for Industry, Energy, and Subsoil Use. A proposed Law on Subsoil and the Mining Code of the Kyrgyz Republic, which would outline the legal framework for exploration, extraction, and taxation, is currently under development. Kyrgyzstan remains highly prospective for gold exploration, with many untapped deposits across its mountainous terrain.

Kyrgyzstan has significant coal reserves, estimated at over 1.8 billion tonnes. Coal is primarily used for domestic power generation and heating. The country is working to modernise its coal sector to reduce reliance on imported energy.

Kyrgyzstan has modest reserves of oil and natural gas, primarily in the Fergana Valley. Domestic production is limited, and the country relies on imports to meet its energy needs.

***Manufacturing***

The manufacturing sector in Kyrgyzstan plays a significant role in the country's economy, contributing approximately 12.6% to GDP in 2024, as compared to 12.6% in 2023 and 13.6% in 2022.

Metallurgy is the main component of the manufacturing sector, particularly through gold production, which is a major export commodity. Metallurgy accounted for approximately 21% of the manufacturing sector in 2024. Production of food products (beverages) and tobacco, which is focused on processing agricultural products into consumer goods, accounted for approximately 19.4% of the manufacturing sector in 2024. Textile production, production of wearing apparel and footwear, leather and other leather goods, which is focused on garment manufacturing, accounted for approximately 4.5% of the manufacturing sector in 2024. Production of rubber and plastics items and other non-metallic mineral products, which comprises producing a variety of goods for domestic and regional markets, represented approximately 10.5% of the manufacturing sector in 2024. Production of refined petroleum products accounted for approximately 8.5% of the manufacturing sector in 2024.

Diversifying the industrial base to reduce the economy's reliance on gold mining and production is one of the strategic priorities of the Government. The Government has implemented strategies to stimulate industrial development, including improving the legal and regulatory framework, attracting investment, and promoting

innovation within the manufacturing sector. Kyrgyzstan's strategic location between major markets like China, Russia, and Europe offers potential for increased trade and investment in the manufacturing sector.

***Construction***

The construction sector in Kyrgyzstan has been a significant contributor to the nation's economy in recent years, demonstrating consistent growth and playing a pivotal role in overall economic development. The construction sector's growth has been driven by both public and private investments in infrastructure projects, residential housing, and commercial developments. Government initiatives aimed at improving transportation networks, energy infrastructure, and urban development have significantly strengthened the sector. The construction sector provides jobs to a substantial portion of the workforce. Its expansion has had a multiplier effect on related industries, including manufacturing, services, and real estate, thereby contributing to broader economic growth.

Construction accounted for 9.3%, 7.3%, 7.1%, 7.3% and 8.3% of Kyrgyzstan's GDP in 2020, 2021, 2022, 2023 and 2024, respectively. In 2024, the sector grew by 39.7% in real terms compared to 2023, driven by an increase in construction and reconstruction of facilities in mining, provision (supply) of electricity, gas, steam, water supply and treatment, waste treatment, hotels and restaurants. At the same time, there were decrease in the construction of facilities in the sectors of agriculture, manufacturing, wholesale and retail trade and transportation activities in 2024 compared to 2023.

***Wholesale and Retail Trade***

Wholesale and retail trade accounted for 14.5%, 15.6%, 15.2%, 16.6% and 17.6% of Kyrgyzstan's GDP in 2020, 2021, 2022, 2023 and 2024, respectively. Gross output of wholesale and retail trade for 2024 was KGS 426.7 billion, an increase of 16.3% compared to 2023. The increase was due to growth in wholesale trade by 23.9% and retail trade by 14.4%.

***Transportation and Storage***

The transportation sector is a vital component of Kyrgyzstan's economy, facilitating domestic connectivity and international trade. In 2022, 2023 and 2024, respectively, transportation and storage accounted for 3.0%, 3.0% and 3.1% of Kyrgyzstan's GDP. In 2022, 2023 and 2024, respectively, GDP attributable to the transportation and storage sector increased by 16.1%, 7.7% and 5.5%. In recent years, Kyrgyzstan has been actively implementing transport infrastructure development projects aimed at improving regional connectivity and integration into international transport corridors.

*Road Transportation*

Road transport dominates Kyrgyzstan's transport system, handling about 95% of passenger traffic and more than half of cargo transportation. The country has approximately 35,000 kilometres of roads, with a significant portion requiring rehabilitation or reconstruction due to insufficient maintenance and damage caused by climate conditions.

The following table sets forth information on Kyrgyzstan's transported goods and passengers carried by road transportation for the years indicated:

| | For the Year Ended 31 December | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | | 2023 | | 2024[(1)] | |
| | *Amount* | *% change* | *Amount* | *% change* | *Amount* | *% change* | *Amount* | *% change* | *Amount* | *% change* |
| Transported goods (thousand tonnes) ..... | 22.4 | 70.7 | 26.2 | 117.0 | 35.9 | 137.0 | 41.3 | 115.0 | 44.4 | 107.5 |
| Passengers carried (thousand passengers) . | 399.7 | 55.6 | 472.5 | 118.2 | 490.6 | 103.8 | 541.7 | 110.4 | 613.9 | 113.3 |

(1) Preliminary data.
*Source: National Statistical Committee*

*Civil Aviation*

Kyrgyzstan has four international airports and seven domestic airports.

*Railways*

The railway network in Kyrgyzstan is limited, comprising 420 kilometres of tracks divided into northern and southern sections, which are not interconnected. This fragmentation hinders efficient freight movement, and the network's technical standards align with the Russian system, complicating integration with neighbouring countries such as China. Railway infrastructure is maintained and operated by the state-owned enterprise Kyrgyz Temir Jolu, which cooperates with a number of foreign and domestic companies in the modernisation and development of railway services.

In 2024, an agreement was signed among China, Kyrgyzstan and Uzbekistan to build a railroad connecting the three countries. The railroad is planned to be 523 km long, of which 305 km will pass through the territory of Kyrgyzstan. The overall cost of the project is estimated to be approximately US$4.7 billion. The project envisages the construction of 20 stations, 42 bridges and 25 tunnels, as well as a transshipment station near the village of Makmal. The project is being implemented with the participation of Chinese, Kyrgyz and Uzbek companies, including major contractors and design organisations. The construction of the railroad is expected to open new transportation and logistics opportunities, increase the transit potential of the region and strengthen economic cooperation between the three countries. Construction began in December 2024 and is scheduled to be completed by 2031.

*Pipelines*

Kyrgyzstan's pipeline infrastructure is limited and primarily focused on transporting natural gas and, to a lesser extent, petroleum products. Due to its mountainous terrain and the lack of major domestic oil and gas reserves, the country relies on imported fuels, which has led to the development of the existing pipeline network.

The natural gas pipeline network in Kyrgyzstan is relatively small and underdeveloped. It serves mainly urban centres, with limited coverage of rural and remote areas. The country imports most of its natural gas from Uzbekistan through pipelines that enter the southern regions of the country and then connect to the northern regions. The pipeline system is integrated with Central Asia's regional networks, with routes connecting through Uzbekistan and Kazakhstan.

Most imports of petroleum products, including gasoline and diesel, are transported by rail and truck rather than pipelines, reflecting the challenges of constructing extensive pipeline infrastructure in mountainous terrain.

Kyrgyzstan's pipeline infrastructure relies on energy agreements with Uzbekistan and Kazakhstan. Political or economic shifts in these neighbouring countries could impact supply, creating vulnerability in Kyrgyzstan's energy sector.

There are plans to expand Kyrgyzstan's energy infrastructure through collaborations as part of regional initiatives, such as the Belt and Road Initiative (BRI). In addition, Kyrgyzstan seeks to improve its energy security by upgrading existing infrastructure incrementally. Pipeline development may be inhibited by funding constraints, the country's rugged geography and reliance on regional cooperation. Kyrgyzstan has a strategic location at the crossroads of Central Asia, but the limited domestic demand and challenging terrain make pipeline expansion more suited for transit routes than on extensive domestic distribution.

***Communications***

The communications sector in Kyrgyzstan has experienced significant growth in recent years, contributing to the country's economy. As 31 December 2024, Kyrgyzstan had approximately 7.1 million mobile telephony connections, equating to approximately 97.3% penetration of the population. Approximately 80% of the population has internet access, with broadband connections available to approximately 6% of residents.

The Government is implementing strategies such as the "Concept of Digital Transformation of the Kyrgyz Republic for 2024-2028" aimed at developing digital infrastructure, improving internet connectivity and increasing digital literacy. These efforts are aimed at modernizing the economy and significantly expanding the ways that citizens can receive governmental, financial and other services.

Despite progress, there are areas with limited access to high-speed internet, particularly in rural regions. Ongoing investment is required to upgrade infrastructure and expand services to underserved areas.

***Tourism***

Kyrgyzstan has positioned itself as a destination for adventure and ecotourism, capitalizing on its mountainous terrain and natural beauty to attract niche markets. In 2023 and 2024, respectively, tourism accounted for approximately 3.6% and 3.8% of Kyrgyzstan's GDP. As of 31 December 2023, there were approximately 600 recreation and tourism organisations in the country, including 190 specialised accommodation facilities, 365 hotels and similar accommodation facilities, 11 natural parks and reserves, 118 travel agencies tour operators and tour bureaux. In addition, 1,527 guest houses provided reception and services for tourists. In the nine months ended 30 September 2024, an estimated 3.3 million people visited the country as tourists, approximately 58.9% of which were visitors to the Issyk-Kul region.

The Government has recently implemented the "Tourism Development Program 2019–2023," aiming to develop infrastructure, promote sustainable tourism practices and increase the sector's GDP contribution, and the current "Sustainable Tourism Development Program for 2025-2030" provides a clear strategy and action plan aimed at increasing the value, profitability and sustainability of the Kyrgyz tourism industry. The program also has goals to realise the country's tourism potential by transforming Kyrgyzstan's tourism assets into world-class tourism products and tourism experiences that will attract tourists from the world's tourism markets with the highest level of spending.

The following table sets out the number of tourists visiting Kyrgyzstan and the revenue generated from tourism in the country for the years presented.

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Tourists (millions of people) | 2.1 | 3.6 | 6.9 | 8.6 | 8.6 |
| Revenue from tourism (US$ millions) | 120 | 142 | 696 | 994 | 1,016.5 |

*Source: National Statistical Committee*

***Energy***

Kyrgyzstan's energy sector is a key component of its economy, primarily characterised by substantial hydropower resources and a reliance on imported fossil fuels. Over the past five years, the energy sector has contributed approximately 5% to Kyrgyzstan's GDP in each year. Hydropower constitutes approximately 90% of the country's electricity generation, leveraging the country's abundant water resources. Despite domestic coal production, Kyrgyzstan imports a significant portion of its petroleum and natural gas, primarily from neighbouring countries, to meet domestic energy demands.

To mitigate the energy security risk posed by the country's heavy reliance on energy imports, the Government is exploring alternative energy sources, such as renewable energy, and considering measures to improve energy efficiency. Given its extensive hydropower resources, Kyrgyzstan's energy strategy includes a long-term shift towards renewable energy, aimed at reducing reliance on imported fossil fuels and enhancing energy security.

The following table sets out information electricity generation and consumption in Kyrgyzstan for the years presented.

**Electricity Generation and Consumption in Kyrgyzstan**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(Thousands of GWh unless otherwise stated)* | | | | |
| **Electricity generation** | **15,404.2** | **15,138.0** | **13,882.5** | **13,839.3** | **14,530,0** |
| - Hydropower | 13,979.1 | 12,957.1 | 11,928.6 | 12,030.6 | 12,770.0 |
| - Combined heat and energy (CHP) | 1,425.1 | 2,180.9 | 1,953.9 | 1,808.7 | 1,760.0 |
| **Export-import balance** | **(52.5)** | **(1,136.6)** | **(2,256.4)** | **(3,350.4)** | **(3,629.7)** |
| - Export | 300.1 | 546.2 | 550.0 | 138.4 | - |
| - Import | (352.6) | (1,682.8) | (2,806.4) | (3,488.8) | (3,629.7) |
| **Consumption per capita (kilowatt hours) (kWh)** | **15,456.7** | **16,274.6** | **16,138.0** | **17,189.7** | **18,217.0** |

*Source: National Statistical Committee; Ministry of Energy of the Kyrgyz Republic*

*Hydropower*

Kyrgyzstan's hydroelectric power sector is a vital part of the country's energy landscape, benefiting from its mountainous terrain and abundant water resources.

Kyrgyzstan has significant hydropower potential, with an estimated total capacity (including existing and untapped resources) of 142.5 billion kWh. Currently, the country has harnessed only about 10% of this potential. The Naryn River, in particular, holds considerable potential for energy generation, and several hydropower projects are being developed along its course.

Kyrgyzstan has an installed hydropower capacity of approximately 3.0 GW, although operational capacity varies depending on seasonal water availability. Hydropower provides approximately 90% of the country's electricity production, with hydroelectric plants located primarily along the Naryn River. The largest of these is the Toktogul HPP, with a capacity of 1,200 MW. While Kyrgyzstan exports some of its hydropower-generated electricity, a significant portion is used domestically. This is largely due to the country's reliance on hydropower as its primary energy source, as well as its efforts to electrify rural areas and improve access to electricity for its population.

Kyrgyzstan's water resources are strategically important in Central Asia, especially for neighbouring countries such as Uzbekistan and Kazakhstan. The Toktogul HPP is a critical part of Central Asia's energy grid. Regional agreements are crucial for managing shared water resources and balancing electricity supply across borders. The country exports electricity to neighbouring countries, particularly Kazakhstan and Uzbekistan, especially in summer when water flow is high. In winter, however, Kyrgyzstan sometimes imports electricity due to lower water levels and higher domestic demand.

Ongoing projects aimed at increasing hydroelectric capacity are in progress. The Government, with support from international partners, plans to modernise existing plants and build new stations to meet both domestic needs and export potential. In particular, nine cascades of 38 hydropower plants in the Naryn River region, with prospective aggregate installed capacity of 9,271.2 MW, are planned. See "*Forward Looking Statements*". These comprise small, medium and large size projects.

The following table presents information on selected planned HPP projects.

**Selected Planned HPP Projects**

| Name of Planned HPP | Power (MW) | Average Annual Output (kWh millions) | Estimated Project Cost (US$ millions) |
|---|---|---|---|
| HPP on the Chaktal River | 251.0 | 1,700.0 | 627.5 |
| Upper Naryn Cascade | 237.7 | 942.4 | 727.7 |
| Small HPP "Kara-Kulzha" | 14.1 | 85.5 | 16.0 |
| Small HPP "Talas" | 7.0 | 36.7 | 8.4 |
| Small HPP "Tar-Zhogorku" | 17.0 | 67.0 | 37.4 |
| Small HPP "Tar-Kapchygai" | 30.0 | 121.0 | 80.2 |
| Small HPP "Chon-Ak-Suu" | 11.4 | 63.4 | 31.2 |
| **Total** | **568.2** | **3,016.0** | **1,528.4** |

Part of the use of proceeds from the offering of the Notes is planned to be used for financing the construction of new hydropower plants. See "*Use of Proceeds*".

Planned large-scale projects include the proposed Kambarata-1 HPP on the Naryn River, which is intended to have an installed capacity of 1,860 MW and is expected to generate 5,640 GWh of electricity per year. Kyrgyzstan, Kazakhstan and Uzbekistan are collaborating on the project. The project has been under consideration for several years and has received support from international organisations such as the World Bank, which provided technical assistance for its preparation. The goal of the Kambarata-1 HPP project is to increase the country's energy production, enhance its energy security, and generate revenue from energy exports. The project is also expected to contribute to regional cooperation in the energy sector and help reduce greenhouse gas emissions by displacing fossil fuel-based electricity generation.

*Reforms in the Electricity Sector*

The Government has been undertaking several reforms in the electricity sector to improve its performance, attract investment, and ensure reliable energy supply. Key reforms include, among others:

- *Tariff reform*: The Government is working to gradually liberalise electricity tariffs, moving away from subsidised rates to cost-reflective tariffs. This aims to improve the financial sustainability of the sector and encourage investment. Residential tariffs were increased by 30% in May 2023, but average tariffs continue to be among the lowest in the world.

- *Promoting renewable energy*: The Government is promoting the development of renewable energy sources, such as solar and wind power, to diversify the country's energy mix and reduce its dependence on hydropower.

- *Public-private partnerships*: The Government is encouraging PPPs to attract private investment in the electricity sector, particularly in the development of new power generation and transmission infrastructure.

- *Improving governance and regulation*: The Government is working to strengthen the regulatory framework and institutional capacity in the electricity sector, including through the establishment of an independent energy regulator.

*CASA-1000 Project*

CASA-1000 is an electricity transmission system being constructed to enable Kyrgyzstan and Tajikistan to export electricity to Afghanistan and Pakistan, including electricity from planned HPPs. Kyrgyzstan and Tajikistan both have abundant hydropower resources and currently have a surplus of electricity in the summer. Nearby countries Afghanistan and Pakistan suffer from chronic electricity shortages and high demand. CASA-1000 is planned to connect all four countries to make the most efficient use of clean hydropower resources. Pakistan is expected to be the main importer of energy under the CASA-1000 project.

The CASA-1000 project includes a 500 kilovolt AC line from Kyrgyzstan to Tajikistan; a 1,300 megawatt AC-DC converter station in Sangtuda, Tajikistan; a 750 kilometre high voltage DC line from Sangtuda to

Afghanistan and Pakistan; and a 1,300 megawatt DC-AC converter station in Pakistan. The project began in 2008 with the signing of an intergovernmental memorandum of understanding by the four participating countries. A feasibility study commissioned by the World Bank and conducted by Canadian engineering and construction consultant SNC-Lavalin was completed in 2011. The feasibility study confirmed both the soundness of the considerations that led to the development of the initiative and the economic viability of the project.

The CASA-1000 transmission system is being constructed by the four participating countries, with each country bearing the cost of the facilities in its own country. Joint-stock company "National Electric Networks of Kyrgyzstan" (the "**NENK**") is the implementing agency in Kyrgyzstan for the project.

Construction of the CASA-1000 500 kV transmission line in Kyrgyzstan is ongoing. The project is currently expected to be completed by 2026. Kyrgyzstan's share of the project cost is approximately US$200.5 million. The project's transmission line construction contractor is Turkish company MITAS. In total, 456 km of 500 kV transmission lines will be installed within the territory of Kyrgyzstan. On 3 April 2021, President Zhaparov of Kyrgyzstan laid a memorial capsule in the foundation of the first tower of the CASA-1000 transmission line in the Batken oblast. In total, six construction camps have been arranged to build infrastructure assets across the three regions.

The NENK has secured financing from several international financial institutions for the CASA-1000 project. The funding details are as follows:

| Source | Type | Amount (US$ millions) |
|---|---|---|
| International Development Association (IDA)..... | Grant | 68.0 |
| Islamic Development Bank ..... | Loan | 63.0 |
| European Investment Bank..... | Loan | 85.0 |
| **Total financing provided to date ..... ** | | **216.0** |

*Source: Ministry of Finance*

As part of the CASA-1000 project, Kyrgyzstan has entered into several key agreements to facilitate the export of surplus hydroelectric power to South Asia. These agreements include a master agreement signed in April 2015 (the "**Master Agreement**") outlining the commercial and legal framework for the CASA-1000 project. It establishes the roles and responsibilities of the four participating countries in the development, construction, operation, and maintenance of the transmission system. Kyrgyzstan has also signed foundational Power Purchase Agreements ("**PPAs**") with Afghanistan and Pakistan, detailing the terms for electricity sales over a fifteen-year period. These agreements specify the quantity of electricity to be supplied, pricing mechanisms, and other commercial terms. Each participating government, including Kyrgyzstan, has provided guarantees to support the obligations under the PPAs and the Master Agreement. These guarantees ensure the fulfilment of contractual commitments and facilitate the project's financing. A specific agreement between Kyrgyzstan and Tajikistan coordinates the operation of their respective transmission systems to ensure the efficient flow of electricity to Afghanistan and Pakistan.

*Petroleum Products and Natural Gas*

Kyrgyzstan's oil and gas sector is relatively underdeveloped, with the country relying on imports to meet domestic energy needs. The sector accounts for only a small portion of the country's energy supply, and Kyrgyzstan imports approximately 90% of its oil and gas, primarily from Russia and Kazakhstan. Kyrgyzstan is member of the EAEU, which facilitates imports of oil and gas products from Russia and Kazakhstan under favourable trade terms.

Kyrgyzstan has modest proven oil and natural gas reserves, mainly located in the Fergana Valley. Domestic production is minimal, covering only a small portion of the country's total demand. The country has several small refineries, including the Jalal-Abad refinery, which have limited capacity and are largely reliant on imported crude oil. These refineries primarily produce fuel for local consumption.

## Employment and Wages

The following table sets out key employment and labour statistics for the years indicated.

**Employment and Labour**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Labour force (in thousands) (year-end) | 2,628 | 2,632 | 2,646 | 2,663 | 2,678 |
| Total employment (in thousands) (year-end) | 2,468 | 2,465 | 2,482 | 2,507 | 2,530 |
| Unemployment (in thousands)[(1)] | 160 | 167 | 164 | 156 | 148 |
| Unemployment rate (official) (%) (year-end)[(1)] | 2.9 | 3.0 | 2.9 | 2.8 | 2.5 |
| Unemployment rate (International Labor Organisation methodology) (%) (year-end)[(2)] | 6.7 | 6.6 | 6.3 | 6.0 | 5.5 |
| Monthly salary per employee (nominal) (Average) (KGS) | 17,232 | 18,940 | 19,330 | 26,540 | 31,604 |
| Real growth of average monthly salary per employee (%) | 103.8 | 103.4 | 91.2 | 120.5 | 107.5 |

(1) Official unemployment refers to the population at or above the minimum working age who are not employed and who are actively seeking work through employment services of the State Employment Service under the Ministry of Labour, Social Security, and Migration of the Kyrgyz Republic. Data does not include persons who are not employed but who have not registered with the State Employment Service under the Ministry of Labour, Social Security, and Migration of the Kyrgyz Republic.

(2) Defined as the number of unemployed people as a percentage of the labour force. Unemployed means those who do not have a job but are actively looking for one. The labour force does not include people who are not looking for work, children and the retired.

*Source: National Statistical Committee*

The following tables show the number of people employed in various economic sectors in the years presented.

**Employment by Sector[(1)]**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| | *(Average) (Thousands of people)* | | | | |
| **Total Employed** | **2,442.7** | **2,445.2** | **2,537.9** | **2,581.1** | **2,656.2** |
| **Real Sector** | **1,094.2** | **1,079.1** | **1,143.9** | **1,140.2** | **1,142.3** |
| Agriculture, forestry and fishery | 443.2 | 446.6 | 465.5 | 207.1 | 454.3 |
| Manufacturing (processing) | 289.2 | 279.4 | 296.2 | 295.1 | 290.1 |
| Construction | 287.4 | 288.5 | 315.2 | 320.1 | 331.7 |
| Other activities of the real sector | 74.4 | 64.6 | 67.0 | 64.9 | 66.2 |
| **Services Sector** | **1,343.4** | **1,359.8** | **1,387.8** | **1,435.0** | **1,509.5** |
| Wholesale and retail trade, repair of automobiles and motorcycles | 395.2 | 390.6 | 390.5 | 405.2 | 419.3 |
| Hotels and restaurants | 164.4 | 160.7 | 158.4 | 168.6 | 178.0 |
| Transportation and storage of goods | 200.0 | 192.8 | 203.5 | 208.7 | 223.1 |
| Public administration | 97.0 | 105.1 | 103.6 | 102.1 | 109.9 |
| Education | 220.8 | 226.5 | 238.5 | 247.2 | 261.5 |
| Health care and social services | 96.1 | 107.3 | 106.0 | 115.0 | 117.8 |
| Other activities of services sector | 169.9 | 176.8 | 187.3 | 188.2 | 199.9 |
| **Activities of private households** | **4.8** | **5.8** | **5.9** | **5.6** | **4.0** |
| **Activities of extraterritorial organisations** | **0.2** | **0.2** | **0.2** | **0.2** | **0.3** |

(1) Based on integrated sample of households budget and labour.

*Source: National Statistical Committee*

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(Average) (Percentage)* | | | | |
| **Total Employed** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |
| **Real Sector** | **44.9** | **44.1** | **45.1** | **44.1** | **43.0** |
| Agriculture, forestry and fishery | 18.1 | 18.2 | 18.3 | 17.8 | 17.1 |
| Manufacturing (processing) | 11.8 | 11.4 | 11.6 | 11.4 | 10.9 |
| Construction | 11.7 | 11.8 | 12.4 | 12.5 | 12.5 |
| Other activities of the real sector | 3.1 | 2.6 | 2.6 | 2.5 | 2.5 |
| **Services Sector** | **55.0** | **55.6** | **54.7** | **55.6** | **56.8** |
| Wholesale and retail trade, repair of automobiles and motorcycles | 16.2 | 15.9 | 15.4 | 15.7 | 15.8 |
| Hotels and restaurants | 6.7 | 6.6 | 6.2 | 6.5 | 6.7 |
| Transportation and storage of goods | 8.2 | 7.9 | 8.0 | 8.1 | 8.4 |
| Public administration | 4.0 | 4.3 | 4.1 | 3.9 | 4.1 |
| Education | 9.0 | 9.2 | 9.4 | 9.6 | 9.8 |
| Health care and social services | 3.9 | 4.4 | 4.2 | 4.4 | 4.4 |
| Other activities of services sector | 7.0 | 7.2 | 7.4 | 7.3 | 7.5 |
| **Activities of private households** | **0.2** | **0.2** | **0.2** | **0.2** | **0.2** |
| **Activities of extraterritorial organisations** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

(1) Based on integrated sample of households budget and labour.
*Source: National Statistical Committee*

In 2023, 17.1% of the workforce in Kyrgyzstan was engaged in agricultural activities, 23.4% of workers were employed in the industrial sector, which includes manufacturing, mining, and construction, and approximately 56.8% of the labour force were employed in the services sector, encompassing areas such as retail, education, healthcare and tourism. There has been a gradual shift in the workforce from agriculture toward services and industry, indicating ongoing economic diversification in Kyrgyzstan, although the agriculture sector has accounted for a relatively stable percentage of total employment over the past five years.

Average monthly wages in Kyrgyzstan have increased in recent years. According to the National Statistical Committee, the average monthly salaries in KGS for 2019, 2020, 2021, 2022 and 2023 were KGS 17,232, KGS 18,940, KGS 19,330, KGS 26,540 and KGS 31,604.

As of 1 January 2024, Kyrgyzstan's national minimum wage was KGS 2,460 per month, equivalent to approximately US$28 per month. This represents an increase from the previous minimum wage of KGS 2,337 per month in 2023. The minimum wage in Kyrgyzstan is established by law and is intended to ensure that it meets or exceeds the subsistence level for an able-bodied individual. This legal framework is based on Article 42 of the Constitution, which guarantees the right to receive wages that meet or exceed the subsistence level. Over the past decade, the minimum wage has gradually increased from KGS 970 KGS per month in 2015 to KGS 2,460 per month in 2024. These adjustments reflect the Government's efforts to align wages with inflation and the cost of living. Despite these increases, the minimum wage remains relatively low compared to international standards. This has implications for the standard of living of minimum wage earners and highlights the importance of ongoing economic development and wage policy reforms in Kyrgyzstan.

The Ministry of Finance estimates that for 2024 Kyrgyzstan's workforce had a median age of approximately 24 years old. The World Health Organisation has projected that Kyrgyzstan's total population will increase to approximately 9.6 million by 2050.

**Poverty**

According to the National Statistical Committee, 29.8% of the population lived below the national poverty line in 2023. The Government, with support from international organisations, has implemented various social protection programs aimed at reducing poverty. These include cash transfers, food assistance, and efforts to improve access to education and healthcare. However, challenges such as limited resources and administrative capacity hinder the effectiveness of these programs.

Kyrgyzstan's economy is reliant on remittances, which on a net basis accounted for 14.1% of GDP in 2023 and 14.6% of GDP in 2024. Disruptions in labour migration, such as that which occurred during the COVID-19 pandemic, could significantly impact household incomes.

The table below sets forth certain information about Kyrgyzstan's poverty levels based on Household Budget Survey (HBS) methodology for the years presented:

**Poverty Indicators**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| | *(percentage of population)* | | | | |
| Poverty rate..... | 20.1 | 25.3 | 33.3 | 33.2 | 29.8 |
| Extreme poverty rate ..... | 0.5 | 0.9 | 6.0 | 6.0 | 5.0 |

*Source: National Statistical Committee*

**Social Security, Healthcare and Education**

Kyrgyzstan's social security and pension system aims to provide financial support to elderly individuals, people with disabilities, and low-income families, though it faces challenges due to limited funding and demographic pressures.

The pension system in Kyrgyzstan is primarily a pay-as-you-go system funded by payroll contributions. It includes three main types of pensions:

- *Old-age pensions*: Available for men at age 63 and women at age 58, with a minimum of 25 years of work experience required.
- *Disability pensions*: Granted to individuals based on the severity of their disability and work history.
- *Survivor's pensions*: Provided to dependents of deceased insured individuals.

Social welfare programs include targeted social assistance programs aimed at low-income households and vulnerable groups, particularly children and people with disabilities. Benefits include cash transfers, food assistance, and housing support.

Kyrgyzstan's social security system is administered by the Social Fund of the Kyrgyz Republic (the "**Social Insurance Fund**"). Established in 1994, the Social Insurance Fund is responsible for administering various social insurance programs, including pensions, disability benefits, and other social security services. Its primary functions include: collecting mandatory social insurance contributions from employers and employees to fund social security programs; disbursing pensions and social benefits to eligible individuals, such as retirees, persons with disabilities, and survivors; and overseeing the financial resources of the social insurance system to ensure sustainability and effective fund utilisation. Employers and employees contribute to the Social Insurance Fund, which finances the pension system and other social programs. As from 1 August 2024, insurance contribution tariff rates are 12.25%, of which the employer pays 2.25% and the employee pays 10%. The previous contribution rate was approximately 27.25% of an employee's salary, with the employer paying the larger portion. Given the system's shortfall, the Government subsidises the Social Insurance Fund to ensure pensions are paid, subject to limitations imposed by fiscal constraints.

The average pension as of 31 December 2023 was approximately KGS 9,380 (approximately US$107) per month, taking into account compensation payments, based on pensions registered with the pension authorities of the Social Insurance Fund and other ministries and departments.

Organisations such as the World Bank and Asian Development Bank (the "**ADB**") have provided support to improve the efficiency and sustainability of Kyrgyzstan's pension system, with a focus on extending coverage and reducing fiscal pressures.

Kyrgyzstan has a publicly funded healthcare system that provides universal access to basic health services. As of 31 December 2023, Kyrgyzstan had 193 hospitals with a total of 26,400 beds, equating to approximately 37 beds per 10,000 people. The system emphasises primary healthcare services delivered through family medicine

centres and general practice centres. This focus aims to reduce pressure on hospitals and improve access to preventive and outpatient care. The Manas Taalimi and Den Sooluk programs are national health reform programs initiated with the support of international organisations such as the World Bank and WHO. They focus on improving healthcare quality, expanding access, and modernizing facilities. Recent initiatives include the introduction of electronic health records and digital systems to improve efficiency, data tracking, and continuity of care, although these are still in the early stages of implementation.

Public health spending was approximately 2.6%% of GDP and 2.3% of GDP in 2023 and 2024, respectively. The healthcare system is financed primarily through Government funding, complemented by the Mandatory Health Insurance Fund under the Ministry of Health of the Kyrgyz Republic (the "**MHIF**"), which is included in the State Budget. The MHIF is an executive agency under the Ministry of Health that was established to ensure that citizens have access to essential healthcare services and to provide financial protection against the costs of illness. The MHIF covers basic medical services for citizens, although out-of-pocket expenses are still common. The MHIF collects mandatory contributions from the employed population, with employers and employees each contributing a certain percentage of the employee's salary. Self-employed individuals and other categories of people also make contributions. The contributions collected are pooled at the national level, allowing the MHIF to distribute resources equitably and efficiently across the healthcare system. The MHIF uses the pooled funds to purchase a standardised package of healthcare services from various healthcare providers, including hospitals, clinics, and other healthcare organisations. This package, known as the State-Guaranteed Benefits Programme (the "**SGBP**"), includes essential services such as primary healthcare, hospital care, and emergency care. Insured individuals can access healthcare services from contracted healthcare providers without incurring additional costs for the services covered under the SGBP, which helps ensure that citizens receive the necessary healthcare without facing financial barriers. The MHIF monitors the quality of healthcare services provided by contracted healthcare organisations, as well as the overall performance of the healthcare system. This information is used to make necessary adjustments and improvements to the MHIF's policies and programs.

Kyrgyzstan's education system is structured into several levels, including pre-schools, primary education, secondary education (senior and junior), vocational education and higher education is provided by universities, academies, and institutes, offering undergraduate and postgraduate programs. As of 1 January 2023, the country had 58 higher education institutions, comprising 42 public and 16 private institutions, and 2,377 full-time secondary general education institutions of which 2,173 were public and 204 were private.

**Environmental Matters**

Kyrgyzstan inherited numerous environmental challenges following the dissolution of the Soviet Union. In the early 1990s, the Government established the State Committee on Environmental Protection (the "**SCEP**") to address these issues. Over time, the SCEP has experienced changes in its structure and name, transforming into the State Agency for Environmental Protection and Forestry (the "**SAEPF**"). The Ministry of Natural Resources, Environment, and Technical Supervision of the Kyrgyz Republic was created in 2021 and took over the responsibilities of the SAEPF. It is currently responsible for environmental protection, ecology, climate change, and the management of natural resources. The ministry is responsible for environmental protection and climate change-related matters. This ministry works closely with other governmental bodies to integrate climate change into development planning, promote sustainable development, and manage the country's natural resources.

Kyrgyzstan faces several important environmental issues, including land degradation, deforestation, water resource management and climate change, which impact biodiversity and local communities. A significant portion of Kyrgyzstan's land is affected by soil erosion, largely due to overgrazing, unsustainable agricultural practices, and deforestation. This degradation reduces agricultural productivity and contributes to desertification. Forests cover approximately 6% of the country's land area, and deforestation continues due to logging and firewood harvesting. Deforestation impacts biodiversity, threatening native species and increasing vulnerability to landslides and soil erosion. Kyrgyzstan has substantial water resources from its glaciers, rivers, and lakes, making it a critical water source for Central Asia. However, these resources can be jeopardised by inefficient water management, pollution, and climate change. The melting of glaciers due to rising temperatures poses a long-term risk, potentially reducing water availability for agriculture and hydropower. Air quality is also an issue, particularly in urban areas such as Bishkek, due to vehicle emissions, industrial activities, and the use of coal for heating. During winter, smog often exists in the city, raising health risks for residents.

Kyrgyzstan is highly vulnerable to climate change, which intensifies the melting of glaciers, changes seasonal weather patterns and increases the frequency of extreme weather events. These changes affect water availability, agriculture and natural disaster risks, such as floods and landslides. The Government remains committed to strengthening the country's resilience to climate change, including through investments in green infrastructure. The country's National Climate Adaptation Strategy seeks to address the risks of climate change through sustainable resource management, disaster preparedness, and the promotion of renewable energy.

Kyrgyzstan has established a network of protected areas, including national parks and wildlife reserves, to conserve its rich biodiversity. Key species under protection include the snow leopard, ibex, and other endemic wildlife species.

Given its mountainous landscape, Kyrgyzstan has significant potential for renewable energy, particularly hydropower, which already supplies the majority of the nation's electricity. The Government is exploring ways to expand renewable energy capacity, including wind and solar, to reduce reliance on coal and improve energy security.

Kyrgyzstan collaborates with organisations such as the UN Development Programme (UNDP) and the World Bank on initiatives addressing climate resilience, land rehabilitation, and water management. Kyrgyzstan is a signatory to several key international environmental conventions and treaties, reflecting its commitment to addressing global and regional environmental challenges, including the UN Framework Convention on Climate Change (UNFCCC), which Kyrgyzstan ratified in 2000, the Kyoto Protocol, the Paris Agreement, the Convention on Biological Diversity (CBD) to which Kyrgyzstan acceded in 1996, and the UN Convention to Combat Desertification (UNCCD), which Kyrgyzstan joined in 1999. Kyrgyzstan has been a member of the Shanghai Cooperation Organisation (SCO) since 1996.

Efforts to combat deforestation and soil erosion include reforestation projects and the promotion of sustainable agricultural practices. Community-based projects are promoting better land management and reducing pressure on natural resources.

Kyrgyzstan has enacted laws aimed at environmental protection, such as the Law on Environmental Protection and the Law on Atmospheric Air Protection.

**Anti-Corruption**

Corruption has been identified as a significant problem in Kyrgyzstan. In the Transparency International 2023 Corruption Perceptions Index, Kyrgyzstan scored 26 out of 100, ranking 141st out of 180 countries. This score indicates a high level of perceived public sector corruption. The Organisation for Economic Co-operation and Development (the "**OECD**") has conducted multiple assessments of Kyrgyzstan's anti-corruption efforts under the Istanbul Anti-Corruption Action Plan. In its fourth round of monitoring, the OECD acknowledged some progress but emphasised the need for strengthening the independence and capacity of anti-corruption institutions, enhancing transparency and accountability in public administration, improving the legal framework to effectively combat corruption, and ensuring the implementation of anti-corruption policies and laws.

Kyrgyzstan has established several institutions to combat corruption. The State Financial Intelligence Service, which services as Kyrgyzstan's financial intelligence unit (the "**FIU**"), is tasked with detecting and preventing money laundering and financing of terrorism, contributing to anti-corruption efforts. The National Council for Sustainable Development oversees the implementation of national strategies, including anti-corruption measures. The Anti-Corruption Service was a division of the State Committee for National Security, responsible for investigating and preventing corruption-related offences, but this service was disbanded in 2021.

In order to increase the effectiveness of public policy in this area, the Kyrgyz Republic has approved an Anti-Corruption Strategy for 2025-2030, as well as an action plan for its implementation, signed by the President of the Kyrgyz Republic. The strategy is aimed at implementing effective anti-corruption measures, creating an atmosphere of intolerance to corruption, strengthening trust in state institutions and increasing transparency in their activities. Special attention is paid to the digitalization of public services, strengthening public control and ensuring the inevitability of responsibility for corruption offences. Over the past 15 years, Kyrgyzstan has achieved a 13% improvement in its World Bank's Worldwide Governance Indicators (WGI) indicator for Control of Corruption, as well as an increase of approximately seven points in the Transparency International Corruption Perception Index, which indicates positive dynamics in this area. The implementation of the new

anti-corruption strategy is considered as a key tool for strengthening institutional stability, improving the investment climate and increasing trust from international partners and investors.

**Privatisation and Management of State Property**

Privatisation in Kyrgyzstan began in the early 1990s after the country gained independence from the Soviet Union. The Government sought to transition from a centrally planned economy to a market-oriented one by transferring SOEs to private ownership. This process has been gradual, with waves of privatisation focusing on small, medium, and eventually larger enterprises across various sectors.

In the initial privatisation phase in the early 1990s, the Government initiated the first wave of privatisations, which primarily involved small retail and service enterprises. These were privatised through public auctions and voucher systems, allowing citizens to purchase shares in former SOEs. In the late 1990s to early 2000s, the privatisation process extended to medium-sized and some large industrial enterprises, including mining, energy, and manufacturing sectors. Key privatisations included enterprises in the mining and telecommunications sectors, although some remained under state control due to their strategic importance.

From the early 2000s to the present, privatisation efforts have focused on strategic sectors such as telecommunications, utilities and banking. However, progress was slow, partly due to political instability and public resistance to selling state assets. The Government has privatised certain parts of the telecommunications sector, with partial sales of companies such as Kyrgyztelecom, but certain sectors, such as electricity, have remained largely under state control.

The Government periodically publishes lists of enterprises slated for privatisation. Key sectors targeted for future privatisation include telecommunications, energy, and transportation, where partial or complete sales of SOEs are still under consideration. Recent privatisation efforts have focused on attracting foreign investment, especially in infrastructure and resource extraction, to boost economic growth.

## BALANCE OF PAYMENTS AND FOREIGN TRADE

### Balance of Payments

Balance of payments data reflects the value of the transactions carried out between a country's residents and the rest of the world. The balance of payments is composed of three account groups:

- the current account, which is comprised of exports and imports of goods and services, and credits and debits of payments in the primary income and secondary income accounts;
- the capital account, which comprises inflows and outflows of capital transfers; and
- the financial account, which comprises financial inflows and outflows.

The legislative basis for the Kyrgyz Republic's balance of payments is the constitutional law of the Kyrgyz Republic "On the National Bank of the Kyrgyz Republic" (the "**National Bank Law**"). Balance of payments data is based on the database of declarations for goods and the National Statistical Committee additional estimates on a sample survey of mutual trade with the EAEU countries and the National Bank adjustments according to the balance of payments methodology, unless otherwise indicated.

The following table sets forth Kyrgyzstan's balance of payments for the periods indicated.

**Balance of Payments[(1)]**

| | For the Year Ended 31 December | | | | | For the Nine Months Ended 30 September |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | *(US$ millions)* | | | |
| **Current account** | **(1,066.8)** | **(374.3)** | **(737.7)** | **(5,142.7)** | **(6,820.5)** | **(4,548.7)** |
| **Goods and services** | **(2,562.5)** | **(1,615.4)** | **(2,636.0)** | **(7,027.2)** | **(8,963.9)** | **(6,038.8)** |
| - Goods[(2)] | (2,624.3) | (1,439.6) | (2,418.1) | (6,918.7) | (8,285.6) | (5,942.4) |
| - Exports (FOB)[(3)] | 2,025.0 | 2,007.2 | 2,770.1 | 2,253.3 | 3,379.5 | 2,748.7 |
| - Imports (FOB)[(3)] | 4,649.4 | 3,446.8 | 5,188.1 | 9,172.1 | 11,665.1 | 8,691.1 |
| -Services | 61.8 | (175.9) | (218.0) | (108.5) | (651.2) | (96.4) |
| - Credit | 1,082.7 | 428.2 | 521.8 | 1,374.8 | 2,137.0 | 2,678.7 |
| - Debit | 1,020.8 | 604.1 | 739.8 | 1,483.3 | 2,788.3 | 2,775.1 |
| **Primary income[(4)]** | **(774.6)** | **(256.4)** | **(622.3)** | **(270.4)** | **(194.1)** | **(566.4)** |
| - Receivable | 37.5 | 20.6 | 9.8 | 29.4 | 85.5 | 86.3 |
| - Payable | 812.2 | 277.0 | 632.0 | 299.8 | 279.6 | 652.6 |
| - Compensation of employees (net) | (15.0) | (11.1) | (6.2) | (9.2) | (6.9) | (5.8) |
| - Investment income | (759.6) | (245.4) | (616.0) | (261.2) | (187.2) | (560.6) |
| **Secondary income** | **2,270.3** | **2,246.1** | **2,520.6** | **2,154.9** | **2,310.5** | **2,056.5** |
| - Receivable | 2,835.6 | 2,744.7 | 3,104.8 | 3,382.4 | 2,894.9 | 2,419.9 |
| - Payable | 565.3 | 498.6 | 584.2 | 1,227.5 | 584.4 | 363.4 |
| **Capital account** | **88.5** | **79.8** | **133.9** | **180.8** | **220.6** | **154.0** |
| **Financial account** | **(461.1)** | **473.1** | **(666.8)** | **(522.5)** | **(157.8)** | **(769.8)** |
| - Direct investment[(5)] | (336.7) | 582.4 | (560.7) | (509.5) | (151.3) | (514.2) |
| - Portfolio investment | (25.0) | (15.1) | (0.4) | (0.4) | (0.3) | (0.3) |
| - Financial derivatives | - | 0.3 | 0.3 | 0.7 | 9.6 | 0.6 |
| - Other investments | (99.4) | (94.5) | (106.0) | 211.8 | (15.8) | (254.7) |
| **Errors and omissions[(6)]** | **559.3** | **(103.7)** | **500.9** | **4,372.6** | **6,448.5** | **3,969.8** |
| **Reserves and Related Items** | **42.0** | **(122.7)** | **564.0** | **(441.0)** | **6.4** | **344.8** |

(1) Figures in this table are presented in accordance with the IMF's Balance of Payments and International Investment Position Manual-6th Edition and are current as of February 2025.
(2) Including National Bank estimates based on balance of payments methodology.
(3) In Freight on Board (FOB) prices.
(4) National Statistical Committee data, including additional National Bank estimates.
(5) Including National Bank estimates in accordance with balance of payments methodology.
(6) Errors and omissions reflect the net imbalances resulting from imperfections in source data and compilation of the balance of payments accounts, as well as incomplete coverage of data.

*Source: National Bank.*

## Current Account

In the period from 2020 to 2024, the Kyrgyz Republic experienced multidirectional dynamics in the current account, including a narrowing of the deficit from 2019 to 2020, a gradually increasing deficit in 2020 and 2021 and a significant widening of the deficit in 2022 and 2023. The increasing deficit was mainly due to a high trade deficit based on the excess of the value of imports over the value of exports. The current account deficit as a percentage of GDP was 4.3%, 8.7%, 49.2% and 48.3% in 2020, 2021, 2022, 2023, respectively. Based on preliminary data, the current account deficit as a percentage of GDP was 22.7% for 2024.

The effects of the COVID-19 pandemic significantly influenced the balance of payments indicators in 2020 and 2021. In 2020, the current account balance was a surplus of US$374.3 million, or 4.5% of GDP. The positive

balance was due to a significant decrease in the trade deficit as compared to 2019, which was largely due to the global effects of the COVID-19 pandemic, as well as compression of the deficit of the balance of primary incomes associated with a decrease in payments on investment income to non-residents in the primary income account.

In 2021, the current account balance was negative and amounted to US$737.7 million, or 8.0% of GDP. Key factors causing this result were an increase in the goods, services and primary income balance deficit, against the background of growth, and an increase in net receipts on the balance of the secondary account.

In 2022, the current account deficit widened significantly compared to 2021, reaching 42.1% of GDP. Non-oil imports increased by 26% of GDP. Imports excluding petroleum products increased by 26% of GDP, gold exports were suspended in order to consolidate the reserves of the National Bank and were only US$13.1 million, and net remittance inflows declined. The balance of payments also recorded exceptionally large and positive errors and omissions of 32.7% of GDP in 2022. This reflects large unrecorded re-exports to Russia, which are not captured in trade statistics as trade within the EAEU is not subject to customs declarations. The IMF has estimated such re-exports to have comprised approximately 30% of GDP, and if included in trade, would have lowered the current account deficit in 2022 to approximately 11% of GDP.

In 2023, the current account deficit was US$6,820.5 million, or 45.0% of GDP. A similar trend regarding unrecorded re-exports to Russia continued in 2023 with errors and omissions representing 42.6% of GDP. Factors contributing to the current account deficit included a significant expansion of the trade deficit and a deterioration in the balance of services. In 2023, the trade deficit increased by 19.8% compared to 2022 from US$6,918.7 to US$8,285.6 million. Exports of goods (FOB) increased by 50.0% mainly due to exports of gold (non-monetary) in the amount of US$1,284.3 million and amounted to US$3,379.5 million. Exports excluding gold decreased by 6.5% and amounted to US$2,095.1 million. Net inflow on the secondary income balance increased by 7.2% compared to 2022 and amounted to US$2,310.5 million. In the structure of the secondary income balance, a significant volume of inflows was attributable to workers' remittances, predominantly individuals' cross-border remittances using money transfer systems, bank mobile applications (bank cards) and e-wallets. For 2023, net inflow of individuals' cross-border remittances increased by 14.5% compared to 2022 and amounted to US$2,144.9 million.

In the nine months ended 30 September 2024, the current account deficit was US$4,548.7 million, or 38.7% of GDP. In such period, the negative trade balance (FOB) amounted to US$5,942.4 million, decreasing by 4.3% compared to the corresponding period in 2023.

**Capital Account**

In 2019, the capital account had a surplus of US$88.5 million.

In 2020, the capital account had a surplus of US$79.8 million, a decrease of 9.8% from 2019 due to lower receipts of public sector direct investment grants.

In 2021, the capital account had a surplus of US$133.9 million, driven by inflows of capital transfers to the public sector.

In 2022, the capital account had a surplus of US$180.8 million, mainly due to net inflows of public sector capital transfers of US$163.2 million from abroad.

In 2023, the capital account had a surplus of US$220.6 million, mainly due to net inflows of US$190.5 million of public sector capital transfers from abroad.

In the nine months ended 30 September 2024, the capital account had a surplus of US$154.0 million, an increase by 3.5% from the corresponding period of 2023, mainly due to a 16.8% increase in net inflows of public sector capital transfers from abroad.

**Financial Account**

In 2019, there was a deficit in the financial account of US$461.1 million, compared to US$206.1 million in 2018. Direct and other investments contributed a significant share of the financial account receipts. Net FDI inflows into the country were negative at US$336.7 million, compared to negative US$44.3 million in 2018.

In 2020, the financial account had a surplus of US$473.1 million due to the reduction of liabilities to non-residents on direct foreign investments, particularly on debt instruments.

In 2021, the financial account had a deficit of US$666.8 million, mainly due to direct and other investments. The balance of direct investments generated negative US$560.7 million compared to a positive balance of US$582.4 million in 2020. The volume of funds invested by direct investors in debt instruments amounted to US$334.5 million. The inflow on other investments amounted to US$106.0 million, a decrease of 12.1% compared to 2020, which was mainly due to the prevalence of residents' liabilities over their assets abroad.

In 2022, the financial account had a deficit of US$522.5 million, mainly due to the dynamics of direct investment. Receipts on direct investment amounted to US$509.5 million, decreasing by 9.1% compared to 2021, reflecting net borrowing of funds by residents from non-residents through capital participation in the form of reinvested profits. Residents' investments abroad in the form of direct investments were not made during 2022.

In 2023, the financial account had a deficit of US$157.8 million. In 2023, net borrowing from the rest of the world as reflected in the financial account decreased by 69.8% to US$157.8 million compared to US$522.5 million in 2022. In 2023, as in previous years, the financial account was mainly generated by direct and other investments. The inflow on direct investments amounted to US$151.3 million, which was due to an increase in net assumption of liabilities by residents in the amount of US$159.2 million due to the inflow of reinvested income in the amount of US$97.0 million. Within other investments, foreign economic transactions generated net assumption of liabilities for other investments from the rest of the world of US$441.4 million compared to US$898.7 million for 2022. Net acquisition of financial assets of residents outside of Kyrgyzstan amounted to US$425.6 million, a decrease by 51.9% compared to 2022. The decrease was due to the decrease in the total volume of cash currency and deposits of resident banks abroad and trade credits and advances provided.

In the nine months ended 30 September 2024, the financial account had a deficit of US$769.8 million, due to inflows on direct and other investments. Net inflow on direct investments amounted to US$514.2 million (net borrowing), which was mainly due to the increase in net assumption of liabilities by residents in the amount of US$529.4 million due to participation in the capital by non-resident direct investors totalling US$518.4 million. In other investments in foreign economic transactions, net assumption of liabilities by residents from the rest of the world in the form of build-up of debt in the form of loans and borrowings and trade credits and advances prevailed over net acquisition of financial assets.

**Remittances**

The following table sets forth the amount of net inflows of remittances into Kyrgyzstan as a percentage of GDP for the years indicated.

**Net Remittance Inflows[(1)]**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(US$ millions, unless otherwise indicated)* | | | | |
| Gross Inflow | 2,377.2 | 2,756.2 | 3,086.5 | 2,706.1 | 2,989.5 |
| Gross Outflow | 488.2 | 562,8 | 1,213.5 | 561.2 | 445.8 |
| Net inflow of personal remittances | 1,888.9 | 2,193.5 | 1,873.0 | 2,144.9 | 2,543.7 |
| Net remittances[(2)] / GDP (%) | 22.8 | 23.7 | 15.4 | 14.1 | 14.6 |

(1) The data in this table reflect flows (inflows/outflows) of (i) international remittances of individuals using money transfer systems, bank mobile applications and e-wallets, (ii) transfers through bank accounts not exceeding US$3,000, and (iii) National Bank's surcharge factor used to pre-calculate the portion of migrant remittances imported in cash. From the first quarter of 2019 to the first quarter of 2020 inclusive the surcharge factor was 15.5%, and for subsequent periods it was 10%.

(2) Calculated as a percentage of Kyrgyzstan's nominal GDP in dollars, using the average KGS/US$ exchange rates for the relevant period.

*Source: National Bank*

Remittances from citizens of Kyrgyzstan working abroad, mainly in the Russian Federation, have historically been a key feature of Kyrgyzstan's balance of payments. Remittances from the Russian Federation account for the largest share of total remittances (93.1% in 2024). In the structure of remittances forwarded from the Kyrgyz Republic, the majority is also to the Russian Federation (83.3% in 2024).

Workers' remittances are recorded in the current account under "secondary income", which in turn consists of received/directed transfers through money transfer systems, transfers by individuals through banks, postal remittances of the population, and the National Bank's revaluation surcharge.

Remittances finance a significant part of Kyrgyzstan's trade deficit and are an important feature of the Kyrgyz economy, Remittances have played an important role as one of the drivers of economic growth in the Kyrgyz Republic over the past several years, supporting consumption, increasing incomes, and consequently contributing to poverty reduction. Since the average size of remittances has been relatively small, a limited portion of the inflows has been directed to productive sectors, while the majority has been used for personal consumption. The relative importance of remittances in the Kyrgyz economy is expected to decline over time as the economy diversifies and becomes more competitive.

Net remittances accounted for 22.8% of GDP in 2020, 23.7% of GDP in 2021, 15.4% of GDP in 2022, 14.1% of GDP in 2023 and 14.6% of GDP in 2024. The decline in the working remittances as a percentage of GDP from 2020 and 2021 to 2022, 2023 and 2024 was influenced by significant increases in the GDP of the Kyrgyz Republic. The dynamics of remittances in dollar terms are significantly affected by the economic situation in the recipient countries of labour migrants and exchange rate fluctuations. For example, the decline in gross remittance inflows in U.S. dollar equivalent in 2023 and 2024 compared to 2022, in addition to the geopolitical situation in the world, was also affected by the depreciation of the exchange rate of the Russian ruble against the U.S. dollar.

Gross inflows of cross-border remittances of natural persons carried out through money transfer systems in 2020 amounted to US$2.4 billion, a decrease of 1.2% compared to 2019. The outflow from the Kyrgyz Republic amounted to US$0.5 billion a decrease of 12.0% compared to 2019. As a result, net inflows of remittances increased by 2.0% and amounted to US$1.9 billion.

Gross inflows of cross-border remittances from individuals through money transfer systems in 2021 amounted to US$2.8 billion, an increase of 15.9% compared to 2020. Remittances in the amount of US$0.6 billion were sent from the Kyrgyz Republic, an increase of 15.3% compared to 2020. As a result, net inflows of remittances increased by 16.1% to US$2.2 billion.

In 2022, net inflows of remittances through money transfer systems, banking mobile applications and e-wallets amounted to US$1.9 billion, a decrease of 14.6% compared to 2021. Gross remittance inflows for the year totalled US$3.1 billion, an increase by 12.0% compared to 2021. The substantial majority of remittances (95.2%) came from Russia. Gross outflow of remittances from the Kyrgyz Republic for 2022 was US$1.2 billion, an increase by 2.2 times compared to 2021. Remittances were mainly directed to the Russian Federation (77.5%) and Türkiye (19.0%).

In 2023, gross remittance inflows through money transfer systems, bank mobile applications, and e-wallets were US$2.7 billion, a decrease of 12.3% compared to 2022. Remittances in the amount of US$0.6 billion were sent from the Kyrgyz Republic, a decrease of 53.8% compared to 2022. As a result, net inflows of remittances increased by 14.5% to US$2.1 billion. According to the geographical structure of remittances, in 2023, remittance inflows mainly came from Russia, South Korea, and the United States, while Russia and Türkiye were the main destinations of remittance outflows from the Kyrgyz Republic.

In 2024, the gross inflow volume of cross-border remittances from individuals via money transfer systems, bank mobile applications and e-wallets was US$3.0 billion, an increase of 10.5% compared to 2023. The substantial majority of remittances came from Russia (93.1%). Remittances amounting to US$0.5 billion were sent from the Kyrgyz Republic, a decrease of 20.6% compared to 2023. Remittance outflows were mainly sent to Russia (83.3%) and Türkiye (12.9%). As a result, net remittance inflows increased by 18.6% to US$2.5 billion.

**Foreign Trade**

Kyrgyzstan is an open economy. Foreign trade turnover (FOB) was US$6,674.4 million (71.2% of GDP), US$5,453.9 million (65.9% of GDP), US$7,958.2 million (86.0% of GDP), US$11,425.4 million (94.1% of GDP) and US$15,044.6 million (99.2% of GDP) in 2019, 2020, 2021, 2022 and 2023, respectively.

Kyrgyzstan became a member of the WTO in 1998. Kyrgyzstan's main export partners are Switzerland, Russia, Kazakhstan, Uzbekistan, Turkey and the UAE. Its main import partners are China, Russia, Kazakhstan, Turkey and Korea.

Kyrgyzstan's foreign trade is characterised by a significant trade deficit, with imports substantially exceeding exports. Trade balance deficits (FOB) were US$2,624.3 million, US$1,439.6 million, US$2,418.1 million, US$6,918.7 million and US$8,285.6 million in 2019, 2020, 2021, 2022 and 2023, respectively.

In 2019, the trade deficit decreased by 12.3% compared to 2018, totalling US$2,624.3 million (28.0% of GDP). The decrease was caused by a decrease in imports together with an increase in gold exports.

The effects of the COVID-19 pandemic significantly influenced the balance of payments indicators in 2020 and 2021. In 2020, the trade deficit decreased by 45.1% compared to 2019 and amounted to US$1,439.6 million. In 2020, foreign trade turnover (FOB) decreased by 18.3% compared to 2019 and amounted to US$5,453.9 million.

In 2021, the trade deficit increased by 68.0% compared to 2020 and amounted to US$2.4 billion. The increase was the result of growth in imports of goods exceeding growth in exports. As a result, in 2021, the external trade turnover (FOB) amounted to US$7,958.2 million, an increase from 2020 by 45.9%.

Since early 2022, the trade patterns of Kyrgyzstan have changed considerably as a result of the effects of the Russia-Ukraine war. In 2022, the trade deficit was US$6,918.7 million, an increase by 2.9 times compared to 2021. The increase in the deficit was mainly due to a significant decline in gold (non-monetary) exports, which were only US$13.1 million in 2022, as gold exports were suspended in 2022 in order to consolidate the reserves of the National Bank. China's share in imports increased to 42% in 2022 as compared to 26% in 2021. In addition to the increased import concentration, the value of imports of goods more than doubled between 2021 and 2023 to approximately US$10 billion. In 2022, the external trade turnover (FOB) was US$11,425.4 million, an increase of 43.6% in comparison to 2021.

In 2023, the trade deficit was US$8,285.6 million, an increase of 19.8% compared to 2022. In 2023, the foreign trade turnover (FOB) was US$15,044.6 million, an increase of 31.7% compared to 2022.

In the nine months ended 30 September 2024, the trade deficit was US$5,942.4 million, a decrease of 4.3% compared to the same period of 2023. The decrease occurred across a backdrop of an increase in exports by 28.2% with a moderate increase in imports by 4.0%. Foreign trade turnover was US$11,439.7 million, an increase of 9.0% compared to the nine months ended 30 September 2023.

***Composition of Trade***

Key export commodities from Kyrgyzstan include gold, ore and precious metals and petroleum oils. The following table sets forth Kyrgyzstan's exports of goods by product category for the periods indicated.

**Exports by Product Category[(1)]**

| | For the Year Ended 31 December | | | | | For the Nine Months Ended 30 September |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | *(US$ millions)* | | | |
| Gold (non-monetary) | 832.9 | 987.0 | 1,413.0 | 13.1 | 1,284.3 | 853.9 |
| Metalliferous ores and metal scrap | 260.2 | 203.9 | 324.2 | 246.3 | 320.3 | 222.3 |
| Petroleum products | 91.9 | 56.1 | 69.2 | 144.4 | 113.4 | 128.2 |
| Articles of apparel and clothing accessories | 103.4 | 67.6 | 63.1 | 206.4 | 109.9 | 88.8 |
| Vegetables, fresh or frozen | 89.7 | 81.7 | 92.6 | 135.1 | 94.2 | 65.9 |
| Coal, coke and briquettes | 27.6 | 26.9 | 29.4 | 54.4 | 87.4 | 61.1 |
| Fruit and nuts, fresh or dried | 42.8 | 39.5 | 41.2 | 71.0 | 67.6 | 38.5 |
| Other packing or wrapping machinery | 0.0 | 0.0 | 0.0 | 27.8 | 58.4 | 41.6 |
| Live animals | 4.1 | 21.1 | 11.4 | 69.0 | 54.3 | 36.6 |
| Articles for the conveyance or packing of goods, of plastics: stoppers, lids, caps | 25.5 | 26.6 | 30.0 | 24.3 | 30.9 | 39.7 |
| Cotton | 35.7 | 27.6 | 35.1 | 37.4 | 42.7 | 15.2 |
| Footwear | 16.0 | 3.9 | 7.2 | 64.6 | 43.1 | 151.8 |
| Cereal, flour or starch products | 12.6 | 15.6 | 24.2 | 26.3 | 28.2 | 20.9 |
| Knitted or crocheted fabrics | 0.3 | 0.3 | 0.9 | 54.3 | 28.9 | 57.9 |
| Milk, cream and dairy products other than butter and cheese | 22.4 | 24.1 | 29.2 | 28.4 | 27.3 | 31.0 |
| Other products | 421.1 | 391.4 | 581.4 | 1,052.0 | 994.0 | 899.3 |
| **Total exports of goods** | **1,986.1** | **1,973.2** | **2,752.2** | **2,254.7** | **3,384.9** | **2,752.7** |
| **Exports of services** | **1,082.7** | **428.2** | **521.8** | **1,374.8** | **2,137.0** | **2,678.7** |
| **Total exports of goods and services.** | **3,068.8** | **2,401.4** | **3,274.0** | **3,629.5** | **5,521.9** | **5,431.4** |

(1) Based on National Statistical Committee methodology.
*Source: National Statistical Committee*

*Data cited in the following paragraphs is based on estimates of the National Bank in accordance with the IMF's Balance of Payments and International Investment Position Manual-6th Edition methodology.*

In 2019, merchandise exports were US$2,025.0 million, an increase by 6.3% as compared to 2018. Exports excluding gold amounted to US$1,192.2 million, a decrease by 3.9% compared to 2018. In 2019, the share of services in total exports of goods and services was 34.8%, of which 59.4% was travel, 24.9% was transportation services, 7.4% was services to individuals and cultural and recreational services and 1.4% was construction.

In 2020, total exports amounted to US$2,007.2 million, a decrease by 0.9% as compared to 2019. Exports of goods excluding gold amounted to US$1,020.2 million, a decrease of 14.4% compared to 2019. In 2020, the share of services in total exports of goods and services amounted to 17.6%, of which 35.8% accounted for transportation services, 35.3% for travel, 7.1% for private and cultural and recreational services and 3.3% for construction.

In 2021, merchandise exports were US$2,770.1 million, an increase by 38.0% as compared to 2020. Exports excluding gold amounted to US$1,357.0 million, an increase by 33.1% as compared to 2020, mainly due to an increase in shipments of rolled glass, fruits, fabrics, textile yarn, vegetables and Portland cement. Exports of

live animals, butter, cheese and cottage cheese decreased. Total exports of raw materials increased by 28.7% to US$200.9 million. In 2021, the share of services in total exports of service goods amounted to 15.9%, of which travel accounted for 39.6%, transportation services 39.0%, private and cultural and recreational services 4.3% and construction 3.7%.

In 2022, exports of goods were US$2,253.0 million, a decrease by 18.7% compared to 2021. Exports of goods excluding gold were US$2,240.3 million, an increase by 65.1% compared to 2021. In 2022, total commodity exports amounted to US$161.7 million, a decrease by 19.5% as compared to 2021. Exports of precious metal ores and concentrates and copper ores and concentrates decreased by 14.8%. Gold exports were suspended in 2022 to consolidate the reserves of the National Bank, but exports resumed in 2023. Exports of cotton and non-precious metal ores and concentrates increased. In 2022, the share of services in total exports of goods and services amounted to 37.9%, of which travel accounted for 55.0%, transportation services 26.5%, personal and cultural and recreational services 6.6% and construction 1.6%.

In 2023, merchandise exports were US$3,379.5 million, an increase by 50.0% as compared to 2022. Exports excluding gold were US$2,095.1 million, a decrease by 6.5% compared to 2022. In 2023, services accounted for 38.7% of total exports of goods and services, of which 47.9% were travel, 18.2% were transportation services, 18.1% were private and cultural and recreational services and 1.0% were construction.

In the nine months ended 30 September 2024, merchandise exports were US$2,748.7 million, an increase of 28.2% compared to the corresponding period in 2023. Exports of goods excluding gold were US$1,894.7 million, an increase of 24.2% compared to the corresponding period in 2023. The share of services in total exports of goods and services amounted to 49.4%, of which private and cultural and recreational services accounted for 30.5%, travel 27.8%, transportation services 18.1% and construction 1.3%.

The following table sets forth Kyrgyzstan's imports of goods by category for the periods indicated.

**Imports of Goods by Product Category (CIF)[(1)]**

| | For the Year Ended 31 December | | | | | For the Nine Months Ended 30 September |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | *(US$ millions)* | | | |
| Road vehicles | 167.0 | 201.8 | 296.9 | 731.7 | 3,191.7 | 1,778.2 |
| Equipment parts for production machinery | 0.8 | 0.7 | 0.6 | 105.8 | 1,025.7 | 1,218.0 |
| Petroleum products | 625.9 | 458.2 | 759.8 | 893.5 | 750.4 | 861.0 |
| Knitted or crocheted fabrics | 70.0 | 47.4 | 231.6 | 717.2 | 429.9 | 79.0 |
| Cast iron and steel | 238.9 | 255.8 | 246.8 | 331.6 | 374.0 | 360.3 |
| Electric line telephony or line telegraphy | 202.1 | 134.6 | 157.3 | 258.2 | 299.7 | 160.2 |
| Footwear | 255.3 | 61.4 | 150.3 | 539.7 | 286.1 | 95.7 |
| Medicines (including veterinary medicines) | 172.7 | 185.7 | 169.0 | 204.9 | 204.1 | 157.5 |
| Apparel and clothing accessories | 226.8 | 97.4 | 373.0 | 466.4 | 198.0 | 142.8 |
| Locksmith's wares, safes, strongboxes, etc. and hardware products | 69.1 | 18.8 | 41.1 | 444.0 | 195.0 | 44.6 |
| Sewing machine needles and parts | 2.8 | 1.1 | 44.8 | 202.0 | 175.2 | 191.7 |
| Parts and accessories of machine tools for metal working | 0.3 | 1.2 | 0.4 | 28.6 | 171.0 | 1.6 |
| Essential oils and detergents | 90.5 | 73.7 | 93.5 | 136.6 | 148.4 | 111.4 |
| Fruits and nuts, fresh or dried | 83.4 | 54.3 | 92.9 | 91.7 | 137.8 | 105.9 |
| Other goods | 2,783.5 | 2,126.9 | 2,922.1 | 4,651.1 | 4,930.9 | 3,989.8 |
| **Total imports** | **4,989.0** | **3,718.9** | **5,580.2** | **9,803.2** | **12,352.0** | **9,297.6** |

(1) Based on National Statistical Committee methodology in CIF prices.
*Source: National Statistical Committee*

*Data cited in the following paragraphs presents on total imports of goods takes into account additional estimates of the National Bank in accordance with the IMF's Balance of Payments and International Investment Position Manual-6th Edition methodology in recalculation of imports in FOB prices (less the cost of transportation and insurance).*

Kyrgyzstan's main imports are vehicles, machinery and mechanical equipment and mineral fuels and oils. The fastest growing imports include consumer electronics, footwear, computers, construction equipment, mobile phones and cars.

Kyrgyzstan is highly dependent on oil and liquefied petroleum gas (LPG) imports from Russia and Kazakhstan. Russian state-owned company Rosneft currently supplies more than 60% of the total volume of petroleum products imported to Kyrgyzstan. According to the National Statistical Committee, in 2024, Kyrgyzstan imported 757.7 million litres of gasoline with a value of US$327.4 million, which is 73 million litres more than in 2023. Russia remains the main supplier of fuel and lubricants. Kazakhstan also makes a small contribution to fuel imports. See "*The Kyrgyz Economy – Principal Sectors of the Economy – Energy*."

In 2019, imports of goods (FOB) decreased by 5.1% compared to 2018 and amounted to US$4,649.4 million. The commodity structure of imports from EAEU countries was dominated by fuel and energy products, although a wide range of consumer goods were imported to Kyrgyzstan. In 2020, imports of goods (FOB) amounted to US$3,446.8 million, a decrease of 25.9% from 2019 due to the effects of the COVID-19 pandemic and related

restrictive measures. In 2021, imports (FOB) increased by 50.5% to US$5,188.1 million compared to 2020. Consumer goods accounted for 38.8% of total imports, intermediate goods accounted for 29.5%, energy and investment goods accounted for 16.1% and 12.9%, respectively. In 2022, imports of (FOB) goods increased by 76.8% to US$9,172.1 million. Intermediate goods and consumer goods had the most significant increases, of 38.8% and 34.0%, respectively. In 2023, merchandise imports (FOB) were US$11,665.1 million, an increase by 27.2% as compared to 2022. Exports of goods excluding gold were US$1,894.7 million, an increase of 24.2% compared to 2023. In the nine months ended 30 September 2024, merchandise imports (FOB) were US$8,691.1 million, an increase by 4.0% compared to the corresponding period in 2023.

In 2019, 2020, 2021, 2022, and 2023, imports of services were US$1,020.8 million, US$604.1 million, US$739.8 million, US$1,483.3 million, and US$2,788.3 million, respectively. The main imported services in 2023 were transportation, personal and cultural and recreational services and travel. In the nine months ended 30 September 2024, imports of services were US$2,775.1 million, an increase of 44.6% compared to the corresponding period of 2023.

***Direction of Trade***

The following table set forth the value of Kyrgyzstan's exports by country of destination for the years presented.

**Exports of Goods (FOB) by Country of Destination**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | | | *(US$ millions)* | | |
| ***EAEU countries*** | | | | | |
| Armenia | 0.5 | 0.1 | 0.8 | 0.4 | 0.2 |
| Belarus | 10.7 | 15.8 | 24.4 | 34.0 | 26.2 |
| Kazakhstan | 285.9 | 382.2 | 410.9 | 449.0 | 418.4 |
| Russian Federation | 257.3 | 393.3 | 1,069.7 | 823.7 | 1,031.7 |
| ***Non-EAEU countries*** | | | | | |
| United Kingdom | 990.0 | 234.2 | 0.4 | 0.8 | 1,212.6 |
| Uzbekistan | 152.9 | 180.1 | 236.6 | 290.8 | 346.9 |
| China | 43.2 | 64.1 | 60.8 | 80.4 | 123.6 |
| Türkiye | 74.7 | 90.6 | 140.7 | 153.1 | 102.8 |
| Tajikistan | 28.1 | 23.8 | 3.3 | 1.2 | 0.0 |
| Ukraine | 8.6 | 6.5 | 1.3 | 1.7 | 0.3 |
| UAE | 9.1 | 54.8 | 101.0 | 189.4 | 116.9 |
| Germany | 13.1 | 12.5 | 15.8 | 7.6 | 5.1 |
| Afghanistan | 1.3 | 14.4 | 21.6 | 14.9 | 50.5 |
| Other non-EAEU countries | 97.9 | 1,279.6 | 167.4 | 1,337.8 | 88.1 |
| **Total** | **1,973.2** | **2,752.2** | **2,254.7** | **3,384.9** | **3,827.7** |

(1) Preliminary data.

*Source: National Statistical Committee data, including National Bank estimates in accordance with balance of payments methodology*

In 2020, the overall share of EAEU countries in total exports of goods was 27.5%. These exports were mainly comprised of products in the textile industry and agriculture sector. Exports to EAEU countries were mainly to Kazakhstan (51.6%) and Russia (46.4%).

In 2021, exports to EAEU countries increased by 42.7% compared to 2020, mainly due to an increase in the supply of rolled glass, fruits and ore and concentrates of precious metals.

In 2022, the largest share of exports was to EAEU countries, comprising 66.7% of total exports.

In 2023, 61.4% of exports were to non-EAEU countries, an increase compared to 2022. In 2023, the largest volume of goods exports were to Switzerland, Uzbekistan and the UAE, which three countries collectively accounted for 75.5% of exports to non-EAEU countries. Goods of the processing industry (gold) and agricultural products were the main items supplied to these countries. Exports to EAEU countries represented 38.6% of total exports in 2023. The commodity structure of exports to EAEU countries was mainly represented by

products of light industry and agriculture. Substantially all of the volume of these goods was supplied to Russia (63.0%) and Kazakhstan (34.4%).

In 2024, based on preliminary data, 61.4% of exports were to non-EAEU countries. The largest volume of goods exports to non-EAEU countries was sent to the United Kingdom, Hong Kong SAR (China), Uzbekistan, Switzerland and Türkiye, with such countries collectively accounting for 79.1% of exports to non-EAEU countries. The increase in exports to the UK in 2024 is attributable to an increase in gold exports. The UK has become the largest importer of Kyrgyz gold, purchasing 14.9 tonnes worth US$1.2 billion in 2024. Gold exports represented approximately 99% of total exports from Kyrgyzstan to the UK in 2024. The main reasons for the increase in gold exports to the UK were the increase in world prices for precious metals, as well as the improvement of logistical and financial ties between Kyrgyzstan and the UK. Exports to EAEU countries represented 38.6% of total exports of goods in 2024. The commodity structure of exports to EAEU countries was mainly represented by products of light industry and agriculture. Substantially all of the volume of these goods was supplied to Russia (69.9%) and Kazakhstan (28.3%).

The following table sets forth the value of Kyrgyzstan's imports by country of origin for the years presented.

**Imports of Goods by Country of Origin**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| | | | *(US$ millions)* | | |
| ***EAEU countries*** | | | | | |
| Armenia | 4.8 | 3.4 | 5.1 | 3.8 | 1.6 |
| Belarus | 37.1 | 58.2 | 87.0 | 83.1 | 70.9 |
| Kazakhstan | 523.6 | 661.8 | 770.2 | 922.4 | 921.6 |
| Russian Federation | 1,319.9 | 1,911.5 | 2,406.0 | 2,282.8 | 2,521.8 |
| ***Non-EAEU countries*** | | | | | |
| China | 737.9 | 1,463.8 | 4,069.5 | 5,353.3 | 5,452.8 |
| Türkiye | 194.9 | 321.6 | 488.3 | 453.4 | 364.1 |
| United States | 120.4 | 101.2 | 242.0 | 430.6 | 255.0 |
| Uzbekistan | 189.0 | 316.8 | 362.6 | 403.2 | 505.9 |
| Germany | 51.7 | 63.2 | 164.6 | 421.8 | 251.7 |
| Japan | 22.1 | 18.3 | 92.0 | 255.0 | 118.8 |
| Republic of Korea | 47.8 | 54.8 | 156.5 | 550.7 | 432.3 |
| United Kingdom | 10.2 | 11.2 | 32.3 | 91.3 | 55.5 |
| India | 41.7 | 45.5 | 107.4 | 88.5 | 89.5 |
| Other non-EAEU countries | 417.8 | 549.0 | 819.6 | 1,178.0 | 1,172.6 |
| **Total** | **3,718.9** | **5,580.2** | **9,803.2** | **12,517.9** | **12,214.0** |

(1) Preliminary data.
*Source: National Statistical Committee*

In 2020, the share of non-EAEU countries in imports significantly decreased in 2020 compared to 2019 and amounted to 49.3%. This decrease was mainly caused by closure of the borders and suspension of transport links with China due to the COVID-19 pandemic, which conditioned a decrease in the supplies of consumer goods. However, China remained the largest trading partner for imports of goods from non-EAEU countries, representing 40.2% of total imports from non-EAEU countries.

In 2021, imports from EAEU countries decreased, amounting to 47.2% in the geographic structure of imports. Fuel and energy products were a frequent import from EAEU countries, with a wide range of consumer and investment goods also being imported from these countries. The share of non-EAEU countries increased, amounting to 52.8%, due to an increase in the supplies of investment and consumer goods. China accounted for 49.7% of total imports from non-EAEU countries, making it the largest trading partner for imports from non-EAEU countries.

In 2022, imports from EAEU countries decreased to 33.3%, though fuel and energy products were a prevalent import from EAEU countries, with a range of consumer and investment goods also being imported from these countries. The share of non-EAEU countries increased significantly, amounting to 66.7%, mainly due to an

increase in the supplies of intermediate and consumer goods. China was the largest trading partner for imports, with a share of 62.3% of total imports from non-EAEU countries.

In 2023, imports from EAEU countries constituted 26.3% of total imports, a decrease as compared to 33.3% for 2022. Fuel and energy products, the substantial majority of which is supplied from the Russian Federation and Kazakhstan, prevail in the commodity structure of imports from EAEU countries. A wide range of consumer and investment goods are also imported from these countries. In 2023, the share of the non-EAEU countries in total imports were 73.7%, an increase compared to 66.7% in 2022. The increase of imports was mainly caused by increased imports of intermediate and consumer goods. China remained the largest trading partner for imports with a share of 58.0% of total imports from non-EAEU countries.

In 2024, based on preliminary data, imports from EAEU countries comprised 28.8% of total imports. Fuel and energy products, the substantial majority of which is supplied from the Russian Federation and Kazakhstan, prevailed in the commodity structure of imports from EAEU countries. A wide range of consumer and investment goods are also imported from these countries. In 2024, imports from non-EAEU countries comprised 71.2% of total imports. China remained the largest trading partner for imports, accounting for 64.2% of total imports from non-EAEU countries, and 44.6% of total imports.

**International Trade Agreements**

Kyrgyzstan is a party to a number of multilateral and bilateral economic cooperation agreements. Kyrgyzstan has been a member of the WTO since 1998. Upon signing the Protocol on Accession to the Marrakesh Agreement (the Marrakesh Protocol) establishing the WTO, Kyrgyzstan joined several WTO agreements and made commitments under the annexes to the protocol. Kyrgyzstan is accordingly bound by WTO maximum customs tariff rates allowed on imports, and it is currently compliant with WTO tariff rules. Kyrgyzstan has most-favored-nation trading relationships with all WTO members.

Kyrgyzstan is a member of the Eurasian Economic Union, a regional economic bloc that promotes integration among its member states. The EAEU was established in 2015, and Kyrgyzstan became a member on 12 August 2015. The other members are the Russian Federation, Belarus, Kazakhstan and Armenia. Kyrgyzstan harmonises its customs policies with the EAEU, removing internal tariffs on goods traded within the bloc.

Trade and economic relations between the EU and Kyrgyzstan are governed by Kyrgyzstan's WTO membership and by the Partnership Cooperation Agreement (PCA). The PCA provides for a non-preferential agreement under which the parties grant each other "most-favoured nation" treatment.

Kyrgyzstan has signed and ratified the following bilateral free trade treaties and conventions:

- Bilateral free trade agreements with Kazakhstan, Moldova, the Russian Federation, Ukraine and Uzbekistan;
- World Trade Organisation Trade Facilitation Agreement;
- Revised Kyoto Convention;
- International Convention on the Harmonised Commodity Description and Coding System;
- UN Convention on Contracts for the International Sale of Goods (CISG); and
- International Centre for Settlement of Investment Disputes (ICSID).

**Compliance with Sanctions and International Export Restrictions**

Since the onset of the Russia-Ukraine war, a number of measures have been taken that are relevant to Kyrgyz businesses conducting trade with Russia to ensure compliance with applicable sanctions and international export restrictions.

The Ministry of Economy and Commerce, as the responsible body for export control issues, has added controlled electronics components and other technology to the National Control List which includes, among other categories, military and dual-use items. This action was taken on the basis of the Export Control Law No. 30 dated 23 January 2003 and the Export Control Manual adopted by the Cabinet of Ministers Decree No. 573

dated 13 September 2024. This law and manual were developed on the basis of norms and principles of international law, and implemented by Decree No. 330, on 4 May 2004, the "Regulations on the Commission on Military-and-Technical Cooperation and Export Control". As a result of these measures, Kyrgyz customs authorities are empowered to block exports of controlled electronics components and other technology to Russia, despite Kyrgyzstan's obligations as a member of the EAEU. Under those obligations, Kyrgyzstan may not restrict trade with other EAEU states, including Russia, in any goods that are not included on the National Control List.

State agencies have introduced a system for controlling the movement of goods on the National Control List including electronic invoices, labelling and electronic filing of consignment notes. Goods that are on the National Control List are given a unique code so that they can be monitored and traced. Exporters also have to provide guarantee letters (end-user certificates) and technical specifications of such products when they are exported.

On 4 September 2024, the National Bank adopted the Resolution on Ensuring Economic Security and Maintaining Financial Stability No.2024-П-14/41-3-(ПС). This established a limit of one year for organisations supervised by the National Bank to accept payment orders or otherwise to carry out settlements under contracts concerning goods and services flowing between foreign states without being delivered to the territory of the Kyrgyz Republic, except for authorised state companies. To date, the Trading Company of the Kyrgyz Republic, a state-owned enterprise established by the Government to control trade flows involving Kyrgyz companies whose goods are not imported into the country, is currently the only company that is authorised to conduct such operations.

**Foreign Direct Investment**

Net FDI in Kyrgyzstan is an important source of financing for the Kyrgyzstan economy. FDI as a percentage of GDP was 11.5%, 6.5%, 10.9%, 9.9% and 5.6% in 2019, 2020, 2021, 2022 and 2023, respectively. The following table sets forth the value of FDI into Kyrgyzstan for the periods indicated:

**Value of Gross FDI Inflows to Kyrgyzstan by Economic Sector**

| | For the Year Ended 31 December | | | | | For the Nine Months Ended 30 September | |
|---|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 | 2024 |
| | | | *(US$ millions)* | | | | |
| Mining | 99.5 | 80.9 | 211.9 | 499.8 | 221.0 | 112.7 | 93.5 |
| Manufacturing industries | 340.8 | 259.1 | 229.0 | 340.9 | 233.8 | 202.3 | 281.9 |
| Provision of electricity, gas, steam and air conditioning | 10.6 | 0.0 | 6.8 | 1.3 | 0.3 | 0.3 | 5.8 |
| Construction | 56.0 | 24.3 | 9.5 | 8.4 | 26.9 | 23.7 | 3.6 |
| Wholesale and retail trade; car and motorcycle repair[(1)] | 36.1 | 28.5 | 92.5 | 105.7 | 119.8 | 115.0 | 158.5 |
| Transportation and storage of goods | 18.5 | 0.7 | 0.7 | 15.1 | 19.3 | 16.8 | 12.4 |
| Information and communication | 138.5 | 38.7 | 59.6 | 35.8 | 15.0 | 39.4 | 32.0 |
| Financial intermediation and insurance | 62.7 | 42.9 | 53.6 | 118.7 | 158.5 | 100.2 | 79.6 |
| Professional, scientific and technical activities | 309.6 | 59.1 | 316.8 | 63.4 | 22.7 | 25.0 | 53.8 |
| Others | 4.6 | 3.4 | 26.0 | 13.5 | 27.5 | 19.4 | 25.9 |
| **Total** | **1,076.9** | **537.6** | **1,006.1** | **1,202.6** | **844.9** | **654.6** | **746.9** |

(1) Includes car maintenance, retail of fuel for transport with internal combustion engines.
*Source: National Statistical Committee*

**Value of Net FDI Inflows to Kyrgyzstan by Country of Origin**

| | For the Year Ended 31 December | | | | | For the Nine Months Ended 30 September | |
|---|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 | 2024 |
| | | | | *(US$ millions)* | | | |
| **Non-EAEU countries** | **406.5** | **(343.5)** | **135.4** | **(123.5)** | **(36.6)** | **247.8** | **276.0** |
| *of which:* | | | | | | | |
| China | (32.2) | (456.6) | 31.1 | (182.8) | (72.7) | 15.7 | 133.3 |
| Türkiye | (6.8) | (21.3) | 164.9 | 28.8 | (22.8) | 32.7 | 21.6 |
| The Netherlands | 57.7 | 54.0 | 48.7 | 52.0 | 6.1 | 50.5 | 30.6 |
| Switzerland | 102.9 | (0.1) | 3.6 | 15.1 | 10.8 | 23.7 | 0.3 |
| Others | 284.8 | 80.5 | (113.0) | (36.6) | 42.0 | 125.2 | 90.2 |
| **EAEU countries** | **(2.6)** | **(58.0)** | **90.8** | **178.3** | **195.8** | **156.7** | **253.4** |
| *of which:* | | | | | | | |
| Russia | 8.0 | (70.3) | 54.7 | 109.5 | 102.9 | 95.6 | 169.9 |
| Kazakhstan | (8.1) | 11.2 | 33.8 | 63.1 | 79.0 | 46.1 | 36.6 |
| Belarus | 0.4 | (0.3) | 0.5 | 0.7 | 1.9 | 1.9 | 0.6 |
| Armenia | 0.0 | 0.0 | 0.0 | (0.1) | 0.1 | 0.1 | 0.0 |
| Other CIS countries | (2.8) | 1.5 | 1.8 | 5.0 | 12.0 | 13.0 | 46.2 |
| **Total** | **403.9** | **(401.5)** | **226.2** | **54.9** | **159.2** | **404.5** | **529.4** |

*Source: National Statistical Committee data and National Bank estimates*

In 2023, the largest source of FDI into Kyrgyzstan in 2023 was China, which accounted for 27.7% or US$220.8 million of FDI. China invests in industry sectors including transportation and logistics, infrastructure, energy, mining and metals, telecommunications, manufacturing, construction, high technology and agriculture. Over the past five years, China has made direct investments in Kyrgyzstan totalling more than US$1.4 billion. Projects funded by FDI from China include the China-Kyrgyzstan-Uzbekistan Railway project, part of China's Belt and Road Initiative, which aims to connect Kyrgyzstan with China and Uzbekistan. The project will improve regional trade connectivity and facilitate the transportation of goods between the three countries. In addition, Chinese companies have invested in the development of Kyrgyzstan's energy infrastructure, including the construction of hydropower plants and the modernisation of the country's energy grid.

The second and third largest sources of FDI in 2023 were the Russian Federation, accounting for 18.9% or US$159.7 million, and Kazakhstan, accounting for 12.0% or US$101.3 million. Kyrgyzstan has seen several significant investment projects funded by FDI from Russia and Kazakhstan. These include the Makmal-Karakol railway project, a US$3 billion project which is a partnership between Kyrgyzstan and Russia to construct a railway connecting the Makmal and Karakol districts. The project aims to improve Kyrgyzstan's transport infrastructure and strengthen its trade connectivity with neighbouring countries. In addition, both Russia and Kazakhstan have invested in the development and modernisation of Kyrgyzstan's hydroelectric power sector. The Eurasian Development Bank, which was founded by Russia and Kazakhstan, is funding hydroelectric projects, such as the modernisation of the Bishkek Thermal Power Plant and the construction of the Kambarata-1 HPP. Russian companies, such as Alliance Altyn and Vostok-Geoldobycha, have invested in gold mining projects in Kyrgyzstan, and Kazakhstan has invested in several agriculture and food processing projects in Kyrgyzstan, such as the construction of a meat processing plant and a flour mill.

**Investment Protection and Promotion Laws**

Kyrgyzstan has implemented investment protection and promotion laws that aim to create a favourable investment climate and stimulate both domestic and foreign investments. Key elements of the legal framework in this area include:

- *Investment Law*: The Law of the Kyrgyz Republic "On Investments in the Kyrgyz Republic" (the "**Investment Law**"), which became effective in 2023, establishes the main principles of the state investment policy, ensuring fair and equal legal treatment for domestic and foreign investors and providing guarantees for investment protection. The Investment Law provides the following legislative

guarantees to investors: guarantees of protection of investments and investors; guarantees for the removal or repatriation of investments, property, and information outside the Kyrgyz Republic; guarantees of protection against expropriation of investments and compensation for losses to investors; guarantees of use of income; freedom of monetary transactions; free access to public information; economic independence of investors and recognition of investors' rights; and concession agreements.

- *National Investment Agency*: The National Investment Agency under the President of the Kyrgyz Republic (the "**National Investment Agency**") promotes foreign and local investments by offering support and services to investors.

- *Dispute and complaint resolution*: The Investment Law contains provisions for settling disputes between foreign investors and the Government through international arbitration. In addition, the Procedure for the Consideration of Investor Complaints and Their Support, which entered into force in 2022, provides a mechanism for assisting and supporting investors in resolving disputes arising from their interaction with state bodies and local self-government bodies, as well as preventing the risk of international legal claims against the Kyrgyz Republic under investment agreements. In accordance with this procedure, the National Investment Agency is the authorised body for considering investor complaints. Since the adoption of the Procedure, the National Investment Agency has received 21 different complaints from foreign and domestic investors and entrepreneurs. All complaints received have been included in the register of complaints in accordance with the procedure.

- *Bilateral investment treaties (BITs)*: Kyrgyzstan has signed BITs with over 20 countries, including the United States, United Kingdom, Germany, Switzerland, China, and Russia. These treaties offer protection and encouragement for capital investments.

- *Tax incentives*: The Cabinet of Ministers offers tax incentives for investments in priority sectors, such as agriculture, manufacturing, tourism, and information technology.

Kyrgyzstan guarantees foreign investors the same protections and treatment as domestic nationals and companies.

## MONETARY AND FINANCIAL SYSTEM

### National Bank of the Kyrgyz Republic

The National Bank of the Kyrgyz Republic is the central bank of the Kyrgyz Republic. It is an independent state institution whose activities are governed by the constitutional law of the Kyrgyz Republic "On the National Bank of the Kyrgyz Republic" (the National Bank Law). The National Bank Law defines the National Bank's authority, functions, responsibilities, and relationship with other state bodies and the financial system. The predecessor to the National Bank, Kyrgyzgosbank, was established in 1991 following the country's independence and it was transformed into the National Bank in 1992.

The main objective of the National Bank is to achieve and maintain price stability through the implementation of appropriate monetary policy. This includes maintaining the purchasing power of the national currency, the Kyrgyz som, and ensuring the efficiency, safety, and reliability of the country's banking and payment systems.

The supreme governing body of the National Bank is the Board of the National Bank, which consists of the Chairman, three Deputy Chairmen and three additional members. The Chairman is elected by the Zhogorku Kenesh upon nomination of the President of the Kyrgyz Republic. Deputy Chairmen and other members are appointed by the President of the Kyrgyz Republic upon the recommendation of the Chairman of the National Bank. The current Chairman of the National Bank is Melis Zhusupzhanovich Turgunbaev. He has held the position since June 2024, when he replaced his predecessor, Kubanychbek Keneshovich Bokontaev.

The exclusive authority of the Board of the National Bank includes decision-making on the issues of the National Bank's activities and policy, monetary policy in the Kyrgyz Republic, the National Bank's budget (budget of revenues and expenditures and development budget), monetary instruments and instruments of lending to banks, issuance and withdrawal from circulation of the national currency, issuance of refined precious metals bullion, as well as other issues referred to the exclusive competence of the National Bank by the banking legislation of Kyrgyzstan.

The National Bank consists of 17 directorates and 15 independent departments, each of which is dedicated to different operational aspects of fulfilling its mission and ensuring the smooth functioning of the National Bank. In addition, the National Bank has regional branches in several cities, including Karakol, Naryn, Talas, Jalal-Abad, Osh, and Batken.

### National Bank Strategy for 2025-2030

The National Bank's strategy for 2025-2030 is aimed at achieving and maintaining price stability in the economy through the implementation of appropriate monetary policy. In addition, the strategy is aimed at creating a favourable environment in the banking and payment systems, ensuring their reliability and security, maintaining the purchasing power of the national currency, developing innovative financial technologies, complying with legislative norms in the field of consumer protection and increasing financial accessibility, which are key to sustainable development of the financial sector and integral conditions for the long-term economic growth and development of the country.

Specific components of the strategy include:

- *Monetary policy*: improvement of the interest rate channel of the monetary policy transmission mechanism; development of the interbank money market; and maintaining a flexible exchange rate.

- *Financial sector*: improvement of the regulatory legal framework; development of the principles of Islamic finance; updating digitalisation of the banking and microfinance sectors; improvement and strengthening of the banking system sustainability; cooperating with the participants of the financial and public sectors, the central banks of the EAEU countries and the international community in terms of countering computer attacks by sharing information on vulnerabilities, threats and information security incidents; development of sustainable finance, including green financing in the banking and microfinance sectors; encouraging greater financial inclusion for businesswomen; and improving financial literacy of the population.

- *Payment systems*: achieving the share of non-cash payments and settlements to the level of 80-90 percent through the development of digital financial infrastructure, methods of non-cash payments, and

development of digital payment technologies; and testing the prototype of the "digital Som" platform.

- *Cash circulation*: ensuring continuity, reliability, and security of cash circulation.
- *Ensuring the activity of the National Bank*: ensuring the continuous process of the National Bank's activity; and ensuring the availability of the automated and information systems of the National Bank, as well as their development in accordance with the current Concept of Digital Transformation of the Kyrgyz Republic.

**Monetary Policy**

***Goals and Objectives of Monetary Policy***

The National Bank is responsible for the formulation, development and implementation of monetary policy. The objective of the monetary policy is to achieve and maintain price stability through appropriate monetary policy.

The discount rate of the National Bank is the main instrument of monetary policy. In 2014, the National Bank moved to a new monetary policy framework pursuant to which the National Bank discount rate serves as a target benchmark for the cost of funds in the money market in order to improve and increase the effectiveness of monetary policy. Short-term money market interest rates are the operational benchmark of monetary policy. The purpose of the transition to the new framework is to increase the impact of the operation of the interest rate channel of monetary policy, in order to develop the inter-bank credit market and support the real sector of economy.

The quantitative benchmark of the monetary policy is to keep the inflation rate within 5%-7% in the medium term. Development and implementation of the monetary policy is carried out within the framework of the "Main Directions of the Monetary Policy for the medium term", which was approved in December 2017. Development of the monetary policy is based on inflation forecasts for the short and medium term, obtained as a result of a coordinated and economically sound forecast of the country's economic development and in the external environment.

Communication policy is among the main instruments of monetary policy. The National Bank regularly issues press releases and holds press conferences on monetary policy issues in order to inform the public and form adequate inflationary expectations among the population. Assessments of the current and expected macroeconomic situation in the country made by the National Bank is published in a Monetary Policy Report at the beginning of the third month of the quarter following each quarter. The schedule of meetings held by the Board of the National Bank on the determination of the discount rate is published on the National Bank's official website.

***Monetary Policy Implementation***

To realise the goal of ensuring price stability in the Kyrgyz Republic, the National Bank uses a wide range of instruments to manage liquidity of the banking system and regulate short-term interest rates in the money market. In general, monetary policy instruments are divided into instruments that facilitate liquidity injection into the banking system and those that facilitate its withdrawal. To limit the monetary component of inflation, the National Bank carries out operations aimed at withdrawing excess liquidity from the banking system by means of issuing National Bank notes in the open market and attracting free funds of commercial banks to "overnight" deposits with the National Bank. The National Bank implements monetary policy through the following instruments:

- the discount rate;
- mandatory reserve requirements;
- open market operations, consisting of auctions on sale of National Bank notes, direct/reverse repo operations of the National Bank, purchases of securities on outright terms (rediscount operations of the National Bank);
- deposit operations, consisting of overnight deposits and deposit operations conducted on an auction

basis;

- operations on refinancing (lending) to banks, consisting of overnight credit, intraday credit, seven-day credit and credit auctions for the purposes of refinancing and liquidity maintenance; and
- operations in the foreign exchange market, consisting of currency interventions and swap operations.

*Discount Rate*

The discount rate of the National Bank is the main instrument of monetary policy, which acts as a benchmark for the cost of funds in the money market. The level of the discount rate is determined by the Board of the National Bank.

*Mandatory Reserve Requirements*

Mandatory reserve requirements are one of the main instruments of the National Bank's monetary policy and are used to regulate the general level of liquidity in the banking system, short-term interest rates and the volume of monetary aggregates. To ensure stability of the local banking sector, the National Bank sets minimum reserve requirements, which are determined separately for KGS and foreign currency liabilities. By changing the reserve requirement, the National Bank influences the ability of commercial banks to lend and thereby affects the liquidity of the market.

The Board of the National Bank determines the reserve requirements and the procedure for their fulfilment depending on monetary policy conditions. In accordance with National Bank regulations, commercial banks are required to comply with mandatory reserve requirements during four calendar weeks (28 days) of the base period. At the same time, commercial banks are additionally subject to the requirement to comply with a minimum threshold requirement on the volume of required reserves, which implies maintaining a certain amount of cash in reserve assets on a daily basis to fulfil the mandatory reserve requirements. The most recent changes regarding the size of the mandatory reserve requirements were made in October 2023, when the amount of liabilities in foreign currency (other than liabilities in Armenian drams, Belarusian rubles, Kazakh tenge, Chinese renminbi and Russian rubles) for commercial banks was raised from 14.0% to 15.0%. At the same time, the amount of liabilities in the national currency and in currencies of EAEU countries and the PRC was maintained at the previous level of 4.0%.

*Open Market Operations*

In order to limit the monetary component of inflation, the National Bank actively carries out operations on absorbing excess liquidity from the banking system through open market operations (issues of National Bank notes) and attracting free funds of commercial banks to "overnight" deposits with the National Bank.

National Bank notes are discount securities issued by the National Bank with maturities from seven to 364 days. The parameters of the issuance of notes (including method, volume, maturity, maximum yield and auction date) are determined by a decision of the Monetary Regulation Committee of the National Bank. The purpose of National Bank note auctions is to withdraw liquidity in the national currency from the banking system.

Repo operations (direct repo) of the National Bank are operations involving the purchase of securities issued by the National Bank and the Ministry of Finance with the obligation to sell them back at a certain date in the future and at a predetermined price. Repo operations are conducted to provide the banking system with liquidity in the national currency. Upon a decision of the Monetary Committee of the National Bank, repo operations are conducted on an auction basis or at a fixed interest rate. The Monetary Regulation Committee of the National Bank also decides on the volume, maturity and interest rate of repo operations. Repo operations (reverse repos) of the National Bank are operations involving the sale of securities issued by the National Bank and the Ministry of Finance with the obligation to buy them back at a certain date in the future and at a predetermined price. Repo operations are conducted for the purpose of withdrawing excess liquidity from the banking system.

*Deposit Operations*

The National Bank's deposit operations in the national currency are an instrument used for the purpose of withdrawing excess liquidity from the banking system by attracting monetary funds in the national currency to time deposit accounts with the National Bank on the terms of repayment, payment and maturity. By decision of

the Monetary Regulation Committee of the National Bank, deposit operations are carried out on an auction basis or at a fixed interest rate. The Monetary Regulation Committee of the National Bank also decides on the volume, maturity, and interest rate of deposit operations.

Overnight deposits are an instrument aimed at withdrawal of short-term liquidity and allowing commercial banks to place monetary funds in KGS on deposit with the National Bank overnight at a certain interest rate. The interest rate is set by the Monetary Regulation Committee of the National Bank and serves as the lower boundary of the interest rate corridor. It is a permanent window used at the initiative of a commercial bank.

*Refinancing (Lending) Operations to Banks*

Refinancing operations of the National Bank are an instrument of direct impact on the money supply, used to adjust the level of reserves in commercial banks, in case of deficit of financial resources. The National Bank uses the following types of refinancing instruments:

- intraday credit provided in KGS on an interest-free basis during the trading operational day for several hours against collateral to improve the efficiency of the payment system;
- an overnight credit facility provided in KGS for one day on a repayable, collateralised basis to support short-term liquidity of banks;
- a seven-day credit facility provided in KGS against collateral to support short-term liquidity; and
- credit auctions held at the initiative of the National Bank for the purpose of providing commercial banks with credit resources in the national currency for maintaining liquidity and lending to certain sectors of the economy.

*Foreign Exchange Transactions*

The National Bank's monetary policy instruments also include foreign exchange operations in the interbank foreign exchange market. Operations in the foreign exchange market include the following:

- foreign exchange interventions to buy or sell foreign currency, which are carried out to prevent sharp fluctuations in the exchange rate; and
- currency swap operations of the National Bank involving the exchange of national (foreign) currency for an equivalent amount in national (foreign) currency with the obligation to exchange back the principal amounts and accrued interest after a predetermined period of time; currency swap operations are conducted to provide the banking system with liquidity in national currency (forward swap) or withdraw excess liquidity from the banking system (reverse swap).

Interventions in the foreign exchange market are used by the National Bank to smooth excessive fluctuations of exchange rates against the KGS. In 2023, the National Bank conducted 14 interventions for the sale of U.S. dollars for a total amount of US$655.7 million. In order to ensure timely fulfilment of Kyrgyzstan's obligations under the EAEU Treaty, the National Bank in 2023 conducted foreign exchange operations on the purchase of a total amount of 15.9 billion Russian rubles. See " – Exchange Rates and Exchange Rate Policy".

**Money Supply**

The most important components of the money supply are M1, M2 and M2X, which are comprised of:

- M1: paper money and coins held by the public (M0) plus on-demand deposits in local currency;
- M2: M1 plus other deposits, including savings and time deposits, in local currency; and
- M2X: M2 plus foreign currency deposits.

Under applicable legislation, the National Bank has the exclusive right to issue bank notes and coins in Kyrgyzstan. The National Bank is responsible for the printing of bank notes and the minting of coins, the security and safekeeping of bank notes and coins intended for circulation and the storage and destruction of bank notes and coins withdrawn from circulation.

The following table set out certain statistics relating to monetary aggregates as at the dates presented. Data is presented in accordance with the IMF's "Monetary and Financial Statistics Manual".

**Monetary Aggregates**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| | *(KGS millions, except ratios)* | | | | |
| Money in circulation[2] | 134,629.2 | 139,922.2 | 198,810.1 | 207,251.0 | 240,424.7 |
| Money outside banks (M0) | 124,171.9 | 124,837.8 | 176,430.2 | 178,764.7 | 205,865.9 |
| Monetary aggregate (M1) | 174,213.9 | 201,580.9 | 274,291.3 | 302,357.4 | 395,637.5 |
| Narrow money supply (M2) | 219,103.6 | 253,188.3 | 335,509.5 | 373,629.4 | 489,407.3 |
| Broad Money Supply (M2x) | 285,248.2 | 339,778.3 | 443,722.3 | 510,269.1 | 673,109.4 |
| M1 Multiplier[3] | 1.2 | 1.3 | 1.2 | 1.2 | 1.3 |
| M2 Multiplier[3] | 1.5 | 1.6 | 1.5 | 1.5 | 1.7 |
| M2x Multiplier[3] | 1.9 | 2.2 | 2.0 | 2.0 | 2.3 |
| Orbital velocity M1[4] | 3.7 | 3.9 | 3.7 | 4.4 | 3.8 |
| Velocity M2 | 2.9 | 3.1 | 3.0 | 3.6 | 3.1 |
| Velocity M2x | 2.2 | 2.3 | 2.3 | 2.6 | 2.3 |
| *Reference:* | | | | | |
| Money Outside Banks/Total Deposits | 0.8 | 0.6 | 0.7 | 0.5 | 0.4 |
| Deposits/Money Supply (M2x) | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |

(1) Preliminary data.
(2) Monetary base does not include deposits of commercial banks with the National Bank in foreign currency.
(3) A multiplier is a measure of the number of monetary units created by each unit of money supply.
(4) Velocity of circulation is calculated on an annual basis in accordance with the "Methodology for calculating the velocity of money circulation and the monetisation coefficient of the economy of the Kyrgyz Republic" dated 27 September 2017.

*Source: National Bank.*

The National Bank monitors the money in circulation through commercial banks in order to meet the needs of the economy for the national currency in cash on timely basis. In 2024, work was continued to put banknotes and coins into circulation, to maintain the optimal stock of the required denominations and to withdraw and destroy unfit banknotes. As of 31 December 2024, the total amount of cash in circulation was KGS 240.4 billion, an increase of 16.0% compared to 31 December 2023.

In 2024, monetary indicators (monetary base and aggregates) demonstrated significant acceleration in growth rates compared to the indicators of 2023. At the end of 2024, the monetary base increased by 17.5% compared to 31 December 2023 and amounted to KGS 293.6 billion. Operations of the fiscal authorities and monetary channel operations were the main factors driving the monetary base growth.

As of 31 December 2024, M2X monetary aggregates (broad money supply including deposits in foreign currency) were KGS 673.1 billion, an increase of 31.9% compared to 31 December 2023. The increase in this indicator was primarily due to growth of deposits by 40.9%, and an increase in the M0 indicator (money outside banks) by 15.2%. Broad money supply in the national currency (M2 monetary aggregate) increased by 31.0%, up to KGS 489.4 billion at the end of 2024.

Monetisation of the Kyrgyzstan economy, expressed as the ratio of broad money supply (M2X) to nominal GDP, was 44.6% in 2020, 43.4% in 2021, 43.5% in 2022, 38.3% in 2023 and 44.2% in 2024 (preliminary data).

The National Bank has taken various measures to decrease the level of dollarisation in the Kyrgyzstan economy, including by establishing stricter requirements on banks for mandatory reserves for deposits in foreign currency and restrictive terms and conditions for transfers and deposits in foreign currencies. As of 31 December 2024, deposits in foreign currency accounted for 42.9% of all deposits, and loans in foreign currency accounted for 20.1% of all loans. In April 2023, the Board of the National Bank approved the Economic Action Plan of the National Bank on de-dollarisation of the economy and made appropriate decisions on its implementation in

order to reduce dollarisation of the economy in the Kyrgyz Republic and further strengthen confidence in the national currency.

**Inflation**

The National Bank aims to achieve price stability. CPI is used as a broad measure of inflation in Kyrgyzstan.

The National Bank uses consolidated data to monitor both headline inflation and core inflation. Core inflation is that part of headline inflation which is net of supply-side shocks, such as sharp or short-term price fluctuations resulting, for example, from one-off increases in public utility tariffs or adverse weather conditions of a temporary nature. Core inflation excludes food and energy prices. The monetary policy of the National Bank is aimed at keeping the inflation rate within the 5%-7% band. For information on the National Bank's inflation targeting policy, see "*—Monetary Policy*".

The following table sets forth the 12-month end-of period CPI in Kyrgyzstan as at the dates indicated.

**Inflation Rate (CPI)**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(percentage)* | | | | |
| **CPI** | **9.7** | **11.2** | **14.7** | **7.3** | **6.3** |
| *including:* | | | | | |
| Food and non-alcoholic beverages | 17.6 | 13.3 | 15.8 | 3.4 | 5.4 |
| Alcoholic beverages and tobacco products | 6.7 | 11.4 | 24.4 | 11.3 | 11.4 |
| Non-food products | 2.4 | 9.7 | 12.7 | 12.2 | 5.1 |
| Services | 3.0 | 7.1 | 9.1 | 9.1 | 8.1 |

*Source: National Statistical Committee*

As of 31 December 2020, the annual CPI inflation rate was 9.7%. There was growth in inflation as a result of high demand for essential goods and increased global prices of food, causing the food inflation rate to reach 17.6%. The main groups of non-food products demonstrated low growth with an inflation rate of 2.4%. There was a moderate increase in prices for paid services due to an increase in transportation prices.

As of 31 December 2021, the annual CPI inflation rate was 11.2%. Monetary policy measures contributed to the containment of inflationary processes. However, inflation in 2021 was primarily caused by non-monetary factors, most significantly, the increase in global food market prices, as well as adverse weather conditions and high volatility of prices for basic food products. Prices for food products increased by 13.3% and prices for non-food products increased by 9.7%. There was also an increase in prices for paid services.

As of 31 December 2022, the annual CPI inflation rate was 14.7%. Global supply chain disruptions following the onset of the Russia-Ukraine war in February 2022 and adverse weather conditions which reduced agricultural yields and strong global demand resulted in an increase in food prices by 15.8%. Similarly, prices for non-food products increased by 12.7%, reflecting a higher contribution to CPI of 3.7%. Prices for paid services increased by 9.1%, mainly due to increases in prices for transportation, hotels and catering services.

As of 31 December 2023, the annual CPI inflation rate was 7.3%. The main factors influencing inflation were the growth in domestic consumption, the revision of the Government's tariff policy, as well as a restrained slowdown in price increases for imported non-food products, particularly fuel. There was increased domestic demand driven by an increase in real wages and growth in inflow of remittances, which affected household incomes. In 2023, the tariff policy of the Government was revised to result in higher administered prices for certain goods and services. Excise tax rates were increased in 2023. There was a steady slowdown in the annualised growth of prices for food products from 15.8% in December 2022 to 3.4% in December 2023. The contribution of food products to the overall CPI growth decreased by 5.7 percentage points compared to 2022 and constituted 1.5 percentage points. The decline in prices in the world food markets was the main factor of downward dynamics of prices for food products. Prices for non-food products increased by 12.2% in annual terms, with the contribution thereof to the overall CPI constituting 3.5 percentage points. Under such conditions, the National Bank conducted monetary policy to reduce the inflation rate to the target within the range of 5%-7% in the medium term.

As of 31 December 2024, the annual CPI inflation rate was 6.3%. The structure of the annual inflation rate was as follows: prices for food products increased by 5.4%; prices for non-food products increased by 5.1%; prices for alcoholic drinks and tobacco products increased by 11.4%; and prices for services increased by 8.1%. Inflation in the non-food group of goods was driven by steady growth in consumer demand, price fluctuations in the world markets for petroleum products tariff policy measures taken by the Government. Alcohol drinks and tobacco products prices increased due to the annual growth in the amount of the excise tax.

**Financial Market Interest Rates**

The following tables set out the weighted average interest rates for deposits in Kyrgyz som and foreign currency, respectively, for the years indicated.

**Interest Rates on Deposits in Kyrgyz Som (Average)**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | | | *(percentage)* | | |
| **Deposits of Legal Entities** | **2.4** | **2.3** | **3.3** | **3.0** | **2.9** |
| demand deposits | 0.7 | 0.4 | 1.4 | 1.4 | 0.9 |
| time deposits: | 8.3 | 10.9 | 12.6 | 11.9 | 11.5 |
| *of which:* | | | | | |
| up to 1 month | 3.4 | 3.2 | 6.4 | 2.7 | 3.2 |
| 1-3 months | 4.0 | 3.6 | 5.6 | 7.4 | 5.2 |
| 3-6 months | 6.2 | 6.5 | 9.0 | 8.7 | 7.9 |
| 6-12 months | 10.2 | 11.9 | 14.0 | 13.0 | 12.7 |
| over 1 year | 7.9 | 10.8 | 12.8 | 12.4 | 13.3 |
| **Deposits of Individuals** | **1.2** | **1.1** | **1.2** | **1.2** | **1.6** |
| demand deposits | 0.4 | 0.4 | 0.5 | 0.7 | 1.4 |
| time deposits: | 9.3 | 9.9 | 11.5 | 11.5 | 10.8 |
| *of which:* | | | | | |
| up to 1 month | 6.1 | 5.8 | 6.1 | 5.8 | 1.5 |
| 1-3 months | 5.0 | 4.7 | 5.6 | 6.9 | 6.2 |
| 3-6 months | 6.5 | 6.6 | 8.2 | 8.8 | 9.1 |
| 6-12 months | 9.6 | 10.4 | 12.4 | 12.1 | 12.6 |
| over 1 year | 10.8 | 11.4 | 12.8 | 13.4 | 13.7 |
| **Deposits of Non-residents** | **1.5** | **2.0** | **1.0** | **0.9** | **1.1** |
| demand deposits | 0.0 | 0.2 | 0.1 | 0.5 | 0.7 |
| time deposits: | 9.6 | 10.7 | 12.0 | 11.7 | 11.4 |
| *of which:* | | | | | |
| up to 1 month | 5.3 | 6.4 | 7.7 | 6.2 | 1.4 |
| 1-3 months | 5.0 | 5.5 | 6.9 | 7.9 | 7.5 |
| 3-6 months | 7.0 | 7.0 | 8.1 | 9.7 | 10.1 |
| 6-12 months | 10.1 | 11.0 | 12.5 | 12.5 | 13.0 |
| over 1 year | 10.9 | 11.7 | 13.3 | 13.5 | 14.0 |
| **Average Weighted Rate** | **1.4** | **1.3** | **1.4** | **1.3** | **1.7** |

(1) Preliminary data.

*Source: Commercial banks of the Kyrgyz Republic, as reported to the National Bank*

**Interest Rates on Deposits in Foreign Currency (Average)**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| | | | *(percentage)* | | |
| **Deposits of Legal Entities** | **0.3** | **0.4** | **0.4** | **0.5** | **0.7** |
| demand deposits | 0.1 | 0.2 | 0.3 | 0.4 | 0.3 |
| time deposits: | 3.2 | 2.4 | 1.9 | 2.4 | 3.0 |
| *of which:* | | | | | |
| up to 1 month | 2.2 | 0.9 | 0.5 | 0.9 | 4.1 |
| 1-3 months | 2.6 | 2.1 | 2.0 | 2.5 | 2.1 |
| 3-6 months | 1.5 | 2.9 | 3.9 | 3.6 | 2.0 |
| 6-12 months | 3.3 | 3.0 | 2.0 | 2.8 | 3.3 |
| over 1 year | 3.1 | 3.5 | 2.4 | 2.4 | 2.6 |
| **Deposits of Individuals** | **0.4** | **0.2** | **0.2** | **0.2** | **0.2** |
| demand deposits | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| time deposits: | 2.8 | 2.5 | 2.7 | 2.9 | 3.2 |
| *of which:* | | | | | |
| up to 1 month | 1.9 | 2.1 | 2.5 | 2.4 | 2.4 |
| 1-3 months | 2.2 | 2.0 | 2.8 | 2.8 | 3.3 |
| 3-6 months | 2.2 | 1.7 | 2.5 | 2.7 | 2.9 |
| 6-12 months | 2.9 | 2.5 | 2.7 | 3.0 | 3.5 |
| over 1 year | 3.4 | 2.9 | 2.8 | 3.2 | 3.4 |
| **Deposits of Non-residents** | **0.3** | **0.3** | **0.1** | **0.1** | **0.1** |
| demand deposits | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| time deposits: | 2.7 | 2.5 | 1.9 | 1.2 | 1.9 |
| *of which:* | | | | | |
| up to 1 month | 1.2 | 2.3 | 1.2 | 0.3 | 0.2 |
| 1-3 months | 2.5 | 2.6 | 2.1 | 1.9 | 2.0 |
| 3-6 months | 2.2 | 1.8 | 2.1 | 1.9 | 2.2 |
| 6-12 months | 2.7 | 2.6 | 2.5 | 1.6 | 2.6 |
| over 1 year | 3.3 | 2.9 | 2.8 | 2.8 | 3.0 |
| **Average Weighted Rate** | **0.3** | **0.3** | **0.2** | **0.2** | **0.2** |

(1) Preliminary data.
*Source: Commercial banks of the Kyrgyz Republic, as reported to the National Bank*

Interest rates have historically varied, sometimes significantly, depending on the currency of the deposit and the identity of the depositor. Variations are driven by competition between Kyrgyz commercial banks and by anticipated exchange rates.

**Exchange Rates and Exchange Rate Policy**

Since Kyrgyzstan's national currency, the som, was introduced in 1993, Kyrgyzstan has had a floating exchange rate. The National Bank publishes daily the exchange rate of the som in terms of the U.S. dollar, which is determined in the interbank foreign exchange market. The official exchange rate of the som against the dollar is calculated as the daily weighted average of the exchange rates applied in the purchase and sale transactions of dollars conducted in the foreign exchange market through the Automated Trading System (ATS) of the National Bank for the reporting period from 3:00 pm of the previous trading day to 3:00 pm of the current trading day. The official exchange rate becomes effective from the next business day.

The following table sets out, for the years indicated, the exchange rates for the som relative to the U.S. dollar.

| *Year* | High | Low | Average[(1)] | Period End |
|---|---|---|---|---|
| | | (*KGS/USD*) | | |
| 2025 (up to and including 21 April 2025) | 87.4500 | 85.6093 | 87.1948 | 87.1000 |
| 2024 | 89.5100 | 84.0300 | 87.1424 | 87.0000 |
| 2023 | 89.3200 | 85.6800 | 87.8605 | 89.0853 |
| 2022 | 105.0000 | 79.5000 | 84.1253 | 85.6800 |
| 2021 | 84.8113 | 83.0132 | 84.6399 | 84.7586 |
| 2020 | 84.8988 | 69.5117 | 77.3616 | 82.6498 |

(1) The average annual exchange rate is calculated based on the official daily exchange rates published during the period.
*Source: National Bank*

In 2020, the KGS weakened relative to the U.S. dollar exchange by 18.7%, from KGS 69.6439 : US$1.00 as of 31 December 2019 to KGS 82.6498: US$1.00 as of 31 December 2020. A similar trend of the U.S. dollar strengthening was observed in the markets of most developed and developing countries. At the same time, the available sufficient stock of international reserves and the possibility of taking prompt measures by the National Bank through currency interventions ensured the ability to maintain a stable situation in the domestic foreign exchange market.

In 2021, the exchange rate of KGS to USD fluctuated within the range from KGS 82.6498 : US$1.00 to KGS 84.8113 : US$1.00 and was KGS 84.7586 : US$1.00 as of 31 December 2021, a weakening of the KGS by 2.6% compared to 31 December 2020. In 2021, the COVID-19 pandemic and the resulting economic crisis, coupled with the risks of new variants of COVID-19, put pressure on the exchange rate. The National Bank conducted foreign exchange interventions for sale of foreign currency in the amount of US$737.0 million, aimed at smoothing sharp exchange rate fluctuations in the foreign exchange market, in order to prevent significant fluctuations in the exchange rate. The National Bank did not conduct interventions to purchase foreign currency.

As of 31 December 2022, the official KGS/USD exchange rate was KGS 85.6800: US$1.00, having weakened by 1.1% compared to 31 December 2021 and having strengthened by 18.4% compared to the highest official exchange rate of KGS 105.0000 : US$1.00 as of 16 March 2022. The National Bank conducted foreign exchange interventions for sale of foreign currency in the amount of US$486.5 million and purchase of U.S. dollars in the amount of US$190.7 million to prevent significant fluctuations in the exchange rate.

As of 31 December 2023, the official KGS/USD exchange rate was KGS 89.0853: US$1.00, having weakened by 4.0% compared to 31 December 2022. In 2023, the range of fluctuations of the official exchange rate decreased as compared to 2022, due to high volatility in the external markets amidst deterioration of the geopolitical situation in 2022. In 2023, the National Bank, following the floating exchange rate regime, conducted foreign exchange interventions for sale of foreign currency in the amount of US$655.7 million to smooth sharp fluctuations of the exchange rate.

As of 31 December 2024, the official KGS/USD exchange rate was KGS 87.0000 : US$1.00, having strengthened by 2.3% compared to 31 December 2023. In 2024, the National Bank conducted foreign exchange interventions for sale of foreign currency in the amount of US$675.7 million and for the purchase of foreign currency in the amount of US$369.9 million to smooth sharp fluctuations of the exchange rate.

**International Reserves**

The following table sets forth information on Kyrgyzstan's international reserves and foreign currency position as of the dates indicated.

**Official Reserve Assets and Other Foreign Currency Assets**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | (*US$ millions, except as otherwise indicated*) | | | | |
| **A. Official reserve assets[1]** | **2,722.6** | **2,889.6** | **2,719.1** | **3,161.2** | **5,014.4** |
| (1) Foreign currency reserves | 1,383.9 | 1,704.0 | 1,182.8 | 1,260.6 | 1,429.4 |
| (a) Securities including: issuers headquartered in the reporting country but located abroad | 882.5 | 844.8 | 447.8 | 470.8 | 583.3 |
| (b) total amount of currency and deposits | 501.4 | 859.2 | 735.0 | 852.9 | 846.2 |
| (i) other national central banks, the BIS and the IMF | 209.1 | 530.1 | 482.6 | 612.7 | 538.3 |
| (ii) in banks headquartered in the reporting country including those located abroad | - | - | - | - | - |
| (iii) banks headquartered outside the reporting country including those located in the reporting country | 292.3 | 329.1 | 252.4 | 240.2 | 307.9 |
| (2) IMF reserve position | 0.4 | 0.4 | 0.4 | 0.4 | 0.6 |
| (3) Special Drawing Rights ("**SDRs**") | 125.3 | 375.1 | 228.6 | 176.1 | 208.4 |
| (4) Gold (including gold deposits) | 1,017.9 | 591.8 | 955.1 | 1,430.2 | 3,198.4 |
| - In volume (troy ounces millions) | 0.5 | 0.3 | 0.5 | 0.7 | 1.2 |
| (5) Other reserve assets | 195.1 | 218.2 | 352.1 | 293.8 | 177.5 |
| – derivative financial instruments | - | - | - | - | - |
| – loans granted to non-resident non-banking institutions | - | - | - | - | - |
| - other | 195.1 | 218.2 | 352.1 | 293.8 | 177.5 |
| **B. Other foreign currency assets (specify)** | **-** | **-** | **-** | **-** | **-** |
| - deposits not included in official reserve assets | - | - | - | - | - |
| - non-monetary gold not included in official reserve assets | - | - | - | - | - |
| Official reserve assets in months of imports | 5.7 | 3.4 | 2.7 | 2.6 | 4.2 |
| Liquid part of official reserves in months of imports | 5.3 | 3.1 | 2.6 | 2.5 | 4.1 |

(1) Official reserve assets and other foreign currency assets are converted into U.S. dollars at the official foreign exchange rates against the KGS, set by the National Bank.

*Source: National Bank*

The international reserves of the National Bank comprise assets in gold, SDRs and a foreign currency portfolio. According to National Bank Law, the National Bank independently forms, owns and manages all international reserves, taking into account the priorities of liquidity and ensuring the security of reserve assets. Management of international reserves is regulated by the Investment Policy and the Risk Management Policy in International Reserves Management. Central banks, international financial institutions and foreign commercial banks are the counterparties of the National Bank.

The National Bank holds a significant portion of its reserve assets in the form of gold. Under Kyrgyz law, the Cabinet of Ministers and the National Bank have the right of priority to purchase gold produced in the territory of the Kyrgyz Republic.

Reserve assets are managed on a portfolio basis to maintain the required level of liquidity as well as to improve efficiency in international reserves management. Foreign exchange portfolios are divided into working portfolios and investment portfolios so ensure maintenance of the optimal level of profitability of reserves. Working portfolio assets are placed in the most liquid instruments and are used for operations in the domestic interbank foreign exchange market and for payments of the National Bank and the Cabinet of Ministers in foreign currency, including servicing of External Public Debt. The investment portfolio is managed in accordance with the approved benchmark portfolio of international reserves. The National Bank places international reserves in securities and time deposits. The securities portfolio includes government securities of

individual countries, and short-term and medium-term investment instruments of international financial institutions. Time deposits are placed with international financial institutions, and foreign central and commercial banks with high international ratings.

As of 31 December 2024, gross international reserves amounted to US$5,088.1 million (corresponding to 4.2 months of import coverage), having increased by US$1,851.6 million, or 57.2% since 31 December 2023. The increase was the result of payments on External Public Debt, changes in exchange rates of currencies which are part of international reserves, changes in the prices for precious metals, income from management of international reserves, operations in purchasing gold in the domestic market, foreign exchange operations of the National Bank carried out in the domestic market and receipt of foreign currency in favour of the Cabinet of Ministers.

In 2024, the National Bank continued to conduct operations in the domestic market of precious metals and bought gold with KGS in order to replenish the National Bank's gold assets. The total volume of assets in gold (monetary and non-monetary gold, gold reserves) of the National Bank as of 31 December 2024 amounted to 52.34 tonnes, which is an increase of 4.3 tonnes compared to 31 December 2023. In 2024, the National Bank purchased 6.08 tonnes of gold in the domestic precious metals market, as compared to 20.72 tonnes in 2023.

**Banking and Financial Institutions**

***Structure of the Banking System***

As of 31 December 2024, 21 commercial banks (with 304 bank branches) operated in the Kyrgyz Republic, among which five were state-owned and 11 had foreign capital, including nine banks with more than 50% foreign ownership. All banking institutions of the country are universal banks.

The following table sets out the commercial banks of the Kyrgyz Republic and number of their numbers of branches as of 3 March 2025.

| Name of Bank[1] | Number of Branches |
|---|---|
| OJSC "Kyrgyzkommertsbank" | 3 |
| "Mbank" OJSC | 18 |
| "Optima Bank" OJSC | 21 |
| "KCB Commercial Bank" CJSC | 3 |
| OJSC "Kapital Bank" | 7 |
| CJSB JSCB "Tolubai" | 2 |
| OJSC "Eldik Bank" | 52 |
| "Demir Kyrgyz International Bank" CJSC | 14 |
| OJSC "Dos-Kredobank" | 10 |
| CJSC "EcoIslamikBank" | 7 |
| OJSC "Eurasian Savings Bank" | 2 |
| CJSC "Bank of Asia" | 7 |
| OJSC "BAKAI BANK" | 20 |
| OJSC "O!Bank" | 10 |
| CJSC "Kyrgyz Investment and Credit Bank". | 23 |
| OJSC "FinanceCreditBank" | 6 |
| OJSC "Aiyl Bank"[2] | 38 |
| OJSC "Bank Keremet"[3] | 12 |
| "Bai-Tushum" Bank OJSC | 7 |
| "FINCA Bank" CJSC[4] | 24 |
| "Bank Kompanion" CJSC | 18 |

(1) The Russia-Kyrgyz Development Fund is an international organisation established in 2014. It is headquartered in Bishkek. Its main objective is to provide long-term financial resources for various projects and initiatives, aiming to support the Kyrgyz Republic's economic growth and development. The Russia-Kyrgyz Development Fund is not supervised by the National Bank and is accordingly not regarded as part of the banking sector for purposes of this section.
(2) State-owned.
(3) 22% State-owned. See " – *Banking and Financial Sector Supervision – Sanctions Compliance*".
(4) Owned by a global network of microfinance institutions and banks focused on financial inclusion.

The banking system also encompasses the activities of specialised financial and credit organisations ("**SFCOs**"), microfinance organisations, credit unions, exchange bureaus, credit bureaus, and housing savings and credit companies ("**HSCCs**"), all of which operate under licences issued by the National Bank. Microfinance organisations (which include microfinance companies, microcredit companies and microcredit agencies), as well as guarantee funds, operate based on certificates of accounting registration issued by the National Bank. As of April 2025, the system of non-bank financial and credit institutions and other non-bank entities regulated and supervised by the National Bank comprised one SFCO, 78 credit unions, 105 microfinance organisations (including nine microfinance companies, 63 microcredit companies, and 33 microcredit agencies) and 789 exchange bureaus.

Banks accounted for 92.3% of total banking system assets as of 31 December 2024. As of 31 December 2024, the 11 banks with full or partial foreign ownership accounted for 34.3% of the banking system's total capital.

*Financial Condition of the Banking Sector*

The following table sets forth the analytical accounts of Kyrgyzstan's commercial banks as of the dates presented.

**Analytical Accounts of Commercial Banks**[(1)]

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(2)] |
| | *(KGS millions)* | | | | |
| **Foreign assets (net)** | **23,946.3** | **47,360.0** | **70,002.5** | **86,468.9** | **119,281.4** |
| Claims on non residents | 53,609.3 | 77,806.4 | 132,889.5 | 162,071.2 | 207,603.4 |
| Minus: Liabilities to non-residents | (29,663.0) | (30,446.4) | (62,886.9) | (75,602.3) | (88,322.1) |
| **Claims on the National Bank** | **46,185.2** | **64,954.3** | **103,169.4** | **122,391.0** | **159,851.8** |
| **Claims on the Government (net)** | **(6,017.2)** | **(2,520.4)** | **(4,646.3)** | **(13,183.3)** | **(10,141.4)** |
| Claims on the Government | 10,846.4) | 17,532.0 | 23,977.5 | 33,728.6 | 50,693.6 |
| Minus: liabilities to the Government | (16,863.7) | (20,052.4) | (28,623.7) | (46,911.9) | (60,835.0) |
| **Claims on other domestic sectors** | **168,928.4** | **188,659.7** | **210,234.6** | **264,696.8** | **354,528.7** |
| Other Financial Corporations | 2,953.3 | 3,996.3 | 2,938.6 | 3,970.9 | 7,132.8 |
| Non-Financial Corporations | 88,897.2 | 96,486.8 | 104,500.3 | 127,576.1 | 144,974.1 |
| Other domestic sectors | 77,077.9 | 88,176.6 | 102,795.6 | 133,149.8 | 202,421.9 |
| **Obligations to the National Bank** | **6,484.3** | **4,145.5** | **-** | **-** | **-** |
| **Liabilities included in broad money** | **161,076.3** | **214,940.5** | **267,292.1** | **331,504.4** | **467,243.5** |
| Transferable deposits | 98,924.2 | 145,755.9 | 188,713.9 | 239,150.3 | 339,999.0 |
| Other deposits | 62,152.1 | 69,184.6 | 78,578.2 | 92,354.1 | 127,244.5 |
| **Liabilities not included in broad money** | - | - | - | - | - |
| Other Financial Corporations | - | - | - | - | - |
| **Loans and borrowings** | **10,078.2** | **12,932.9** | 15,926.4 | 16,472.2 | 16,358.3 |
| Other Financial Corporations | 10,078.2 | 12,932.9 | 15,926.4 | 16,472.2 | 16,358.3 |
| **Derivative instruments** | **-** | **-** | **1,498.1** | **1,866.9** | **2,508.9** |
| **Shares and other forms of participation in capital** | **43,524.4** | **48,096.6** | **57,123.6** | **80,455.1** | **99,709.9** |
| **Other items** | **11,879.4** | **18,338.0** | **36,920.1** | **30,074.8** | **37,700.0** |

(1) Data provided in respect of 21 commercial banks. Does not include non-bank financial and credit institutions.
(2) Preliminary data.
*Source: National Bank*

The following table sets forth key financial indicators of commercial banks as of the dates presented.

**Financial Indicators of Commercial Banks**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | *(%)* | | |
| **Capital Adequacy** | | | | | |
| Net total capital/risk-weighted assets | 24.9 | 22.2 | 25.6 | 24.8 | 22.0 |
| Net Tier 1 capital/risk-weighted assets | 21.6 | 19.2 | 19.2 | 20.3 | 17.4 |
| Net total capital/total assets | 16.2 | 14.5 | 17.0 | 12.4 | 11.4 |
| **Liquidity** | | | | | |
| Liquidity ratio | 64.9 | 71.3 | 82.8 | 77.4 | 73.1 |
| Correspondent accounts with the National Bank / total deposits | 14.6 | 14.9 | 16.6 | 14.6 | 23.7 |
| Excess of required reserves/correspondent accounts with the National Bank | 0.2 | 2.2 | 6.6 | 18.9 | 7.3 |
| **Asset Quality** | | | | | |
| Non-performing loans ("**NPLs**")/total loans | 10.5 | 11.1 | 12.8 | 9.2 | 10.8 |
| Loan loss provisions/total loans | 6.2 | 7.0 | 8.6 | 6.2 | 4.9 |
| Loan loss provisions/NPLs | 58.9 | 63.2 | 67.1 | 67.6 | 45.9 |
| Non-performing assets/total assets | 5.9 | 5.6 | 5.4 | 3.9 | 4.5 |
| **Profitability** | | | | | |
| Return on assets | 0.9 | 1.2 | 5.9 | 4.4 | 4.3 |
| Return on equity | 5.5 | 7.8 | 43.4 | 32.4 | 32.5 |
| Net interest margin | 7.0 | 6.7 | 7.5 | 7.8 | 7.5 |
| Spread (%) | 6.3 | 6.1 | 6.9 | 7.4 | 7.1 |
| Incomes from services and commissions/total income | 10.2 | 13.4 | 8.9 | 12.7 | 12.0 |
| **Loans and Deposits** | | | | | |
| Loans/deposits | 95.9 | 80.3 | 65.0 | 66.0 | 64.3 |
| Loans/assets | 55.8 | 50.3 | 42.1 | 41.8 | 41.7 |
| **Foreign Exchange Exposure** | | | | | |
| Loans/deposits (in foreign currency) | 72.9 | 53.2 | 31.7 | 29.6 | 28.3 |
| Share of foreign currency deposits in total deposits | 43.4 | 42.2 | 48.3 | 49.3 | 45.7 |
| Share of foreign currency loans in total loans | 33.0 | 28.0 | 23.6 | 22.1 | 20.1 |

*Source: National Bank*

In 2020, the performance of the banking sector was adversely affected by the COVID-19 pandemic and the corresponding restrictive measures imposed by Kyrgyzstan and other countries. For 2020, net profit of the banking sector and amounted to KGS 2.3 billion, a decrease of 24.4% compared to 2019. Return on assets constituted 0.9%, and return on equity constituted 5.5%, each a decrease compared to 2019, due to an increase in loan loss provision expenses. As of 31 December 2020, capital adequacy of the banking sector amounted to 24.9% (as compared to the statutory minimum level of 12.0%), an increase of 0.9 percentage points compared to 31 December 2019.

For 2021, the net profit of the banking sector and amounted to KGS 3.6 billion, an increase of 56.2% compared to 2020. Return on assets constituted 1.2%, and return on equity constituted 7.8%, each an increase compared to 2020. As of 31 December 2021, capital adequacy of the banking sector amounted to 22.2% (as compared to the statutory minimum level of 12.0%), a decrease of 2.7 percentage points compared to 31 December 2021.

For 2022, the net profit of the banking sector and amounted to KGS 23.2 billion, an increase of 545.3% compared to 2021. Return on assets constituted 5.9%, and return on equity constituted 43.4%, each an increase compared to 2021. As of 31 December 2022, capital adequacy of the banking sector amounted to 25.6% (as compared to the statutory minimum level of 12.0%), an increase of 3.4 percentage points compared to 31 December 2021.

For 2023, the net profit of the banking sector and amounted to KGS 24.2 billion, an increase of 4.7% compared to 2022. However, due to excess assets and capital growth rates being higher than profitability growth rates,

return on assets, constituting 4.4%, and return on equity, constituting 32.4%, each decreased compared to 2022. As of 31 December 2023, capital adequacy of the banking sector amounted to 24.8% (as compared to the statutory minimum level of 12.0%), a decreased of 0.8 percentage points compared to 31 December 2022.

For 2024, the net profit of the banking sector amounted to KGS 31.1 billion, an increase of 28.3% compared to 2023. As of 31 December 2024, the return on assets was 4.3%, and the return on equity was 32.5%. As of 31 December 2024, the capital adequacy ratio of the banking sector was 22.0% (compared to the statutory minimum level of 12.0%), which is 2.8 percentage points less than on 31 December 2023.

*Assets of the Banking Sector*

The following table sets forth information on the structure of assets of the banking system as of the dates presented.

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(KGS billions)* | | | | |
| Loans and finance leases to customers | 162.6 | 181.8 | 204.0 | 257.8 | 340.7 |
| Correspondent accounts and deposits with other banks | 39.8 | 62.6 | 99.8 | 112.8 | 162.3 |
| Securities portfolio | 21.9 | 33.4 | 52.5 | 70.2 | 50.0 |
| Cash | 24.2 | 30.1 | 56.9 | 78.0 | 80.3 |
| Correspondent accounts with National Bank | 14.2 | 18.8 | 30.6 | 45.2 | 57.1 |
| Property, plant and equipment | 15.6 | 17.1 | 18.9 | 22.7 | 28.7 |
| Loans to financial and credit organisations | 2.1 | 1.2 | 2.0 | 4.6 | 8.1 |
| Securities purchased under repurchase (Repo) agreements | 0.3 | 0.3 | 0.0 | 0.1 | 0.5 |
| Investments and financial participation | 0.5 | 1.0 | 0.7 | 0.8 | 1.1 |
| Loan loss provisions | (15.6) | (18.1) | (23.1) | (22.4) | (23.5) |
| Other assets | 23.7 | 32.9 | 39.9 | 44.5 | 110.3 |
| **Total assets** | **289.3** | **361.1** | **482.2** | **614.3** | **815.6** |

*Source: National Bank*

The following table set out information on local currency loans of commercial banks by economic sector of borrower as of the dates presented.

**Local Currency Loans by Sector**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | | | *(KGS millions)* | | |
| Industry | 6,226.3 | 6,407.1 | 7,100.6 | 8,883.8 | 8,586.9 |
| Agriculture | 29,249.5 | 31,812.4 | 36,262.2 | 41,480.9 | 46,488.0 |
| Transportation | 2,476.5 | 2,856.1 | 3,795.0 | 6,069.7 | 7,910.7 |
| Communication | 104.5 | 206.2 | 5.1 | 6.9 | 7.9 |
| Wholesale and retail trade | 23,045.0 | 30,810.2 | 35,148.3 | 43,267.2 | 51,988.3 |
| Manufacturing | 1,752.5 | 2,006.1 | 1,846.0 | 1,574.8 | 799.9 |
| Construction | 5,368.8 | 6,884.5 | 6,350.8 | 5,764.6 | 6,276.5 |
| Mortgages | 14,940.8 | 17,848.4 | 22,240.5 | 27,308.9 | 36,124.0 |
| Consumer credit | 16,807.0 | 21,751.0 | 32,704.5 | 55,226.9 | 98,689.1 |
| Social services | 2,324.5 | 3,119.6 | 2,870.4 | 3,445.2 | 3,801.7 |
| Other | 6,714.8 | 7,332.2 | 7,671.3 | 7,914.3 | 11,689.4 |
| **Total loans net of provisions** | **109,010.2** | **131,033.7** | **155,994.8** | **200,943.2** | **272,362.3** |

(1) Preliminary data.
*Source: National Bank*

The following table sets out information on foreign currency loans from commercial banks by economic sector as of the dates presented.

**Foreign Currency Loans by Sector**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| | | | *(KGS millions)* | | |
| Industry | 7,828.9 | 7,414.2 | 6,563.5 | 4,511.4 | 5,436.3 |
| Agriculture | 1,238.8 | 1,365.6 | 805.0 | 711.9 | 925.5 |
| Transportation | 1,103.8 | 1,036.4 | 1,181.8 | 1,275.9 | 1,501.8 |
| Communication | 151.4 | 163.0 | 152.4 | 89.9 | 38.8 |
| Wholesale and retail trade | 18,699.2 | 20,463.7 | 21,044.7 | 30,777.2 | 37,940.7 |
| Manufacturing | 177.8 | 316.0 | 350.1 | 272.3 | 563.0 |
| Construction | 8,368.4 | 6,639.4 | 6,570.6 | 6,116.7 | 7,316.5 |
| Mortgages | 2,322.0 | 2,087.7 | 2,113.5 | 2,702.7 | 3,055.7 |
| Consumer credit | 566.4 | 454.6 | 365.8 | 586.2 | 539.6 |
| Social services | 4,053.5 | 3,587.1 | 3,142.1 | 2,921.7 | 3,376.7 |
| Other | 9,029.6 | 7,221.9 | 5,747.2 | 6,872.6 | 7,673.6 |
| **Total loans net of provisions** | **53,540.0** | **50,749.5** | **48,036.5** | **56,838.5** | **68,368.3** |

(1) Preliminary data.
Source: National Bank

*Non-Performing Loans*

The following table sets forth certain statistics concerning NPLs as of the dates indicated:

**NPLs at Commercial Banks[1]**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| NPLs (KGS millions) | 17,040.8 | 20,194.1 | 26,092.4 | 23,752.3 | 36,568.4 |
| Total outstanding loans (KGS billions) | 162.6 | 181.8 | 204.0 | 257.8 | 340.7 |
| NPLs/ total loans (%) | 10.5 | 11.1 | 12.8 | 9.2 | 10.8 |
| Provisions for loan losses / total loans (%)[2] | 6.2 | 7.0 | 8.6 | 6.2 | 4.9 |
| Provisions for loan losses / NPLs (%) | 58.9 | 63.2 | 67.1 | 67.6 | 45.9 |

(1) The National Bank classifies a loan as non-performing where: (i) payments of interest and principal are past due by 90 days or more; (ii) at least 90 days of interest payments have been capitalised, refinanced, or delayed by agreement; or (iii) payments are less than 90 days overdue, but there are other valid reasons to doubt that payments will be made in full.
(2) Based on special loan loss provisions.
*Source: National Bank*

*Liabilities of the Banking Sector*

The following table sets out information on the structure of liabilities in the banking system as of the dates presented.

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(KGS billions)* | | | | |
| Term deposits | 61.2 | 68.2 | 77.5 | 91.1 | 125.7 |
| Settlement accounts | 52.0 | 88.8 | 120.2 | 153.2 | 230.9 |
| Demand deposits | 46.9 | 56.9 | 68.5 | 85.8 | 108.7 |
| Loans received | 23.7 | 23.8 | 23.7 | 27.0 | 27.1 |
| Government deposits | 9.2 | 15.5 | 23.2 | 39.0 | 51.7 |
| Deposits of non-residents | 11.6 | 13.5 | 49.6 | 62.2 | 75.4 |
| Liabilities to the National Bank | 6.5 | 4.1 | 0.0 | 0.0 | 0.0 |
| Government loans | 7.6 | 4.5 | 5.3 | 7.8 | 9.1 |
| Settlement accounts and deposits of banks | 4.1 | 5.8 | 5.8 | 4.4 | 5.7 |
| Securities sold under repurchase (Repo) agreements | 0.3 | 0.3 | 0.0 | 0.0 | 0.5 |
| Other liabilities | 20.4 | 28.0 | 28.1 | 39.5 | 49.9 |
| **Total liabilities** | **243.5** | **309.4** | **401.9** | **510.0** | **684.8** |

*Source: National Bank*

Deposits represent the single largest component of banking sector liabilities, accounting for 54.5% and 52.8% of total liabilities as of 31 December 2023 and 2024, respectively.

As of 31 December 2024, the liabilities of the banking sector were KGS 684.9 billion, an increase of 34.3% compared to 31 December 2023. The volume of the deposit base increased by 37.3% and amounted to KGS 592.4 billion. The share of the deposit base in banks' liabilities amounted to 86.5%. The share of liabilities in foreign currency in the total volume of attracted funds decreased by 2.6 percentage points and amounted to 40.8%.

***Banking and Financial Sector Supervision***

Regulation of the banking system and financial sector in Kyrgyzstan is centered around the National Bank, which acts as the main regulatory and supervisory body. The regulatory framework is designed to ensure stability, transparency, and effective functioning of the financial sector, including the banking system, microfinance institutions, credit unions, and other financial entities. The National Bank is responsible for ensuring financial stability, regulating monetary policy, and supervising the banking and financial sectors. It licenses financial institutions, sets prudential standards, and enforces compliance with laws and regulations. It monitors the solvency, liquidity, and operational efficiency of banks and other financial institutions. The National Bank also acts as a lender of last resort to provide liquidity support in times of crisis.

The activities of the National Bank are regulated by the National Bank Law, which sets out the powers, duties and functions of the National Bank. The National Bank issues normative legal acts, which are an integral part of the banking legislation of the Kyrgyz Republic. The National Bank takes into account international standards of banking regulation and supervision, including the standards of the Basel Committee on Effective Banking Supervision and Shariah standards approved by the Accounting and Auditing Organisation for Islamic Financial Institutions and the Council of Islamic Financial Services when drafting normative legal acts. The supervision undertaken by the National Bank is carried out through external supervision and inspections. The National Bank applies measures to banks, banking groups, non-banking financial and credit organisations and other legal entities supervised by the National Bank, their shareholders (participants) and officials in accordance with special laws regulating their activities, as well as regulatory legal acts of the National Bank. The procedures for application of the foregoing measures are established by special laws and regulatory legal acts of the National Bank.

The National Bank supervises commercial banks by means of remote analysis and on-site inspections in compliance with the principles of risk-oriented supervision and taking into account financial condition, quality

of corporate governance, compliance with economic norms and other requirements established by legislation. Special attention is paid to capitalisation and the sustainability of banks' activities.

The risk-oriented approach within the National Bank's supervision over banks' activities includes risk assessment, quantitative and qualitative analysis based, *inter alia*, on inspectors' professional judgment, individual approach to a bank taking into account its nature, risk profile, and significance, and ensures efficient allocation of supervisory resources for their most effective use. The scope and frequency of inspections are determined taking into account the overall supervisory strategy and the characteristics of the relevant bank, including its size, nature of activities, risk profile and identified weaknesses.

In recent years, the National Bank has taken several measures to strengthen the regulation and supervision of financial and credit organisations in the country, including:

*Implementing a risk-based supervision framework*: The National Bank has been working on transitioning from a compliance-based approach to a risk-based supervision frame-work. This helps the central bank to better assess and address the risks faced by individual credit institutions and the financial system as a whole.

- *Enhancing banking legislation*: The National Bank has made efforts to update and align the country's banking legislation with international standards, including Basel III requirements. This aims to strengthen the regulatory framework for credit institutions and promote financial stability.

- *Strengthening anti-money laundering (AML) and counter-terrorist financing (CFT) measures*: The National Bank has been working on improving the effectiveness of AML/CFT regulations and supervision in the banking sector. This includes updating relevant legislation, conducting on-site and off-site supervision, and imposing sanctions for non-compliance.

- *Promoting digitalisation and financial inclusion*: The National Bank has been encouraging the adoption of digital technologies in the banking sector to improve financial inclusion and enhance the efficiency of financial services. This includes the development of digital banking platforms, mobile payment systems, and other financial technology solutions.

- *Improving the credit risk management framework*: The National Bank has been working on enhancing the credit risk management practices of credit institutions in the country. This includes setting prudential requirements for credit risk assessment, loan classification, and provisioning.

*Key Prudential Requirements*

The main prudential norms for the Kyrgyzstan banking sector are set out in the National Bank Law and specific regulations and guidelines issued by the National Bank detailing the implementation of prudential standards, including capital adequacy, liquidity requirements, and risk management practices. Current prudential norms include the following:

- Financial institutions must adhere to capital adequacy requirements in line with international standards (e.g., Basel frameworks). Banks are required to maintain a minimum total capital adequacy ratio of 12%. As of 31 December 2024, the banking sector's total capital adequacy ratio was 22.0%, as compared to 23.9% as of 31 December 2023.

- Banks must maintain a leverage ratio of at least 6%. As of 31 December 2024, the aggregate leverage ratio for the sector was 11.4%, as compared to 12% as of 31 December 2023.

- A minimum liquidity ratio of 45% is mandated to ensure banks can meet short-term obligations. The banking system reported a liquidity ratio of 73.1% as of 31 December 2024, as compared to 78.7% ss of 31 December 2023.

- Banks are required to classify assets based on their risk profiles and establish provisions for potential losses. This practice ensures that banks are prepared to absorb losses from non-performing assets.

- Regulations set limits on the maximum exposure a bank can have to a single borrower or group of related borrowers, mitigating concentration risks.

The National Bank requires banks to implement comprehensive risk management systems to mitigate operational, credit, and market risks. These cover areas such as, the structure and responsibilities of the internal control and internal audit systems, stressing the oversight responsibility of the bank's board and the quality of its management. Detailed criteria are given for the assessment of how the banks deal with operational risk, business continuity plans, credit risk assessment, mortgage lending, dealing with financial instruments, stress testing, and asset and liability management. Banks are required to report annually to the National Bank as to their compliance with these standards.

*Deposit Insurance*

The Deposit Protection Agency of the Kyrgyz Republic (the "**DPA**") is an independent non-profit entity that was established in 2008. It was established under the Law of the Kyrgyz Republic "On Protection of Bank Deposits" (the "**Deposit Protection Law**"). The DPA guarantees and insures the financial interests of the population by paying depositors amounts of deposits and interest in the case of occurrence of a guarantee event. The DPA's main objective is to create a system of deposit protection and to promote stability of the financial system of the country. This is achieved by increasing public confidence in commercial banks and attracting additional financial resources to bank deposits, much of which are currently kept outside of the banking sector.

The DPA performs the following functions: maintaining the register of member banks; keeping records of depositors' claims, amounts payable and amounts paid out as compensation for deposits; paying to depositors subject to the Deposit Protection Law the amounts determined in such law; calculating the amount of contributions and collection of contributions to the financial fund set up to provide compensation to depositors in the event a bank fails or becomes insolvent (the "**Deposit Protection Fund**"); carrying out necessary actions aimed at ensuring timely and full payment of contributions; establishing and imposing fines and penalties for late payment of contributions; and managing the assets of the Deposit Protection Fund in accordance with the procedure and within the limits established by the Deposit Protection Law.

*Payment Systems*

Supervision and oversight of the payment system of the Kyrgyz Republic, consistent with international practice, includes measures such as monitoring, evaluation and adoption of measures aimed at payment system improvement. Within the framework of the supervision and oversight procedure, payment systems that are of high importance for the financial system of the country are viewed as a potential driver for the spread of systemic risk. The National Bank regularly supervises the activities of the payment system operators and the payment organisations in accordance with the annual inspection plan in the form of external remote supervision by analysing periodic reporting and by inspection checks. In 2023, particular attention was paid to ensuring smooth operation of the payment systems, protection of the payment services consumers' rights, AML/CFT, and security of the information systems, hardware and software complexes. In 2024, special attention was paid to ensuring uninterrupted operation of payment systems, strengthening executive discipline on the part of supervised entities on the timeliness of providing requested information, analysis of periodic reporting and AML/CFT.

*AML/CFT Legislation*

The National Bank cooperates with national and international entities to enforce AML/CFT regulations in the financial sector. Kyrgyzstan has a legislative framework and institutional structures in place to combat money laundering. The cornerstone of Kyrgyzstan's AML/CFT efforts is the Law on Combatting the Financing of Terrorist Activities and Money Laundering (the "**AML/CFT Law**"), enacted in 2018. The AML/CFT Law outlines the obligations of financial institutions and designated non-financial businesses and professions (DNFBPs) to implement measures such as customer due diligence, record-keeping, and reporting of suspicious transactions to the FIU. The National Bank issues regulations and guidelines to ensure compliance with AML/CFT standards among financial institutions. These directives cover areas including risk assessment, internal controls, and reporting requirements. Kyrgyzstan harmonises its AML/CFT laws with international standards set by the Financial Action Task Force (FATF) and is a member of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). The country has undergone mutual evaluations to assess its compliance with FATF recommendations. The FIU is responsible for receiving and analysing and information related to suspicious financial activities and sending such information to the relevant state authorities. It plays a central role in coordinating AML/CFT efforts and collaborates with domestic and international agencies. On 12 December 2024, amendments to the AML/CFT Law were adopted, with the

purpose of creating a legal framework and increase the effectiveness of the fight against the financing of organized groups and criminal communities using the existing mechanisms provided for in the law.

*Sanctions Compliance*

The National Bank has adopted a number of measures that in practice restrict banks and financial services firms from conducting business related to Russia or persons connected with Russia. These efforts aim to safeguard Kyrgyzstan's financial system from the potential impact of secondary sanctions. The Law of the Kyrgyz Republic On Combatting the Financing Terrorist Activities and Legalisation (Laundering) of Criminal Proceeds No.87 dated 6 August 2018 provides a legal basis to implement certain international sanctions. This law provides for the freezing of the operations and/or the funds of individuals and legal entities subject to sanctions adopted by the UN Security Council. The National Bank has also issued directives to commercial banks to strengthen their internal controls to prevent transactions with sanctioned persons and goods and to monitor the risks associated with certain companies. On 22 August 2024, it was reported in the press that the National Bank has instructed banks in Kyrgyzstan to cease business activity with sanctioned Russian banks. To reduce exposure to sanctions risks, commercial banks in Kyrgyzstan have enhanced their compliance frameworks.

On 15 January 2025 and 24 February 2025, respectively, the U.S. and the UK implemented sanctions against OJSC "Bank Keremet" ("**Bank Keremet**"), a domestic Kyrgyzstan bank, in each case on this basis that Bank Keremet allegedly facilitated sanctions evasion for Russia. Prior to March 2024, Bank Keremet was owned by the National Bank. In March 2024, the National Bank sold Keremet Bank to the Ministry of Finance, and later in 2024 the Ministry of Finance sold a 75% controlling stake to Altair Holding S.A., a Luxembourg-based company, while the Ministry of Finance retained a 22% ownership interest. The National Bank has stated that that the sanctioning of Bank Keremet has not had a material adverse effect on the Kyrgyz banking system.

**Insurance Sector**

The insurance sector in Kyrgyzstan is small and at a developmental stage. As of 31 December 2024, 15 insurance organisations, six of which had foreign participation in their capital, were operating in Kyrgyzstan. In 2023, gross written premiums amounted to KGS 3 billion (approximately US$34.7 million). In 2024, gross written premiums were approximately KGS 783 million. In the structure of premiums in 2024, the largest share (68%) was represented by voluntary property insurance. Personal health insurance accounted for 9% and motor third party liability and compulsory insurance of immovable property of citizens accounted for 5%. The insurance sector in Kyrgyzstan is regulated by the Financial Market Regulation and Supervision Service. This body controls licensing, regulation and supervision of insurance activities in the country.

**Capital Markets**

Kyrgyzstan's capital markets are characterised by limited liquidity and a relatively small number of listed companies. There are two primary stock exchanges facilitating securities trading: the Kyrgyz Stock Exchange and the Stock Exchange of Kyrgyzstan-BTS. These exchanges serve as platforms for trading government, municipal, and corporate securities, as well as derivative financial instruments.

The Kyrgyz Stock Exchange was established in 1994. It began as a non-governmental non-profit membership organisation and transitioned into a joint-stock company in May 2000. As of 31 December 2024, there were 37 companies listed on the Kyrgyz Stock Exchange. As of 31 December 2024, the market capitalisation of registered companies amounted to KGS142.0 billion, an increase of 51.9% compared to 31 December 2023.

The Stock Exchange of Kyrgyzstan-BTS was established in 1999. As of 31 December 2024, 17 companies were registered on the exchange. The trading volume in 2023 amounted to approximately KGS 21.3 billion.

## PUBLIC FINANCE

### Overview

The State Budget of the Kyrgyz Republic (the "**State Budget**") is comprised of the central budget (the "**republican budget**") and the local budgets. The consolidated budget (the "**Consolidated Budget**"), also referred to as the "budget of the public administration sector", includes the State Budget and the budgets of the Social Insurance Fund and the Mandatory Health Insurance Fund (MHIF), after elimination of inter-budgetary transfers. Extra-budgetary funds of budgetary organisations are not included in the Consolidated Budget.

The following table sets out the Consolidated Budget of Kyrgyzstan, in actual terms for the years indicated.

**Consolidated Budget**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| | *(KGS billions, except percentages)* | | | | |
| **Resources of Consolidated Budget** | **247.8** | **313.1** | **443.1** | **577.2** | **688.5** |
| *of which:* | | | | | |
| State Budget Revenues[2] | **152.1** | **209.9** | **300.7** | **392.1** | **464.0** |
| Republican Budget Revenues | 134.6 | 187.4 | 270.4 | 357.7 | 416.9 |
| Local Budget Revenues | 20.3 | 26.1 | 36.9 | 49.7 | 68.7 |
| Social Insurance Fund Revenues | 33.5 | 38.7 | 52.2 | 65.4 | 75.9 |
| Mandatory Health Insurance Fund Revenues | 1.5 | 2.0 | 1.7 | 2.2 | 2.9 |
| **Expenditures of Consolidated Budget** | **247.9** | **295.3** | **409.2** | **535.5** | **652.0** |
| *of which:* | | | | | |
| State Budget Expenditures | **171.9** | **211.7** | **311.1** | **379.5** | **427.1** |
| Republican Budget Expenditures | 154.5 | 191.0 | 283.5 | 344.1 | 383.3 |
| Local Budget Expenditures | 23.2 | 24.3 | 34,2 | 50.6 | 65,4 |
| Social Insurance Fund Expenditures | 34.1 | 36.9 | 41.8 | 52.5 | 68.7 |
| Mandatory Health Insurance Fund Expenditures | 1.1 | 2.0 | 1.1 | 1.0 | 1.5 |
| **Proceeds from Operations with Financial Assets** | **4.1** | **10.2** | **8.4** | **17.1** | **66.9** |
| **Proceeds from Operations with Liabilities, including Digital Government Securities** | **45.8** | **42.8** | **64.0** | **77.4** | **51.5** |
| **Expenditures for Operations with Financial Assets** | **9.2** | **23.4** | **32.1** | **63.4** | **111.9** |
| **Expenditures to Cover the Main Part of Liabilities[3]** | **22.2** | **21.3** | **23.0** | **39.4** | **42.7** |
| **Consolidated Budget Balance (Overall Fiscal Balance)** | **(19.9)** | **(0.1)** | **0.5** | **26.8** | **45.5** |
| **% of GDP** | **(3.3)%** | **0.0%** | **0.0%** | **2.2%** | **3.0%** |

(1) Preliminary data.
(2) Includes proceeds from transactions with non-financial assets.
(3) Consists of repayments of principal on Public Debt.
*Source: Ministry of Finance*

The Budget Code of the Kyrgyz Republic (the "**Budget Code**"), enacted on 16 May 2016, serves as the foundational legal and regulatory framework governing the country's public financial management. It establishes the processes for formulating, reviewing, approving, specifying and executing the republican and local budgets, as well as the budgets of the Social Insurance Fund and the Mandatory Health Insurance Fund. It establishes the status of participants in the budget process and determines the legal basis of liability for violations of budget legislation. The Budget Code:

- outlines the stages of the budget cycle, including preparation, submission, parliamentary consideration, approval, execution, and reporting;
- identifies the roles and obligations of entities involved in the budget process, such as the Ministry of Finance, local government bodies, and budgetary institutions;
- establishes guidelines for revenue generation, allocation of expenditures, and financial controls to ensure fiscal discipline;

- sets out fundamental rules for budgetary balance and mandates transparency through public disclosure of budgetary information;
- regulates financial interactions between different levels of government, including transfers and shared revenues; and
- sets forth mechanisms for auditing, monitoring, and evaluating budget performance to uphold accountability.

The Budget Code has undergone amendments to enhance its effectiveness. Notably, in 2020, reforms were introduced to transition from input-based budgeting to program-based budgeting, aiming to improve resource allocation and link expenditures to performance outcomes.

**Budget Process**

***Budget Preparation and Adoption***

The preparation and adoption of the State Budget is a structured process governed by the Budget Code. As a first stage in the process, the Ministry of Finance develops the Main Directions of Fiscal Policy which defines the fiscal policies and priorities for the upcoming years. According to the Budget Code, the main objectives of the Main Directions of Fiscal Policy for the medium term are: (1) defining the fiscal strategy for the coming period with the establishment of budget targets and effective management of public finances; (2) improvement of expenditure efficiency by linking public policies defined by strategic development programmes and sectoral budget expenditure strategies; (3) improving budget legislation and inter-budgetary relations; (4) ensuring that the State Budget is balanced; (5) carrying out structural reforms and promoting business activity; (6) ensuring social protection; and (7) creating favourable conditions for the development of economic sectors.

Based on this framework, the Ministry of Finance prepares the draft republican budget, detailing projected revenues, expenditures, and financing plans, for the relevant budget year. The draft republican budget is developed based on a forecast of socio-economic development of Kyrgyzstan, as well as the Main Directions of Fiscal Policy approved by a decision of the Council of the Cabinet of Ministers, which is a collegial body established by the Cabinet of Ministers to consider the main directions of the fiscal and investment policy of the Kyrgyz Republic, draft budgets of the budgetary system of the Kyrgyz Republic, adopting coordinated decisions on budget indicators of the main budget administrators and on disagreements in their formation, as well as adopting coordinated decisions on the development and implementation of fiscal and investment policy.

The draft republican budget is submitted to the Zhogorku Kenesh by 1 October of the year preceding the relevant budget year. Parliamentary groups and committees of the Zhogorku Kenesh scrutinise the draft budget, hearing information from the heads of state bodies on issues under the jurisdiction of the relevant committees and the chairmen of the National Bank and the Chamber of Accounts (an independent state body), and submit for consideration of the relevant committee conclusions on the republican budget in the areas under their supervision, taking into account the restrictions established by the normative legal acts of Kyrgyzstan regarding protection of state secrets. Members of Parliament debate the budget, propose amendments, and may request clarifications or additional information. The Committee on Budget, Economic and Fiscal Policy, which is the core committee of the Zhogorku Kenesh on budgetary issues, considers the conclusions of groups and committees on their supervised areas for generalisation; holds an extended meeting with the participation of the Chairman of the Cabinet of Ministers, members of the Cabinet of Ministers, leaders of groups and chairmen of committees of the Zhogorku Kenesh to discuss the draft budget, taking into account the proposals of groups and committees of the Zhogorku Kenesh. In addition, the Committee holds parliamentary hearings on the draft law on the republican budget and submits the draft law for consideration by the Zhogorku Kenesh with a conclusion taking into account the conclusions of the groups and committees.

The Zhogorku Kenesh adopts the law on the republican budget based on three readings. In the first reading, the Zhogorku Kenesh considers the forecast of socio-economic development of Kyrgyzstan for the periods under consideration and the budget policy programme for the relevant budget year and the next two years after the budget year (the "**planning period**"). In the second reading, the following budget parameters are considered and adopted: (i) budget revenues both in absolute terms and as a percentage of GDP; (ii) budget expenditures in absolute terms and as a percentage of GDP; (iii) deficit (surplus) of the republican budget in absolute terms and as a percentage of GDP; (iv) sources of financing the budget deficit; (v) norms of income distribution

between the republican budget and local budgets for the relevant budget year and the planning period; (vi) the upper limits of Domestic Public Debt and External Public Debt at the end of the relevant budget year and planning period; and (vii) the normative amount of the reserve funds of the Cabinet of Ministers in the republican budget for the relevant budget year and planning period.

Based on the results of consideration of the draft law on the republican budget in the third reading, the Zhogorku Kenesh adopts the law on the republican budget for the relevant budget year and the planning period. After adoption, the law on the republican budget is sent to the President of Kyrgyzstan for signature. Upon it being signed, it becomes the official republican budget for the budget year.

***Budget Execution and Monitoring***

The approved budget is implemented by relevant government agencies, based on the application of treasury procedures, with the Ministry of Finance through its territorial subdivisions overseeing adherence to the allocated funds and financial regulations. Throughout the fiscal year, the Ministry of Finance provides regular reports on budget execution, highlighting revenues, expenditures and any deviations from the plan. The Chamber of Accounts conducts audits to ensure transparency and accountability in the use of public funds.

**Fiscal Policy and Reforms**

Fiscal consolidation and public debt sustainability, while increasing fiscal space for priority spending, are the Government's medium-term objectives. Over the medium term, fiscal policy will be used as a tool for creating an environment conducive to job-rich, private sector-led growth and to increasing the country's attractiveness to investment.

With the entry into force of the new "Tax Code of the Kyrgyz Republic" (the "**Tax Code**") in 2022, the resources of the State Budget have significantly increased and the administration of tax procedures has improved. One of the main goals of the new tax system is to increase the transparency of tax obligations and reduce administrative barriers for businesses. Due to the introduction of new information technologies in tax and customs procedures, significant progress has been made in optimizing tax collection processes. These measures have contributed to an increase in tax revenues to the State Budget, improving fiscal stability and providing the necessary financing for social and infrastructure projects. The continued introduction of digital technologies into the tax system has also significantly improved the monitoring and management of tax processes, which helps to reduce tax evasion and increase the overall level of tax discipline. This, in turn, creates a solid foundation for sustainable revenue growth in the future.

In recent years, a more flexible and modern tax regime has been introduced, which has contributed to improving the business climate in the country. One of the key steps was the introduction of a simplified taxation system for small and medium-sized businesses. Small enterprises with an annual turnover of up to KGS 30 million can choose a simplified regime that significantly reduces the burden and administrative barriers for businesses. In addition, the practice of tax holidays for start-ups in certain sectors of the economy has been introduced, which stimulates the development of new businesses and innovative projects. Steps have also been taken in recent years to improve the tax base and increase its stability. The updating of regulatory legal acts in the field of taxation has provided clearer and fairer rules for businesses, which has helped attract additional investments to the country. In 2023, it was decided to abolish certain outdated tax incentives, which allowed for the reallocation of resources in favour of more efficient sectors of the economy, such as information technology and recycling. According to the results of the first stage of evaluating the effectiveness of the tax incentives, it was proposed to cancel the income tax benefit for credit unions as from 1 January 2027 and to not to extend the exemption from value added tax ("**VAT**") on imported banking equipment after 1 January 2024. These steps are aimed at improving the structure of tax benefits and ensuring a more efficient allocation of public resources, which further strengthens fiscal sustainability and improves the quality of public spending. See "– *Kyrgyzstan Tax Regime*" below.

The medium-term goal of the Government's expenditure policy is to maintain the social orientation of spending along with a reduction of non-priority expenses. The Government seeks to optimise budgetary resources by improving the efficiency and targeting of spending.

**2025 State Budget**

The following table sets forth the State Budget for 2025 as approved by the Zhogorku Kenesh on 11 December 2024.

**2025 State Budget**

| | *(KGS billions)* | *(% of GDP)* |
|---|---|---|
| **Total Revenues[(1)]** | **474.3** | **29.2** |
| Tax Revenues | 394.7 | 24.3 |
| Personal Income Tax (Residents) | 30.0 | 1.9 |
| Profit Tax | 44.3 | 2.7 |
| VAT | 184.7 | 11.4 |
| Sales Tax | 30.4 | 1.9 |
| Excise Tax | 21.4 | 1.3 |
| Taxes on International Trade and External Operations | 28.5 | 1.8 |
| Other Taxes | 55.4 | 3.4 |
| Official Transfers Received | 13.5 | 0.8 |
| Non-Tax Revenue | 63.7 | 3.9 |
| Income from Property and Interest | 21.2 | 1.3 |
| Sale of Goods and Services | 35.8 | 2.2 |
| Fines, Penalties, Sanctions, Confiscations | 2.0 | 0.1 |
| Other Non-Tax Revenues | 4.7 | 0.3 |
| Proceeds from Transactions with Non-Financial Assets | 2.5 | 0.2 |
| **Total Expenditures** | **449.6** | **27.7** |
| Current Expenditure | 364.2 | 22.4 |
| Wages and Salaries | 144.2 | 8.9 |
| Goods and Services | 97.8 | 6.0 |
| Subsidies and Transfers | 62.0 | 3.8 |
| Interest | 23.6 | 1.5 |
| Capital Expenditure | 85.5 | 5.3 |
| Other Expenditures | 38.7 | 2.4 |
| **Primary Fiscal Balance[(1)]** | **48.3** | **3.0** |
| **Total Fiscal Balance** | **24.7** | **1.5** |

(1) Includes proceeds from transactions with non-financial assets.
(2) Excludes payments on debt service.
*Source: Ministry of Finance*

The 2025 State Budget is based on the following macroeconomic assumptions for 2025: nominal GDP of KGS 1,624.1 billion; real GDP growth of 6%; and annual inflation of 5.8%.

The 2025 State Budget provides for total revenues of KGS 474.3 billion (approximately US$5.4 billion), representing 29.2% of forecasted GDP. This reflects an increase of KGS 10.3 billion (US$117.8 million) or 2.2% as compared to total State Budget revenues for 2024 (preliminary data). Total budgeted expenditures are KGS 449.6 billion for 2025. The 2025 State Budget provides for a surplus of KGS 24.7 billion.

**Fiscal Accounts**

The following table sets out a summary of the actual revenues and expenditures of, and certain other data related to, the State Budget for the years indicated. Data presentation is in accordance with international definitions and the methodology as stipulated in the IMF's Government Finance Statistics Manual ("**GFSM**") 1986 and certain elements of GFSM 2001.

**State Budget**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[1] |
| | *(KGS billions)* | | | | |
| **Total Revenues[2]** | **152.1** | **209.9** | **300.7** | **392.1** | **464.0** |
| **Tax Revenues** | **106.9** | **151.2** | **229.0** | **294.4** | **348.9** |
| Personal Income Tax (Residents) | 10.5 | 12.7 | 17.2 | 21.8 | 26.5 |
| Profit Tax | 8.4 | 13.6 | 25.2 | 28.2 | 36.2 |
| VAT | 39.5 | 63.6 | 107.6 | 144.8 | 152.0 |
| Sales Tax | 3.8 | 4.9 | 6.4 | 19.2 | 25.1 |
| Excise Tax | 9.0 | 11.4 | 11.7 | 17.4 | 19.4 |
| Tax on International Trade and External Operations | 17.3 | 22.9 | 17.9 | 28.4 | 42.0 |
| Other Taxes | 18.5 | 22.0 | 42.9 | 34.6 | 47.7 |
| **Official Transfers Received** | **11.8** | **13.7** | **19.5** | **16.2** | **14.1** |
| **Non-Tax Revenues** | **33.3** | **44.9** | **52.2** | **81.3** | **100.8** |
| Income from Property and Interest | 10.2 | 15.5 | 17.4 | 34.7 | 49.8 |
| Sale of Goods and Services | 13.0 | 19.3 | 22.2 | 34.3 | 29.9 |
| Fines, Penalties, Sanctions, Confiscations | 1.7 | 2.1 | 2.5 | 3.7 | 3.8 |
| Other Non-Tax Revenue | 8.4 | 8.0 | 10.1 | 8.6 | 17.2 |
| **Proceeds from Transactions with Non-Financial Assets** | **0.1** | **0.1** | **0.1** | **0.2** | **0.2** |
| **Total Expenditures** | **171.9** | **211.7** | **311.1** | **379.5** | **427.1** |
| **Current Expenditures** | **126.9** | **140.9** | **188.8** | **257.0** | **277.6** |
| Wages and Salaries | 61.9 | 65.2 | 96.1 | 134.4 | 138.1 |
| Goods and Services | 16.4 | 22.0 | 26.4 | 39.9 | 58.7 |
| Subsidies and Transfers | 40.2 | 45.3 | 55.3 | 68.6 | 62.5 |
| Social Benefits | 10.9 | 11.7 | 17.2 | 19.3 | 20.8 |
| Interest Payments | 8.5 | 8.4 | 10.9 | 14.1 | 18.4 |
| **Capital Expenditures** | **24.5** | **46.4** | **86.5** | **92.4** | **107.3** |
| **Other Expenditures** | **9.6** | **12.7** | **18.6** | **10.8** | **21.5** |
| **Primary Fiscal Balance[3]** | **(11.3)** | **6.7** | **0.5** | **26.7** | **55.2** |
| **Overall Fiscal Balance** | **(1.7)** | **(1.8)** | **(10.4)** | **12.7** | **36.8** |
| **% of GDP** | **3.3** | **0.2** | **1.1** | **1.0** | **2.4** |
| | | | | | |
| **Financing** | **19.7** | **1.8** | **10.4** | **(12.7)** | **(36.8)** |
| **External (net)** | **20.1** | **12.4** | **26.9** | **14.1** | **(3.2)** |
| Inflows | 31.7 | 24.1 | 44.1 | 39.4 | 27.8 |
| Repayments | 11.6 | 11.6 | 17.2 | 25.2 | 31.0 |
| **Domestic (net)** | **(1.7)** | **(4.1)** | **(9.7)** | **(22.4)** | **(33.1)** |
| Loans, Credits, Borrowings | (5.8) | (1.3) | (12.8) | (11.2) | 30.1 |
| Borrowing from Government Units | 0.6 | (1.2) | - | - | - |
| Equity and Capital Participation | - | (10.7) | (10.9) | (35.0) | (75.2) |
| Securities (excluding shares) | 3.5 | 9.0 | 14.1 | 23.9 | 11.9 |
| Treasury Account Balances | 1.3 | (6.5) | (6.9) | (4.4) | (0.6) |

(1) Preliminary data.
(2) Including proceeds from transactions with non-financial assets.
(3) Excludes payments on debt service.
*Source: Ministry of Finance*

In 2020, the State Budget deficit (overall fiscal balance) was 3.3% of GDP or KGS 1.8 billion. The level of the deficit in 2020 was due to decreased production output and a corresponding reduction in incomes, as well as emergency measures taken to support economic activity, in the context of a significantly deteriorated external environment due to the effects of the COVID-19 pandemic and internal political instability. In 2020, there was full or partial suspension of business entities' activities and closure of land and air borders due to the COVID-19 pandemic, which had a negative impact on the economy of Kyrgyzstan and, accordingly, on the tax and customs revenues to the State Budget. During the year, the Cabinet of Ministers formed an emergency budget, as it became necessary to optimise budget expenditures and allocate funds to priority expenditures on health care, social protection of extremely poor citizens and activities related to the conducting of early presidential elections. The primary budget deficit for 2020 was KGS 11.3 billion, or 1.9% of GDP.

In 2021, amidst the recovery of economic activity, revenues and expenditures of the State Budget each increased compared to 2020. The State Budget deficit decreased to 0.2% of GDP. The primary budget surplus was KGS 6.7 billion, or 0.9% of GDP.

In 2022, the State Budget had a deficit of 1.1% of GDP. As the economic recovery continued, both revenues and expenditures of the State Budget increased in 2022 as compared to 2021. The primary budget surplus was 0.1% of GDP.

The State Budget for 2023 had a surplus of 1.1% of GDP. The surplus was consistent with the Government's policy of fiscal consolidation. The improved result was due to revenues increasing at a higher rate than expenditures as a result of economic growth together with measures taken to improve tax administration and growth of non-tax revenues. Measures were taken to modernise tax legislation, including in terms of digitalisation of tax and customs procedures, and to improve public finance management. In 2023, the primary budget surplus amounted to 2.2% of GDP.

In 2024, the State Budget was executed with a surplus of KGS 36.9 billion or 2.4% of GDP mainly as a result of repayments of on-lent loans by SOEs and lower capital spending, amidst increased economic activity. Economic activity and measures taken to improve tax and customs procedures were the main factors in the growth of tax and non-tax revenues in 2024.

***Revenues***

The principal sources of State Budget revenues are taxes, with a significant portion derived from VAT, income tax, social tax and profit tax. Tax revenues accounted for approximately 70.3%, 72.1%, 76.2%, 75.1% and 75.2% of total State Budget revenues in 2020, 2021, 2022, 2023 and 2024, respectively. Non-tax revenues consists of income from property and businesses, duties and administrative fees, fines, and other non-tax sources.

In 2020, State Budget revenues were KGS 152.1 billion or 23.8% of GDP, a decrease by 9.1% or KGS 15.3 billion as compared to 2019. Tax revenues were KGS 106.9 billion, or 70.3% of total revenues, a decrease by 12.0% compared to 2019, due to the economic downturn in 2020 which was influenced by restrictive measures taken to prevent the spread of COVID-19 and the unstable political situation in the country, which led to decreased production output and a subsequent reduction in household incomes. Non-tax revenues were KGS 33.3 billion, an increase by 3.1%, and official transfers were KGS 11.8 billion, a decrease of 12.4%. In accordance with the National Bank Law, 100% of the National Bank's profits in the amount of KGS 2,565.3 million, received at the end of 2019, were transferred to the 2020 State Budget.

In 2021, State Budget revenues were KGS 209.8 billion (26.8% of GDP), an increase of 38.0% compared to 2020. Revenues increased in the context of emerging economic recovery due to easing of restrictions related to the COVID-19 pandemic. Tax revenues as a percentage of total revenues increased from 70.3% in 2020 to 72.1% in 2021. The increase in tax revenues was driven by the acceleration of consumer price growth in the country, as well as measures actively taken by the Ministry of Finance on improvement of tax administration and introduction of digital technologies in tax and customs procedures. Non-tax revenues were KGS 44.9 billion, an increase of 34.8% compared to 2020. Official transfers amounted to KGS 13.7 billion, an increase of 16.2%.

In 2022, State Budget revenues were KGS 300.6 billion (29.5% of GDP) an increase of 43.3% compared to 2021. Tax revenues increased by 3.1% of GDP compared to 2021, due to income tax payments by Kumtor

Gold Company in the amount of KGS 29.4 billion and higher VAT on imports. Revenues as a percentage of GDP increased to 29.5% as compared to 26.8% in 2021. In the structure of budget revenues, the share of tax revenues increased to 76.2% in 2022 from 72.1% in 2021.

In 2023, State Budget revenues were KGS 391.9 billion, representing 29.4% of GDP, an increase of 30.4% compared to 2022. Tax revenues, comprising the majority share (75.1%) of State Budget revenues for 2023, were KGS 294.4 billion, an increase of 28.6% compared to 2022. Of tax revenues, 37.9% were provided by the Customs Service and 62.1% by the Tax Service. The increase in tax revenue was mainly due to the growth of revenues from foreign economic activity, as revenues from the Customs Service increased to KGS 111.5 billion in 2023 from KGS 74.3 billion in 2022. Non-tax revenues were KGS 81.3 billion, an increase of 55.8% compared to 2022. Non-tax revenues were mainly attributable to public service rendering, dividends received from state and municipal owned companies and profits of the National Bank transferred to the State Budget. In 2023, KGS 16.2 billion in the form of official transfers was transferred to the State Budget. In 2023, 44.2% of total State Budget revenues was attributable to taxes imposed on goods imported into the country and official transfers received from abroad.

In 2024, State Budget revenues were KGS 464.5 billion or 30.5% of GDP, an increase by 18.5% compared to 2023. Tax revenues amounted to KGS 348.9 billion or 22.9% of GDP, an increase by 18.5% compared to 2023. Non-tax revenues amounted to KGS 101.4 billion, an increase by 24.8% compared to 2023. Official transfers amounted to KGS 14.1 billion or 0.9% of GDP.

***Expenditures***

State Budget expenditures consist of current expenditures, capital expenditures and other expenditures. Current expenditures include expenditures on wages and salaries, goods and services, subsidies and transfers, social benefits and interest payments. The largest areas of expenditures in the State Budget are: (i) current expenditures in the social sector, which accounted for 41.8% of total State Budget expenditures in 2024; and (ii) capital expenditures, which accounted for 25.1% of total State Budget expenditures in 2024. The social sector includes expenditures on education, health, culture, and social payments (transfers from the republican budget to the Social Fund), allowances and other social payments.

Total State Budget expenditures were KGS 171.9 billion, KGS 211.7 billion, KGS 311.1 billion, KGS 379.5 billion and KGS 427.1 billion in 2020, 2021, 2022, 2023 and 2024, respectively. Total State Budget expenditures as a percentage of GDP were 28.6%, 29.3%, 33.8% and 30.9% and 28.0% in 2020, 2021, 2022, 2023 and 2024, respectively.

In 2020, State Budget expenditures were KGS 171.9 billion or 28.6% of GDP. Net acquisition of non-financial assets (capital expenditures) were KGS 24.5 billion, or 4.1% of GDP.

In 2021, State Budget expenditures were KGS 211.7 billion or 29.3% of GDP. Expenditures of budget funds increased on all items by functional classification, except interest payments on government loans. Net acquisition of non-financial assets (capital expenditures) were KGS 46.4 billion or 6.4% of GDP, an increase by 1.9 times compared to 2020.

In 2022, State Budget expenditures were KGS 311.1 billion (33.8% GDP), an increase of approximately 47% compared to 2021. In addition to planned increases in expenditures on remuneration of public sector employees, social payments and pensions, there were unplanned expenditures related to covering damages and rendering assistance to the victims of the armed conflict on the Kyrgyz-Tajik border that occurred in September 2022. Net acquisition of non-financial assets (capital expenditures) were KGS 86.3 billion, an increase by 1.9 times compared to 2021. Net capital expenditures amounted to KGS 17.6 billion, or 1.9% of GDP.

In 2023, State Budget expenditures were KGS 379.5 billion (30.9% of GDP), an increase of approximately 22% compared to 2022. The main components of State Budget expenditures were remuneration of public sector employees, pensions and benefits, and capital expenditures. Net acquisition of non-financial assets (capital expenditures) amounted to KGS 92.4 billion, or 7.5% of GDP. State Budget expenditures for public debt servicing were KGS 53.5 billion (4.3% of GDP), an increase of 57.9% compared to 2022. KGS 13.8 billion of such debt service payments consisted of interest payments (1.1% of GDP).

In 2024, State Budget expenditures were KGS 427.1 billion or 28.0% of GDP, an increase of 12.6% compared to 2023. Remuneration of public sector employees constituted 32.3% of total expenditures. Net acquisition of

non-financial assets (capital expenditures) were KGS 107.3 billion or 7.0% of GDP, an increase of 16.2% compared to 2023.

The following table sets out budget expenditures on the social sector and housing and communal services by type for the periods presented.

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024[(1)] |
| | | | *(KGS billions)* | | |
| Education | 39.9 | 43.8 | 64.2 | 74.7 | 73.8 |
| Health care | 17.2 | 20.8 | 24.7 | 29.7 | 33.2 |
| Social insurance and social protection | 34.3 | 36.6 | 48.3 | 59.2 | 62.2 |
| Recreation, culture and religion | 3.6 | 4.4 | 6.5 | 8.8 | 9.2 |
| Housing and communal services | 5.2 | 5.7 | 7.1 | 9.5 | 12.4 |
| **Total social sector and housing and communal services** | **100.2** | **111.3** | **150.9** | **181.8** | **190.8** |

(1) Preliminary data.
*Source: Ministry of Finance*

During the period from 2020 to 2024, the State Budget was oriented toward social expenditures, which ranged from 44.7% to 58.3% of the total State Budget expenditures during that period. Budget expenditures on the social sector and housing and communal services (excluding capital expenditures) were KGS 100.2 billion, KGS 111.3 billion, KGS 150.9 billion, KGS 181.8 billion and KGS 190.8 billion in 2020, 2021, 2022, 2023 and 2024, respectively. Such expenditures represented 58.3%, 52.6%, 48.5%, 47.9% and 44.7% of total State Budget expenditures in 2020, 2021, 2022, 2023 and 2024, respectively. Such expenditures represented 16.6%, 15.4%, 16.4%, 14.8% and 12.5% of GDP in 2020, 2021, 2022, 2023 and 2024, respectively.

Net acquisition of non-financial assets (capital expenditures) were KGS 24.5 billion, KGS 46.4 billion, KGS 86.5 billion and KGS 92.4 billion and KGS 107.3 billion in 2020, 2021, 2022, 2023 and 2024, respectively, and were primarily allocated to infrastructure projects as part of government external investments as well as domestic capital expenditures, including construction of education, health care, roads, irrigation facilities and others. In 2024, significant funds were allocated to support strategically important sectors such as energy, agriculture and roads. Including investment in financial assets, KGS 91.3 billion was utilised for the energy sector, KGS 18.4 billion was utilised for the agriculture sector, and KGS 23.3 billion was utilised for the roads sector. In the period from 2021 to 2024, there is a steady and significant growth of capital investments. These dynamics reflect the Government's policy on modernisation of fixed assets and infrastructure development. Sustainable growth of capital investments is considered an important factor contributing to economic growth, increasing the competitiveness of the national economy and improving the quality of life of the population.

Expenditures on operations with financial assets include budgetary lending as well as acquisition of shares. Expenditures for capitalisation of joint stock companies have been increasing since 2021, primarily due to the increase in the authorised capital of joint stock companies with state shareholding, such as the State Mortgage Company and state-owned banks.

In recent years there has been an increase in expenditures on targeted transfers from the republican budget to local budgets. In 2024, there were KGS 19.4 billion of targeted transfers, as compared to KGS 1.6 billion in 2021. These dynamics reflect the Government's prioritising of support the development of the regions and is associated with the implementation of programmes aimed at improving the level of socio-economic development of the territories and stimulating local economic growth.

## Kyrgyzstan Tax Regime

### *Reforms*

The Kyrgyz Republic established a new tax system in the years following independence. The 1996 tax code replaced the system inherited from the Soviet era. This tax code was a first step towards the modernisation of the tax system, a necessary condition to the development of the nascent market-based economic activities. In 2006, the Government significantly simplified the tax code, and reduced the corporate and personal income tax

rates from 20% to 10%. This effort was pursued further in 2009 by reducing the number of taxes from 16 to 8, decreasing the VAT rate from 20% to 12% and establishing a sales tax, which replaced the retail sales tax, road tax, and emergency funds. The new Tax Code was adopted in 2022 and amended in 2023, which contributed to a proliferation of several special regimes (in addition to the major national taxes), which include the following:

- *Patent-based tax regime*: The patent regime replaces income tax, sales tax and VAT for certain activities. It is available for self-employed persons and companies not engaged in importing or exporting goods with turnover of less than KGS 8 million (approximately US$90,000) in a 12-month period.

- *Single tax*: The single tax is a turnover based tax with rates between 0.5% and 8.0% that replaces income tax, sales tax and VAT for eligible taxpayers. Until 2023, taxpayers with turnover below KGS 30 million (approximately US$340,000) and all companies in the clothing and textile industry were eligible for the single tax, but this threshold was abolished and the regime is now available to all companies. For sole proprietorships selling goods and services to the population with an aggregate value of up to KGS 15.0 million, a 0% rate is established (provided that the sole proprietor does not carry out export-import operations and provided certain other conditions are met). For entities engaged in trading activities with the volume of revenues up to KGS 30.0 million the rate is 0.5% and from KGS 30.0 to 50.0 million the rate is 1.0%. For entities engaged in trading activities in markets and mini-markets designated by the Cabinet of Ministers the rate is 0.1%.

- *Free economic zones*: Currently, there are five free economic zones ("**FEZs**") functioning within the territory of the Kyrgyz Republic: the Bishkek FEZ, the Maimak FEZ, the Naryn FEZ, the Karakol FEZ, and Leilek FEZ. They provide special customs privileges to exporting and importing companies. Companies operating in these zones may import, store, produce or sell goods in the territory of the zone without paying taxes or customs duties. Moreover, the entities may sell goods from FEZs to the domestic market, providing that their products have undergone significant processing in the zone.

- *High technology park*: This is a special tax zone available to companies working in software development and exports, and IT service centers, exempting them from corporate income tax, VAT, and sales tax. Personal income tax is paid at the reduced rate of 5%.

- *Crypto mining tax regime*: This tax regime is applicable to companies mining crypto currencies. It is applied in lieu of income tax, VAT on taxable supplies and sales tax and levied at 10% on the value of electricity consumed.

- *E-commerce activities tax regime*: This is a special regime applicable to companies supplying electronic services. These companies are subject to a 2% turnover in lieu of income tax, VAT on taxable supplies and sales tax.

- *Gambling activity tax*: The tax on gambling activities is applied in lieu of income tax, VAT on taxable supplies and sales tax and levied as a specific tax based on number of slot machines and gaming tables for activities with physical presence and at 4% of turnover for online casinos.

- *Tax on activities in specially-designated trade zones*: This regime is applicable to trading zones selling goods. The tax is applied instead of income tax, VAT on taxable supplies and sales tax and is levied at variable rates at approximately 0.5% of the expected turnover.

***Tax Structure***

Kyrgyzstan's tax structure includes both direct taxation, consisting of all taxes stipulated by the Tax Code other than VAT and excise duties, and indirect taxation, such as VAT. In addition, Kyrgyzstan collects excise taxes, customs duties and certain other taxes. In addition to tax revenues, the Government also collects social contributions of approximately 5% of GDP. These are not considered taxes but are relevant to consideration of the effective tax and non-tax burden on corporates and individuals. See "*The Kyrgyz Economy – Social Security, Healthcare and Education*".

*VAT*

VAT is imposed on the supply of goods and services in Kyrgyzstan and on the import of goods into the country. The standard VAT rate is 12%. Some goods and services are exempt.

*Personal Income Tax*

Kyrgyzstan imposes a flat personal income tax rate of 10% on Kyrgyzstan residents' worldwide income and non-residents' Kyrgyzstan-sourced income. Some types of income, such as dividends and interest, are subject to withholding tax.

*Profit Tax*

Companies operating in Kyrgyzstan are subject to a profit tax on their worldwide income. The profit tax rate is generally 10%, with certain exceptions for specific industries or activities.

*Excise Taxes*

Excise taxes are levied on specific goods such as tobacco, alcohol, fuel, and automobiles. Excise tax rates vary depending on the type of product.

*Customs Duties*

Import duties are levied on goods entering Kyrgyzstan and vary depending on the type of product and its country of origin. Kyrgyzstan is a member of EAEU and applies the EAEU's Common Customs Tariff.

*Other Taxes*

Additional taxes in Kyrgyzstan include property tax, land tax, sales tax, income tax on gold mining companies and subsoil use taxes (bonuses and royalties).

***Tax Collection***

The process of tax collection, statistics of tax evasion and control over observance of tax discipline is carried out by the Tax Committee under the Government in accordance with applicable legislation. The Tax Code provides for the following measures to ensure the discharge of a tax liability that is not satisfied on time by the taxpayer:

- accruing of interest on the amount of taxes not paid on time;
- suspension of withdrawals from the taxpayer's bank accounts at credit institutions;
- recovery of tax liabilities from funds in bank accounts of the taxpayer and (or) its debtors, as well as cash of the taxpayer; and
- recovery of tax liabilities from seizure and sale of the property of the taxpayer.

The authorities supervising compliance with the Tax Code are the State Tax Service and the State Customs Service, each under the Ministry of Finance.

**Extra-Budgetary Funds**

***Stabilisation Fund***

The Stabilisation Fund in Kyrgyzstan, also known as the Reserve Fund, serves as a financial buffer to support the country's economy during periods of economic instability or external shocks. The fund accumulates resources during periods of economic growth and high commodity prices, which can then be used to finance budget deficits or stabilise the economy during downturns. Total transfers to the Stabilisation Fund from the Consolidated Budget were KGS 16.8 billion in 2024, of which KGS 16.3 billion was from the republican budget.

### *National Investment Fund*

Kyrgyzstan does not currently have an official sovereign wealth fund. However, in June 2024, President Zhaparov signed a decree to establish the National Investment Fund. The primary objective of this fund is to enhance the efficiency of state-owned enterprises, increase their income, and attract both domestic and international investments by adopting international standards and practices. The fund aims to realise the full potential of these enterprises and present Kyrgyzstan as a promising investment destination. The National Investment Fund is a state-owned enterprise that operates under the supervision of the Ministry of Economy and Commerce and focuses on promoting economic growth, diversification, and development in Kyrgyzstan. The National Investment Fund is not yet fully operational.

### State-Owned Enterprises

State-owned enterprises (SOEs) in Kyrgyzstan have a significant impact on the State Budget through various transfers and financial interactions. SOEs receive direct budget transfers from both central and local governments. In addition, SOEs benefit from budget lending and on-lending. In 2023, loans in an aggregate amount of KGS 23.2 billion were provided by the State Budget to SOEs to cover operating losses and to finance capital investments. In addition, the Government receives dividends and profits from enterprises with state ownership. These revenues have made significant contributions to the State budget's non-tax revenues in recent years.

The most significant SOEs and joint stock companies with state ownership in Kyrgyzstan include companies in the energy sector, such as JSC Chakan HPP, JSC Kyrgyzneftegaz, JSC Electric Power Plants and JSC National Electric Network of Kyrgyzstan, as well as enterprises in the transportation, telecommunications and other industries.

The Kumtor Gold Company operates one of the largest gold mines in Central Asia, significantly impacts Kyrgyzstan's State Budget through its revenues, taxes, and ownership structure. The mine was operated by the Canadian company Centerra Gold until it was nationalised in 2021. The Kumtor Gold Company is a major taxpayer and contributor to Kyrgyzstan's GDP, and it generates substantial revenues for the State Budget. According to Kumtor Gold Company, in the nine months ended 30 September 2024, Kumtor Gold Company produced 7.96 tonnes of gold, and paid KGS 10.37 billion in taxes, royalties, and other payments to the State Budget. Kumtor Gold Company is owned by state-owned gold production company OJSC "Kyrgyzaltyn".

In recent years, the Government has taken steps to reduce support for SOEs, aiming to decrease subsidies and increase the efficiency of these enterprises. The 2025 State Budget provides for KGS 21.8 billion of loans to SOEs, as compared to KGS 23.2 billion and KGS 25.8 billion of such financing provided in 2023 and 2024, respectively.

## PUBLIC DEBT

### General

The state debt of Kyrgyzstan ("**Public Debt**") includes both central and local government debt, state guarantees, and the debt of the National Bank to the IMF. Substantially all Public Debt is issued by the central Government. Public Debt is comprised of External Public Debt and Domestic Public Debt (each, as described below). Local governments in Kyrgyzstan have no external debt and immaterial amount of domestic debt. The Social Security Fund has no debt.

As of 31 December 2024, Public Debt amounted to US$6.6 billion, of which US$4.5 billion was External Public Debt and US$2.1 billion was Domestic Public Debt. Public Debt as a percentage of GDP was 67.6%, 55.8%, 46.9%, 42.0% and 37.6% as of 31 December 2020, 2021, 2022, 2023 and 2024, respectively.

Government borrowing is carried out in compliance with the Budget Code. The Budget Code contains comprehensive provisions governing public debt, domestic and external borrowing and state guarantees. It establishes the legal and institutional framework for debt management and outlines key principles and procedures. The Budget Code stipulates that Public Debt may be incurred for the purposes such as financing the republican budget deficit, refinancing existing debt obligations, supporting the development of the domestic government securities market, implementation of infrastructure and investment projects and repayment of budgetary obligations. According to the Budget Code, public borrowing may only be conducted by an authorised state body acting as the agent of the Cabinet of Ministers. Other state bodies, enterprises, institutions, and local governments are prohibited from undertaking external borrowing or issuing state guarantees, except as explicitly allowed by law. Local governments may engage in borrowing only under strict conditions and within limits set by the Budget Code. They are prohibited from issuing guarantees and must maintain their debt servicing obligations below 20% of their annual revenues, excluding borrowed funds and interbudgetary transfers. The use of state assets, gold reserves, or international reserves of the National Bank as collateral for public borrowing is strictly prohibited. Borrowing decisions must be approved by the Zhogorku Kenesh and reflected in the republican budget law.

The Public Debt Management Strategy of the Kyrgyz Republic (the "**Public Debt Strategy**"), approved by the Cabinet of Ministers, outlines the Government's approach to managing Public Debt for specified years. The main objectives of the Public Debt Strategy are to ensure sustainable and effective management of Public Debt at the lowest possible cost and at an acceptable level of risk, and the development of the domestic government securities market. To achieve these objectives, the Public Debt Strategy provides for ensuring macroeconomic stability, formation of a predictable and transparent debt policy, reducing currency and interest rate risks, diversifying the sources of borrowing and maintaining high payment discipline and strengthening the role of the domestic financial market. The Public Debt Strategy includes a number of target indicators for implementation. One of the key sustainability indicators is a zero level of overdue payments.

The following table sets out certain information on the targets of the Public Debt Strategy for 2022-2024 and the Public Debt Strategy for 2025-2027. The changes to the target indicators that were made for 2025-2027 as compared to 2022-2024 were introduced to reduce refinancing and exchange rate risks, enhance debt sustainability and ensure a more balanced debt portfolio.

| Indicator | Target for 2022-2024 | *2023 Results* | *2024 Results* | Target for 2025-2027 |
|---|---|---|---|---|
| Public debt to GDP (at year end) | No more than 70% | 42.0% | 37.6% | No more than 70% |
| External Public Debt service to republican budget revenues[(1)] | No more than 20% | 9.6% | 9.2% | No more than 30% |
| Concessionality level of External Public Debt (at year end) | At least 35% | Complied | Complied | At least 35% |
| Value of the composite grant element as a percentage of External Public Debt (at year end) | At least 35% | Complied | Complied | At least 35% |
| Share of External Public Debt to a single creditor (% of total External Public Debt) (at year end) | No more than 45% | 36.7% | 36.5% | No more than 45% |
| Amount of overdue payments on Public Debt service (KGS) | - | - | - | - |
| Placement of government securities, excluding ST-Bills, through auctions | 100% | 100% | 100% | 100% |
| Share of T-Bonds in the total annual issuance of government securities (%) | At least 70% | 99.4% | 98.7% | At least 70% |
| Average maturity of Domestic Public Debt (years) (at year end) | At least 4.5 | 7.9 | 7.9 | At least 5.0 |
| Share of Public Debt in foreign currency (% of Public Debt) (at year end) | No more than 84% | 75% | 70% | No more than 84% |
| Share of External Public Debt represented by government securities issued and placed in foreign currency on the international capital markets (% of External Public Debt) (at year end) | No more than 20% | 0% | 0% | No more than 30% |

(1) Starting in 2025, this indicator has changed to "Public Debt service to republican budget revenues".

In its external borrowing, the Government continues to focus on attracting concessional loans with a minimum grant element of 35%, except in the case of issuances of government securities on the international capital markets.

The use of borrowed funds is strictly limited to financing socially significant, infrastructural and economically sound projects, the implementation of which contributes to the sustainable development of the country.

Domestic borrowing is conducted predominantly by market-based methods through the issuance of government treasury bonds and short-term government securities. The Government also issues treasury bills to cover short-term cash gaps, including through the use of non-market instruments.

The following table sets forth the composition of Kyrgyzstan's Public Debt as of the dates indicated.

**Public Debt**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(US$ millions, unless indicated otherwise)* | | | | |
| **Public Debt** | **4,925.8** | **5,150.9** | **5,581.5** | **6,280.5** | **6,589.3** |
| Domestic Public Debt[(1)] | 708.4 | 852.6 | 1,098.6 | 1,627.8 | 2,054.7 |
| External Public Debt | 4,217.4 | 4,298.3 | 4,482.9 | 4,652.7 | 4,534.6 |
| *- of the Government* | 4,217.4 | 4,298.3 | 4,482.9 | 4,652.7 | 4,534.6 |
| *- of the National Bank* | - | - | - | - | - |
| *- of ministries, offices and other economic subjects* | - | - | - | - | - |
| *of which:* | | | | | |
| *- Guaranteed debt* | - | - | - | - | - |
| *- Non-guaranteed debt* | - | - | - | - | - |
| **Total Public Debt service** | **371.3** | **348.4** | **392.2** | **595.8** | **688.0** |
| **Total Public Debt / GDP (%)** | **67.6** | **55.8** | **46.9** | **42.0** | **37.6** |
| Domestic Public Debt / GDP (%) | 9.7 | 9.2 | 9.2 | 10.9 | 11.7 |
| External Public Debt / GDP (%) | 57.9 | 46.5 | 37.6 | 31.1 | 25.9 |
| External Public Debt service / exports (%) | 8.0 | 5.3 | 7.1 | 4.2 | 4.7 |
| **Memorandum items** | | | | | |
| GDP (KGS billions) | 639.7 | 782.9 | 1,020.7 | 1,333.7 | 1,523.2 |
| Exports (US$ millions) | 2,444.0 | 3,359.3 | 3,628.1 | 8,439.6 | 9,136.5 |

(1) Figures for Domestic Public Debt are converted into U.S. dollars, using the KGS/US$ exchange rate at the end of the relevant period. See "*Exchange Rate Information*".

*Source: National Bank*

For purposes of financing the State Budget deficit in recent years, Kyrgyzstan has incurred total net borrowing in the following amounts: for 2020, KGS 29.2 billion (KGS 9.1 billion of domestic financing and KGS 20.1 billion of external financing); for 2021, KGS 17.8 billion (KGS 5.3 billion domestic and KGS 12.5 billion external); for 2022, KGS 33.3 billion (KGS 6.4 billion domestic and KGS 26.9 billion external); and for 2023, KGS 14.7 billion (KGS 0.5 billion domestic and KGS 14.2 billion external). For 2024, no borrowings were made for the purpose of financing the State Budget deficit.

**External Public Debt**

According to the Budget Code, "public external debt" consists of disbursed and outstanding public external loans or other debt obligations of the Kyrgyz Republic to non-resident creditors of the Kyrgyz Republic ("**External Public Debt**").

Historically, substantially all of Kyrgyzstan's External Public Debt has been raised on concessional terms (low interest rates and a long repayment period). 98.6% of External Public Debt as of 31 December 2024 was on concessional terms.

The following table shows the composition of Kyrgyzstan's External Public Debt by type of creditor as of the dates indicated.

**External Public Debt by Type of Creditor**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(US$ millions)* | | | | |
| **Public External Debt** | **4,217.4** | **4,298.3** | **4,482.9** | **4,652.7** | **4,534.5** |
| **Multilateral Creditors** | **1,963.3** | **2,043.9** | **2,291.0** | **2,495.8** | **2,457.7** |
| IMF | 376.4 | 340.4 | 453.7 | 461.7 | 318.4 |
| World Bank | 677.4 | 652.4 | 636.2 | 720.3 | 749.4 |
| European Bank for Reconstruction and Development | 50.3 | 44.4 | 48.3 | 63.3 | 57.6 |
| Eurasian Development Bank | 43.6 | 68.7 | 165.7 | 260.2 | 260.2 |
| European Union | 18.2 | 17.0 | 15.9 | 16.5 | 15.6 |
| Asian Development Bank | 605.4 | 668.5 | 705.1 | 723.3 | 764.5 |
| European Investment Bank | 36.5 | 56.6 | 54.2 | 78.5 | 76.8 |
| Asian Infrastructure Investment Bank | - | 3.1 | 10.2 | 26.0 | 46.2 |
| Islamic Development Bank | 118.3 | 156.8 | 166.5 | 172.9 | 190.1 |
| International Fund for Agricultural Development | 28.6 | 28.3 | 28.4 | 30.2 | 29.3 |
| OPEC | 4.5 | 4.1 | 3.7 | 3.2 | 4.7 |
| Nordic Development Fund | 4.1 | 3.5 | 3.1 | 3.0 | 2.6 |
| **Bilateral Creditors** | **2,254.1** | **2,254.4** | **2,191.9** | **2,093.6** | **2,014.6** |
| ***EAEU countries*** | - | - | - | - | - |
| ***Non-EAEU countries*** | **2,254.1** | **2,254.4** | **2,191.9** | **2,093.6** | **2,014.6** |
| Türkiye | 89.5 | 82.1 | 74.7 | 66.5 | 58.2 |
| Japan | 242.0 | 217.2 | 179.5 | 159.5 | 135.9 |
| Germany | 88.8 | 78.8 | 70.8 | 69.6 | 62.1 |
| China | 1,766.0 | 1,797.8 | 1,782.2 | 1,708.2 | 1,654.3 |
| France | 4.9 | 4.5 | 4.0 | 4.0 | 3.5 |
| Kuwait | 8.0 | 8.1 | 8.1 | 7.3 | 11.9 |
| Republic of Korea | 14.9 | 13.3 | 11.8 | 11.0 | 6.8 |
| Denmark | 2.6 | 2.5 | 2.3 | 2.0 | 1.6 |
| Saudi Arabia | 28.9 | 42.0 | 49.7 | 57.8 | 75.6 |
| UAE | 8.5 | 8.2 | 8.8 | 7.8 | 6.8 |

*Source: Ministry of Finance*

External Public Debt owed to multilateral creditors was US$2,515.3 million as of 31 December 2024. The structure of multilateral debt has not changed significantly in recent years. As of 31 December 2024, 83.2% of the total amount of debt to multilateral creditors consisted of debt to the Asian Development Bank, the World Bank the IMF and the Eurasian Development Bank. Multilateral creditors as at 31 December 2024 included, among others, the Asian Development Bank (US$764.5 million; average interest rate 1.5%; longest term 40 years), the World Bank (US$749.4 million; average interest rate 0.75%; longest term 50 years), the IMF (US$318.4 million; average interest rate 0.5%; longest term 10 years), the Eurasian Development Bank (the "**EDB**") (US$260.2 million), the Islamic Development Bank (US$190.1 million), the European Investment Bank (US$76.8 million) and EBRD (US$57.6 million).

As of 31 December 2024, the nominal amount of External Public Debt to bilateral creditors was US$2,019.3 million. As of such date, the main bilateral creditor of Kyrgyzstan was the Export-Import Bank of China (36.5% of total External Public Debt). Bilateral creditors as of 31 December 2024 included Export-Import Bank of China (US$1,654.3 million; average interest rate 1.5%-2%; longest term 25 years), Japan International Cooperation Agency (JICA) (US$136.0 million), the Republic of Türkiye (US$58.2 million), the Saudi Fund for Development (US$75.6 million) and KfW Bank (Germany) (US$59.1 million).

Loans received from multilateral and bilateral lenders are mainly used to finance infrastructure projects, to develop the energy sector, the financial system and agricultural sector and structural transformation.

The following table shows the structure of Kyrgyzstan's External Public Debt by currency as of the dates indicated.

**External Public Debt by Currency**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(as a percentage of total)* | | | | |
| U.S. dollar | 44.1 | 46.6 | 48.4 | 48.3 | 50.8 |
| Euro | 4.4 | 4.4 | 4.0 | 4.7 | 4.5 |
| SDR | 39.3 | 36.5 | 36.3 | 36.5 | 33.9 |
| Chinese Yuan | 2.5 | 2.6 | 2.2 | 2.1 | 2.1 |
| Others | 9.7 | 9.9 | 9.1 | 8.4 | 8.7 |
| **Total External Public Debt** | **100.0** | **100.00** | **100.0** | **100.0** | **100.0** |

*Source: Ministry of Finance.*

External Public Debt is mainly denominated in U.S. dollars and SDRs. These two currencies accounted for approximately 84.7% of External Public Debt as of 31 December 2024. The euro accounted for approximately 4.5% as of 31 December 2024. In 2024, the U.S. dollar was the primary currency of External Public Debt and accounted for 50.8% of the total External Public Debt as of 31 December 2024. Other currencies of External Public Debt as of 31 December 2024 were SDRs (33.9%), Chinese yuan (2.1%) and others (8.7%).

**Domestic Public Debt**

Domestic Public Debt consists of short-term state treasury bills ("**ST-Bills**") and long-term state treasury bonds ("**T-Bonds**") issued by the Ministry of Finance and purchased by residents of Kyrgyzstan ("**Domestic Public Debt**"). ST-Bills are short-term (3-, 6- and 12-month) discount government securities issued by the Ministry of Finance. ST-Bills are placed through weekly auctions held by the National Bank and the Kyrgyz Stock Exchange. ST-Bills can be held by legal entities or individuals. Transactions in the secondary market for ST-Bills are conducted through the Automated Trading System (ATS) of the National Bank and on the floor of the Kyrgyz Stock Exchange. T-Bonds are long-term government securities with maturities of over one year issued by the Ministry of Finance. The National Bank and the Kyrgyz Stock Exchange are the financial agents for the issuance and placement of T-Bonds.

As of 31 December 2024, Domestic Public Debt amounted to KGS 178.8 billion, or 11.7% of GDP, as compared to KGS 145.0 billion, or 11.8% of GDP, as of 31 December 2023. Domestic Public Debt as of 31 December 2024 was held mostly by commercial banks (53.0%) and the Social Insurance Fund (37.2%). The share of Domestic Public Debt in total Public Debt increased to 31.2% as at 31 December 2024 from 25.9% as at 31 December 2023.

The following table shows the structure of Domestic Public Debt, including the maturity profile, as of the dates indicated, presented in US$ millions.

**Domestic Public Debt**

| | As of 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(US$ millions)* | | | | |
| **ST-Bills,** *of which:* | **9.9** | **11.5** | **2.5** | **2.9** | **25.7** |
| 3 months | - | - | - | - | - |
| 6 months | - | - | - | - | - |
| 12 months | 9.9 | 11.5 | 2.5 | 2.9 | 25.7 |
| **T-Bonds,** *of which:* | **689.3** | **832.9** | **1,087.0** | **1,596.1** | **2,028.6** |
| 2 years | 25.9 | 38.0 | 47.0 | 36.0 | 53.5 |
| 3 years | 46.6 | 59.1 | 65.6 | 130.6 | 344.4 |
| 5 years | 206.1 | 176.6 | 185.3 | 205.8 | 258.6 |
| 7 years | 245.5 | 266.3 | 345.0 | 478.0 | 535.2 |
| 10 years | 165.2 | 204.7 | 353.0 | 516.8 | 602.4 |
| 15 years | - | 29.8 | 33.2 | 107.9 | 110.5 |
| 20 years | - | 58.5 | 57.8 | 121.0 | 123.9 |
| **Other Domestic Public Debt** | **9.2** | **8.2** | **9.2** | **28.8** | **0.4** |
| **Total Domestic Public Debt** | **708.4** | **852.6** | **1,098.7** | **1,627.8** | **2,054.7** |

*Source: Ministry of Finance*

The process of placement and circulation of 12-month ST-Bills and 2-year T-Bonds on the trading floor of the Kyrgyz Stock Exchange began in May 2023. In 2024, sales of 12-month ST-Bills were KGS 0.2 billion with a weighted average yield of 13.0%, and sales of 2-year ST-Bonds were KGS 1.2 billion with a weighted average yield of 15.2%. As of 31 December 2024, the outstanding amount of ST-Bills was US$25.7 million, and the weighted average yield on ST-Bills was 11.12%, a decreased by 2.7% as compared to 31 December 2023.

Within the framework of the implementation of the Public Debt Strategy for 2022-2024, in 2024 the Cabinet of Ministers issued long-term T-Bonds with maturities ranging from two to 20 years. The largest volume of funds for financing the State Budget in 2024 was raised through the sale of 10-year and 7-year T-Bonds, which accounted for 29.3% and 24.5% of total issues of domestic securities, respectively. As of 31 December 2024, the total weighted average yield on T-Bonds was 15.6%, as compared to 15.0% as of 31 December 2023.

**Public Debt Service**

The following tables set forth the total Public Debt service for the periods indicated in US$ millions and KGS millions, respectively.

**Public Debt Service**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | *(US$ millions)* | | | | |
| **Domestic Public Debt service[(1)]** | **176.6** | **168.9** | **258.1** | **241.5** | **256.7** |
| Principal | 127.5 | 114.1 | 64.5 | 156.6 | 122.6 |
| Interest | 49.1 | 54.9 | 69.6 | 84.9 | 134.1 |
| **External Public Debt service[(2)]** | **194.7** | **179.5** | **258.1** | **354.4** | **432.9** |
| Principal | 140.8 | 136.9 | 201.0 | 283.2 | 357.6 |
| Interest | 53.9 | 41.8 | 56.3 | 70.5 | 74.5 |
| Other | 0.0 | 0.8 | 0.8 | 0.7 | 0.8 |
| **Total Public Debt service** | **371.3** | **348.4** | **392.2** | **595.8** | **689.6** |

(1) Figures for Domestic Public Debt converted into U.S. dollars using the actual KGS/US$ exchange rate at the end of the relevant period.

(2) Including servicing of IMF loans (as well as from the IMF CCRT grant in the amount of US$12.5 million in 2021 and US$0.4 million in 2022) and payment of interest on allocated SDRs transferred to the Ministry of Finance.

*Source: Ministry of Finance*

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | | | *(KGS millions)* | | |
| **Domestic Public Debt service** | **14,595.9** | **14,320.3** | **11,493.0** | **21,509.4** | **22,283.5** |
| Principal | 10,538.5 | 9,668.4 | 5,525.1 | 13,945.7 | 10,646.7 |
| Interest | 4,057.4 | 4,651.9 | 5,967.9 | 7,563.7 | 11,636.8 |
| **External Public Debt service[(1)]** | **16,092.9** | **15,212.5** | **22,112.8** | **31,565.6** | **37,571.9** |
| Principal | 10,636.1 | 11,602.4 | 17,223.0 | 25,227.3 | 31,039.4 |
| Interest | 4,456.8 | 3,541.0 | 4,822.4 | 6,278.9 | 6,465.4 |
| Other[(2)] | - | 69.1 | 67.4 | 59.4 | 67.1 |
| **Total Public Debt service** | **30,688.8** | **29,532.8** | **33,605.8** | **53,075.0** | **59,855.4** |

(1) Figure for External Public Debt converted into KGS using the actual average KGS/US$ exchange rate for the relevant period.
(2) Commitment fees.
*Source: Ministry of Finance*

In 2024, expenditures to service the Public Debt from the republican budget amounted to KGS 59.9 billion (3.9% of GDP), of which interest payments amounted to KGS 18.1 billion (1.2% of GDP). Expenditures on Public Debt service in 2024 increased by 12.8% compared to 2023.

In 2024, External Public Debt service was KGS 37.6 billion, an increase of KGS 6.3 billion compared to 2023.

Domestic Public Debt service in 2024 was KGS 22.3 billion, as compared to KGS 14.6 billion in 2020, KGS 14.3 billion in 2021, KGS 11.5 billion in 2022, and KGS 21.5 billion in 2023.

The following table sets forth scheduled debt service on Kyrgyzstan's total pro forma External Public Debt for the years indicated, not including projected payments on the Notes.

**Projected External Public Debt Principal and Interest Repayment Schedule[(1)]**

| | For the Year Ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 |
| | | | *(US$ millions)* | | |
| Principal | 442.0 | 442.0 | 421.6 | 394.9 | 410.4 |
| Interest | 79.8 | 75.1 | 68.9 | 64.5 | 60.2 |
| Other[(2)] | 0.6 | 0.5 | 0.4 | 0.4 | 0.3 |
| **Total debt service on External Public Debt** | **522.4** | **517.6** | **490.9** | **459.8** | **471.0** |

(1) Debt service projections do not include projected payments on the Notes. As a result of the issuance of the Notes, actual interest payments and total debt service for the years presented will be higher than the figures presented.
(2) Commitment fees.
*Source: Ministry of Finance*

**Relationships with International Financial Institutions**

Borrowings from international financial institutions have played a significant role in supporting economic and structural reforms in Kyrgyzstan. The resources of these organisations provide long-term support for economic growth and stability of Kyrgyzstan's financial system. Kyrgyzstan's relationships with these organisations demonstrate its commitment to reforming certain economic areas, improving the country's investment climate and increasing the share of foreign investment in the economy.

***International Monetary Fund (IMF)***

Kyrgyzstan has been a member of the IMF since 8 May 1992. The following sets out information on Kyrgyzstan's SDR quota, reserve tranche position, SDR holdings and outstanding credit as of 28 February 2025.

| General Resources Account: | SDR Million | % Quota |
|---|---|---|
| Quota | 177.60 | 100.00 |
| IMF's Holdings of Currency (Holdings Rate) | 192.08 | 108.15 |
| Reserve Tranche Position | 0.49 | 0.27 |

| SDR Department: | SDR Million | % Allocation |
|---|---|---|
| Net cumulative allocation | 254.96 | 100.00 |
| Holdings | 165.60 | 64.95 |

| Outstanding Purchases and Loans: | SDR Million | % Quota |
|---|---|---|
| Emergency Assistance[(1)] | 14.80 | 8.33 |
| RCF Loans | 59.20 | 33.33 |
| ECF Arrangements | 20.93 | 11.79 |

(1) Emergency Assistance may include Emergency Natural Disaster Assistance (ENDA), Emergency Post-Conflict Assistance (EPCA) and Rapid Financing Instrument ("**RFI**").

The IMF has supported Kyrgyzstan through technical assistance and training programmes aimed at building institutional capacity in areas such as fiscal policy, monetary operations, and statistical systems. These initiatives are aimed at improving the effectiveness of economic policies and governance structures.

The IMF conducts regular Article IV consultations with Kyrgyzstan to assess its economic health and provide policy recommendations. The most recent consultation concluded on 5 February 2024, highlighting strong economic performance in 2023, with growth driven by the construction and trade sectors. The report also noted improvements in tax revenue mobilisation and a reduction in Public Debt.

Kyrgyzstan has received financial assistance from the IMF through various borrowing arrangements to support its economy and address urgent fiscal and balance of payments needs. In particular, in March 2020, Kyrgyzstan borrowed SDR 88.4 million (US$120.9 million) to address urgent balance of payments needs and support fiscal measures in response to the COVID-19 pandemic, SDR 59.2 million of which was under an RFI and SDR 29.6 million of which was under a Rapid Credit Facility ("**RCF**"); and on 12 May 2020, the IMF disbursed additional amounts of SDR 59.2 million and SDR 29.6 million under the RFI and RCF programmes respectively for the COVID-19 pandemic emergency assistance.

***World Bank Group***

The Kyrgyz Republic became a member of the World Bank in 1992. The World Bank is currently implementing a five-year Country Partnership Framework (the "**CPF**") with the Kyrgyz Republic for 2024-2028. This CPF has introduced shifts in focus and approach and is well-aligned with, and responds to, the Kyrgyz Republic's priorities and needs as reflected in the World Bank's Systematic Country Diagnostic Update for Kyrgyzstan dated 4 May 2023, building on the World Bank Group's comparative advantages. Energy, water, and agriculture are identified as priority sectors for World Bank financing where engagement is expanding. In addition, there is a particular emphasis on stimulating private sector investments, creating scalable projects and using innovative financing instruments. The CPF also includes a strong focus on key global challenges including strengthening climate resilience and reducing emissions, addressing gender inequality, supporting jobs and economic transformation, strengthening institutions, and reducing the risk of instability.

Kyrgyzstan's borrowing from the World Bank has been mainly on concessional terms through the International Development Association (the "**IDA**"), a member of the World Bank Group. Since 1992, the World Bank Group has provided Kyrgyzstan US$3.5 billion in grants and highly concessional loans from the IDA and trust funds. As of 31 December 2024, the total amount of Public Debt owed to the World Bank under IDA loans was US$749.4 million.

As of 2 April 2025, the World Bank Group's active investment portfolio in the Kyrgyz Republic comprised projects with an aggregate value of approximately US$1.1 billion.

***European Bank for Reconstruction and Development (EBRD)***

Kyrgyzstan and EBRD have maintained a collaborative relationship since the country's independence in 1991. EBRD has been instrumental in supporting Kyrgyzstan's transition to a market economy through various investments and initiatives. As of September 2024, EBRD had invested approximately €979 million across 247 projects in Kyrgyzstan. These investments span multiple sectors, including infrastructure, energy, and small and medium-sized enterprises (SMEs). In September 2024, EBRD approved a new five-year country strategy for Kyrgyzstan, focusing on:

- Private sector competitiveness and inclusion: Enhancing productivity and expanding access to export markets, with a particular emphasis on financial inclusion for women, youth, and underserved communities.
- Sustainable infrastructure and connectivity: Investing in renewable energy projects, improving water security, and upgrading transport networks, including the Trans-Caspian Corridor.
- Green and resilient economy: Assisting in the development and implementation of green policies, offering finance and advice on climate risk management, and promoting corporate governance reforms.

In November 2024, EBRD provided a combined loan and grant in an amount of €17 million to modernise water infrastructure in the northern regions of Kyrgyzstan. This investment is aimed at improving water supply systems, modernising pumping stations, and rehabilitating wastewater treatment facilities, which will address critical water security challenges. In addition, the EBRD has approved a new strategy to drive Kyrgyzstan's growth and green development, focusing on sustainable economic growth and infrastructure improvement.

***Asian Development Bank (ADB)***

Kyrgyzstan became a member of the ADB in 1994. As of 31 December 2023, ADB had disbursed 217 loans, grants, and technical assistance to the Kyrgyz Republic, supporting more than 217 projects and programmes across various sectors in an aggregate amount of approximately US$2.6 billion. These initiatives have focused on infrastructure development, public services, trade facilitation and skills development. As of 2 April 2025, 17 projects with an aggregate value of US$948.1 million were being implemented by the Government with ADB support. Ongoing projects continue to address critical areas such as economic diversification, climate change resilience, and private sector development, in line with the country's strategic development goals.

***Islamic Development Bank (IDB)***

Kyrgyzstan has been a member of the Islamic Development Bank (the "**IDB**") since 1993, with a subscribed share capital of 25.8 million Islamic dinars, which constitutes 0.05% of the IDB's total share capital. To date, the IDB has implemented numerous projects in Kyrgyzstan with an aggregate financing amount of over US$500 million, contributing significantly to the country's economic development. Currently, the IDB is actively engaged in several investment projects in Kyrgyzstan, with a focus on infrastructure development, renewable energy, and social welfare, with an aggregate value of approximately US$200 million.

***Eurasian Development Bank (EDB)***

Kyrgyzstan became a full member of EDB in 2011. Kyrgyzstan currently owns 4.23% of shares in the EDB. The country's share increased from 0.01% in 2023 after the redistribution of part of Russia's stake, of which Kyrgyzstan purchased a part for US$64.7 million. The EDB supports various sectors of the Kyrgyz economy, including energy, industry, agriculture, and transportation. In the energy sector, the EDB provides expertise and technical support for developing feasibility studies and financing investment projects. The EDB also promotes agricultural diversification, productivity enhancement, and food security through targeted financing, including the development of vertically integrated enterprises in the agro-industrial sector. In addition, the EDB focuses on export-import trade, improving transportation services and logistics, and renewing vehicle fleets and fixed assets. The EDB has provided loans to finance Kyrgyzstan's State Budget deficits in certain years, including US$70 million in 2010 and US$20 million in 2016. The EDB continues to support Kyrgyzstan's economic development through various investment projects and initiatives.

**Credit Ratings**

Kyrgyzstan has been assigned a long-term sovereign credit rating of "B+" (with stable outlook) by S&P, a long-term foreign currency issuer default rating of "B" (with stable outlook) by Fitch and a foreign currency long-term issuer rating of "B3" (with stable outlook) by Moody's. These ratings are sub-investment grade.

# TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Circular and is subject to any change in law that may take effect after such date.*

## United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership, disposition and retirement of Notes by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme (including Notes with a maturity of 30 years or longer) and only applies to Notes held as capital assets for U.S. federal income tax purposes within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (generally, held for investment). It does not address any aspects of U.S. federal income taxation that may be applicable to U.S. Holders that are subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax exempt entities, retirement plans, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, dealers or traders in securities or currencies, traders in securities that elect to use a mark-to-market method of tax accounting for their securities holdings, persons required to accelerate the recognition of any item of income with respect to the Notes as a result of such income being recognised on applicable financial statements, holders that will hold a Note as part of a position in a straddle, hedging, constructive sale, wash sale, or conversion, integrated or similar transaction for U.S. federal income tax purposes, holders who hold Notes in connection with a trade or business conducted outside of the United States, entities or arrangement treated as partnerships or pass-through entities for U.S. federal income tax purposes or investors therein, or U.S. Holders that have a functional currency other than the U.S. dollar. Moreover, this summary does not address the effects of any U.S. state and local tax, non-U.S. tax laws, U.S. federal estate and gift or other non-income tax, Medicare contribution tax or alternative minimum tax consequences of the acquisition, ownership, disposition or retirement of Notes and does not address the U.S. federal income tax treatment of U.S. holders that do not acquire Notes as part of the initial distribution at their initial "issue price," as defined in "– *Original Issue Discount*" below.

This summary is based on the Code, existing, temporary and proposed U.S. Treasury Regulations, administrative pronouncements and judicial decisions, each as at the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations, which could affect the tax consequences described herein. Any special U.S. federal income tax considerations relevant to a particular issue of the Notes will be provided in the relevant Final Terms.

For purposes of this description, a U.S. Holder is a beneficial owner of the Notes who for U.S. federal income tax purposes is (i) an individual citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (1) that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more United States persons have the authority to control.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax adviser as to the consequences of acquiring, owning or disposing of Notes.

Prospective investors should consult their own tax advisers with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of Notes.

***Interest***

Except as set forth below, interest (including "qualified stated interest" as defined under "*—Original Issue Discount*" below) paid on a Note, whether payable in U.S. dollars or a currency other than U.S. dollars, and including any additional amounts, will be includible in a U.S. Holder's gross income as ordinary interest income for U.S. federal income tax purposes at the time it is received or accrued in accordance with the U.S. Holder's usual method of accounting for such purposes. In addition, interest on the Notes will generally be treated as foreign source income for U.S. federal income tax purposes and generally will be treated as "passive category income" for U.S. foreign tax credit purposes.

The creditability of non-U.S. income taxes is subject to limitations, including some that vary depending on a U.S. Holder's circumstances. In addition, U.S. Treasury Regulations require non-U.S. income tax laws to meet certain requirements in order for taxes imposed under such laws to be eligible for credit. The Issuer has not determined whether these requirements would be met with respect to Kyrgyzstan withholding taxes. A recent notice from the Internal Revenue Service ("**IRS**") indicates, however, that the United States Treasury and the IRS are considering proposing amendments to such U.S. Treasury Regulations and allows, subject to certain conditions, taxpayers to defer the application of many aspects of such U.S. Treasury Regulations for taxable years ending on or before 31 December 2023. In December 2023 the IRS issued a further notice extending the relief period indefinitely pending the release of further guidance. Prospective purchasers of Notes should consult their own tax advisers concerning the applicability of foreign tax credit and source of income rules attributable to the Notes.

***Foreign Currency Denominated Stated Interest***

Any interest paid in a currency, composite currency or basket of currencies other than U.S. dollars (a "**foreign currency**") will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the foreign currency, including the amount of any applicable withholding tax thereon, regardless of whether the foreign currency is converted into U.S. dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. dollar value using the spot rate of exchange on the date of receipt. Generally, a U.S. Holder that uses the accrual method of tax accounting will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period (or in the case of an accrual period that spans two taxable years of the U.S. Holder, the part of the period within each taxable year), or, at the accrual basis U.S. Holder's election, at either the spot rate of exchange on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within each taxable year) or the spot rate on the date of receipt, if that date is within five days of the last day of the accrual period. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognise foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date payment is received differs from the rate applicable to an accrual of that interest.

***Original Issue Discount***

U.S. Holders of Notes issued with original issue discount ("**OID**") will be subject to special tax accounting rules, as described in greater detail below. U.S. Holders of Notes issued with OID (including cash basis taxpayers) should be aware that they generally must include OID in income for U.S. federal income tax purposes on an economic accrual basis, in advance of the receipt of cash attributable to that income. Notes issued with OID are herein referred to as "**Original Issue Discount Notes**". Solely for the purposes of determining for U.S. federal income tax purposes whether a Note has OID and the yield and maturity of a Note, the Issuer may, under certain circumstances, be deemed to exercise any call option that has the effect of decreasing the yield on the Note and the U.S. Holder may, under certain circumstances, be deemed to exercise any put option that has the effect of increasing the yield on the Note. The relevant Final Terms will so state when the Issuer determines that a particular Note will be an Original Issue Discount Note, to the extent relevant. Persons considering the purchase of Original Issue Discount Notes with such features should carefully examine the relevant Final Terms and should consult their own tax advisers with respect to such features since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the Notes.

The following discussion does not address the U.S. federal income tax consequences of an investment in contingent payment debt instruments. In the event the Issuer determines that a Note is a contingent payment debt instrument the relevant Final Terms or a supplement to this Base Offering Circular will describe the material U.S. federal income tax consequences thereof.

Additional rules applicable to Original Issue Discount Notes that are denominated in or determined by reference to a currency other than the U.S. dollar are described in "*—Foreign Currency Discount Notes*" below.

For U.S. federal income tax purposes, a Note, other than a Note with a term of one year or less, will be treated as an Original Issue Discount Note if the excess of the Note's "stated redemption price at maturity" over its "issue price" equals or exceeds a *de minimis* amount (generally, 0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of a Note that provides for payments other than qualified stated interest before maturity, its weighted average maturity)). The "stated redemption price at maturity" of a Note is the sum of all payments required to be made on such Note other than "qualified stated interest" payments. The "issue price" of each Note in a particular offering will be the first price at which a substantial amount of that particular offering is sold (other than to an underwriter, broker, agent or wholesaler or similar persons or organisations acting in the capacity of an underwriter, broker, agent or wholesaler). The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually (with certain exceptions for certain first or final interest payments) at a single fixed rate or qualifying variable rate and there must be legal remedies available to compel timely payment or the terms of the instrument must make the possibility of nonpayment or late payment sufficiently remote. Notice will be given in the relevant Final Terms when it is determined that a particular Note will bear interest that is not qualified stated interest, to the extent relevant.

In the case of a Note issued with *de minimis* OID, the U.S. Holder generally must include such *de minimis* OID in income as stated principal payments on the Notes are made in proportion to the amount relative to the stated principal amount of the Note. Any amount of such recognised *de minimis* OID will be treated as capital gain from the sale or exchange of the Note.

U.S. Holders of Original Issue Discount Notes with a maturity upon issuance of more than one year must, in general, include OID in income as it accrues on a constant yield basis in advance of the receipt of some or all of the related cash payments. Under this method, the amount of OID includible in income by the initial U.S. Holder of an Original Issue Discount Note is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which such U.S. Holder held such Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. The "accrual period" for an Original Issue Discount Note may be of any length and may vary in length over the term of the Note, *provided that* each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of the Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of a Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period (determined without regard to the amortisation of any acquisition or bond premium, as described below) and reduced by any payments made on such Note (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will have to include in income increasingly greater amounts of OID in successive accrual periods.

In the case of an Original Issue Discount Note that is a Floating Rate Note, both the "yield to maturity" and "qualified stated interest" will be determined solely for purposes of calculating the accrual of OID as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index or if the principal amount of the Note is indexed in any manner. Persons considering the purchase of Floating Rate Notes should carefully examine the relevant

Final Terms and should consult their own tax advisers regarding the U.S. federal income tax consequences of the holding and disposition of such Notes.

***Market Discount***

If a U.S. Holder of a Note (other than a Short-Term Note) purchases the Note at a price that is lower than its stated redemption price at maturity (or in the case of an Original Issue Discount Note, its revised issue price) by at least 0.25 percent of its stated redemption price at maturity or revised issue price, respectively, multiplied by the number of remaining whole years to maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average remaining maturity), the Note will be considered to have "market discount" in the hands of such U.S. Holder (a "**Market Discount Note**"). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "de minimis market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the "stated redemption price at maturity" (as defined above) is decreased by the amount of any payments previously made on the Note that were not qualified stated interest.

Any gain realised by the U.S. Holder on the disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by the U.S. Holder. In addition, the U.S. Holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. Such interest is deductible when paid or incurred to the extent of income from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder. In general terms, market discount on a Note will be treated as accruing rateably over the term of the Note, or, at the election of the U.S. Holder, under a constant-yield method, and such election applies only to such Note with respect to which it is made and is irrevocable.

A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realised on a sale of a Note as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Market discount on a Note denominated in, or determined by reference to, a foreign currency, will be accrued by a U.S. Holder in the specified currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognize U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognize, upon the sale or retirement of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

***Election to Treat All Interest as OID***

U.S. Holders may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their own tax advisers about this election.

***Short-Term Notes***

A holder of a Note that has a fixed maturity date of no more than one year from the issue date of that Note (a "**Short-Term Note**") may be subject to special rules. Under the OID regulations, all stated interest on a Short-

Term Note will be treated as OID. An accrual basis holder of a Short-Term Note and some cash basis holders generally would be required to report interest income as it accrues on a straight-line basis over the term of each interest accrual period or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale, exchange, retirement or other taxable disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale, exchange, retirement or other taxable disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes may be required to defer a portion of any interest expense otherwise deductible on indebtedness incurred to purchase or carry the Short-Term Note until the taxable disposition of the Short-Term Note. Certain special rules apply if a Short-Term Note is purchased for more or less than its principal amount.

***Variable Interest Rate Notes***

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") generally will bear interest at a "qualified floating rate" (as defined below) and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate, but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

Under recently finalized U.S. Treasury regulations, Notes referencing an IBOR that are treated as having a qualified floating rate for purposes of the above will not fail to be so treated merely because the terms of the Notes provide for a replacement of the IBOR in the case of a Benchmark Event. In particular, under the regulations, the IBOR referencing rate and the replacement rate are treated as a single qualified rate.

An "objective rate" is a rate that is not itself a qualified floating rate, but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so, designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and

if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) equal to or in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be calculated such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. Special rules apply to "contingent payment debt instruments" under applicable U.S. Treasury regulations, and this summary does not discuss those rules. In the event the Issuer

issues contingent payment debt instruments, the applicable Final Terms may describe the material U.S. federal income tax consequences thereof.

***Notes Purchased at a Premium***

A U.S. Holder that purchases a Note for an amount in excess of the sum of all amounts payable on the Note after the purchase date other than qualified stated interest will be considered to have purchased the Note at a "premium." A U.S. Holder generally may elect to amortise the premium over the remaining term of the Note on a constant yield method as an offset to interest when includible in income under the U.S. Holder's regular accounting method for U.S. federal income tax purposes. In the case of a Note that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency and amortisable bond premium will reduce interest income in units of the foreign currency. At the time amortised bond premium offsets interest income, foreign currency gain or loss (taxable as ordinary income or loss) is measured by the difference between exchange rates at that time and at the time of the acquisition of the Notes. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. Bond premium on a Note held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognised on disposition of the Note. Special rules may limit the amortisation of bond premium with respect to Notes subject to early redemption.

***Foreign Currency Discount Notes***

OID for any accrual period on an Original Issue Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined for any accrual period in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described under "*—Foreign Currency Denominated Stated Interest*" above. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder may recognise foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

***Benchmark Replacement***

Following the occurrence of a Benchmark Event, the rate of interest on any Notes which pay a floating rate linked to or referencing a benchmark or screen rate, including EURIBOR and any other IBOR-referencing rate, will be determined on the basis of the applicable Successor Rate or Alternative Reference Rate. It is possible that such replacement of the original reference rate with a Successor Rate or Alternative Reference Rate could be treated as a significant modification of such Notes. In such event, for U.S. federal income tax purposes, such Notes would be treated as having been exchanged for new Notes (a "**deemed exchange**") and a U.S. Holder could be required to recognise taxable gain with respect to such Notes as result of the deemed exchange. In addition, such Notes may be treated as having been issued with OID. U.S. Holders should consult their own tax advisors with regard to the possibility of a deemed exchange following the occurrence of a Benchmark Event with respect to the Notes.

***Sale, Exchange, Retirement or Other Disposition***

A U.S. Holder generally will recognise gain or loss on the sale, exchange, retirement or other disposition of a Note equal to the difference between the amount realised on the sale, exchange, retirement or other disposition (less any accrued but unpaid stated interest, which will be taxable as ordinary interest income if not previously included in income) and the U.S. Holder's adjusted tax basis of the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its U.S. dollar cost (as defined herein) increased by the amount of any OID, market discount or any income attributable to *de minimis* OID or *de minimis* market discount included in the U.S. Holder's income with respect to the Note and reduced by (i) the amount of any payments on the Note that are not qualified stated interest and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The U.S. dollar cost of a Note purchased with a foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase. The amount realised on

a sale, exchange, retirement or other disposition for an amount in foreign currency will be the U.S. dollar value of such amount on the date of sale, exchange, retirement or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale, exchange, retirement or other disposition. Gain or loss recognised on the sale, exchange, retirement or other disposition of a Note (other than to the extent described above with respect to certain Short-Term Notes, or gain or loss that is attributable to market discount or to changes in exchange rates, which will be treated as ordinary income or loss) will be capital gain or loss and will be long term capital gain or loss if the Note was held for more than one year. The deductibility of capital losses is subject to limitations. A U.S. Holder will recognise foreign currency gain or loss on the principal amount of the Note equal to the difference between (i) the U.S. dollar value of the U.S. Holder's purchase price for such Note determined at the spot rate on the date of sale, exchange, retirement or other disposition and (ii) the U.S. dollar value of the U.S. Holder's purchase price for the Note determined at the spot rate on the date the U.S. Holder acquired the Note. However, foreign currency gain or loss is taken into account only to the extent of total gain or loss realised on the transaction. Gain or loss recognised by a U.S. Holder on the sale, exchange, retirement or other disposition of a Note generally will be U.S.-source income or loss. Prospective investors should consult their tax advisers as to the foreign tax credit implications of such sale, exchange, retirement or other disposition of Notes.

***Sale or Other Disposition of Foreign Currency***

Foreign currency received as interest on a Note or on the sale, retirement or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such sale, retirement or other disposition. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S.-source ordinary income or loss.

***Multi-Currency Notes***

U.S. Holders of Notes that are denominated in more than one currency or that have one or more non currency contingencies and are denominated in either one foreign currency or more than one currency will be subject to special rules applicable to "multi-currency debt securities." A U.S. Holder generally would be required to apply the "noncontingent bond method" in the multi-currency debt security's denomination currency, which, for this purpose, would be the multi-currency debt security's predominant currency as determined by the Issuer. A description of the principal U.S. federal income tax considerations relevant to holders of multi-currency Notes, including specification of the predominant currency, will be set forth, if required, in the relevant Final Terms.

***Other Notes***

A description of the principal U.S. federal income tax considerations relevant to U.S. Holders of any other type of Note that the Issuer may issue under the Programme will be set forth, if required, in the relevant Final Terms or in a supplement to this Base Offering Circular.

***Reportable Transaction Reporting***

U.S. Treasury Regulations require the reporting to the IRS of certain foreign currency transactions giving rise to losses in excess of a certain minimum amount, such as the receipt or accrual of interest and accruals of OID, and a sale, exchange, redemption, retirement, redemption or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note. U.S. Holders should consult their tax advisers to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

***Foreign Financial Asset Reporting***

Individuals and, to the extent provided by the U.S. Secretary of the Treasury in regulations or other guidance, certain domestic entities that hold an interest in a "specified foreign financial asset" are required to attach certain information regarding such assets to their income tax return for any year in which the aggregate value of all such assets exceeds the relevant threshold. A "specified foreign financial asset" includes any debt or equity of a non-U.S. entity, to the extent not held in an account at a financial institution, though accounts at non-U.S. financial institutions may themselves be "specified foreign financial assets." Penalties may be imposed

for the failure to disclose such information regarding specified foreign financial assets. U.S. Holders are advised to consult their tax advisers regarding the potential reporting requirements that may be imposed on them by this legislation with respect to their ownership of the Notes.

***U.S. Backup Withholding and Information Reporting***

Information reporting requirements apply to certain payments of interest and accrued OID on the Notes and to proceeds of the sale, exchange, retirement or other disposition of Notes made within the United States or through certain U.S. paying agents, U.S. intermediaries or U.S.-related brokers, to certain holders of Notes (other than an exempt recipient). The payor will be required to backup withhold on such payments (including payments of the accrued OID) to a U.S. Holder of a Note that is a U.S. person, other than an "exempt recipient," if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, *provided that* the required information is timely furnished to the IRS. The backup withholding rate under current law is 24 per cent. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

**Kyrgyzstan Tax**

Under current Kyrgyz tax legislation, interest paid to a foreign holder of the Notes who does not have a permanent establishment in the Kyrgyz Republic is generally subject to withholding tax at a rate of 10%. However, recent amendments to the Tax Code provide that interest income on securities (including international bonds-listed on certain foreign stock exchanges approved by the Cabinet of Ministers ("**qualifying stock exchanges**") is exempt from withholding tax. These amendments will become effective upon the entry into force of the accompanying legislation governing the securities market, which has passed three readings in Parliament, is expected to be signed by the President of the Kyrgyz Republic and is expected to enter into force prior to the first interest payment date of the first series of Notes to be issued under the Programme.

Official clarifications issued by the Ministry of Economy and Commerce, the Ministry of Justice of the Kyrgyz Republic and the Ministry of Finance indicate that interest on the Notes will qualify for an exemption from withholding tax, subject to the Notes being listed on a qualifying stock exchange and meeting applicable listing requirements.

The obligation to withhold tax arises only at the time of payment of interest. Accordingly, assuming the new legislation enters into force as expected prior to the first interest payment date of the first series of Notes to be issued under the Programme, no payments made by the Issuer under the Notes will be subject to any tax in the Kyrgyz Republic, whether by withholding or otherwise.

The Issuer has undertaken in the Conditions to make all payments of principal and interest in respect of the Notes free and clear of withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Kyrgyz Republic 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 has undertaken to pay such amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction has been required, subject to certain exceptions set out in Condition 12 (*Taxation*).

## CLEARING AND SETTLEMENT

### Book Entry Procedures for the Global Notes

For each Series evidenced by a Restricted Global Note which is held by or on behalf of DTC, custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross market transfers of the Notes associated with secondary market trading. See "*Book Entry Ownership*" and "*— Settlement and Transfer of Notes*".

### Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

### DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in Restricted Global Notes directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Restricted Global Notes as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*Exchange for Definitive Note Certificates*", DTC will surrender the relevant Restricted Global Notes for exchange for individual Restricted Definitive Note Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

### Book Entry Ownership

#### *Euroclear and Clearstream, Luxembourg*

An Unrestricted Global Note representing the Unrestricted Notes will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B 1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L 1855 Luxembourg.

***DTC***

The Restricted Global Note representing Restricted Notes of any Series, unless otherwise agreed, will have a CUSIP number and will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC system.

**Relationship of Participants with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system as the holder of a Note evidenced by a Global Note must look solely to Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be) for its share of each payment made by the Issuer to the holder of the Global Notes, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be).

The Issuer expects that, upon receipt of a payment in respect of Notes evidenced by a Global Note, the Common Depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of the beneficial interests in any Global Note held through such Direct Participant in any clearing system will be governed by standing instructions and customary practices.

Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note and such obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note, in respect of each amount so paid. None of the Issuer, the Fiscal Agent or any Paying Agent will have responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

**Settlement and Transfer of Notes**

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within a clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Note Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Restricted Global Note which is held by or on behalf of DTC to

pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

**Trading Between Euroclear and Clearstream, Luxembourg Participants**

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

**Trading Between DTC Participants**

Secondary market sales of book entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same Day Funds Settlement system in same day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

**Trading Between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser**

When book entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Global Note (subject to the certification procedures provided in the Fiscal Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Restricted Global Note will instruct the Registrar to decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Note of the relevant class and increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Note. Book entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

**Trading Between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser**

When book entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Note (subject to the certification procedures provided in the Fiscal Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Restricted Global Note who will in turn deliver such book entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by an Unrestricted Global Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by a Restricted Global Note.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their

respective Direct Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

**Pre Issue Trades Settlement**

It is expected that the delivery of Notes will be made against payment therefor on the relevant closing date, which could be more than three business days following the date of pricing. Under Rule 15c6 l under the Exchange Act, trades in the United States secondary market generally are required to settle within one business days (T+1), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until two days prior to the relevant closing date will be required, by virtue of the fact that the Notes initially will settle beyond T+2, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the relevant closing date should consult their own advisers.

## TRANSFER RESTRICTIONS

The Notes are being sold in the United States only to qualified institutional buyers within the meaning of and in reliance on Rule 144A. Because of the following restrictions, purchasers of Notes sold in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

The Issuer is a foreign government as defined in Rule 405 under the Securities Act and is eligible to register securities on Schedule B of the Securities Act. Therefore, the Issuer is not subject to the information provision requirements of Rule 144A(d)(4)(i) under the Securities Act.

Each prospective purchaser of Notes in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of this Base Offering Circular, will be deemed to have represented, agreed and acknowledged as follows:

(i) such 144A Offeree acknowledges that this Base Offering Circular is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Base Offering Circular, or disclosure of any of its contents to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

(ii) such 144A Offeree agrees to make no photocopies of this Base Offering Circular or any documents referred to herein.

Each purchaser of Restricted Notes within the United States, by accepting delivery of this Base Offering Circular, will be deemed to have represented, agreed and acknowledged as follows (terms used herein that are defined in Rule 144A or in Regulation S are used herein as defined therein, as applicable):

(a) the purchaser of the Notes (i) is a QIB, (ii) is acquiring the Notes for its own account or for the account of a QIB and (iii) is aware, and each beneficial owner of such Notes has been advised, that the sale of the Notes to it is being made in reliance on Rule 144A. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.;

(b) the purchaser understands that such Restricted Notes are being offered or sold only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Notes have not been and will not be registered under the Securities Act or any other applicable State securities laws, the purchaser acknowledges that such Restricted Note is a "restricted security" (as defined in Rule 144(a)(3) under the Securities Act) and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Restricted Notes, such Restricted Notes may be offered, sold, pledged or otherwise transferred only (A) in the United States to a person that the seller reasonably believes is a QIB purchasing for its own account, or for the account or benefit of a QIB, in a transaction meeting the requirements of Rule 144A whom the seller has notified, in each case, that the offer, resale, pledge or other transfer is being made in reliance on Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (D) to the Issuer or an affiliate of the Issuer (upon redemption thereof or a similar transaction); in each case in accordance with any applicable securities laws of any state of the United States and (ii) no representation can be made as to the availability at any time of the exemption provided by Rule 144 for the resale of the Restricted Notes;

(c) the purchaser understands that such Restricted Notes, unless the Issuer and the Registrar determine otherwise in compliance with Applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A

UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB"), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT;

(d) the purchaser acknowledges that, prior to any transfer of Definitive Note Certificates or of beneficial interests in the Global Notes, the holder of Definitive Note Certificates or the holder of beneficial interests in Global Notes, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Fiscal Agency Agreement; and

(e) the Issuer, the Arrangers, the Dealers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

**Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

## SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in the Dealer Agreement dated 22 May 2025 (the "**Dealer Agreement**") between the Issuer and the dealers named therein, from time to time the Notes will be offered by the Issuer to the Permanent Dealers and the Permanent Dealers may agree to purchase such Notes. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they made to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Certain of the Dealers and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, the Issuer in the ordinary course of their respective businesses. The Issuer may apply all or part of the proceeds of any Notes issued pursuant to the Programme in repayment of all or part of any such credit facilities.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche.

*Notice to Capital Market Intermediaries and Prospective Investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including Private Banks)*

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Base Offering Circular and/or the applicable Final Terms.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes. CMIs are informed that a private bank rebate may be payable as stated in this Base Offering Circular and in the applicable Final Terms, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealers (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

The name of each underlying investor;

- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order;

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Final Terms.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

**Selling Restrictions**

***United States***

The Notes have not been and will not be registered under the Securities Act, and, subject to certain exceptions, may not be offered or sold within the United States.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Dealer Agreement it will offer the Notes for resale in the United States initially only to persons who they reasonably believe to be QIBs in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the respective meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States in accordance with Regulation S. The Dealer Agreement provides that Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of the Notes within the United States only to QIBs in reliance on Rule 144A.

An offer or sale of Notes within the United States by a Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A, or another available exemption from registration under the Securities Act.

***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than a year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

***Prohibition of Sales to EEA Retail Investors***

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or

(b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

***The United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE (excluding the DIFC) other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

***Dubai International Financial Centre***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority Rulebook (the "**DFSA Rulebook**"); and

(b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

***Abu Dhabi Global Market***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

(a) an "Exempt Offer" in accordance with Rule 4.3 of the Markets Rules of the Financial Services Regulatory Authority (the "**FSRA Rules**"); and

(b) made only to persons who meet the Professional Client criteria set out in the Conduct of Business Module of the FSRA Rules.

***Singapore***

Unless the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person

pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

***Hong Kong***

In relation to each Series, each Dealer has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, 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 Notes 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 (Cap. 571 of Hong Kong) (the "**SFO**") and any rules made under the SFO.

***Kyrgyz Republic***

The Notes have not been and will not be registered with the Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Commerce of the Kyrgyz Republic, the Kyrgyz Stock Exchange, or any other regulatory authority in the Kyrgyz Republic.

Accordingly, the Notes may not be offered, sold, or otherwise transferred in Kyrgyzstan unless the Notes are offered, sold, or otherwise transferred: (1) in accordance with the applicable laws and regulations of the Kyrgyz Republic; (2) as a result of a private placement to the investors that are qualified or institutional investors as defined under Kyrgyz securities legislation; or (3) without any public offering, general solicitation, advertising, or marketing in the territory of Kyrgyzstan.

Unless otherwise approved or admitted, the Notes are not intended to be listed or offered for trading on the Kyrgyz Stock Exchange, and no application for listing on the Kyrgyz Stock Exchange has been or will be made.

Each person offering, selling, or transferring the Notes in Kyrgyzstan shall be responsible for ensuring compliance with the applicable regulatory framework.

***Korea***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations.

Furthermore, a holder of Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Notes except:

(a) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the Financial Investment Services and Capital Markets Act, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that such professional investors are registered as "qualified institutional buyers" ("**Korean QIBs**") with the Korea Financial Investment Association (the "**KOFIA**") in advance and complies with the requirement for monthly reports to the KOFIA of their holding of Korean QIB Bonds, and provided further that:

(i) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean Won;

(ii) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to less than 20% of the aggregate issue amount of the Notes;

(iii) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market;

(iv) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant subscription agreement and the offering circular; and

(v) the Issuer and the relevant Dealers shall individually or collectively keep the evidence of fulfilment of conditions (i) through (iv) above after having taken necessary actions therefore; or

(b) as otherwise permitted under applicable Korean laws and regulations.

Each Dealer undertakes, and each further Dealer appointed under the Programme will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

***Taiwan***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that no Notes will be, or have been, registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority or government agency of Taiwan pursuant to applicable securities laws and regulations and may not be sold, offered or otherwise made available within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the Republic of China ("**ROC**") or relevant laws and regulations and which require a registration, filing or approval of the Financial Supervisory Commission of the ROC and/or other regulatory authority or government agency of the ROC. No person or entity in the ROC is authorised to offer, sell or otherwise make available any Notes or the provision of information relating to this Base Offering Circular.

***People's Republic of China***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the PRC.

***Macau***

The Notes have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Notesbe distributed or circulated in Macau, except under the terms of and in compliance with the Financial System Act (Law no. 13/2023), and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circular no. 011/B/2023-DSB/AMCM and any other laws in Macau that may apply to the offer and sale of the Notes in Macau. The Notes have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circular no. 011/B/2023-DSB/AMCM, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Financial System Act and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circular no. 011/B/2023-DSB/AMCM and upon their communication to the Macau Monetary Authority and Chongwa (Macao) Financial Asset Exchange Co., Ltd., in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time. The Dealers who are not Macau licensed entities will not promote, distribute, sell or deliver any of the Notes in Macau.

***Australia***

No "prospectus" or other "disclosure document" (each as defined in the Corporations Act 2001 (Cth) of Australia (the "**Corporations Act**")) in relation to the Programme or any Notes has been or will be lodged with

the Australian Securities and Investments Commission ("**ASIC**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless:

(i) the aggregate consideration payable for such Notes on acceptance of the offer or invitation by the person to whom the relevant offer or invitation is made, is at least A$500,000 or its equivalent in any other currency (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001 (Cth)) or the offer or invitation otherwise does not require disclosure in accordance with Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;

(iii) the offer or invitation complies with all other applicable Australian laws, regulations and directives; and

(iv) such action does not require any document to be lodged with ASIC or any successor entity thereto.

***General***

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Offering Circular.

No representation is made that any action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of this Base Offering Circular or any other offering materials or any final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to agree) that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Offering Circular, any other offering material or any Final Terms (in all cases at its own expense) and neither the Issuer nor any other Dealer shall have responsibility therefor. Other persons into whose hands this Base Offering Circular or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or form which they purchase, order, sell or deliver Notes or possess, distribute or publish this Base Offering Circular or any Final Terms or any related offering material, in all cases at their own expense.

## GENERAL INFORMATION

### 1. Listing and Admission to Trading

Where the Issuer and each relevant Dealer so agree before the Issue Date for the relevant Series, application will be made to admit certain Series of Notes issued under the Programme to the Official List and to trading on the Market. The relevant Final Terms for any Note will indicate whether or not such application has been made.

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the period of 12 months after the date of this Base Offering Circular on the Hong Kong Stock Exchange. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount.

However, Notes may be issued pursuant to the Programme which will not be admitted to the Official List or admitted to trading on the Market or listed on the Hong Kong Stock Exchange or admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems or which will be admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems as the Issuer and each relevant Dealer may agree.

### 2. Clearing of the Notes

It is expected that the Notes will be accepted for clearance through Euroclear and Clearstream, Luxembourg and/or DTC. Where relevant, the appropriate common code and the International Securities Identification Number and/or (where applicable) the CUSIP number in relation to each Series will be specified in the Final Terms relating thereto. The relevant Final Terms will specify any other clearing system as shall have accepted the Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, United States of America.

### 3. Authorisations

The establishment of the Programme was authorised and approved by the Resolution of the Cabinet of Ministers of the Kyrgyz Republic dated 11 January 2025 №14-p and the Decree of the Zhogorku Kenesh of the Kyrgyz Republic dated 26 February 2025 №2842-VII. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue and performance of the Notes.

### 4. Significant/Material Change

Since 31 December 2024, there has been no significant change in the Issuer's (a) tax and budgetary systems, (b) gross public debt or the maturity structure or currency of its outstanding debt and debt payment record, (c) foreign trade, (d) foreign exchange reserves including any potential encumbrances to such foreign exchange reserves as forward contracts or derivatives, (e) financial position and resources including liquid deposits available in domestic currency, (f) income and expenditure figures and (g) balance of payments figures.

### 5. Litigation

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the later of (i) the date of this Base Offering Circular, (ii) any supplement hereto, and (iii) the most recent Final Terms relating to a tranche of Notes, which may have, or have had in the recent past, significant effects on the financial position of the Issuer.

6. **Documents on Display**

For so long as any of the Notes is outstanding, copies of the following documents may be inspected during normal business hours at the specified offices of the Fiscal Agent and at the offices of the Ministry of Finance of the Kyrgyz Republic at Erkindik ave. 58, Bishkek, Kyrgyz Republic and are available on the website of the Ministry of Finance of Kyrgyzstan at www.minfin.kg:

(a) the Fiscal Agency Agreement;

(b) the Deed of Covenant; and

(c) this Base Offering Circular and any supplements thereto.

In addition, this Base Offering Circular will be published, and available for 10 years, on the website of the Issuer (www.minfin.kg).

7. **Third Party Information**

The Issuer confirms that where information included in the Base Offering Circular has been sourced from a third party the source is identified, and that information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

8. **Arrangers and Dealers Transacting with the Issuer**

Certain of the Arrangers, Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business for which they have received, and they may in the future receive, fees.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold 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. Such investments and securities activities may involve securities and/or instruments of the Issuer. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

9. **Address**

The address of the Issuer is: Erkindik ave. 58, Bishkek, Kyrgyz Republic.

The telephone number of the Issuer is +996 312 66-18-70, and the website of the Issuer is www.minfin.kg. The website and any information on it are not part of, and are not incorporated by reference into, this Base Offering Circular.

10. **Legal Entity Identifier**

The legal entity identifier (LEI) code of the Issuer is 213800YGMMYSI2V31F90.

11. **Websites**

No websites referred to in this Base Offering Circular and no websites of the Government of Kyrgyzstan and its ministries, nor any information on such websites form part of, or are incorporated by reference into, this Base Offering Circular.

## ISSUER

**Kyrgyz Republic**
represented by the Cabinet of Ministers of the Kyrgyz Republic
acting through the Ministry of Finance of the Kyrgyz Republic
Erkindik ave. 58
Bishkek 720040
Kyrgyz Republic

## ARRANGERS AND PERMANENT DEALERS

**Citigroup Global Markets Limited**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

**China CITIC Bank International Limited**
80 Floor, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

**Oppenheimer & Co. Inc.**
85 Broad Street
New York, NY 10004
United States of America

**TFI Securities and Futures Limited**
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

## FISCAL AGENT, PAYING AGENT AND TRANSFER AGENT

**Citibank, N.A., London Branch**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

## REGISTRAR

**Citibank Europe Plc**
1 North Wall Quay
Dublin 1
Ireland

## LEGAL ADVISERS

*To the Issuer as to English and U.S. law*

**Morgan, Lewis & Bockius UK LLP**
Condor House
5-10 St. Paul's Churchyard
London EC4M 8AL
United Kingdom

*To the Issuer as to Kyrgyzstan law*

**Grata International**
33/1 Razzakova Street, Office 2
Bishkek 720040
Kyrgyz Republic

*To the Arrangers and Permanent Dealers as to English and U.S. law*

**Linklaters LLP**
One Silk Street
London EC2Y 8HQ
United Kingdom

*To the Arrangers and Permanent Dealers as to Kyrgyzstan law*

**Centil**
101 Manaschy Sagynbay Street
Bishkek 720040
Kyrgyz Republic