A vertical photograph of a rugged mountain range with snow-capped peaks and rocky outcrops, partially obscured by low-hanging clouds. A solid green vertical bar is positioned to the right of the image.

# HALYK GROUP FINANCIAL RESULTS PRESENTATION 9M & 3Q 2022

(Moody's – Baa2 / Fitch – BBB- / S&P – BB+)

November, 2022

# Disclaimer

Certain information contained in this presentation may include forward-looking statements. Such forward-looking statements are not guarantees of future performance. These statements are based on management's current expectations or beliefs as of the date of this presentation and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The Bank disclaims any intention or obligation to publicly update or revise any forward-looking statements.

The alternative performance measures ("APMs") disclosed in this presentation are unaudited supplementary measures of the Halyk Group's performance and liquidity that are not required by, or presented in accordance with, IFRS. These measures are not defined by IFRS and the Halyk Group's use and definition of these metrics may not be comparable to similarly titled APMs used by other companies in the financial industry due to differences in accounting policies or differences in the calculation methodology. These APMs have limitations and should not be considered in isolation, or as substitutes for financial information as reported under IFRS. Accordingly, undue reliance should not be placed on the APMs presented in this presentation. The Halyk Group has included these measures because it believes that they enhance an investor's understanding of the Halyk Group's financial performance. The Halyk Group also believes that these APMs are commonly used by investors in comparing the performance of businesses. The management of the

Halyk Group uses these measures to monitor and analyse Halyk Group's performance.

Basis of calculation:

- all figures in this presentation are based on IFRS audited financial statements or financial statements reviewed by auditors, unless stated otherwise;

# Speakers



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CEO, Halyk Bank



Murat Koshenov, CFA  
Deputy CEO, Finance,  
Subsidiaries and  
International Activities



Roman Maszczyk  
Deputy CEO, Compliance, Risk -  
Management, Data Science  
and Collateral,  
Chief Compliance Controller



Olga Vuros  
Deputy CEO,  
Corporate Banking



Dauren Sartayev  
Deputy CEO, SME Banking,  
Transactional Banking,  
PR and Marketing



Zhumabek Mamutov  
Deputy CEO, Retail Banking  
and Soft Collection



Nariman Mukushev  
Deputy CEO, Digital Government  
Services, Ecosystem and  
Customer Experience



Anton Musin  
General Managing Director  
for IT and Innovation



Almas Makhanov  
Chief Risk Officer



Viktor Skryl  
Financial Director,  
Finance & Subsidiaries



Mira Kassenova  
Head of FI and IR

01

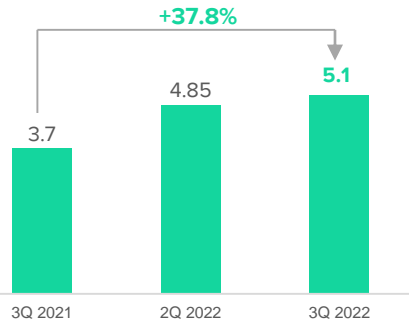
# Digital update



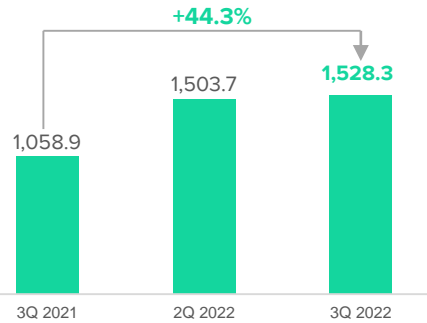
# Significant ramp up of digital channels

## Strong growth of online users

MAU, mln users



DAU, K users



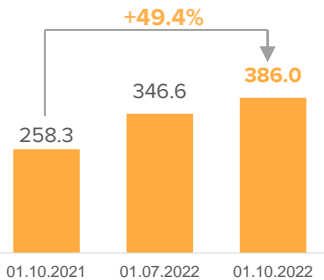
Halyk Homebank



#2 Finance app ranking position iOS 3.7 and Android 4.2 as of 3Q 2022

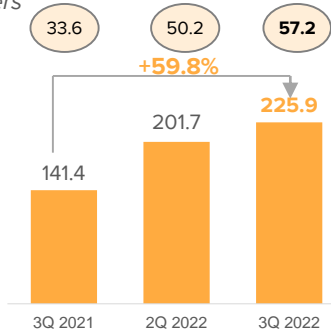
## Number of corporate internet banking clients<sup>1</sup>

K users



## Onlinebank's (WEB + Mobile) active users<sup>2</sup>

K users



Onlinebank



#1 SME Banking club ranking position

(1) Cleaned data; (2) Calculation methodology has been changed

■ MAU    xx    DAU

## Achievements in 3Q'22

- ✓ Onboarding and card issuance for kids – Halyk Easy
- ✓ Confirmation of transfers via FaceID/TouchID
- ✓ Incoming FX payments in the app
- ✓ Submission of a tax declaration for IE
- ✓ Issuance of a digital card
- ✓ POS statement for merchants

## Goals for 2022

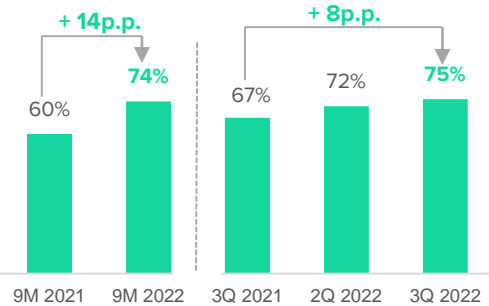
- ✓ Lifestyle interface transformation
- Web onboarding & identification
- ✓ Seamless loan, installment & payment process for partners
- ✓ Push notifications seamless integration with ecosystem
- Notify as you go (push notifications by geolocation)
- New web portal
- ✓ Online onboarding for LLP
- ✓ Integration of tax services
- ✓ Tenders selection model for clients
- ✓ Digital Guarantees 24/7

# Supporting growth across credit and non-credit products

## Retail

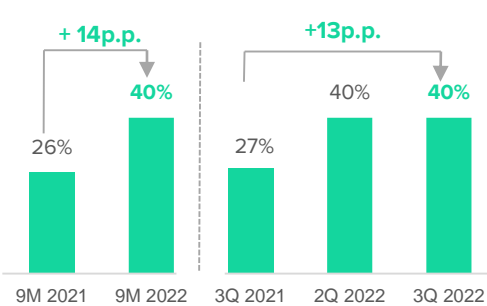
### Credit products

#### Share of digital loans issued

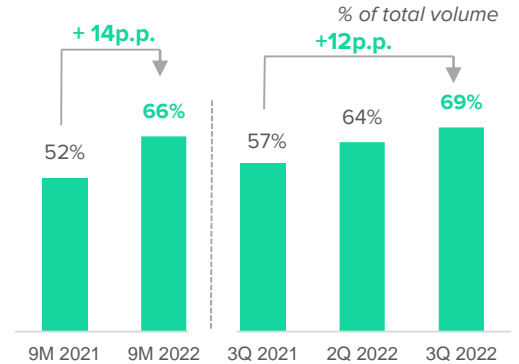


### Non-credit products

#### Share of new online deposits



#### Share of non-cash card payments



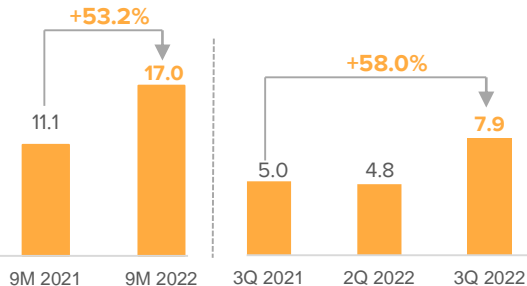
## SME & Corporate

### Credit products

#### Number of digital loans issued to IE<sup>(1)</sup>

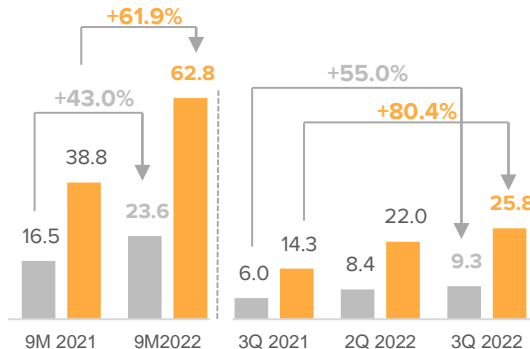
Launched in August 2020

K



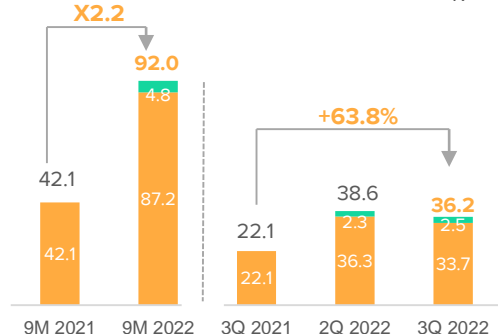
### Non-credit products

#### Payments through Onlinebank



#### Online onboarding for legal entities

K



(1) Individual Entrepreneurs;  
(2) Including transfer of offline clients to online

■ Number of Onlinebank KZT payments, mln  
■ Volume of Onlinebank KZT payments, KZT trln

<sup>(2)</sup> Launched in April 2022

# Development of proprietary ecosystem services

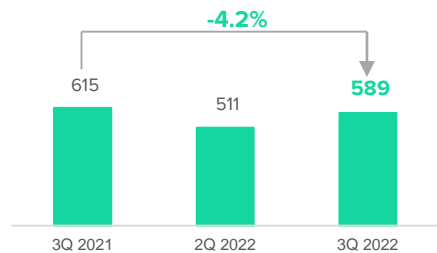


## Auto Insurance

Launch in Mar 2020

GMV (insurance premiums)\*

KZT mln



\*focus shifted to the profitable segment

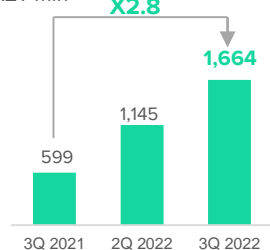


## Halyk Travel

Launch in Sep 2020

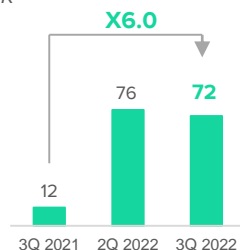
GMV

KZT mln



K

Tickets

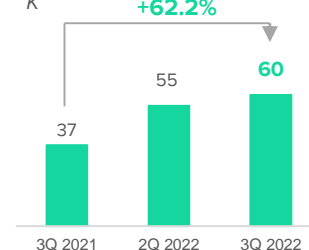


## Halyk Invest

Launch in Nov 2020

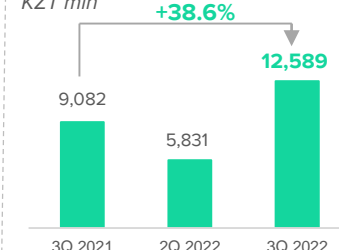
Number of new customers, cumulative

K



Transactions volume

KZT mln

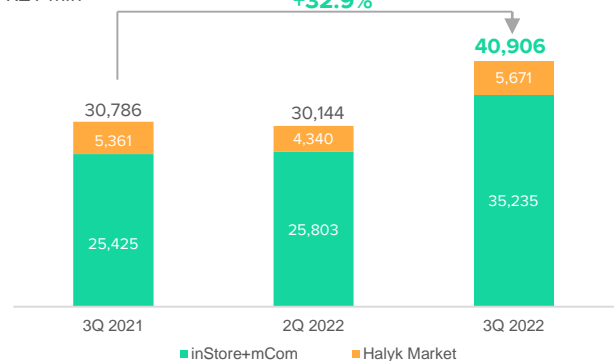


## Halyk Marketplace

Launch in Dec 2020

GMV

KZT mln

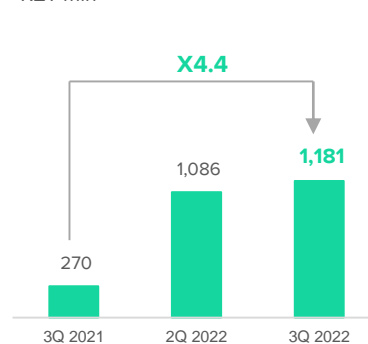


## Kino.kz

Launch in Oct 2020

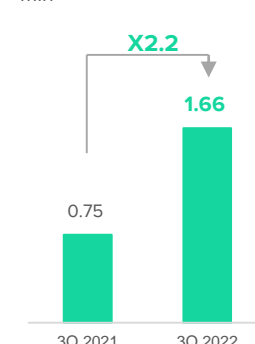
GMV

KZT mln

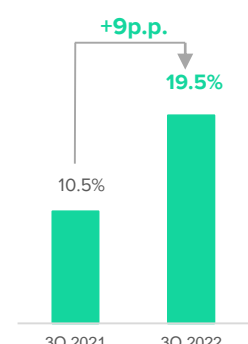


mln

MAU



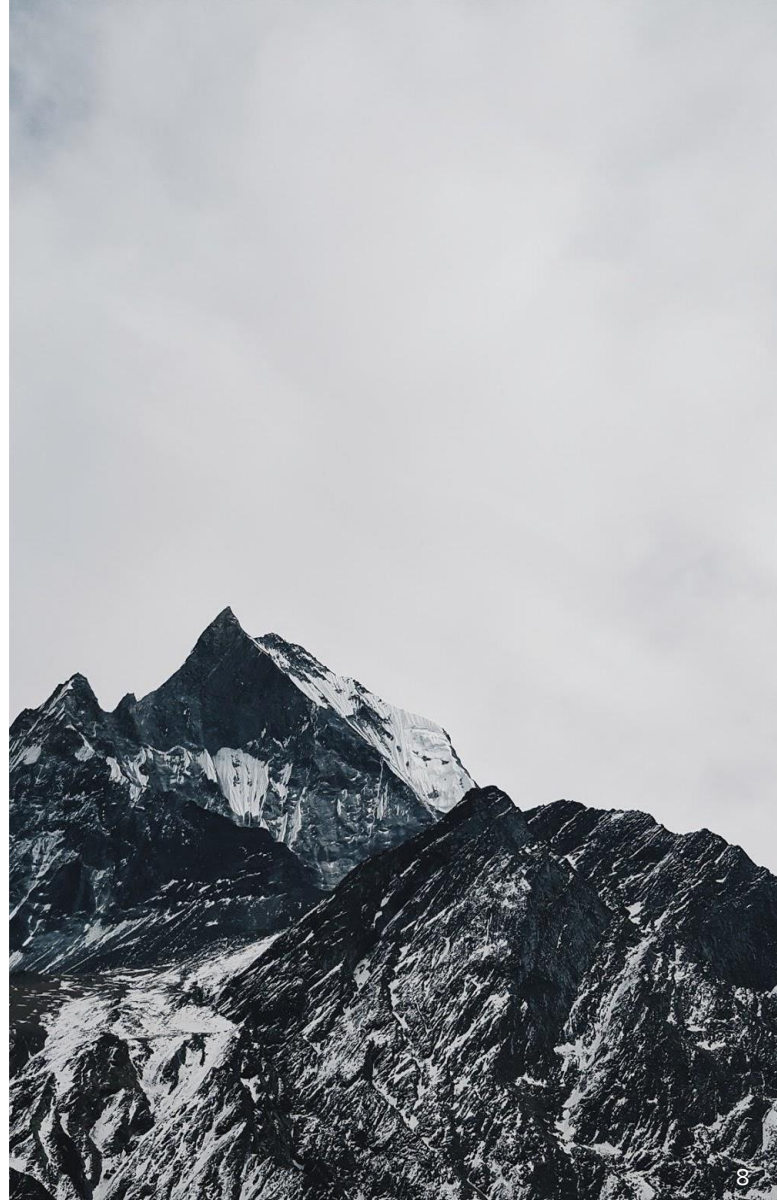
Market share\*



\*out of online sales of entertainment tickets (cinema, theaters, sport events, and concerts)

02

# Retail banking



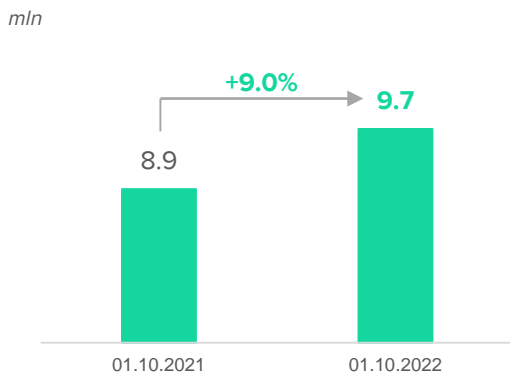


# Retail banking: key segment highlights as of October 01, 2022

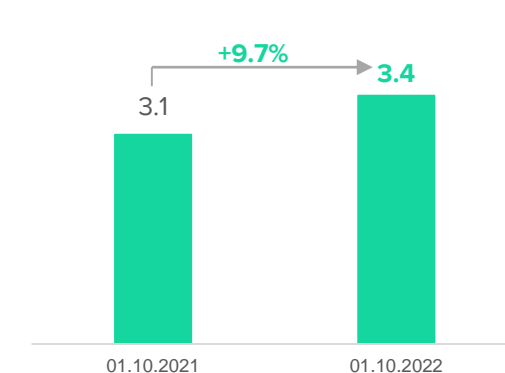


Scale		Customer outreach		Digital footprint		Growth	
<b>KZT 2,567bn</b>	Retail gross loan book <sup>(1)</sup>	<b>9.7m</b>	Retail active clients	<b>9.1m</b>	Halyk Homebank clients	<b>34.2%</b>	Retail gross loan growth <sup>(1)</sup> , YTD
<b>20%</b>	Retail loan market share	<b>6.3m</b>	Active payment cards	<b>5.1m</b>	Halyk Homebank MAU	<b>10.8%</b>	Retail deposit growth <sup>(1)</sup> , YTD
<b>KZT 4,890bn</b>	Retail deposit size <sup>(1)</sup>	<b>575</b>	Branches	<b>KZT 10.6trln</b>	Transactions processed <sup>(2)</sup>	<b>14.2%</b>	Active payment cards YoY growth
<b>3.4</b>	Bank's products per client	<b>4.6k</b>	ATMs	<b>40%</b>	Share of new online deposits in 3Q, by count	<b>37.8%</b>	Halyk Homebank MAU YoY growth
				<b>69%</b>	Share of non-cash card payments in 3Q, by volume	<b>33.0%</b>	Transactions processed in 3Q 2022 vs 3Q 2021

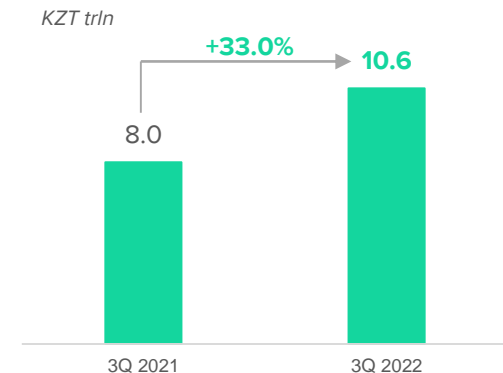
### Retail active clients



### Bank's products per client



### Transactions volume<sup>(2)</sup>





Source: Companies' data  
Unconsolidated (bank only) basis


(1) Consolidated IFRS basis; (2) cash and non-cash transactions processed (all payments through branch network, Halyk, ATMs, acquiring network; C2B payments) for 3Q 2022


# Key priorities in retail business





- 

**PHYGITAL SERVICE MODEL**
- 

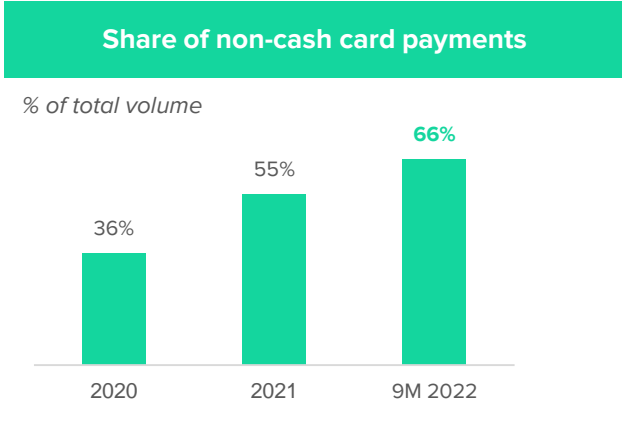
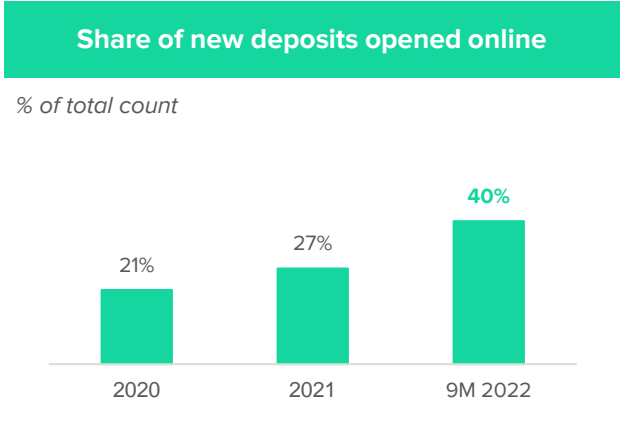
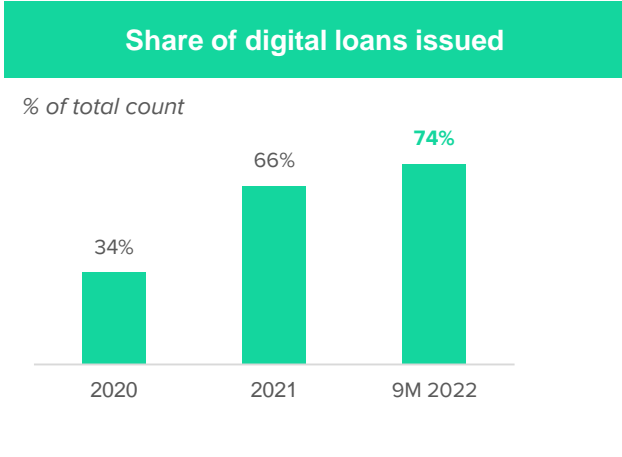
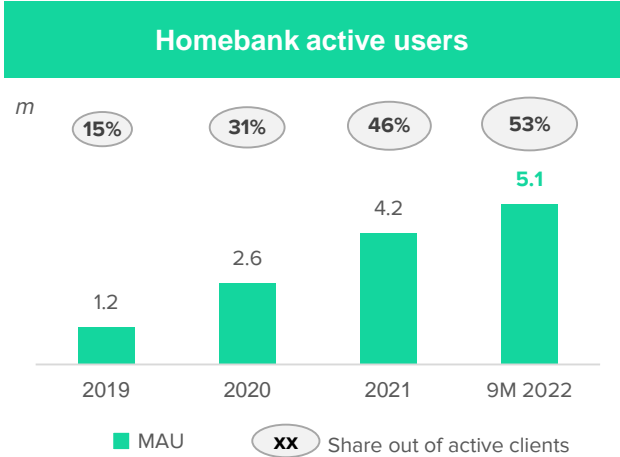
**DIGITALIZATION**
- 

**100% SERVICES OFFERED AT HOMEBANK**
- 

**ADVANCED CLIENT ANALYTICS**
- 

**SUPERAPP CONCEPT**
- 

**INCREASING CUSTOMER LTV**

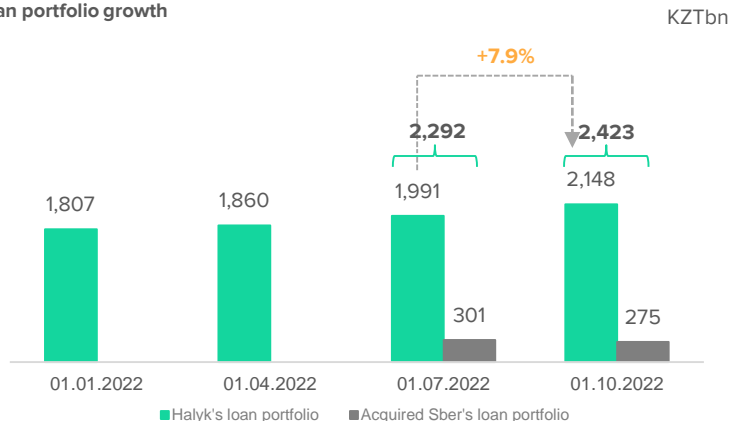


Unconsolidated (bank only) basis

# Strong growth in retail loans

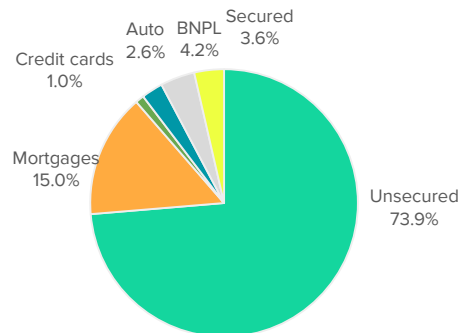
## Retail gross loan portfolio

Loan portfolio growth



Portfolio breakdown

as of October 1, 2022



Portfolio quality remains at a high level



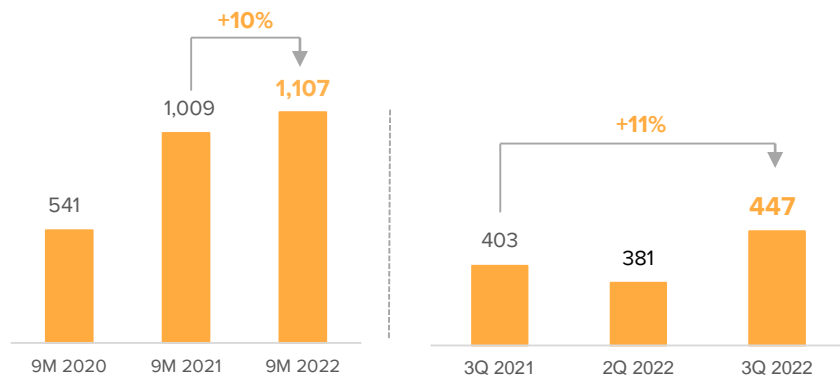
### Portfolio quality

01.07.2022 01.10.2022

NPL 90 days+ ratio	3.8%	3.8%
NPL 90 days+ coverage	163.7%	167.6%

## Loan issuance

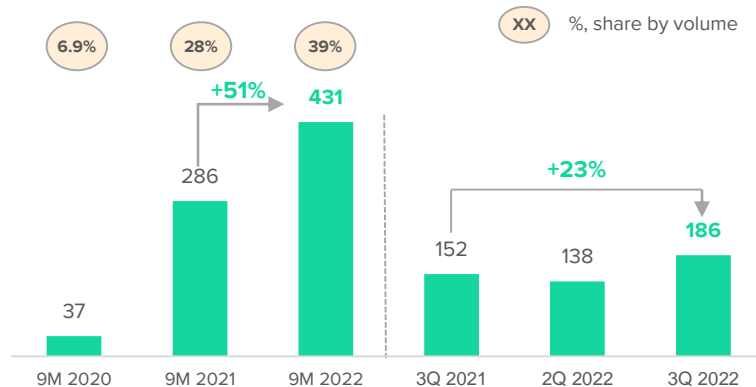
KZTbn



## Digital loans dynamics by volume

+51% growth of digital loans issued in 9M 2022 vs 9M 2021

KZT bln

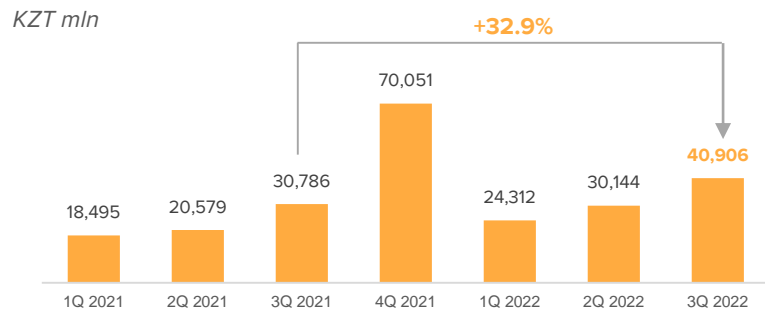


# Halyk Marketplace dynamics

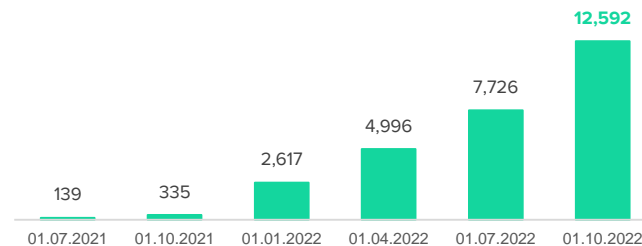


## Open ecosystem fuels growth of online lending

### Marketplace GMV (inStore, mCom+eCom)

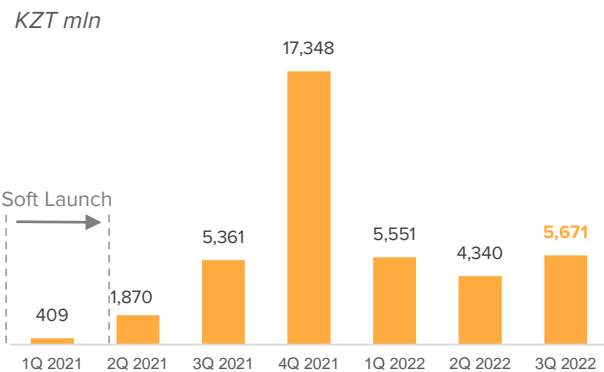


### Total number of the Halyk Marketplace partners

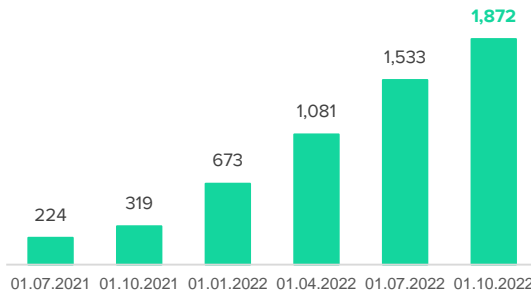


## Halyk Market: multi-partner platform for online purchases

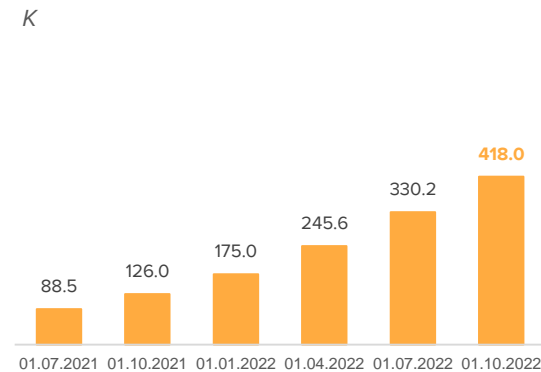
### GMV (eCom)



### Number of partners



### SKU



# Tangible progress in building our retail platform

## Banking products and services

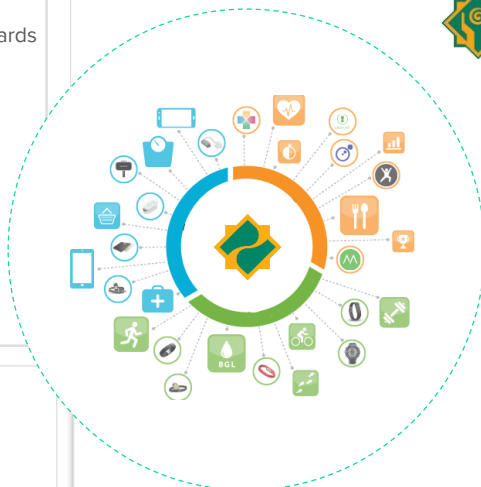
- Online refinance
- Google pay
- Transfers to Uzbekistan
- Online auto loans
- P2B payments
- Halyk QR
- Mortgage loans
- Term deposits
- Credit cards
- Current account
- Cash loans
- Payments
- Retail secured loans
- Installment online
- E-wallets
- Apple pay
- Samsung pay
- Digital cards
- Online deposits
- Online cash loans

- Partnership with the largest retailers in the country
- Branches
- ATMs
- Card issuance machines
- Halyk Homebank
- POS

## Convenient multi-channel service

## Life-style products and services

- Halyk Marketplace:**
  - Halyk Market
  - InStore + mCom
- Halyk Travel
- Kino.kz
- Halyk tour
- Insurance
- Halyk Invest
- Halyk Info
- Halyk Club
- Halyk Maps
- Government services online**



### Halyk Easy Card

Launch in Sep 2022

- Onboarding for kids from 6 y.o.
- Parents control
- Free of charge
- Fast transfers and payments



International transfers via phone number



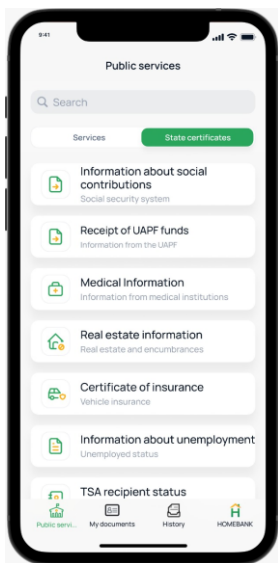
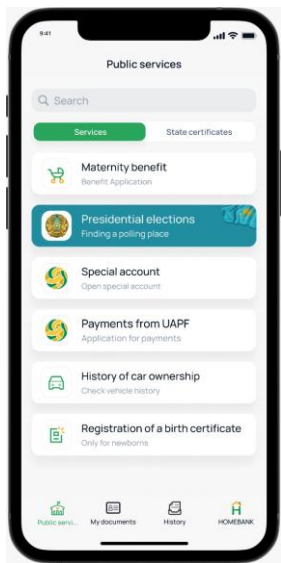
Confirmation of transfers via FaceID/TouchID available exclusively at Halyk

## Ongoing simplification of clients' life

Retail banking complemented by ecosystem products accessible through multi-channel service network



# Government services online



**New Government services launched during 3Q 2022**

- Deregistration at the place of residence**  
available exclusively at Halyk  
Launch in Jul 2022
- Notification about a failure of a tax declaration submission**  
Launch in Aug 2022
- Medical statements**  
first on the market  
Launch in Aug 2022
- Submission of a tax declaration**  
available exclusively at Halyk  
Launch in Aug 2022
- A compulsory pension contributions statement**  
available exclusively at Halyk  
Launch in Aug 2022
- A compulsory social contribution statement**  
available exclusively at Halyk  
Launch in Aug 2022
- Compensation for KZT deposits**  
Launch in Sep 2022
- A real estate statement**  
available exclusively at Halyk  
Launch in Sep 2022
- Checking an information about labor contracts**  
available exclusively at Halyk  
Launch in Sep 2022

In 2022  
**the Government Services**  
were used  
**over 8mln** times

**Digital documents**

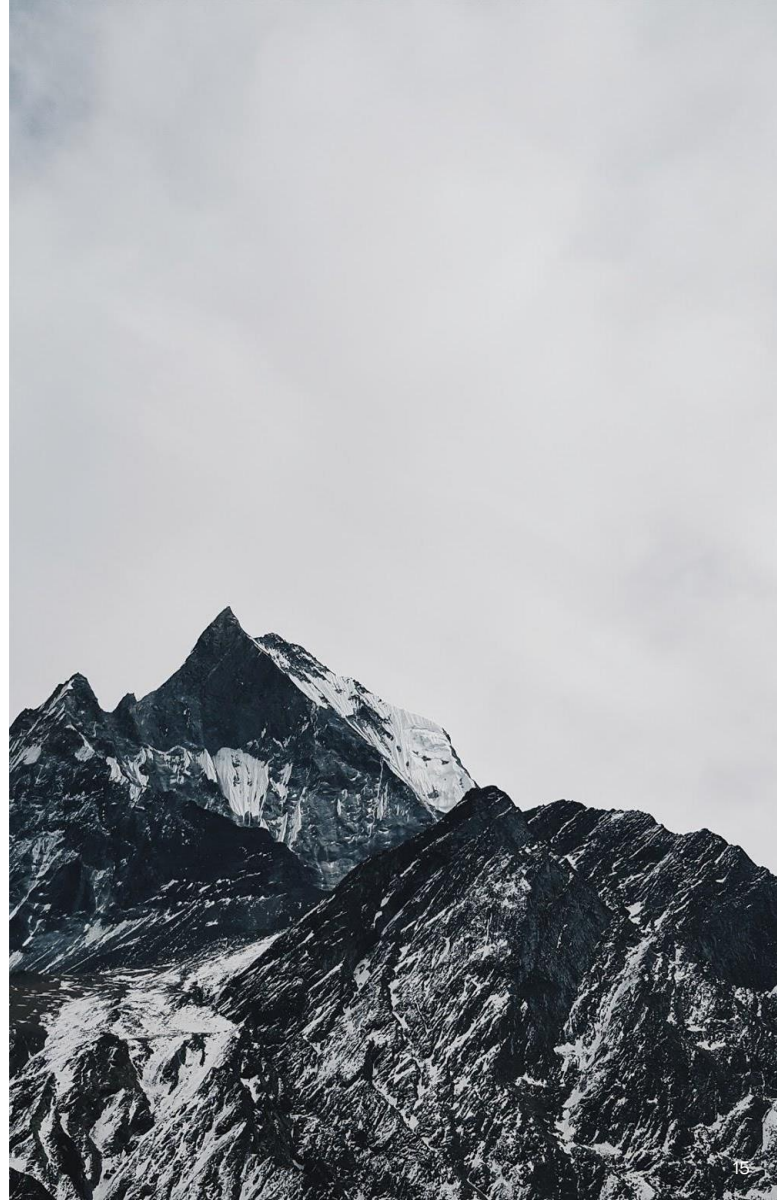
- State ID
- Birth certificate
- Child's birth certificate
- Marriage certificate
- Name change certificate
- Divorce certificate
- Pensioner's certificate
- Vaccination passport
- PCR results
- etc.

**Government services online**

- One time pension withdrawal
- Maternity benefits
- Car selling & registration
- Registration of an IE
- Birth certificate application
- Car history
- Registration at the place of residence

03

## SME and Corporate banking

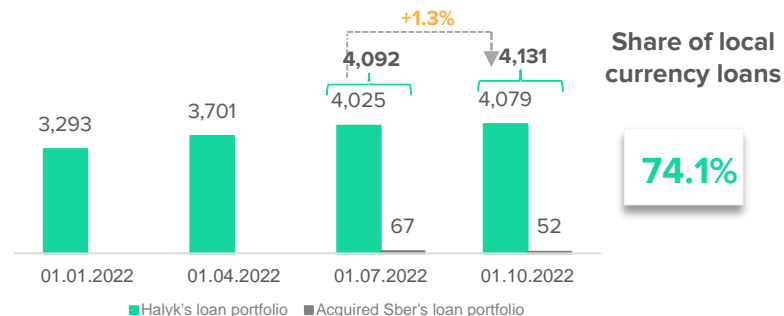


# Strong corporate portfolio performance



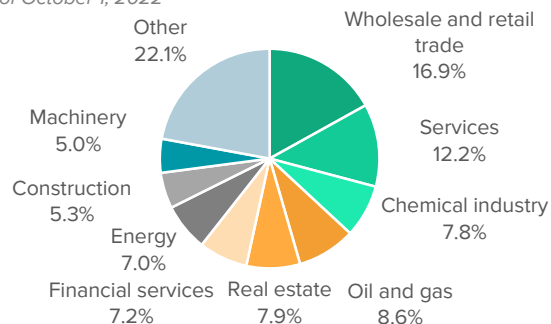
## Corporate loan portfolio

Gross loan portfolio (consolidated), KZT bn



## Industry breakdown<sup>(1)</sup>

as of October 1, 2022



## Portfolio quality

	01.07.2022	01.10.2022
NPL 90 days+ ratio	0.9%	1.6%
NPL 90 days+ coverage	513.0%	303.5%

## Market share

	01.10.2022
Penetration among largest taxpayers	81%
Share by loans to legal entities	52.4%
Share by deposits of legal entities	36.5%

## Products penetration

	01.10.2021	01.10.2022
Active clients	1.9K	2.3K
Borrowers	516	603
Bank's products per client*	4.11	4.33
Bank's products per borrower*	5.63	5.79
Monthly transactions per active transactor	172	216

## Awards

**ASIAMONEY**

«Best Corporate and Investment Bank – Kazakhstan 2019-2021»

Unconsolidated (bank only) basis

(1) Excluding loans to subsidiaries

\*The calculation methodic has been changed

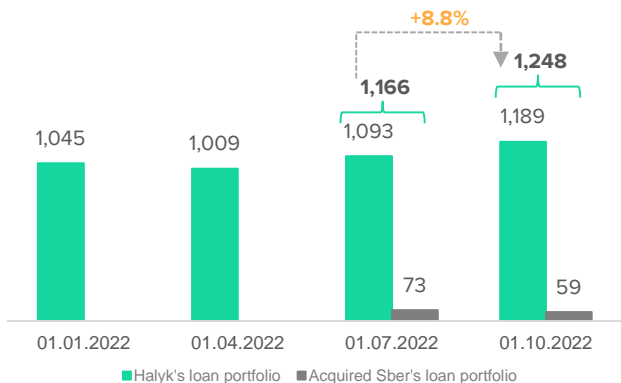


# SME banking: key segment highlights as of October 01, 2022



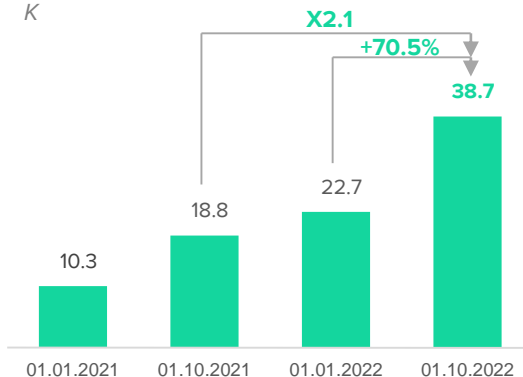
## SME gross loan portfolio<sup>(1)</sup>

KZT bn



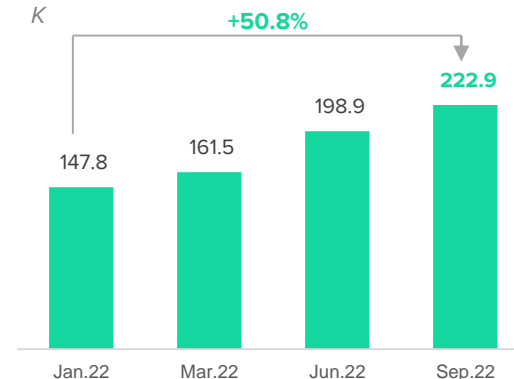
## SME borrowers

K



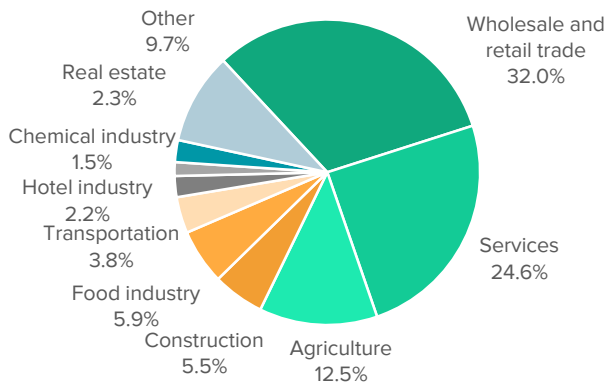
## SME MAU (Onlinebank)

K



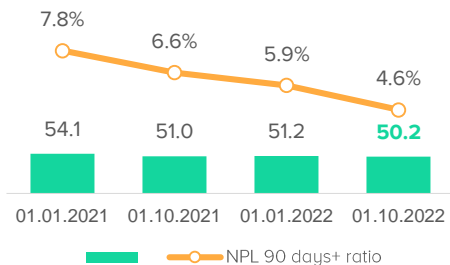
## Industry breakdown<sup>(2)</sup>

as of October 1, 2022

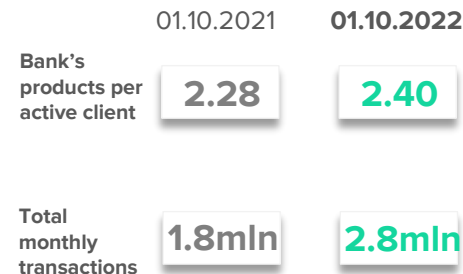


## Loan portfolio quality

KZT bn



## Products penetration



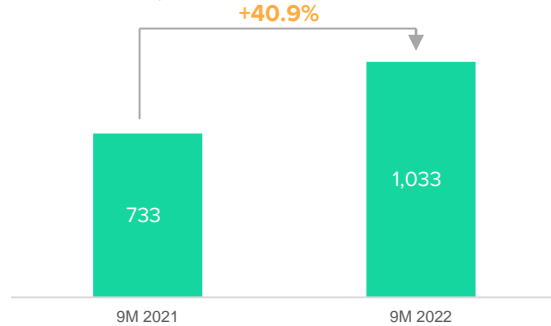
Unconsolidated (bank only) basis

(1) Consolidated IFRS basis; (2) Excluding loans to subsidiaries

# Strong shift to digital

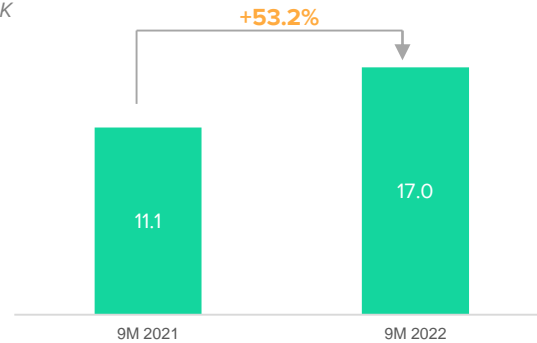
## Loan issuance dynamics

SME loans issued, KZT bn



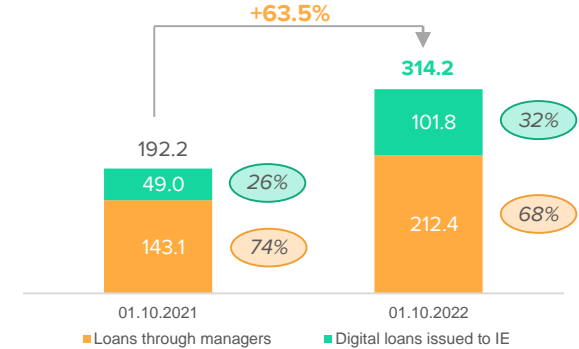
## Number of digital loans issued to IE<sup>(1)</sup>

K



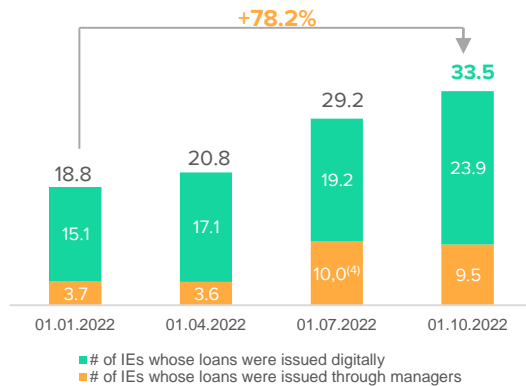
## SE loan portfolio<sup>(2)</sup>

KZT bn



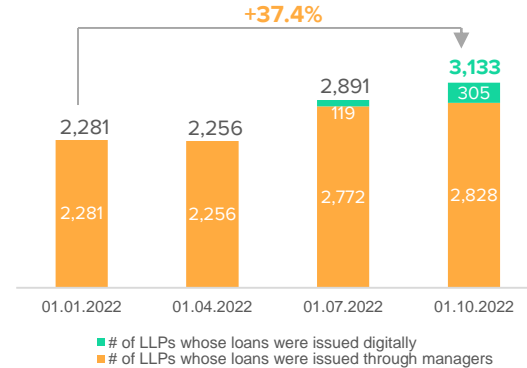
## Number of IE borrowers<sup>(3)</sup>

K, by count



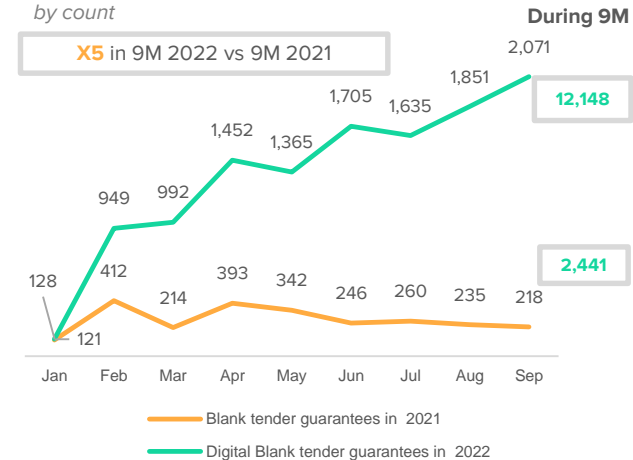
## Number of LLP borrowers<sup>(3)</sup>

by count



## Issue of blank tender guarantees

by count



Unconsolidated (bank only) basis

(1) Individual Entrepreneurs; (2) Excluding NPL 90 days+ loans; (3) Excluding NPL 90 days+ loans, including transfer of offline clients to online; (4) Including borrowers of Sberbank, transferred under cession

04

# Halyk Group financial results 9M & 3Q 2022



# 9M & 3Q 2022 Performance Highlights



KZT bn	9M 2022	9M 2021	Y-o-Y, %	3Q 2022	2Q 2022	Q-o-Q, %	3Q 2021	Y-o-Y, %
Net income <sup>(1)</sup>	417.1	333.1	25.2%	135.7	157.2	(13.7%)	107.7	26.0%
Net interest income <sup>(2)</sup>	481.2	381.7	26.1%	182.6	154.3	18.3%	138.8	31.5%
Fee and commission income	128.7	101.8	26.4%	49.4	45.8	7.8%	34.8	41.7%
Net fee and commission income	57.7	50.0	15.4%	22.2	22.3	(0.3%)	16.4	35.8%
Other non-interest income <sup>(3)</sup>	178.2	47.1	3.8x	42.1	76.2	(44.8%)	8.7	4.8x
Net insurance income <sup>(4)</sup>	5.4	30.4	(82.3%)	2.1	2.9	(29.8%)	12.5	(83.5%)
RoAE, p.a.	32.6%	29.0%		29.5%	37.5%		27.5%	
RoAA, p.a.	4.2%	4.1%		3.9%	4.8%		3.9%	
Cost of risk <sup>(5)</sup> , p.a.	1.5%	0.2%		1.4%	1.5%		0.9%	
NIM <sup>(6)</sup> , p.a.	5.4%	5.3%		5.8%	5.2%		5.5%	
Cost-to-Income <sup>(7)</sup> , p.a.	18.9%	22.6%		18.9%	18.2%		23.5%	

<sup>(1)</sup> attributable to common shareholders; <sup>(2)</sup> before credit loss expense; <sup>(3)</sup> other non-interest income (net gain/(loss) on foreign exchange operations, net gain/(loss) from financial assets and liabilities at fair value through profit or loss, net realised gain from financial assets at fair value through other comprehensive income, share in profit of associate, income on non-banking activities and other income/(expense)); <sup>(4)</sup> insurance underwriting income (gross insurance premiums written, net change in unearned insurance premiums, ceded reinsurance share) less insurance claims incurred, net of reinsurance (insurance payments, insurance reserves expenses, commissions to agents); <sup>(5)</sup> credit loss expense on loans to customers / monthly average balances of gross loans to customers, on consolidated IFRS basis; <sup>(6)</sup> net interest income / average interest earning assets (monthly average balances of cash and cash equivalents (less cash on hand, correspondent and current accounts with the NBK), financial assets at fair value through profit or loss (less derivative financial instruments), amounts due from credit institutions, financial assets at fair value through other comprehensive income, debt securities at amortized cost, net of allowances for expected credit losses, net loans to customers), on consolidated IFRS basis; <sup>(7)</sup> operating expense (operating expenses, impairment of non-financial assets) / operating income (net interest income before credit loss expense, net fees and commissions, other non-interest income, less insurance claims incurred, net of reinsurance, and expenses for insurance reserves), annualised, on consolidated IFRS basis.

# 9M & 3Q 2022 Performance Highlights



KZT bn	01.10.2022	01.01.2022	YTD, %	01.07.2022	Q-o-Q, %
Total assets	14,208	12,091	17.5%	13,736	3.4%
Cash and cash equivalents	2,630	1,439	82.8%	2,120	24.1%
Securities <sup>(1)</sup>	3,123	3,443	(9.3%)	3,352	(6.8%)
Gross loans	7,946	6,250	27.1%	7,694	3.3%
Net loans	7,499	5,872	27.7%	7,258	3.3%
Total deposits	10,387	8,473	22.6%	9,985	4.0%
Total liabilities	12,310	10,518	17.0%	11,971	2.8%
Total equity	1,898	1,574	20.6%	1,765	7.6%
Provisions / gross loans	5.6%	6.0%		5.7%	
Loans / deposits ratio <sup>(2)</sup>	72.2%	69.3%		72.7%	
Liquid assets / total assets <sup>(3)</sup>	34.8%	36.9%		33.9%	
NPLs 90 days+ / gross loans <sup>(4)</sup>	2.7%	2.6%		2.4%	

<sup>(1)</sup> financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, debt securities at amortized cost, net of allowances for expected credit losses, on consolidated IFRS basis;

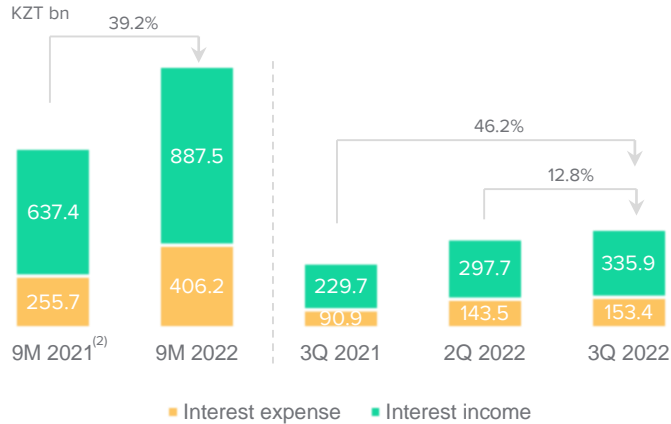
<sup>(2)</sup> net loans to customers / amounts due to customers, on consolidated IFRS basis;

<sup>(3)</sup> cash and cash equivalents, the NBRK notes, Treasury bills of the Ministry of Finance of Kazakhstan, Treasury bills of governments of other countries, Notes of national banks of other countries, Eurobonds of other countries, Bonds of quasi-sovereign banks, Local municipal bonds) / total assets, on consolidated IFRS basis. Due to the absence of term deposits with NBRK with tenor 90 days+, term deposit with NBRK accounted in amounts due from credit institutions were excluded from liquid assets and therefore, 2Q 2022 numbers were recalculated accordingly;

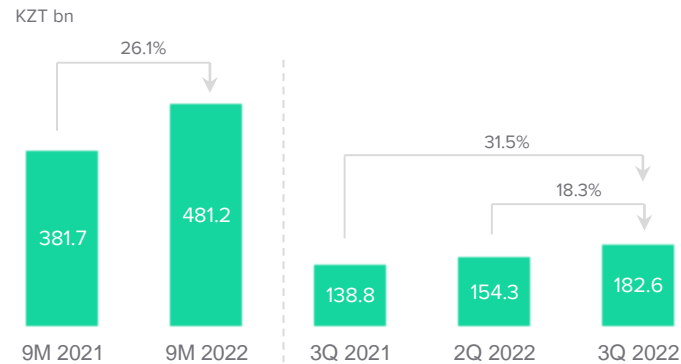
<sup>(4)</sup> total principal amount of loans and accrued interest with principal and/or interest overdue by more than 90 days / gross loan portfolio, unconsolidated (Bank only), IFRS). KKB's NPLs 90+ and total loans are accounted at fair value, i.e. net of provisions created before 4 July 2017.

# Interest Income

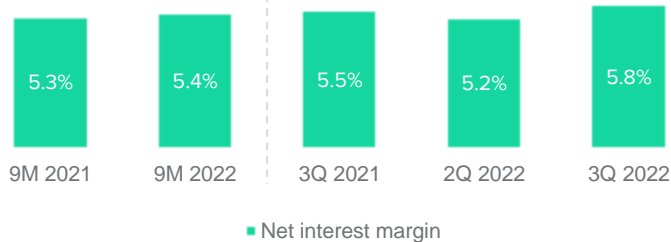
### Interest Income and Interest Expense



### Net Interest Income <sup>(1)</sup>



### Net Interest Margin <sup>(3)</sup>



### Comment

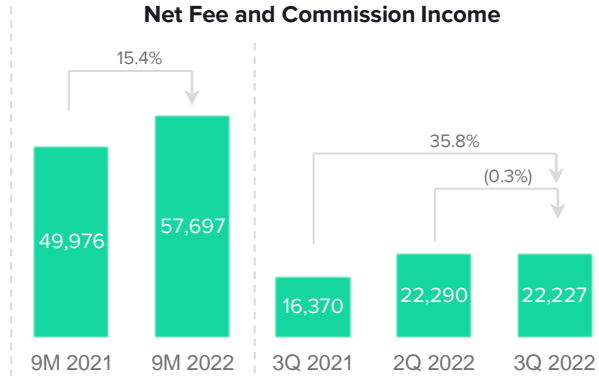
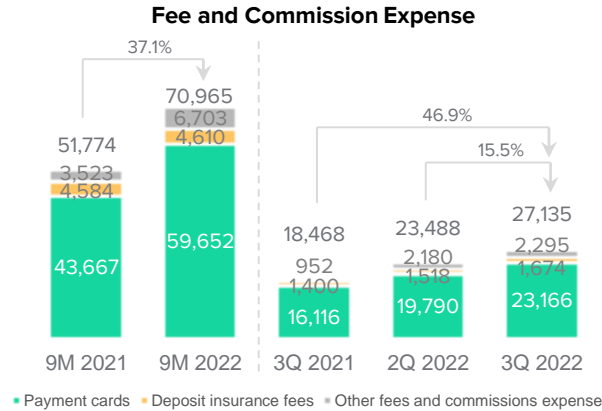
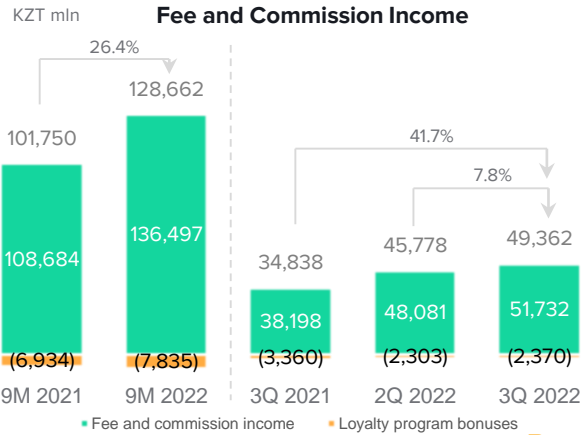
- Interest income for 9M 2022 increased by 39.2% vs. 9M 2021 mainly due to increase in average rate and balances of loans to customers.
- Interest expense for 9M 2022 increased by 58.9% vs. 9M 2021 mainly as a result of the growth in average rate and balances of amounts due to customers. Consequently, net interest income for 9M 2022 grew by 26.1% vs. 9M 2021.
- In 9M 2022, net interest margin was affected by the increase in average rates on both loans to customers and amounts due to customers following the base rate hike from 10.25% to 14.5% in 9M 2022. Furthermore, the structure of placement of interest-bearing liabilities into interest-earning assets continued to improve with increased share of high-yielding retail and SME loans. Moreover, there was an increase in the average rate and average balances of FX amounts due from credit institutions and FX interest-earning cash and cash equivalents following the global increase of USD interest rates. As a result, net interest margin increased to 5.8% p.a. for 3Q 2022 compared to 5.5% p.a. for 3Q 2021. Net interest margin increased to 5.8% p.a. for 3Q 2022 compared to 5.2% p.a. for 2Q 2022 mainly due to decrease in average rate on amounts due to credit institutions as a result of significant decline in volumes of REPO transactions.

<sup>(1)</sup> before credit loss expense;

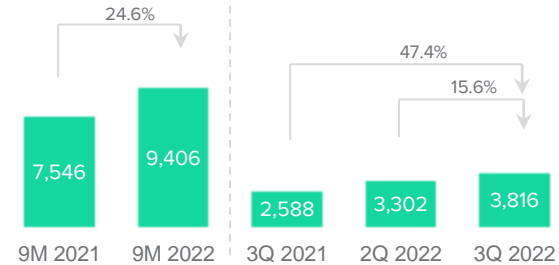
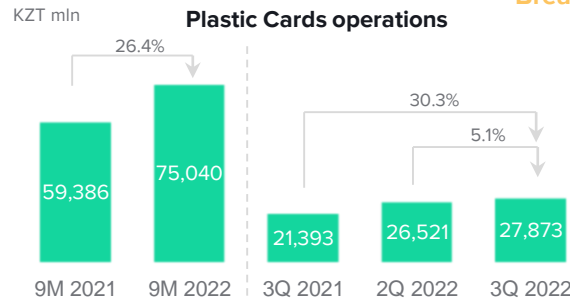
<sup>(2)</sup> KZT 5bn accelerated amortization of discount on Bank's Eurobonds were reclassified from interest expenses to non-interest expenses;

<sup>(3)</sup> net interest income / average interest earning assets (monthly average balances of cash and cash equivalents (less cash on hand, correspondent and current accounts with the NBK), financial assets at fair value through profit or loss (less derivative financial instruments), amounts due from credit institutions, financial assets at fair value through other comprehensive income, debt securities at amortized cost, net of allowances for expected credit losses, net loans to customers), on consolidated IFRS basis. Due to change in representation policy Net interest margin is recalculated for all shown periods.

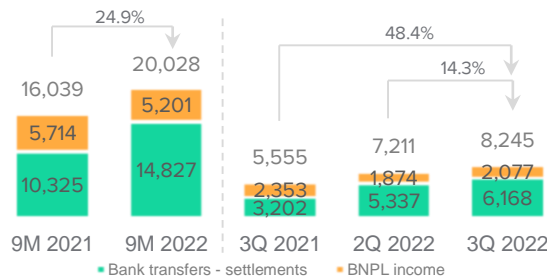
# Fee and Commission Income



## Breakdown of Selected Fee and Commission Income



## Bank transfers – settlements

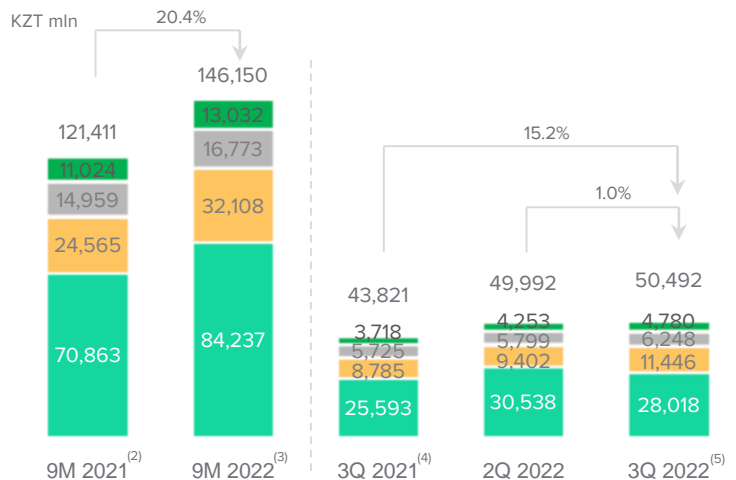


## Comment

- > In 9M 2022, the overall dynamics of fee and commission income and expense was driven by the increased transactional activity as a result of the clients inflow due to changes in the operating landscape. Consequently, net fee and commission income for 9M 2022 and 3Q 2022 increased by 15.4% and by 35.8% vs. 9M 2021 and 3Q 2021 respectively.
- > Fee and commission income for 9M 2022 increased by 26.4% vs. 9M 2021 as a result of growing volumes of transactional banking, mainly in plastic card operations, bank transfers – settlements and cash operations.

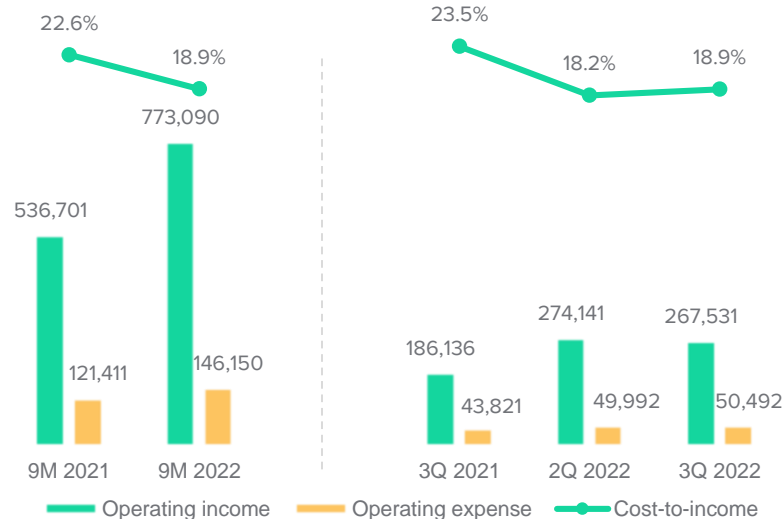
# Operating costs

## Operating Expenses <sup>(1)</sup>



- Depreciation and amortisation expenses
- Taxes other than income tax, Information services, Advertisement, Professional services
- Other
- Salaries and other employee benefits

## Cost-to-Income <sup>(1)(6)</sup>



## Comment

- Operating expenses for 9M 2022 increased by 20.4% vs. 9M 2021 mainly due to the indexation of salaries and other employee benefits starting from March 1, 2022, the employee premiums reserve accrued in 9M 2022, as well as increase in charity expenses and IT investments .
- The Bank's cost-to-income ratio decreased to 18.9% compared to 22.6% for 9M 2021 amid higher operating income for 9M 2022.

## Cost-to-Average Assets <sup>(7)</sup>



<sup>(1)</sup> agency fee expenses related to customer acquisition by insurance subsidiaries were reclassified in 1Q 2022. Since these expenses are directly related to insurance business, the Bank's management has decided to reclassify them from operating expenses to insurance expenses. All of the previous periods were reclassified accordingly.

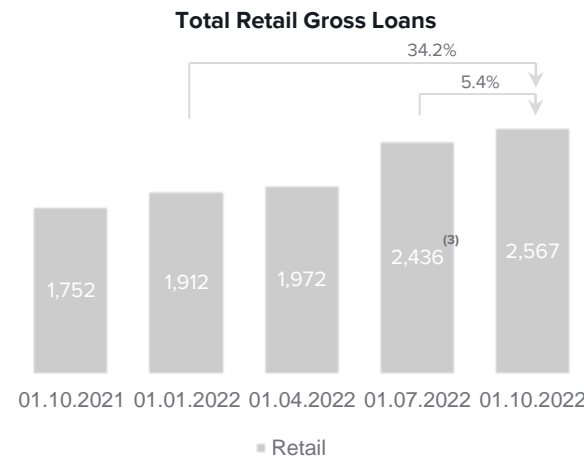
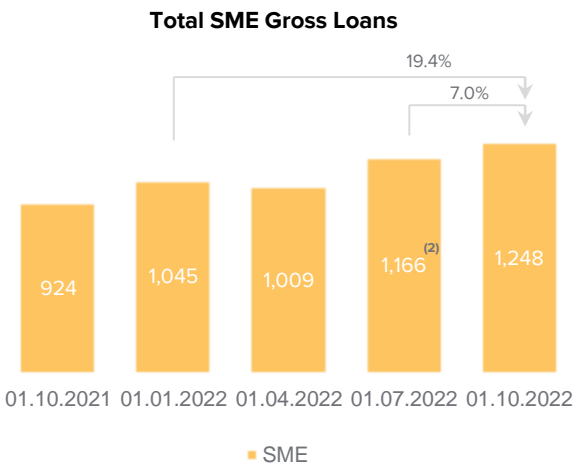
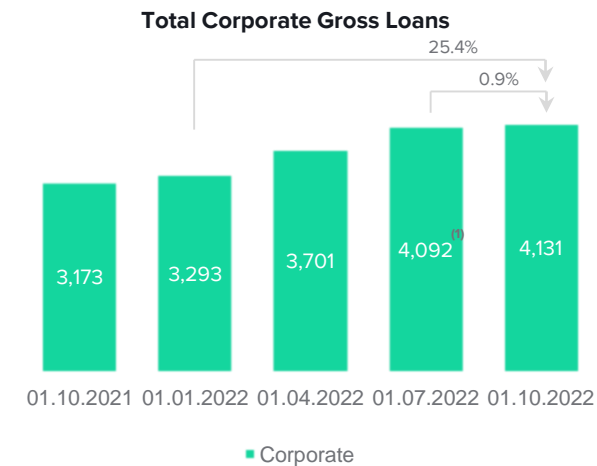
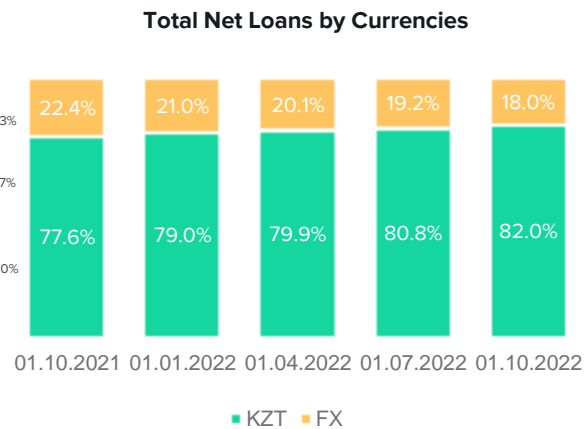
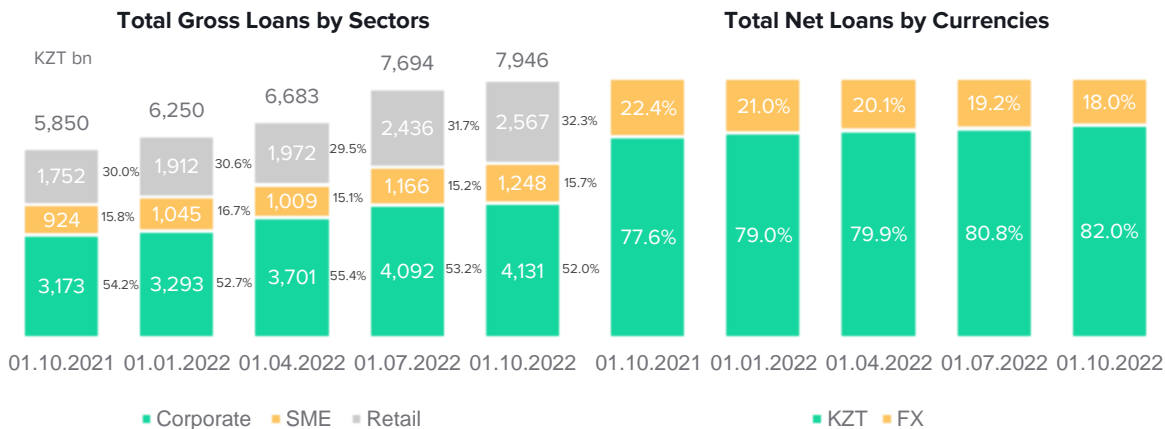
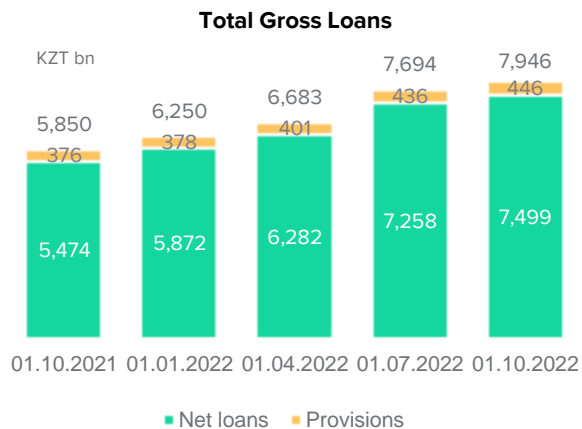
<sup>(2)</sup> including loss from impairment of non-financial assets of KZT -0.1bn; <sup>(3)</sup> including loss from impairment of non-financial assets of KZT -0.1bn; <sup>(4)</sup> including loss from impairment of non-financial assets of KZT 0.2bn; <sup>(5)</sup> including loss from impairment of non-financial assets of KZT -0.1bn;

<sup>(6)</sup> operating expense (operating expenses, impairment of non-financial assets) / operating income (net interest income before credit loss expense, net fees and commissions, other non-interest income (less insurance claims incurred, net of reinsurance, loss on initial recognition of purchased or originated credit-impaired (POC) asset, and expenses for insurance reserves)), annualised, on consolidated IFRS basis;

<sup>(7)</sup> operating expense / average monthly assets, annualised, on consolidated IFRS basis.



# Loan Portfolio

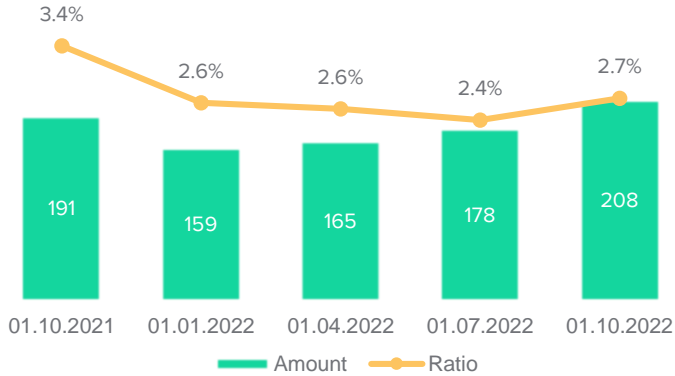


<sup>(1)</sup> KZT 135.8bn and RUB 2.6bn acquired from Sber; <sup>(2)</sup> KZT 101.6bn and RUB 0.04bn acquired from Sber; <sup>(3)</sup> KZT 330.5bn acquired from Sber;

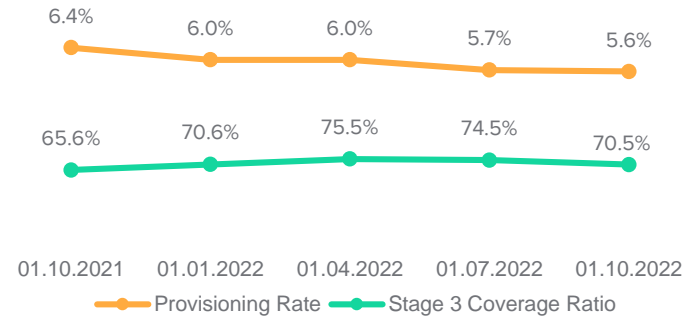
# Cost of Risk

## NPL 90 days+<sup>(1)</sup> Dynamics

KZT bn

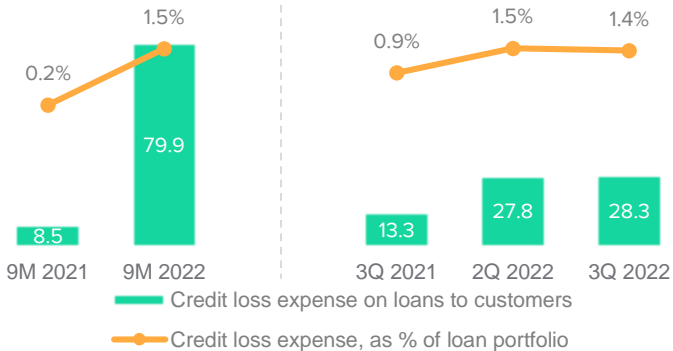


## Provisioning Rate<sup>(2)</sup>+ Stage 3<sup>(3)</sup> Coverage Ratio



## Cost of Risk<sup>(4)</sup>

KZT bn

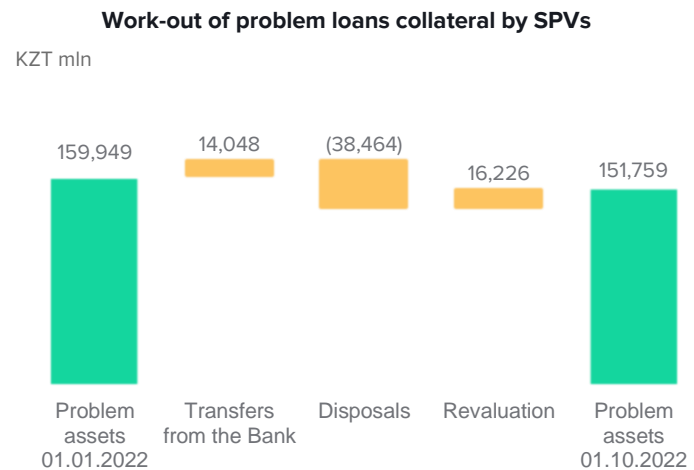
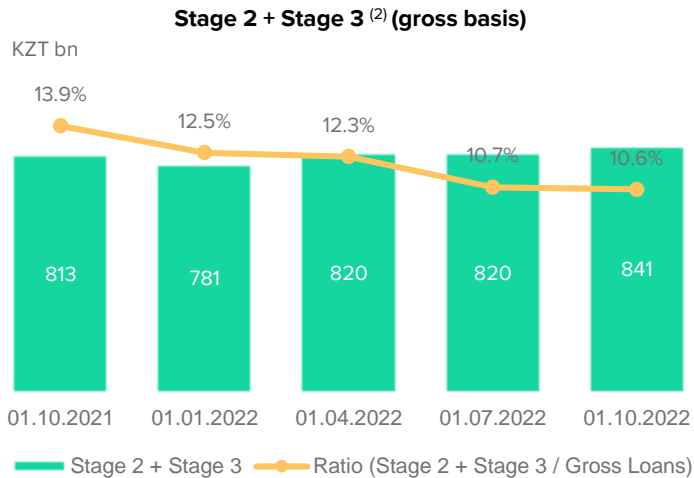
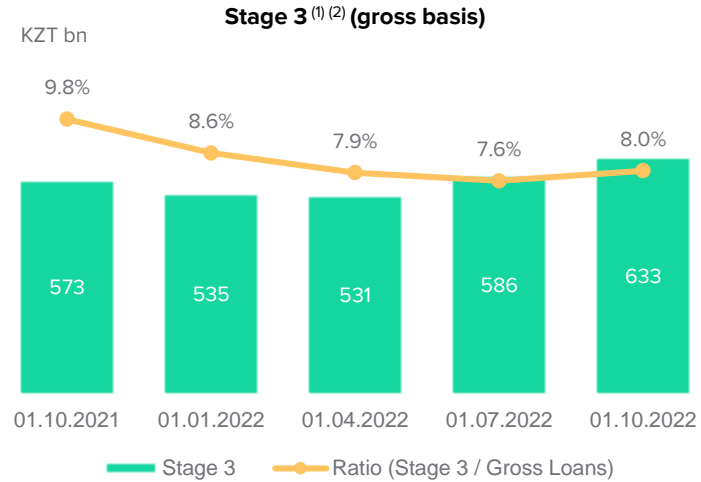
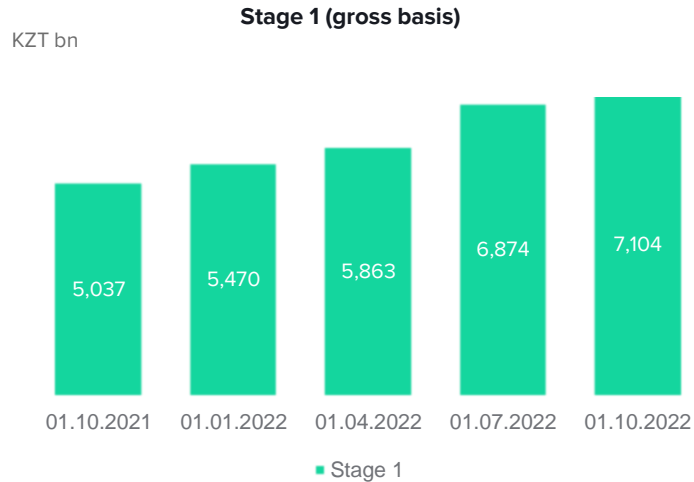


## Comment

- Cost of risk on loans to customers for 9M 2022 and 3Q 2022 was at normalized level within the scope of our full year guidance of 1.5%.
- 90-day NPL ratio increased to 2.7% from 2.4% as at the end of 2Q 2022 mainly due to migration of large ticket and previously impaired corporate loan and retail loans to NPL.

<sup>(1)</sup> total principal amount of loans and accrued interest with principal and/or interest overdue by more than 90 days / gross loan portfolio, unconsolidated (Bank only), IFRS. KKB's NPLs 90+ and total loans are accounted at fair value, i.e. net of provisions created before 4 July 2017; <sup>(2)</sup> IFRS provisions/gross loans, on consolidated IFRS basis; <sup>(3)</sup> Including POCI; <sup>(4)</sup> credit loss expense on loans to customers / monthly average balances of gross loans to customers, annualised, on consolidated IFRS basis.

# Asset quality

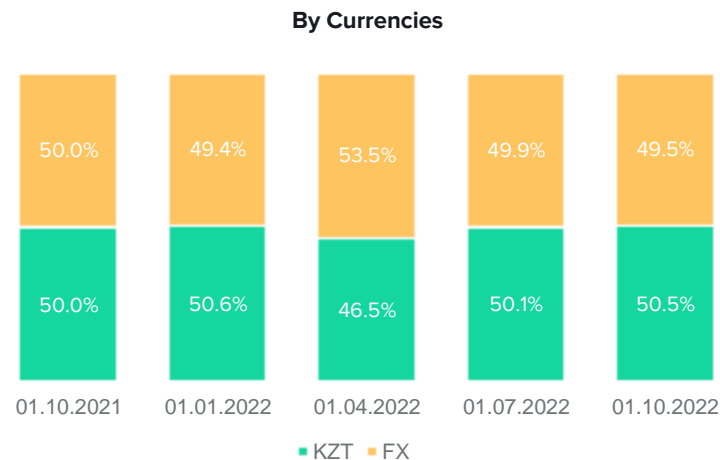
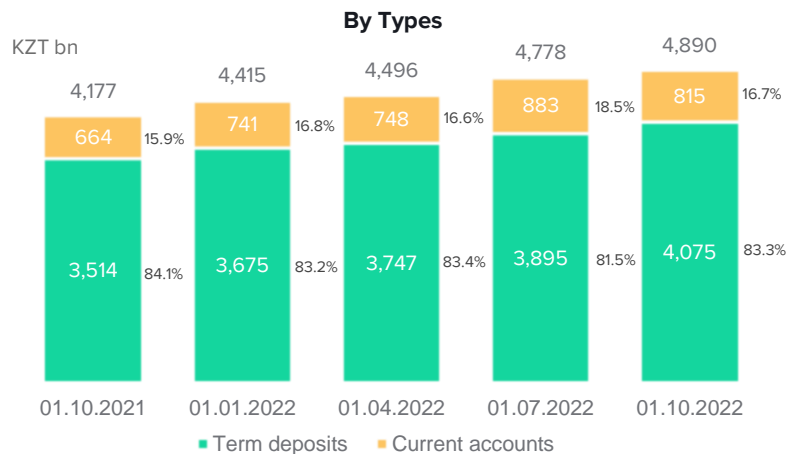


<sup>(1)</sup> including POCl;

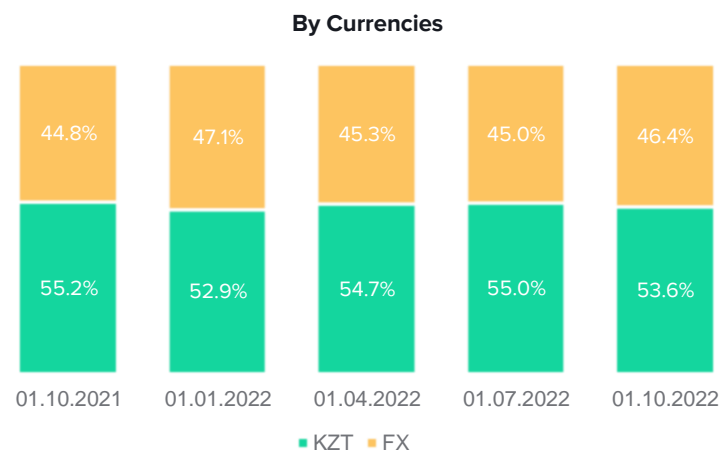
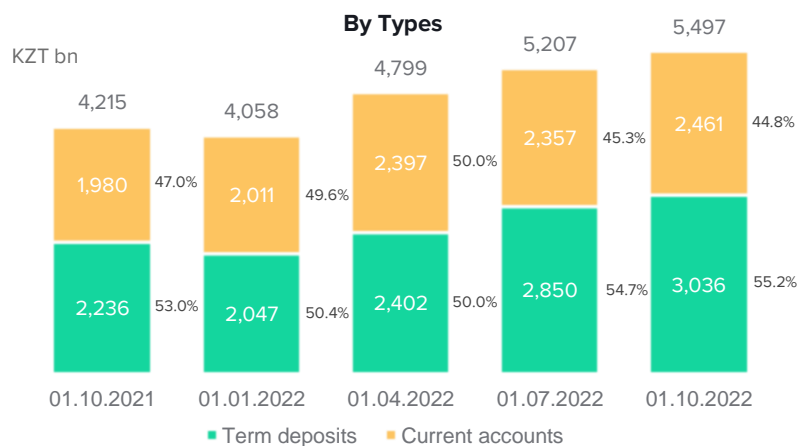
<sup>(2)</sup> stage 3 loans include NPL 90+, restructured loans and other loans with signs of impairment.

# Funding Base

## Retail Deposits



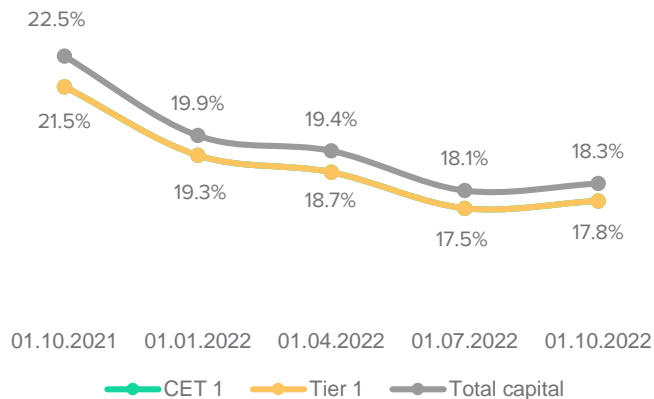
## Deposit of Legal Entities



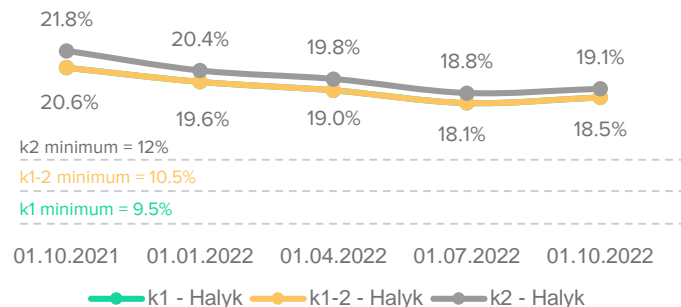
# Solid Capital Position



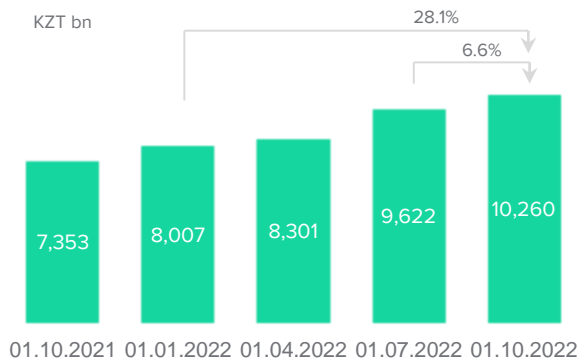
**Capital Adequacy Ratios, consolidated**



**Capital Adequacy Ratios of Halyk Bank, only**



**Risk-Weighted Assets (RWA)**



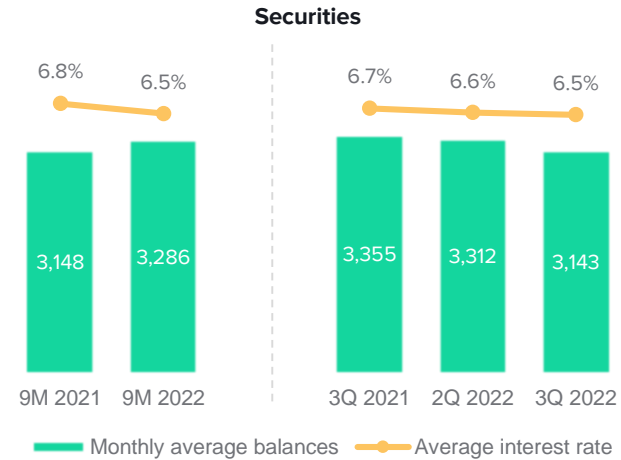
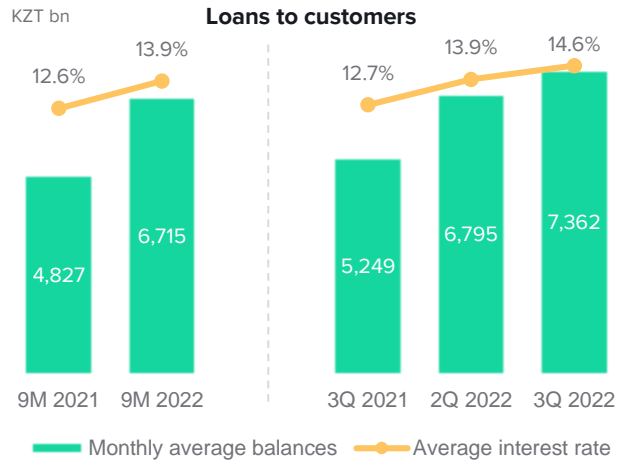
## Comment

- Capital adequacy ratios of the Bank increased in 3Q 2022 as a result of net profit earned by the Bank during 3Q 2022 amid the moderate increase of RWA.
- In 9M 2022, the total equity of the Bank increased by KZT 324.7 bn or by 20.6% compared to the YE 2021, whereas the net income for 9M 2022 amounted to KZT 417.1 bn. This was due to the loss on revaluation of debt financial assets at fair value through other comprehensive income, which totaled for KZT 111.8 bn in 9M 2022. The loss mainly relates to the treasury bills of the Ministry of Finance of Kazakhstan, which have decreased in price due to the base rate hike from 10.25% to 14.5% in nine months of this year.

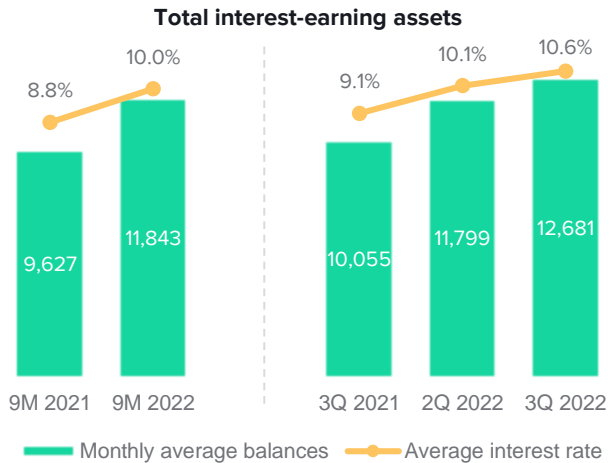
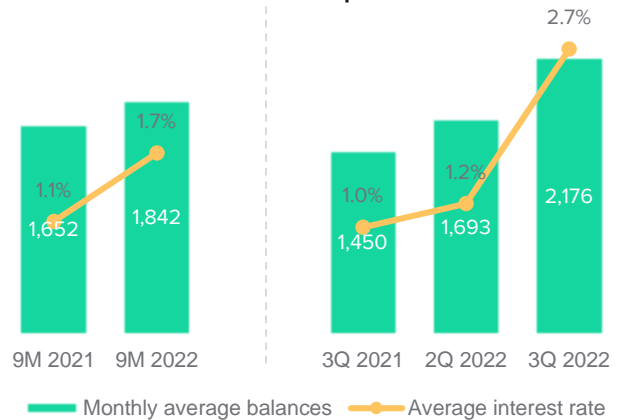
# APPENDIX



# Average assets' rate (1)

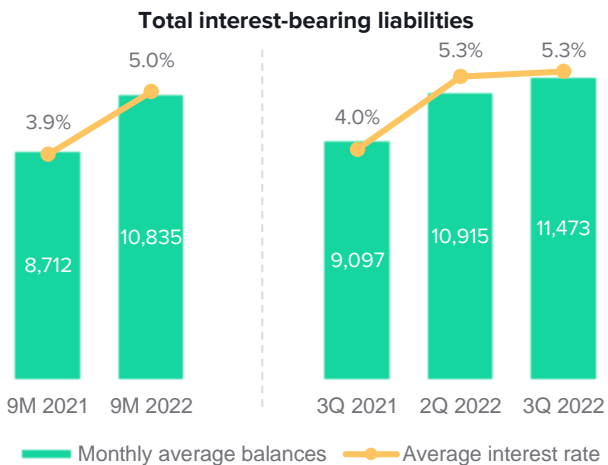
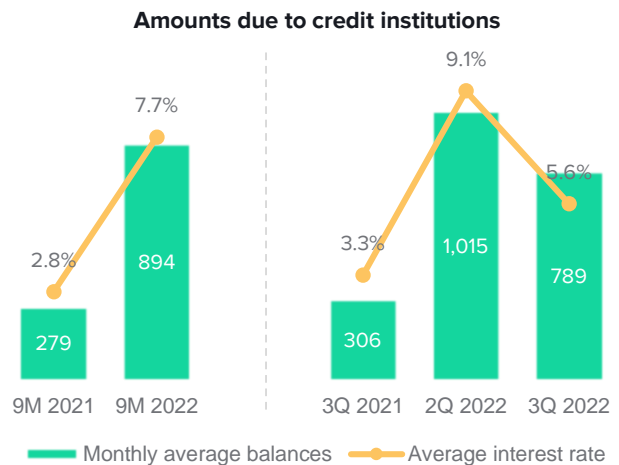
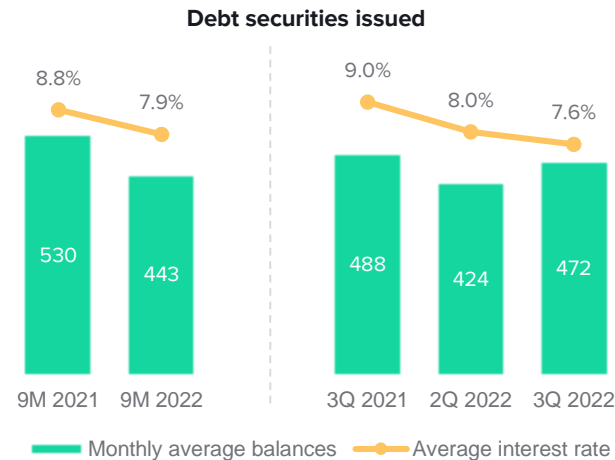
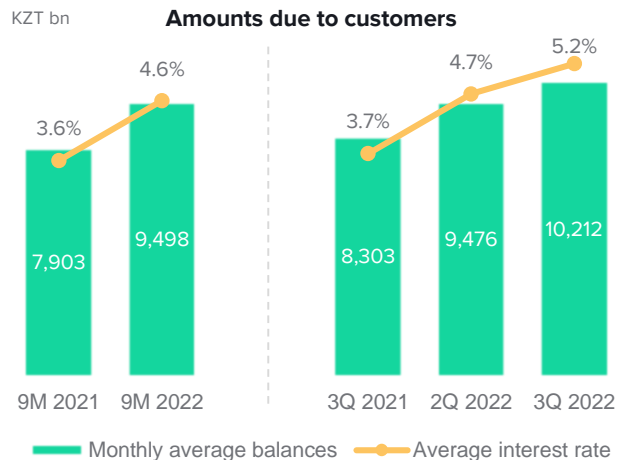


## Amounts due from credit institutions and interest-earning cash and cash equivalents



(1) interest income/monthly average balances of assets

# Average liabilities' rate <sup>(1)</sup>

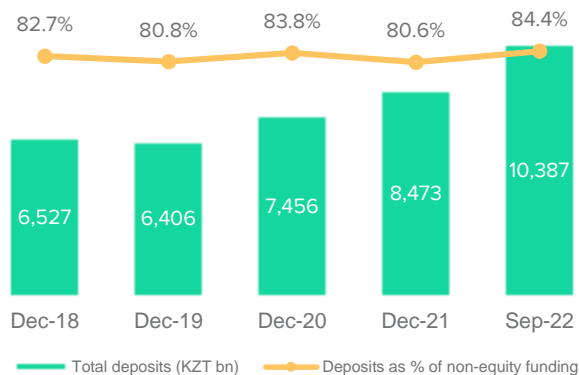


<sup>(1)</sup> interest expense/monthly average balances of liabilities

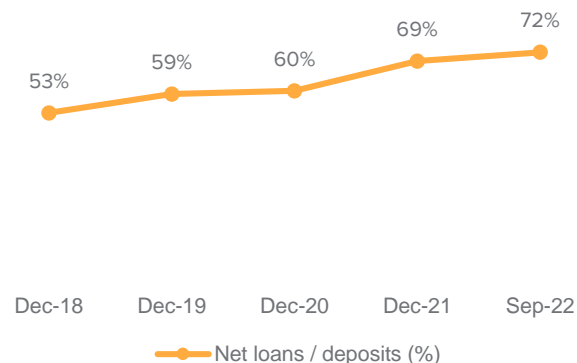


# Solid liquidity buffer

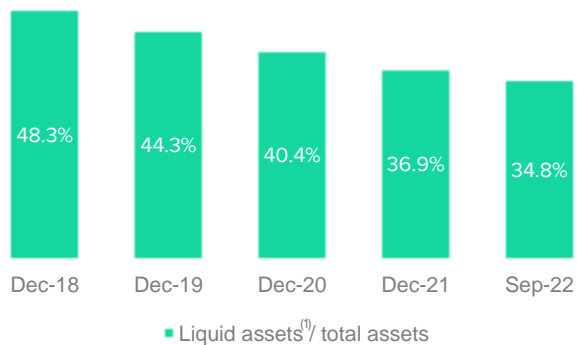
### Diversified deposit-led funding



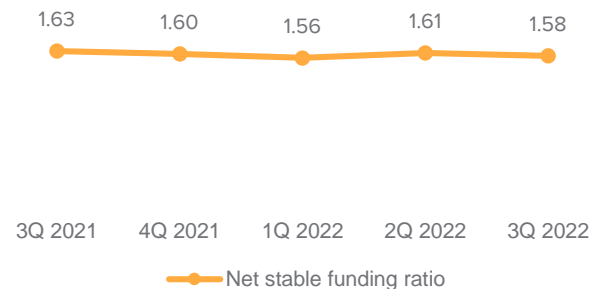
### Relatively low loan leverage



### Ample liquidity



### Net stable funding ratio (NSFR)



<sup>(1)</sup> cash and cash equivalents, the NBRK notes, Treasury bills of the Ministry of Finance of Kazakhstan, Treasury bills of governments of other countries, Notes of national banks of other countries, Eurobonds of other countries, Bonds of quasi-sovereign banks, Local municipal bonds) / total assets, on consolidated IFRS basis. Due to the absence of term deposits with NBRK with tenor 90 days+, term deposit with NBRK accounted in amounts due from credit institutions were excluded from liquid assets;

# P&L Summary



## Dynamics

KZT mln	9M 2022	9M 2021	Y-o-Y, %	3Q 2022	2Q 2022	Q-o-Q, %	3Q 2021	Y-o-Y, %
Interest income	887,454	637,375	39.2%	335,943	297,735	12.8%	229,738	46.2%
Interest expense	(406,242)	(255,666)	58.9%	(153,389)	(143,465)	6.9%	(90,946)	68.7%
<b>Net interest income before credit loss expenses</b>	<b>481,212</b>	<b>381,709</b>	<b>26.1%</b>	<b>182,554</b>	<b>154,270</b>	<b>18.3%</b>	<b>138,792</b>	<b>31.5%</b>
Fee and commission income	128,662	101,750	26.4%	49,362	45,778	7.8%	34,838	41.7%
Fee and commission expense	(70,965)	(51,774)	37.1%	(27,135)	(23,488)	15.5%	(18,468)	46.9%
<b>Net fee and commission income</b>	<b>57,697</b>	<b>49,976</b>	<b>15.4%</b>	<b>22,227</b>	<b>22,290</b>	<b>(0.3%)</b>	<b>16,370</b>	<b>35.8%</b>
Insurance income <sup>(1)</sup>	5,395	30,434	(82.3%)	2,060	2,933	(29.8%)	12,457	(83.5%)
Other non-interest income <sup>(2)</sup>	178,211	47,093	3.8x	42,072	76,201	(44.8%)	8,741	4.8x
Credit loss expense and other credit loss expense <sup>(3)</sup>	(95,159)	(9,106)	10.5x	(37,380)	(30,935)	20.8%	(7,982)	4.7x
Operating expenses <sup>(4)</sup>	(146,150)	(121,411)	20.4%	(50,492)	(49,992)	1.0%	(43,821)	15.2%
Income tax expense	(64,110)	(45,600)	40.6%	(25,346)	(17,603)	44.0%	(16,900)	50.0%
<b>Net Profit</b>	<b>417,096</b>	<b>333,095</b>	<b>25.2%</b>	<b>135,695</b>	<b>157,164</b>	<b>(13.7%)</b>	<b>107,657</b>	<b>26.0%</b>
Non-controlling interest	1	-	-	1	-	-	-	-
<b>Net Profit attributable to common shareholders</b>	<b>417,095</b>	<b>333,095</b>	<b>25.2%</b>	<b>135,694</b>	<b>157,164</b>	<b>(13.7%)</b>	<b>107,657</b>	<b>26.0%</b>

<sup>(1)</sup> Insurance underwriting income (gross insurance premiums written, net change in unearned insurance premiums, ceded reinsurance share) less insurance claims incurred, net of reinsurance (insurance payments, insurance reserves expenses, commissions to agents);

<sup>(2)</sup> Other non-interest income (net gain/(loss) on foreign exchange operations, net gain/(loss) from financial assets and liabilities at fair value through profit or loss, net realised gain from financial assets at fair value through other comprehensive income, share in profit of associate, income on non-banking activities and other income/(expense));

<sup>(3)</sup> Total (credit loss expense)/recovery of credit loss expense (including credit loss expense on loans to customers, amounts due from credit institutions, other assets, financial assets at fair value through other comprehensive income, debt securities at amortised cost and cash and cash equivalents) plus other credit loss expense;

<sup>(4)</sup> Including loss from impairment of non-financial assets;

# Balance Sheet Summary



KZT mln	30/09/2022	30/06/2022	Q-o-Q, %	31/12/2021	Change YTD, %
<b>Total assets</b>	<b>14,207,912</b>	<b>13,735,579</b>	<b>3.4%</b>	<b>12,091,370</b>	<b>17.5%</b>
Cash and reserves	2,884,594	2,345,504	23.0%	1,633,452	76.6%
Amounts due from credit institutions	115,151	199,278	(42.2%)	602,125	(80.9%)
T-bills & NBK Notes	1,922,323	2,174,956	(11.6%)	2,195,931	(12.5%)
Other securities & derivatives	1,201,019	1,177,310	2.0%	1,247,257	(3.7%)
Gross loan portfolio	7,945,531	7,694,465	3.3%	6,250,260	27.1%
Stock of provisions	(446,372)	(436,027)	2.4%	(378,032)	18.1%
Net loan portfolio	7,499,159	7,258,438	3.3%	5,872,228	27.7%
Other assets	540,169	547,763	(1.4%)	494,965	9.1%
Assets classified as held-for-sale	45,497	32,330	40.7%	45,412	0.2%
<b>Total liabilities</b>	<b>12,309,651</b>	<b>11,970,901</b>	<b>2.8%</b>	<b>10,517,766</b>	<b>17.0%</b>
Total deposits, including:	10,386,965	9,985,097	4.0%	8,473,407	22.6%
retail deposits	4,889,910	4,778,143	2.3%	4,415,103	10.8%
term deposits	4,075,160	3,895,488	4.6%	3,674,572	10.9%
current accounts	814,750	882,655	(7.7%)	740,531	10.0%
corporate deposits	5,497,055	5,206,955	5.6%	4,058,304	35.5%
term deposits	3,036,054	2,849,777	6.5%	2,046,999	48.3%
current accounts	2,461,001	2,357,178	4.4%	2,011,305	22.4%
Debt securities	474,322	468,861	1.2%	499,812	(5.1%)
Amounts due to credit institutions	801,201	943,699	(15.1%)	1,071,642	(25.2%)
Other liabilities	647,163	573,244	12.9%	472,905	36.8%
<b>Equity</b>	<b>1,898,261</b>	<b>1,764,678</b>	<b>7.6%</b>	<b>1,573,604</b>	<b>20.6%</b>

# Balance Sheet (Net of FX changes)



	30.09.2022			30.06.2022			Actual change		Net of FX changes	
	Total foreign currencies	KZT	TOTAL	Total foreign currencies	KZT	TOTAL	abs	%	abs	%
<b>FINANCIAL ASSETS</b>	<b>5,471,001</b>	<b>8,236,080</b>	<b>13,707,081</b>	<b>5,026,966</b>	<b>8,210,771</b>	<b>13,237,737</b>	<b>469,344</b>	<b>3.5%</b>	<b>396,238</b>	<b>3.0%</b>
Cash and cash equivalents	2,317,799	312,515	2,630,314	1,878,570	241,202	2,119,772	510,542	24.1%	479,571	22.6%
Obligatory reserves	180,674	73,606	254,280	89,917	135,815	225,732	28,548	12.6%	26,134	11.6%
Financial assets at fair value through profit or loss	83,758	221,647	305,405	88,517	210,952	299,469	5,936	2.0%	4,817	1.6%
Amounts due from credit institutions	95,798	19,353	115,151	150,287	48,991	199,278	(84,127)	(42.2%)	(85,407)	(42.9%)
Financial assets at fair value through other comprehensive income	1,167,795	639,431	1,807,226	1,127,515	570,738	1,698,253	108,973	6.4%	93,368	5.5%
Debt securities at amortized cost, net of allowances for expected credit losses	244,450	766,261	1,010,711	275,081	1,079,463	1,354,544	(343,833)	(25.4%)	(347,099)	(25.6%)
Net loans	1,353,240	6,145,919	7,499,159	1,393,278	5,865,160	7,258,438	240,721	3.3%	222,638	3.1%
Other financial assets	27,487	57,348	84,835	23,801	58,450	82,251	2,584	3.1%	2,217	2.7%
<b>FINANCIAL LIABILITIES</b>	<b>5,298,249</b>	<b>6,550,248</b>	<b>11,848,497</b>	<b>4,983,991</b>	<b>6,585,631</b>	<b>11,569,622</b>	<b>278,875</b>	<b>2.4%</b>	<b>208,078</b>	<b>1.8%</b>
Amounts due to customers	4,961,357	5,425,608	10,386,965	4,726,263	5,258,834	9,985,097	401,868	4.0%	335,572	3.4%
Amounts due to credit institutions	136,603	664,598	801,201	70,610	873,089	943,699	(142,498)	(15.1%)	(144,323)	(15.3%)
Financial liabilities at fair value through profit or loss	43,980	8,017	51,997	33,164	9,859	43,023	8,974	20.9%	8,386	19.5%
Debt securities issued	146,014	328,308	474,322	143,733	325,128	468,861	5,461	1.2%	3,510	0.7%
Other financial liabilities	10,295	123,717	134,012	10,221	118,721	128,942	5,070	3.9%	4,932	3.8%

# Balance Sheet (Net of FX changes)



	30.09.2022			31.12.2021			Actual change		Net of FX changes	
	Total foreign currencies	KZT	TOTAL	Total foreign currencies	KZT	TOTAL	abs	%	abs	%
<b>FINANCIAL ASSETS</b>	<b>5,471,001</b>	<b>8,236,080</b>	<b>13,707,081</b>	<b>4,396,061</b>	<b>7,226,165</b>	<b>11,622,226</b>	<b>2,084,855</b>	<b>17.9%</b>	<b>1,569,442</b>	<b>13.5%</b>
Cash and cash equivalents	2,317,799	312,515	2,630,314	1,000,717	437,804	1,438,521	1,191,793	82.8%	973,437	67.7%
Obligatory reserves	180,674	73,606	254,280	105,398	89,533	194,931	59,349	30.4%	42,328	21.7%
Financial assets at fair value through profit or loss	83,758	221,647	305,405	61,383	221,950	283,333	22,072	7.8%	14,181	5.0%
Amounts due from credit institutions	95,798	19,353	115,151	572,787	29,338	602,125	(486,974)	(80.9%)	(495,999)	(82.4%)
Financial assets at fair value through other comprehensive income	1,167,795	639,431	1,807,226	1,170,180	701,497	1,871,677	(64,451)	(3.4%)	(174,467)	(9.3%)
Debt securities at amortized cost, net of allowances for expected credit losses	244,450	766,261	1,010,711	243,145	1,045,033	1,288,178	(277,467)	(21.5%)	(300,496)	(23.3%)
Net loans	1,353,240	6,145,919	7,499,159	1,235,857	4,636,371	5,872,228	1,626,931	27.7%	1,499,445	25.5%
Other financial assets	27,487	57,348	84,835	6,594	64,639	71,233	13,602	19.1%	11,012	15.5%
<b>FINANCIAL LIABILITIES</b>	<b>5,298,249</b>	<b>6,550,248</b>	<b>11,848,497</b>	<b>4,218,029</b>	<b>5,938,504</b>	<b>10,156,533</b>	<b>1,691,964</b>	<b>16.7%</b>	<b>1,192,825</b>	<b>11.7%</b>
Amounts due to customers	4,961,357	5,425,608	10,386,965	4,096,012	4,377,395	8,473,407	1,913,558	22.6%	1,446,157	17.1%
Amounts due to credit institutions	136,603	664,598	801,201	32,836	1,038,806	1,071,642	(270,441)	(25.2%)	(283,310)	(26.4%)
Financial liabilities at fair value through profit or loss	43,980	8,017	51,997	1,225	1,051	2,276	49,721	22.8x	45,578	21.0x
Debt securities issued	146,014	328,308	474,322	80,386	419,426	499,812	(25,490)	(5.1%)	(39,246)	(7.9%)
Other financial liabilities	10,295	123,717	134,012	7,570	101,826	109,396	24,616	22.5%	23,646	21.6%

# Key Financial Indicators



	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21
Amounts due to customers / total liabilities	84.4%	83.4%	83.6%	80.6%	86.8%
Loans / deposits ratio <sup>(1)</sup>	72.2%	72.7%	67.6%	69.3%	65.2%
Liquid assets / total assets <sup>(2)</sup>	34.8%	33.9%	36.3%	36.9%	37.1%
IFRS Provisioning rate <sup>(3)</sup>	5.6%	5.7%	6.0%	6.0%	6.4%
Common Equity Tier 1 capital adequacy ratio	17.8%	17.5%	18.7%	19.3%	21.5%
Tier 1 capital adequacy ratio	17.8%	17.5%	18.7%	19.3%	21.5%
Total capital adequacy ratio	18.3%	18.1%	19.4%	19.9%	22.5%
k1 capital adequacy ratio	18.5%	18.1%	19.0%	19.6%	20.6%
k1-2 capital adequacy ratio	18.5%	18.1%	19.0%	19.6%	20.6%
k2 capital adequacy ratio	19.1%	18.8%	19.8%	20.4%	21.8%

<sup>(1)</sup> net loans to customers / amounts due to customers, on consolidated IFRS basis;

<sup>(2)</sup> cash and cash equivalents, the NBRK notes, Treasury bills of the Ministry of Finance of Kazakhstan, Treasury bills of governments of other countries, Notes of national banks of other countries, Eurobonds of other countries, Bonds of quasi-sovereign banks, Local municipal bonds) / total assets, on consolidated IFRS basis. Due to the absence of term deposits with NBRK with tenor 90 days+, term deposit with NBRK accounted in amounts due from credit institutions were excluded from liquid assets and therefore, 1Q and 2Q 2022 numbers were recalculated accordingly;

<sup>(3)</sup> allowance for expected credit losses/ gross loan portfolio, on consolidated IFRS basis.

# Key Financial Indicators



	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21
Number of branches and outlets	575	577	588	589	591
Number of ATMs	4,586	4,665	4,754	4,526	4,528
Number of POS-terminals	236,123	202,318	164,156	148,351	146,870
Payment terminals	944	944	969	970	973
Clients of internet banking, individuals	9,065,162	8,699,934	8,349,122	7,998,879	7,568,328
Clients of internet banking, legal entities	386,003	346,610	295,513	272,673	276,064
Payroll project clients (legal entities)	33,149	33,174	32,861	33,231	33,979

	3Q 2022	2Q 2022	1Q 2022 <sup>(2)</sup>	4Q 2021 <sup>(2)</sup>	3Q 2021 <sup>(2)</sup>
Cost-to-income <sup>(1)</sup>	18.9%	18.2%	19.7%	27.9%	23.5%
Return on average common shareholders' equity (RoAE)	29.5%	37.5%	31.2%	31.7%	27.5%
Return on average assets (RoAA)	3.9%	4.8%	4.0%	4.4%	3.9%
Net interest margin	5.8%	5.2%	5.2%	5.0%	5.5%
Operating expenses / average total assets	1.5%	1.5%	1.5%	1.9%	1.6%

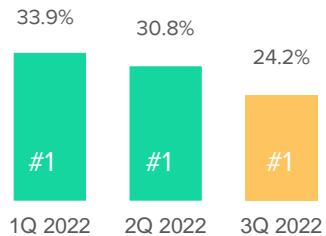
<sup>(1)</sup> operating expense (operating expenses, impairment of non-financial assets) / operating income (net interest income before credit loss expense, net fees and commissions, other non-interest income (less insurance claims incurred, net of reinsurance, loss on initial recognition of purchased or originated credit-impaired (POCI) asset, and expenses for insurance reserves)), annualised, on consolidated IFRS basis;

<sup>(2)</sup> agency fee expenses related to customer acquisition by insurance subsidiaries were reclassified in 1Q 2022. Since these expenses are directly related to insurance business, the Bank's management has decided to reclassify them from operating expenses to insurance expenses. All of the previous periods were reclassified accordingly.

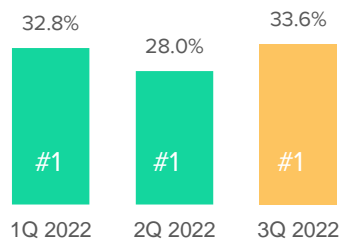
# Halyk Bank's Market Position



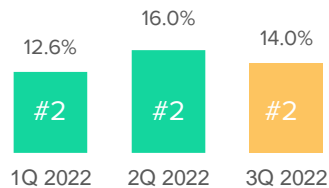
### Net Income <sup>(1)</sup>



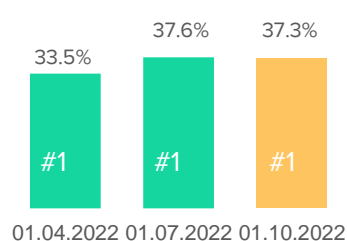
### Net Interest Income <sup>(2)</sup>



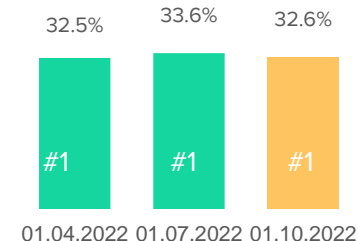
### Net F&C Income



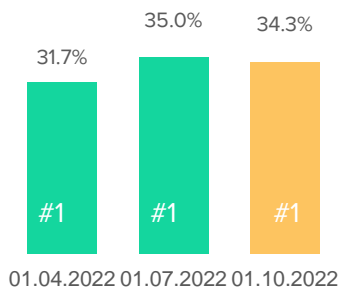
### Equity <sup>(3)</sup>



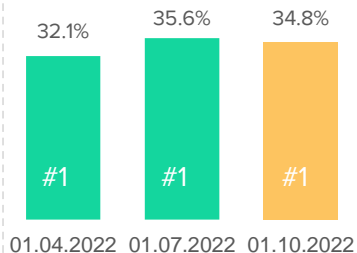
### Total Assets



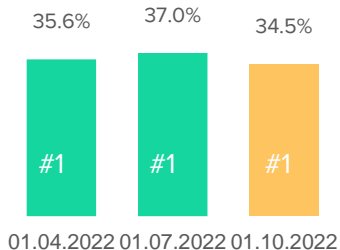
### Gross Loans



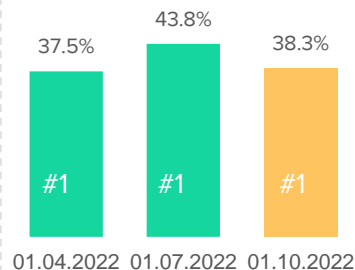
### Net Loans



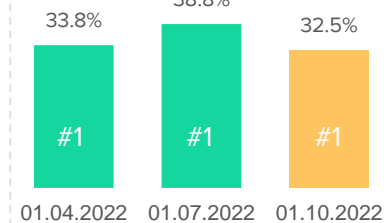
### Total deposits



### Total Corporate Deposits



### Total Retail Deposits <sup>(4)</sup>



(1) excl. banks with negative income.

(2) after credit loss expense, excl. negative net interest income.

(3) excl. banks with negative equity.

(4) consists of term deposits and current accounts.

Source: NBK (unconsolidated, KAS), Halyk Bank, SAPF.