A photograph of a majestic, snow-capped mountain peak with jagged, rocky ridges. The mountain is partially shrouded in mist or low clouds, creating a dramatic and serene atmosphere. The sky is a clear, pale blue.

# HALYK GROUP FINANCIAL RESULTS PRESENTATION 1Q 2022

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

May, 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



Umut Shayakhmetova  
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

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# Digital update



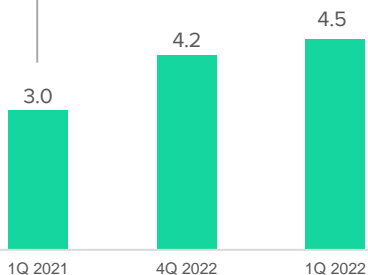
# Significant ramp up of digital channels

## Strong growth of online users

YoY MAU up to **50.0%** and YoY DAU up to **62.5%**

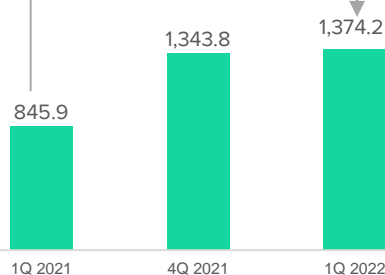
MAU, mln users

**+50.0%**



DAU, K users

**+62.5%**



Halyk Homebank



#1 Finance app  
ranking position  
iOS 3.8 and Android  
4.3 as of 1Q 2022

Onlinebank

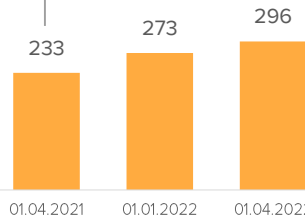


#1 SME Banking  
club ranking  
position  
iOS 4.1 and Android  
3.8 as of 1Q 2022

Number of corporate  
internet banking clients

K users

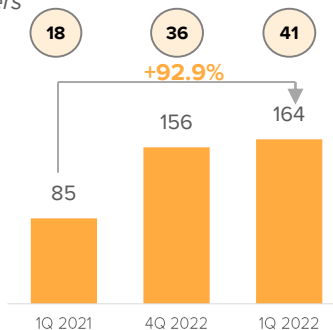
**+27.0%**



Onlinebank's (WEB+ Mobile)  
active users<sup>1</sup>

K users

**+92.9%**



■ MAU    **xx**    DAU

(1) Calculation methodology has been changed

## Achievements 1Q 2022



SWIFT transfers



Currency control

- registration
- modification
- closing FX contracts

## Goals 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 legal entities



Integration of tax services



Tenders selection model for clients



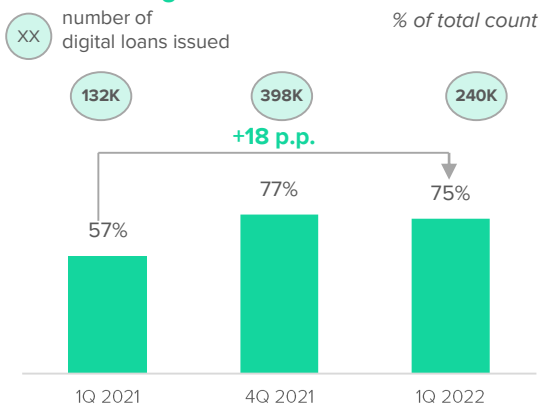
Digital Guarantees 24/7

# Supporting growth across credit and non-credit products

## Retail

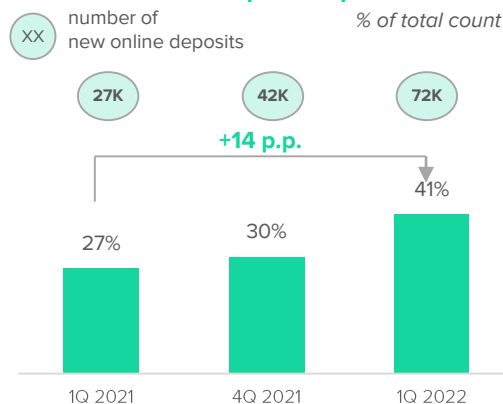
### Credit products

#### Share of digital loans issued

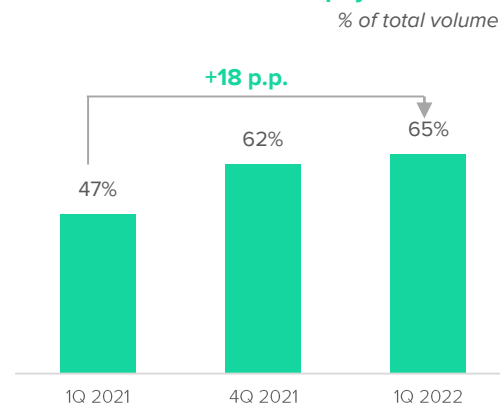


### Non-credit products

#### Share of new deposits opened online

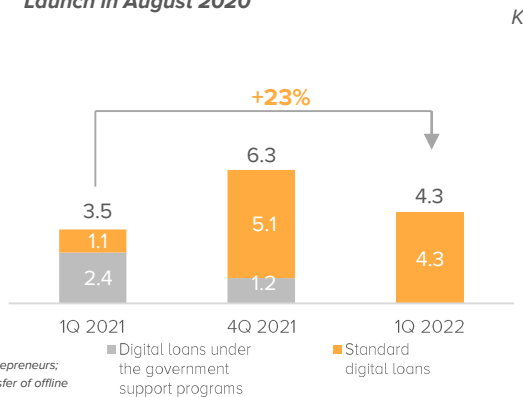


#### Share of non-cash card payments



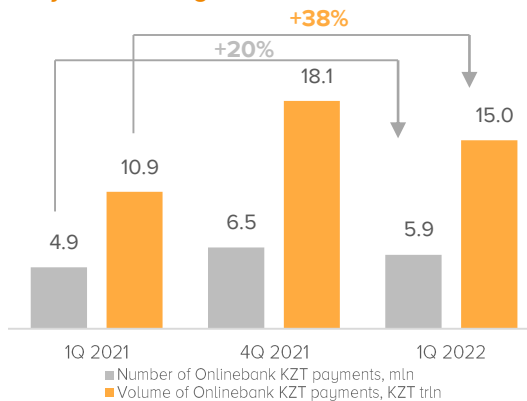
### Credit products

#### Number of digital loans issued to IE<sup>(1)</sup> Launch in August 2020

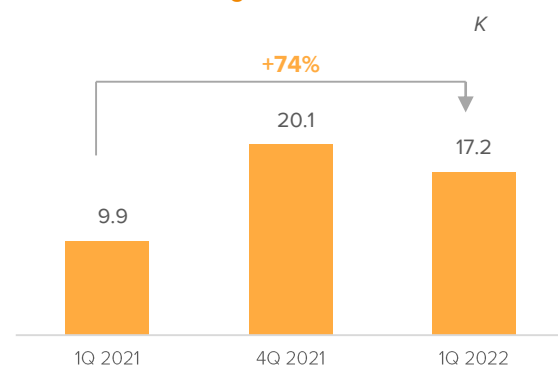


### Non-credit products

#### Payments through Onlinebank



#### Online onboarding for IE<sup>(1)</sup> (2)



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

# Development of proprietary ecosystem services

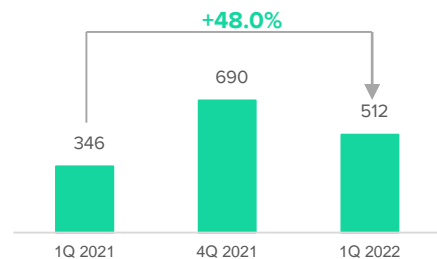


## Auto Insurance

Launch in Mar 2020

GMV (insurance premiums)

KZT mln

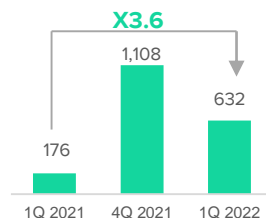


## Halyk Travel

Launch in Sep 2020

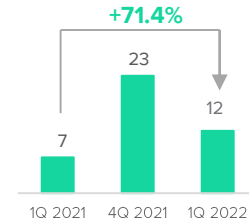
GMV

KZT mln



Tickets

K

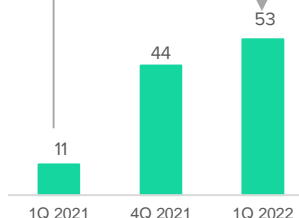


## Halyk Invest

Launch in Nov 2020

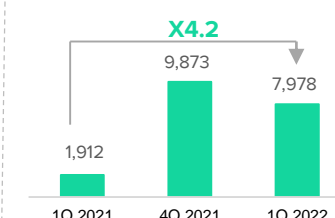
Number of new customers, cumulative

K



Transactions volume

KZT mln

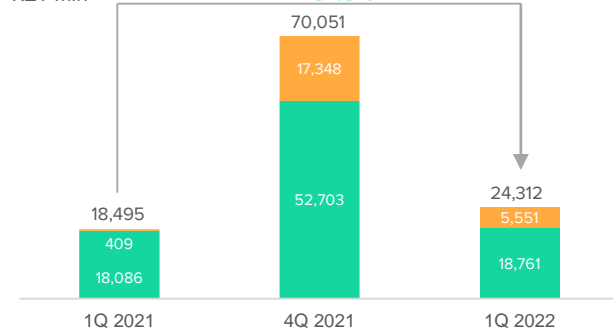


## Halyk Marketplace

Launch in Dec 2021

GMV

KZT mln



■ inStore+mCom ■ Halyk Market

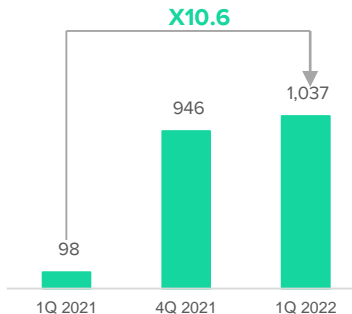


## Kino.kz

Launch in Oct 2020

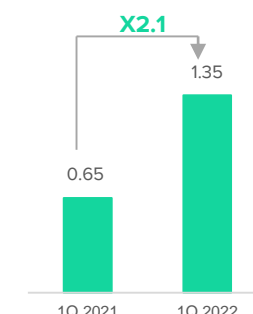
GMV

KZT mln

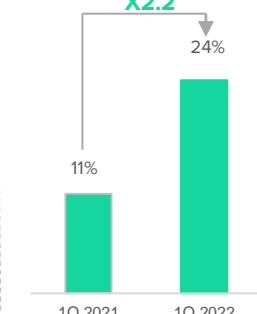


MAU

mln



Market share\*

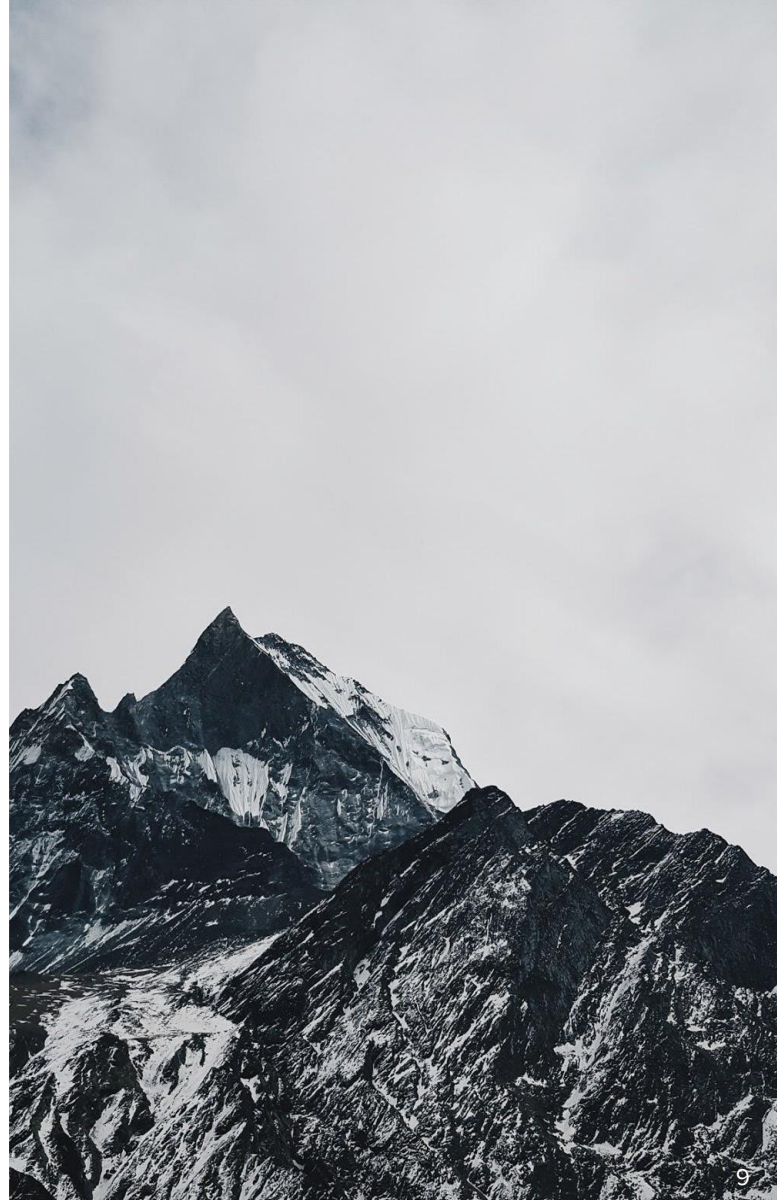


\*out offline and online sales



02

## Retail banking



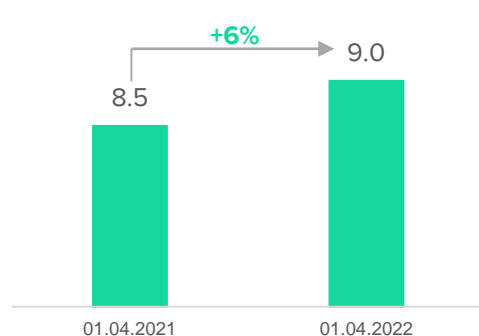
# Retail banking: key segment highlights as of 01 April 2022



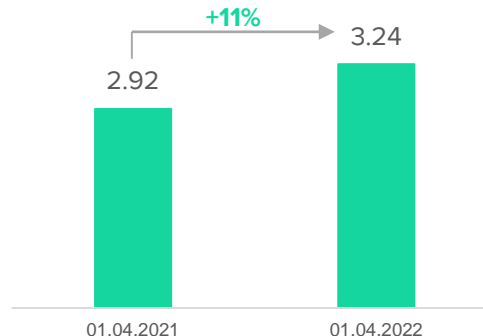
Scale	Customer outreach	Digital footprint	Growth
<b>KZT 1,972bn</b> Retail gross loan book <sup>(1)</sup>	<b>9.0m</b> Retail active clients	<b>8.3m</b> Halyk Homebank clients	<b>43.3%</b> Retail gross loan growth <sup>(1)</sup> , YoY
<b>18.0%</b> Retail loan market share	<b>5.9m</b> Active payment cards	<b>4.5m</b> Halyk Homebank MAU	<b>18.0%</b> Retail deposit growth <sup>(1)</sup> , YoY
<b>KZT 4,495bn</b> Retail deposit size <sup>(1)</sup>	<b>588</b> Branches	<b>KZT 9.1trln</b> Transactions processed <sup>(2)</sup>	<b>5.0%</b> Active payment cards YoY growth
<b>3.2</b> Bank's products per client	<b>4.8k</b> ATMs	<b>41%</b> Share of new online deposits in 1Q, by count	<b>50%</b> Halyk Homebank MAU YoY growth
		<b>65%</b> Share of non-cash card payments in 1Q, by volume	<b>40%</b> Transactions processed in 1Q 2022 vs 1Q 2021

## Retail active clients

mln

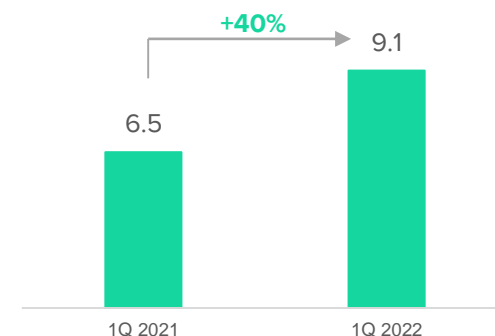


## Bank's products per client



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

KZT trln









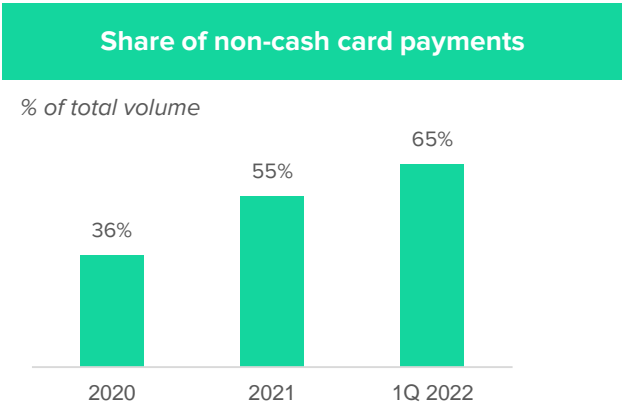
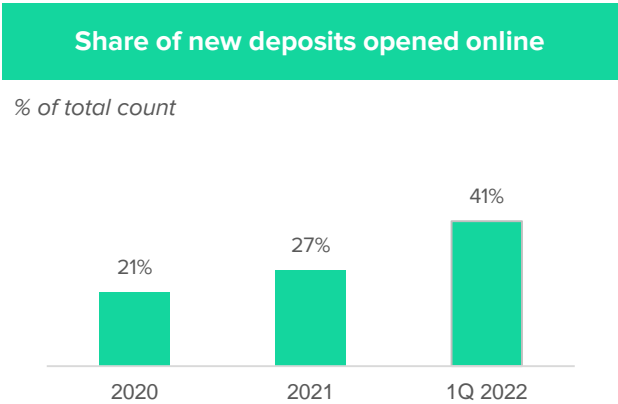
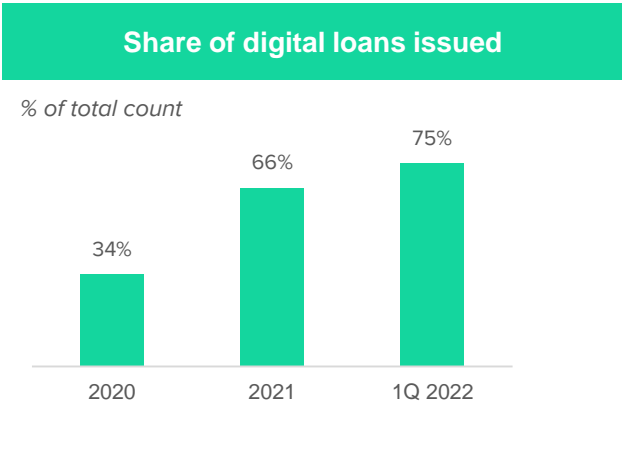
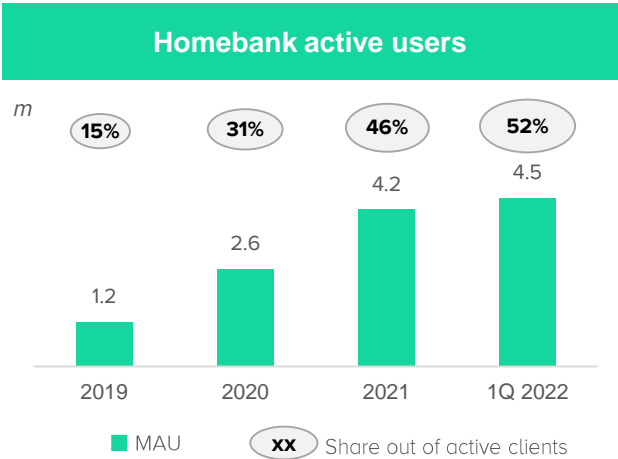
Source: Companies' data  
Unconsolidated (bank only) basis

(1) Consolidated IFRS basis; (2) cash and non-cash transactions processed (all payments through branch network, Halyk, ATMs, acquiring network; B2C payments) for 3m 2022

# Key priorities in retail business



-  **PHYGITAL SERVICE MODEL**
-  **DIGITALIZATION**
-  **100% SERVICES OFFERED AT HOMEBANK**
-  **ADVANCED CLIENT ANALYTICS**
-  **SUPERAPP CONCEPT**
-  **INCREASING CUSTOMER LTV**

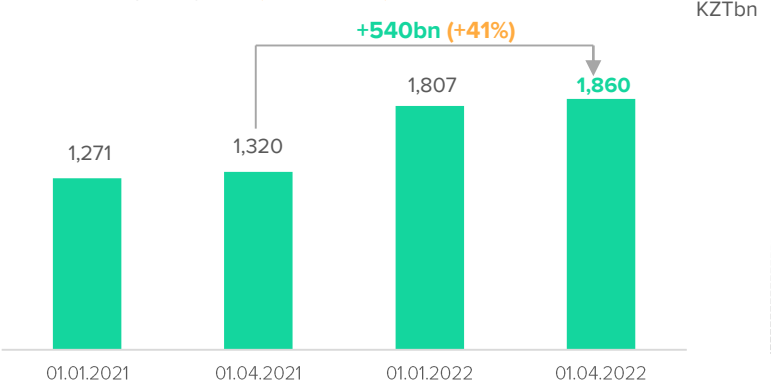


# Strong growth in retail loans

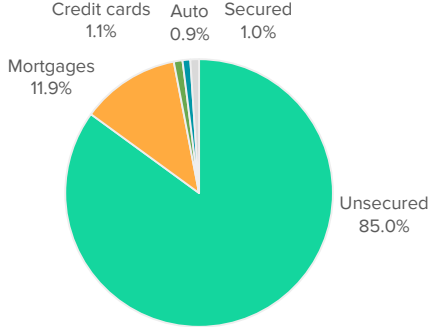


## Retail gross loan portfolio

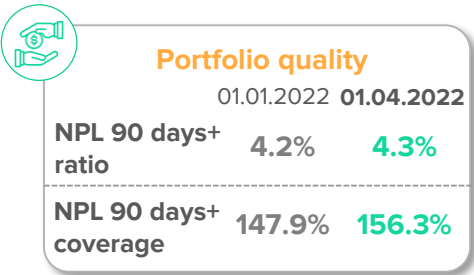
Loan portfolio grew by **41% (+KZT 540bn)**



Portfolio breakdown

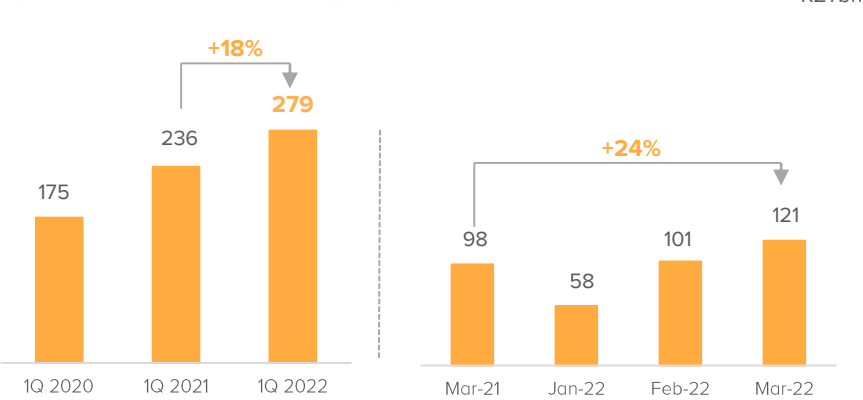


Portfolio quality remains at a high level



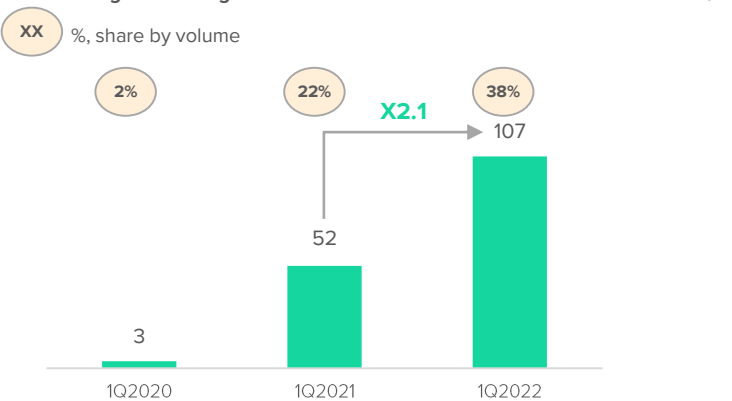
## Loan issuance

growth in 1Q 2022 of **+KZT 104bn (+59%)**



## Digital loans dynamics by volume

**x2.1** times growth of digital loans issued in 2022 vs 2021



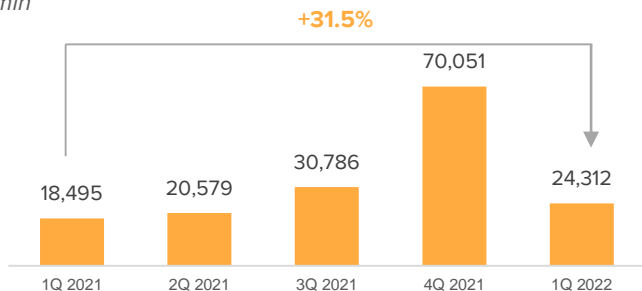
# Halyk Marketplace dynamics



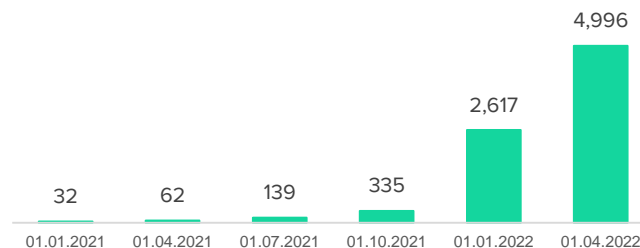
## Open ecosystem fuels growth of online lending

### Marketplace GMV (ecom + mcom)

KZT mln



### Total number of partners

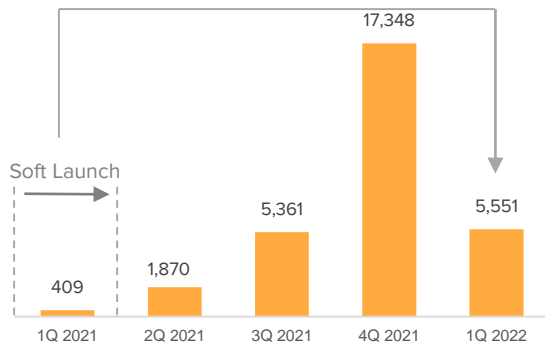


## Halyk Market: multi-partner platform for online purchases

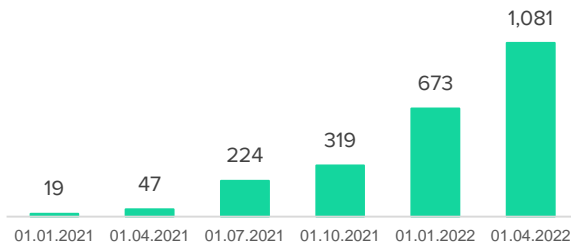
### Halyk Market GMV (ecom)

KZT mln

X13.6

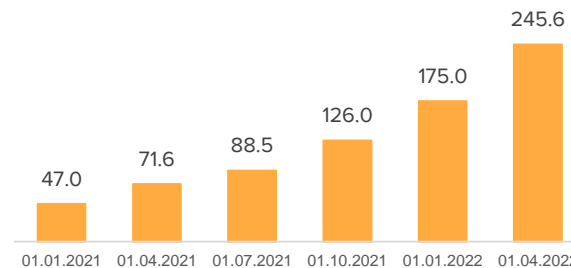


### Number of Halyk Market partners



### SKU

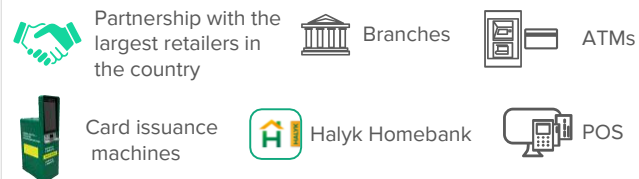
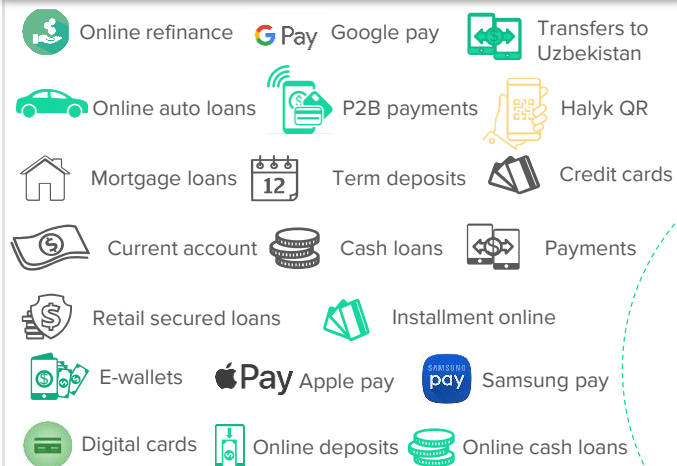
K



# Tangible progress in building our retail platform

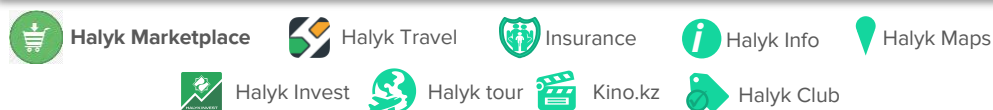


## Banking products and services

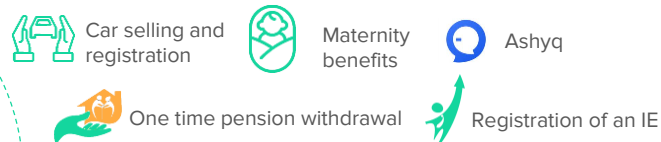


## Convenient multi-channel service

## Life-style products and services



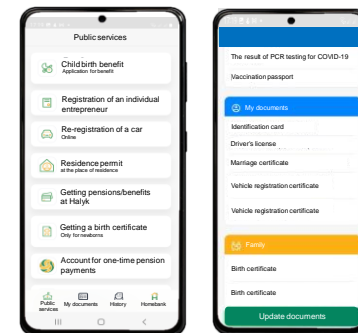
### Government services online



### Digital documents

Launched in March 2022

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

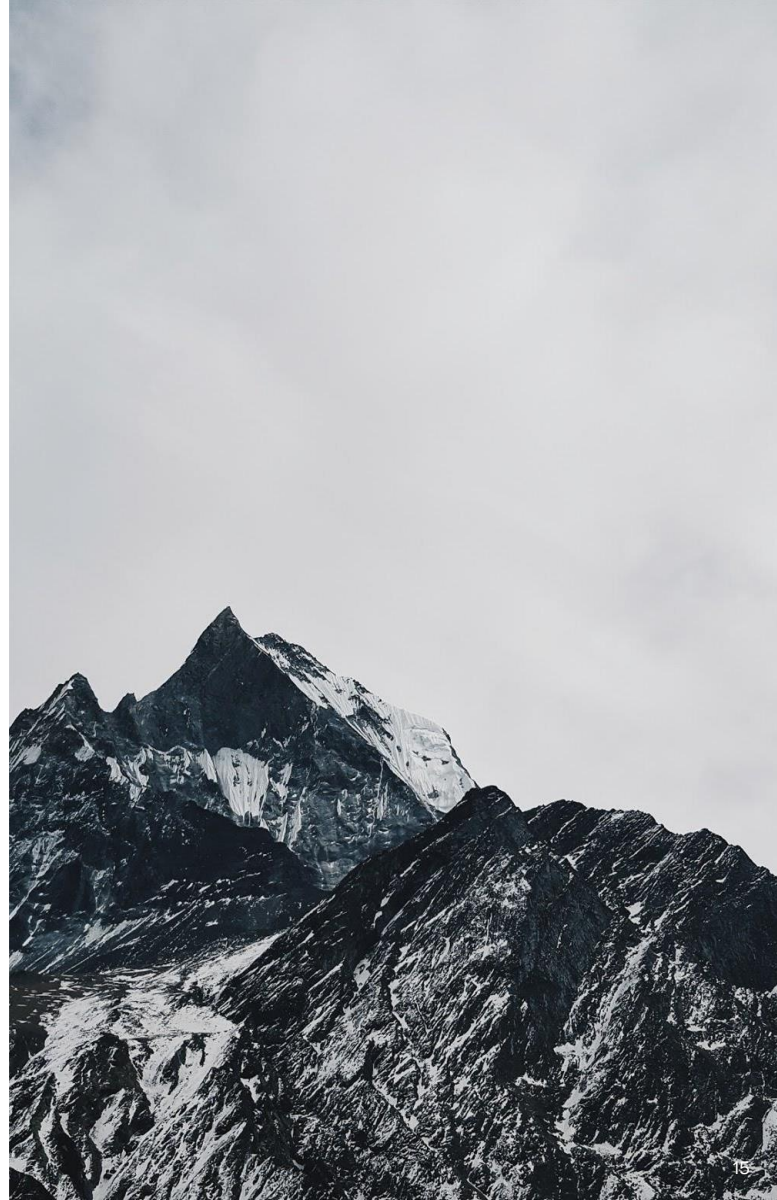


Over **800K** times used Digital Documents in **the 1st month**

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

03

## SME and Corporate banking

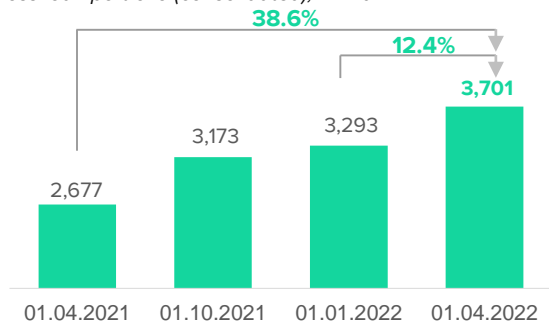


# Strong corporate portfolio performance



## Corporate loan portfolio

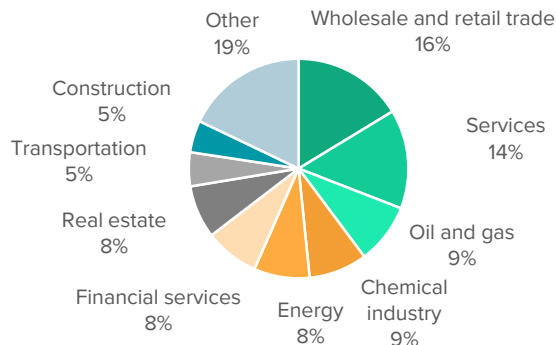
Gross loan portfolio (consolidated), KZT bn



Share of local currency loans

73.1%

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



## Portfolio quality

	01.01.2022	01.04.2022
NPL 90 days+ ratio	1.0%	0.9%
NPL 90 days+ coverage	517.5%	561.9%

## Market share

	01.04.2022
Penetration among largest corporates	79%
Share by loans to legal entities	47.4%
Share by deposits of legal entities	37.5%

## Products penetration

	01.04.2021	01.04.2022
Active clients	1.7K	2.1K
Bank's products per client	3.32	4.03
Bank's products per borrower	4.69	5.46
Monthly transactions per active transactor	152.3	210.4

## Awards

**ASIAMONEY**

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

Unconsolidated (bank only) basis

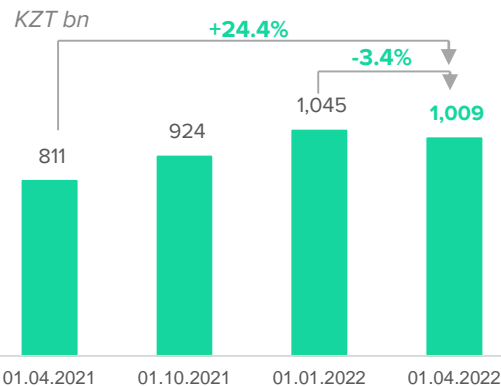
(1) Excluding loans to subsidiaries



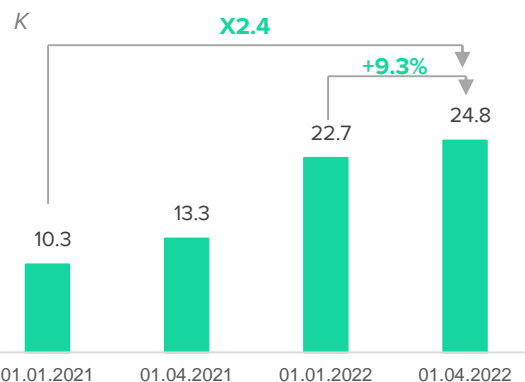
# SME banking: key segment highlights as of 01 April 2022



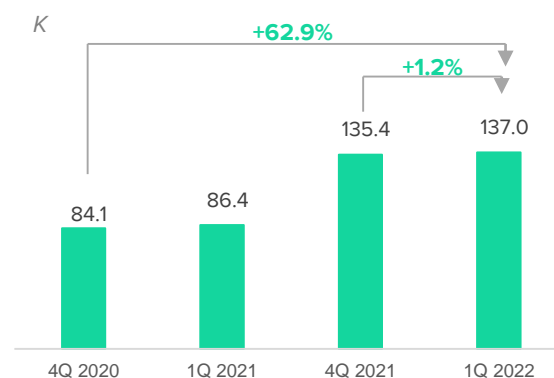
## SME gross loan portfolio<sup>(1)</sup>



## SME borrowers

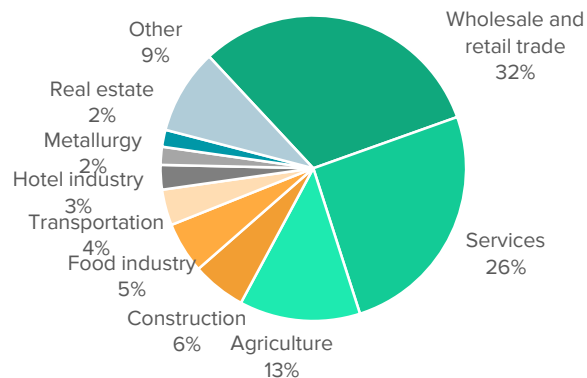


## SME active transactors



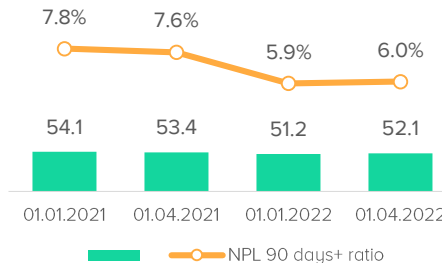
## Industry breakdown<sup>(2)</sup>

As of 1 April 2022

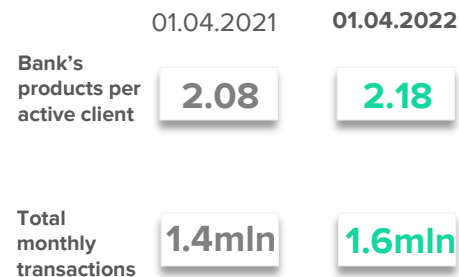


## Loan portfolio quality

KZT bn



## Products penetration



Unconsolidated (bank only) basis

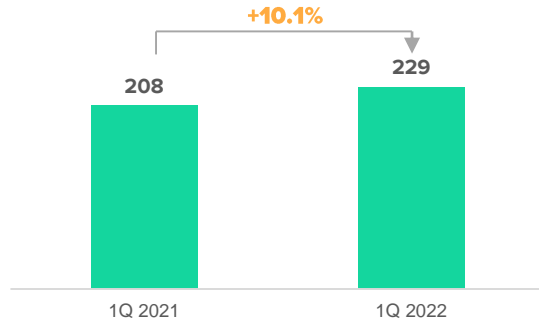
(1) Consolidated IFRS basis; (2) Excluding loans to subsidiaries

# Strong shift to digital

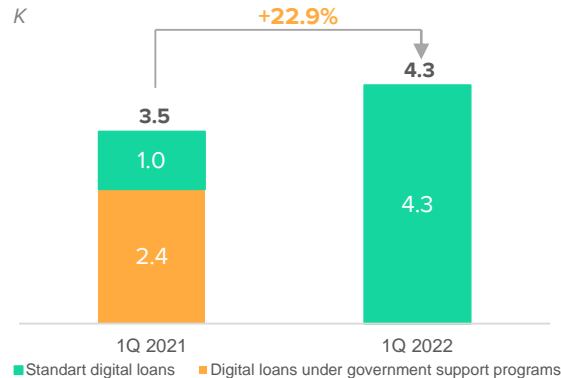


## Loan issuance dynamics

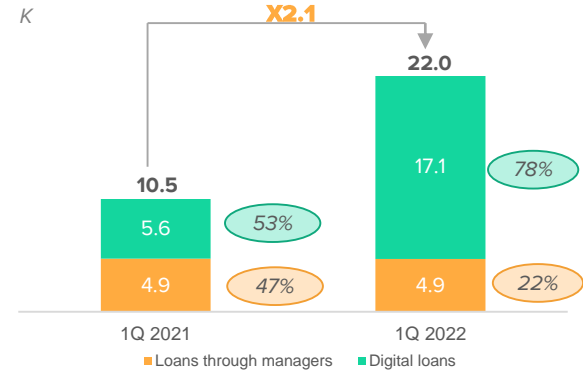
SME loans issued, KZT bn



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

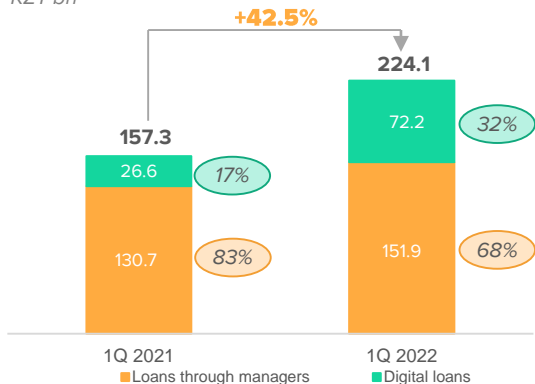


## Number of SE borrowers<sup>(2)</sup>



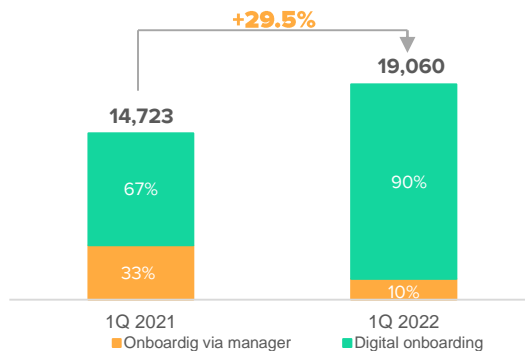
## SE loan portfolio<sup>(3)</sup>

KZT bn



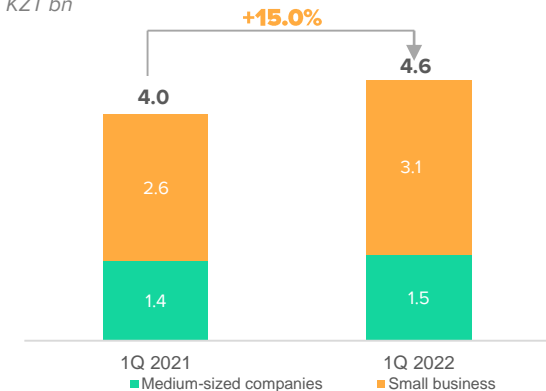
## New accounts opened for IEs

% of accounts opened, by count



## SME transactional revenue

KZT bn



Unconsolidated (bank only) basis

(1) Individual Entrepreneurs

(2) Excluding NPL 90 days+ loans, including transfer of offline clients to online

(3) Excluding NPL 90 days+ loans

04

# Halyk Group financial results 1Q 2022



# 1Q 2022 Performance Highlights

KZT bn	1Q 2022	4Q 2021	Q-o-Q, %	1Q 2021	Y-o-Y, %
Net income <sup>(1)</sup>	124.2	129.3	(3.9%)	96.8	28.3%
Net interest income <sup>(2)</sup>	144.4	131.4	9.9%	112.6	28.3%
Fee and commission income	33.5	36.6	(8.5%)	32.0	4.8%
Net insurance income <sup>(3)</sup>	0.4	13.4	(97.0%)	6.1	(93.4%)
RoAE, p.a.	31.2%	31.7%		25.1%	
RoAA, p.a.	4.0%	4.4%		3.8%	
Cost of risk <sup>(4)</sup> , p.a.	1.5%	0.2%		0.4%	
NIM <sup>(5)</sup> , p.a.	5.2%	5.0%		4.9%	
Cost-to-Income <sup>(6)</sup> , p.a.	19.7%	27.9%		23.2%	

<sup>(1)</sup> attributable to common shareholders;

<sup>(2)</sup> before credit loss expense;

<sup>(3)</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>(4)</sup> credit loss expense on loans to customers / monthly average balances of gross loans to customers, on consolidated IFRS basis;

<sup>(5)</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>(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, and expenses for insurance reserves), annualised, on consolidated IFRS basis;

# 1Q 2022 Performance Highlights



KZT bn	01.04.2022	01.01.2022	YTD, %	01.04.2021	Q-o-Q, %
Total assets	12,719	12,091	5.2%	10,390	22.4%
Cash and cash equivalents	1,684	1,439	17.1%	1,390	21.2%
Securities <sup>(1)</sup>	3,422	3,443	(0.6%)	3,043	12.4%
Gross loans	6,683	6,250	6.9%	4,865	37.4%
Net loans	6,282	5,872	7.0%	4,480	40.2%
Total deposits	9,294	8,473	9.7%	7,608	22.2%
Total liabilities	11,121	10,518	5.7%	8,806	26.3%
Total equity	1,598	1,574	1.5%	1,584	0.9%
Provisions / gross loans	6.0%	6.0%		7.9%	
Loans / deposits ratio <sup>(2)</sup>	67.6%	69.3%		58.9%	
Liquid assets / total assets <sup>(3)</sup>	38.9%	36.9%		39.4%	
NPLs 90 days+ / gross loans <sup>(4)</sup>	2.6%	2.6%		4.4%	

<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;

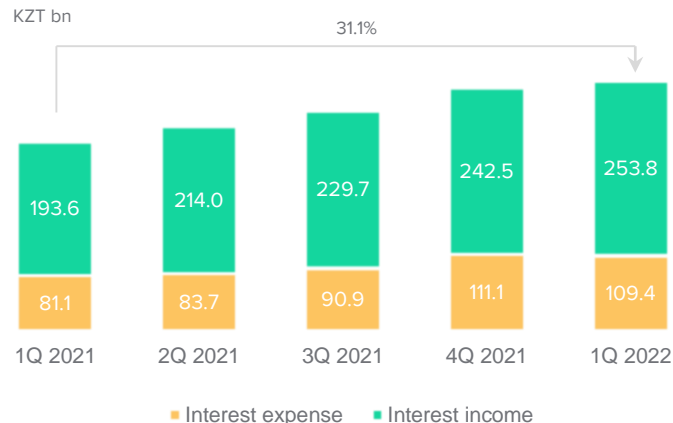
<sup>(2)</sup> net loans to customers / amounts due to customers, on consolidated IFRS basis;

<sup>(3)</sup> cash and cash equivalents, term deposit with NBRK accounted in amounts due from credit institutions, 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;

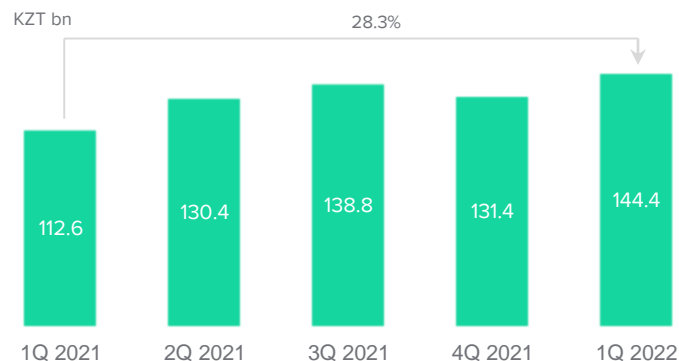
<sup>(4)</sup> total principal amount of loans and accrued interest with principal and/or interest overdue by more than 90 days / gross loan portfolio, unconsolidated (Bank only), IFRS). KKB's NPLs 90+ and total loans are accounted at fair value, i.e. net of provisions created before 4 July 2017.

# Interest Income

## Interest Income and Interest Expense



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



## Comment

- Interest income for 1Q 2022 increased by 31.1% vs. 1Q 2021 mainly due to increase in average balances of loans to customers.
- Interest expense for 1Q 2022 increased by 34.9% vs. 1Q 2021 mainly due to the increase of average balance of KZT deposits in the amounts due to customers and due to increase in interest expense on amounts due to credit institutions as a result of growing volumes of REPO transactions attracted to provide current cash flows in KZT within the Bank's operating activities, which was partially offset by the decrease in interest expense on debt securities as a result of a redemption of Bank's high-yielding Eurobonds. As a result, net interest income for 1Q 2022 increased by 28.3% vs. 1Q 2021.
- Net interest margin increased to 5.2% p.a. for 1Q 2022 compared to 4.9% p.a. for 1Q 2021 mainly due to improved structure of placement of interest-bearing liabilities into interest-earning assets and due to savings on coupon payments as a result of an early redemption of Bank's high-yielding Eurobonds.
- Net interest margin in 4Q 2021 was negatively affected by the recognition of discount on receivables on sale of assets in installments and by the one-off accelerated amortization of discount on large ticket deposit. Excluding these effects, net interest margin decreased to 5.2% p.a. for 1Q 2022 compared to 5.4% p.a. in 4Q 2021 mainly due to increase in interest expense on amounts due to credit institutions as a result of growing volumes of REPO transactions attracted to provide current cash flows in KZT within the Bank's operating activities.

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

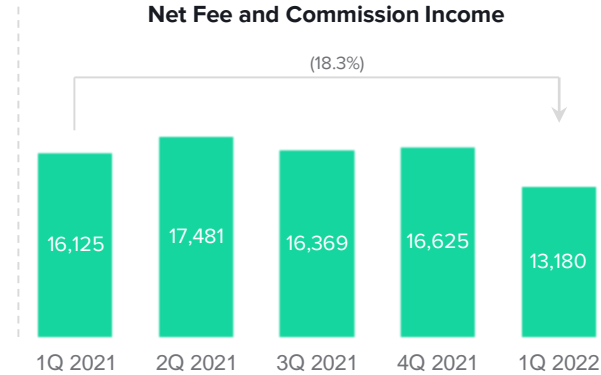
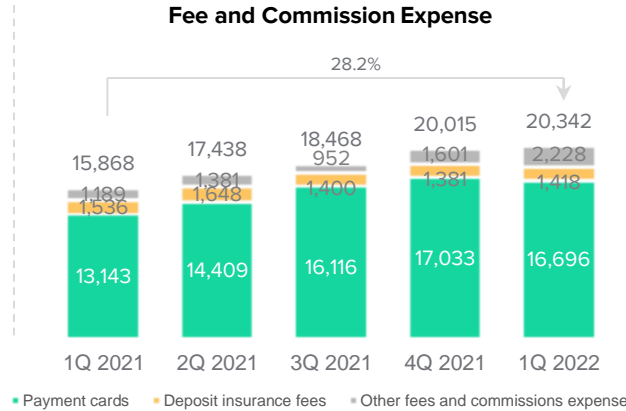
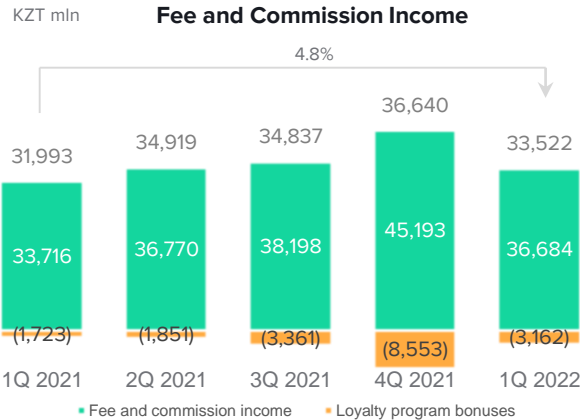


<sup>(1)</sup> before credit loss expense;

<sup>(2)</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;

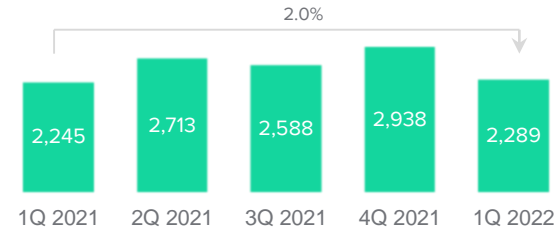
<sup>(3)</sup> without the amortization of discount on receivables on sale of assets in installments and amortization of discount on large ticket deposit;

# Fee and Commission Income

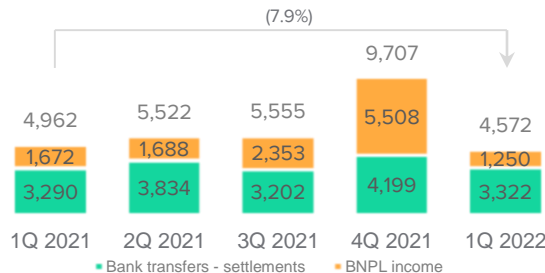


## Breakdown of Selected Fee and Commission Income

## Cash operations



## Bank transfers – settlements

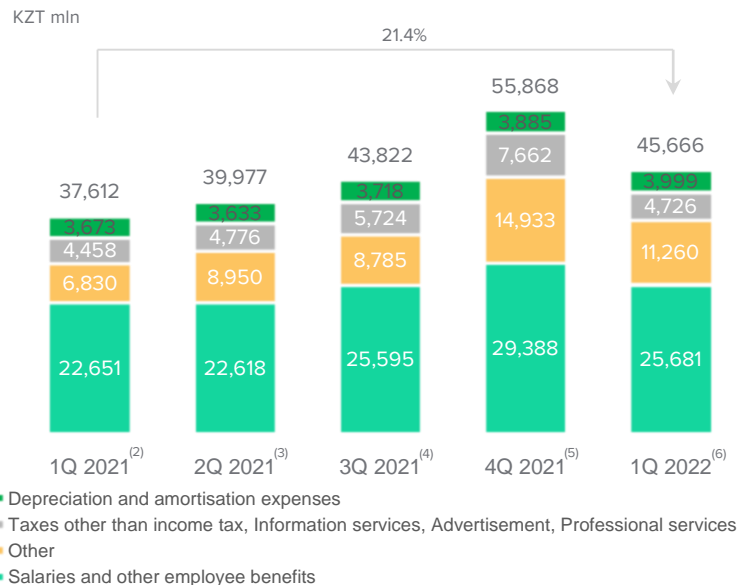


## Comment

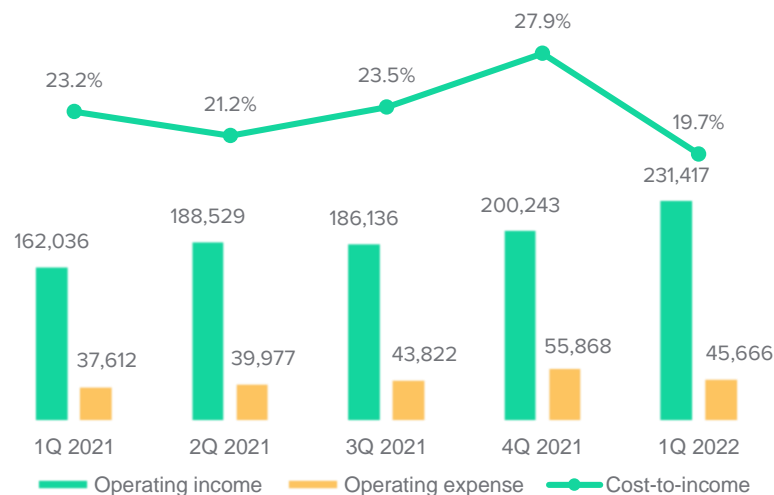
- In 1Q 2022, the overall dynamics of fee and commission income was negatively affected by January events in Kazakhstan. Consequently, fee and commission income for 1Q 2022 increased only by 4.8% vs. 1Q 2021.
- The increase in fee and commission expense for 1Q 2022 by 28.2% vs. 1Q 2021 was mainly due to the increase in payment cards expenses as a result of growing volumes of transactional banking and non-cash transactions. Moreover, loyalty program bonuses for 1Q 2022 increased by 83.5% vs. 1Q 2021. Thus, the net fee and commission income decreased by 18.3% vs. 1Q 2021.
- The decrease in fees derived from bank transfers – settlements for 1Q 2022 by 7.9% vs. 1Q 2021 was mainly due to decrease in merchant fees as a result of shrinking volume of online installment loans (BNPL) issued. This was due to the temporary suspension of BNPL and further reopening with tightened underwriting conditions.

# Operating costs

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



## Cost-to-Income <sup>(1)(7)</sup>



## Cost-to-Average Assets <sup>(8)</sup>



## Comment

- Operating expenses for 1Q 2022 increased by 21.4% vs. 1Q 2021 mainly due to the indexation of salaries and other employee benefits starting from 1 March, 2021 and increase in charity expenses.
- The Bank's cost-to-income ratio decreased to 19.7% compared to 23.2% for 1Q 2021 due to higher operating income for 1Q 2022.

<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.

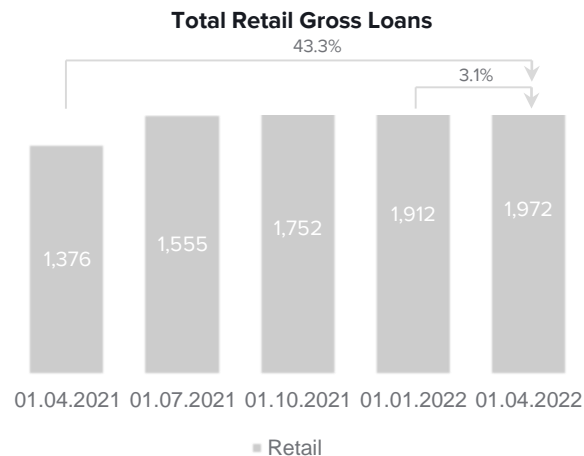
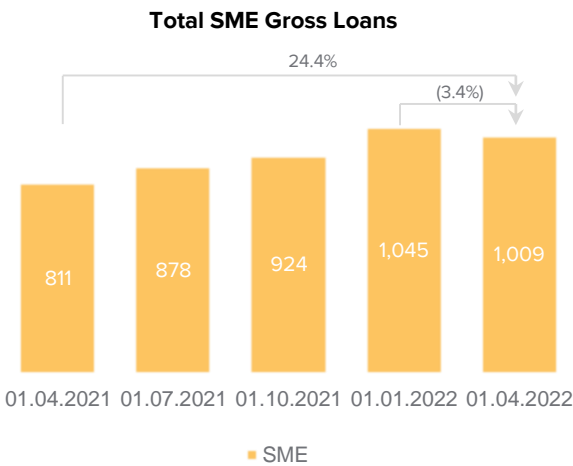
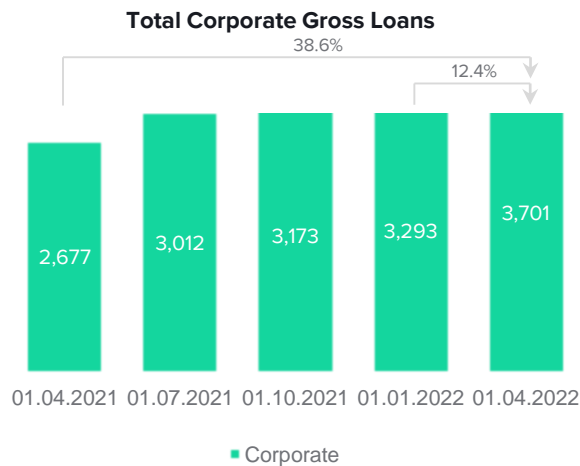
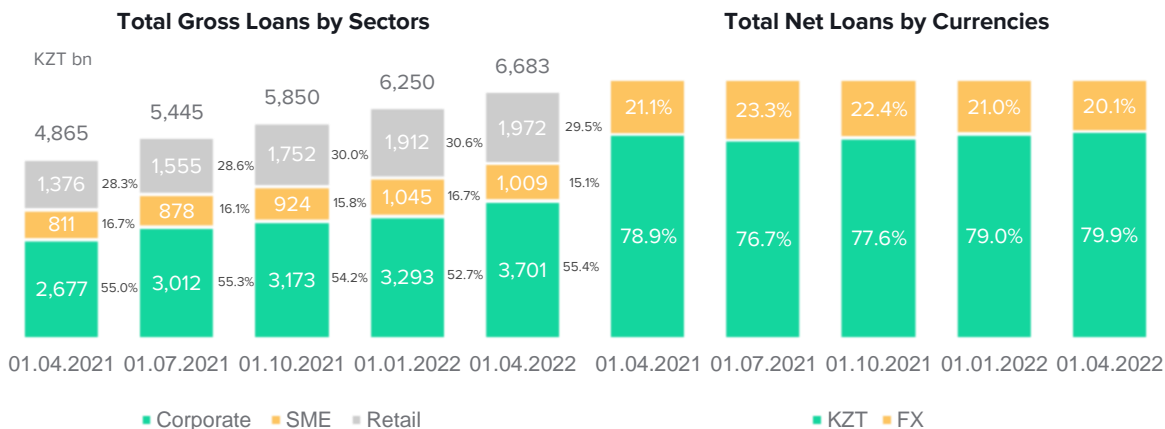
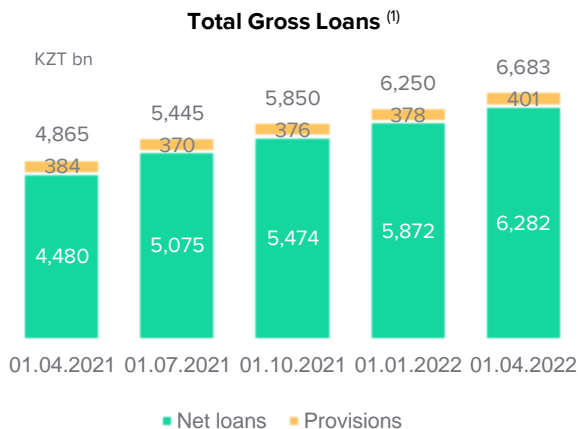
<sup>(2)</sup> including loss from impairment of non-financial assets of KZT -0.4bn; <sup>(3)</sup> including loss from impairment of non-financial assets of KZT -0.05bn; <sup>(4)</sup> including loss from impairment of non-financial assets of KZT -0.2bn; <sup>(5)</sup> including loss from impairment of non-financial assets of KZT -5.6bn; <sup>(6)</sup> including profit from impairment of non-financial assets of KZT -0.1bn;

<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, loss on initial recognition of purchased or originated credit-impaired (POCI) asset, and expenses for insurance reserves)), annualised, on consolidated IFRS basis;

<sup>(8)</sup> operating expense / average monthly assets, annualised, on consolidated IFRS basis.

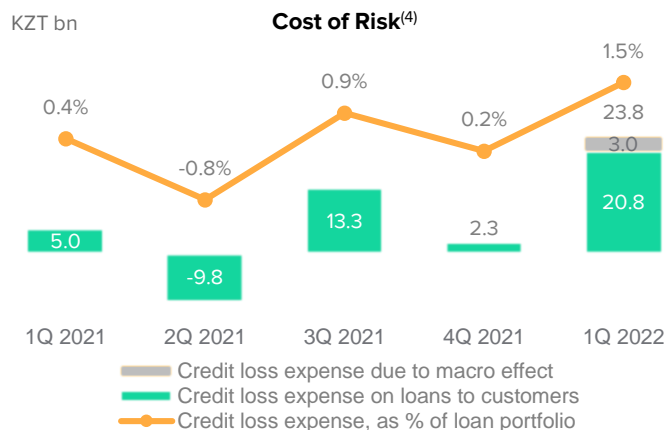
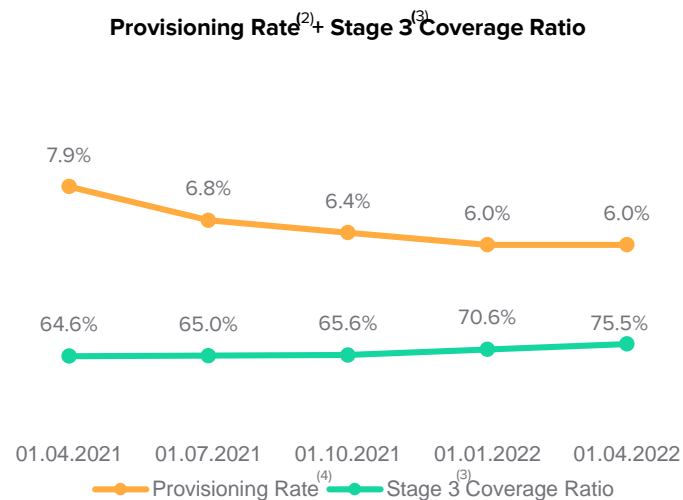
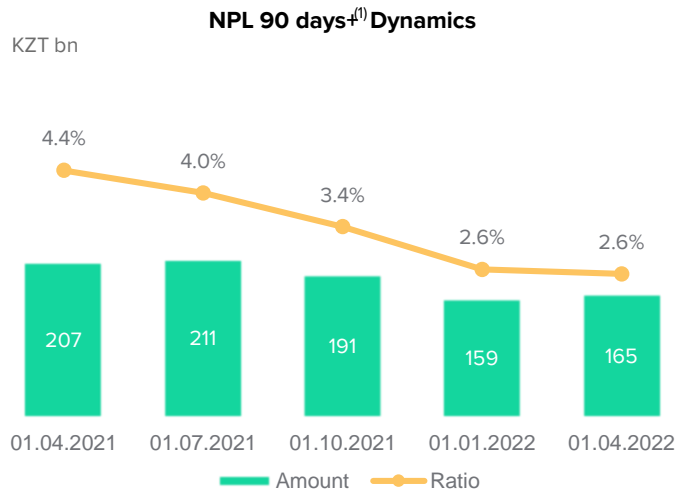


# Loan Portfolio



<sup>(1)</sup> due to IFRS requirements, KKB loans were consolidated on net basis (i.e. net of provisions created before 4 July 2017);

# Cost of Risk



## Comment

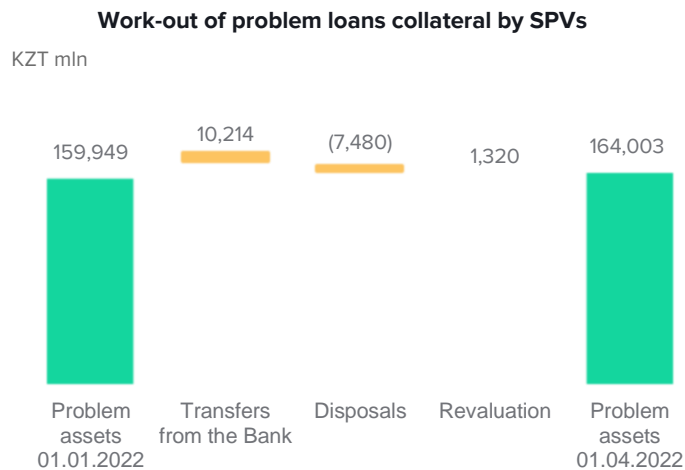
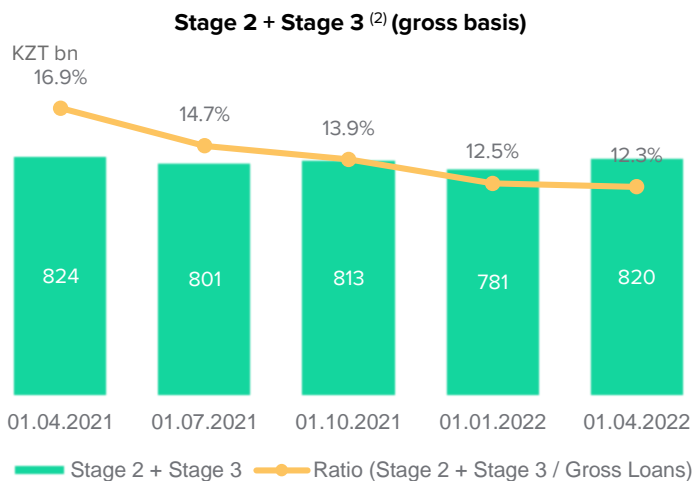
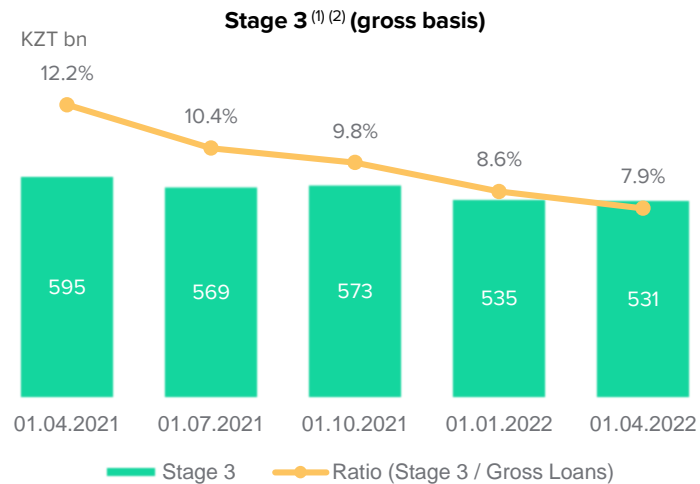
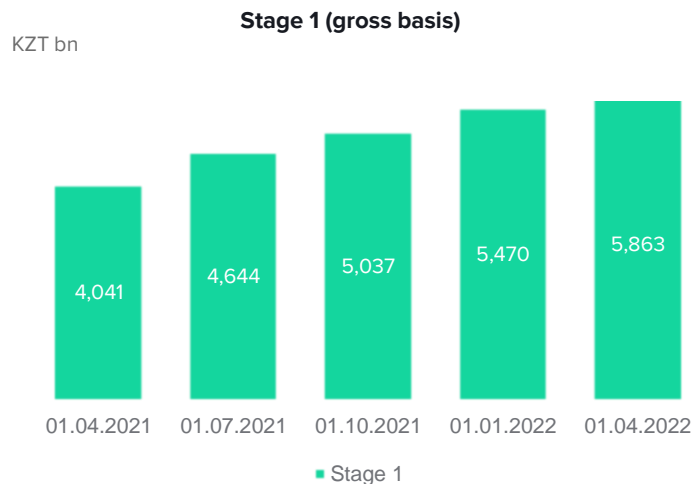
- Cost of risk on loans to customers in 1Q 2022 came at 1.5%, partially reflecting more normalized level and increase in credit loss expense on retail loans, including assessment of the macro parameters effect.

<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> taking into account a gross and net basis of purchased credit-impairment financial assets from KKB, write-offs on consolidated IFRS basis for 1Q 2022 were KZT 14.8bn and KZT 10.9bn accordingly;

<sup>(5)</sup> credit loss expense on loans to customers / monthly average balances of gross loans to customers, annualised, on consolidated IFRS basis.

# Asset quality



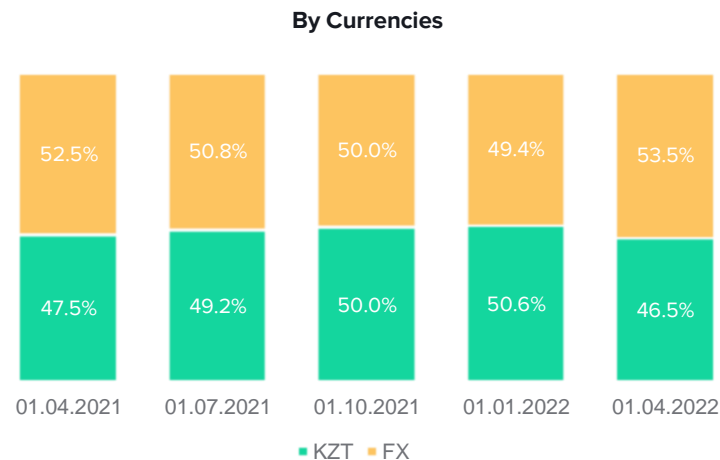
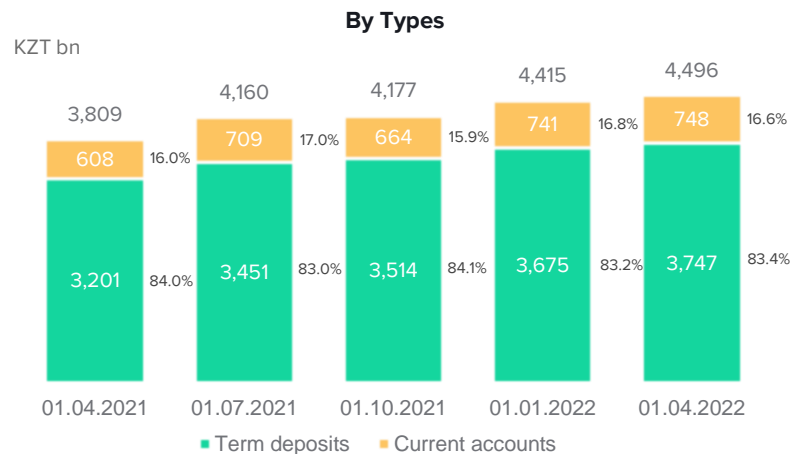
<sup>(1)</sup> including POCI;

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

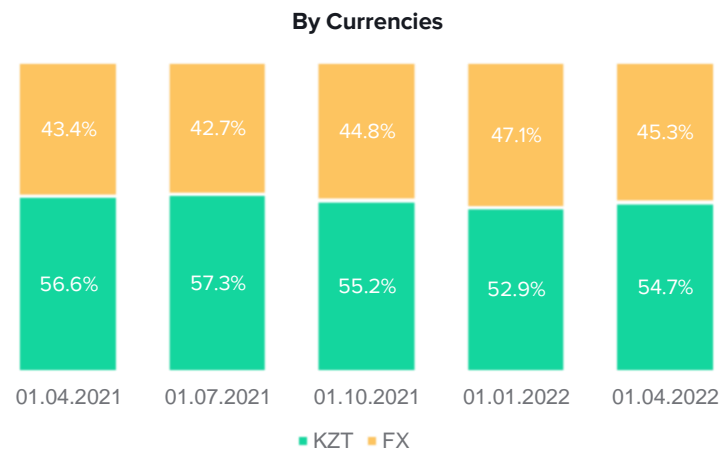
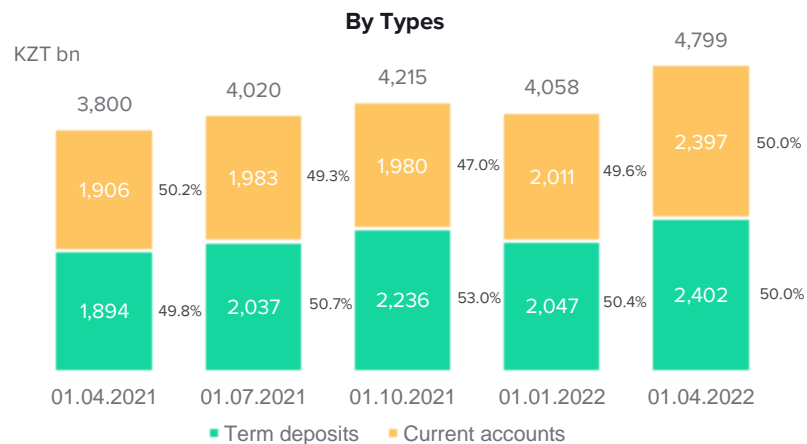
# Funding Base



## Retail Deposits



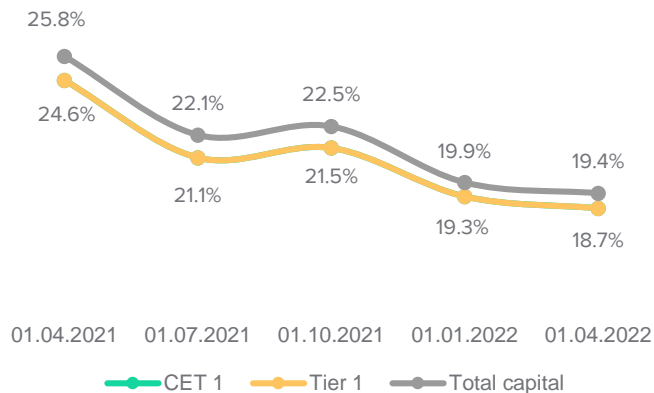
## Deposit of Legal Entities



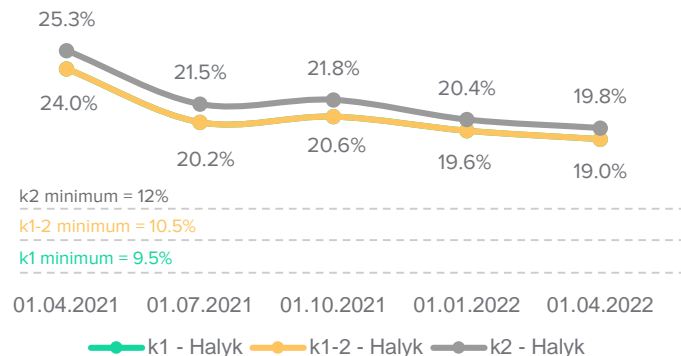
# Solid Capital Position



**Capital Adequacy Ratios, consolidated**



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



## Comment

- Capital adequacy ratios of the Bank decreased in 1Q 2022 as result of increase in risk-weighted assets by 3.7% vs. YE 2021.
- In 1Q 2022, total equity of the Bank increased by KZT 23.9 bn or by 1.5% compared to the YE 2021, whereas net income for 1Q 2022 amounted to KZT 124.2 bn.
- This was due to loss on revaluation of debt financial assets at fair value through other comprehensive income, which totaled for KZT 105.0 bn in 1Q 2022. The loss mainly relates to treasury bills of the Ministry of Finance of Kazakhstan, which have decreased in price due to base rate hike from 10.25% to 13.5% in the first quarter of this year.

# Changes in operating environment

## Deposits inflow amid the operational environment changes

### Individuals

**KZT 217.5bn (KZT 153.4bn)**  
total deposits inflow<sup>1</sup> (net of FX changes)

### Legal entities

**KZT 745.4bn (KZT 690.6bn)**  
total deposits inflow<sup>1</sup> (net of FX changes)

## Acquisition of Kazakhstani Sber's portfolio



**Acquired loan portfolio  
– KZT 550.4bn (8.2% of  
total gross loans<sup>2</sup>)**

### Corporate

**KZT 101.5bn**  
2.7% of total corporate  
gross loans<sup>2</sup>

**26**  
number of clients  
(**19** new clients<sup>2</sup>)

### SME

**KZT 111.9bn**  
11.1% of total SME gross  
loans<sup>2</sup>

**8.0k**  
number of clients  
(**5.4k** new clients<sup>2</sup>)

### Retail

**KZT 336.9bn**  
17.1% of total retail gross  
loans<sup>2</sup>

**114.6k**  
number of clients  
(**34.1k** new clients<sup>2</sup>)

**8%** auto loans, **39%**  
mortgages, **53%** consumer  
loans

# Acquisition of Kazakhstani Sber's loan portfolio



## Rationale for the transaction

- ✓ Acquisition of a very **diversified** portfolio – corporate, SME and retail loans (auto loans, mortgages, secured/unsecured consumer loans)
- ✓ **Good asset quality** portfolio – **no NPLs**
- ✓ Matching target client base – **no new risk** segment
- ✓ **Efficient** and **quick** gain in market share without an increase in operating expenses or engaging in a complex M&A transaction:
  - Significant increase of SME loan portfolio (the share of purchased loans amounted to **11.1%** of the total SME gross loan portfolio<sup>1</sup> as of 1 April 2022)
  - Secured retail loan portfolio **almost doubled**
- ✓ Good profitability (at par with similar Halyk Bank's products) further underpinned by **matched funding** under government programs and by **discount** on retail and SME loans – **7%** of the total purchased retail and SME loans were acquired with matched funding and **30%** were acquired with **7%** discount
- ✓ **Efficient utilization of capital** – k1 and k2 capital adequacy ratios stood at **17.8%** and **18.5%** as of 1 May 2022<sup>3</sup> compared to **19.0%** and **19.8%** as of 1 April 2022<sup>2</sup>

## Guided by the following principals

- ✓ **Detailed analysis** of the borrowers before execution of the transaction:
  - **Portfolio analysis** of retail and small business borrowers
  - **One by one analysis** of medium business and corporate borrowers – **ability to cherry pick the best clients**
- ✓ **No NPLs** and option **to return loans (with deficient credit dossier) back**

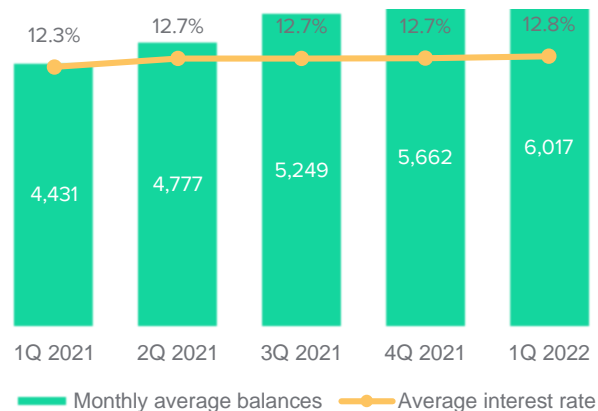
# APPENDIX



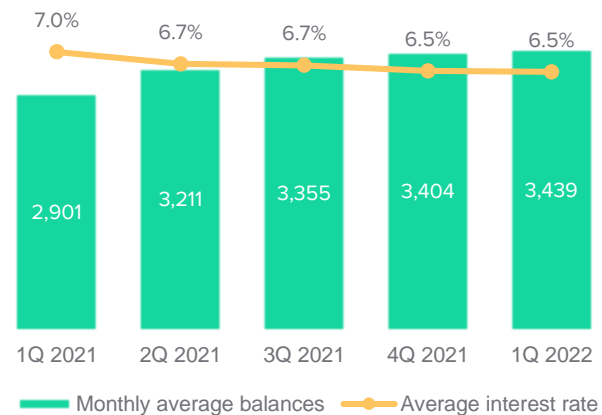


# Average assets' rate <sup>(1)</sup>

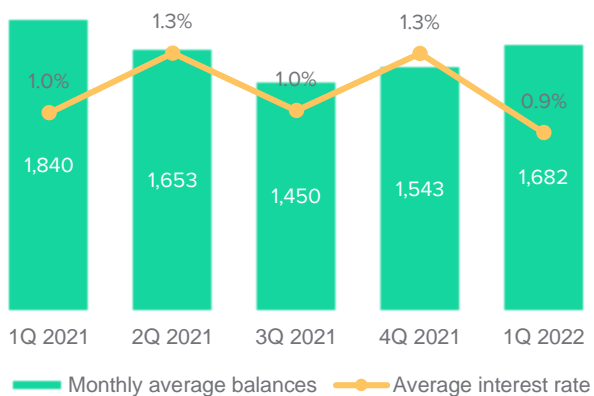
## Loans to customers



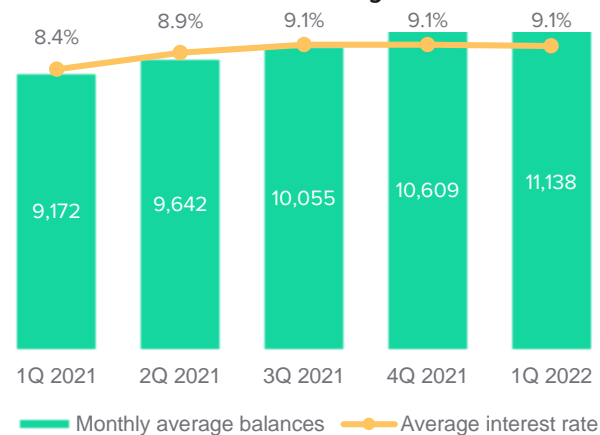
## Securities



## Amounts due from credit institutions



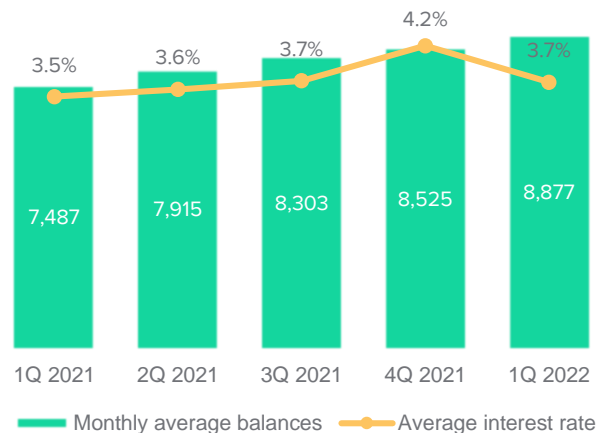
## Total interest-earning assets



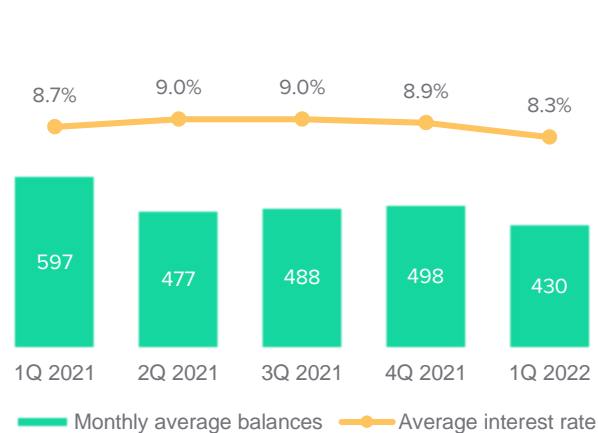
<sup>(1)</sup> interest income/monthly average balances of assets

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

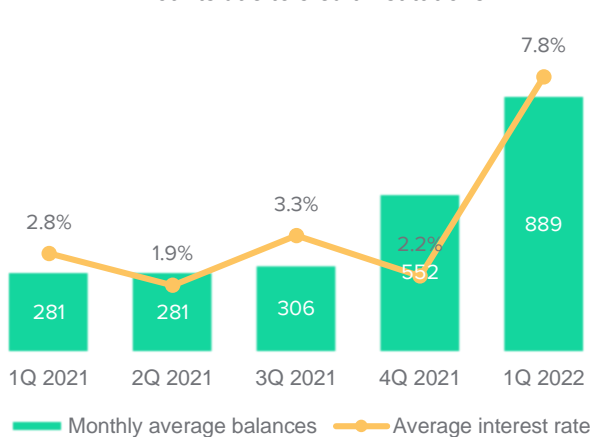
**Amounts due to customers**



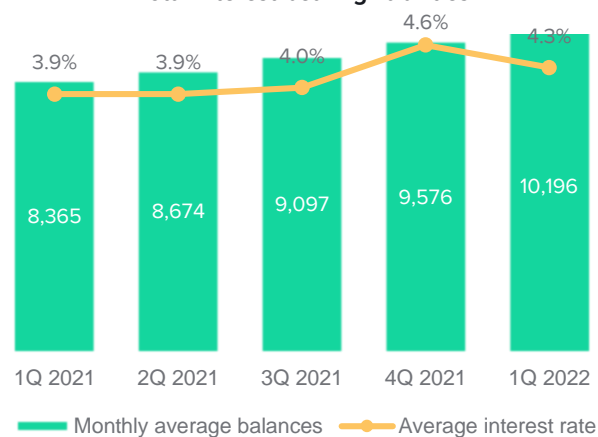
**Debt securities issued**



**Amounts due to credit institutions**



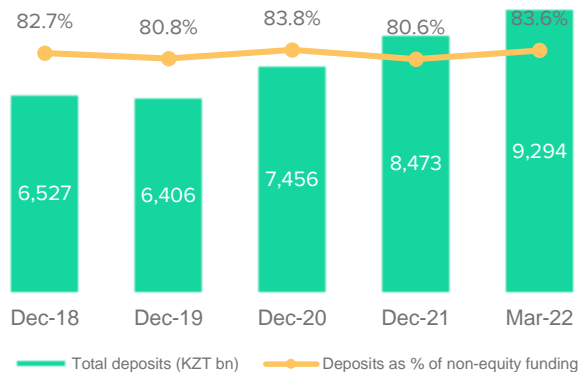
**Total interest-bearing liabilities**



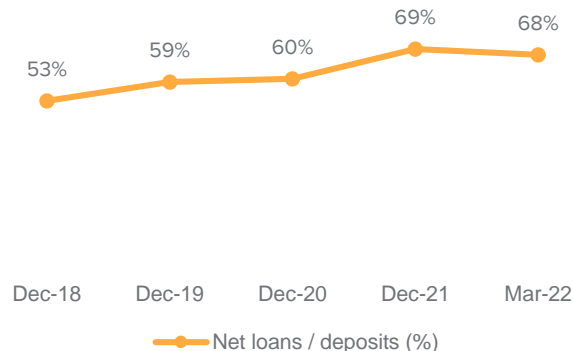
<sup>(1)</sup> interest income/monthly average balances of assets

# Solid liquidity buffer

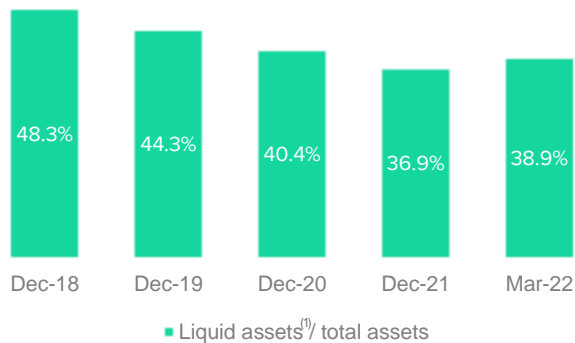
## Diversified deposit-led funding



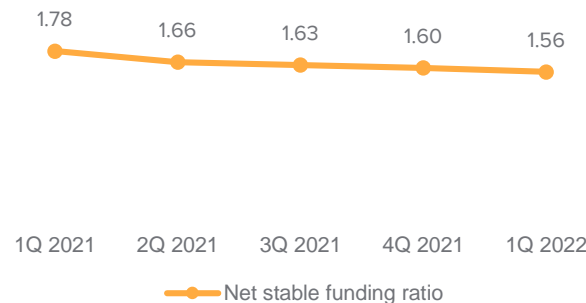
## Relatively low loan leverage



## Ample liquidity



## Net stable funding ratio (NSFR)



<sup>(1)</sup> cash and cash equivalents, term deposit with NBRK accounted in amounts due from credit institutions, 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 / total assets, on consolidated IFRS basis.

# P&L Summary



## Dynamics

KZT mln	1Q 2022	4Q 2021	Q-o-Q, %	1Q 2021	Y-o-Y, %
Interest income	253,776	242,490	4.7%	193,637	31.1%
Interest expense	(109,388)	(111,126)	(1.6%)	(81,070)	34.9%
<b>Net interest income before credit loss expenses</b>	<b>144,388</b>	<b>131,364</b>	<b>9.9%</b>	<b>112,567</b>	<b>28.3%</b>
Fee and commission income	33,522	36,640	(8.5%)	31,993	4.8%
Fee and commission expense	(20,342)	(20,015)	1.6%	(15,868)	28.2%
<b>Net fee and commission income</b>	<b>13,180</b>	<b>16,625</b>	<b>(20.7%)</b>	<b>16,125</b>	<b>(18.3%)</b>
Insurance income <sup>(1)</sup>	402	13,428	(97.0%)	6,088	(93.4%)
Other non-interest income <sup>(2)</sup>	59,938	31,263	91.7%	16,736	3.6x
Credit loss expense and other credit loss expense <sup>(3)</sup>	(26,844)	9,108	(394.7%)	(7,364)	3.6x
Operating expenses <sup>(4)</sup>	(45,666)	(55,868)	(18.3%)	(37,612)	21.4%
Income tax expense	(21,161)	(16,637)	27.2%	(9,712)	117.9%
<b>Net Profit</b>	<b>124,237</b>	<b>129,283</b>	<b>(3.9%)</b>	<b>96,828</b>	<b>28.3%</b>
Non-controlling interest	-	1	(100.0%)	-	-
<b>Net Profit attributable to common shareholders</b>	<b>124,237</b>	<b>129,282</b>	<b>(3.9%)</b>	<b>96,828</b>	<b>28.3%</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	31/03/2022	31/12/2021	Q-o-Q, %	31/03/2021	Change YTD, %
<b>Total assets</b>	<b>12,718,752</b>	<b>12,091,370</b>	<b>5.2%</b>	<b>10,389,630</b>	<b>22.4%</b>
Cash and reserves	1,884,051	1,633,452	15.3%	1,559,347	20.8%
Amounts due from credit institutions	569,724	602,125	(5.4%)	734,315	(22.4%)
T-bills & NBK Notes	2,154,430	2,195,931	(1.9%)	2,094,996	2.8%
Other securities & derivatives	1,267,701	1,247,257	1.6%	948,289	33.7%
Gross loan portfolio	6,682,939	6,250,260	6.9%	4,864,781	37.4%
Stock of provisions	(400,609)	(378,032)	6.0%	(384,330)	4.2%
Net loan portfolio	6,282,330	5,872,228	7.0%	4,480,451	40.2%
Other assets	529,980	494,965	7.1%	531,276	(0.2%)
Assets classified as held-for-sale	30,536	45,412	(32.8%)	40,956	(25.4%)
<b>Total liabilities</b>	<b>11,121,235</b>	<b>10,517,766</b>	<b>5.7%</b>	<b>8,806,096</b>	<b>26.3%</b>
Total deposits, including:	9,294,423	8,473,407	9.7%	7,608,492	22.2%
retail deposits	4,495,719	4,415,103	1.8%	3,808,839	18.0%
term deposits	3,747,361	3,674,572	2.0%	3,201,065	17.1%
current accounts	748,357	740,531	1.1%	607,774	23.1%
corporate deposits	4,798,706	4,058,304	18.2%	3,799,653	26.3%
term deposits	2,401,701	2,046,999	17.3%	1,893,769	26.8%
current accounts	2,397,004	2,011,305	19.2%	1,905,884	25.8%
Debt securities	408,318	499,812	(18.3%)	473,103	(13.7%)
Amounts due to credit institutions	882,107	1,071,642	(17.7%)	303,293	190.8%
Other liabilities	536,387	472,905	13.4%	421,208	27.3%
<b>Equity</b>	<b>1,597,517</b>	<b>1,573,604</b>	<b>1.5%</b>	<b>1,583,534</b>	<b>0.9%</b>

# Balance Sheet (Net of FX changes)



	31.03.2022			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>4,951,344</b>	<b>7,274,035</b>	<b>12,225,379</b>	<b>4,396,061</b>	<b>7,226,165</b>	<b>11,622,226</b>	<b>603,153</b>	<b>5.2%</b>	<b>236,721</b>	<b>2.0%</b>
Cash and cash equivalents	1,544,461	139,682	1,684,143	1,000,717	437,804	1,438,521	245,622	17.1%	131,322	9.1%
Obligatory reserves	91,157	108,751	199,908	105,398	89,533	194,931	4,977	2.6%	(1,769)	(0.9%)
Financial assets at fair value through profit or loss	65,012	239,740	304,752	61,383	221,950	283,333	21,419	7.6%	16,608	5.9%
Amounts due from credit institutions	546,273	23,451	569,724	572,787	29,338	602,125	(32,401)	(5.4%)	(72,829)	(12.1%)
Financial assets at fair value through other comprehensive income	1,166,163	630,685	1,796,848	1,170,180	701,497	1,871,677	(74,829)	(4.0%)	(161,133)	(8.6%)
Debt securities at amortized cost, net of allowances for expected credit losses	264,223	1,056,308	1,320,531	243,145	1,045,033	1,288,178	32,353	2.5%	12,799	1.0%
Net loans	1,265,012	5,017,318	6,282,330	1,235,857	4,636,371	5,872,228	410,102	7.0%	316,483	5.4%
Other financial assets	9,043	58,100	67,143	6,594	64,639	71,233	(4,090)	(5.7%)	(4,759)	(6.7%)
<b>FINANCIAL LIABILITIES</b>	<b>4,723,155</b>	<b>5,983,739</b>	<b>10,706,894</b>	<b>4,218,029</b>	<b>5,938,504</b>	<b>10,156,533</b>	<b>550,361</b>	<b>5.4%</b>	<b>200,817</b>	<b>2.0%</b>
Amounts due to customers	4,579,823	4,714,600	9,294,423	4,096,012	4,377,395	8,473,407	821,016	9.7%	482,079	5.7%
Amounts due to credit institutions	38,017	844,090	882,107	32,836	1,038,806	1,071,642	(189,535)	(17.7%)	(192,349)	(17.9%)
Financial liabilities at fair value through profit or loss	4,578	1,600	6,178	1,225	1,051	2,276	3,902	171.4%	3,563	156.6%
Debt securities issued	87,439	320,879	408,318	80,386	419,426	499,812	(91,494)	(18.3%)	(97,965)	(19.6%)
Other financial liabilities	13,298	102,570	115,868	7,570	101,826	109,396	6,472	5.9%	5,488	5.0%

# Balance Sheet (Net of FX changes)



	31.03.2022			31.03.2021			Actual change		Net of FX changes	
	Total foreign currencies	KZT	TOTAL	Total foreign currencies	KZT	TOTAL	abs	%	abs	%
<b>FINANCIAL ASSETS</b>	<b>4,951,344</b>	<b>7,274,035</b>	<b>12,225,379</b>	<b>3,827,013</b>	<b>6,090,910</b>	<b>9,917,923</b>	<b>2,307,456</b>	<b>23.3%</b>	<b>1,867,653</b>	<b>18.8%</b>
Cash and cash equivalents	1,544,461	139,682	1,684,143	1,147,699	242,195	1,389,894	294,249	21.2%	157,062	11.3%
Obligatory reserves	91,157	108,751	199,908	37,612	131,841	169,453	30,455	18.0%	22,358	13.2%
Financial assets at fair value through profit or loss	65,012	239,740	304,752	61,374	190,999	252,373	52,379	20.8%	46,604	18.5%
Amounts due from credit institutions	546,273	23,451	569,724	610,713	123,602	734,315	(164,591)	(22.4%)	(213,114)	(29.0%)
Financial assets at fair value through other comprehensive income	1,166,163	630,685	1,796,848	815,526	728,469	1,543,995	252,853	16.4%	149,269	9.7%
Debt securities at amortized cost, net of allowances for expected credit losses	264,223	1,056,308	1,320,531	190,727	1,056,190	1,246,917	73,614	5.9%	50,144	4.0%
Net loans	1,265,012	5,017,318	6,282,330	946,279	3,534,172	4,480,451	1,801,879	40.2%	1,689,514	37.7%
Other financial assets	9,043	58,100	67,143	17,083	83,442	100,525	(33,382)	(33.2%)	(34,185)	(34.0%)
<b>FINANCIAL LIABILITIES</b>	<b>4,723,155</b>	<b>5,983,739</b>	<b>10,706,894</b>	<b>3,759,709</b>	<b>4,704,393</b>	<b>8,464,102</b>	<b>2,242,792</b>	<b>26.5%</b>	<b>1,823,258</b>	<b>21.5%</b>
Amounts due to customers	4,579,823	4,714,600	9,294,423	3,648,418	3,960,074	7,608,492	1,685,931	22.2%	1,279,128	16.8%
Amounts due to credit institutions	38,017	844,090	882,107	29,099	274,194	303,293	578,814	190.8%	575,437	189.7%
Financial liabilities at fair value through profit or loss	4,578	1,600	6,178	1,426	567	1,993	4,185	210.0%	3,778	189.6%
Debt securities issued	87,439	320,879	408,318	78,283	394,820	473,103	(64,785)	(13.7%)	(72,552)	(15.3%)
Other financial liabilities	13,298	102,570	115,868	2,483	74,738	77,221	38,647	50.0%	37,466	48.5%

# Key Financial Indicators



	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
Amounts due to customers / total liabilities	83.6%	80.6%	86.8%	86.2%	86.4%
Loans / deposits ratio <sup>(1)</sup>	67.6%	69.3%	65.2%	62.0%	58.9%
Liquid assets / total assets <sup>(2)</sup>	38.9%	36.9%	37.1%	37.1%	39.4%
IFRS Provisioning rate <sup>(3)</sup>	6.0%	6.0%	6.4%	6.8%	7.9%
Common Equity Tier 1 capital adequacy ratio	18.7%	19.3%	21.5%	21.1%	24.6%
Tier 1 capital adequacy ratio	18.7%	19.3%	21.5%	21.1%	24.6%
Total capital adequacy ratio	19.4%	19.9%	22.5%	22.1%	25.8%
k1 capital adequacy ratio	19.0%	19.6%	20.6%	20.2%	24.0%
k1-2 capital adequacy ratio	19.0%	19.6%	20.6%	20.2%	24.0%
k2 capital adequacy ratio	19.8%	20.4%	21.8%	21.5%	25.3%

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

<sup>(2)</sup> cash and cash equivalents, term deposit with NBRK accounted in amounts due from credit institutions, 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) / total assets, on consolidated IFRS basis;

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



# Key Financial Indicators



	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
Number of branches and outlets	588	589	591	592	600
Number of ATMs	4,754	4,526	4,528	4,528	4,530
Number of POS-terminals	164,156	148,351	146,870	104,548	105,937
Payment terminals	969	970	973	974	976
Clients of internet banking, individuals	8,349,122	7,998,879	7,568,328	7,115,706	6,580,829
Clients of internet banking, legal entities	295,513	272,673	276,064	248,853	232,587
Payroll project clients (legal entities)	32,861	33,231	33,979	34,249	33,712

	1Q 2022	4Q 2021 <sup>(2)</sup>	3Q 2021 <sup>(2)</sup>	2Q 2021 <sup>(2)</sup>	1Q 2021 <sup>(2)</sup>
Cost-to-income <sup>(1)</sup>	19.7%	27.9%	23.5%	21.2%	23.2%
Return on average common shareholders' equity (RoAE)	31.2%	31.7%	27.5%	34.4%	25.1%
Return on average assets (RoAA)	4.0%	4.4%	3.9%	4.8%	3.8%
Net interest margin	5.2%	5.0%	5.5%	5.4%	4.9%
Operating expenses / average total assets	1.5%	1.9%	1.6%	1.5%	1.5%

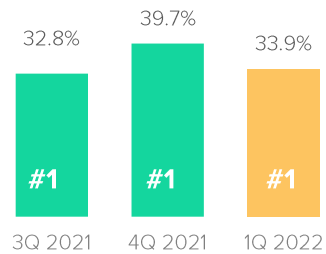
<sup>(1)</sup> operating expense (operating expenses, impairment of non-financial assets) / operating income (net interest income before credit loss expense, net fees and commissions, other non-interest income (less insurance claims incurred, net of reinsurance, loss on initial recognition of purchased 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.

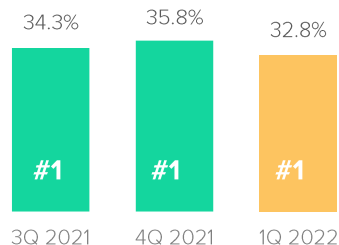
# Halyk Bank's Market Position



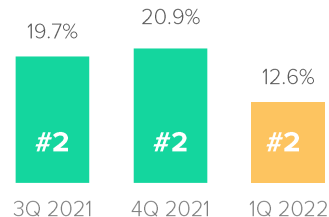
**Net Income <sup>(1)</sup>**



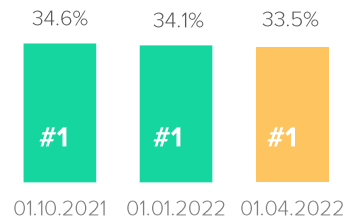
**Net Interest Income <sup>(2)</sup>**



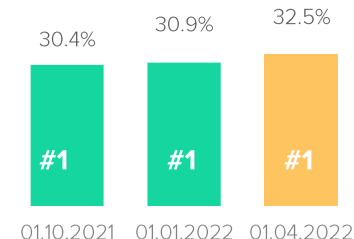
**Net F&C Income**



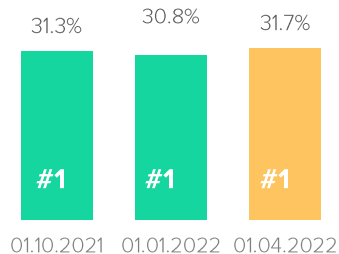
**Equity <sup>(3)</sup>**



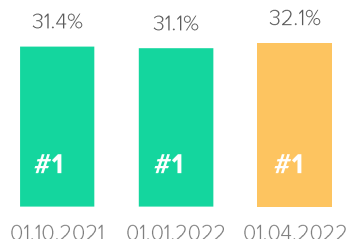
**Total Assets**



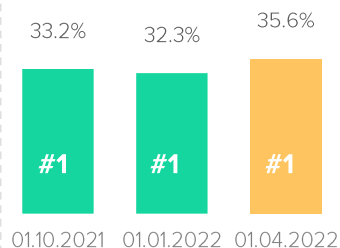
**Gross Loans**



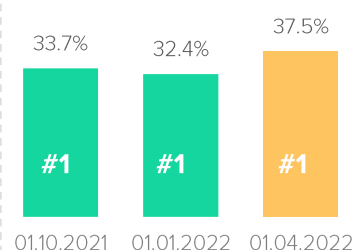
**Net Loans**



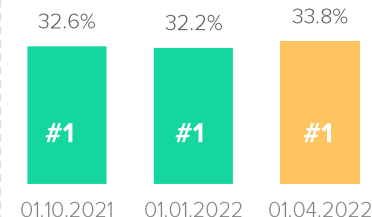
**Total deposits**



**Total Corporate Deposits**



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



<sup>(1)</sup> excl. banks with negative income.

<sup>(2)</sup> after credit loss expense, excl. negative net interest income.

<sup>(3)</sup> excl. banks with negative equity.

<sup>(4)</sup> consists of term deposits and current accounts.

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