

**Information for shareholders' consideration
at the Annual General Shareholders' Meeting of JSC Halyk Bank
by absentee voting to be held on 23 April 2021**

**Item 1 on the agenda: "On approval of the agenda of the Annual General
Shareholders' Meeting of JSC Halyk Bank"**

**Agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank
proposed for approval by absentee voting and published in the mass media on 5
March 2021 and in the newspapers "EGEMEN QAZAQSTAN" and
"Kazakhstanskaya Pravda" on 10 March 2021:**

1. On approval of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank.
2. On approval of JSC Halyk Bank's annual financial statements for the year ended 31 December 2020.
3. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2020. On adoption of a resolution on payment of dividends on JSC Halyk Bank's common shares. On approval of the amount of dividend per common share of JSC Halyk Bank.
4. On consideration of the 2020 Performance Report of the Board of Directors of JSC Halyk Bank.
5. On informing shareholders of JSC Halyk Bank on the amount and structure of remuneration for the members of the Board of Directors and Management Board of JSC Halyk Bank.
6. On approval of the amendments to the Methodology for determining the value of shares upon their redemption by JSC Halyk Bank on the unorganized securities market by approving the revised version.
7. On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

Item 2 on the agenda: “On approval of JSC Halyk Bank’s annual financial statements for the year ended 31 December 2020”

Dear Shareholders!

In accordance with Articles 35 and 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the annual financial statements of the company should be approved at the Annual General Shareholders' Meeting. Hereby we present to you the core results of JSC Halyk Bank's activities in 2020:

For the year ended 31 December 2020 Halyk Group had good results, namely:

Halyk Group's assets grew by 12.5% (KZT 276 billion) from KZT 9,235 billion to KZT 10,388 billion.

Loans to customers (net) increased over the year by 18.5% or by KZT 694 billion and at the end of the year amounted to KZT 4,446 billion, which in turn is 42.8% of all assets of Halyk Group.

The equity capital of JSC Halyk Bank increased by 14.2% (KZT 186 billion) from KZT 1,307 billion to KZT 1,493 billion.

The net profit of Halyk Group increased by 5.4% (KZT 18 billion) from KZT 335 billion to KZT 353 billion.

The major events of 2020, which are reflected in the financial statements of Halyk Group include the following:

- financing 379 clients in the amount of KZT 143.9 billion within the framework of the Program of concessional lending to business entities developed by the National Bank of the Republic of Kazakhstan and the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan in conjunction with second-tier banks in March 2020. At the same time, KZT 180 billion was allocated to the Bank (30% of the total program value);

- financing of individuals in the amount of KZT 47 billion within the framework of the "7-20-25" mortgage housing program;

- On 31 December 2020, the Halyk Group partially prepaid its Eurobond issue for USD 300 million. The prepayment was made from Halyk Group's own funds;

- payment of dividends on common shares of the Bank for the amount of KZT 200 billion (KZT 17.08 per common share).

By the decision of the Board of Directors of the Bank dated 19 March 2021, the Bank's annual financial statements for the year ended 31 December 2020 were preliminary approved. The independent audit firm – Deloitte LLC confirmed reliability and accuracy of the annual financial statements of the Bank for the year ended 31 December 2020, as well as compliance with the requirements of international financial reporting standards and legislation of the Republic of Kazakhstan.

Dear Shareholders! Based on the foregoing, we ask you to approve annual financial statements of JSC Halyk Bank for the year ended 31 December 2020, taking into account the Independent Auditors' Report.

The annual financial statements of JSC Halyk Bank and Independent Auditors' Report for the year ended 31 December 2020 are available at the corporate website of JSC Halyk Bank at: (<https://halykbank.com/financial-results>) and at the location of the Management Board of JSC Halyk Bank.

Item 3 on the agenda: “On approval of the procedure of distribution of JSC Halyk Bank’s net income for 2020. On adoption of a resolution on payment of dividends on JSC Halyk Bank’s common shares. On approval of the amount of dividend per common share of JSC Halyk Bank”

Dear Shareholders!

In accordance with Articles 23, 35, 36, 44 and 49 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, Articles 23, 25, 26 and 27 of the Charter of JSC Halyk Bank, the Board of Directors of JSC Halyk Bank submits for consideration of the Annual General Shareholders’ Meeting of JSC Halyk Bank by absentee voting the proposal on approval of the following distribution of net income of JSC Halyk Bank received as a result of the 2020 financial and operating performance of JSC Halyk Bank:

part of net income to be allocated for payment of dividends on common shares of JSC Halyk Bank (ISIN KZ000A0LE0S4):

name: JSC Halyk Bank;

location of JSC Halyk Bank: 40, Al-Farabi Av., Medeu district, A26M3K5, Almaty, Republic of Kazakhstan;

bank and other details of JSC Halyk Bank: National Bank of Kazakhstan; BIC – NBRKKZKX, correspondent account – KZ87125KZT1001300313, BIN – 940140000385, Bencode – 14;

the dividend payment period: 2020;

the dividend amount per common share: KZT18.00;

the dividend payment start date: 1 June 2021;

the timing and form of dividend payments:

the record date of the list of shareholders eligible to receive dividends, as of 00:00 a.m. 26 April 2021 (Almaty time);

the dividend payment form – bank transfer.

Part of net income of JSC Halyk Bank for 2020, which is remained after payment of dividends on common shares of JSC Halyk Bank, shall not be distributed and shall be allocated to retained earnings.

Item 4 on the agenda: “On consideration of the 2020 Performance Report of the Board of Directors of JSC Halyk Bank”

Dear Shareholders!

Working under the conditions of the COVID-19 pandemic forced to seriously change corporate procedures, having adapted them to the new conditions. In this regard, in order to preserve the life and health of the Bank's employees, a significant part of the staff was transferred to remote work regime, meetings and working sessions commenced taking place in the format of videoconferences, new algorithms for the functioning of the corporate governance system and decision-making were developed and implemented, which allowed its participants effectively perform their functional duties.

In accordance with the Corporate Governance Code of JSC Halyk Bank, the Board of Directors must give a formal and rigorous assessment of its own performance for 2020, as well as the performance of its committees and members of the Board of Directors, and submit it for consideration by the Annual General Shareholders' Meeting.

During the reporting year, the activity of the Board of Directors has been focused on implementation of the Halyk Group Development Strategy for 2019-2021 and was performed in strict compliance with the standards of corporate governance.

To discuss the most complex and strategically important issues of the Bank's activities, in-person meetings of the Board of Directors were held with the participation of all independent directors. In cases permitted by the legislation of the Republic of Kazakhstan, resolutions of the Board of Directors on operational issues were passed by absentee voting.

In total, in 2020, the Board of Directors of JSC Halyk Bank held 3 in-person meetings¹ with 29 issues considered and 83 meetings by absentee voting with 809 issues considered. The statistics of participation of members of the Board of Directors in meetings is as follows:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.S. Pavlov	3/29	82/808*
A.G. Dunayev	3/29	83/808
M.T. Yessenbayev	3/29	77/776
F. Kuijlaars	3/29	16/55
K. Ruehl	3/29	15/54
P. Romanowski	3/29	48/482**
U.B. Shayakhmetova	3/29	79/778***
Total:	3/29	83/809

¹ The number of in-person meetings of the Bank's Board of Directors was reduced due to the COVID-19 pandemic and the introduction of the state of emergency throughout Kazakhstan from 15 March 2020, the closure of borders and air communications with countries where foreign members of the Bank's Board of Directors reside.

Within the performance of its functional duties, the Board of Directors of the Bank on a regular basis considered the following:

1) **semiannually:**

reports of the Management Board of JSC Halyk Bank and subsidiaries on the implementation of the Development Strategy of the Halyk Group for 2019-2021 and the Action Plan of JSC Halyk Bank for the implementation of strategic initiatives for 2020 (*including issues of technological transformation of the Bank and the development of digital products and services*);

JSC Halyk Bank and Halyk Group Performance and Budget implementation Reports for 2019 and 1H 2020;

Progress Report and Current Issues of Halyk Project LLP, KUSA Halyk LLP, Halyk Activ LLP, Halyk Activ 1 LLP;

2) **quarterly reports** of the Bank's Management Board on Performance and Budget implementation of Halyk Group, upon the results of which the Board of Directors made appropriate amendments ;

3) information on current status of 20 largest projects of JSC Halyk Bank, including loans and contingent liabilities;

4) risk management matters, namely, loan portfolio quality analysis, related party transactions analysis in order to prevent issuing loans to such parties on preferential terms ;

5) internal audit matters;

6) other management information provided in accordance with the requirements of the legislation of the Republic of Kazakhstan.

Results of the Bank's loan portfolio stress-testing were considered with different scenarios of world economy development, determination of effect on loan portfolio and capital of the Bank.

Given the declaration of a state of emergency in the country caused by the COVID-19 pandemic, as well as a sharp drop in oil prices, the Bank's Risk Management Service conducted an unscheduled stress test under the general economic scenario at the end 2020 in order to analyze and assess the impact of the consequences of COVID-19 on the key financial indicators of the Bank and ensure the stability of the Bank in the face of such restrictions and a decrease in the macroeconomic indicators of the country's economy.

The Board of Directors was convinced that even in case of the worst scenario, the JSC Halyk Bank's positions will remain strong enough.

The Chief Risk Officer, Chief Compliance Controller reported on the efficiency of compliance risk management at JSC Halyk Bank and its certain subsidiaries and the work done in the field of anti-money laundering and combatting financing of terrorism.

As an important and major part of the Board of Directors' work in 2020 was the consideration of the following issues:

1) The Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan, being concerned about the situation in the economy, recommended second-tier banks and insurance organizations not to distribute

accumulated net profit for the payment of dividends in 2020 and not to repurchase shares. Given the challenging economic situation due to the pandemic, its negative impact on the economy of Kazakhstan and Kazakhstan's key trading partners (Russia, China, Italy, the Netherlands, the USA, etc.), as well as the fall in oil prices to multi-year lows and the KZT high volatility against the USD, in April 2020 the Board of Directors of the Bank also recommended shareholders to make a decision not to pay dividends. With the proviso that if the economic situation in Kazakhstan is restored and uncertainty in the global economy is reduced, the payment of dividends may be considered in the second half of 2020.

After three months of objectively assessing the market situation and the performance of the Halyk Group, the shareholders made a decision to pay dividends for 2019 on common shares of JSC Halyk Bank from the undistributed net income of previous years for the amount of **KZT 17.08 per common share**, having confirmed the previously announced plans.

2) In 2020, the Bank's Sustainability Report for 2019 was prepared and published, which is the first document that disclose the main aspects of the Bank's activities in the field of environmental, social responsibility and corporate governance. The Bank has made a voluntary commitment to transparently communicate key information about its sustainability performance through the publication of this report.

3) In accordance with the requirements of the Resolution of the National Bank of the Republic of Kazakhstan No.188 dated 12 November 2019 "On approval of the Rules for the formation of a risk management and internal control systems for second-tier banks", an analysis of the current internal regulatory documents of the Bank was carried out, and the necessary amendments were made;

4) The Board of Directors decided to create a Risk Committee, the main objectives whereof are to assist the Board of Directors of the Bank to form an effective risk management and internal control system in the Bank, ensure its functioning, and inform the Board of Directors of the Bank about the level of risks taken by the Bank.

5) The Rules for assessing the performance of the members of the Bank's Board of Directors were developed and approved, which determined the methodology and tools (questionnaires) for the annual assessment of the performance of the Bank's Board of Directors.

In general, the goals set by the Board of Directors before Halyk Group, aimed at keeping by the Bank No.1 position in Kazakhstan, enhancing the clients service and banking products development, have been achieved.

The Board of Directors also assures a proper control of the Management Board's activities, Internal Audit Unit and other bodies of the Bank through the following Committees under the Board of Directors:

- Audit;
- Risk;
- HR and Remuneration;
- Strategic Planning;
- Social Issues.

In 2020, 9 in-person meetings and 76 absentee meetings of the Committees of the Board of Directors of JSC Halyk Bank were held.

1. Statistics of participation in meetings of the Audit Committee:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
K. Ruehl	2/5	39/45
A.S. Pavlov	2/5	39/45
A.G. Dunayev	2/5	39/45
Total:	2/5	39/45

2. Statistics of participation in the meetings of the Risk Committee:

Member of the Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.S. Pavlov	3/ 7	18/ 28
A.G. Dunayev	3/ 7	18/ 28
P. Romanowski	3/ 7	18/ 28
U.B. Shayakhmetova	3/ 7	17/ 26
A.M. Makhanov*	3/ 7	18/ 28
Total:	3/ 7	18/28

*Expert (without voting right)

3. Statistics of participation in meetings of the HR and Remuneration Committee:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
F. Kuijlaars	-	18/26
A.S. Pavlov	-	18/26
U.B. Shayakhmetova	-	18/26
Total:	-	18/26

4. Statistics of participation in meetings of the Strategic Planning Committee:

Member of the Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.G. Dunayev	3/7	-
A.S. Pavlov	3/7	-
M.T. Yessenbayev	3/7	-
P. Romanowski	3/7	-
U.B. Shayakhmetova	3/7	-
M.U. Koshenov*	3/7	-
M.N. Kablashev*	3/7	-
A.S. Smagulov*	3/7	-
Total:	3/7	-

*Expert (without voting right)

5. Statistics of participation in meetings of the Social Issues Committee:

Member of the Board of Directors	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.G. Dunayev	1/2	1/2
F. Kuijlaars	1/2	1/2
K. Ruehl	1/2	1/2
D.Zh. Sartayev*	1/2	1/2
Total:	1/2	1/2

*Expert (without voting right)

The most important issues considered by the Committees included the following:

- 2019-2021 Halyk Group Development Strategy Implementation results for 2019 and for 1H 2020;
- Budget Execution and Performance Report of JSC Halyk Bank and Halyk Group for 2019 and 1H 2020;
- The results of the Bank's stress testing in the general economic scenario (through scenario analysis) for 2021;
- The results of internal audit of business processes and divisions of JSC Halyk Bank, including corporate governance processes and interaction with the shareholders;
- Reviews of risk management current practices in JSC Halyk Bank and some subsidiaries;

- Report of the Internal Audit Department of the Bank on the internal selfassessment of compliance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors for 2019;
- Report on efficiency of internal control in the Bank and its subsidiaries for 1H 2020;
- Changes in the composition of the Board of Directors and the Management Board of JSC Halyk Bank.

In order to comply with the best corporate governance practices and increase the transparency of the Bank's activities, an assessment of the performance of the Bank's Board of Directors for 2020 (hereinafter the “Assessment”) was conducted in accordance with the Rules approved by the Resolution of the Bank's Board of Directors No.1, dated 19 June 2020. The Bank considers the Assessment as one of the key channels for obtaining information on the subjective opinion of the members of the Board of Directors regarding the work practices of the members of the Board of Directors, and strives to create conditions for the expression of such an opinion to be encouraged and noted.

1. Results of the assessment of the style and culture of the work of the Board of Directors:

- ❖ The Board of Directors adheres to the classic management model in its activities, proceeds from the need to comply with the requirements of applicable law, risks and interest of shareholders;
- ❖ Psychological atmosphere and work style of the Board of Directors promotes constructive and efficient work;
- ❖ The Board of Directors supports initiatives to develop corporate governance and introduce new tools to improve its efficiency.
- ❖ The Board of Directors has all the necessary competencies in the areas of finance, financial reporting, internal control, banking, risk management and corporate governance.
- ❖ There are no explicit or latent conflicts among the members of the Board of Directors that affect the efficiency of the Board of Directors, all members of the Board of Directors are focused on the efficient work of the Board of Directors as a collegial management body;
- ❖ The relationship between the Board of Directors and the Management Board of the Bank contributes to the successful operation of the Bank in the interests of shareholders.

2. Results of the assessment of the composition and structure of the Board of Directors:

- ❖ The composition of the Board of Directors is optimal and balanced (from the point of view of knowledge and experience of its members) to perform the functions assigned to it, incl. to control the implementation of the Bank's Development Strategy. The Board of Directors intends to develop competencies in the field of information technology, cyber security, artificial intelligence, Big Data, and innovations in the

banking business.

❖ The system of improving the competencies and qualifications of members of the Board of Directors in the Bank is optimal. Taking into account the development of technologies and new approaches to banking business, we are monitoring such changes both in Kazakhstan and in other countries of the Bank's presence, and, if necessary, additional training will be organized for members of the Board of Directors. Also, it is proposed to hold information sessions (seminars, trainings) for the Board of Directors and the Management Board, where the members of the Board of Directors themselves, who have deep knowledge and expertise in the field of banking, finance, macroeconomics and strategic management, can act as speakers.

❖ The system for selecting members of the Board of Directors in the Bank is quite effective and ensures the involvement of real professionals. The Bank has formed a register of candidates who have the right to apply for the positions of independent directors of the Bank and its subsidiaries. In order to implement the principles of sustainable development (ESG) in the Bank's activities, it is recommended to consider the possibility of increasing the gender structure of the Board of Directors of the Bank and its subsidiaries with female representatives.

3. Results of the assessment of the procedure for planning and organizing of the work of the Board of Directors:

❖ All newly elected members of the Board of Directors receive information about the work of the Bank and the Board of Directors necessary for accelerated adaptation in the form of Introductory course (Board Book), which contains: key milestones in the history of the Bank's development, the development strategy of the Halyk Group, the organizational structure of the Bank, as well as the procedures of the Board of Directors/Management Board and the duties of the members of the Board of Directors.

❖ The competence of the Board of Directors determined by the Bank's Charter corresponds to the current strategic objectives and requires minor adjustments in terms of providing members of the Board of Directors with the opportunity to participate in the development and discussion of issues on new directions of the Bank's development, implementation of digital services and products, development of ecosystem and retail business, as well as development of measures aimed at improving the quality of services for clients.

❖ The number, frequency and duration of meetings of the Board of Directors, including the ratio of in-person meetings and absentee meetings, corresponds to the needs of the Bank. Members of the Board of Directors intend to increase the number of in-person meetings of the Board of Directors and resume holding in-person meetings after the lifting of restrictions caused by the COVID-19 pandemic. It is also recommended to allocate more time to discussing business objectives, development plans and strategic issues of the Bank's activities.

4. Results of assessing the efficiency of corporate procedures and workflow:

❖ The process of arranging the preparation and holding of meetings of the Board of Directors is regulated in detail by the internal regulations of the Bank, and

describes the algorithms of work and logistics in a regular mode (without restrictions). Experience in the COVID-19 pandemic during 2020 necessitated changes in corporate procedures in order to adapt them to the conditions in which the Bank operates (working remotely, use of software for video meetings and working sessions, restrictions on movement within the city/country, lack of opportunities for printing and physically signing of documents, etc.). The Bank is considering ways and possibilities of improving the electronic document management system and automating the work of collegial bodies to reduce paperwork, and improving corporate procedures related to the preparation and holding of meetings of the Board of Directors, as well as plans to implement functionality for signing documents using the EDS (electronic digital signature).

❖ Internal documents and policies of the Bank, the development and/or approval of which is within the competence of the Board of Directors, comply with best practices and take into account the specifics of the Bank's activities. The Board of Directors regularly analyzes the Bank's internal regulatory documents (consideration and approval whereof is within the competence of the Board of Directors) and considers proposals of the Management Board in order to bring them in line with the current legislation of the Republic of Kazakhstan, reduce bureaucratic norms and simplify corporate governance processes.

5. Results of the assessment of the functional areas of the Board of Directors work:

❖ Materials submitted for meetings of the Board of Directors are complete, of high quality and contain the necessary and sufficient information on the agenda items for a member of the Board of Directors to make a reasoned decision. The procedures for preparing materials for meetings of the Board of Directors of the Bank are standardized and included in the relevant Bank's internal regulatory document, which is reviewed on a regular basis and adapted to changes in the processes of preparing and holding meetings of the Board of Directors of the Bank.

❖ To strengthen control over the implementation of the Strategy and development plans (programs) of the Bank, the Board of Directors at the meetings of the Strategic Planning Committee and within informal meetings of members of the Board of Directors and the Management Board arranges discussions on business, the Bank's strategy, market trends in the short and long term, analysis of competitors in Kazakhstan and the countries of presence of the Halyk Group.

❖ The Board of Directors determines and approves the key performance indicators of the Bank's top officials, regularly considers the implementation of key performance indicators by the Bank's Management Board within the implementation of budgeted indicators and strategic objectives for the reporting period at least once every six months.

Based on the results of the assessment of the performance of the members of the Bank's Board of Directors for 2020, the following key measures were identified that need to be implemented in order to increase the efficiency of the Bank's Board of Directors:

❖ It is necessary to ensure the involvement of all members of the Board of Directors in the work by 100%, as well as to develop a system of advanced training and competencies for new members of the Board of Directors of the Bank (if necessary).

❖ It is recommended to increase the number of in-person meetings of the Board of Directors and informal meetings of independent directors in the format of “Brain Storm”.

❖ It is necessary to rotate the members of the Committees under the Board of Directors on a regular basis.

❖ Ensure implementation and use of digital technologies and products when preparing and holding meetings of the Board of Directors and Committees under the Board of Directors.

❖ Immerse the members of the Board of Directors in the issues of technological transformation of business, development of the ecosystem, digital services and products by holding information sessions and thematic meetings.

In general, it should be noted that all members of the Board of Directors have efficiently participated in the Bank’s activity and objectively and faithfully performed their duties to the benefit of the Bank and its shareholders.

Based on the above mentioned, it is proposed to take note of the Performance Report of the Bank’s Board of Directors for 2020 and acknowledge the activity of the Board of Directors and performance of functions by the members of the Board of Directors as positive.

Item 5 on the agenda: “On informing shareholders of JSC Halyk Bank on the amount and structure of remuneration for the members of the Board of Directors and Management Board of JSC Halyk Bank”

Dear Shareholders!

In accordance with Article 35 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, Chairman of the Board of Directors of the Company informs the shareholders on the amount and structure of remuneration of the members of Board of Directors and Management Board of the Company at the Annual General Shareholders’ Meeting.

In pursuance of the requirements of the aforementioned Law, we hereby inform you on the amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank in 2020.

Remuneration (payment of remuneration) to the members of Board of Directors and Management Board of the Bank will be paid on the basis of the labor contracts (agreements), concluded in accordance with the requirements of sub-clause 5) clause 1 Article 36, sub-clause 9) clause 2 Article 53 and Article 59 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and based on resolutions of JSC Halyk Bank’s authorized bodies.

We remind you that terms of remuneration of the members of Board of Directors of JSC Halyk Bank were determined by the resolution of Annual General Shareholders’ Meeting of JSC Halyk Bank dated 19 April 2006, and terms of compensation for expenses incurred in the performance of their duties by the members of Board of Directors of JSC Halyk Bank were determined by the resolution of Annual General Shareholders’ Meeting of JSC Halyk Bank dated 19 April 2012.

Remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank in 2020 was as follows:

(KZT)

Members of Board of Directors and Management Board of the Bank	Total revenues
	2,969,041,879.21

In 2020, the mandatory deductions from the above revenues of the members of Board of Directors and Management Board of JSC Halyk Bank were as follows:

(KZT)

Members of Board of Directors and Management Board of the Bank	Individual income tax	Mandatory pension contributions	Total mandatory deductions
	294,636,802.53	23,492,250.00	318,129,052.53

Dear shareholders! Please take note of the presented information of amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank.

Item 6 on the agenda: “On approval of the amendments to the Methodology for determining the value of shares upon their redemption by JSC Halyk Bank on the unorganized securities market by approving the revised version.

Dear Shareholders!

In accordance with Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26 of the Charter of JSC Halyk Bank, approval of amendments to Methodology for determining the value of shares upon their redemption by the Company on the unorganized market falls within the competence of the General Shareholders' Meeting.

The presented material contains draft amendments to the Methodology of determining the value of shares upon their redemption by JSC Halyk Bank on the unorganized securities market by approving the revised version in Kazakh and Russian.

Current Methodology for determining the value of shares upon their redemption by JSC Halyk Bank on the unorganized market (Methodology), approved by resolution of the General Shareholders' Meeting of the Bank dated 23 April 2010, is available for review on the corporate website of JSC Halyk Bank.

In accordance with changes in legislation, internal rules of the Exchange and current business processes, the Methodology has been amended, and total volume of such amendments will be more than 50% of the text, including the changes under consideration.

In this regard, it is proposed to approve the amendments to the Methodology by approving the revised version, which includes:

1) optimization of the Methodology structure in order to facilitate the perception of the document;

2) the definition of the authorized body has been updated in accordance with the changes in the legislation of the Republic of Kazakhstan;

3) an addition regarding the circulation of shares and global depositary receipts (GDRs) of the Bank on the Astana International Exchange (AIX) and London Stock Exchange (LSE) in order to include the prices of shares and GDRs prevailing on that platforms when calculating the weighted average market price of the Bank's shares upon their redemption on the unorganized securities market;

4) different time periods are allowed to use when calculating weighted average market price of shares upon their redemption;

5) “Event Date” concept was introduced to serve as a basis for calling redemption of shares by shareholders;

6) it is provided to engage a person having an appraisal license to determine the value of shares upon their redemption on the unorganized securities market

other technical and editing corrections of a clarifying nature to bring the provisions of the Methodology in line with current practice.

Dear Shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the amendments to the Methodology by approving the revised version.

APPROVED BY
resolution of the General Shareholders'
Meeting of JSC Halyk Bank
(minutes No.__ dated 23 April 2021)

METHODOLOGY FOR DETERMINING THE VALUE OF SHARES UPON THEIR REDEMPTION BY JSC HALYK BANK ON THE UNORGANIZED SECURITIES MARKET

Chapter 1. General

1. This Methodology for determining the value of shares at their redemption by JSC Halyk Bank on the unorganized securities market (the "Methodology") was developed in accordance with the legislation of the Republic of Kazakhstan and internal regulations of JSC Halyk Bank (the "Bank") and establishes the procedure for determining the value of the Bank's shares when they are redeemed by the Bank on unorganized securities market.

2. The terms used in this Methodology shall have the following meaning:

1) *share* – a security issued by the Bank and certifying the rights to participate in the management of the Bank, receive a dividend thereon and a part of the Bank's property upon its liquidation, as well as other rights provided for by legislative acts of the Republic of Kazakhstan;

2) *Head Office* – the head office of the Bank is located in the place of the Management Board of the Bank, which coordinates the activities of separate subdivisions of the Bank;

3) *Event Date* – the date of the event, which is the basis for calling redemption of the Bank's shares owned by a shareholder of the Bank, as stipulated by the legislation of the Republic of Kazakhstan;

4) *Depository Receipt* – a derivative issue-grade security certificate for certain number of common shares of the Bank, which are the underlying asset of this depository receipt;

5) *Unorganized Securities Market* – the sphere of circulation of securities and other financial instruments in which transactions with securities and other financial instruments, including foreign currencies and derivative financial instruments, are made without observing the requirements established by the internal documents of the stock exchange;

6) *Formal Securities Market* – the sphere of circulation of securities and other financial instruments in which transactions are made in compliance with the internal documents of the stock exchange;

7) *Exchange* – a stock exchange or central depository that arranges trading and ensures technical support through operation and maintenance of the system of exchange of quotations between clients of the central depository in accordance with the Law of the Republic of Kazakhstan "On the Securities Market";

8) *Placed Shares* – the shares of the Bank paid by founders and investors on the primary securities market;

9) *Competent Authority* – a state authority exercising state regulation, control and supervision of the financial market and financial organizations;

10) *Stock Exchange* – for the purposes of this Methodology, the "stock exchange" means JSC Kazakhstan Stock Exchange (the "KASE"), Astana International Exchange (the "AIX") and London Stock Exchange (the "LSE"), on which securities of the Bank were admitted to circulation on the initiative of the Bank.

3. Other concepts and abbreviations used in this Methodology and not specified in clause 2 hereof are used in the meaning enshrined in the legislation of the Republic of Kazakhstan and other states.

4. Redemption of shares by the Bank on the formal securities market is carried out in the manner established by the legislation of the Republic of Kazakhstan and the internal regulations of the KASE.

5. This Methodology applies to events when the shares placed by the Bank are redeemed by it:

1) at the initiative of the Bank;

2) at the request of a shareholder in cases established by the legislation of the Republic of Kazakhstan;

3) upon application of a shareholder.

6. Redemption of placed shares is carried out for the purpose of their further sale, observance of the rights of shareholders (if the Bank is obliged to redeem shares owned by a shareholder in accordance with the legislation of the Republic of Kazakhstan) or for other purposes that do not contradict the legislation of the Republic of Kazakhstan and the Charter of the Bank.

7. Redemption of placed shares from shareholders – non-residents of the Republic of Kazakhstan is carried out in the manner established for shareholders – residents of the Republic of Kazakhstan.

8. The Bank's shareholders have the right to read this Methodology.

Chapter 2. General Terms and Conditions for Redemption of Placed Shares by the Bank

9. The Bank may not redeem its placed shares if there are grounds provided for by applicable legislation of the Republic of Kazakhstan prohibiting joint-stock companies from redeeming their placed shares.

10. The total number of shares redeemed and redeemable by the Bank should not exceed 25% (twenty-five percent) of the total number of placed shares, and the cost of redemption of the placed shares should not exceed 10% (ten percent) of the Bank's equity:

1) upon redemption of placed shares at the request of a shareholder - as of the date:

of resolutions by the general shareholders' meeting of the Bank set in the clauses 30-1), 2) and 5) hereof;

of the Exchange's decision to delist shares;
of resolution to enter into major related party transaction and (or) transactions;
2) upon redemption of placed shares at the initiative of the Bank and upon application of a shareholder - as of the date of resolution to redeem the placed shares.

11. The Bank may enter into transactions for redemption of shares from shareholders who own 10 (ten) percent or more of shares, provided that the transactions do not violate prudential ratios and other indicators or criteria (ratios) of financial stability established by regulatory legal acts of a competent authority.

12. The shares redeemed by the Bank are not counted in the quorum at its general shareholders' meeting and do not participate in voting thereon. No dividends are accrued or paid on shares redeemed by the Bank.

13. In the event that the total number of placed shares called by its shareholders for redemption exceeds the number of shares announced by the Bank for redemption or which can be redeemed by the Bank, these shares are redeemed from shareholders in proportion to the number of shares owned and called (in the case of redemption of placed shares at the initiative of the Bank or upon application of a shareholder) or owned (in case of redemption of placed shares at the request of a shareholder) by them.

14. K-ratio formula of redeemable Bank's shares:

$K = S / Q$, where

S – the total number of shares announced by the Bank for redemption (in case of redemption of placed shares at the initiative of the Bank or upon application of a shareholder) or which can be redeemed by the Bank (in case of redemption of placed shares at the request of a shareholder);

Q – the total number of placed shares called for redemption.

The final number of shares that can be redeemed by the Bank from a shareholder is calculated by multiplying the number of shares owned and called (in case of redemption of placed shares at the initiative of the Bank or upon application of a shareholder) or owned (in case of redemption of placed shares at the request of a shareholder) by the shareholder by **K-ratio**. If, based on the results of the above calculation, the number of shares redeemable by the Bank from a shareholder is not integer, then the number of shares redeemable by the Bank from such a shareholder is rounded down to the nearest whole share.

Chapter 3. Redemption by the Bank of placed shares on the unorganized securities market

§ 1. The procedure for redemption of placed shares at the initiative of the Bank

15. The Bank may, on its own initiative, to redeem the placed shares with the consent of the shareholder for the purpose of sale or for other purposes that do not contradict the legislation of the Republic of Kazakhstan and (or) the Charter. Redemption by the Bank of placed shares at the initiative of the Bank is made on the basis of resolution of the Board of Directors of the Bank, unless otherwise provided by legislative acts of the Republic of Kazakhstan and (or) the Charter of the Bank.

16. The Bank may not redeem the placed shares:

1) if, as a result of redemption of shares, the Bank's equity becomes less than minimum share capital established by the legislative acts of the Republic of Kazakhstan;

2) if at the time of redemption of shares, the Bank has signs of insolvency, in accordance with the legislation of the Republic of Kazakhstan, or if the Bank could be heading for insolvency as a result of redemption of all shares required or expected to be redeemed;

3) if the court or the general shareholders' meeting of the Bank resolve to wind up the Bank;

4) in other cases provided for by applicable legislation of the Republic of Kazakhstan.

17. Taking into account the interests of the Bank and guided by applicable legislation of the Republic of Kazakhstan, the Bank's Management Board may request the Board of Directors of the Bank to pass resolution to redeem the placed shares by the Bank. In this case, the request of the Bank's Management Board must contain:

1) statement of reasons for redemption and the purposes of redemption of the placed shares;

2) the number and type of redeemable shares;

3) the redemption price of the placed shares or the methodology for determining the redemption price;

4) the period during which applications for redemption are accepted from shareholders of the Bank, and the period during which the Bank redeems the placed shares and after which the Bank has the right to refuse to redeem them;

5) the terms of the redemption of the placed shares.

18. If it agrees with the request of the Management Board, the Board of Directors of the Bank may resolve to redeem the placed shares by the Bank.

19. The resolution of the Bank's Board of Directors to redeem the placed shares must contain information on the types, number of redeemable shares, the price or methodology for determining the redemption price, the period during which applications for redemption from the Bank's shareholders are accepted, and the period during which the Bank is to redeem placed shares and upon expiration of which the Bank may refuse to redeem them and the terms of their redemption.

20. If the number of placed shares to be redeemed at the initiative of the Bank exceeds 1% (one percent) of their total number, prior to the transaction (transactions) for sale and purchase of shares, the Bank is obliged to announce such redemption to its shareholders by placing the Bank's announcement of the redemption of its placed shares in Kazakh and Russian languages on the Internet resource of the Financial Reporting Depository, as well as, at the discretion of the Bank, in other media stipulated in the Charter of the Bank.

21. The Bank's announcement on the redemption of its placed shares must contain information on the types, number of redeemable shares by the Bank, the price or methodology for determining the redemption price, the period during which applications for redemption from the Bank's shareholders are accepted, and the period during which the Bank is to redeem placed shares and upon expiration of which the Bank may refuse to redeem them.

22.Redemption of placed shares at the initiative of the Bank is carried out through the transaction for sale and purchase of shares and its registration in the manner prescribed by applicable legislation of the Republic of Kazakhstan, through execution of the Bank's share sale and purchase agreement under written application from the Bank's shareholder or its authorized/legal representative. The application for redemption by the Bank of shares is submitted by a shareholder or its authorized/legal representative in the form established by the internal regulations of the Bank. During the period of redemption of shares at the initiative of the Bank, the application form for redemption of shares by the Bank is posted on the corporate website of the Bank or provided to the shareholder or its authorized/legal representative by the employees of the Bank when contacting the Bank personally regarding redemption of the Bank's shares on the terms offered by the Bank.

The application for redemption of shares at the initiative of the Bank must be completed and signed by the Bank's shareholder or its authorized/legal representative based on relevant documents, and then sent to the Head Office directly or to oblast/regional branches of the Bank (stationary retail and SME sales channels).

The Bank's shareholder must attach to the application for redemption of shares: identity document copy (for individual), or incorporation (re-incorporation) certificate copy. If the authorized/legal representative submits the application for the shareholder - a copy of the document confirming the powers of this representative, a copy of identity document/incorporation (re-incorporation) certificate of the shareholder. The Bank has the right to request other additional documents (if the request for such documents does not contradict the legislation of the Republic of Kazakhstan) necessary to enter into the Bank's share sale and purchase agreement.

§ 2. The procedure for redemption by the Bank of placed shares upon application of the shareholder

23.The Bank's shareholder, who is heading to sell its owned placed shares, has the right to apply for redemption by the Bank of the shares owned by it.

24.The shareholder's application for redemption by the Bank of the shares owned by it must be in written form established by the Bank's internal regulatory documents, and contain a clear and unambiguous offer to the Bank to enter into share sale and purchase transaction, the number of shares for sale, the sale price and other material terms of the transaction, the address and contact phone numbers of the shareholder. The application form for redemption of the Bank's shares is provided by the Bank's employee when shareholder contacts personally the Bank with intent to sell its shares to the Bank or its authorized/legal representative.

The Bank's shareholder must attach to the application for redemption of shares: identity document copy (for individual), or incorporation (re-incorporation) certificate copy. If the authorized/legal representative submits the application for the shareholder - a copy of the document confirming the powers of this representative, a copy of identity document/incorporation (re-incorporation) certificate of the shareholder. The Bank has the right to request other additional documents (if the request for such

documents does not contradict the legislation of the Republic of Kazakhstan) necessary to enter into the Bank's share sale and purchase transaction.

25. The shareholder's application for redemption of the shares owned by it must be sent by the shareholder to the Head Office directly or to oblast/regional branches of the Bank (stationary retail and SME sales channels).

26. Redemption by the Bank of placed shares upon application of the shareholder is made by resolution of the Bank's Board of Directors adopted in accordance with clauses 17-19 hereof, unless otherwise provided by legislative acts of the Republic of Kazakhstan and (or) the Charter of the Bank.

27. The Bank may not redeem the placed shares upon application of the shareholder in the cases stipulated by clause 16 hereof.

28. The redemption of shares by the Bank upon application of the shareholder is made under the share sale and purchase agreement between the Bank and the shareholder and registration of the share sale and purchase transaction in the manner prescribed by applicable legislation of the Republic of Kazakhstan.

29. If the number of the Bank's shares redeemable by it upon application of the shareholder exceeds 1% (one percent) of the total number of placed shares, the redemption will be regulated by the provisions of the legislative acts of the Republic of Kazakhstan and this Methodology in terms of redemption of placed shares at the initiative of Bank.

§ 3. The procedure for redemption by the Bank of placed shares at the request of the shareholder

30. The Bank is obliged to redeem the placed shares at the request of the shareholder, which can be made in the following cases:

1) the resolution of the general shareholders' meeting to reorganize the Bank (if the shareholder took part in the general shareholders' meeting at which the issue of the reorganization of the Bank was considered, but voted against);

2) the resolution of the general shareholders' meeting to delist shares (if the shareholder did not take part in the general shareholders' meeting and if it did participate but voted against);

3) the Exchange's decision to delist shares;

4) disagreement with resolution to enter into major transaction and (or) resolution to enter into related party transaction, approved in the manner prescribed by the legislative acts of the Republic of Kazakhstan and (or) the Charter of the Bank;

5) the resolution of the general shareholders' meeting to amend the Charter of the Bank, limiting the rights to shares owned by this shareholder (if the shareholder did not participate in the general shareholders' meeting at which such resolution was passed, and if it did participate, but voted against).

31. The shareholder may, within 30 (thirty) days from the date of the resolutions set in clause 30 hereof, make request to the Bank for redemption of shares owned by it by sending a written application to the Bank.

32. The shareholder's application for redemption of shares owned by it must be made in writing, contain a clear and unambiguous request for redemption, the number and type of shares that are called for redemption by the shareholder, the address and contact phones of the shareholder, the decision why the shareholder requires the redemption of shares, and, if necessary, other information.

33. The shareholder's application for redemption of the shares owned by it must be sent to the Head Office. The resolution to redeem the placed shares by the Bank at the request of the shareholder is passed by the Board of Directors.

34. If the shareholder submits the application for redemption of shares owned by it, the Bank is obliged to redeem from the shareholder the shares owned by it within 30 (thirty) days from the date of receipt of the shareholder's application. The date of receipt by the Bank of the shareholder's application for redemption of the shares owned by it will be the date of registration of its application in the Chancellery of the Head Office.

35. The Bank has the right to refuse a shareholder to redeem shares in the absence of grounds set in clause 30 hereof, as well as in other cases established by the legislation of the Republic of Kazakhstan and prohibiting the Bank from redeeming shares placed by it, by sending to the shareholder within 5 (five) business days from the date of the Bank's authorized body's resolution to refuse to redeem shares, indicating the reasons for refusal.

36. Redemption of the placed shares at the request of the Bank's shareholder is carried out by the Bank by entering into the share sale and purchase transaction and its registration in the manner prescribed by applicable legislation of the Republic of Kazakhstan.

Chapter 4. The Methodology for determining the price of redemption by the Bank of placed shares on the unorganized securities market

37. When determining the price of redemption of shares, the Bank's Board of Directors may resolve to redeem shares at a price determined by one of the following methods:

- 1) at the weighted average market price;
- 2) at market value;
- 3) at the Bank's equity-based price.

§ 1. The Methodology for determining the price of redemption of shares at the weighted average market price

38. The Bank may redeem the placed shares at their weighted average market price, for the last 30 (thirty) calendar days or another period determined by the Board of Directors of the Bank, preceding the date of resolution of the Bank's Board of Directors to redeem placed shares by the Bank (in case of redemption of placed shares at the initiative Bank or upon application of the shareholder) or the event date (in the case of redemption of shares at the request of the shareholder), which is calculated based on stock exchange transactions, in the manner prescribed hereby.

39. To calculate the weighted average market price per share, the Bank uses trading volume of shares and/or depositary receipts on stock exchanges (as available). In this case, the weighted average market price per share is calculated in the national currency of the Republic of Kazakhstan at the market exchange rate of tenge to US dollar, determined by the KASE, as of the date of actual stock exchange transactions on shares and/or depositary receipts.

40. The weighted average market price per share (C) is calculated using the formula:

$$C = V / A, \quad \text{where}$$

V – the volume, of stock exchange transactions on shares and/or depositary receipts in monetary terms for the last 30 (thirty) calendar days or another period determined by the Bank's Board of Directors prior to the date of resolution of the Bank's Board of Directors to redeem the placed shares by the Bank (in case of redemption of placed shares at the initiative Bank or upon application of the shareholder) or the event date (in the case of redemption of shares at the request of the shareholder), which is calculated by adding together the corresponding indicators for all transactions on shares and/or depositary receipts for the specified period;

A – the amount, of shares and/or depositary receipts in transactions concluded within the last 30 (thirty) calendar days or another period determined by the Board of Directors of the Bank, preceding the date of resolution of the Bank's Board of Directors to redeem the placed shares by the Bank (in case of redemption of placed shares at the initiative Bank or upon application of the shareholder) or the event date (in the case of redemption of shares at the request of the shareholder), which is calculated by adding together the corresponding indicators for all transactions on shares and/or depositary for the specified period.

§ 2. The Methodology for determining the price of redemption of shares at market value

41. The placed shares can be redeemed at market price per share, which is calculated in accordance with the internal regulations of the KASE and published on the Internet resource of the KASE, as of the date of resolution of the Bank's Board of Directors to redeem the placed shares by the Bank (in case of redemption of placed shares at the initiative Bank or upon application of the shareholder) or the event date (in the case of redemption of shares at the request of the shareholder).

42. In the absence of the market price per share specified in clause 41 hereof, the placed shares may be redeemed at the ask quoted price of the market maker acting as a market maker for the Bank's shares in accordance with the agreement concluded between the Bank and the market maker, as of the date of resolution of the Bank's Board of Directors to redeem the placed shares by the Bank (in case of redemption of placed shares at the initiative Bank or upon application of the shareholder) or the event date (in the case of redemption of shares at the request of the shareholder).

§ 3. The Methodology for determining the price of redemption of shares at the Bank's equity-based price

43. The placed shares can be redeemed at price set taking into account the size of the Bank's equity, as of the last reporting quarterly date, in accordance with the Bank's consolidated financial statements prepared as per the International Financial Reporting Standards, and its outlook, the requirements of the legislation of the Republic of Kazakhstan in terms of compliance with prudential ratios for second-tier banks and other factors affecting the pricing of securities. To determine the price of redemption of shares, which is fixed taking into account the size of the Bank's equity, the Board of Directors has the right to involve a person entitled to carry out valuation activities in accordance with the legislation of the Republic of Kazakhstan or other states. The service fee of such person is paid by the party, at the request or at the initiative of which the placed shares of the Bank are redeemed, or by the Bank, if the Board of Directors of the Bank resolves to pay for such services.

Chapter 5. Final Provisions

44. The issues not regulated hereby are regulated in accordance with applicable legislation of the Republic of Kazakhstan.

45. If certain provisions hereof come into collision with internal regulations of KASE, the legislation of the Republic of Kazakhstan as a result of changes therein, it is necessary to be guided by applicable legislation of the Republic of Kazakhstan and/or internal regulations of the KASE.

Item 7 on the agenda: “On consideration of information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof”

Dear Shareholders!

Pursuant to the requirements of Article 35 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, we hereby bring to your notice the information on JSC Halyk Bank shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

The Extraordinary General Shareholders’ Meeting of JSC Halyk Bank (Minutes No.44 dated 23 July 2020) resolved at the end of 2019 to pay dividends, at the rate of KZT 17.08 per common share, which is 60% of the total consolidated net income for 2019. The payment of dividends on common shares was made by JSC Halyk Bank from undistributed net income of previous years to updated banking details available in the security holders register system of shareholders, in the amount of KZT 200,759 million, including transfer of unclaimed dividends in the amount of KZT 521 million on 19 October 2020 to the account of JSC Central Securities Depository for accounting of unclaimed funds.

On the sixth item of the minutes of the meeting of the Board of Directors of JSC Halyk Bank by absent voting No.46 dated 13 July 2020, the Board of Directors resolved to invalidate the resolution of the Board of Directors of JSC Halyk Bank on the tenth item on redemption of common shares of the Bank in minutes of the meeting of the Board of Directors of JSC Halyk Bank by absent voting No.57 dated 26 September 2017. Thus, in 2020, JSC Halyk Bank did not redeem its own common shares.

In 2020, twenty-five formal appeals have been received from shareholders of JSC Halyk Bank and considered, to which the following responses are given:

two appeals have been considered from shareholders concerning the possibility to provide statements on withholding of income tax upon payment of dividends on common shares of JSC Halyk Bank for 2019. As a result, relevant statements were prepared and provided for submission to the tax authorities when completing tax returns;

to one appeal regarding the payments on state special compensation treasury bonds of the Ministry of Finance of the Republic of Kazakhstan a response was provided;

to six appeals from shareholders of JSC Halyk Bank regarding the provision of information on availability/unavailability of security holders' details in the security holders register system of JSC Central Securities Depository responses were provided;

fourteen appeals have been considered from individual shareholders of JSC Halyk Bank concerning payment of dividends for the period of holding of JSC Halyk Bank’s common shares, and the procedure for updating by shareholders of JSC Halyk Bank of information in the security holders register system of JSC Central Securities Depository, to which full and complete responses were provided;

to two appeals from shareholders of JSC Halyk Bank regarding the need to notify shareholders about annual general shareholder's meeting JSC Halyk Bank provided responses and explanations.

In accordance with Articles 35 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Board of Directors of JSC Halyk Bank proposes to the General Shareholders' Meeting to take note of the information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.