

**Information to the shareholders for consideration at the Annual General
Shareholders' Meeting of Halyk Bank JSC by absent voting to be held
on 25 April 2024**

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

Dear shareholders,

In accordance with Articles 35, 36, 43 and 49 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, it is proposed to approve the following agenda of the Annual General Shareholders' Meeting of Halyk Bank JSC by absent voting prepared by the Board of Directors of Halyk Bank JSC (resolution of the Board of Directors of Halyk Bank JSC on item 4 in minutes to the meeting of the Board of Directors of Halyk Bank JSC by absent voting No.11 dated 12 March 2024), and published in the media on 12 March 2024:

1. On approval of the agenda of the Annual General Shareholders' Meeting of Halyk Bank JSC.
2. On approval of Halyk Bank JSC consolidated annual financial statements subject to the independent auditor's report for 2023.
3. On approval of the procedure for distribution of Halyk Bank JSC net income for 2023. Adoption of a resolution on dividend payment on Halyk Bank JSC common shares. Approval of the amount of dividend per common share of Halyk Bank JSC.
4. On consideration of the 2023 Performance Report of Halyk Bank JSC Board of Directors.
5. On approval of amendments to Halyk Bank JSC Methodology for the valuation of shares in case of repurchase thereof on the unregulated securities market.
6. On informing the shareholders of Halyk Bank JSC on the amount and structure of remuneration for the members of the Board of Directors and Management Board of Halyk Bank JSC.
7. On consideration of information on shareholders' appeals on actions of Halyk Bank JSC and its officials, and on results of consideration thereof.

Item 2 of the agenda: “On approval of Halyk Bank JSC consolidated annual financial statements subject to the independent auditor’s report for 2023”

Dear shareholders,

In accordance with Articles 35 and 36 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Annual General Shareholders’ Meeting shall approve the Bank’s annual financial statements. Hereby we would like to bring to your attention the main performance results of Halyk Bank JSC (the “Bank”) for 2023:

In 2023, Halyk Group demonstrated solid performance, namely:

- ❖ Assets of Halyk Group increased by 7.64%, from KZT 14,395 billion up to KZT 15,494 billion.

- ❖ Loans to customers (net) increased by 18.16% or KZT 1,427 billion and at year-end amounted to KZT 9,285 billion, which in turn constituted 59.9% of total assets of Halyk Group.

- ❖ Halyk Group’s equity capital increased by 23.09% from KZT 2,012 billion up to KZT 2,477 billion.

- ❖ Halyk Group’s net profit increased by 21.77% from KZT 570 billion up to KZT 693 billion.

The following are the 2023 core major events, which are reflected in the financial statements of Halyk Group:

On **6 February 2023**, Halyk Group repurchased the bonds listed on Astana International Exchange (AIX) with a coupon rate of 2.5% issued on 1 June 2022 for the amount of USD 100 million.

On **17 May 2023**, Halyk Group issued bonds listed on AIX for total amount of USD 200 million with a coupon rate of 3.5%, of which USD 185.5 million had been placed as of 31 December 2023.

On **29 May 2023**, Halyk Group issued bonds listed on AIX for total amount of USD 300 million with a coupon rate of 3.5%, of which USD 300 million had been placed as of 31 December 2023.

On **3 July 2023**, Halyk Group issued bonds listed on AIX for total amount of USD 500 million with a coupon rate of 3.5%, of which USD 221.7 million had been placed as of 31 December 2023.

On **24 October 2023**, the Bank signed an agreement on sale of 100% shares of Halyk Bank Kyrgyzstan OJSC. The transaction is planned to be finalized after the consent of the National Bank of the Kyrgyz Republic is received by the Buyer. The expected date of Halyk Bank Kyrgyzstan OJSC sale completion is 1H2024, accordingly such assets and liabilities of Halyk Bank Kyrgyzstan OJSC were classified as held for sale.

On **1 January 2023**, IFRS 17 Insurance Contracts came into effect. The effect of initial recognition of IFRS 17 is presented in the consolidated statement of changes in equity as at 1 January 2022 in the amount of KZT 1,642 million.

On **27 April 2023**, Resolution No.21 of the Management Board of the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market “On

approval of the terms and conditions of profit distribution, accrual of dividends on common and (or) preferred shares and (or) perpetual financial instruments, and the repurchase of own shares by the second-tier bank to ensure financial stability and (or) recovery whereof the funds of state budget, the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and (or) its subsidiaries are used” came into force. In accordance with this Resolution, in June 2023, when paying dividends for 2022, the Bank made an early repayment of part of the state funds of Kazakhstan Sustainability Fund JSC in the amount of KZT 28,405 million. Additionally, on **28 December 2023**, the Bank, on a voluntary basis, made an early repayment of part of the state funds of Kazakhstan Sustainability Fund JSC in the amount of KZT 40 billion.

Dear shareholders, based on the above, you are requested to approve the consolidated annual financial statements of Halyk Bank JSC for 2023, subject to the independent auditors’ report.

The consolidated annual financial statements of Halyk Bank JSC with the independent auditors’ report for 2023 are available for review on the corporate internet resource of Halyk Bank JSC at https://halykbank.kz/about/shareholders_investors/investoram) and at the location of the Management Board of Halyk Bank JSC.

Item 3 of the agenda: “On approval of the procedure for distribution of Halyk Bank JSC net income for 2023. Adoption of a resolution on dividend payment on Halyk Bank JSC common shares. Approval of the amount of dividend per common share of Halyk Bank JSC”

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 22, 24, 25, 26 and 28 of the Charter of Halyk Bank JSC, the Board of Directors of Halyk Bank JSC submits for consideration of the Annual General Shareholders’ Meeting of Halyk Bank JSC by absent voting the proposal on approval of the following distribution of net income of Halyk Bank JSC received as a result of the 2023 financial and operating performance of Halyk Bank JSC:

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

name: Halyk Bank JSC;

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

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

the dividend payment period: 2023;

the dividend amount per common share: KZT 25.43;

the dividend payment start date: 3 June 2024;

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. 15 May 2024 (Almaty time);

the dividend payment form – bank transfer.

Part of net income of Halyk Bank JSC for 2023, which is remained after payment of dividends on common shares of Halyk Bank JSC, shall not be distributed, and shall be allocated to retained earnings.

The proposed amount of dividend per common share of Halyk Bank JSC to be approved by the current Annual General Shareholders’ Meeting of the Bank will be not less than the amount of dividend per common share paid on the basis of 2022 performance, and in total amount will correspond to the total dividends paid to the Bank’s shareholders of 40% of the net income of Halyk Bank JSC from financial and economic activities for 2023 on a consolidated basis.

If the macroeconomic environment remains stable and there are no significant external factors affecting the Bank's operations and financial performance, in accordance with the current Dividend Policy and the Bank's Charter, the second dividend payment for 2023 from the Bank’s retained earnings for previous years may be considered at the Extraordinary General Shareholders' Meeting of the Bank in the second half 2024. Accordingly, the total dividend amount for 2023 may amount to 50% of the net income of the Bank for 2023 on a consolidated basis.

Item 4 of the agenda: “On consideration of the 2023 Performance Report of Halyk Bank JSC Board of Directors”

Dear shareholders,

In accordance with the Corporate Governance Code of Halyk Bank JSC, performance of Halyk Bank JSC Board of Directors is subject to assessment by annual general meeting of shareholders.

This being said, the Board of Directors must give a formal and rigorous assessment of its own activities, as well as the activities of its committees and members of the Board of Directors.

During the reporting year, the activities of the Board of Directors were aimed at implementing the Development Strategy of Halyk Group for 2022-2024, and were performed in strict accordance with corporate governance standards.

To discuss the most complex and strategically important issues of the Bank’s activities, in-person meetings of the Board of Directors were held. In cases permitted by the legislation of the Republic of Kazakhstan, resolutions of the Board of Directors on operational issues were passed by absent voting.

In total, in 2023, **7 in-person meetings**, at which **52 items** were considered, and **61 meetings** of the Board of Directors of Halyk Bank JSC **by absent voting**, at which **558 items** were considered, were held. 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	6/51	38/373
A.G. Dunayev	7/52	61/558
M.T. Yessenbayev**	4/40	45/367
F. Kuijlaars	7/52	59/549
Zh.A. Kulekeyev****	1/5	3/40
Zh.D. Nurabayev****	1/5	5/51
C. Ruehl*	2/30	21/186
P. Romanowski	7/52	61/558
H. Tischendorf***	5/22	39/367
U.B. Shayakhmetova	7/52	50/489
Total:	7/52	61/558

** C. Ruehl terminated his powers as a member of the Board of Directors as of 25.05.2023 (Annual General Shareholders' Meeting No.48 dated 25.05.2023)*

*** M.T. Yessenbayev terminated his powers as a member of the Board of Directors as of 01.12.2023 (Extraordinary General Shareholders Meeting No.49 dated 01.12.2023)*

**** H. Tischendorf was elected as a member of the Board of Directors as of 25.05.2023 (Extraordinary General Shareholders Meeting No.49 dated 01.12.2023)*

***** Zh.A. Kulekeyev, Zh.D. Nurabayev were elected as members of the Board of Directors as of 01.12.2023 (Extraordinary General Shareholders Meeting No.49 dated 01.12.2023)*

The Bank's Board of Directors on a regular basis considered:

- 1) once every six months:
reports of the Management Board of Halyk Bank JSC and subsidiaries on the implementation of the Development Strategy of Halyk Group for 2022-2024;
reports on the performance and budget of the Bank and Halyk Group for 2022 and 1H2023;
Progress Report and Current Issues of distressed assets management companies forming part of Halyk Group;
- 2) quarterly reports of the Management Board of Halyk Bank JSC on performance and budget of Halyk Group, based on the results whereof the Board of Directors made appropriate adjustments;
- 3) Report on compliance with the internal capital adequacy assessment process and internal liquidity adequacy assessment process for 2023;
- 4) information on the current status of the 20 largest borrowers of the Bank, including loans and contingent liabilities;
- 5) issues of risk management, in particular, analysis of the quality of the loan portfolio, analysis of transactions with related parties to prevent preferential terms of lending to such persons;
- 6) issues of internal audit;
- 7) other management information provided in accordance with the requirements of the legislation of the Republic of Kazakhstan.

The results of stress testing of the loan portfolio of Halyk Bank JSC were considered, with the construction of scenarios for the development of the world economy, determination of the effect on the loan portfolio and equity of Halyk Bank JSC.

The Board of Directors made sure that even in the worst-case scenario, the Bank's position will remain strong enough.

The reports of Chief Risk Officer, Chief Compliance Controller on the effectiveness of compliance risk management in Halyk Bank JSC and individual subsidiaries, and on the work done in combating legalization (laundering) of income and financing of terrorism were heard.

An important area of work carried out by the Board of Directors in 2023 was the consideration of the following items:

- 1) The Board of Directors considered the results of the scenario analysis of the impact of potential risks on the financial stability of the Bank in 2024.
- 2) The Board of Directors considered proposals on inexpediency of adjustment of the current Development Strategy of Halyk Group for 2022 – 2024.
- 3) In accordance with the new edition of the Charter and the Corporate Governance Code approved at the Annual General Shareholders' Meeting on 25 May 2023, the Bank assumed a voluntary obligation to assess the compliance of its activities with the provisions of the Model Code¹ on an annual basis in accordance with the “comply or explain” principle. As part of fulfillment of this obligation, the Bank sent a letter to the Kazakhstan Stock Exchange (ref. No.11879 dated 23.06.2023), whereby it

¹ Model Code – Corporate Governance Code of the Republic of Kazakhstan (approved by resolution No.4 of the Presidium of Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan dated 27 April 2021).

confirmed it has assessed the Bank's compliance with the principles of the Model Code.

4) The Bank's Sustainable Development Report for 2022 was prepared and published, which is the document to 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 disclose key information on the results of its work in the field of sustainable development through the publication of this report.

5) A new edition of the Charter, Corporate Governance Code and Regulations on the Board of Directors of the Bank were developed and preliminarily approved by the Board of Directors, which were later approved at the AGSM.

6) In accordance with the requirements of the Bank's Corporate Governance Code, an assessment (self-assessment) of the activities of the members of the Bank's Board of Directors for 2022 was carried out, the results whereof were submitted for consideration of the AGSM.

7) Within the framework of preparation of materials for the AGSM, amendments to the Methodology for the valuation of shares in case of repurchase thereof on the unregulated securities market were developed and preliminarily approved.

8) The Bank's Board of Directors resolved to sell 100% shares of Halyk Bank Kyrgyzstan JSC.

Within consideration of reports on implementation of Halyk Group Development Strategy for 2022 – 2024, the Board of Directors made sure that the Development Strategy was successfully implemented, due to which the companies of Halyk Group strengthened their positions in the market.

In general, the tasks set by the Board of Directors to Halyk Group and related to maintaining Halyk Bank's position of No.1 bank in Kazakhstan, improvement of customer service and development of banking products have been achieved, with subsidiaries implementing a set of measures aimed at strengthening their leading positions in the relevant areas of activity.

The Board of Directors also ensures proper control over the activities of the Management Board, the internal audit service and other bodies of Halyk Bank JSC through the Committees under the Board of Directors:

- Audit Committee;
- Risk Committee;
- HR and Remuneration Committee;
- Strategic Planning Committee;
- Sustainable Development Committee.

In 2023, 10 in-person meetings and 72 meetings by absent voting of the Committees under the Board of Directors of Halyk Bank JSC were held.

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

Member of the Audit Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.S. Pavlov	1/2	23/27
A.G. Dunayev	2/3	38/40
C. Ruehl*	1/2	13/13
P. Romanowski**	1/1	25/27
Total:	2/3	38/40

* C. Ruehl terminated his powers as a member of the Audit Committee due to his resignation from the Board of Directors as of 25.05.2023 (Annual General Shareholders Meeting No.48 dated 25.05.2023)

** P. Romanowski was elected as a member of the Audit Committee with effect from 25.05.2023 (extract from minutes to the meeting of the Board of Directors No.4 dated 25.05.2023, item 2)

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

Member of the Risk Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.S. Pavlov	2/4	12/19
A.G. Dunayev	3/6	18/33
P. Romanowski	3/6	18/33
U.B. Shayakhmetova	3/6	16/28
R.A. Maszczyk*	3/6	17/31
A.M. Makhanov**	3/6	11/20
Total:	3/6	18/33

* R.A. Maszczyk is a member of the Risk Committee under the Board of Directors (non-voting expert)

** A.M. Makhanov was a member of the Risk Committee under the Board of Directors (non-voting expert), was removed from the Risk Committee as of 03.10.2023 due to termination of his powers as Chief Risk Officer of the Bank (extract from minutes to the meeting of the Board of Directors No.44 dated 03.10.2023).

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

Member of the HR and Remuneration Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
F. Kuijlaars	0	12/20
A.S. Pavlov	0	12/20
A.G. Dunayev	0	12/20
Total:	0	12/20

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

Member of the Strategic Planning Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
A.G. Dunayev	3/8	2/2
A.S. Pavlov	3/8	2/2
M.T. Yessenbayev**	3/8	2/2
P. Romanowski	3/8	2/2
Zh.D. Nurabayev***	-	-
U.B. Shayakhmetova	3/8	2/2
M.U. Koshenov*	3/8	2/2
D.Zh. Sartayev*	3/8	2/2
O.V. Vuros*	3/8	2/2
Zh.Zh. Mamutov*	3/8	2/2
Total:	3/8	2/2

* non-voting expert

** M.T. Yessenbayev resigned from the Committee as of 26.12.2023 (extract from minutes to the meeting of the Board of Directors by absent voting No.59 dated 26.12.2023).

*** Zh.D. Nurabayev became a member of the Committee as of 26.12.2023 (extract from minutes to the meeting of the Board of Directors by absent voting No.59 dated 26.12.2023)

5. Statistics of participation in meetings of the Sustainable Development Committee:

Member of the Sustainable Development Committee	In-person meetings (number of meetings/ number of items)	Meetings by absent voting (number of meetings/ number of items)
H. Tischendorf*	1/1	2/3
F. Kuijlaars	2/2	2/3
A.G. Dunayev	2/2	2/3
Zh.A. Kulekeyev**	-	-
C. Ruehl***	1/1	-
U.B. Shayakhmetova	2/2	2/3
D.Zh. Sartayev	2/2	2/3
M.U. Koshenov	2/2	2/3
Total:	2/2	2/3

* H. Tischendorf commenced his term of office as the Chairman of the Committee on 25.05.2023 (extract from minutes to the meeting of the Board of Directors No.4 dated 25.05.2023, item 5)

** Zh.A. Kulekeyev became a member of the Committee on 26.12.2023 (extract from minutes to the meeting of the Board of Directors No.59 dated 26.12.2023)

*** C. Ruehl terminated his powers as a member of the Committee as of 25.05.2023 (Minutes of the Annual General Shareholders Meeting No.48 dated 25.05.2023)

During 2023, the Committees performed the work as follows:

- To ensure the completeness and accuracy of the financial statements, the **Audit Committee** considered:
 - ❖ the external auditor's interim (quarterly) reports on the matter, letters to the management of the Bank and subsidiaries, and approved and submitted the 2022 annual financial statements to the Board of Directors for consideration. As part of this work, the Committee also discussed crucial accounting judgments, policies and procedures with the external auditor and the Bank's financial unit.
- The Audit Committee actively interacted with the Internal Audit Department to consider the following items: the internal audit budget and work plan; information on results of audits, management reports on internal audit matters, HR issues of the Internal Audit Department, draft internal regulations of the Bank governing activities of the Internal Audit Department.
- **The HR and Remuneration Committee** considered: the report on assessment (self-assessment) of the performance of the members of the Bank's Board of Directors, recommendations on candidates to the positions of the Boards of Directors of the Bank and the Bank subsidiaries, on amending the organizational chart of the Bank, issues of bonuses for members of the Management Board, employees of the Internal Audit Service, and the Corporate Secretary.
- **The Strategic Planning Committee** considered:
 - ❖ the results of the implementation of the Development Strategy of Halyk Group for 2022-2024 for 2022 and 1H2022, and the performance and budget of the Bank and Halyk Group for 2022 and 1H2023;
 - ❖ draft amendments to the budget of the Bank for 2023.
- **The Risk Committee** considered:
 - ❖ the results of the scenario analysis of the impact of risks on the financial stability of the Bank in 2023;
 - ❖ the results of stress testing of the Bank under the general economic scenario (through scenario analysis) for 2024, and reviews of existing risk management practices at the Bank and certain subsidiaries;
 - ❖ the report on compliance (self-assessment) with internal processes of capital adequacy assessment and liquidity adequacy assessment for 2022;
 - ❖ the Risk Appetite Strategy and risk appetite levels (for credit risk, market risk, liquidity risk, operational risk, strategic risk, reputational risk).
- **The Sustainable Development Committee** considered:
 - ❖ the Progress Reports of the Action Plan for implementation of the sustainable development principles and objectives for 2022-2024;
 - ❖ Halyk Bank JSC and PF Halyk Charity Fund sponsorship and charity Report for 2023;
 - ❖ Halyk Bank JSC and PF Halyk Charity Fund main sponsorship and charity events Plan for 2024.

In addition, we hereby inform on the results of assessment of the Bank's Board of Directors members' performance for 2023 conducted in accordance with the Rules of assessment of the Bank's Board of Directors members' performance approved by resolution of the Bank's Board of Directors on item 9 in minutes to the in-person meeting of the Bank's Board of Directors No.1 dated 19 June 2020:

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 model of management in its activities based on the need to comply with the requirements of applicable law, risks and interests of shareholders. The psychological atmosphere and work style of the Board of Directors facilitates constructive and effective work therein. It is necessary to support personal meetings with members of the Board of Directors, the Management Board and other key employees of the Bank to exchange information and develop new ideas for the Bank's sustainable development, and development of Halyk Group Development Strategy for 2025-2027;

❖ The key motivation factors for the members of the Board of Directors are: the scale of the Bank's activities as the largest financial institution in the country; prominent personalities of the Bank's top management; the opportunity to share experience and knowledge with other members of the Board of Directors; the desire to be realized at the strategic level; high level of transparency and corporate governance.

❖ The Board of Directors supports initiatives for the development of corporate governance, ESG, ecosystem and implementation of new tools to improve its performance.

❖ During the in-person meetings, it is recommended that the Board of Directors pay more attention to the following priority issues: development of banking products and services (building an ecosystem, improving customer service); development of IT infrastructure (increasing the level of system resilience); analysis of the competitive environment (domestic and regional); cyber protection strategies; financial technologies (FinTech); analysis of risks (internal and external) that may have a significant impact on the Bank and its subsidiaries; sustainable development and implementation of ESG principles.

❖ The Board of Directors has necessary competencies in the areas of finance, financial reporting, internal control and audit, banking, risk management, IT, and corporate governance.

❖ The most demanded competencies of the Board of Directors are: digital transformation; innovation development; risk management; finance, internal control and audit; HR and talent development; experience in strategic management; ESG.

❖ The key skills for effective performance of the Board of Directors, are: ability to make decisions under uncertain conditions; constructive criticism and feedback; creative thinking and search for ideas; international business and IT experience.

❖ There are no explicit or latent conflicts among the members of the Board of Directors that affect the efficiency of its activities, all members of the Board of Directors are focused on the effective work of the Board of Directors as a collegial management body.

❖ The relations between the Board of Directors and the Management Board of the Bank are of a constructive nature, and contribute to the successful operation of the Bank in the interests of shareholders and other stakeholders (customers, employees, etc.).

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 thereto, incl. to control the implementation of the Bank's Development Strategy. The Board of Directors intends to develop competencies in information technology, cyber security, artificial intelligence, audit, ESG, Big Data, and innovation in the banking business.

❖ During 2023, there were significant changes in the composition of the Board of Directors (the Board of Directors was increased from 7 to 8 members), three new members of the Board of Directors were elected (Zh.A. Kulekeyev, Zh.D. Nurabayev, H. Tischendorf), who bring a wealth of experience and expertise in information technology, telecommunications, digital products, ecosystems, finance, economics, and governance. One of the members of the Bank's Board of Directors advises the European Union on sanctions compliance.

❖ The system of improving the competencies and qualifications of members of the Board of Directors at 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 arranged for members of the Board of Directors. In 2023, information sessions (seminars, trainings) were held for the Board of Directors and the Management Board in banking, finance, macroeconomics, and strategic management.

❖ The system for selecting members of the Board of Directors at the Bank is quite effective, and ensures the involvement of real professionals. The Bank has prepared a register of candidates eligible to apply for the positions of independent directors of the Bank and its subsidiaries. A potential source of information on candidates to the Bank's Board of Directors may include information from the Bank's minority shareholders (*lists of potential candidates to the Board of Directors, which may be requested by the IR Service within a timeframe sufficient for their verification for compliance with the requirements of the laws of the Republic of Kazakhstan*).

❖ The current gender structure of the Bank's Board of Directors is composed of **87% male and 13% female representatives** (*minor changes in the gender structure of the Board of Directors compared to 2022 resulted from an increase in the total number of members of the Board of Directors from 7 to 8*). In order to comply with the international best practices it is recommended to consider the possibility of increasing the female representatives in the gender structure of the Bank's Board of Directors **from 13% up to 30%** (e.g., in the U.S., female representatives in the governing bodies amount to 30%, in Europe – 39%*).

❖ The average age of the members of the Bank's Board of Directors is **59** (for comparison, in the 2022 report, the average age of Board of Directors members was 62), while according to the review of the corporate governance practices in Kazakhstan

prepared by the international consulting company Korn Ferry², the average age of a member of the Board of Directors in Kazakhstan is **53**, in Europe – **60**.

3. Results of the assessment of the planning and arrangement 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 an Introductory Course (Board Book), which contains: key milestones in the history of the Bank's development, the development strategy of Halyk Group, key financial indicators and results as of the reporting date, the organizational chart of the Bank, and also the operating procedures of the Board of Directors / Management Board and the duties of the members of the Board of Directors. Also, all newly elected and current members of the Board of Directors can get access to training materials on corporate governance and sustainable development (ESG).

❖ The competence of the Board of Directors determined by the Bank's Charter corresponds to the current strategic objectives and requires no adjustments.

❖ The number, frequency, and duration of meetings of the Board of Directors, including the ratio of in-person and absentee meetings, meets the needs of the Bank (7 in-person and 61 absentee meetings of the Board of Directors were held during 2023). Members of the Board of Directors intend to continue to work in a hybrid mode (2-3 in-person meetings face to face, 2-3 in-person meetings via video conference).

❖ Members of the Board of Directors of the Bank (independent members of the Board of Directors) are recommended to be more actively involved in the process of planning the work of the Board of Directors, take the initiative to include certain items on the agenda of in-person meetings of the Board of Directors, which may be of strategic importance for the effective management of the Bank. It is also recommended that members of the Board of Directors hold information sessions for the Bank's executives (members of the Management Board, directors of departments) in order to share experience and improve their skills.

❖ In December 2023, a strategy session was arranged and held with the participation of all members of the Board of Directors and the Management Board. It is recommended that the Board of Directors and the Management Board increase the number of communications in the form of both formal and informal working meetings (e.g. on the platforms of committees under the Board of Directors) to hold in-depth sessions on the implementation of the Bank's business objectives and strategy.

❖ In order to comply with the best international corporate governance practices, it is recommended to analyze the G20/OECD Corporate Governance Principles (as amended in September 2023)³ and the UK Corporate Governance Code⁴ (as amended in January 2024) and, if necessary, implement the provisions thereof into the Bank's Corporate Governance Code.

² https://forbes.kz/actual/stats/kak_vyiglyadyat_sovetyi_direktorov_kompaniy_v_kazahstane/

³ https://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2023_ed750b30-en

⁴ <https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/>

4. Results of assessing the efficiency of corporate procedures and document management:

❖ The existing corporate procedures allow the Board of Directors promptly respond to external and internal threats (pandemic, terrorist attacks, military conflicts, sanctions, etc.) and, if necessary, take measures to ensure the continuity of the Bank's operations.

❖ The process of organizing 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).

❖ The amended Document Preparation Rules related to the convening and holding of meetings of the Bank's Board of Directors had an impact on improving the quality and reducing the volume of paper materials for members of the Board of Directors (the volume of printed materials of the Board of Directors in paper form has decreased by 70% compared to the period of 2020-2021).

❖ Taking into account the experience of working in the COVID-19 pandemic, changes were made in corporate procedures in order to adapt them to the conditions the Bank operates in (remote work, use of software for video meetings and workshops, restrictions on movement within the city/country, lack of opportunities for printing and physical signing of documents, etc.).

❖ In 2023, the Bank switched to a new electronic document management system (Thesis EDMS), which allowed the Bank to digitize many of its internal document approval processes. In 2023, the Bank launched a project to develop and implement the Meetings module (Thesis EDMS) to implement the process of preparing and holding meetings of collegial bodies (Board of Directors/Management Board/Committees under the Board of Directors/Management Board) in digital format (this project is planned to be completed in 2024).

❖ Internal documents and policies of the Bank the development and/or approval whereof are 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 IRD (consideration and approval whereof are 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:

❖ In 2023, the Charter, Corporate Governance Code and Regulations on the Board of Directors were revised and approved, for the purpose of introducing the principles of sustainable development (ESG) into the Bank's corporate governance system, and expanding the powers and responsibilities of the Board of Directors and the Management Board for implementation thereof in the Bank's operations.

❖ 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 enshrined in the relevant IRD of the Bank, 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 the framework of 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 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 Management Board of the Bank within the framework of the implementation of budgetary indicators and strategic objectives for the reporting period at least once every six months.

All members of the Board of Directors effectively participated in the activities of Halyk Bank JSC, objectively and conscientiously fulfilling their duties in the interests of Halyk Bank JSC and its shareholders.

Therefore, it appears that during the reporting period, the work of the Board of Directors of Halyk Bank JSC was carried out within the framework of implementation of Halyk Group Development Strategy for 2022 – 2024, and the performance of the functions entrusted to them by the members of the Board of Directors was efficient.

Based on the above, it is proposed to take into account the report of the Board of Directors of Halyk Bank JSC on its activities for the reporting year 2023 and recognize its work, as well as the performance of functions by members of the Board of Directors as positive.

**Item 5 of the agenda: “On approval of amendments to Halyk Bank JSC
Methodology for the valuation of shares in case of repurchase thereof on the
unregulated securities market”**

Dear shareholders,

In accordance with Article 36 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and Article 25 of the Charter of Halyk Bank JSC, approval of amendments to the Methodology for the valuation of shares in case of repurchase thereof by the company on the unregulated securities market falls within the competence of the General Shareholders’ Meeting.

Presented materials contain draft amendments to the Methodology for the valuation of shares in case of repurchase thereof by Halyk Bank JSC on the unregulated securities market in Kazakh and Russian languages.

The current Methodology for the valuation of shares in case of repurchase thereof by Halyk Bank JSC on the unregulated securities market (the “Methodology”) approved by resolution of the general shareholders’ meeting of Halyk Bank JSC on 23 April 2021, is available for review on the corporate website of Halyk Bank JSC.

The Methodology is proposed to be amended in connection with the following:

1) clarification of the wording in terms of repurchase by the Bank of its global depositary receipts the underlying asset whereof are the Bank’s common shares (the “GDR”) on the unregulated securities market, whereby the specifics of the repurchase on the international market will be taken into account upon repurchase of the GDRs. This clarification is technical due to the specifics of GDRs issued under foreign laws and traded on international stock exchanges, and reflects the practice of GDR repurchase;

2) reducing the overregulation of transactions for the repurchase by the Bank of shares on the unregulated securities market (list of documents submitted by the shareholder, requirements to the content and procedure of registration). This is dictated by globalization and digitalization, which are being introduced everywhere in the field of business relationships, and will allow for flexibility in a given situation when making share repurchase transactions with shareholders;

3) other technical and clarifying adjustments to bring the provisions of the Methodology in line with existing practice.

The above amendments do not affect the procedure and methodology for determining the value of shares at their repurchase on the unregulated securities market.

Dear shareholders, in view of the foregoing, the Board of Directors of Halyk Bank JSC proposes to approve amendments to the Methodology as amended and attached to the materials of this Annual General Shareholders’ Meeting of Halyk Bank JSC.

Approved
by resolution of Halyk Bank JSC
General Shareholders' Meeting
(minutes No.____ dated ____ 2024)

AMENDMENTS
to the Methodology for the valuation of shares in case of repurchase thereof
by Halyk Bank JSC on the unregulated securities market
approved by resolution of the General Shareholders' Meeting
of Halyk Bank JSC
(minutes No.45 dated 23 April 2021) (the “Methodology”)

Clause 7 of the Methodology shall be supplemented with part two to read as follows:

“The repurchase of its depositary receipts by the Bank is made in accordance with applicable international practice.”;

in clause 17(4) and clause 19 of the Methodology, the words “from shareholders of the Bank, and” shall be supplemented with the sign and the word “/or”;

clause 22 of the Methodology shall be amended to read as follows:

“22. Repurchase of outstanding 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, except for redemption by the Bank of its depositary receipts, where no application for repurchase is required and the procedure for repurchase whereof is determined in accordance with the applicable international practice. The application for repurchase by the Bank of shares is submitted by a shareholder or its authorized/legal representative.

The application for repurchase of shares at the initiative of the Bank containing an offer to the Bank to enter into a share purchase and sale transaction, and the material terms of the transaction, 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). At that, the application for share repurchase at the initiative of the Bank may contain other information facilitating the conclusion of a share purchase and sale transaction, and provision whereof at the request of the Bank does not contradict the requirements of the legislation of the Republic of Kazakhstan.

A shareholder of the Bank shall enclose copies of documents required for conclusion of the agreement on purchase and sale of the Bank shares to the application for repurchase of shares. The Bank shall be entitled to request other additional documents unless it contradicts the legislation of the Republic of Kazakhstan.”;

clause 24 of the Methodology shall be amended to read as follows:

“24. The shareholder’s application for repurchase by the Bank of the shares owned by it must be in written form, and contain an offer to the Bank to enter into share sale and purchase transaction, the material terms of the transaction. At that, the shareholder’s application for share repurchase may contain other information facilitating the conclusion of a share purchase and sale transaction, and provision whereof at the request of the Bank does not contradict the requirements of the legislation of the Republic of Kazakhstan.

A shareholder of the Bank shall enclose copies of documents required for conclusion of the agreement on purchase and sale of the Bank shares to the application for repurchase of shares. The Bank shall be entitled to request other additional documents unless it contradicts the legislation of the Republic of Kazakhstan.”.

Item 6 of the agenda: “On informing the shareholders of Halyk Bank JSC on the amount and structure of remuneration for the members of the Board of Directors and Management Board of Halyk Bank JSC”

Dear shareholders,

In accordance with Article 35 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, at the Annual General Shareholders’ Meeting, the Chairman of the Board of Directors shall inform shareholders of the amount and structure of remuneration for the members of the Board of Directors and the executive body of the company.

Pursuant to the requirements of the Law, you are kindly informed on the amount and structure of remuneration for the members of the Board of Directors and the Management Board of Halyk Bank JSC in 2023.

Remuneration to the members of the Board of Directors and Management Board of Halyk Bank JSC is paid based on the employment contracts (agreements) signed in line with requirements of Articles 36-1(5), 53-2(9) and 59 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and resolutions of Halyk Bank JSC bodies.

Please be kindly reminded that the terms of remuneration payment to the members of Halyk Bank JSC Board of Directors are established by the Resolution of the Annual General Shareholders’ Meeting of Halyk Bank JSC dated 19 April 2006, the terms for compensation of expenses of the members of Halyk Bank JSC Board of Directors for performing their duties are established by the Resolution of the Annual General Shareholders’ Meeting of Halyk Bank JSC dated 19 April 2012.

Remuneration of the members of the Board of Directors and Management Board of Halyk Bank JSC in 2023 was as follows:

(KZT)

Members of the Board of Directors and Management Board	Total income
	4 201 900 567.03

In 2023, the following compulsory deductions were made from the above-mentioned income of the members of the Board of Directors and the Management Board of Halyk Bank JSC:

(KZT)

Members of the Board of Directors and Management Board	Personal income tax	Mandatory pension contributions	Contributions for Compulsory Social Health Insurance	Total compulsory deductions
	417 116 131.74	32 200 000.00	1 526 000.00	450 842 131.74

Dear shareholders, please acknowledge the provided information the amount and structure of remuneration for the members of the Board of Directors and Management Board of Halyk Bank JSC.

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

Dear shareholders,

Pursuant to the requirements of Article 35, 44 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, and Article 24 of the Charter of Halyk Bank JSC, we hereby bring to the notice of shareholders of Halyk Bank JSC the information on Halyk Bank JSC shareholders’ appeals on actions of Halyk Bank JSC and its officials, and on results of consideration thereof.

In 2023, ten formal appeals were received from Halyk Bank JSC shareholders and their representatives, and considered, with the following responses given:

in response to four appeals from Halyk Bank JSC shareholders and their representatives regarding the information on availability/unavailability of security holders’ details in the security holders register system of Central Securities Depository JSC (including on dividends), explanatory responses were provided;

in response to three appeals from shareholders of Halyk Bank JSC regarding payment of dividends for Halyk Bank JSC common shares holding period, appropriate responses were provided;

in response to two appeals from shareholder of Halyk Bank JSC regarding information on materials of the agenda of general shareholders’ meetings of the Bank, written recommendations and responses were provided;

in response to one appeal from a notary regarding the inheritance case concerning the issue of whether securities belong to the shareholder of Halyk Bank JSC and dividends due, an explanatory response was provided.

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