

MINUTES No. 40
of Annual General Shareholders' Meeting
of Joint Stock Company Halyk Savings Bank of Kazakhstan

Almaty

20 April 2018

Full name: Joint Stock Company Halyk Savings Bank of Kazakhstan.

Full name of executive body: Management Board of Joint Stock Company Halyk Savings Bank of Kazakhstan.

Location of executive body: 40, Al-Farabi Ave., Medeu District, A26M3K5, Almaty, Republic of Kazakhstan.

Time of General Shareholders' Meeting: 10:00 am to 12:00 am.

Venue of General Shareholders' Meeting: conference hall, 40, Al-Farabi Ave., Medeu District, A26M3K5, Almaty, Republic of Kazakhstan.

The Attendees at the Annual General Shareholders' Meeting of Joint Stock Company Halyk Savings Bank of Kazakhstan (hereinafter - the "Bank") opened at 10:00 am on 20 April 2018 (hereinafter – "the General Shareholders' Meeting") were as follows:

1. representatives of the Bank's shareholders holding ten percent and more of voting common shares of the Bank:

JSC Holding Group ALMEX holding 8,086,451,772 voting common shares of the Bank, this is 80.95% of total voting common shares of the Bank, represented by Dauren Kazykenovich Suindykov, acting by the virtue of power of attorney No.273 dated 5 April 2018;

2. other shareholders – individuals and legal entities or their representatives;

3. invitees:

1) Chairman and members of the Board of Directors of the Bank;

2) Chairperson and members of the Bank's Management Board;

3) representatives of certain structural divisions and subsidiaries of the Bank;

4. representative of the competent state authority – Olga Victorovna Bibekina.

As per the information presented by the registrar of the Bank - JSC Integrated Securities Registrar, as of 20 March 2018 (record date of the list of shareholders eligible to take part in the General Shareholders' Meeting), and as per the notice of shareholders holding five percent and more of outstanding shares as of 20 March 2018, issued by JSC Integrated Securities Registrar:

1. total number of the Bank's voting shares (excluding redeemed shares of the Bank, as well as shares held by the nominal holders and beneficial owners, whose information is missing with recording system of JSC Central Securities Depository) is 9,989,201,474 shares, the number of common shares of the Bank redeemed by the Bank is 1,693,412,185 shares;

2. total number of the Bank's shareholders holding common shares of the Bank is 28,559 shareholders (including 76 GDR holders) (excluding beneficial owners whose information is not disclosed in the recoding system of JSC Central Securities Depository);

Agenda of the Annual General Shareholders' Meeting published in newspapers "Kazakhstanskaya Pravda" and "Yegemen Kazakhstan" dated 1 March 2018:

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 2017.

3. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2017. 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 the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank.

5. On approval of the share exchange ratio. On the procedure and terms of allocation (sale) of JSC Halyk Bank's common shares.

6. On approval of the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan.

7. On consideration of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank.

8. 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.

9. On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

A.S. Pavlov, Chairman of the Board of Directors:

Dear Shareholders!

Today, in accordance with provisions of Article 35 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," we are holding the Annual General Shareholders' Meeting.

You were noticed on the present Annual General Shareholders' Meeting of the Bank in the manner stipulated by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Charter of the Bank. The information on convening the Annual General Shareholders' Meeting and its agenda was posted in the newspapers "Yegemen Kazakhstan" and "Kazakhstanskaya Pravda" dated 1 March 2018, as well as additionally posted on corporate website of the Bank, on websites of Kazakhstan Stock Exchange and London Stock Exchange by notifying depository bank.

As of 20 March 2018, i.e. the record date of the list of shareholders eligible to take part in the General Shareholders' Meeting, total number of the Bank shareholders holding common shares is **28,559** shareholders, including **76** GDR holders. This figure excludes the beneficial owners of the Bank's shares, whose information is not disclosed in the recoding system of JSC Central Securities Depository. Total number of voting common shares of the Bank, excluding shares redeemed by the Bank, as well as shares held by the nominal holders and beneficial owners, whose information is missing with recording system of JSC Central Securities Depository, is **9,989,201,474** shares.

The floor is given to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee, to announce the results of the attendees' registration and determine its quorum.

I.A. Razumova, Chair of the Ballot Committee:

Good afternoon, dear Shareholders! As per the data presented by the Ballot Committee, as of the end of registration of attendees at this Annual General Shareholders' Meeting, registered were **100** shareholders and their representatives holding in aggregate **9,652,034,960** voting common shares of the Bank, this is **96.62** percent of all voting common shares of the Bank.

At the same time, we would like to note that a representative of **76** shareholders - non-residents of the Republic of Kazakhstan, holding in aggregate **848,346,320** voting shares in the form of global depository receipts, information on which is disclosed in JSC Central Securities Depository, attends at this Annual General Shareholders' Meeting.

According to Article 45 of Law of the Republic of Kazakhstan "On Joint Stock Companies," the General Shareholders' Meeting is eligible to consider issues of the agenda and make decisions thereon, should at closing time of attendees' registration, the shareholders or their representatives included into the shareholders list, eligible to participate and vote at the meeting and holding in aggregate fifty percent and more of the Bank's voting shares, have been registered.

Thus, considering the results of registration, this Annual General Shareholders' Meeting shall be deemed duly constituted.

A.S. Pavlov, Chairman of the Board of Directors:

Dear Shareholders!

To hold the Annual General Shareholders' Meeting we should elect the Chair of the Meeting and the Secretary of the Meeting. In this regard I propose:

1. To elect **Yerserik Damenovich Siyrbayev** as the Chair of the Shareholders' Meeting of the Bank.

Do you have any other proposals? There are no other proposals. Please vote for the proposed candidate by show of hands:

“for” -
100
“against” - 0
“abstain” - 0
Carried unanimously.

2. To elect **Yelena Valeryevna Sidorova**, Head of the Bank’s Chancellery as the Secretary of the Meeting.

Do you have any other proposals? There are no other proposals. Please vote for the proposed candidate by show of hands:

“for” -
100
“against” - 0
“abstain” - 0
Carried unanimously.

I kindly request **Yerserik Damenovich Siyrbayev**, Chair of the Meeting, and **Yelena Valeriyeвна Sidorova**, Secretary of the Meeting, to take their seats and proceed with our meeting’s operations.

Y.D. Siyrbayev, Chair of the Meeting:

Good afternoon, dear Shareholders! Before proceed with our meeting’s operations, I would like to inform you that Alexander Sergeevich Pavlov, Chairman of the Bank’s Board of Directors, Umut Bolatkhanovna Shayakhmetova, Chairperson of the Management Board of the Bank, members of the Bank’s Board of Directors: Mazhit Tuleubekovich Yessenbayev, Christof Ruehl, Frank Kuijlaars, Anvar Galimullayevich Saidenov, and a representative of the National Bank of Kazakhstan – Olga Victorovna Bibekina are taking part at the meeting.

I propose to continue our meeting in Russian. Everyone, who wishes to speak in Kazakh, can speak in Kazakh. Here, there are translators who will provide a proper translation from Russian into Kazakh and vice versa, if necessary.

I propose to consider and approve the following schedule of our meeting. Let’s fix the time for each speaker at up to 5 minutes, speaking in the debate - up to 3 minutes. Dear shareholders, I also propose to hold our meeting without interruption.

In accordance with paragraph 1 of Article 50 of the Law of the Republic of Kazakhstan “On Joint Stock Companies,” voting at the General Shareholders’ Meeting is carried out on "one share - one vote" basis, except for providing each person eligible to vote at the General Shareholders’ Meeting with one vote for voting on procedural issues of the General Shareholders’ Meeting.

I think it is advisable to determine the secret form of voting (ballot voting) on all issues of the agenda and proposals of our meeting.

According to paragraph 5 of Article 43 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the General Shareholders’ Meeting is not eligible to consider issues not included in its agenda, and to take decisions thereon. Whereby, I ask you to submit the issues not covered by the agenda of the meeting to the secretary of the meeting in writing. The issues received in writing by the secretary of the meeting will be discussed after our Annual General Shareholders’ Meeting.

In addition, let me inform you that all shareholders, who wish to speak on the agenda of the meeting, can also sign up with the meeting secretary. I ask that each speaker before the speech must introduce himself/herself. At the same time, I propose that the debates must be limited to three speakers.

Do you have any other proposals on the issues I have spoken? There are no other proposals. Please vote for the proposed procedural aspects of the meeting by show of hands:

“for” - 100
“against” - 0

“abstain” - 0
Carried unanimously.

Since the Chair and the Secretary of the Annual General Shareholders’ Meeting are elected, the form of voting and the schedule of the Annual General Shareholders’ Meeting are determined, I suggest proceeding with consideration of items of the agenda of the Annual General Shareholders’ Meeting.

1. On approval of the Agenda of the Annual General Shareholders’ Meeting of JSC Halyk Bank.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders,

According to Article 36 of the Law of the Republic of Kazakhstan “On Joint Stock Companies,” the issue of approval of the agenda of the General Shareholders’ Meeting is referred to exclusive competence of the General Shareholders’ Meeting.

In accordance with Article 43 of the Law of the Republic of Kazakhstan “On Joint Stock Companies,” when opening the in-person General Shareholders’ Meeting, the Board of Directors shall report on the proposals for amending the agenda.

A.S. Pavlov, Chairman of the Board of Directors:

No proposals on the amendment of the agenda of the Annual General Shareholders’ Meeting were received.

Y.D. Siyrbayev, Chair of the Meeting:

Thank you, Alexander Sergeevich.

Dear Shareholders, do you have any comments, suggestions for the agenda? No.

I kindly request the shareholders of the Bank to vote by ballots on the first item of the agenda on approval the agenda of the Annual General Shareholders’ Meeting of the Bank as stated by the Board of Directors (minutes to the meeting of the Board of Directors by absent voting No.14 dated 20 February 2018) posted at mass media on **1 March 2018** and presented in handouts to the Annual General Shareholders’ Meeting.

I kindly ask the Ballot Committee to count votes on **the first item** of the agenda of the meeting, and I kindly ask the Chair of the Ballot Committee to announce the voting results later.

According to Article 46 of the Law of the Republic of Kazakhstan “On Joint Stock Companies,” the company having 100 shareholders and more shall establish the Ballot Committee, which shall be elected at the General Shareholders’ Meeting.

Therefore, please be informed that the following members of the Ballot Committee, whose term of powers defined by the resolution of the Annual General Shareholders’ Meeting of the Bank on 22 April 2016 (minutes No.37 dated 22 April 2016), is three years being expired by the time of re-election of the Ballot Committee’s members Meeting, are present at this Meeting:

Chair of the Ballot
Committee:

Ilmira Arslanovna Razumova

Members of the Ballot
Committee:

Anna Vassiliyevna Borodovitsyna

Gabbas Malgajiyevich Ilussinov

Gulziya Seidakhmetovna Madazimova

Victor Sergeevich Skryl

Yelena Alexandrovna Khmyz

At the present General Shareholders' Meeting we should elect representatives of shareholders holding ten percent and more of the voting shares of the Bank, or several shareholders acting on the basis of an agreement executed between them, which in aggregate hold ten percent and more of the voting shares of the Bank, which will witness accuracy of the minutes to this Annual General Shareholders' Meeting.

The shareholder holding ten percent and more of the voting common shares of JSC Halyk Bank, as of 20 March 2018, i.e. as of the date of list of shareholders eligible to participate in General Shareholders' Meeting, is **JSC Holding Group ALMEX**, holding **8,086,451,772** voting common shares of JSC Halyk Bank, this is **80.95%** of their total number.

Therefore, to witness accuracy of the minutes to this Annual General Shareholders' Meeting, we suggest electing representative of **JSC Holding Group ALMEX**, JSC Halyk Bank's major shareholder, attending this Meeting and acting under the power of attorney No.273 dated 5 April 2018, presented at registration for this Annual General Shareholders' Meeting by JSC ALMEX Holding Group – Dauren Kazykenovich Suindykov.

Do you have any other proposals? There are no other proposals. Please vote for the proposed candidate by show of hands:

“for”	-
100	
“against”	- 0
“abstain”	- 0

Carried unanimously.

Y.D. Siyrbayev, Chair of the Meeting:

And now, I kindly ask the members of the Bank's Ballot Committee to announce the results of voting on **the first item** of the agenda of the Annual General Shareholders' Meeting. I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the first item** of the agenda “On approval of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank” voted:

	Number of voting shares	% of total voting shares presented at the meeting
“for”	9 652 034 960	100,00000
“against”	0	0
“abstain”	0	0
take no part in the voting	0	0

The resolution was passed by majority of votes out of the Bank's total voting shares presented at the meeting.

Thus, the Annual General Shareholders' Meeting by majority of votes out of the Bank's total voting shares presented at the meeting resolved:

To approve the Agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank dated 20 April 2018 as stated by the Board of Directors of JSC Halyk Bank (minutes to meeting of the Board of Directors of JSC Halyk Bank by absent voting No.14 dated 20 February 2018).

2. On approval of JSC Halyk Bank's annual financial statements for the year ended 31 December 2017.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

Since the agenda of the Annual General Shareholders' Meeting was approved, let us go ahead. I propose to pass on to discussion of **the second item** of the agenda: "On approval of JSC Halyk Bank's annual financial statements for the year ended 31 December 2017."

The floor on this item is passed to **Aliya Sakenovna Karpykova**, Deputy CEO of the Bank.

A.S. Karpykova, Deputy CEO:

Dear Shareholders!

In accordance with the Articles 35, 36 and 76 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the annual financial statements of the Company shall be approved at the Annual General Shareholders' Meeting. I hereby would like to bring to your attention the Bank's key performance results for 2017.

The main transactions that affected the activities of Halyk Group in 2017 were:

- 1) acquisition on 5 July 2017 of 96.81% common shares of JSC Kazkommertsbank;
- 2) conclusion of an agreement between the Bank and China CITIC Bank on the sale of a 60% stake in JSC Altyn Bank (SB of JSC Halyk Bank).

In 2017, the assets of Halyk Group increased by 65.61% (KZT3 trillion 510 billion) due to acquisition of shares in JSC Kazkommertsbank and amounted to KZT8 trillion 858 billion as of 1 January 2018 (as of 1 January 2017, the assets totaled KZT5 trillion 348 billion).

Financial assets:

Loans to customers (net) increased from the early 2017 by 40.16% or by KZT931 billion due to loans of JSC Kazkommertsbank (KZT764 billion) and by the year end amounted to KZT3 trillion 251 billion, which, in turn, is 36.7% of all assets of Halyk Group.

Financial assets at fair value through profit or loss decreased by KZT184 billion compared to previous year and comprised KZT145 billion due to decrease in securities held for sale in the form of short-term notes of the National Bank of Kazakhstan by KZT242 billion. As of 31 December 2017, swap transactions included the cross currency swap transaction concluded on 3 July 2017 between JSC Kazkommertsbank and the National Bank of Kazakhstan in the amount of USD 3 billion (KZT 1 trillion), for a period of one year.

Investment securities held for sale increased by KZT1 trillion 965 billion as a result of purchase of treasury bills of the Ministry of Finance of the Republic of Kazakhstan in the amount of KZT1 trillion (acquisition of JSC Kazkommertsbank).

Non-financial assets:

Commercial real estate increased by KZT38.57 billion against the previous year and amounted to KZT48.77 billion due to the receipt of commercial real estate completed construction in the amount of KZT42 billion in light of the acquisition of JSC Kazkommertsbank.

Assets held for sale (land, buildings and constructions) increased by KZT542 billion vs. the previous year and amounted to KZT552.4 billion. The increase was primarily due to:

- 1) assets held for sale, related to JSC Altyn Bank (SB of JSC Halyk Bank) - KZT391.45 billion;
- 2) acquisition of shares in JSC Kazkommertsbank. The assets of this bank held for sale are KZT141 billion.

Liabilities of Halyk Group, as a whole, increased by 69.20% (KZT3 trillion 240 billion) year-to-date primarily due to the acquisition of JSC Kazkommertsbank, and comprised KZT7 trillion 923 billion at the year end (as of 1 January 2017 – KZT4 trillion 683 billion).

Customer accounts in the liability structure make up the major share – 77.39%. During the reporting period, customer accounts increased by KZT2 trillion 311 billion (60.49%, including JSC Kazkommertsbank – KZT2 trillion 483 billion), comprising KZT6 trillion 132 billion. Such increase is due to increase in balances on term deposits of legal entities by KZT922 billion, individuals - by KZT1 trillion 389 billion for the year to date.

Debt securities issued comprised KZT962 billion, increasing by KZT377 billion (64.53%), including due to the acquisition of JSC Kazkommertsbank – KZT579 billion. Also, in May 2017, Halyk Group has fully repaid 10-year subordinated Eurobonds with coupon of 7.25% per annum to the amount of USD638 million (KZT198 billion).

Equity of Halyk Group, grew by 40.39% compared to the previous year mainly due to the "Retained earnings and other reserves" and as of 1 January 2018 comprised KZT934.5 billion (in 2016 – KZT665.5 billion).

Halyk Group's profit, as a whole, was KZT173.36 billion for the reporting period, increasing by 31.92% (KZT41.95 billion) as compared to the last year, including profit of JSC Kazkommertsbank totaling KZT20 billion, profit from discontinued operations – KZT10 billion.

Dear Shareholders!

In our opinion, the Bank's activity has been successful for the reporting period and is consistent with the legal requirements. The annual financial statements for the year ended 31 December 2017 of the Bank were pre-approved by the resolution of the Bank's Board of Directors dated 16 March 2018. The independent audit firm - Deloitte LLP confirmed in full the reliability and accuracy of data contained in the annual financial statements of the Bank by the results of activity for 2017, as well as compliance with the requirements of the International Financial Reporting Standards and legislation of the Republic of Kazakhstan.

You may read the report of the independent auditor – Deloitte LLP, which is included in the handouts distributed to you during registration of shareholders.

Dear shareholders, based on the foregoing, you are kindly asked to approve the annual financial statements of JSC Halyk Bank for the year ended 31 December 2017, and the independent auditor's report.

Y.D. Siyrbayev, Chair of the Meeting:

Dear shareholders, do you have other proposals on this issue? Does anybody want to take a floor?

There are no proposals and anybody to take floor. I would like to ask the Bank's shareholders to vote on **the second item** of the agenda.

Members of the Ballot Committee are kindly requested to count voting results on **the second item** on the meeting agenda.

To announce the results of voting on **the second item** of the agenda of the Annual General Shareholders' Meeting, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the second item** of the agenda "On approval of the annual financial statements of JSC Halyk Bank for the year ended 31 December 2017" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9 647 763 520	99,95575
"against"	0	0
"abstain"	4 271 440	0,04425
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of the Bank's total voting shares participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of the Bank's total voting shares participating in the voting resolved:

To approve the annual financial statements of JSC Halyk Bank for the year ended 31 December 2017 and the independent auditor's report.

3. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2017. 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.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

I propose to pass on to discussion of **the third item** of the agenda: "On approval of the procedure of distribution of JSC Halyk Bank's net income for 2017. 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."

The floor on this item is passed to **Aliya Sakenovna Karpykova**, Deputy CEO.

A.S. Karpykova, Deputy CEO:

Dear Shareholders!

In accordance with Articles 35 and 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," Articles 25 and 26 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 the proposals to approve the following procedure of distribution of net income of JSC Halyk Bank received by the results of the 2017 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 (NIN KZ1C33870011):

name: JSC Halyk Bank;

location of JSC Halyk Bank: 40, Al-Farabi Ave., 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, Beneficiary Code – 14;

the dividend payment period: 2017;

the dividend amount per common share: 6.31 tenge;

the dividend payment start date: 01 June 2018;

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. 23 April 2018;

the dividend payment form – non-cash.

The total amount of dividends on common shares of JSC Halyk Bank will be approximately KZT69.4 billion or 40% of net income of JSC Halyk Bank for 2017.

Part of net income of JSC Halyk Bank for 2017, 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.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders, do you have any questions? Does anybody want to take floor?

K.A. Letnikova, shareholder:

Thank you, this year we received very good dividends. Well done.

A.S. Pavlov, Chairman of the Board of Directors:

Thank you! In my opinion, we heard the words of gratitude from our shareholders for the first time, the bank ended the year with a good profit, so the dividends were unusually large.

Y.D. Siyrbayev, Chair of the Meeting:

I would like to ask the shareholders of the Bank to vote on **the third item** of the agenda.

Members of the Ballot Committee are kindly requested to count voting results on **the third item** on the meeting agenda and I ask the Chair of the Ballot Committee to announce the results of voting later.

Dear Shareholders!

While the votes on **the third item** of the agenda are being counted, the floor is passed to **Alexander Sergeevich Pavlov**, Chairman of the Bank's Board of Directors.

A.S. Pavlov, Chairman of the Board of Directors:

Dear Shareholders!

Let me congratulate you with the upcoming May Holidays: The Day of Unity of Kazakhstan People – 1 May, Defender of the Fatherland Day – 7 May and 73rd anniversary of Victory in Great Patriotic War – 9 May.

The previous year has become a turning point for the national economy and its key sector - the financial system. In 2017, the comprehensive program of the Government and the National Bank of Kazakhstan, aimed at overcoming the adverse effects of the global crisis, demonstrated impressive results. First of all, we saw the 4% growth of gross domestic product and the slowdown in the annual

inflation, which, in comparison with 1% GDP growth in 2015-2016, indicates a gradual recovery of Kazakhstan's economy. The positive trends were driven by: the growth of world prices for the main national exports, the stabilization of prices for imported non-food products, as well as the relative stability of the tenge exchange rate and the predictable regulatory monetary policy.

The acquisition of JSC Kazkommertsbank and its subsidiaries has significantly strengthened the leadership of Halyk Group in most segments of the financial market. The expected merger of banks, insurance companies having competed for many years before, will maximize the overall potential of the Group. Their integration, at the heart, implies maximum synergy, which is achieved by combining the strengths of the two banks. The main competitive advantages of JSC Halyk Bank including business high reliability and profitability, a wide range of financial products, competent risk management, well developed infrastructure, extensive and loyal customer base will be complemented with innovative developments, advanced front systems and technological infrastructure of JSC Kazkommertsbank coupled with the experience and expertise of their key employees.

We assess this transaction as one of the largest investments of Halyk Group, and we believe that it will have a great influence on the economies of Kazakhstan and the neighboring countries both in terms of scope and the efficiency. In the second half of 2017, JSC Halyk Bank and JSC Holding Group ALMEX recapitalized JSC Kazkommertsbank for KZT250.2 billion thereby allowing to resume lending through the support necessary to achieve the target growth targets. Our decision to make a major capital injection in JSC Kazkommertsbank confirms our commitment to further development of its advantages within Halyk Group. An important business area of Halyk Group is insurance services. Subsidiary insurance organizations of the Group occupy confident positions in the Kazakhstan insurance market. By the end of 2017, both life insurance companies – JSC Halyk Life and JSC Kazkommerts-Life - together accounted for about 48% of the gross premium market, while general insurance companies - JSC Kazakhinstrakh and JSC IC Kazkommerts-Policy occupied about 18% in the same market sector. In order to achieve the maximum synergy, similar to the process of consolidation of systemic banks, Halyk Group launched the process of reorganization of subsidiaries having duplicating operations and service coverage. In particular, the general insurance companies, JSC Kazakhinstrakh and JSC IC Kazkommerts-Policy, have already commenced the integration. This process involves selection of best practices in various areas and cost saving. We expect that the integration of insurance companies, which will be completed in 3rd quarter of 2018, would expand the presence of Halyk Group both in corporate and retail insurance markets.

Special mention should be made of the successful operations of the leading investment and brokerage companies of Halyk Group - JSC Halyk Finance and JSC Kazkommerts Securities. As of 1 December 2017, these subsidiaries together took nearly 30% of the market for assets and 35% for equity. At the same time, JSC Halyk Finance annually receives prestigious awards from highly reputed international financial magazines such as: "The Best Investment Bank in Kazakhstan in 2017" (*Cbonds*), "The Best Investment Bank in Kazakhstan in 2016" (*EMEA Finance*).

The Halyk Group's investment activities in 2017 included active working on the implementation of the provisions of the framework agreement signed in June 2017 on the sale of 60% of the share capital of JSC Altyn Bank (SB of JSC Halyk Bank) to strategic investors from China. They included: China CITIC Bank Corporation Limited, one of the largest financial institutions of the People's Republic of China, as well as the investment company China Shuangwei Investment Co., Ltd. In order to implement the arrangements reached in 2017, the due diligence was conducted in JSC Altyn Bank (SB of JSC Halyk Bank) and appeals were sent to the regulatory bodies of the PRC and Kazakhstan to obtain appropriate permits. The Parties intend to complete the transaction in the first half of 2018. As a result, Halyk Group, which will retain a 40% stake in JSC Altyn Bank (SB of JSC Halyk Bank), will play a key role in the implementation of the Kazakhstan development program "Nurly Zhol" and the Chinese initiatives to create the "Silk Road Economic Belt" "One Belt. One Way." In turn, JSC Altyn Bank (SB of JSC Halyk Bank), after the change of the major shareholder, will continue to work in the local market as a universal bank that will be able to offer its corporate and retail customers new unique services: KZT/RMB direct conversion, RMB payments, continuing trade finance development, treasury operations, private banking, digital bank and lending. We are confident that the presence of a major strategic partner such as CITIC Bank would significantly expand the capabilities of JSC Altyn Bank (SB of JSC Halyk Bank), would help strengthen its position in the market, thanks to access to the most advanced technologies. In 2017, JSC

Altyn Bank (SB of JSC Halyk Bank) managed to achieve impressive success: with only 1.6% of the market share in terms of assets, this bank received net income of KZT9.4 billion.

As part of the current integration processes within Halyk Group for the acquisition of JSC Kazkommertsbank, in 2017, our subsidiary banks in Russia began the reorganization. As a result of the merger of JSC NBK-Bank into CB Moskommertsbank (JSC), a unified universal financial institution would appear on the Russian market focusing on the development of transaction services, cash management and acquiring services. It would be primarily aimed at the transition from classical to digital banking model with a focus on Russian-Kazakh projects. The surviving bank would be represented in major cities of the Russian Federation, including the million-plus cities bordering the EEU countries.

Other subsidiary banks operating in the markets of Georgia, Kyrgyzstan and Tajikistan also contribute to the profits of Halyk Group. Thus, in 2017, JSC Halyk Bank Georgia saw a profit of about GEL12 million, which is equivalent to KZT1.6 billion. In addition, the bank introduced a new Internet banking system for businesses and individuals. In 2018, further growth is planned for all business areas, including an increase in the loan portfolio by 25%. In its turn, OJSC Halyk Bank Kyrgyzstan in 2017 showed a positive result of KGS88 million, which is equivalent to KZT0.4 billion. During the year, personnel changes were made in the bank, aiming at increasing the personnel efficiency. In 2018, the bank planned to increase profits and loan portfolio by 17% and 27%, respectively. CJSC Kazkommertsbank Tajikistan is the first subsidiary bank in Tajikistan with 100% foreign capital. In 2017, the bank recorded a net profit of TJS23.6 million, which is equivalent to KZT865 million. In December 2017, the bank was awarded the "Brand of the Year" Gold Prize in the nomination "Financial Services". Also in 2017, the bank joined the Mastercard international payment system, issued its bank cards, increased its POS-terminal network, and introduced online-banking services.

In the history of Halyk Group, charity has been one of the most important activities. The Bank provides charitable assistance to the private charity foundation "Halyk" to support various charitable projects in the sphere of education, culture, art and sports. The major recipients of charitable assistance are the largest Kazakh opera and ballet theaters - Astana Opera, and after JSC Kazkommertsbank's joining the Group - the State Opera and Ballet Theater named after Abay, as well as the National Conservatory named after Kurmangazy. As part of the sports project "Halyk League", we have been participating in the development of children's basketball for 11 years, helping to pay for the services of trainers and the purchase of sports equipment for pupils of sponsored orphanages and boarding schools throughout Kazakhstan. Much attention is paid to the social support of orphans, bad-health children, as well as participants and veterans of the Great Patriotic War. We are also popularizing sciences among young people, and in 2017, we supported the launch of the educational channel "Smart Halyk" on YouTube, where cognitive would-be scientific videos are regularly appearing in Kazakh and Russian languages.

In 2018, in honor of 95th anniversary of JSC Halyk Bank, we launched the project "Festival of Good Deeds" - a large-scale baton of charitable initiatives that will complement our traditional social projects. Every month of 2018 is dedicated to a common theme such as: sports and a healthy lifestyle, national traditions, caring for the younger generation and older citizens, as well as culture and art. The first campaign of our festival was free ice skating in 20 cities of the country, in which tens of thousands of Kazakhstanis took part.

We believe that the annual success of Halyk Group in various activities logically results from the activity of one of the most experienced and professional teams in the financial market. This is consistent with the prudential risk management policy, which facilitates the adoption of sound and effective business decisions. This involves our focusing on the long-term presence in the market and recognition of high social responsibility of Halyk Group to the state, business and country. We keep putting high goals and do our best to achieve them.

In conclusion, on behalf of the Board of Directors, I would like to express my gratitude to our shareholders, colleagues and partners for fruitful cooperation, trust, understanding and support of the strategic development direction of Halyk Group.

Y.D. Siyrbayev, Chair of the Meeting:

Thank you, Alexander Sergeevich.

To announce the results of voting on **the third item** of the agenda of the Annual General Shareholders' Meeting, I give a floor to **Ilmira Arslanovna Razumova**.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the third item** of the agenda "On approval of the procedure of distribution of JSC Halyk Bank's net income for 2017. 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" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9 652 034 960	100,00000
"against"	0	0
"abstain"	0	0
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of the Bank's total voting shares participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of the Bank's total voting shares participating in the voting resolved:

To approve the following procedure of distribution of net income of JSC Halyk Bank received by the results of the 2017 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 (NIN KZ1C33870011):

name: JSC Halyk Bank;

location of JSC Halyk Bank: 40, Al-Farabi Ave., 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, Beneficiary Code – 14;

the dividend payment period: 2017;

the dividend amount per common share: 6.31 tenge;

the dividend payment start date: 01 June 2018;

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. 23 April 2018;

the dividend payment form – non-cash.

Part of net income of JSC Halyk Bank for 2017, 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.

4. On the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

In continuation of the Annual General Shareholders' Meeting of the Bank, I propose to pass on to discussion of **the fourth item** of the agenda: "On the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank."

The floor on this item is passed to **Victor Sergeevich Skryl**, Head of Strategy Office.

V.S. Skryl, Head of Strategy Office:

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, consideration and adoption of a resolution on the item "Voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank" refers to the exclusive competence of the General Shareholders' Meeting.

While, according to Article 60 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan", voluntary reorganization of banks can be carried out by resolution of the General Shareholders' Meeting and with the permission of the authorized body.

According to paragraph 3 of Article 83 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the board of directors of the surviving company shall submit for the resolution of the general shareholders' meeting the issue of reorganizing the company through the merger of another company.

As Alexander Sergeevich already noted, JSC Kazkommertsbank's merger into JSC Halyk Bank will make it possible to maximize the existing economic potential of the two financial institutions.

Dear Shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank submits for consideration of the Annual General Shareholders' Meeting of JSC Halyk Bank the following proposals on the item of the agenda "Voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank:"

to carry out the voluntary reorganization of JSC Halyk Bank (with JSC Halyk Bank's registered office at: 40, Al-Farabi Ave., Medeu District, A26M3K5, Almaty, Republic of Kazakhstan) through JSC Kazkommertsbank's merger into JSC Halyk Bank in the manner and on terms determined by the legislation of the Republic of Kazakhstan and the resolution of the Joint General Shareholders' Meeting of

JSC Halyk Bank and JSC Kazkommertsbank to be held today, 20 April 2018, after this Annual General Shareholders' Meeting;

to determine that the assets (rights and obligations) of JSC Kazkommertsbank will be assumed by JSC Halyk Bank under the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank from the date of signing of the transfer certificate by JSC Halyk Bank and JSC Kazkommertsbank, taking into account the requirements of the legislation of the Republic of Kazakhstan;

to authorize Umut Bolatkhanovna Shayakhmetova, Chairperson of the Management Board of JSC Halyk Bank (or a person acting as the Chairperson of the Management Board of JSC Halyk Bank) to sign and file with the relevant authorized agencies and organizations the application for permit of voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, as well as all other necessary documents required in the process of carrying out such voluntary reorganization and to do other things on behalf of JSC Halyk Bank stipulated by the legislation of the Republic of Kazakhstan and related to the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank.

Y.D. Siyrbayev, Chair of the Meeting:

Thank you, Victor Sergeevich. Dear Shareholders, do you have any other proposals? Does anybody want to take floor?

There are no other proposals and anybody to take floor. I ask the shareholders to vote on **the fourth item** of the agenda.

Members of the Ballot Committee are kindly requested to count votes and announce voting results on **the fourth item** of the meeting agenda.

To announce the results of voting on **the fourth item** of the agenda of the Annual General Shareholders' Meeting, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of voting shares of JSC Halyk Bank is **9,989,201,474**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **9,652,034,960**, out of which on **the fourth item** of the agenda "On the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares
"for"	9 176 896 131	91,86817
"against"	400 344 509	4,00777
"abstain"	74 794 320	0,74875
take no part in the voting	337 166 514	3,37531

The resolution was passed by supermajority of votes out of the Bank's total voting shares.

Thus, the Annual General Shareholders' Meeting by supermajority of votes out of the Bank's total voting shares resolved:

to carry out the voluntary reorganization of JSC Halyk Bank (with JSC Halyk Bank's registered office at: 40, Al-Farabi Ave., Medeu District, A26M3K5, Almaty, Republic of Kazakhstan) through JSC Kazkommertsbank's merger into JSC Halyk Bank in the manner and on terms determined by the legislation of the Republic of Kazakhstan and the resolution of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank to be held on 20 April 2018;

to determine that the assets (rights and obligations) of JSC Kazkommertsbank will be assumed by JSC Halyk Bank under the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank from the date of signing of the transfer certificate by JSC Halyk Bank and JSC Kazkommertsbank, taking into account the requirements of the legislation of the Republic of Kazakhstan;

to authorize Umut Bolatkhanovna Shayakhmetova, Chairperson of the Management Board of JSC Halyk Bank (or a person acting as the Chairperson of the Management Board of JSC Halyk Bank) to sign and file with the relevant authorized agencies and organizations the application for permit of voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, as well as all other necessary documents required in the process of carrying out such voluntary reorganization and to do other things on behalf of JSC Halyk Bank stipulated by the legislation of the Republic of Kazakhstan and related to the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank.

5. On approval of the share exchange ratio. On the procedure and terms of allocation (sale) of JSC Halyk Bank's common shares.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

I propose to pass on to discussion of **the fifth item** of the agenda: "On approval of the share exchange ratio. On the procedure and terms of allocation (sale) of JSC Halyk Bank's common shares."

The floor on this item is passed to **Victor Sergeevich Skryl**, Head of Strategy Office.

V.S. Skryl, Head of Strategy Office:

Dear Shareholders!

In accordance with paragraph 3 of Article 83 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the board of directors of the surviving company shall submit for the resolution of the General Shareholders' Meeting the item on reorganization of the company through the merger of another company, the procedure, terms and price of placement (sale) of shares.

Further, according to paragraph 6 of Article 83 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and paragraph 1 of Article 60-1 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan," provisions relating to the purchase price of shares of the merging company (*prisoedinyayemoe obshestvo*) and the offering (sale) price of shares of the surviving company (including the provisions on determination, review and approval of these prices by the company's bodies) shall not apply to voluntary reorganization through the merger of banks.

At the same time, in accordance with paragraph 1 of Article 60-1 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan," when one bank merges into another bank, shares of the merging bank are acquired by the surviving bank by offering (sale) to shareholders of the merging bank its shares in the amount determined on the basis of the share exchange ratio approved at the Joint General Shareholders' Meeting of the reorganized banks after its preliminary approval by the board of directors of each bank.

The exchange ratio of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank was pre-approved by resolution of the Board of Directors of JSC Halyk Bank dated 16 March 2018.

It is proposed to use the formula for calculating the ratio of exchange of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank with application of the fair value ratios of JSC Halyk Bank and JSC Kazkommertsbank (P/B is price-to-book ratio), as well as the actual equity and the

number of shares for the last working day of the month preceding the date of signing the transfer certificate.

Please note that the fair value ratios for JSC Halyk Bank and JSC Kazkommertsbank (P/B) used to determine the ratio of exchange of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank, have been calculated by an internationally recognized valuator.

Based on the foregoing, the Board of Directors of JSC Halyk Bank and the Board of Directors of JSC Kazkommertsbank submit for consideration of the Annual General Shareholders' Meeting of JSC Halyk Bank the following proposals on the item of the agenda "Approval of the share exchange ratio. The procedure and terms of allocation (sale) of JSC Halyk Bank's common shares:"

1) to approve the ratio of exchange of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank (hereinafter referred to as the "Common Share Exchange Ratio" or the "Common Share Exchange Ratio (Co)"), calculated under the following formula:

$$\begin{aligned} & \text{Common Share Exchange Ratio} = \\ & \text{Number of common shares of JSC Halyk Bank,} \\ & \text{which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)} \\ = & \frac{\text{Number of common shares of JSC Kazkommertsbank} \\ & \text{held by shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)}}{\text{Number of common shares of JSC Halyk Bank,} \\ & \text{which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)}} \end{aligned}$$

where:

$$\begin{aligned} & \text{Number of common shares of JSC Halyk Bank,} \\ & \text{which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)} = \end{aligned}$$

$$\begin{aligned} & \text{Fair value of JSC Kazkommertsbank} \\ = & \frac{\text{(minority interest in JSC Kazkommertsbank)}}{\text{Fair value of one share of JSC Halyk Bank}} \end{aligned}$$

$$\text{Fair value of JSC Kazkommertsbank (minority interest in JSC Kazkommertsbank)} =$$

$$\begin{aligned} & = \text{Equity of JSC Kazkommertsbank} \times \\ & \times \text{Minority interest in JSC Kazkommertsbank} \times \\ & \times P/B \text{ JSC Kazkommertsbank} \end{aligned}$$

$$\text{Minority interest in JSC Kazkommertsbank} =$$

$$\begin{aligned} & \text{Number of common shares of JSC Kazkommertsbank} \\ & \text{held by JSC Halyk Bank} \\ = 100\% - & \frac{\text{Number of outstanding common shares (minus repurchased)} \\ & \text{of JSC Kazkommertsbank}}{\text{Number of common shares of JSC Kazkommertsbank}} \end{aligned}$$

$$\text{Fair value of one share of JSC Halyk Bank} =$$

$$\begin{aligned} & \text{Fair value of JSC Halyk Bank} \\ = & \frac{\text{Fair value of JSC Halyk Bank}}{\text{Number of outstanding common shares (minus repurchased)} \\ & \text{of JSC Halyk Bank}} \end{aligned}$$

$$\text{Fair value of JSC Halyk Bank} =$$

$$= \text{Equity of JSC Halyk Bank} \times \\ \times P/B \text{ JSC Halyk Bank}$$

The fair value of JSC Halyk Bank and the fair value of one share of JSC Halyk Bank reflects the fair value of JSC Halyk Bank, taking into account the shares of JSC Kazkommertsbank (hereinafter referred to as the "Share Ownership") held by JSC Halyk Bank;

The Common Share Exchange Ratio (Co) means the number of common shares of JSC Halyk Bank, which will be received by shareholders of JSC Kazkommertsbank in exchange for one common share of JSC Kazkommertsbank;

P/B JSC Kazkommertsbank means the ratio of fair value of JSC Kazkommertsbank and corresponds to the value 1,2;

P/B JSC Halyk Bank means the ratio of fair value of JSC Halyk Bank (taking into account Share Ownership of JSC Halyk Bank in JSC Kazkommertsbank) and corresponds to the value 1,5;

Equity of JSC Kazkommertsbank - the equity as specified in Form 700N "Report on balances on the balance accounts of second-tier banks and mortgage companies of JSC Kazkommertsbank" for the last working day of the month preceding the date of signing the transfer certificate;

Equity of JSC Halyk Bank - the equity as specified in Form 700N "Report on balances on the balance accounts of second-tier banks and mortgage companies of JSC Halyk Bank" for the last working day of the month preceding the date of signing the transfer certificate.

The results obtained under the formula for calculating the Common Share Exchange Ratio, shall be rounded to the sixth decimal place, as per mathematical rounding rules.

To agree that:

The Common Share Exchange Ratio (Co) will be calculated as of the date of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank, which will be convened for adoption of the resolution on approval of the transfer certificate;

The Common Share Exchange Ratio (Co) calculation formula can be changed by the resolution of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank, which will be convened for adoption of the resolution on approval of the transfer certificate.

The number of common shares of JSC Halyk Bank received by i-th shareholder of JSC Kazkommertsbank in exchange for common shares of JSC Kazkommertsbank (hereinafter referred to as the "Number of common shares of JSC Halyk Bank received by a shareholder of JSC Kazkommertsbank (Ki)), is calculated under the following formula:

$K_i = A_i \times \text{Common Share Exchange Ratio (K_o)}$, where:

A_i – the number of common shares of JSC Kazkommertsbank held by i-th shareholder of JSC Kazkommertsbank as of the exchange date of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank.

The results obtained under the formula for calculating the Common Share Exchange Ratio of JSC Halyk Bank received by shareholder of JSC Kazkommertsbank (K_i), shall be rounded to the nearest integer, as per mathematical rounding rules;

2) provided that JSC Kazkommertsbank and JSC Halyk Bank obtain the permission of the National Bank of Kazakhstan for the voluntary reorganization of JSC Kazkommertsbank and JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, to approve the following procedure and time of placement (sale) of common shares of JSC Kazkommertsbank:

common shares of JSC Kazkommertsbank shall be debited from the personal accounts of registered persons and credited to the personal account of JSC Halyk Bank;

common shares of JSC Halyk Bank shall be debited from the issuer's personal account of authorized securities and (or) the issuer's personal account of repurchased securities and credited to the personal accounts of the registered persons, previously registered as holders of common shares of JSC Kazkommertsbank, in the number determined on the basis of the Common Share Exchange Ratio (Co).

Common shares of JSC Halyk Bank attributable to JSC Halyk Bank in the amount determined on the basis of Common Share Exchange Ratio are not credited to the individual account of treasury common shares of JSC Halyk Bank and remain on the account of authorized common shares of JSC Halyk Bank.

JSC Halyk Bank within three working days from the date of signing the transfer certificate will send to JSC Integrated Securities Registrar an appropriate order to perform the necessary actions in the

security holder registering system in accordance with the requirements of the legislation of the Republic of Kazakhstan.

The share exchange ratio, the procedure and terms of share acquisition is proposed to approve at the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank.

Dear Shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the share exchange ratio, the procedure and terms of allocation (sale) of JSC Halyk Bank's common shares.

Y.D. Siyrbayev, Chair of the Meeting:

Thank you Victor Sergeevich! Dear shareholders, do you have other proposals? Does anybody want to take a floor?

H.B. Kuttygul, shareholder:

What is the current fair value of shares of JSC Halyk Bank and JSC Kazkommertsbank?

V.S. Skryl, Head of Strategy Office:

It is necessary to say about the fair value that it was evaluated by an independent appraiser and it is a fair value. The value that we now see on the Stock Exchange, represents market value, that is, the value at which market participants estimate the value of the bank, but it cannot be considered fair, for the following reasons:

The first reason is the limited liquidity of shares on the market, which does not allow assessing how much the bank is fairly valued;

For the second reason, we now see great volatility in the markets, which is connected with the unstable political situation in the world, which influences the market valuation of the shares.

The fair valuation of shares, which we showed, was calculated by an independent international appraiser who, on the basis of the submitted business plans, made such assessment.

H.B. Kuttygul, shareholder:

Tell me, whether fair value of the shares of JSC Halyk Bank and JSC Kazkommertsbank is undervalued?

U.B. Shayakhmetova, CEO:

I also add, as Victor said, to estimate fair value of both banks we have engaged international experts, this is an international audit company that is auditor neither for JSC Halyk Bank nor for JSC Kazkommertsbank. And I would like to note that the price of JSC Halyk Bank has already included the valuation of shares of JSC Kazkommertsbank, as we show our financial statements on a consolidated basis. By results of the year, and even in July 2017 at the time of announcement of the completion of the transaction for the purchase of JSC Kazkommertsbank, shares of JSC Halyk Bank sharply increased in price, precisely due to the fact that the added value from JSC Kazkommertsbank has been included by investor to the valuation of JSC Halyk Bank. Therefore, if you look only at the shares of JSC Halyk Bank, then you can say that inside there is added ratio of shares of JSC Kazkommertsbank. The shares themselves of JSC Kazkommertsbank are not traded on the market today, as Victor has already said, they are illiquid, therefore stock prices do not reflect quite fairly the value of JSC Kazkommertsbank. Therefore, for the fair value of shares of both banks, external consultants and auditors were involved, these are international companies and investment banks with a very good reputation.

Y.D. Siyrbayev, Chair of the Meeting:

I would like to ask to vote on the fifth item of the agenda. Members of the Ballot Committee are kindly requested to count voting results on **the fifth item** on the meeting agenda.

To announce the results of voting on **the fifth item** of the agenda of the Annual General Shareholders' Meeting, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of voting shares of JSC Halyk Bank is **9,989,201,474**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is

9,652,034,960, out of which on **the fifth item** of the agenda “On approval of the share exchange ratio. On the procedure and terms of allocation (sale) of JSC Halyk Bank’s common shares” voted:

	Number of voting shares	% of total voting shares
“for”	9,176,895,331	91.86816
“against”	400,344,509	4.00777
“abstain”	74,795,120	0.74876
take no part in the voting	337,166,514	3.37531

The resolution was passed by supermajority of votes out of the Bank’s total voting shares.

Thus, the Annual General Shareholders’ Meeting by supermajority of votes out of the Bank’s total voting shares resolved:

1) to approve the exchange ratio of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank (hereinafter referred to as the “Common Share Exchange Ratio” or the “Common Share Exchange Ratio (Co)”), calculated under the following formula:

$$\begin{aligned} & \text{Common Share Exchange Ratio} = \\ & \text{Number of common shares of JSC Halyk Bank,} \\ & \text{which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)} \\ = & \frac{\text{Number of common shares of JSC Kazkommertsbank} \\ & \text{held by shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)}}{\text{Number of common shares of JSC Halyk Bank,} \\ & \text{which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)}} \end{aligned}$$

where:

$$\begin{aligned} & \text{Number of common shares of JSC Halyk Bank,} \\ & \text{which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank} \\ & \text{(save JSC Halyk Bank)} = \end{aligned}$$

$$\begin{aligned} & \text{Fair value of JSC Kazkommertsbank} \\ = & \frac{\text{(minority interest in JSC Kazkommertsbank)}}{\text{Fair value of one share of JSC Halyk Bank}} \end{aligned}$$

$$\text{Fair value of JSC Kazkommertsbank (minority interest in JSC Kazkommertsbank)} =$$

$$\begin{aligned} & = \text{Equity of JSC Kazkommertsbank} \times \\ & \times \text{Minority interest in JSC Kazkommertsbank} \times \\ & \times P/B \text{ JSC Kazkommertsbank} \end{aligned}$$

$$\text{Minority interest in JSC Kazkommertsbank} =$$

$$\begin{aligned} & \text{Number of common shares of JSC Kazkommertsbank} \\ & \text{held by JSC Halyk Bank} \\ = 100\% - & \frac{\text{Number of outstanding common shares (minus repurchased)}}{\text{of JSC Kazkommertsbank}} \end{aligned}$$

$$\text{Fair value of one share of JSC Halyk Bank} =$$

$$\begin{aligned} & \text{Fair value of JSC Halyk Bank} \\ = & \frac{\text{Number of outstanding common shares (minus repurchased)}}{\text{of JSC Halyk Bank}} \end{aligned}$$

Fair value of JSC Halyk Bank =

$$= \text{Equity of JSC Halyk Bank} \times \\ \times P/B \text{ JSC Halyk Bank}$$

The fair value of JSC Halyk Bank and the fair value of one share of JSC Halyk Bank reflects the fair value of JSC Halyk Bank, taking into account the shares of JSC Kazkommertsbank (hereinafter referred to as the "Share Ownership") held by JSC Halyk Bank;

The Common Share Exchange Ratio (Co) means the number of common shares of JSC Halyk Bank, which will be received by shareholders of JSC Kazkommertsbank in exchange for one common share of JSC Kazkommertsbank;

P/B of JSC Kazkommertsbank means the ratio of fair value of JSC Kazkommertsbank and corresponds to the value of 1.2;

P/B of JSC Halyk Bank means the ratio of fair value of JSC Halyk Bank (taking into account Share Ownership of JSC Halyk Bank in JSC Kazkommertsbank) and corresponds to the value of 1.5;

Equity of JSC Kazkommertsbank - the equity as specified in Form 700N "Report on balances on the balance accounts of second-tier banks and mortgage companies of JSC Kazkommertsbank" for the last working day of the month preceding the date of signing the transfer certificate;

Equity of JSC Halyk Bank - the equity as specified in Form 700N "Report on balances on the balance accounts of second-tier banks and mortgage companies of JSC Halyk Bank" for the last working day of the month preceding the date of signing the transfer certificate

The results obtained under the formula for calculating the Common Share Exchange Ratio shall be rounded to the sixth decimal place, as per mathematical rounding rules.

To agree that:

The Common Share Exchange Ratio (Co) will be calculated as of the date of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank, which will be convened for adoption of the resolution on approval of the transfer certificate;

The Common Share Exchange Ratio (Co) calculation formula can be changed by the resolution of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank, which will be convened for adoption of the resolution on approval of the transfer certificate.

The number of common shares of JSC Halyk Bank received by i-th shareholder of JSC Kazkommertsbank in exchange for common shares of JSC Kazkommertsbank (hereinafter referred to as the "Number of common shares of JSC Halyk Bank received by a shareholder of JSC Kazkommertsbank (Ki)), is calculated under the following formula:

$K_i = A_i \times \text{Common Share Exchange Ratio (Co)}$, where:

A_i – the number of common shares of JSC Kazkommertsbank held by i-th shareholder of JSC Kazkommertsbank as of the exchange date of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank.

The results obtained under the formula for calculating the Number of Common Shares of JSC Halyk Bank received by shareholder of JSC Kazkommertsbank (K_i), shall be rounded to the nearest integer, as per mathematical rounding rules;

2) provided that JSC Kazkommertsbank and JSC Halyk Bank obtain the permission of the National Bank of Kazakhstan for the voluntary reorganization of JSC Kazkommertsbank and JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, to approve the following procedure and time of placement (sale) of common shares of JSC Halyk Bank:

common shares of JSC Kazkommertsbank shall be debited from the individual accounts of registered persons and credited to the individual account of JSC Halyk Bank;

common shares of JSC Halyk Bank shall be debited from the issuer's individual account of authorized securities and (or) the issuer's individual account of treasury securities and credited to the registered accounts of the registered persons, previously registered as holders of common shares of JSC Kazkommertsbank, in the amount determined on the basis of the Common Share Exchange Ratio (Co).

Common shares of JSC Halyk Bank attributable to JSC Halyk Bank in the amount determined on the basis of Common Share Exchange Ratio (Co) are not credited to the individual account of treasury common shares of JSC Halyk Bank and remain on the account of authorized common shares of JSC Halyk Bank.

JSC Halyk Bank within three working days from the date of signing the transfer certificate will send to JSC Integrated Securities Registrar an appropriate order to perform the necessary actions in the security holder registering system in accordance with the requirements of the legislation of the Republic of Kazakhstan.

6. On approval of the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

I propose to pass on to discussion of **the sixth item** of the agenda: “On approval of the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan.”

The floor on this item is passed to **Daulet Kubenovich Abzhanov**, General Counsel of the Bank.

D.K. Abzhanov, General Counsel of JSC Halyk Bank:

Dear Shareholders!

In accordance with Article 83 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the company's merger into the other company shall mean the termination of activities of the merging company with the transfer of all its assets, rights and obligations to the other company under the merger agreement and in accordance with the transfer certificate.

According to Articles 60 and 60-1 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan," a request for permit of voluntary reorganization through the merger filed with the competent authority shall be accompanied by the merger agreement signed by CEOs of relevant executive bodies upon resolution adopted at the Joint General Shareholders' Meeting of reorganized banks, in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies.”

In the handouts distributed to you during registration of shareholders, there is a draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan in the Kazakh and Russian languages.

The Merger Agreement regulates the rights and obligations of the reorganized JSC Halyk Bank and JSC Kazkommertsbank, the main stages of JSC Kazkommertsbank's merger into JSC Halyk Bank, the exchange procedure of JSC Kazkommertsbank's shares for shares of JSC Halyk Bank and other provisions related to the reorganization of JSC Halyk Bank and JSC Kazkommertsbank.

The Merger Agreement is proposed to be approved at the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank.

Dear Shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the draft Merger Agreement, as it is currently drafted.

Y.D. Siyrbayev, Chair of the Meeting:

Dear shareholders! Do you have other proposals? Does anybody want to take a floor?

There are no proposals and anybody to take floor. I would like to ask to vote on **the sixth item** of the agenda.

Members of the Ballot Committee are kindly requested to count voting results on **the sixth item** on the meeting agenda. To announce the results of voting on **the sixth item** of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of voting shares of JSC Halyk Bank is **9,989,201,474**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **9,652,034,960**, out of which on **the sixth item** of the agenda "On approval of the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan" voted:

	Number of voting shares	% of total voting shares
"for"	9,176,896,131	91.86817
"against"	400,344,509	4.00777
"abstain"	74,794,320	0.74875
take no part in the voting	337,166,514	3.37531

The resolution was passed by supermajority of votes out of the Bank's total voting shares.

Thus, the Annual General Shareholders' Meeting by supermajority of votes out of the Bank's total voting shares resolved:

To approve the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan, as proposed for consideration at this Annual General Shareholders' Meeting.

7. On consideration of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders! I propose to pass on to discussion of **the seventh item** of the agenda: "On consideration of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank."

The floor on this item is passed to **Alexander Sergeevich Pavlov**, Chairman of the Bank's Board of Directors.

A.S. Pavlov, Chairman of the Bank's Board of Directors:

Dear Shareholders!

In accordance with the Corporate Governance Code of JSC Halyk Bank, the performance of JSC Halyk Bank Board of Directors is evaluated by the Annual General Shareholders' Meeting.

At the same time, the Board of Directors should give a formal and rigorous assessment of its own performance, as well as the activities of its Committees and members of the Board of Directors.

During the reporting year, the activity of the Board of Directors has been focused on implementation of the Halyk Group Development Strategy for 2016-2018 and was performed in strict compliance with the standards of corporate governance.

The in-person meetings of the Board of Directors were conducted with the participation of foreign independent directors in order to discuss the most important and strategic issues of JSC Halyk Bank. In cases permitted by the legislation of the Republic of Kazakhstan, the resolutions on operational issues were passed by the Board of Directors by absent voting.

In 2017, the Board of Directors of JSC Halyk Bank held 11 in-person meetings with 71 issues considered, and 75 meetings by absent voting.

The following issues were considered consistently:

1) semi-annually:

Halyk Group Development Strategy Implementation Reports for 2016-2018 of the Management Board of JSC Halyk Bank and the subsidiaries;

JSC Halyk Bank Transformation Program 2020 Progress Report and JSC Halyk Bank IT Transformation Program 2020 Progress Report of the Management Board of JSC Halyk Bank;

Progress Report and Current Issues of Halyk Project LLP;

2) quarterly Halyk Group Performance and Budget Reports of the Management Board of JSC Halyk Bank, followed by the Board of Directors' appropriate adjustments;

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

4) risk management issues, in particular, analysis of the loan portfolio quality, analysis of related party transactions with regard to avoidance of lending for such persons on preferential terms;

5) internal audit issues;

6) other managerial information that is provided in accordance with the requirements of applicable legislation of the Republic of Kazakhstan.

The results of stress testing of the loan portfolio of JSC Halyk Bank were considered under world economic development scenario, effect on the loan portfolio and share capital of JSC Halyk Bank was determined.

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

The Chief Risk Officer, Chief Compliance Controller reported on efficiency of compliance risk management in JSC Halyk Bank and certain subsidiaries and on the activities carried out in anti-money laundering, combating the financing of terrorism.

As an important and major part of its work in 2017, the Board of Directors considered the review of the issues on the transactions related to:

1) acquisition of JSC Kazkommertsbank and its subsidiaries;

2) attraction of the strategic investor - one of the largest financial institutions of the People's Republic of China CITIC Bank Corporation Limited and sale of 60% stake in JSC Altyn Bank (SB of JSC Halyk Bank) held by JSC Halyk Bank.

The Board of Directors has regularly considered the Halyk Group Development Strategy Implementation Reports for 2016-2018, making sure that the Development Strategy was implemented successfully, whereby Halyk Group strengthened its position on the financial services market.

In general, the objectives set by the Board of Directors to Halyk Group and related to further strengthening JSC Halyk Bank's position and be the number one bank in Kazakhstan are achieved. At the same time, the subsidiaries carry out complex of measures aimed at strengthening their leading positions in their respective business.

The Board of Directors also ensures a proper control over activities carried out by the Management Board, Internal Audit Service and other bodies of JSC Halyk Bank through the following Committees under the Board of Directors:

1) Audit;

2) HR and remuneration;

3) Strategic planning;

4) Social issues.

Please find below Committees' activity statistics:

Committee	In-person meetings	Meetings by absent voting	Total
Audit Committee	3	41	44
HR and Remuneration Committee	-	8	8
Strategic Planning Committee	4	-	4
Committee on Social Issues	1	-	1
Total	8 meetings	49 meetings	57 meetings

The most important issues considered by the Committees:

1) 2016 Halyk Group Development Strategy Implementation Report for the period 2016-2018;

2) I Half 2017 Halyk Group Development Strategy Implementation Report for the period 2016-2018;

- 3) JSC Halyk Bank and Halyk Group Performance and Budget Report for 2016;
- 4) JSC Halyk Bank Transformation Program 2020 Progress Report and JSC Halyk Bank IT Transformation Program 2020 Progress Report;
- 5) Bank stress testing results in the overall economic scenario (scenario analysis) in 2018;
- 6) The results of audit of JSC Halyk Bank business processes and subdivisions, including the corporate governance processes and interaction with shareholders, by the internal audit;
- 7) Review of current risk management practices in JSC Halyk Bank and certain subsidiaries;
- 8) Report on internal self-assessment of compliance of JSC Halyk Bank's Internal Audit Department activities with International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors for 2016;
- 9) Report on efficiency of Internal Control System in JSC Halyk Bank and its subsidiaries for the first half of 2017;
- 10) Changes in the Management Board and Board of Directors of JSC Halyk Bank and the JSC Halyk Bank's executive staff reserve for 2017.

All members of the Board of Directors have efficiently participated in activity of JSC Halyk Bank, objectively and faithfully performing their duties in the interests of JSC Halyk Bank and its shareholders.

Thus, it appears that during the reporting period the work of the Board of Directors of JSC Halyk Bank was carried out within the framework of the Halyk Group Development Strategy for 2016-2018, and fulfillment of the functions of the members of the Board of Directors was efficient.

Based on the above, we propose to take note of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank and acknowledge the activity of the Board of Directors and performance of functions by the members of the Board of Directors as positive.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders! I would like to ask to vote on **the seventh item** of the agenda.

Members of the Ballot Committee are kindly requested to count voting results on **the seventh item** on the meeting agenda, and the Chair of the Ballot Committee to announce them later.

Dear Shareholders!

While the votes on **the seventh item** of the agenda are being counted, the floor is passed to **Umut Bolatkhanovna Shayakhmetova**, CEO of the Bank.

U.B. Shayakhmetova, CEO:

Dear Shareholders!

For Kazakhstan banking sector, the year 2017 was a period of challenge. The burden of accumulated problems, the main of which, in our opinion, was the large volume of non-performing loans and the insufficient level of capitalization of a number of commercial banks, - has resulted in liquidity shortage, defaults and license revocation from some financial institutions.

In these challenging macroeconomic conditions, the regulator has done a great and very important work to rehab and improve financial stability of the banking sector, which has had a notable positive effect. Thanks to additional funding from the National Bank of Kazakhstan, a number of large commercial banks in Kazakhstan were able to improve liquidity and capitalization indicators, which somewhat set off the effect of adverse factors.

This unprecedented measure of government support for cleaning loan portfolio of the banking system has become a key condition for the historic acquisition transaction of 96.81% shares in JSC Kazkommertsbank. As you know, once the largest and a very safe core bank of Kazakhstan in 2016 was on the chopping block due to capital adequacy and liquidity. Our analysis, conducted in the first half of 2017 as part of the due diligence procedure of JSC Kazkommertsbank, showed that most of these problems were due to BTA Bank's loan.

From the very beginning of discussions on the government exit from the capital of the nationalized BTA Bank in 2013 and the sale of its shares to a strategic investor, we, as a potential buyer of the financial institution, steadily adhered to the pragmatic position: the entire pool of distressed assets of BTA related to the activities of its former shareholders should be removed to off-balance sheet of the

banking system, so that loans with a long recovery horizon would not have burdened its development.

Time proved the validity and correctness of this approach: the transaction of acquisition of JSC Kazkommertsbank, which without exaggeration can be called the largest in the CIS, due to BTA Bank's debt buyout by the state JSC Fund for Problem Loans, allowed the best way to solve the problem of rescuing the core bank, while eliminating the big block of risks.

It should be noted that JSC Halyk Bank does not need and does not plan to participate in the state program for rehabilitating the banking sector. Due to harmonized policy of asset and liability management, as well as the competent risk management of the bank, its liquidity reserves in both tenge and foreign currency are at a consistently high level and significantly exceed regulatory requirements, even taking into account high expenses on capitalization of the subsidiary JSC Kazkommertsbank.

Despite the presence of objective factors that significantly limit the further development of the financial market, the Halyk Group demonstrates outstanding successes in all areas of business from year to year. This is evident from continuous growth of the group's key financial indicators. At the same time as loan portfolio of JSC Halyk Bank grows, which in 2017 was significantly ahead of the market average rates, the NPL level, according to unconsolidated data, in accordance with the methodology of the National Bank of Kazakhstan, decreased from 8.6% to 7.6%.

Small and medium business servicing takes a special role in the activities of JSC Halyk Bank. We are sure that a developed and prosperous class of domestic entrepreneurs is one of the fundamental bases for diversification and further economic growth. In 2017, our bank issued to Kazakh entrepreneurs 37% more loans vs. 2016. The active work with business has also allowed us to increase SMB deposit portfolio by 70%.

The state fund for entrepreneurial development - JSC Damu Fund is our key partner for many years in the field of SMB support. By the end of 2017, the volume of SMB loans approved with our help for state subsidies of interest rates under the Business Road Map-2020 program, reached 14.3% of total volume of the subsidized SMB loans.

In 2017, we strengthened our leadership in the retail business. In tandem with JSC Kazkommertsbank, our share of household deposits and retail loans as of 1 January 2018, respectively, is about 37% and 24% of the market. For 2017, we increased the figures in the retail segment by deposits - by 0.2%, and by lending - by 4.2%. Total customer database of the two banks is also the largest across country: as of 1 January 2018, we serviced 13.6 million customers, of which active (using more than one product) – 9.8 million.

The total number of cards Halyk and Qazkom today exceeds 9 million, while the number of organizations served under salary projects of two banks is more than 43 thousand. Since July 2017, after technological integration of ATMs Halyk and Qazkom, our integrated ATM network has become the most accessible and branched out in the country. Today, it has about 4600 devices. Through 68 thousand POS terminals of JSC Halyk Bank and JSC Kazkommertsbank our customers for 2017 made more than 53 million transactions. According to this indicator, two banks occupy 47% of the market.

In December 2017, the Board of Directors of JSC Halyk Bank, as the most optimal option for further development of the group, approved the legal merger of JSC Kazkommertsbank into JSC Halyk Bank. We expect that as a result of the planned integration of the two core banks in 2018, the absolute asset, equity and market share-leader will appear on the country's financial market, which will ensure high reliability for customer savings, will be the largest creditor for the national economy and the "first-choice bank" for the majority of Kazakhstan people.

The surviving bank will have the largest geographical coverage in Kazakhstan due to its extensive branch network of 575 branches. Products and services of the bank will be available through the largest and most developed acquiring infrastructure in the country, as well as the most advanced Personal and Corporate Internet Banking Systems. Even today, customers of the country's two largest banks enjoy the benefits of integration. By integrating ATM networks Halyk and Qazkom, we have doubled the availability of ATMs, and also canceled for our customers additional cash-in/cash-out commissions.

All while, our integration office working in harmonization of product lines and standardization of Halyk and Qazkom tariffs. We intend to encourage our customers to actively use remote service channels - by reducing tariffs, special services and favorable offers.

The big positive changes in the activities of JSC Halyk Bank, which have already occurred and are planned for the near future, in fact pursue the main goal: to increase the competitiveness of the banking sector in order to adequately meet the challenges associated with our country's accession to the WTO.

Another priority task, which was set by the head of state, is the entry of Kazakhstan into 30 developed countries of the world. As the largest core bank, we will make every effort to help the state achieve these lofty goals and justify the special credit of trust of our fellow citizens. On behalf of the Management Board, I thank our shareholders, customers and partners for their assistance and support in solving these important tasks.

Y.D. Siyrbayev, Chair of the Meeting:

Thank you, Umut Bolatkhanovna.

Dear Shareholders! To announce the results of voting on **the seventh item** of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the seventh item** of the agenda "On consideration of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,647,762,720	99.95574
"against"	0	0
"abstain"	4,272,240	0.04426
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of total voting shares of the Bank participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of total number of the Bank's voting shares participating in the voting resolved:

To take note of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank, submitted for consideration at this Annual General Shareholders' Meeting of JSC Halyk Bank, and acknowledge the activity of the Board of Directors and performance of functions by the members of the Board of Directors as positive.

8. 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.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

I propose to pass on to discussion of **the eighth item** of 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."

The floor on this item is passed to **Alexander Sergeevich Pavlov**, Chairman of the Bank's Board of Directors.

A.S. Pavlov, Chairman of the Bank's Board of Directors:

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 informs the shareholders on the amount and structure of remuneration of the members of Board of Directors and the executive body of the Company at the Annual General Shareholders' Meeting.

In pursuance of the requirement of the above mentioned 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 2017.

Remuneration (payment of remuneration) to the members of Board of Directors and Management Board of JSC Halyk Bank will be paid on the basis of the labor contracts (the agreements), concluded in accordance with the requirements of paragraph 5 Article 36-1, Article 53-2-9 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 members of Board of Directors and Management Board of JSC Halyk Bank in 2017 was as follows:

(KZT)

Members of Board of Directors and Management Board of the Bank	Total revenues
	1,922,484,756.49

In 2017, the mandatory payroll deductions from above revenues of members of Board of Directors and Management Board of JSC Halyk Bank were made as follows:

(KZT)

Members of Board of Directors and Management Board	Individual income tax	Mandatory pension contributions	Total mandatory deductions
	191,110,848.01	16,140,635.95	207,251,483.96

Dear Shareholders! We hereby ask you to take note of the information provided on the amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders! Do you have any other proposals? Does anybody want to take floor?

There are no other proposals and anybody to take floor. I would like to ask to vote on **the eighth item** of the agenda.

Members of the Ballot Committee are kindly requested to count voting results on **the eighth item** of the meeting agenda. To announce the results of voting on **the eighth item** of the agenda of the Annual General Shareholders’ Meeting of JSC Halyk Bank, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Dear Shareholders, let me announce the results of voting on **the eighth item** on the agenda that were discussed at this Annual General Meeting.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders’ Meeting, is **9,652,034,960**, out of which on **the eighth item** of the agenda “On informing shareholders of JSC Halyk Bank on the amount and structure of remuneration of the members of the Board of Directors and Management Board of JSC Halyk Bank” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	9,619,654,920	99.66453
“against”	32,379,240	0.33547
“abstain	800	0.00001
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of total voting shares of the Bank participating in the voting.

Thus, the Annual General Shareholders’ Meeting by simple majority of votes out of total number of the Bank’s voting shares participating in the voting resolved:

To take note of the information provided on the amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank as proposed to the Annual General Shareholders’ Meeting of JSC Halyk Bank for consideration.

9. On consideration of information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

I propose to pass on to discussion of **the ninth item** of the agenda “On consideration of information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.”

The floor on this item is passed to **Aliya Sakenovna Karpykova**, Deputy CEO of the Bank.

Aliya Sakenovna Karpykova, Deputy CEO:

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 the consideration of shareholders of JSC Halyk Bank the information on shareholders’ appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.

Following the resolution of the Management Board of JSC Halyk Bank on payment of material assistance to the shareholders of JSC Halyk Bank - individuals in 2017 in the amount of 2.00 (two tenge 00 tiyn) per common share of JSC Halyk Bank for the period from 1 May 2017 to 31 December 2017, the material assistance was paid totaling KZT24.45 million to 1,215 shareholders – individuals.

In 2017, the work was also continued and completed on payment of material assistance to shareholders of JSC Halyk Bank - individuals for 2016 of 2.00 (two tenge 00 tiyn) per common share of JSC Halyk Bank. The total amount of material assistance paid for 2016 was KZT2.23 million to 202 shareholders – individuals.

In 2017, the work was continued on payment of dividends on common shares of JSC Halyk Bank for past years, total KZT3.0 million to 147 shareholders. In accordance with the resolutions passed by the Board of Directors of JSC Halyk Bank, the common shares of JSC Halyk Bank were redeemed during 2017 at the prices of 28 tenge, 35 tenge, 55 tenge per common share, respectively. As a result, on the basis of applications submitted in 2017, 71,408 common shares of JSC Halyk Bank were redeemed from 18 shareholders for the amount of KZT3.1 million.

During 2017, five appeals have been received from shareholders of JSC Halyk Bank and considered, regarding payment of dividends, material assistance, information of withheld income tax and other issues related to activities of JSC Halyk Bank, as well as legislation of the Republic of Kazakhstan, to which the following answers were given:

1 appeal was considered from shareholder of JSC Halyk Bank – non-resident individual concerning the payment of material assistance on common shares of JSC Halyk Bank to shareholders – individuals in 2017, to bank account opened with a bank of a foreign state. Based on the results of consideration of this appeal, the specified payment was made;

1 appeal was considered from shareholder of JSC Halyk Bank concerning the procedure for

updating by shareholders of JSC Halyk Bank of information in the security holders register system of JSC Integrated Securities Registrar, to which full and complete reply was provided;

1 appeal was considered from shareholder of JSC Halyk Bank, which has been sent by National Bank of Kazakhstan, concerning payment of dividends on common shares of JSC Halyk Bank to the appealing shareholder, following the performance results of JSC Halyk Bank for the years 2015 and 2016. Based on the results of consideration of this appeal, letters were submitted to the National Bank of Kazakhstan and the shareholder of JSC Halyk Bank;

2 applications were 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 certain periods. As a result, relevant statements were prepared and provided for submission to the tax authorities when completing tax returns.

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.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders! Do you have other proposals? Does anybody want to take a floor?

There are no proposals and anybody to take floor. I would like to ask all shareholders to vote on **the ninth item** of the agenda.

Members of the Ballot Committee are kindly requested to count voting results on **the ninth item** of the meeting agenda.

To announce the results of voting on **the ninth item** of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Dear Shareholders, let me announce the results of the voting on **the ninth item** of the agenda that was discussed at this Annual General Shareholders' Meeting.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the ninth item** of the agenda "On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,652,034,160	99.99999
"against"	800	0.00001
"abstain"	0	0
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of total voting shares of the Bank participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of total number of the Bank's voting shares participating in the voting resolved:

To take note of the information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof, presented for consideration of this Annual General Shareholders' Meeting.

I.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders, to announce the results of voting on all items of the agenda of the Annual General Shareholders' Meeting of the Bank, I give a floor to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee.

I.A. Razumova, Chair of the Ballot Committee:

Dear Shareholders, let me announce in general the results of the voting on all items of the agenda that were discussed at this Annual General Shareholders' Meeting:

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on the **first item** of the agenda "On approval of the agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares presented at the meeting
"for"	9,652,034,960	100.00000
"against"	0	0
"abstain"	0	0
take no part in the voting	0	0

The resolution was passed by majority of votes out of the Bank's total voting shares presented at the meeting.

Thus, the Annual General Shareholders' Meeting by majority of votes out of the Bank's total voting shares presented at the meeting resolved:

To approve the Agenda of the Annual General Shareholders' Meeting of JSC Halyk Bank dated 20 April 2018 as stated by the Board of Directors of JSC Halyk Bank (minutes to meeting of the Board of Directors of JSC Halyk Bank by absent voting No.14 dated 20 February 2018).

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the second item** of the agenda "On approval of the annual financial statements of JSC Halyk Bank for the year ended 31 December 2017" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,647,763,520	99.95575
"against"	0	0
"abstain"	4,271,440	0.04425
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of the Bank's total voting shares participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of the Bank's total voting shares participating in the voting resolved:

To approve the annual financial statements of JSC Halyk Bank for the year ended 31 December 2017 and the independent auditor's report.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the third item** of the agenda "On approval of the procedure of distribution of JSC Halyk Bank's net income for 2017. 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" voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	9,652,034,960	100.00000
“against”	0	0
“abstain”	0	0
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of the Bank’s total voting shares participating in the voting.

Thus, the Annual General Shareholders’ Meeting by simple majority of votes out of the Bank’s total voting shares participating in the voting resolved:

To approve the following procedure of distribution of net income of JSC Halyk Bank received by the results of the 2017 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 (NIN KZ1C33870011):

name: JSC Halyk Bank;

location of JSC Halyk Bank: 40, Al-Farabi Ave., 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, Beneficiary Code – 14;

the dividend payment period: 2017;

the dividend amount per common share: 6.31 tenge;

the dividend payment start date: 01 June 2018;

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. 23 April 2018;

the dividend payment form – non-cash.

Part of net income of JSC Halyk Bank for 2017, 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.

Total amount of voting shares of JSC Halyk Bank **9,989,201,474**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders’ Meeting is **9,652,034,960**, out of which on **the fourth item** of the agenda “On voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank’s merger into JSC Halyk Bank” voted:

	Number of voting shares	% of total voting shares
“for”	9,176,896,131	91.86817
“against”	400,344,509	4.00777
“abstain”	74,794,320	0.74875
take no part in the voting	337,166,514	3.37531

The resolution was passed by super majority of votes out of the Bank’s total voting shares.

Thus, the Annual General Shareholders’ Meeting by super majority of votes out of the Bank’s total voting shares resolved:

to carry out the voluntary reorganization of JSC Halyk Bank (with JSC Halyk Bank’s registered office at: 40, Al-Farabi Ave., Medeu District, A26M3K5, Almaty, Republic of Kazakhstan) through JSC Kazkommertsbank’s merger into JSC Halyk Bank in the manner and on terms determined by the legislation of the Republic of Kazakhstan and the resolution of the Joint General Shareholders’ Meeting of JSC Halyk Bank and JSC Kazkommertsbank to be held on 20 April 2018;

to determine that the assets (rights and obligations) of JSC Kazkommertsbank will be assumed by JSC Halyk Bank under the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank’s merger into JSC Halyk Bank from the date of signing of the transfer certificate by JSC Halyk Bank and JSC Kazkommertsbank, taking into account the requirements of the legislation of the Republic of Kazakhstan;

to authorize Umut Bolatkhanovna Shayakhmetova, Chairperson of the Management Board of JSC Halyk Bank (or a person acting as the Chairperson of the Management Board of JSC Halyk Bank) to sign and file with the relevant authorized agencies and organizations the application for permit of voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, as well as all other necessary documents required in the process of carrying out such voluntary reorganization and to do other things on behalf of JSC Halyk Bank stipulated by the legislation of the Republic of Kazakhstan and related to the voluntary reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank.

Total amount of voting shares of JSC Halyk Bank is **9,989,201,474**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **9,652,034,960**, out of which on **the fifth item** of the agenda "On approval of the share exchange ratio. On the procedure and terms of allocation (sale) of JSC Halyk Bank's common shares" voted:

	Number of voting shares	% of total voting shares
"for"	9,176,895,331	91.86816
"against"	400,344,509	4.00777
"abstain"	74,795,120	0.74876
take no part in the voting	337,166,514	3.37531

The resolution was passed by supermajority of votes out of the Bank's total voting shares.

Thus, the Annual General Shareholders' Meeting by supermajority of votes out of the Bank's total voting shares resolved:

1) to approve the exchange ratio of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank (hereinafter referred to as the "Common Share Exchange Ratio" or the "Common Share Exchange Ratio (Co)"), calculated under the following formula:

$$\text{Common Share Exchange Ratio} = \frac{\text{Number of common shares of JSC Halyk Bank, which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank (save JSC Halyk Bank)}}{\text{Number of common shares of JSC Kazkommertsbank held by shareholders of JSC Kazkommertsbank (save JSC Halyk Bank)}}$$

where:

$$\text{Number of common shares of JSC Halyk Bank, which will be placed (sold) in favor of shareholders of JSC Kazkommertsbank (save JSC Halyk Bank)} =$$

$$= \frac{\text{Fair value of JSC Kazkommertsbank (minority interest in JSC Kazkommertsbank)}}{\text{Fair value of one share of JSC Halyk Bank}}$$

$$\text{Fair value of JSC Kazkommertsbank (minority interest in JSC Kazkommertsbank)} =$$

$$= \text{Equity of JSC Kazkommertsbank} \times \text{Minority interest in JSC Kazkommertsbank} \times P/B \text{ JSC Kazkommertsbank}$$

$$\text{Minority interest in JSC Kazkommertsbank} =$$

$$= 100\% - \frac{\text{Number of common shares of JSC Kazkommertsbank held by JSC Halyk Bank}}{\text{Number of outstanding common shares (minus repurchased) of JSC Kazkommertsbank}}$$

$$\begin{aligned} \text{Fair value of one share of JSC Halyk Bank} &= \\ &= \frac{\text{Fair value of JSC Halyk Bank}}{\text{Number of outstanding common shares (minus repurchased) of JSC Halyk Bank}} \end{aligned}$$

$$\text{Fair value of JSC Halyk Bank} =$$

$$= \text{Equity of JSC Halyk Bank} \times \text{P/B JSC Halyk Bank}$$

The fair value of JSC Halyk Bank and the fair value of one share of JSC Halyk Bank reflects the fair value of JSC Halyk Bank, taking into account the shares of JSC Kazkommertsbank (hereinafter referred to as the "Share Ownership") held by JSC Halyk Bank;

The Common Share Exchange Ratio (Co) means the number of common shares of JSC Halyk Bank, which will be received by shareholders of JSC Kazkommertsbank in exchange for one common share of JSC Kazkommertsbank;

P/B of JSC Kazkommertsbank means the ratio of fair value of JSC Kazkommertsbank and corresponds to the value of 1.2;

P/B of JSC Halyk Bank means the ratio of fair value of JSC Halyk Bank (taking into account Share Ownership of JSC Halyk Bank in JSC Kazkommertsbank) and corresponds to the value of 1.5;

Equity of JSC Kazkommertsbank - the equity as specified in Form 700N "Report on balances on the balance accounts of second-tier banks and mortgage companies of JSC Kazkommertsbank" for the last working day of the month preceding the date of signing the transfer certificate;

Equity of JSC Halyk Bank - the equity as specified in Form 700N "Report on balances on the balance accounts of second-tier banks and mortgage companies of JSC Halyk Bank" for the last working day of the month preceding the date of signing the transfer certificate

The results obtained under the formula for calculating the Common Share Exchange Ratio shall be rounded to the sixth decimal place, as per mathematical rounding rules.

To agree that:

The Common Share Exchange Ratio (Co) will be calculated as of the date of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank, which will be convened for adoption of the resolution on approval of the transfer certificate;

The Common Share Exchange Ratio (Co) calculation formula can be changed by the resolution of the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank, which will be convened for adoption of the resolution on approval of the transfer certificate.

The number of common shares of JSC Halyk Bank received by i-th shareholder of JSC Kazkommertsbank in exchange for common shares of JSC Kazkommertsbank (hereinafter referred to as the "Number of common shares of JSC Halyk Bank received by a shareholder of JSC Kazkommertsbank (Ki)), is calculated under the following formula:

$K_i = A_i \times \text{Common Share Exchange Ratio (K}_o\text{)}$, where:

A_i – the number of common shares of JSC Kazkommertsbank held by i-th shareholder of JSC Kazkommertsbank as of the exchange date of common shares of JSC Kazkommertsbank for common shares of JSC Halyk Bank.

The results obtained under the formula for calculating the Number of Common Shares of JSC Halyk Bank received by shareholder of JSC Kazkommertsbank (K_i), shall be rounded to the nearest integer, as per mathematical rounding rules;

2) provided that JSC Kazkommertsbank and JSC Halyk Bank obtain the permission of the National Bank of Kazakhstan for the voluntary reorganization of JSC Kazkommertsbank and JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, to approve the following procedure and time of placement (sale) of common shares of JSC Halyk Bank:

common shares of JSC Kazkommertsbank shall be debited from the individual accounts of registered persons and credited to the individual account of JSC Halyk Bank;

common shares of JSC Halyk Bank shall be debited from the issuer's individual account of authorized securities and (or) the issuer's individual account of treasury securities and credited to the registered accounts of the registered persons, previously registered as holders of common shares of JSC Kazkommertsbank, in the amount determined on the basis of the Common Share Exchange Ratio (Co).

Common shares of JSC Halyk Bank attributable to JSC Halyk Bank in the amount determined on the basis of Common Share Exchange Ratio (Co) are not credited to the individual account of treasury common shares of JSC Halyk Bank and remain on the account of authorized common shares of JSC Halyk Bank.

JSC Halyk Bank within three working days from the date of signing the transfer certificate will send to JSC Integrated Securities Registrar an appropriate order to perform the necessary actions in the security holder registering system in accordance with the requirements of the legislation of the Republic of Kazakhstan.

Total amount of voting shares of JSC Halyk Bank is **9,989,201,474**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **9,652,034,960**, out of which on **the sixth item** of the agenda "On approval of the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan" voted:

	Number of voting shares	% of total voting shares
"for"	9,176,896,131	91.86817
"against"	400,344,509	4.00777
"abstain"	74,794,320	0.74875
take no part in the voting	337,166,514	3.37531

The resolution was passed by supermajority of votes out of the Bank's total voting shares.

Thus, the Annual General Shareholders' Meeting by supermajority of votes out of the Bank's total voting shares resolved:

To approve the draft Agreement on Merger of Joint Stock Company Kazkommertsbank into Joint Stock Company Halyk Savings Bank of Kazakhstan, as proposed for consideration at this Annual General Shareholders' Meeting.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the seventh item** of the agenda "On consideration of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,647,762,720	99.95574
"against"	0	0
"abstain"	4,272,240	0.04426
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of total voting shares of the Bank participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of total number of the Bank's voting shares participating in the voting resolved:

To take note of the 2017 Performance Report of the Board of Directors of JSC Halyk Bank, submitted for consideration at this Annual General Shareholders' Meeting of JSC Halyk Bank, and

acknowledge the activity of the Board of Directors and performance of functions by the members of the Board of Directors as positive.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the eighth item** of the agenda "On informing shareholders of JSC Halyk Bank on the amount and structure of remuneration of the members of the Board of Directors and Management Board of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,619,654,920	99.66453
"against"	32,379,240	0.33547
"abstain"	800	0.00001
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of total voting shares of the Bank participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of total number of the Bank's voting shares participating in the voting resolved:

To take note of the information provided on the amount and structure of remuneration of the members of Board of Directors and Management Board of JSC Halyk Bank as proposed to the Annual General Shareholders' Meeting of JSC Halyk Bank for consideration.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **9,652,034,960**, out of which on **the ninth item** of the agenda "On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,652,034,160	99.99999
"against"	800	0.00001
"abstain"	0	0
take no part in the voting	0	0

The resolution was passed by simple majority of votes out of total voting shares of the Bank participating in the voting.

Thus, the Annual General Shareholders' Meeting by simple majority of votes out of total number of the Bank's voting shares participating in the voting resolved:

To take note of the information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof, presented for consideration of this Annual General Shareholders' Meeting.

Y.D. Siyrbayev, Chair of the Meeting:

Dear Shareholders!

Due to completion of review of all items of the agenda approved for today, I propose to close this Annual General Shareholders' Meeting of Joint Stock Company Halyk Savings Bank of Kazakhstan.

Thank you for your active participation in this meeting of shareholders.

Dear shareholders, we ask you to participate in the Joint General Shareholders' Meeting of JSC Halyk Bank and JSC Kazkommertsbank in order to approve resolutions on the issues related to the reorganization of JSC Halyk Bank through JSC Kazkommertsbank's merger into JSC Halyk Bank, which have been approved at today's Annual General Shareholders' Meeting of JSC Halyk Bank.

The registration of the shareholders of JSC Halyk Bank for participation in the Joint General Shareholders' Meeting is carried out at the venue of the Joint General Shareholders' Meeting (conference hall, 40, Al-Farabi Ave., Medeu district, Almaty, Republic of Kazakhstan), which will be started at 9:00 am and will be completed at 11:45 am. Those shareholders, who have not registered yet for participation in the Joint General Shareholders' Meeting, please approach the responsible employees of the Bank for registration.

**Chair of the Annual General
Shareholders' Meeting of JSC Halyk Bank**

Y.D. Siyrbayev

**Secretary of the Annual General
Shareholders' Meeting of JSC Halyk Bank**

Y.V. Sidorova

**Representative of the Shareholder who holds
10% and more of voting shares
and can witness correctness of these Minutes**

on behalf of JSC Holding Group ALMEX

D.K. Suindykov

Chair of the Ballot Committee:

I.A. Razumova

Members of the Ballot Committee:

A.V. Borodovitsyna

G.M. Ilussinov

G.S. Madazimova

V.S. Skryl

Y.A. Khmyz