

**MINUTES No. 42**  
**of Annual General Shareholders' Meeting**  
**of Joint Stock Company Halyk Savings Bank of Kazakhstan**

**Almaty**

**18 April 2019**

**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:** 11:00 am to 12:50 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 11:00 am on 18 April 2019 (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 **8,756,202,348** voting common shares of the Bank, this is **81.70%** of total voting common shares of the Bank, represented by Dauren Kazykenovich Suindykov, acting by the virtue of power of attorney No.296 dated 15 April 2019;

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 Viktorovna Bibekina.

As per the information presented by the registrar of the Bank - JSC Integrated Securities Registrar, as of 18 March 2019 (record date of the list of shareholders eligible to take part in the General Shareholders' Meeting):

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 **10,717,138,640** shares, the number of common shares of the Bank redeemed by the Bank is **1,693,495,385** shares;

2. total number of the Bank's shareholders holding common shares of the Bank is **29,507** shareholders (including **71** 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 "Egemen Qazaqstan" dated 5 March 2019:**

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 2018.

3. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2018. 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 selection of audit firm for the audit of participants of banking conglomerate during 2019-2021.

5. On approval of amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market.

6. On approval of amendments to the Charter of JSC Halyk Bank.

7. On approval of amendments to the Corporate Governance Code of JSC Halyk Bank.

8. On approval of amendments to the Regulation on the Board of Directors of JSC Halyk Bank.



9. On early termination of powers of the member of the Board of Directors of JSC Halyk Bank.
10. On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers.
11. On consideration of the 2018 Performance Report of the Board of Directors of JSC Halyk Bank
12. 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
13. On consideration of information on shareholders' appeals on actions of JSC Halyk Bank and its officials, and on results of consideration thereof.
14. On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members.

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

Dear Shareholders!

In accordance with the requirements of the applicable law and the Charter of the Bank, the information on convening the Annual General Shareholders' Meeting and its agenda was published in the newspapers "Egemen Qazaqstan" and "Kazakhstanskaya Pravda" dated **5 March 2019**, as well as additionally posted on corporate website of the Bank, on websites of Kazakhstan Stock Exchange, London Stock Exchange and Financial Reporting Depository.

As of 18 March 2019, 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 **29,507** shareholders, including **71** 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 **10,717,138,640** shares.

The floor is given to **Ilmira Arslanovna Razumova**, Chair of the Ballot Committee, to announce the results of the registration of the attendees at our shareholders' meeting 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 **90** shareholders and their representatives holding in aggregate **10,331,206,918** voting common shares of the Bank, this is **96.4** percent of all voting common shares of the Bank.

At the same time, we would like to note that a representative of **71** non-resident shareholders of the Republic of Kazakhstan, holding in aggregate **815,423,080** 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 items 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"	- 90
"against"	- 0
"abstain"	- 0

Carried unanimously.



2. To elect manager of the Bank's Corporate Office **Nargiz Abdymizhitovna Saidullayeva** 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" - 90  
"against" - 0  
"abstain" - 0

Carried unanimously.

I kindly request **Yerserik Damenovich Siyrbayev**, Chair of the Meeting, and **Nargiz Abdymizhitovna Saidullayeva**, 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: Arman Galiaskarovich Dunayev, Mazhit Tuleubekovich Yessenbayev, Christof Ruehl and Frank Kuijlaars, and a representative of the National Bank of Kazakhstan – Olga Viktorovna 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 items of the General Shareholders' Meeting.

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

According to clause 7 of Article 43 of the Law of the Republic of Kazakhstan "On Joint Stock Companies," the General Shareholders' Meeting is not eligible to consider items not included in its agenda, and to take decisions thereon. Whereby, I ask you to submit the items not covered by the agenda of the meeting to the secretary of the meeting in writing. The items 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.

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

"for" - 90  
"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 of JSC Halyk Bank.

**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.12 dated 28 February 2019) posted at mass media on **5 March 2019** and presented in handouts to the Annual General Shareholders' Meeting.

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

**Y.D. Siyrbayev, Chair of the Meeting:**

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

Viktor Sergeyeovich Skryl

Yelena Alexandrovna Khmyz

**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 **10,331,206,918**, 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"	10,331,206,918	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 18 April 2019 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.12 dated 28 February 2019).

**2. On approval of JSC Halyk Bank's annual financial statements for the year ended 31 December 2018.**

**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 2018."

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 and 36 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 2018:

Halyk Group has completed the year of 2018 with good results, namely:

The assets of Halyk Group increased by 1.14% (101.2 billion tenge) from 8 trillion 858 billion tenge to 8 trillion 959 billion tenge.

Loans to customers (net) increased from the beginning of 2018 by 7.07% or by 230 billion tenge and at the end of the year amounted to 3 trillion 481 billion tenge, which in turn amounts to 38.8% of all assets of Halyk Group.

The equity of JSC Halyk Bank grew by 14.04% (131.2 billion tenge) from 934 billion tenge to 1 trillion 66 billion tenge.

The profit of Halyk Group increased by 46.65% (80.88 billion tenge) from 173.3 billion tenge to 254.23 billion tenge.

The major corporate events happening in 2018 and affecting the financial results of Halyk Group are as follows:

On 24 April 2018, JSC Halyk Bank completed the transaction on the sale of a 60% stake in its subsidiary JSC Altyn Bank (SB of JSC Halyk Bank) (hereinafter referred to as "JSC Altyn Bank") to a group of Chinese investors. As of 30 September 2018, Halyk Group has a 40% stake in JSC Altyn Bank, which is recognized as an investment in an associate. The profit of Halyk Group, taking into account the



dividends received from the disposal of JSC Altyn Bank, amounted to 30.7 billion tenge. The carrying value of Halyk Group's participation in JSC Altyn Bank as of 31 December 2018 is 20.4 billion tenge.

On 22 May 2018, Halyk Group announced the completion of the reorganization carried out through the merger of JSC NBK-Bank into CB Moskommertsbank (JSC).

On 28 July 2018, the Transfer Certificate was signed, which is the legal registration of the transfer of all property, all rights and obligations of JSC Kazkommertsbank to JSC Halyk Bank. As part of the voluntary reorganization of JSC Halyk Bank and JSC Kazkommertsbank, 758,687,723 common shares of JSC Halyk Bank were distributed among shareholders of JSC Kazkommertsbank in exchange for common shares of JSC Kazkommertsbank, according to the approved share exchange ratio.

On 29 August 2018, the reorganization of subsidiaries of JSC Halyk Bank operating in the general insurance market was completed by merging of JSC Insurance Company Kazkommerts-Policy into JSC Kazakhinstrakh (from January 2019 - JSC Halyk Insurance Company).

On 1 November 2018, within the framework of the reorganization process, the Transfer Certificate was signed between JSC Halyk-Life and JSC Kazkommerts-Life, as a result of which JSC Halyk-Life became the successor of all rights and obligations of JSC Kazkommerts-Life.

In addition to the above mentioned corporate events, from 1 January 2018, Halyk Group commences to apply IFRS 9 Financial Instruments, which substitutes the guidance in IAS 39 Financial Instruments: Recognition and Measurement.

The major changes in equity of Halyk Group:

- ✓ change in the authorized capital of JSC Halyk Bank occurred as a result of the merger of JSC Kazkommertsbank to the amount of 65 billion tenge,
- ✓ in 2018 retained earnings and reserves of Halyk Group increased by 19.7% (154.7 billion tenge) from 785.7 billion tenge to 940.4 billion tenge.

The annual financial statements for the year ended 31 December 2018 of the Bank were pre-approved by the resolution of the Bank's Board of Directors dated 15 March 2019. The independent audit firm - Deloitte LLP confirmed full reliability and accuracy of data contained in the annual financial statements of the Bank by the results of activity for 2018, as well as compliance with the requirements of the International Financial Reporting Standards and legislation of the Republic of Kazakhstan.

You may find the report of the independent auditor, Deloitte LLP, 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 2018, and the independent auditor's report.

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear shareholders, do you have other proposals on this item? 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 votes and sum up voting results on **the second item** of the meeting agenda, and I kindly ask the Chair of the Ballot Committee to announce the voting results later.

**3. On approval of the procedure of distribution of JSC Halyk Bank's net income for 2018. On adoption of a resolution on payment of dividends on JSC Halyk Bank's common shares. On approval of the amount of dividend per common share of JSC Halyk Bank.**

Dear Shareholders!

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 2018. 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, 36 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Articles 25, 26 and 27 of the Charter of JSC Halyk Bank, the Board of Directors of JSC



Halyk Bank submit for consideration of the Annual General Shareholders' Meeting of JSC Halyk Bank the proposals on approval of the following distribution of net income of JSC Halyk Bank received by the results of the 2018 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 at the rate of 10.78 tenge per common share, which is 50% of the total net income for 2018, as determined from the audited consolidated financial statements of the Bank, and is the maximum possible share of dividend payments in accordance with the approved Dividend Policy of JSC Halyk Bank;

the dividend payment period: 2018;

the dividend payment start date: 3 June 2019;

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. 22 April 2019;

the dividend payment form – non-cash.

Part of net income of JSC Halyk Bank for 2018, 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?

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

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

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear Shareholders!

While the votes on **the second and third items** 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 74<sup>th</sup> anniversary of Victory in Great Patriotic War – 9 May.

The events and results of last year clearly demonstrated the whole range of vulnerabilities of the national economy, and significant dependence of the welfare of Kazakhstan on the commodity trades, the underdeveloped segment of small and medium enterprises and the prevalence of the state's role in almost all sectors, remain the main ones according to many experts.

More than 30% increase in oil prices during the year and a record volume of oil production of 90 million tons allow to keep Kazakhstan's GDP growth at the level of 2017 - 4.1%. A significant increase in revenues for the core item of national exports had a positive impact on public finances and external accounts of the country, where, for the first time since 2014, after a nearly two-fold drop in oil prices, a tendency to equalize the balance of payments is observed. Investment growth underpinned by increased export earnings reached a 10-year ceiling in 2018, exceeding the 20% indicator for the most of the year. However, over 40% of this growth were made up by investments in the extractive sector, where the main revenues were generated due to the consolidation of capacities at the Tengiz field.

The exchange rate of the national currency to the US dollar in 2018 decreased from 332.3 tenge to 384 tenge at the end of 2018. However, despite the strong inflation background, the inflation rate in Kazakhstan in 2018 reached a 5-year floor indicator of 5.3%. This indicator was practically adversely affected by neither weakness of the national currency, nor the record level of inflation expectations of the population, nor 7% growth in nominal wages.

Monetary conditions remained at a neutral level up to 3<sup>rd</sup> quarter of 2018 and, along with declining inflation, the regulator progressively lowered the base rate. Only in 4<sup>th</sup> quarter of 2018, the National Bank of Kazakhstan decided to raise the base rate to 9.25%, which could potentially indicate the intention of the regulator to tighten monetary conditions in the country. As part of the banking sector improvement, in 2018,

the National Bank of Kazakhstan revoked the licenses from the following second-tier banks: JSC Bank of Astana, JSC Qazaq Banki and JSC Eximbank Kazakhstan.

Noting the significant progress of the state in ensuring the planned indicators, we, however, believe that focusing on the development of the commodity sector only aggravates a disastrous dependence of the national economy on energy prices and indicates the absence of stable drivers for the further growth.

It must be emphasized that the unfavorable macroeconomic factors that held back the growth of the banking sector in 2018 did not prevent Halyk Group from completing a number of processes occurring at the same time, namely, reorganization of banks and insurance companies of Halyk Group. So, last July, the most large-scale transformation project in the entire history of the banking sector of Kazakhstan was successfully implemented. The two largest strategic banks, JSC Halyk Bank and JSC Kazkommertsbank, have combined their technologies, products, branch and ATM networks, as well as the knowledge and experience of two highly professional teams. The merged bank is several times ahead of its closest competitors in terms of the main indicators, and is the most reliable and diversified financial institution in Kazakhstan, and the flagship of the country's banking sector.

At the same time, as the integration of JSC Halyk Bank and JSC Kazkommertsbank occurs, in line with the integration measures planned for 2018, the reorganization of the Russian subsidiary banks and Kazakhstan insurance companies of Halyk Group was successfully carried out.

So, in the second quarter, the Russian subsidiary JSC NBK-Bank was merged into JSC Moskommertsbank. At the end of the year, the assets of the merged JSC Moskommertsbank amounted to 18,672 million rubles (103,070 million tenge), equity - 1,278 million rubles (7,056 million tenge).

In the third quarter, JSC IC Kazkommerts-Policy was integrated into JSC Kazakhinstrakh, which, by the decision of the shareholders, was renamed to JSC Halyk Insurance Company. Today this company takes the second place in the general insurance market of Kazakhstan with a 17% share of gross premiums.

In the fourth quarter, the life insurance company JSC Kazkommerts-Life was integrated into the life insurance company JSC Halyk-Life. At the end of the year, JSC Halyk-Life ranks first on the market with a share of 44.3%, and also has the highest rating among Kazakhstan life insurance companies (bbb-).

This important activity helped to optimize the activities of the Bank's subsidiaries operating in the same business segment, increased the efficiency of business management and strengthened the market position of Halyk Group.

In 2018, a subsidiary investment and brokerage company JSC Halyk Finance achieved the impressive results. At the end of the year, it ranked first in terms of net profit (4.02 billion tenge) and second in terms of equity (20.1 billion tenge) among organizations - professional securities market participants. Among the successful transactions implemented with the direct participation of the company, IPO Kazatomprom, as well as the first issue of corporate Eurobonds of JSC NC KTZ in Swiss francs, can be noted. Both transactions were conducted on the AIFC site, where JSC Halyk Finance acted as a joint arranger.

A subsidiary bank - JSC Halyk Bank Georgia - in 2018 focused on the development of the payment infrastructure. So, together with VISA and Ingenico, the bank was the first in the country to launch a mobile acquiring project. In addition, a new project - Personal and Corporate Internet Banking - was implemented. Upon the bank performance results, Fitch confirmed its financial stability rating at BB- with a positive outlook. At the end of 2018, the bank received a net profit of 12.55 million lari (1,719 million tenge).

In turn, the subsidiary bank OJSC Halyk Bank Kyrgyzstan in 2018 also showed steady growth. Thus, the bank's assets for the year increased to 7,143 million soms (39,358 million tenge); loan portfolio (gross) increased by 48%; the number of payment cards issued by the bank increased from 2.5 thousand to 11 thousand; net profit of the bank amounted to 163 million soms (826 million tenge), which is 85% higher than the result of 2017. At the end of the year, the bank was named the "Best Contributor-2018" by Thomson Reuters.

Represented in five CIS countries, Halyk Group has commenced activities to open a subsidiary bank in Uzbekistan, which is a growing and attractive market for investors. In 2018, JSC Halyk Bank has obtained the necessary permits from the National Bank of Uzbekistan for the establishment of a subsidiary bank - JSCB Tenge Bank - in the territory of the Republic of Uzbekistan so that to start its operations already in April 2019.

Halyk Group has always been distinguished for its high standards of corporate governance being in line with the international best practices. After merging with Kazkommertsbank, we continued to develop



a mainstream and efficient corporate governance system, improving and strictly following the provisions of the Bank's Charter, Corporate Governance Code and other internal regulatory documents of the Bank, thereby contributing to the growth of the Company's value and the Halyk brand for investors and shareholders.

For many years, charity has been an important aspect of activity and an integral part of the corporate culture of JSC Halyk Bank. As a socially responsible institution, the bank initiates and implements projects aimed at supporting Kazakhstan's sports, arts and culture, health care, education, and socially vulnerable segments of the population. Most of these projects are passing through the Halyk private charity foundation, which carries out this activity systematically and as efficiently as possible.

In 2018, in honor of its 95<sup>th</sup> anniversary, JSC Halyk Bank organized the Good Deeds Festival. The Halyk charity foundation also took an active part in the celebrations dedicated to the honoured anniversary of the Bank. The invitation to do good deeds and share it with others has become the bridge for all charitable initiatives. Each month of the year was devoted to a theme common for all Kazakhstanis: sport and a healthy lifestyle, national traditions, care for the younger generation and senior citizens, as well as culture and art. During this time, with the support of the Bank, the Halyk charity foundation has organized and conducted dozens of charity events, including the purchase of Invataxi for disabled people in 21 cities of Kazakhstan, the installation of sports and playgrounds, the action Road to School for children from socially vulnerable families, and also sponsoring the Astana Opera and the Kazakhstan Gymnastics Federation.

The main result of the Halyk Group's activity in 2018 was a significant increase in its financial strength and degree of influence on the domestic market. However, at the same time, the complexity of the tasks we face, as well as our responsibility to the country for the further development of the economy and the improvement of the Kazakhstani financial services market, increased proportionally.

In the coming years, the backbone role of Halyk Financial Group will further increase due to Kazakhstan's accession to the WTO and the entry of foreign players into the domestic market. However, we are open for the challenges of the new time, because we have repeatedly proved our ability to solve problems of any scale and complexity. The Halyk Financial Group, which claims to be the regional leader in Central Asia, must be the most competitive and also serve an example of customer focus and be a pioneer of technological innovations. We face new, more complicated goals, and we have everything to achieve them.

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

**Y.D. Siyrbayev, Chair of the Meeting:**

Thank you, Alexander Sergeevich.

To announce the results of voting on the **second and third items** 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 **10,331,206,918**, out of which on the **second item** of the agenda "On approval of JSC Halyk Bank's annual financial statements for the year ended 31 December 2018" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,326,935,478	99,95865
"against"	0	0
"abstain"	4,271,440	0,04135
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 2018 and the independent auditor's report.

**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 **10,331,206,918**, 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 2018. 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"	10,331,206,118	99,99999
"against"	0	0
"abstain"	800	0,00001
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 2018 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/ISIN KZ000A0LE0S4):

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: 2018;

the dividend amount per common share: 10.78 tenge;

the dividend payment start date: 3 June 2019;

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. 22 April 2019;

the dividend payment form – non-cash.

Part of net income of JSC Halyk Bank for 2018, 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 selection of audit firm for the audit of participants of banking conglomerate during 2019-2021.**

**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 selection of audit firm for the audit of participants of banking conglomerate during 2019-2021".

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

**A.S. Karpykova, Deputy CEO:**

Dear Shareholders!

In accordance with Article 57 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan", the audit of the annual financial statements JSC Halyk Bank shall be carried out by an audit firm authorized to conduct audit under the law on auditing, which also must comply with the requirements of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan."

In accordance with sub-clause 6) clause 1 Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", as well as Article 26 of Charter of JSC Halyk Bank, determination of an audit firm to conduct audit of JSC Halyk Bank falls within the exclusive competence of the General Shareholders' Meeting.

Based on the results of auditor's selection procedures, Deloitte LLP was selected as the audit firm to provide audit services to JSC Halyk Bank, for the years ended 31 December 2019-2021.

Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to General Shareholders' Meeting to determine the audit firm Deloitte LLP as the audit firm for the audit of the financial statements of JSC Halyk Bank for the years ended 31 December 2019- 2021.

**Y.D. Siyrbayev, Chair of the Meeting:**

Thank you, Aliya Sakenovna. Dear Shareholders, do you have any questions? Does anybody want to take floor?

**H.B. Kuttygul, Shareholder:**

Does Deloitte LLP carries out audit of subsidiaries of the Bank, including those located in other countries, such as CB Moskommertsbank (JSC), JSC Altyn Bank, along with providing audit services to JSC Halyk Bank?

**A.S. Karpykova, Deputy CEO:**

According to the requirements of the legislation of the Republic of Kazakhstan, when determining Deloitte LLP as an audit firm of a banking conglomerate, Deloitte LLP will also carry out an audit of the Bank's subsidiaries. As an international company, Deloitte LLP audits all subsidiaries of the Bank, including those located outside the Republic of Kazakhstan.

Also, please note that JSC Altyn Bank is currently not a subsidiary of the Bank and has the right to select any audit firm, at its own discretion. So, the audit of JSC Altyn Bank is now carried out by PricewaterhouseCoopers Tax and Advisory LLP.

**H.B. Kuttygul, Shareholder:**

For many years, the audit of JSC Halyk Bank is carried out by Deloitte LLP, is it possible to use the services of other audit companies?

**A.S. Karpykova, Deputy CEO:**

Before the Bank's Board of Directors submits proposals on the audit firm to the Annual General Shareholders' Meeting, the Bank arranges bidding procedures, to which all audit firms eligible and licensed to conduct an audit in the territory of the Republic of Kazakhstan as well as in countries, in which JSC Halyk Bank has subsidiaries, are officially invited.

This time, a similar bidding procedure was carried out, and the bidding results were submitted to the Board of Directors of JSC Halyk Bank for review of the following indicators: competences, coverage area and price quotations. Deloitte LLP bidding proposal was the best for all three indicators; therefore, the Bank's Board of Directors submits this proposal for consideration of the Annual General Shareholders' Meeting.

**H.B. Kuttygul, Shareholder:**

I propose to present the profiles of the audit firms to the forthcoming Annual General Shareholders' Meeting.

**A.S. Karpykova, Deputy CEO:**

We will take into account your suggestions.

**Y.D. Siyrbayev, Chair of the Meeting:**

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

**5. On approval of amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market.**

**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 amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market.”

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

**A.S. Karpykova, Deputy CEO:**

Dear Shareholders!

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

The handouts distributed to you during registration of shareholders contain draft amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market (the “Methodology”) approved by resolution of the General Shareholders' Meeting of JSC Halyk Bank dated 23 April 2010 (as amended and revised) for your information.

The Law of the Republic of Kazakhstan of No.166-VI ZRK dated 2 July 2018 "On Amendments to certain legislative acts of the Republic of Kazakhstan on insurance and insurance activities, the securities market" introduced a number of changes effective from 1 January 2019, including in the Law of the Republic of Kazakhstan “On the Securities Market” and the Law of the Republic of Kazakhstan “On Joint Stock Companies.”

In order to ensure compliance of the terms of the Methodology with requirements of the legislation of the Republic of Kazakhstan, the following amendments are proposed:

1) in terms of the definition of the organizer of trades, according to which from 1 July 2019 in addition to the stock exchange the organizer of trades shall also mean central depository (exchange of quotations between customer of the central depository);

2) due to the change in the concept “organizer of trades”, editorial changes were made to the concepts “formal and over-the-counter securities markets”;

3) some other editorial corrections of a clarifying nature in order to bring the Methodology's revision in line with changes in legislation and current practice of business processes.

The Methodology is supplemented by the clause that if as a result of changes in the legislation of the Republic of Kazakhstan, internal rules of JSC Kazakhstan Stock Exchange, certain provisions of the Methodology will come into conflict therewith, it is necessary to be guided by the applicable legislation of the Republic of Kazakhstan and/or the internal rules of JSC Kazakhstan Stock Exchange until certain amendments are made in the Methodology. Considering that amendments to the Methodology are possible only if they are approved by the general shareholders' meeting, which seems to be a lengthy process, we believe that this condition will allow, in case of frequently changing legal requirements, to maintain parity between the internal document of the Bank and requirements of legislation of the Republic of Kazakhstan.

Dear Shareholders! The Board of Directors proposes to the General Shareholders' Meeting to approve the amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market, as attached to the handouts of the Annual General Shareholders' Meeting of JSC Halyk Bank.

**Y.D. Siyrbayev, Chair of the Meeting:**

Thank you Aliya Sakenovna! 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 the Bank's shareholders to vote on **the fifth item** of the agenda.



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

## **6. On approval of amendments to the Charter of JSC Halyk Bank.**

**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 amendments to the Charter of JSC Halyk Bank."

The floor on this item is passed to **Daulet Kubenovich Abzhanov**, Chief Legal Officer of the Bank.

**D.K. Abzhanov, Chief Legal Officer of JSC Halyk Bank:**

Dear Shareholders!

In accordance with Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26 of JSC Halyk Bank's Charter, consideration and approval of amendments to JSC Halyk Bank's Charter falls within the exclusive competence of the General Shareholders' Meeting.

The handouts you have received upon registration of shareholders include draft amendments to JSC Halyk Bank's Charter in the Kazakh and Russian languages. You will be provided with a copy of the approved amendments to JSC Halyk Bank's Charter in the Kazakh and Russian languages upon request.

The Charter of JSC Halyk Bank is available at the location of JSC Halyk Bank Management Board and on the corporate website of JSC Halyk Bank. However, in order to pass resolution on the item, you may read the Charter of JSC Halyk Bank now, by obtaining your copy of JSC Halyk Bank's Charter from the Ballot Committee members.

Amendments to the Charter of JSC Halyk Bank approved by the resolution of the General Shareholders' Meeting of JSC Halyk Bank No. 22 dated 20 December 2006 are made so that to make it consistent with the changes made in the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Law of the Republic of Kazakhstan "On the Securities Market" in May and July 2018.

In particular, the following amendments to the Charter of JSC Halyk Bank are suggested:

- the rights of shareholders, who, alone or jointly with other shareholders, own 5% or more of the voting shares, are added;
- the Integrated Registrar is replaced with the Central Securities Depository;
- the issue of the company entering into a major transaction, with a result that the company acquires or alienates (might acquire or alienate) the property with the value of fifty percent and more of the total carrying value of the company's assets will now refer to the competence of the General Shareholders' Meeting;
- introduction of a new procedure of how the company brings information about its activities to the attention of shareholders, according to which information is published on the Internet resource of the Financial Reporting Depository;
- change of the list and procedure of disclosure by the issuer of information on the securities market during the period of circulation of securities, etc.

Dear shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the proposed amendments to the Charter of JSC Halyk Bank, as it is drafted, and authorize the Corporate Secretary Igor Mikhailovich Lyashenko to sign the amendments to the Charter of JSC Halyk Bank.

**Y.D. Siyrbayev, Chair of the Meeting:**

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

**H.B. Kuttygul, Shareholder:**

Why does the issue of company entering into a major transaction, with a result that the company acquires or alienates (might acquire or alienate) the property with the value of fifty percent and more of the



total carrying value of the company's assets, falls within the competence of the General Shareholders' Meeting? Is there a possibility to refer to the competence of the General Shareholders' Meeting the issue of entering into a major transaction in which the company acquires thirty percent? Which regulatory document regulates that this issue is referred to the competence of the General Shareholders' Meeting?

**D.K. Abzhanov, Chief Legal Officer of JSC Halyk Bank:**

This clause is proposed to be added to the Charter in order to bring it in line with the provision of sub-clause 17-1) of clause 1 of Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies". According to this provision, the exclusive competence of the General Shareholders' Meeting of the Bank includes the issue of company entering into a major transaction, with a result that the company acquires or alienates (might acquire or alienate) the property with the value of fifty percent and more of the total carrying value of the assets of the joint stock company as at the date of the decision on the transaction, as a result of which fifty percent or more of the total carrying value of its assets is acquired or alienated (may be acquired or alienated).

**Y.D. Siyrbayev, Chair of the Meeting:**

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

**Y.D. Siyrbayev, Chair of the Meeting:**

To announce the results of voting on **the fourth, fifth and sixth items** 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 **10,331,206,918**, out of which on **the fourth item** of the agenda "On selection of audit firm for the audit of participants of banking conglomerate during 2019-2021" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,294,552,007	99,64520
"against"	4,272,240	0,04135
"abstain"	32,382,671	0,31345
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 determine the audit firm Deloitte LLP as the audit firm for the audit of the financial statements of JSC Halyk Bank for the years ended 31 December 2019-2021.

Total amount of voting shares of JSC Halyk Bank is **10,717,138,640**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **10,331,206,918**, out of which on **the fifth item** of the agenda "On approval of amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market" voted:

	Number of voting shares	% of total voting shares
"for"	10,197,671,598	95,15293
"against"	90,144,080	0,84112
"abstain"	43,391,240	0,40488
take no part in the voting	385,931,722	3,60107

The resolution was passed by supermajority of votes out of the Bank's total voting shares, in accordance with clause 2 of Article 36 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and clause 2 of Article 26 of the Bank's Charter.

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

To approve the amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market, as proposed to the Annual General Shareholders' Meeting of JSC Halyk Bank for consideration.

**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 10,331,206,918, out of which on **the sixth item** of the agenda "On approval of amendments to the Charter of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,197,605,998	98,70682
"against"	133,600,920	1,29318
"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 amendments to the Charter of JSC Halyk Bank, as proposed to the Annual General Shareholders' Meeting of JSC Halyk Bank for consideration.

To authorize Igor Mikhailovich Lyashenko, Corporate Secretary of the JSC Halyk Bank to sign the amendments to the Charter of JSC Halyk Bank.

**7. On approval of amendments to the Corporate Governance Code 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 approval of amendments to the Corporate Governance Code of JSC Halyk Bank."

The floor on this item is passed to **Igor Mikhailovich Lyashenko**, Corporate Secretary of the Bank.

**I.M. Lyashenko, Corporate Secretary:**

Dear Shareholders!

In accordance with Article 36 of the Law "On Joint Stock Companies" and Article 26 of the Bank's Charter, consideration and approval of the amendments to the Corporate Governance Code of JSC Halyk Bank falls within the exclusive competence of the General Shareholders' Meeting.

The handouts you have received upon registration of shareholders include draft amendments to the Corporate Governance Code of JSC Halyk Bank made in Kazakh and Russian languages. You will be provided with a copy of the approved amendments to the Corporate Governance Code of JSC Halyk Bank in the Kazakh and Russian languages upon request.

Copies of the current Corporate Governance Code of JSC Halyk Bank have been provided to you earlier; also, the Corporate Governance Code of JSC Halyk Bank is available at the location of the Management Board of JSC Halyk Bank and on the corporate website of JSC Halyk Bank. However, in order to adopt resolution on the item, you may read the Corporate Governance Code of JSC Halyk Bank now by obtaining your copy of the Corporate Governance Code of JSC Halyk Bank from the Ballot Committee members.

Similarly to the Charter of JSC Halyk Bank, the Corporate Governance Code of JSC Halyk Bank is amended to be consistent with the amendments made to the Law of the Republic of Kazakhstan "On



amending certain legislative acts of the Republic of Kazakhstan on issues of improving regulation in entrepreneurial activity” dated 24 March 2018, the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on insurance and insurance activities, the securities market” dated 2 July 2018 and the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of currency regulation and currency control, risk-based supervision over the activities of financial organizations, protection of rights of consumers of financial services and improvement of the activity of the National Bank of Kazakhstan” dated 2 July 2018.

**In accordance with the amendments to the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the exclusive competence of the General Shareholders’ Meeting (hereinafter the “GSM”) was expanded. So, the following issues are now referred to the GSM exclusive competence:**

To pass resolutions on entering into major transactions and the transactions, in which the Bank has an interest (by simple majority of votes of the total number of voting shares of the company). Accordingly, the resolution on this issue will be excluded from the competence of the Board of Directors;

To pass resolutions on entering into major transactions, with a result that the company not only alienates, but also acquires (might not only alienate, but also to acquire) the property with the value of fifty percent and more of the total carrying value of the company's assets on the date of passing resolution on entering into such transaction.

As it is known, the GSM’s resolutions on other issues, which do not require a qualified majority of the total number of voting shares of the company, are made by a simple majority of votes of the total number of voting shares of the company participating in the voting. However, it was previously envisaged that an exception to the requirement for a simple majority of votes could be established by the Law of the Republic of Kazakhstan “On Joint Stock Companies”. Now such an exception can also be established by the charter of the company.

Also, it was established that the shareholders, who, independently or jointly with other shareholders, own five and more percent of voting shares of the Bank, may obtain information on the amount of the annual remuneration of an individual member of the Board of Directors and (or) the Management Board of the Bank, but subject to the simultaneous conditions as follows:

the court has determined that such member of the Board of Directors and (or) the Management Board of the Bank has deliberately misled the shareholders of the Bank for the purpose of obtaining profit (income) by such member(s) or such member’s affiliates;

it is proved that wrongdoings and (or) inaction of such member of the Board of Directors and (or) the Management Board of the Bank have resulted in losses for the company.

exclusion of the requirement to affix a seal on the following company documents:

the absent voting ballots of company shareholders that are sole proprietors;

extracts from minutes and resolutions of the Board of Directors;

transfer certificate upon merger or integration.

**Additionally, amendments were made to the provisions of the legislation of the Republic of Kazakhstan governing the disclosure obligations of the company:**

The changes affected the rules relating to the media, which publish information on the company’s activities. Thus, information on the company's activities is published on the Internet resource of the Financial Reporting Depository (hereinafter the “FRD”). At the same time, the company's charter will identify additional sources of information that can be used to publish such information along with the FRD Internet resource.

Since information on the company's activities must be published on the FRD Internet resource, the exclusive competence of the General Shareholders’ Meeting will no longer include the need, when passing relevant resolutions, to determine the media in which these resolutions should be published.

A clarification has been made that the information on a major transaction must be published within 3 business days after the day of adopting the resolution on entering into such transaction. In addition, the information must be published on the FRD Internet resource in all cases.

The annual financial statements should also be published on the FRD Internet resource.

**Amendments were made to the legislation of the Republic of Kazakhstan related to the maintenance of the register of shareholders:**



The maintenance of the shareholders' register system will now be carried out by the Central Securities Depository. Accordingly, the shareholders may receive the statements from the central securities depository, to which the functions of the registrar have been transferred.

Similarly as the central securities depository, the shareholders must notify of changes of information necessary for maintaining the register of shareholders. In addition, a clarification was made regarding the deadline for submitting such information: the central securities depository and the nominal holder must be notified of changes in information within 10 business days.

**Amendments were made to Article 20 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", which regulates the requirements for bank managers.**

Some changes and additions are associated with the introduction of the institution of "supervisory response measures", and some are of clarifying nature.

Thus, the bank's obligation is to notify the National Bank of Kazakhstan within 10 business days from the date of the resolution of the relevant authority of the bank about all changes in the management composition, including their appointment (election), transfer to another position, termination of the employment contract and (or a) termination of powers, bringing the executive to disciplinary responsibility for the corruption offense, as well as changes in the name of an executive officer (as indicated in the ID) with copies of supporting documents. In case of bringing an executive officer to criminal responsibility, the bank notifies the authorized body within 10 business days from the day when this information became known to the bank.

**Amendments and were made to Article 40 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan":**

In particular, the list of preferential terms and parties related to the bank (hereinafter the "related parties") is detailed (besides, the National Bank of Kazakhstan has the right to define additional criteria for preferential terms and signs of special relationship to the bank based on its adopted regulatory legal act).

Thus, such parties also include the chairs and permanent members of the committees under the bank's board of directors and a bank's body, whose authority is to make decisions on disposing of assets, changing the pledged item and terminating the pledge (save the debtor's repayment of secured obligations to the bank or the pledge recovery by the bank), decisions on issuance of bank loans and bank guarantees in amounts higher than those established by the regulatory legal act of the National Bank of Kazakhstan, as well as their spouses and close relatives.

The National Bank of Kazakhstan has the right to recognize any person as a related party on the basis of reasoned judgment. In this case, such party is recognized as a related party from the date the bank receives the relevant supervisory regulation measure.

An independent director is no longer recognized as a related party. The National Bank of Kazakhstan, on the basis of its adopted regulatory legal act, may recognize any person as a non-related party.

**Amendments were made to Article 102 of the Law of the Republic of Kazakhstan on the Securities Market, according to which it was established that during the period of circulation of issued securities, the issuer must disclose the following information on securities market on the FRD Internet resource:**

- 1) corporate events of the issuer;
- 2) total amount of annual remuneration of the members of the Management Board of the Bank;
- 3) the Bank's affiliates;
- 4) composition of shareholders owning ten percent or more of the Bank's voting shares;
- 5) a list of organizations, in which the issuer owns ten percent or more of shares (interest, units) of each such organization;
- 6) the annual financial statements and audit reports of the issuer (the disclosure of audit reports is carried out by issuers who are subject to mandatory audit in accordance with the Law of the Republic of Kazakhstan "On Auditing");
- 7) issue prospectus of the Bank's issued securities as amended and supplemented;
- 8) report on the placement of shares.



Dear shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the proposed amendments to the Corporate Governance Code of JSC Halyk Bank, as it is drafted.

**Y.D. Siyrbayev, Chair of the Meeting:**

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

**H.B. Kuttygul, Shareholder:**

Please, clarify the definition of the concept of related parties of the Bank, and what is meant by the concept of preferential terms?

**I.M. Lyashenko, Corporate Secretary:**

According to the legislation of the Republic of Kazakhstan, related parties of the bank are affiliated parties of the Bank, persons holding senior positions in the Bank - members of the Management Board, members of the Board of Directors, members of the Committees under the Management Board or the Board of Directors, who have the right to make decisions on the provision of loans, guarantees, and their affiliated persons, i.e. spouses and close relatives, etc. At the same time, transactions with related parties of the bank are subject to mandatory review by the Board of Directors of the Bank with the adoption of an appropriate decision on these transactions, in accordance with the requirements of Article 40 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan."

Preferential terms mean making a deal with, or for the benefit of, a person related to the bank, which, by its nature, purpose, properties and risk, the bank would not have made with a non-related party. In other words, the preferential terms mean the conditions that are not market conditions, i.e. if an entity makes a transaction with parameters below market conditions with a related party of the bank, then, we are talking about preferential terms in entering into a transaction.

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

**8. On approval of amendments to the Regulation on 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 eighth item** of the agenda: "On approval of amendments to the Regulation on the Board of Directors of JSC Halyk Bank."

The floor on this item is passed to **Igor Mikhailovich Lyashenko**, Corporate Secretary of the Bank.

**I.M. Lyashenko, Corporate Secretary:**

Dear Shareholders!

Whereas the Regulation on the Board of Directors of JSC Halyk Bank was approved by the resolution of General Shareholders' Meeting of JSC Halyk Bank on 20 December 2006, amendments thereto can also be made based on the relevant resolution of the General Shareholders' Meeting of JSC Halyk Bank.

The handouts you have received upon registration of shareholders include draft amendments to the Regulation on the Board of Directors of JSC Halyk Bank in the Kazakh and Russian languages. You will be provided with a copy of the approved amendments to the Regulation on the Board of Directors of JSC Halyk Bank in the Kazakh and Russian languages upon request.

Copies of the current Regulation on the Board of Directors of JSC Halyk Bank have been provided to you earlier, also, the Regulation on the Board of Directors of JSC Halyk Bank is available at the location of the Management Board of JSC Halyk Bank and on the corporate website of JSC Halyk Bank. However, in order to adopt resolution on the item, you may read the Regulation on the Board of Directors of JSC

Halyk Bank now by obtaining your copy of the Regulation on the Board of Directors of JSC Halyk Bank from the Ballot Committee members.

The Regulation on the Board of Directors of JSC Halyk Bank is amended to be consistent with the amendments made to the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of improving regulation in entrepreneurial activity” dated 24 May 2018, the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on insurance and insurance activities, the securities market” dated 2 July 2018 and the Law of the Republic of Kazakhstan “On amending certain legislative acts of the Republic of Kazakhstan on issues of currency regulation and currency control, risk-based supervision over the activities of financial organizations, protection of rights of consumers of financial services and improvement of the activity of the National Bank of Kazakhstan” dated 2 July 2018.

The major amendments to the Regulation on the Board of Directors of JSC Halyk Bank are clarifying the competence of the Board of Directors in passing the resolutions on entering into major transactions and the transactions, in which the Bank has an interest. Also, clarifications related to the requirements for candidates for the position of a member of the Board of Directors were made to the Regulation on the Board of Directors of JSC Halyk Bank.

Dear shareholders! Based on the foregoing, the Board of Directors of JSC Halyk Bank proposes to approve the proposed amendments to the Regulation on the Board of Directors of JSC Halyk Bank, as it is drafted.

**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** on the meeting agenda, and the Chair of the Ballot Committee to announce them later.

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear Shareholders!

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

**U.B. Shayakhmetova, CEO of the Bank:**

Dear Shareholders!

Despite certain successes of the Government of the Republic of Kazakhstan and the National Bank of Kazakhstan (hereinafter referred to as the NBK) in overcoming negative influence of adverse macroeconomic factors, the banking sector of Kazakhstan has been facing hard times in recent years. Its role in the development of the national economy continues to wind down - from 33% in 2016 vs. 23% in 2018. At the same time, despite the growth of the economy last year and significant liquidity excess in the banking sector due to soft loans injected by NBK, deposit and loan portfolios of the banking system just slightly increased reflecting low lending activity of banks.

The main growth driver of deposit portfolio of the banking system was retail deposits vs. corporate deposits where exporters preferred to place currency returns on accounts in foreign banks. The weak dynamics in corporate loan portfolio was caused by exit from the market of a number of troubled banks, written-off previously hidden distressed assets and repurchase of overdue loans portfolio of JSC Tsesnabank in the amount of KZT450 billion (NPL). The reduction of corporate loan portfolio was offset by significant increase in retail lending – by more than 15% since the beginning of 2018. This reflects the transition trend of most banks to serving the population, whose consumption has “shoot ahead” growth in most industries. Thus, the growth rate of retail trade exceeded 6%, which, in turn, was partially stimulated by the increase in consumer lending, which significantly kept ahead the growth of actual wages: 5.9% vs. 2.3%.

Taking into account the influence of objective factors, banking sector development rate in 2019 is likely to continue to lag behind the GDP growth rate, and retail lending will remain the main driver of the banking system development. We are positive that transition to more active lending and the growing share of the banking sector in the economy are possible only after resolving a number of structural problems and



building more efficient market mechanism for delivery of financial services.

Amid explicit underperformance of the banking sector, the success of Halyk Group, which has achieved all 2018 targets, comes into particular prominence. Thus, the annual consolidated net profit of Halyk Group grew by 46.7% and totaled KZT254.238 billion, the group's assets as of 1 January 2019 amounted to 8.9 trillion, and equity increased by 14% - to KZT1.066 trillion. Such high rate of development in adverse macroeconomic conditions can be attributed to significant safety margin of Halyk Group. It includes rich material and processing base, deliberate risk management policy, vast knowledge and experience to date, as well as high professionalism of the team.

One of the main Halyk Group's strategic initiatives implemented in 2018 was the completion of integration of the two backbone banks of Kazakhstan – JSC Halyk Bank and JSC Kazkommertsbank. This unique project was completed in record-breaking time and became the most ambitious merger of financial institutions across post-Soviet countries. It culminated in the emergence of the largest player by regional scale, which is several times ahead of its closest rivals by key parameters and denominates in the Kazakhstani banking services market. Thus, as of 1 January 2019, the market share of JSC Halyk Bank was 34% by assets, 28% by net loans to customers, 34% by deposits, and 45% by net profit.

It is critical to note that integration of JSC Halyk Bank and JSC Kazkommertsbank resulted in retention of almost all of customers of the merged bank, so far forming the largest customer base in the banking sector, which consists of 9.9 million individuals and more than 101 thousand entities. Efforts aimed at stability and performance of banking systems and trouble-free services through all channels were not least factors. In the end, merger of key advantages of JSC Halyk Bank and JSC Kazkommertsbank, emphasizing on customer service quality improvement, - allowed us to keep confidence and ensured loyalty of the majority of consumers.

The completion of this ambitious transformation project is the best evidence of the correctness of executed strategy and is key milestone on the way of development of Halyk Group as the largest player in the financial market of Central Asia.

Along the lines of implementation of strategic initiatives that imply concentration of capital in key companies of Halyk Group, we succeeded in transaction on the sale of 60% stake JSC Altyn Bank to strategic investors from PRC - China CITIC Bank Corporation Limited and Shuangwei Investment, completed in April 2018. Successful exit from investments in the former subsidiary bank HSBC Kazakhstan allowed Halyk Group to earn profit including dividends in the amount of KZT30.7 billion, and also established a clear and principled framework for long-term mutually beneficial partnership with leading financial structures of China.

Despite the large business slowdown in 2018, JSC Halyk Bank overachieved its own 2018 target of corporate loan portfolio growth, which increased to KZT2,482 billion, which is more than 70% of total loan portfolio of the Bank. The interest income from servicing of large business also increased by more than 34.5%, compared to the previous year. Such results were achieved by refinancing the financial liabilities of large customers to other banks, as well as by refinancing currency commitment of companies in tenge - in order to reduce currency risk.

Currently, JSC Halyk Bank has the largest limit for group of companies, which combined with liquidity cushion in tenge and foreign currency, - allows the Bank to participate in financing the largest projects in the country. Due to conservative approach to lending, the Bank has high quality of loan portfolio in the corporate segment, which contributed to decrease in NPL to 8.2% vs. 12.1% at the beginning of 2018.

It is worth noting here that as a result of the integration of JSC Halyk Bank and JSC Kazkommertsbank, it was possible to retain almost the entire pool of high-quality corporate customers and attract new one. By the end of 2018, the Bank serviced 2,085 large companies, including 380 borrowers. Currently, the Bank is actively working to improve quality of the former corporate loan portfolio of JSC Kazkommertsbank and seeks to provide the entire range of services that were provided to its former corporate customers. The Bank is concurrently working to expand the range of credit and transactional products and is improving online services for legal entities.

In the same way, we managed to achieve high results in servicing small and medium business (SME), where JSC Halyk Bank routinely dominates. As a result of the integration of JSC Halyk Bank and JSC Kazkommertsbank as well as due to the focus on servicing small and medium business, the Bank's 2018 loan and deposit portfolios increased by 25% and 59%, respectively. The share of the Bank in SME financing market exceeds 35%.

For many years, the Bank has been actively cooperating with SME and continuously invests in the





development of financial products and services for entrepreneurs, since business support directly influences the diversification of the national economy, allowing it to neutralize its dependence on energy prices. The Bank's focus on the development of remote service channels has allowed making of about 80% of SME payment transactions online. Internet banking platform for legal entities Onlinebank today allows serving remotely 93.4 thousand users.

The State Entrepreneurship Development Fund "Damu" is routine key partner of the Bank in the sphere of SME support. The amount of SME loans under which interest rate subsidies were approved with the help of the Bank (as part of the program "Business Road Map-2020"), by the end of 2018 reached 25% of total subsidized loans.

The integration of key advantages, products, services of JSC Halyk Bank and JSC Kazkommertsbank allowed us to significantly strengthen the leadership of the merged Bank in the retail segment. Thus, as of 1 January 2019, JSC Halyk Bank held 37.8% of the market for retail deposits and 20.49% for retail loans.

The Bank's acquiring infrastructure is one of the most developed and technically equipped in the country and includes 4,408 ATMs, 69.2 thous. POS-terminals and 1,097 payment terminals. The Internet banking platforms Homebank.kz and myHalyk are the leaders in terms of popularity with 3.4 million users and 28.8 million transactions for 2018. The simplicity, convenience and reliability of card and transactional services of JSC Halyk Bank attract new customers annually. Today the Bank serves more than 41 thousand companies within the framework of payroll projects and over 9 million cards. Last year alone, the Bank customers made more than 90 million transactions through the POS-terminals of JSC Halyk Bank and JSC Kazkommertsbank at merchants. According to this indicator, the Bank occupies 32% of the market.

The year earlier results clearly reflect distinctive trends and the most likely prospects for further development of the country's banking sector. Among them, the most obvious and probably inevitable is the trend of consolidating a number of "healthy" banks and shake-out of frankly weak and inefficient players from the market. We believe that such a "clearing" in the future will only benefit the banking system, since getting rid of albatross around neck and improvement of competition will lead to improved banking products and services, will allow banks to focus on improving service quality.

The main challenge for us in 2019 is to improve customer service in JSC Halyk Bank and its subsidiaries. The main task is to simplify and improve the service process, both in traditional bank branches and in remote channels. For this, a program of changes was adopted, the Quality Department was created, the front office staff remuneration scheme changed. We are planning to invest in IT systems in order to modify and improve the functionality of the front-end remote portals - Homebank and Onlinebank.

In 2019, we predict improvement of competition in the banking market, and are preparing to fight for customer loyalty by means of attractive interest rates on loans and deposits, balanced tariffs and through unique and advanced services, many of which were for the first time brought to the market by us.

As the backbone bank, the largest creditor and the main payment agent of the banking system, JSC Halyk Bank intends to continue to remain in the wake of this important work, while continuing to improve the financial service for millions of our customers.

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 and eighth items** 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 **10,717,138,640**, total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **10,331,206,918**, out of which on **the seventh item** of the agenda "On approval of amendments to the Corporate Governance Code of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares
“for”	10,256,830,638	95,70494
“against”	74,375,480	0,69399
“abstain	800	0,00001
take no part in the voting	385,931,722	3,60107

The resolution was passed by supermajority of total voting shares, in accordance with clause 2 of Article 36 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and clause 2 of Article 26 of the Bank’s Charter.

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

To approve the amendments to the Corporate Governance Code 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 **10,331,206,918**, out of which on **the eighth item** of the agenda “On approval of amendments to the Regulation on the Board of Directors of JSC Halyk Bank” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	10,284,680,078	99,54965
“against”	46,526,040	0,45034
“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 approve the amendments to the Regulation on the Board of Directors of JSC Halyk Bank as proposed to the Annual General Shareholders’ Meeting for consideration.

## **9. On early termination of powers of the member 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 ninth item** of the agenda “On early termination of powers of the member of the Board of Directors of JSC Halyk Bank.”

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

### **A.S. Pavlov, Chairman of the Board of Directors**

Dear Shareholders!

On 28 February 2019, JSC Halyk Bank received a letter of notice from Mr. Anvar Galimullaevich Saidenov, a member of the Board of Directors of JSC Halyk Bank, asking to bring the issue of early termination of his powers as a member of the Board of Directors, independent director of JSC Halyk Bank on his own initiative to the Annual General of Shareholders’ Meeting of JSC Halyk Bank from 18 April 2019.

The present letter of Mr. A.G. Saidenov was considered at the in-person meeting of the Board of Directors of the Bank held on 15 March 2019, which resulted in the following resolutions:

1. To take note of Mr. Anvar Galimullaevich Saidenov’s letter of notice of early termination of his powers as a member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019.

2. To propose to the Annual General of Shareholders' Meeting of JSC Halyk Bank to be held on 18 April 2019 to satisfy the early termination of powers of Anvar Galimullaevich Saidenov as a member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019, based on his letter of notice.

Anvar Galimullaevich took an active part in development, discussion and implementation of the strategic objectives enshrined in the Halyk Group Development Strategy for the period 2016-2018.

On behalf of the entire Board of Directors and the Management Board of the Bank, we thank Anvar Galimullaevich for his professional, efficient and fruitful work as a member of the Board of Directors of the Bank and wish him continued career success.

Dear shareholders, in this regard, guided by clause 4 of Article 55 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and clause 5 of Article 30 of the Charter of JSC Halyk Bank, we ask you to adopt the resolution on early termination of powers of Anvar Galimullaevich Saidenov as a member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019, based on his letter of notice.

**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 ninth item** of the agenda.

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

**10. On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers.**

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear Shareholders!

I propose to pass on to discussion of **the tenth item** of the agenda "On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers."

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

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

Dear Shareholders!

Considering that the Annual General Shareholders' Meeting of JSC Halyk Bank will adopt the resolution on the ninth item of the agenda on early termination of powers of Anvar Galimullayevich Saidenov, the member of Board of Directors of JSC Halyk Bank from 18 April 2019, and also, given that in accordance with the resolution of the General Shareholders' Meeting of JSC Halyk Bank on the fifth item incorporated in the minutes to the Annual General Shareholders' Meeting of JSC Halyk Bank No.39 dated 21 April 2017, the number of members of the Board of Directors of JSC Halyk Bank is 7 (seven) persons, it is necessary to elect an additional member of the Board of Directors of JSC Halyk Bank.

Taking into account that the member of the Board of Directors of JSC Halyk Bank Anvar Galimullayevich Saidenov is independent director, JSC Halyk Bank's Board of Directors proposes to elect a new member of the Board of Directors as an independent director.

Anton Germanovich Musin, Managing Director of Accenture LTD, Dubai, United Arab Emirates is proposed to be elected as the member of the Board of Directors, independent director. Many directors and managers of the Bank are no strangers to Anton Germanovich as in 2015 he participated in development of the Bank's IT Transformation Program, and in 2018 ran Accenture LTD's consulting team during integration of JSC Halyk Bank with JSC Kazkommertsbank.

We are confident that knowledge and experience of Mr. Anton Germanovich Musin will be very useful for the further development of the Bank and achievement of the goals outlined in the Halyk Group Development Strategy for the period 2019-2021.

Thus, the Board of Directors of JSC Halyk Bank proposes:

1) To elect additionally Anton Germanovich Musin as the member of the Board of Directors of JSC Halyk Bank, independent director;

2) To determine the term of powers of Anton Germanovich Musin, the member of the Board of Directors of JSC Halyk Bank - from the election date till expiration of the term of powers of current Board of Directors of JSC Halyk Bank, approved at the Annual General Shareholders' Meeting of JSC Halyk Bank on 21 April 2017.

Biography of Anton Germanovich Musin is available for review in your handouts.

**Y.D. Siyrbayev, Chair of the Meeting:**

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

**H.B. Kuttygul, Shareholder:**

Anton Germanovich, please tell us about yourself and your experience in the banking sector?

**A.G. Mussin, Nominated Director:**

I have technical education. I graduated from the Moscow State University of Technology "Stankin" as a Mechanical Engineer and from the Budapest University of Technology and Economics with a Master degree in Robotics/ Mechanical Engineering. My whole career had always been infused with banking. I was involved in a large number of projects for, primarily strategic ones, development of banking strategies in the Russian and post-Soviet market. For the past two years, for example, I have been working in the Middle East and advised banks on strategic development.

**H.B. Kuttygul, Shareholder**

What exactly are you doing for strategy development, i.e. your focus area?

**A.G. Mussin, Nominated Director:**

First of all, it is development of retail and corporate strategies of the bank, that is, the search for new segments for the development of bank and its revenue generation; technological and digital strategies, that is, how digital technologies can be used for bank's profit markup. This is one of the big focus areas where I worked way through over the years.

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

We will go with this particular candidate on a reason that Anton Germanovich is an engineering expert. Today you should understand what is happening in the banking sector, not only in Kazakhstan, but throughout the world: the process of fundamental transformation and change in the banking business. Banks are becoming more technological companies, that is why we need just this specialist who has already participated in the preparation of the Bank's IT transformation, and will be very useful in the future, I am firmly convinced in it so that Bank became the most highly developed and technologically advanced financial institution in the country.

**H.B. Kuttygul, Shareholder:**

Taking into account that a lot of fraudulent and hacker operations are taking place now, does Anton Germanovich have experience in this area?

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

Fraudulent operations are also within the competence of Anton Germanovich, but we have a special unit that deals with cybercrime defenses.

**A.G. Mussin, Nominated Director:**

I have some experience in cybercrime defenses, although this is not my speciality.

**Y.D. Siyrbayev, Chair of the Meeting:**

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



I would like to ask to vote on **the tenth item** of the agenda for election of the above candidate as the member of the Board of Directors of the Bank, independent director, in accordance with requirements of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, whereof **Ilmira Arslanovna Razumova** will kindly remind you.

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

Dear Shareholders!

Let me remind you voting procedure on the item of election of a member of the Board of Directors of the Bank. In accordance with clause 3 of Article 54 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the election of members of the Board of Directors is held by cumulative voting, except in cases where one candidate to be voted upon one seat in the Board of Directors.

Whereas proposed to elect additionally Anton Germanovich Musin as member of the Board of Directors of JSC Halyk Bank, independent director, the voting on **the tenth item** of the agenda will be held in usual manner “one share, one vote”.

**Y.D. Siyrbayev, Chair of the Meeting:**

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

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear Shareholders!

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 and tenth 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 **10,331,206,918** out of which on **the ninth item** of the agenda “On early termination of powers of the member of the Board of Directors of JSC Halyk Bank” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	10,331,206,918	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 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 early terminate powers of Anvar Galimullaevich Saidenov as a member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019, based on his letter of notice.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders’ Meeting, is **10,331,206,918**, out of which on **the tenth item** of the agenda “On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	9,811,002,409	94,96473
“against”	520,204,509	5,03527
“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 elect additionally Anton Germanovich Musin as the member of the Board of Directors of JSC Halyk Bank, independent director.

To determine the term of powers of Anton Germanovich Musin, member of the Board of Directors of JSC Halyk Bank - from the election date till expiration of the term of powers of current Board of Directors of JSC Halyk Bank, approved at the Annual General Shareholders’ Meeting of JSC Halyk Bank on 21 April 2017.

#### **11. On consideration of the 2018 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 eleventh item** of the agenda “On consideration of the 2018 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 Board of Directors of the Bank.

##### **A.S. Pavlov, Chairman of the 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 2018, the Board of Directors of JSC Halyk Bank held **6 in-person meetings** with **60 issues** considered, and **94 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;

Progress Reports 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) JSC Halyk Bank Transformation Program 2020 Progress Report and JSC Halyk Bank IT Transformation Program 2020 Progress Report;

7) other managerial information that is provided in accordance with the requirements of 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 2018, the Board of Directors considered the review of the issues related to:

1) the voluntary reorganization of JSC Halyk Bank and JSC Kazkommertsbank through JSC Kazkommertsbank's merger into JSC Halyk Bank;

2) completion of the transaction for the sale of a 60% stake in the share capital of JSC Altyn Bank: China CITIC Bank Corporation Limited (hereinafter "CITIC Bank") in the amount of 50.1% and China Shuangwei Investment Co., Ltd. (hereinafter "Shuangwei") in the amount of 9.9%;

3) the voluntary reorganization of JSC IC Kazkommerts-Policy and JSC Kazakhinstrakh through the JSC IC Kazkommerts-Policy's merger into JSC Kazakhinstrakh;

4) approval of the new Development Strategy of Halyk Group for the period 2019-2021.

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 the Bank's position and be the 1st 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 businesses.

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.

**In 2018, the Committees under the Board of Directors of JSC Halyk Bank held 6 in-person meetings and 42 meetings by absent voting. The most important issues considered by the Committees included:**

– Halyk Group Development Strategy Implementation Report for the period 2016-2018 for 2017;  
– Halyk Group Development Strategy Implementation Report for the period 2016-2018 for the first half of 2018;

– JSC Halyk Bank and Halyk Group Performance and Budget Report for 2017;

– JSC Halyk Bank Transformation Program 2020 Progress Report and JSC Halyk Bank IT-Transformation Program 2020 Progress Report;

– Bank stress testing results in the overall economic scenario (scenario analysis) in 2019;

– The results of internal audits of JSC Halyk Bank business processes and subdivisions, including the corporate governance processes and interaction with shareholders;

– Review of current risk management practices in JSC Halyk Bank and certain subsidiaries;

– 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 2017;

- Report on efficiency of Internal Control System in JSC Halyk Bank and its subsidiaries for the first half of 2018;
- Changes in the Management Board of JSC Halyk Bank and the JSC Halyk Bank's executive staff reserve for 2018.

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 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 2018 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 of JSC Halyk Bank as positive.

**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 eleventh item** of the agenda.

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

**12. 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 twelfth 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 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 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 2018.

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 Article 36-1-5, 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, including remuneration of members of Board of Directors and Management Board of JSC Kazkommertsbank in 2018 was as follows:

(KZT)

Members of the Board of Directors and Management Board	Total income
	3,220,343,508.71

In 2018, mandatory deductions from the above income of the members of Board of Directors and Management Board of JSC Halyk Bank, including mandatory deductions from income of the members of Board of Directors and Management Board of JSC Kazkommertsbank as follows:

(KZT)

Members of the Board of Directors and Management Board	Personal Income Tax	Mandatory pension contributions	Total mandatory deductions
	319,188,345.22	33,736,229.75	352,924,574.97

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

**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 twelfth item** of the agenda.

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

**13. 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 thirteenth 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.

**A.S. Karpykova, Deputy CEO:**

Dear Shareholders!

Pursuant to the requirements of Articles 35 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Articles 25 and 26 of the Charter of JSC Halyk Bank, 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, in 2018 the work was continued and completed on payment of the material assistance (acceptance of applications completed on 30 April 2018). The total amount of material assistance paid for 2017-2018 was KZT2.8 million (including source tax) to 229 shareholders – individuals.

The Annual General Shareholders' Meeting of JSC Halyk Bank (Minutes No.40 dated 20 April 2018) resolved at the end of 2017 to pay dividends on common shares of the Bank; payment was made to

5,323 shareholders, totaling KZT69,161.0 million. At the same time, in 2018 dividends were paid on common shares of JSC Halyk Bank over the past years to 261 shareholders, totaling KZT2.5 million.

In accordance with resolutions passed by the Board of Directors of JSC Halyk Bank, the common shares of JSC Halyk Bank have been redeemed during 2018 at the price of KZT55 per common share. As a result, on the basis of the applications filed in 2018, 101, 100 common shares of JSC Halyk Bank were redeemed from 28 shareholders in the amount of KZT5.6 million.

In 2018, twenty official appeals regarding the payment of dividends, material assistance, JSC Halyk Bank shareholders' personal data updating, the possibility of redemption of common shares of JSC Halyk Bank, presenting information about the withheld income tax, other issues on JSC Halyk Bank's operation, as well as legislation of the Republic of Kazakhstan have been received from shareholders of JSC Halyk Bank and reviewed respectively, to which the following answers are given.

In accordance with Articles 35 and 44 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Articles 25 and 26 of the Charter of JSC Halyk Bank, 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 thirteenth item** of the agenda.

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

**14. On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members.**

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear Shareholders!

I propose to pass on to discussion of **the fourteenth item** of the agenda "On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members."

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 Article 36 and 46 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26-1-5 of the Charter of JSC Halyk Bank, the determination of the number and the term of powers of the Ballot Committee and election of members thereto falls within the exclusive competence of the General Shareholders' Meeting.

The term of powers of the current members of the Ballot Committee of JSC Halyk Bank, determined by resolution of the Annual General Shareholders' Meeting of JSC Halyk Bank dated 22 April 2016 (minutes No.37 dated 22 April 2016) is 3 (three) years, which expires at the time of re-election of the members of the Ballot Committee of JSC Halyk Bank at the Annual General Shareholders' Meeting.

Therefore, at the time of the Annual General Shareholders' Meeting of JSC Halyk Bank to be held on 18 April 2019, the term of powers of the Ballot Committee expires.

In this regard, the Board of Directors of JSC Halyk Bank requests the Annual General Shareholders' Meeting of JSC Halyk Bank, as follows:

- 1) to approve number of members of the Ballot Committee of JSC Halyk Bank - 7 (seven) persons;
- 2) to determine the term of powers of members of the Ballot Committee of JSC Halyk Bank — 3 (three) years, which expires at the time of re-election of the members of the Ballot Committee of JSC Halyk Bank at the Annual General Shareholders' Meeting;
- 3) to elect the members of the Ballot Committee of JSC Halyk Bank, as follows:



Ilmira Arslanovna Razumova  
 Head of Shareholders' Equity Division, Group Capital Management Department (Chair of the Ballot Committee);

Members of the Ballot Committee:

Anna Vassilyevna Borodovitsyna  
 Director of Group Capital Management Department;

Viktor Sergeyeovich Skryl  
 Head of Strategy Office;

Yelena Aleksandrovna Khmyz  
 Chief Manager of Group Capital Management Department;

Gabbas Malgajiyevich Ilussinov  
 Senior Manager of Group Capital Management Department;

Gulziya Seidakhmetovna Madazimova  
 Senior Manager of Group Capital Management Department;

Lyazzat Altayevna Undirbekova  
 Senior Manager of Group Capital Management Department.

**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 fourteenth item** of the agenda.

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

**Y.D. Siyrbayev, Chair of the Meeting:**

Dear Shareholders!

To announce the results of voting on **the eleventh, twelfth, thirteenth and fourteenth items** 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 eleventh, twelfth, thirteenth and fourteenth 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 **10,331,206,918**, out of which on **the eleventh item** of the agenda "On consideration of the 2018 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"	10,326,934,678	99,95865
"against"	0	0
"abstain"	4,272,240	0,04135
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 2018 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 of JSC Halyk Bank and performance of functions by the members of the Board of Directors of JSC Halyk Bank as positive.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **10,331,206,918**, out of which on **the twelfth 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” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	10,331,206,918	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 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 **10,331,206,918**, out of which on **the thirteenth 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”	10,331,206,918	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 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.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders’ Meeting, is **10,331,206,918**, out of which on **the fourteenth item** of the agenda “On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	10,284,680,878	99,54966
“against”	46,526,040	0,45034
“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 approve number of members of the Ballot Committee of JSC Halyk Bank - 7 (seven) persons;

to determine the term of powers of members of the Ballot Committee of JSC Halyk Bank — 3 (three) years, which expires at the time of re-election of the members of the Ballot Committee of JSC Halyk Bank at the Annual General Shareholders' Meeting;

to elect the members of the Ballot Committee of JSC Halyk Bank, as follows:

Ilmira Arslanovna Razumova	Head of Shareholders' Equity Division, Group Capital Management Department (Chair of the Ballot Committee);
Members of the Ballot Committee:	
Anna Vassilyevna Borodovitsyna	Director of Group Capital Management Department;
Viktor Sergeyeovich Skryl	Head of Strategy Office;
Yelena Aleksandrovna Khmyz	Chief Manager of Group Capital Management Department;
Gabbas Malgajiyevich Ilussinov	Senior Manager of Group Capital Management Department;
Gulziya Seidakhmetovna Madazimova	Senior Manager of Group Capital Management Department;
Lyazzat Altayevna Undirbekova	Senior Manager of Group Capital Management Department.

**Y.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 **10,331,206,918**, 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"	10,331,206,918	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 18 April 2019 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.12 dated 28 February 2019).

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **10,331,206,918**, 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 2018" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,326,935,478	99,95865
"against"	0	0
"abstain"	4,271,440	0,04135
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 2018 and the independent auditor's report.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **10,331,206,918**, 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 2018. 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"	10,331,206,118	99,99999
"against"	0	0
"abstain"	800	0,00001
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 2018 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/ISIN KZ000A0LE0S4):

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: 2018;

the dividend amount per common share: 10.78 tenge;

the dividend payment start date: 3 June 2019;

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. 22 April 2019;

the dividend payment form – non-cash.

Part of net income of JSC Halyk Bank for 2018, 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 votes of shareholders, who have been registered to participate in this General Shareholders' Meeting, is **10,331,206,918**, out of which on **the fourth item** of the agenda "On selection of audit firm for the audit of participants of banking conglomerate during 2019-2021" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,294,552,007	99,64520
"against"	4,272,240	0,04135
"abstain"	32,382,671	0,31345
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 determine the audit firm Deloitte LLP as the audit firm for the audit of the financial statements of JSC Halyk Bank for the years ended 31 December 2019- 2021.

Total amount of voting shares of JSC Halyk Bank **10,717,138,640** total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the fifth item** of the agenda "On approval of amendments to the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market" voted:

	Number of voting shares	% of total voting shares
"for"	10,197,671,598	95,15293
"against"	90,144,080	0,84112
"abstain"	43,391,240	0,40488
take no part in the voting	385,931,722	3,60107

The resolution was passed by supermajority of votes out of the Bank's total voting shares, in accordance with Article 36-2 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26-2 of the Bank's Charter.

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

To approve the Methodology of determining the value of shares at their redemption by JSC Halyk Bank on the over-the-counter securities market, attached to the Information for shareholders' consideration at the Annual General Shareholders' Meeting of JSC Halyk Bank.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the sixth item** of the agenda "On approval of amendments to the Charter of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,197,605,998	98,70682
"against"	133,600,920	1,29318
"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 amendments to the Charter of JSC Halyk Bank as proposed to the Annual General Shareholders' Meeting of JSC Halyk Bank for consideration.

To authorize Igor Mikhailovich Lyashenko, Corporate Secretary of JSC Halyk Bank to sign the amendments to the Charter of JSC Halyk Bank.

Total amount of voting shares of JSC Halyk Bank **10,717,138,640** total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the seventh item** of the agenda "On approval of amendments to the Corporate Governance Code of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares
"for"	10,256,830,638	95,70494
"against"	74,375,480	0,69399
"abstain"	800	0,00001
take no part in the voting	385,931,722	3,60107

The resolution was passed by supermajority of votes out of the Bank's total voting shares, in accordance with Article 36-2 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and Article 26-2 of the Bank's Charter.

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

To approve the amendments to the Corporate Governance Code of JSC Halyk 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 **10,331,206,918**, out of which on **the eighth item** of the agenda "On approval of amendments to the Regulation on the Board of Directors of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,284,680,078	99,54965
"against"	46,526,040	0,45034
"abstain"	800	0,00001
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 amendments to the Regulation on the Board of Directors of JSC Halyk Bank as proposed to the Annual General Shareholders' Meeting for consideration.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the ninth item** of the agenda "On early termination of powers of the member of the Board of Directors of JSC Halyk Bank" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	10,331,206,918	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 early terminate powers of Anvar Galimullaevich Saidenov, member of the Board of Directors, independent director of JSC Halyk Bank, on his own initiative, from 18 April 2019, based on his letter of notice.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the tenth item** of the agenda "On additional election of the member of the Board of Directors of JSC Halyk Bank and determination of his term of powers" voted:

	Number of voting shares	% of total voting shares participating in the voting
"for"	9,811,002,409	94,96473
"against"	520,204,509	5,03527
"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 elect additionally Anton Germanovich Musin as the member of the Board of Directors of JSC Halyk Bank, independent director.

To determine the term of powers of Anton Germanovich Musin, member of the Board of Directors of JSC Halyk Bank - from the election date till expiration of the term of powers of current Board of Directors of JSC Halyk Bank, approved at the Annual General Shareholders' Meeting of JSC Halyk Bank on 21 April 2017.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the eleventh item** of the agenda "On consideration of the 2018 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"	10,326,934,678	99,95865
"against"	0	0
"abstain"	4,272,240	0,04135
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 take note of the 2018 Performance Report of the Board of Directors of JSC Halyk Bank and acknowledge the activity of the Board of Directors of JSC Halyk Bank and performance of functions by the members of the Board of Directors of JSC Halyk Bank as positive.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders' Meeting is **10,331,206,918**, out of which on **the twelfth 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" voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	10,331,206,918	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 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 **10,331,206,918**, out of which on **the thirteenth 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”	10,331,206,918	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 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.

Total amount of votes of shareholders, who have been registered to participate in this General Shareholders’ Meeting, is **10,331,206,918**, out of which on **the fourteenth item** of the agenda “On determination of the number of members and the term of powers of the Ballot Committee of JSC Halyk Bank, election of its members” voted:

	Number of voting shares	% of total voting shares participating in the voting
“for”	10,284,680,878	99,54966
“against”	46,526,040	0,45034
“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 number of members of the Ballot Committee of JSC Halyk Bank - 7 (seven) persons.

To determine the term of powers of members of the Ballot Committee of JSC Halyk Bank — 3 (three) years, which expires at the time of re-election of the members of the Ballot Committee of JSC Halyk Bank at the Annual General Shareholders’ Meeting

To elect the members of the Ballot Committee of JSC Halyk Bank, as follows:

Ilmira Arslanovna Razumova  
Head of Shareholders' Equity Division, Group Capital Management Department (Chair of the Ballot Committee);  
Members of the Ballot Committee:  
Anna Vassilyevna Borodovitsyna  
Director of Group Capital Management Department;  
Viktor Sergeyeovich Skryl  
Head of Strategy Office;  
Yelena Aleksandrovna Khmyz  
Chief Manager of Group Capital Management Department;  
Gabbas Malgajiyevich Ilussinov  
Senior Manager of Group Capital Management Department;  
Gulziya Seidakhmetovna Madazimova  
Senior Manager of Group Capital Management Department;  
Lyazzat Altayevna Undirbekova  
Senior Manager of Group Capital Management Department.

**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.

**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**

**N.A. Saidullayeva**

**Chair of the Ballot Committee:**

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