

Joint Stock Company ‘Halyk Bank of Kazakhstan’

Interim condensed consolidated financial results

for the six months ended 30 June 2025

Joint Stock Company ‘Halyk Bank of Kazakhstan’ and its subsidiaries (together “the Bank”) (LSE: HSBK; KASE: HSBK, HSBKd; AIX: HSBK, HSBK.Y) releases interim condensed consolidated financial information for the six months ended 30 June 2025.

Consolidated Statement of Profit or Loss

KZT mln

	1H 2025	1H 2024	Y-o-Y, abs	Y-o-Y, %	2Q 2025	2Q 2024	Y-o-Y, abs	Y-o-Y, %
<i>Interest income</i> ⁽¹⁾	1,289,297	1,012,008	277,289	27.4%	660,100	515,754	144,346	28.0%
<i>Interest expense</i>	(648,564)	(508,125)	(140,439)	27.6%	(345,233)	(262,359)	(82,874)	31.6%
Net interest income before credit loss expense	640,733	503,883	136,850	27.2%	314,867	253,395	61,472	24.3%
<i>Fee and commission income</i>	114,317	99,730	14,587	14.6%	57,451	49,656	7,795	15.7%
<i>Fee and commission expense</i>	(46,535)	(38,779)	(7,756)	20.0%	(23,447)	(18,488)	(4,959)	26.8%
Fees and commissions, net	67,782	60,951	6,831	11.2%	34,004	31,168	2,836	9.1%
Net insurance income ⁽²⁾	25,840	14,802	11,038	74.6%	10,382	5,126	5,256	102.5%
Net gain on foreign exchange operations, financial assets and liabilities ⁽³⁾	87,947	90,049	(2,102)	(2.3%)	65,531	44,360	21,171	47.7%
Other expense/non-interest income ⁽⁴⁾	31,473	(44,039)	75,512	(171.5%)	10,857	7,369	3,488	47.3%
Expected credit loss expense and recovery of other credit loss expense	(61,518)	(65,747)	4,229	(6.4%)	(38,580)	(46,753)	8,173	(17.5%)
Operating expenses ⁽⁵⁾	(146,607)	(115,858)	(30,749)	26.5%	(77,412)	(59,217)	(18,195)	30.7%
Income tax expense	(117,048)	(64,948)	(52,100)	80.2%	(66,063)	(34,319)	(31,744)	92.5%
Net income	528,602	379,093	149,509	39.4%	253,586	201,129	52,457	26.1%
Non-controlling interest	2	-	2	-	2	-	2	-
Net income attributable to common shareholders	528,600	379,093	149,507	39.4%	253,584	201,129	52,455	26.1%
Net interest margin, p.a.	7.2%	6.9%			7.0%	6.8%		
Return on average equity, p.a.	33.6%	29.9%			32.2%	31.7%		
Return on average assets, p.a.	5.6%	4.8%			5.3%	5.0%		
Cost-to-income ratio	17.2%	18.5%			17.8%	17.3%		
Cost of risk on loans to customers, p.a.	1.4%	1.3%			1.5%	1.7%		

(1) Interest income calculated using the effective interest method and other interest income;

(2) Insurance revenue less insurance service expense, net finance insurance (expense)/income and net reinsurance expense;

(3) Net gain on financial assets and liabilities at fair value through profit or loss, net realised (loss)/ gain from financial assets at fair value through other comprehensive income, net foreign exchange gain;

(4) Share in profit of associate, income on non-banking activities, other income/(expense);

(5) Including reversal of/(loss from) impairment of non-financial assets;

In preparing the interim condensed consolidated financial statements of profit or loss for the three and six months ended 30 June 2024, certain reclassifications have been made to conform the presentation of the statement for the three and six months ended 30 June 2025, as the current period presentation provides a better understanding of the Group’s financial performance.

The reclassification of fees and commission expenses for the three and six months ended 30 June 2024 in the amount of KZT 3,632 million and KZT 7,380, respectively, includes the reclassification of deposit insurance service expenses. As these expenses are directly related to deposit expenses, the Group's management decided to reclassify them as interest expenses.

All of the ratios were also recalculated accordingly. For more detailed information please refer to Halyk Group's interim condensed consolidated financial information for the six months ended 30 June 2025, note #4b.

Net income attributable to common shareholders for 1H 2025 is up 39.4% year-on-year thanks to increase in lending and transactional businesses and due to the base effect of one-off recognized loss in a view of expected early repayment of the deposit of KSF in accordance with the IFRS in 1H 2024. Net income was negatively affected by excess profits tax, which was introduced on profit from certain banking operations for 2025 only. The net income growth, adjusted to repayment of the deposit of KSF and excess profits tax, would be 19.8%.

Interest income⁽¹⁾ for 1H 2025 was up 27.4% vs. 1H 2024 mainly due to increase of average balances of loans to customers.

Interest expense for 1H 2025 increased by 27.6% vs. 1H 2024 mainly as a result of the increase in average rate and balances of amounts due to customers, as well as the growth in the share of KZT amounts due to customers.

Despite the increase in average rates in amount due to customers in 1H 2025, NIM was positively impacted by the increase in share of total interest earning assets vs total interest bearing liabilities, as well as increase in the share of KZT interest-earning cash and cash equivalents. As a result, **net interest margin** has grown to 7.2% for 1H 2025 compared to 6.9% for 1H 2024.

In 1H 2025 compared to 1H 2024, the overall dynamics of fee and commission income and expense was driven by the increased number of clients and the growth of clients' transactional activity. Net fee and commission income for 1H 2025 increased by 11.2% vs. 1H 2024 due to increase in net transactional income of legal entities, as well as in fees on letters of credit and guarantees issued. Net transactional income of individuals slightly decreased due to an increase in the amount of bonuses for the loyalty program.

The positive dynamics of **other expense/non-interest income** ⁽⁴⁾ in 1H 2025 was impacted by the base effect of one-off recognized loss in a view of expected early repayment of the deposit of KSF in accordance with the IFRS in 1H 2024.

Operating expenses⁽⁵⁾ for 1H 2025 increased by 26.5% vs. 1H 2024 mainly due to the indexation of salaries and other employee benefits, including the costs of the long-term incentive program as well as IT development related costs.

The Bank's **cost-to-income ratio** decreased to 17.2% compared to 18.5% for 1H 2024 amid higher operating income for 1H 2025.

Cost of risk in 1H 2025 was at the level of 1.4% compared to 1.3% in 1H 2024.

Consolidated Statement of Financial Position

KZT mln

	30-Jun-25	31-Mar-25	Change Q-o-Q, abs	Change Q-o-Q, %	31-Dec-24	Change YTD, abs	Change YTD, %
Total assets	19,615,712	18,855,912	759,800	4.0%	18,548,414	1,067,298	5.8%
Cash and reserves ⁽⁶⁾	2,704,311	2,295,912	408,399	17.8%	1,780,132	924,179	51.9%
Amounts due from credit institutions	173,881	145,250	28,631	19.7%	156,966	16,915	10.8%
T-bills of MinFin & NBRK notes ⁽⁷⁾	2,620,517	2,612,295	8,222	0.3%	2,738,432	(117,915)	(4.3%)
Other securities & derivatives ⁽⁸⁾	1,695,588	1,698,924	(3,336)	(0.2%)	1,776,082	(80,494)	(4.5%)
<i>Gross loan portfolio</i>	<i>12,330,251</i>	<i>12,053,312</i>	<i>276,939</i>	<i>2.3%</i>	<i>12,038,868</i>	<i>291,383</i>	<i>2.4%</i>
<i>Allowance for expected credit losses</i>	<i>(593,695)</i>	<i>(614,904)</i>	<i>21,209</i>	<i>(3.4%)</i>	<i>(573,219)</i>	<i>(20,476)</i>	<i>3.6%</i>
Net loan portfolio	11,736,556	11,438,408	298,148	2.6%	11,465,649	270,907	2.4%
Assets classified as held for sale	9,516	9,067	449	5.0%	8,833	683	7.7%
Other assets	675,343	656,056	19,287	2.9%	622,320	53,023	8.5%
Total liabilities	16,425,274	15,574,327	850,947	5.5%	15,480,365	944,909	6.1%
Amounts due to customers, including:	13,748,127	12,969,231	778,896	6.0%	12,990,043	758,084	5.8%
<i>individuals' deposits</i>	<i>7,494,574</i>	<i>7,147,623</i>	<i>346,951</i>	<i>4.9%</i>	<i>7,200,363</i>	<i>294,211</i>	<i>4.1%</i>
<i>term deposits</i>	<i>6,372,044</i>	<i>6,149,036</i>	<i>223,008</i>	<i>3.6%</i>	<i>6,063,129</i>	<i>308,915</i>	<i>5.1%</i>
<i>current accounts</i>	<i>1,122,530</i>	<i>998,587</i>	<i>123,943</i>	<i>12.4%</i>	<i>1,137,234</i>	<i>(14,704)</i>	<i>(1.3%)</i>
<i>legal entities' deposits</i>	<i>6,253,553</i>	<i>5,821,608</i>	<i>431,945</i>	<i>7.4%</i>	<i>5,789,680</i>	<i>463,873</i>	<i>8.0%</i>
<i>term deposits</i>	<i>4,590,841</i>	<i>4,128,545</i>	<i>462,296</i>	<i>11.2%</i>	<i>3,811,441</i>	<i>779,400</i>	<i>20.4%</i>
<i>current accounts</i>	<i>1,662,712</i>	<i>1,693,063</i>	<i>(30,351)</i>	<i>(1.8%)</i>	<i>1,978,239</i>	<i>(315,527)</i>	<i>(15.9%)</i>
Debt securities issued	959,338	722,046	237,292	32.9%	879,212	80,126	9.1%
Amounts due to credit institutions	972,772	1,147,029	(174,257)	(15.2%)	814,069	158,703	19.5%
Other liabilities	745,037	736,021	9,016	1.2%	797,041	(52,004)	(6.5%)
Total equity	3,190,438	3,281,585	(91,147)	(2.8%)	3,068,049	122,389	4.0%

(6) Cash and cash equivalents and obligatory reserves;

(7) Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and Notes of NBRK;

(8) Financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and debt securities at amortized cost, net of allowance for expected credit losses less Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and Notes of NBRK;

As at end of 1H 2025, total assets were up 5.8% due to increase in amounts due to customers.

Compared with the YE of 2024, **loans to customers** were up 2.4% on a gross and net basis, with retail loans growing by 4.3%, while the loan portfolio of legal entities increased by 1.4% on a gross basis.

Stage 3 loans decreased to 6.6% as at the end of 2Q 2025 as a result of workout of problem loans and loan portfolio growth.

Compared with the YE 2024, the deposits of legal entities and the deposits of individuals were up 8.0% and 4.1%, respectively, due to fund inflow from the Bank's clients.

As at the end of 1H 2025, the share of KZT deposits in total deposits was 72.1% compared to 69.1% as

at the YE 2024, in corporate deposits the share was 74.2% vs. 70.9% as at the YE 2024, while the share in total retail deposits was 70.1% vs. 67.5% as at YE 2024.

Amounts due to credit institutions increased by 19.5% vs. the YE 2024.

As at the end of 1H 2025, **debt securities issued** were up 9.1% year-to-date, and the Bank's debt securities portfolio was as follows:

Description of the security	Nominal amount outstanding	Interest rate	Maturity Date
Subordinated coupon bonds	KZT 101.1bn	9.5% p.a.	October 2025
Local bonds	KZT 146.6bn	13.61% p.a. - floating rate	July 2031
Local bonds	KZT 20.0bn	TONIA+1.25% - floating rate	December 2027
Local bonds listed at Astana International Exchange	USD 162 mln	3.5% p.a.	May 2027
Local bonds listed at Astana International Exchange	USD 299.8 mln	3.5% p.a.	May 2027
Local bonds listed at Astana International Exchange	USD 432.2mln	3.5% p.a.	May 2027
Local bonds listed at Astana International Exchange	USD 414.6 mln	3.5% p.a.	July 2025

As at the end of 1H 2025, **total equity** of the Bank increased by 4.0% compared to the YE 2024, mainly due to net profit earned by the Bank during 1H 2025.

The Bank's capital adequacy ratios were as follows*:

	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
<i>Capital adequacy ratios, unconsolidated:</i>					
Halyk Bank					
k1-1	18.5%	19.8%	19.6%	19.2%	17.6%
k1-2	18.5%	19.8%	19.6%	19.2%	17.6%
k2	18.5%	19.8%	19.7%	19.4%	17.7%
<i>Capital adequacy ratios, consolidated:</i>					
CET 1	18.1%	19.3%	18.8%	19.0%	17.4%
Tier 1 capital	18.1%	19.3%	18.8%	19.0%	17.4%
Total capital	18.1%	19.3%	18.9%	19.1%	17.5%

* The minimum regulatory capital adequacy requirements are 9.5%, for k1, 10.5% for k1-2 and 12% for k2, including a conservation buffer of 3% and systemic buffer of 1% for each.

The interim condensed consolidated statements for the six months ended 30 June 2025, including the notes attached thereto, are available on Halyk Bank's website: <http://halykbank.com/financial-results>.

A 1H 2025 results webcast will be hosted at 3:00pm London time/7:00pm Almaty time (UTC +05:00) on Tuesday, 19 August 2025. A live webcast of the presentation can be accessed via Zoom link after the registration. The registration is open until 19 August 2025 (including), for the registration please [click here](#).

About Halyk Bank

Halyk Bank is the leading financial services group in Kazakhstan, with a diversified presence across retail, SME, and corporate banking, as well as insurance, leasing, brokerage, asset management and lifestyle services. Halyk Bank has been listed on the Kazakhstan Stock Exchange since 1998, the London Stock Exchange since 2006, and the Astana International Exchange since 2019.

As of 30 June 2025, Halyk Bank had total assets amounting to KZT 19,616bn, making it the largest lender in Kazakhstan. The Bank boasts the country's one of the largest customer base and the most extensive branch network, with 542 branches and service outlets across nationwide. Additionally, the Bank operates in Georgia and Uzbekistan.

For more information on Halyk Bank, please visit <https://www.halykbank.com>

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