FREEDOM BROKER

August 21, 2025

RECOMMENDATION

Buy

JSC «Halyk Bank» (HSBK)

Upside: **23%**
Target Price: **460 KZT**
Last price: **374 KZT**

STOCK MARKET
EVA
Kazakhstan | Banking

FLASHNOTE/UPDATE

Halyk Bank: Results for the 2nd quarter 2025

Interest Revenue, 6M '25 (billion KZT)	1 289
Loan Provisions, 6M '25 (billion KZT)	67
Net Income, 6M '25 (billion KZT)	529
Total Assets, 6M '25 (billion KZT)	19 616

P/E, (x)	3,9x
P/BV, (x)	0,99x
ROA (%)	5,5%
ROE (%)	33%
Net Margin, (%):	44%

Market cap (billion KZT)	4 080
Shares issued (million units)	10 909
Free float (%)	20,5%
52-week min/max (KZT)	195-390
Current price (KZT)	374
Target Price (KZT)	460
Upside (%)	23%
Investment horizon	6-12 months
Planned price update frequency	Quarterly

Stock dynamics/exchange/ticker KASE/KEGC

Performance (%)	3 months	9 months	12 months
Absolute	25%	43%	73%
vs KASE	6%	22%	45%

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Halyk Bank announced its financial results for Q2 2025. Quarterly interest income and net profit showed significant YoY growth, with interest income again reaching a record high. However, we note some slowdown in the growth of certain financial indicators. In our valuation model, we updated the financials in line with the report and improved the forecast for non-interest income. On the other hand, we raised the cost of equity. As a result, the target price per Halyk Bank share stands at 460 KZT, implying 23% upside potential. Recommendation — Buy.mplying 34% upside potential. Recommendation — Buy.

(+) Strong growth in income and profit. Interest income for Q2 2025 reached a record 660 bln KZT, rising 28% YoY and 4.9% QoQ. At the same time, interest expenses grew 33% YoY and 14% QoQ. Fee and commission income accelerated to 16% YoY and 1% QoQ, while other non-interest income rose 18% YoY and 26% QoQ, driven by a sharp increase in FX trading gains. Credit loss expenses declined 17% YoY but rose 41% QoQ. As a result, net interest income after provisions increased 31% YoY but fell 7.5% QoQ. Cost of risk rose from 1.2% to 1.5%. Non-interest expenses increased 4.5% YoY, mainly due to a 31% YoY rise in operating costs, while insurance payouts fell 32% YoY. Quarterly net profit amounted to 254 bln KZT, up 26% YoY but down 7.8% QoQ. The number of active clients rose 0.9% YoY, and daily active users (DAU) of the Halyk app grew 22% YoY, while monthly active users (MAU) declined 5.9% YoY. The loan portfolio expanded 18% YoY and 2.3% QoQ.

Our opinion and valuation model changes. We assess the report as moderately positive, given the continued strong YoY growth in quarterly interest income and net profit. At the same time, some slowdown in QoQ growth rates is visible. In our valuation model, we updated all key financial indicators. We also improved the forecast for non-interest income and revised certain balance sheet items, which added interest income toward the end of the forecast horizon. In addition, we raised the risk-free rate due to higher yields on government securities. As a result, our target price for Halyk Bank shares **is 460 KZT**, implying **23%** upside from the current price. Recommendation — **Buy**.

APPENDIX

Illustration 1. Key changes in the latest version of the valuation model

Changes	Date of valuation 21.05.2025	21.08.2025	Change, %	Comments
Equity, trillion KZT	2,95	3,19	+8,1%	Increase in equity compared to the previous version of the model
Cost of Equity, 2025, %	18,8%	21,4%	+1.6 pp	Rise in 10-year government bond yields, leading to an increase in the risk-free rate
Non-interest income, 2026, trillion KZT	579	620	+7,1%	Higher actual non-interest income compared to our forecasts

Illustration 2. Previous recommendations and price targets from Freedom Broker. (B - "buy", H - "hold", S - "sell")

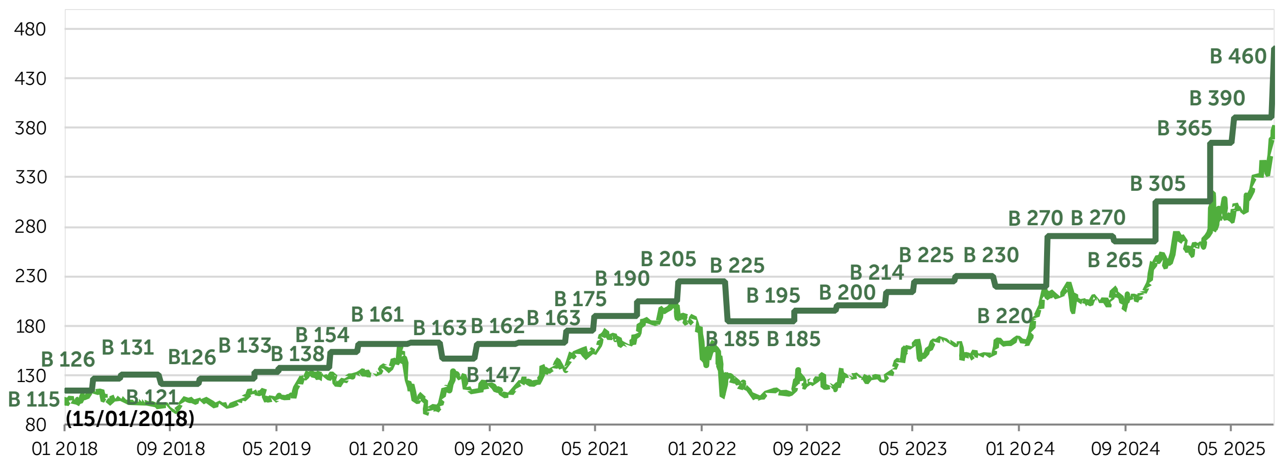

Illustration 3. P/E and P/B multiples according to Freedom Broker estimates

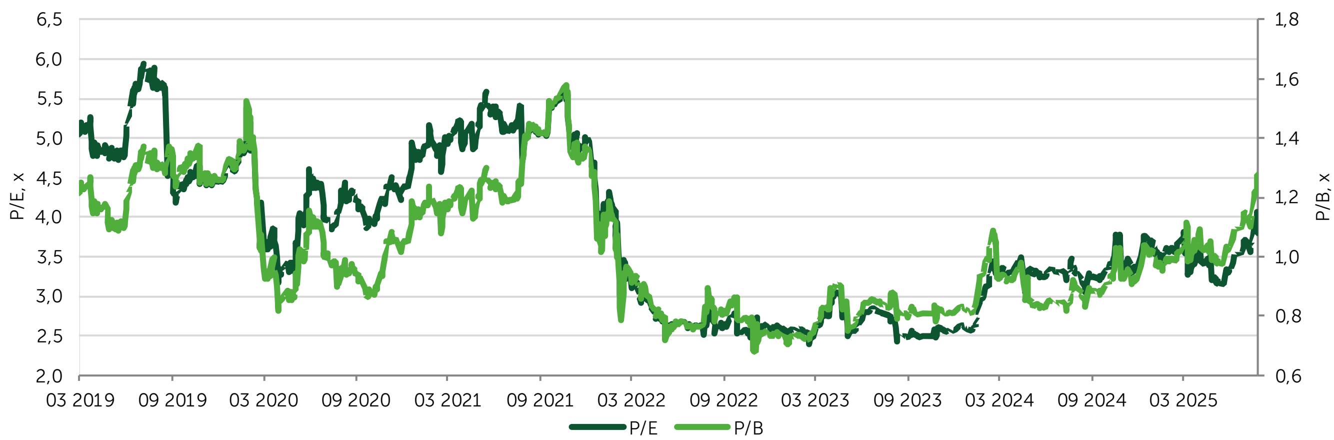

Illustration 4. Current Rating Percentage from Freedom Broker for KASE securities

Recommendation	Quantity	Percentage
Buy	7	70%
Hold	2	20%
Sell	1	10%

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Rating system
- Buy: A stock that, at the time of rating, is expected to increase in price by more than 20 percent over the next 6-12 months.
- Hold: A stock that, at the time of rating, is expected to move in price in the range of minus 10 percent to plus 10 percent over the next 6-12 months.
- Sell: A stock that, at the time of rating, is expected to decline in price by more than 10 percent over the next 6-12 months.