



BOARD OF DIRECTORS OF HALYK BANK APPROVES INTEGRATION WITH KAZKOMMERTSBANK

15 December 2017, Almaty

The Board of Directors of Halyk Bank ('Halyk') has approved the merger of Kazkommertsbank (Qazkom) into Halyk Bank. It is expected to be finalised in the second half of 2018, subject to prior completion of all the necessary procedures, including regulatory approvals.

The decision to merge Qazkom into Halyk Bank will enable Halyk to strengthen leadership positions in all key business segments, enhance client-oriented approach with a focus on service quality, broaden product proposition and further develop digital solutions based on best market practices.

The initial steps in business and operational synergies began with the unification of ATM networks in July 2017. Subsequently, Halyk Bank and Qazkom implemented a number of joint projects in card business. Further integration processes suggest unification of product and service standards, as well as integration of the two IT systems.

The merger of Qazkom into Halyk Bank is expected to deliver a number of synergies, including more effective internal control and risk management, cost optimisation and further improvements in overall financial performance.

"After five months of meticulous hard work together with international consultants behind, we can state with confidence that potential of the merger is significant, both in scope and influence on Kazakh economy, as well as a number of neighbouring countries. The merger of Qazkom into Halyk Bank is the most optimal solution for further development of the Group," said Umut Shayakhmetova, CEO of Halyk Bank. "The core integration goal is to maximise synergies by combining the strengths of both Halyk Bank and Qazkom. We will retain the best of both institutions: knowledge, vast experience in servicing millions of customers, the most competitive products and services of both banks, the country's most developed banking infrastructure and the best risk management of Halyk, as well as technologies and high customer service standards of Qazkom."

During the integration stage, Halyk Bank and Qazkom will focus on smooth operation of both banks with minimum possible inconvenience for all the stakeholders. After the merger of Qazkom into Halyk Bank, the latter will become the legal successor of all the Qazkom's obligations towards lenders and debt holders.

About Halyk Bank and Kazkommertsbank

Halyk Bank is Kazakhstan's leading financial services group, operating across a variety of segments, including retail, SME & corporate banking, insurance, leasing, brokerage and asset management. Halyk Bank has been listed on the Kazakhstan Stock Exchange since 1998 and on the London Stock Exchange since 2006.

In July 2017, the Bank purchased majority stake in Kazkommertsbank JSC – the second largest Bank in Kazakhstan by total assets.



With total consolidated assets of KZT 8,674.6 billion as at 30 September 2017, Halyk Bank is Kazakhstan's leading lender. The Bank has the largest customer base and broadest branch network in Kazakhstan, with 719 branches and outlets (including 220 branches and outlets of Kazkommertsbank) across the country. The Bank also operates in Georgia, Kyrgyzstan, Russia and Tajikistan.

For more information on Halyk Bank and Kazkommertsbank, please visit <https://www.halykbank.kz> and <http://www.qazkom.kz/en/>

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