

«Қазақстан Халық Банкі» АҚ

Қазақстан Республикасы, А26М3К5,
Алматы қ., Әл-Фараби даңғ., 40-үй
Тел.: +7 /727/ 259 07 77
Факс: +7 /727/ 259 02 71
halykbank@halykbank.kz, www.halykbank.kz



АО «Народный Банк Казахстана»

Республика Казахстан, А26М3К5,
г. Алматы, пр. Аль-Фараби, д. 40
Тел.: +7 /727/ 259 07 77
Факс: +7 /727/ 259 02 71
halykbank@halykbank.kz, www.halykbank.kz

29.08.2019 № 21-13833

№ _____

АО «Казахстанская Фондовая Биржа»

Настоящим АО «Народный Банк Казахстана» («Народный Банк» или «Банк» – LSE: HSBK; KASE: HSBK) в соответствии с требованиями Листинговых правил АО «Казахстанская фондовая биржа» информирует о том, что 27 августа 2019 года рейтинговое агентство Moody's подтвердило долгосрочный депозитный рейтинг Банка на уровне «Ba1», а также изменило прогноз со «Стабильного» на «Позитивный». Рейтинговое агентство также подтвердило рейтинг на уровне «Ba3» по старшим необеспеченным долговым обязательствам Банка.

В приложении к настоящему письму направляем отчет рейтингового агентства Moody's от 27 августа 2019 года.

Заместитель Председателя Правления



Кошенов М.У.

Исп.: Бекенов С.Е.
Тел. +7 (727) 332-26-45

№ 0031205

Сериялық нөмірі жоқ, бланк жарамсыз
Бланк без серийного номера не действителен

Rating Action: Moody's takes action on three Kazakh banks

27 Aug 2019

Action follows the change of the outlook on Kazakhstan's Baa3 sovereign rating to positive

London, 27 August 2019 -- Moody's Investors Service ("Moody's") today took rating actions on three Kazakh banks. These follow the change of the outlook on Kazakhstan's Baa3 sovereign rating to positive from stable on 22 August 2019. (Please see "Moody's changes Kazakhstan's outlook to positive, affirms Baa3 rating" https://www.moody's.com/research/--PR_402812.) The rating actions were driven by Moody's expectations that two Kazakh banks' ratings will likely be upgraded in case of an upgrade of the sovereign rating, reflected in positive outlooks on these banks' long-term deposit ratings, and in the case of Kaspi Bank JSC (Kaspi Bank), greater government support reflecting its stronger market position.

Specifically, Moody's has:

- (1) Affirmed the Baseline Credit Assessments (BCAs) and adjusted BCAs of three banks (Halyk Savings Bank of Kazakhstan (Halyk Bank), House Construction Savings Bank of Kazakhstan JSC (HCSBK) and Kaspi Bank);
- (2) Upgraded the long-term bank deposit ratings of Kaspi Bank to Ba2 from Ba3, outlook remains stable;
- (3) Affirmed the long-term bank deposit ratings of two banks (Halyk Bank and HCSBK), changed the outlooks to positive from stable;
- (4) Affirmed the senior unsecured debt ratings of Halyk Bank, outlook remains stable, and the Senior Unsecured MTN rating of Kaspi Bank;
- (5) Affirmed the subordinated debt ratings of Kaspi Bank;
- (6) Affirmed the long-term Counterparty Risk Assessments (CR Assessments) of three banks (Halyk Bank, HCSBK and Kaspi Bank);
- (7) Affirmed the long-term Counterparty Risk Ratings (CRRs) of three banks (Halyk Bank, HCSBK and Kaspi Bank);
- (8) Upgraded the long-term National Scale bank deposit rating of Kaspi Bank to A2.kz from A3.kz
- (9) Affirmed the long-term National Scale CRR of Kaspi Bank;
- (10) Affirmed the short-term ratings and assessments of three banks (Halyk Bank, HCSBK and Kaspi Bank).

A full list of affected ratings can be found at the end of this press release.

RATINGS RATIONALE

--- BANK-SPECIFIC FACTORS

HALYK SAVINGS BANK OF KAZAKHSTAN

The rating affirmation and a change of outlook to positive from stable on the Halyk Bank's long-term deposit ratings reflect Moody's assessment of a very high probability of government support for the bank's deposits which results in two notch uplift from the bank's ba3 BCA. According to the National Bank of Kazakhstan (NBK), Halyk Bank was the largest bank in Kazakhstan in terms of total deposits (with a market share of 37%) and total assets (34%), as well as the largest in terms of retail deposits (36%), as of 1 August 2019.

Halyk Bank's ba3 BCA continues to reflect (1) its healthy capital adequacy; (2) robust competitive market position in Kazakhstan, which translates into very strong profitability; and (3) strong liquidity. However, the BCA also takes into account (1) single-name concentrations in the bank's loan book; (2) its substantial level of problem loans; and (3) the bank's foreign-currency lending risks.

HOUSE CONSTRUCTION SAVINGS BANK OF KAZAKHSTAN JSC

The rating affirmation and a change of outlook to positive from stable on HCSBK's long-term deposit ratings reflect Moody's assessment of a very high probability of government support for the bank's deposits, which results in two notches of uplift above the bank's ba2 BCA. This assessment reflects (1) the bank's ultimate ownership by the Kazakh government, via Baiterek National Management Holding, JSC; (2) the bank's policy mandate to carry out government housing finance programs; (3) its market share of over 40% in local mortgage lending; and (4) a track record of government support through capital injections and funding.

HCSBK's ba2 BCA continues to reflect (1) HCSBK's robust loss-absorption capacity and liquidity, which compare favorably with its peers; (2) the bank's strengthening customer franchise; and (3) its benefits from ongoing government support. At the same time, the bank's ratings remain constrained by (1) HCSBK's monoline business model, focused exclusively on the mortgage segment; (2) the bank's susceptibility to politically and socially motivated decisions; and (3) the rapid growth in its loan book, which poses downside risks to the currently good asset-quality indicators.

KASPI BANK JSC

The upgrade of Kaspi Bank's long-term local and foreign currency deposit ratings to Ba2 from Ba3 is driven by Moody's view of a higher probability of government support, given the bank's increased importance to the local market, as reflected in its rising market share of retail deposits. At the same time, Moody's affirmed Kaspi Bank's current BCA at b1.

The bank's b1 BCA is underpinned by (1) the demonstrated resilience of Kaspi Bank's business model and its capital position through the cycle; (2) the bank's strong profitability metrics, which are sufficient to absorb Moody's forecasted cost of risk; and (3) a granular funding base with deposit dollarization below the sector average. At the same time, the bank's BCA is constrained by (1) its high reliance on the risky consumer finance segment and potential vulnerability of this segment to economic headwinds; and (2) legacy problem loans in the corporate book weighing on the asset quality metrics.

Kaspi Bank's deposit ratings now benefit from two notches of uplift above its b1 BCA, given Moody's assessment of a high probability of government support for the bank's deposit holders. This assessment reflects (1) the Kazakhstan government's track record of providing public funds to bail-out depositors of its largest banks; and (2) Kaspi Bank's systemic importance to Kazakhstan's banking system, supported as of 1 August 2019 by its 15% market share in retail deposits (up from 12% a year ago) and 8% in total banking system assets (up from 6% a year ago).

POSITIVE OUTLOOK

The change in the outlook on Kazakhstan's Baa3 government bond rating to positive from stable led to corresponding changes in the outlooks on the deposit ratings of two banks (Halyk Bank and HCSBK), whose ratings benefit from potential state support, and whose ratings would likely be upgraded in the event of an upgrade in the rating of the government of Kazakhstan. The two banks' overall issuer outlooks also changed to positive from stable.

The outlook on Kaspi Bank's long-term deposit ratings remains stable. We expect the bank's standalone credit strength to remain stable in the next 12-18 months, as reflected in its b1 BCA, and on that basis the bank's deposit ratings are unlikely to be upgraded in the event of an upgrade in the ratings of the government of Kazakhstan. The bank's overall issuer outlook also remains stable.

WHAT COULD MOVE RATINGS UP OR DOWN

Positive rating action(s) on the ratings of Halyk Bank and HCSBK would be driven by a higher sovereign rating. Kaspi Bank's BCA and deposit ratings could be upgraded given the successful diversification of its revenue base.

The three banks' ratings may be downgraded if the Kazakh government's capacity or propensity to render support to financial institutions were to diminish. The rating outlooks of Halyk Bank and HCSBK could be changed to stable, if the outlook on Kazakhstan's sovereign debt rating were to be changed to stable. Any adverse developments of individual credit strengths of the banks beyond Moody's expectations could also result in a negative rating action.

LIST OF AFFECTED RATINGS

Issuer: Halyk Savings Bank of Kazakhstan

..Affirmations:

-Long-term Counterparty Risk Ratings, affirmed Baa3
-Short-term Counterparty Risk Ratings, affirmed P-3
-Long-term Bank Deposits, affirmed Ba1, outlook changed to Positive from Stable
-Short-term Bank Deposits, affirmed NP
-Long-term Counterparty Risk Assessment, affirmed Baa3(cr)
-Short-term Counterparty Risk Assessment, affirmed P-3(cr)
-Baseline Credit Assessment, affirmed ba3
-Adjusted Baseline Credit Assessment, affirmed ba3
-Senior Unsecured Regular Bond/Debenture, affirmed Ba3, outlook remains Stable

..Outlook Action:

-Outlook changed to Positive(m) from Stable

Issuer: House Constr. Sav. Bank of Kazakhstan JSC

..Affirmations:

-Long-term Counterparty Risk Rating, affirmed Baa3
-Short-term Counterparty Risk Rating, affirmed P-3
-Long-term Bank Deposits, affirmed Baa3, outlook changed to Positive from Stable
-Short-term Bank Deposits, affirmed P-3
-Long-term Counterparty Risk Assessment, affirmed Baa3(cr)
-Short-term Counterparty Risk Assessment, affirmed P-3(cr)
-Baseline Credit Assessment, affirmed ba2
-Adjusted Baseline Credit Assessment, affirmed ba2

..Outlook Action:

-Outlook changed to Positive from Stable

Issuer: Kaspi Bank JSC

..Upgrades:

-Long-term Bank Deposits, upgraded to Ba2 from Ba3, outlook remains Stable
-NSR Long-term Bank Deposits, upgraded to A2.kz from A3.kz

..Affirmations:

-Long-term Counterparty Risk Ratings, affirmed Ba2
-NSR Long-term Counterparty Risk Rating, affirmed A1.kz
-Short-term Counterparty Risk Ratings, affirmed NP

...Short-term Bank Deposits, affirmed NP
...Long-term Counterparty Risk Assessment, affirmed Ba2(cr)
...Short-term Counterparty Risk Assessment, affirmed NP(cr)
...Baseline Credit Assessment, affirmed b1
...Adjusted Baseline Credit Assessment, affirmed b1
...Senior Unsecured Medium-Term Note Program, affirmed (P)B1
...Subordinate Regular Bond/Debenture, affirmed B2
...Subordinate Medium-Term Note Program, affirmed (P)B2
..Outlook Action:
...Outlook remains Stable

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in August 2018. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Moody's National Scale Credit Ratings (NSRs) are intended as relative measures of creditworthiness among debt issues and issuers within a country, enabling market participants to better differentiate relative risks. NSRs differ from Moody's global scale credit ratings in that they are not globally comparable with the full universe of Moody's rated entities, but only with NSRs for other rated debt issues and issuers within the same country. NSRs are designated by a ".nn" country modifier signifying the relevant country, as in ".za" for South Africa. For further information on Moody's approach to national scale credit ratings, please refer to Moody's Credit Rating Methodology published in May 2016 entitled "Mapping National Scale Ratings from Global Scale Ratings". While NSRs have no inherent absolute meaning in terms of default risk or expected loss, a historical probability of default consistent with a given NSR can be inferred from the GSR to which it maps back at that particular point in time. For information on the historical default rates associated with different global scale rating categories over different investment horizons, please see http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1174796.

REGULATORY DISCLOSURES

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The below contact information is provided for information purposes only. Please see the ratings tab of the

issuer page at www.moody's.com, for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

Please see www.moody's.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moody's.com for additional regulatory disclosures for each credit rating.

Svetlana Pavlova, CFA
Asst Vice President - Analyst
Financial Institutions Group
Moody's Investors Service Limited, Russian Branch
7th floor, Four Winds Plaza
21 1st Tverskaya-Yamskaya St.
Moscow 125047
Russia
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Nicholas Hill
MD - Banking
Financial Institutions Group
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Releasing Office:
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

MOODY'S
INVESTORS SERVICE

© 2019 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR

MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$2,700,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more

than 5%, is posted annually at www.moodys.com under the heading “Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy.”

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY’S affiliate, Moody’s Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody’s Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY’S that you are, or are accessing the document as a representative of, a “wholesale client” and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to “retail clients” within the meaning of section 761G of the Corporations Act 2001. MOODY’S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody’s Japan K.K. (“MJKK”) is a wholly-owned credit rating agency subsidiary of Moody’s Group Japan G.K., which is wholly-owned by Moody’s Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody’s SF Japan K.K. (“MSFJ”) is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization (“NRSRO”). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY250,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.