



**RESULTS OF INDEPENDENT ASSET QUALITY REVIEW (AQR)
OF COMMERCIAL BANKS
HAVE PROVED HIGH RELIABILITY AND STABILITY OF HALYK BANK**

28 February 2020

Halyk Bank (the “Bank”) has confidently passed the Asset Quality Review initiated by the National Bank of the Republic of Kazakhstan (the “National Bank”).

The Bank’s asset quality is confirmed by the results of AQR provided by the National Bank. Despite the fact that approaches applied for the review were highly conservative, the findings will not affect the capital adequacy and financial performance of the Bank.

The AQR results once again reaffirm the appropriateness of Bank’s development and growth strategy, and objectively reflect the position of the Bank in the banking sector of Kazakhstan as a reliable and strong partner for its customers.

International rating agencies also highly appreciate the Bank’s position in terms of balance sheet quality. On 4 December 2019 the international rating agency Fitch Ratings upgraded the Long-Term Issuer Default Ratings (IDRs) of Bank to “BB +” from “BB” with Positive outlook. The Bank’s intrinsic financial strength rating (Viability Rating) was also upgraded to “bb +”, which is the highest in the banking sector of Kazakhstan. The financial strength rating reflects the Bank’s rating excluding external support (on a solo basis).

The upgrade of the rating of the Bank was driven by a reduction of net problem assets relative to capital. The Positive Outlook on Bank’s ratings reflects Fitch’s expectations that the ratio of problem assets relative to capital should reduce further in the midterm, due to moderate additional provisioning, further capital built-up, potential collateral sales and some loan recoveries. Rating also reflects the Bank’s dominant market shares, its conservative risk appetite and management, and favorable asset structure.

About Halyk Bank

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, on the London Stock Exchange since 2006 and Astana International Exchange since October 2019.

In July 2017, the Bank purchased majority stake in Kazkommertsbank JSC – the second largest Bank in Kazakhstan by total assets – and merged it fully in July 2018.

With total assets of KZT 8,992.4 billion as at 30 September 2019, Halyk Bank is Kazakhstan’s leading lender. The Bank has the largest customer base and broadest branch network in Kazakhstan, with 631 branches and outlets across the country. The Bank operates in Georgia, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

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

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