



16 September 2024

Moody's Ratings upgraded long term deposit ratings of Halyk Bank to the historically high level - 'Baa1' at par with sovereign; Outlook Stable

On 12 September 2024, Moody's Ratings (Moody's) has upgraded long-term deposit ratings to the historically high level - 'Baa1' at par with sovereign. The outlook is stable.

The rating action follows the upgrade of Kazakhstan government rating to Baa1 from Baa2 and change the outlook to stable from positive on 9 September 2024, which was driven by Moody's assessment that ongoing enhancements to the institutional and policy framework, combined with sustained momentum in economic diversification away from hydrocarbons have and will continue to enhance Kazakhstan's resilience to shocks.

Moody's expects that the Bank will be able to preserve its credit metrics which have already improved during the last two-three years, and that its growing and maturing franchise will support profitability. Also, rating agency anticipates that the greater economic resilience will cap cost of risk while greater stability of monetary fundamentals will support liquidity through greater stability of deposit base.

As a result, Moody's upgraded Halyk's long-term deposit ratings to Baa1 from Baa2 and changed its outlook on the long-term deposit ratings to stable from positive.

The upgrade reflects Moody's expectation that the improved operating environment will allow the Bank to preserve its capital, liquidity and profitability, improve asset quality and reduce their volatility.

The rating agency notes Halyk's strong capitalisation and improvement in its asset quality with problem loans to gross loans reduced to 7.2% at end-H1 2024 (7.5% in 2023) from 8.6% at end-2021 and 12.3% a year earlier. Also, Moody's points out, that the Bank enjoys a very strong franchise, which translates into sound net earnings with return on average assets above 4%.

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, asset management and lifestyle services. 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.

With total assets of KZT 16,749.9bn as at 30 June 2024, Halyk Bank is Kazakhstan's leading lender. The Bank has the largest customer base and broadest branch network in Kazakhstan, with 568 branches and outlets across the country. The Bank also operates in Georgia and Uzbekistan.

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

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**For further information, please contact:
Halyk Bank**

Mira Tiyanak	+7 727 259 04 30 MiraK@halykbank.kz
Nurgul Mukhadi	+7 727 330 16 77 NyrghyIMy@halykbank.kz
Rustam Telish	+7 727 330 15 66 RustamT3@halykbank.kz

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