



Eurasian Bank

«Еуразиялық банк» АҚ

Қазақстан Республикасы, 050002
Алматы қ., Қонаев к-сі, 56
Тел.: +7 (727) 250 86 84
Факс: +7 (727) 244 39 24

№ 05-007/9586

АО «Евразийский банк»

Республика Казахстан, 050002
г. Алматы, ул. Кунаева, 56
Тел.: +7 (727) 250 86 84
Факс: +7 (727) 244 39 24

от «18» сентября 2019 г.

Eurasian Bank JSC

56, Kunaev St., 050002
Almaty, Republic of Kazakhstan
Tel.: +7 (727) 250 86 84
Fax: +7 (727) 244 39 24

АО «Казахстанская фондовая биржа»
г. Алматы, ул. Байзакова, 280,
северная башня МФК «Almaty Towers»

Настоящим АО «Евразийский банк», в соответствии с требованиями листинговых правил АО «Казахстанская фондовая биржа», сообщает о том, что 13 сентября 2019 года международное рейтинговое агентство Moody's Investor Services произвело следующие рейтинговые действия:

- присвоен долгосрочный рейтинг депозитов в национальной и иностранной валютах «B2»;
- присвоен долгосрочный рейтинг депозитов по национальной шкале «Ba1.kz»;
- присвоена базовая оценка кредитоспособности на уровне «b3»;
- присвоена скорректированная базовая оценка кредитоспособности на уровне «b3»;
- присвоена долгосрочная оценка риска контрагента на уровне «B1(cr)»;
- присвоен долгосрочный рейтинг риска контрагента «B1»;
- присвоен краткосрочный рейтинг депозитов «NP»;
- присвоена краткосрочная оценка риска контрагента на уровне «NP (cr)»;
- присвоен краткосрочный рейтинг риска контрагента «NP»;
- присвоен долгосрочный рейтинг риска контрагента по национальной шкале «Baa2.kz»;
- прогноз «Стабильный».

Копия пресс-релиза Moody's Investor Services прилагается.

**Заместитель председателя
Правления**

Дружинина Н.М.

Rating Action: Moody's assigns B2 bank deposit ratings to Eurasian Bank; outlook stable

13 Sep 2019

London, 13 September 2019 -- Moody's Investors Service ("Moody's") has assigned the following ratings to Kazakhstan-based Bank Eurasian Bank: long-term local and foreign currency bank deposit ratings of B2, Baseline Credit Assessment (BCA) of b3 and Adjusted BCA of b3, long-term Counterparty Risk Assessment (CR Assessment) of B1(cr), long-term Counterparty Risk Ratings (CRRs) of B1, short-term bank deposit ratings and CRRs of Not Prime and short-term CR Assessment of Not Prime(cr). The outlook assigned to the long-term deposit ratings and overall entity outlook is stable.

Moody's has also assigned a national scale long-term bank deposit rating of Ba1.kz and national scale long-term CRR of Baa2.kz to Eurasian Bank.

Eurasian Bank's deposit ratings incorporate high probability of government support.

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

According to the National Bank of Kazakhstan (NBK), Eurasian Bank is the ninth-largest Kazakh bank as of 1 August 2019, with a 4% market share in total banking assets. The bank's strategy is to develop as a universal bank, focusing on servicing retail and corporate clients.

RATINGS RATIONALE

Eurasian Bank's BCA of b3 is primarily constrained by its weak asset quality, high related parties exposure and low profitability. At the same time, the bank's BCA is underpinned by sufficient loss absorption capacity and strong liquidity metrics.

The bank's asset quality remains weak: problem loans (defined as Stage 3 loans and POCI under IFRS 9) accounted for 22% of total loans at end-2018. Going forward, Moody's expects that the continuing problem loan workout process and new loan issuances will dilute the legacy problem loans.

The bank's BCA of b3 is constrained by a number of weaknesses in its risk governance structure as identified by Moody's, such as high lending to related parties. At end-2018, exposure to related parties accounted for the majority of tangible common equity giving rise to potential asset quality concerns, which reflected in a one-notch downward adjustment to the bank's BCA.

The bank's performance has been weak as a result of high provisioning charges, as the bank continues to create provisions for its legacy loan portfolio. Moody's does not expect significant improvement in profitability in the next 12 months due to still significant amount of reserves for loan losses which need to be created under the conditions of the financial rehabilitation program. At the same time, the bank's pre-provision income is strong, supported by strong net interest margin (over 5%) and fees (over 2% of average total assets), while its efficiency is good with cost to income ratio below 40% in H1 2019. In the longer term, this will result in much better profitability as the provisioning charges decrease.

The bank reported Tangible Common Equity to Risk Weighted Asset ratio of around 8% at H1 2019 while its strong pre-provision income significantly mitigates the additional provisioning charges.

Eurasian Bank's liquidity cushion has been strong with liquid assets exceeding 35% of tangible assets at H1 2019. Moody's expects the bank's liquidity cushion to remain high despite its partial utilization in the growing loan portfolio.

HIGH GOVERNMENT SUPPORT

Eurasian Bank's deposit ratings of B2 incorporate one notch of uplift from the bank's b3 BCA, which reflects Moody's assessment of a high probability of support from the Kazakh government in case of need. This assessment is based on the history of support reflected in the inclusion of Eurasian Bank in National Bank of

Kazakhstan's financial rehabilitation programme along with other systemically important banks. In addition, the bank has notable market shares in total banking assets (4%) and in retail customer deposits (5%) as of 1 August 2019.

STABLE OUTLOOK

Eurasian Bank's long-term ratings carry a stable outlook which reflects Moody's expectations of relative stability of the key credit metrics like asset quality, capital and liquidity in the next 12-18 months.

COUNTERPARTY RISK ASSESSMENT

Eurasian Bank's global scale CR Assessment is positioned at B1(cr)/NP(cr). Such assessments are opinions of how counterparty obligations are likely to be treated if a bank fails and relates to a bank's contractual performance obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities. Senior obligations represented by the CR Assessments are more likely to be preserved to limit contagion, minimize losses and avoid disruption of critical functions.

COUNTERPARTY RISK RATINGS

Eurasian Bank's global CRRs are positioned at B1, two notches above the bank's Adjusted BCA. CRRs are opinions of the ability of entities to honor the uncollateralized portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honored. CRR liabilities typically relate to transactions with unrelated parties. Examples of CRR liabilities include the uncollateralized portion of payables arising from derivatives transactions and the uncollateralized portion of liabilities under sale and repurchase agreements. CRRs are not applicable to funding commitments or other obligations associated with covered bonds, letters of credit, guarantees, servicer and trustee obligations, and other similar obligations that arise from a bank performing its essential operating functions.

WHAT COULD MOVE THE RATINGS UP/DOWN

Eurasian Bank's ratings could be upgraded if it 1) considerably improves profitability, 2) creates sufficient reserves for the loan portfolio and 3) improves asset quality. The ratings could be downgraded in case of materialization of asset quality problem beyond Moody's expectations. Moody's reassessment of government support to lower levels may lead to downward pressure on the ratings.

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.

LIST OF ASSIGNED RATINGS

Issuer: Eurasian Bank

Assignments:

...LT Bank Deposits, Assigned B2, Stable Outlook Assigned

...ST Bank Deposits, Assigned Not Prime

...Adjusted Baseline Credit Assessment, Assigned b3

...Baseline Credit Assessment, Assigned b3
...LT Counterparty Risk Assessment, Assigned B1(cr)
...ST Counterparty Risk Assessment, Assigned Not Prime(cr)
...LT Counterparty Risk Ratings, Assigned B1
...ST Counterparty Risk Ratings, Assigned Not Prime
...NSR LT Bank Deposits, Assigned Ba1.kz
...NSR LT Counterparty Risk Rating, Assigned Baa2.kz

Outlook Action:

... Stable Outlook Assigned

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.

Please see www.moodys.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.moodys.com for additional regulatory disclosures for each credit rating.

Vladlen Kuznetsov, CFA
Vice President - Senior Analyst
Financial Institutions Group
Moody's Interfax Rating Agency
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



© 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.