



**Председателю Правления  
АО "Казахстанская фондовая биржа"  
г-же Алдамберген А. Ө.**

**Уважаемая Алина Өтеміскызы!**

Настоящим АО ДБ «Альфа-Банк» сообщает о подтверждении Рейтинговым агентством Fitch Ratings рейтингов Банка:

- долгосрочный рейтинг дефолта эмитента (РДЭ) в иностранной валюте на уровне «BB-» с прогнозом «Стабильный»;
- краткосрочный рейтинг РДЭ в иностранной валюте подтвержден на уровне "B";
- долгосрочный рейтинг Банка по национальной шкале подтвержден на уровне "BBB+(kaz)" с прогнозом «Стабильный»;
- рейтинг устойчивости на уровне «bb-», рейтинг поддержки подтвержден на уровне «4»;
- рейтинг Банка по облигациям KZP02Y05C980 (KZ2C00002434, официальный список KASE, категория "основная", ALBNb3) подтвержден на уровне «BB-», по национальной шкале на уровне "BBB+(kaz)".

Дата подтверждения – 29 марта 2018 года.

С уважением,

**Председатель Правления**



**Аникина А.В.**

JSC SB Alfa Bank Kazakhstan (/gws/en/esp/issr/92295890)

# FitchRatings

## Fitch Affirms Alfa Bank Kazakhstan at 'BB-'

Fitch Ratings-Moscow-29 March 2018: Fitch Ratings has affirmed Alfa Bank Kazakhstan's (ABK) Long-Term Issuer Default Ratings (IDRs) at 'BB-', with the Stable Outlook. A full list of rating actions is at the end of this rating action commentary.

### KEY RATING DRIVERS

#### IDRS, VR AND NATIONAL RATINGS

The affirmation of ABK's ratings reflects its stable financial performance supported by relatively low funding costs and reasonable asset quality, as well as a considerable capital buffer, a stable funding base and ample liquidity. The ratings are constrained by the bank's currently limited franchise and large appetite for growth, especially in unsecured retail lending, which may increase credit risks.

The bank's asset quality is underpinned by a sizeable low-risk, mostly investment-grade, bond and interbank portfolio (50% of total assets at end-2017) and a loan book (43%) of reasonable quality.

ABK's non-performing loans (NPLs) accounted for 6% of gross loans at end-2017, and were fully covered by reserves. Restructured loans made up an additional 7% (0.2x of Fitch core capital (FCC)), although, positively, most such exposures are backed by hard collateral. Loan dollarisation is also moderate with performing and non-restructured FX loans amounting to 9% of gross loans (0.3x FCC), but Fitch views the largest of these exposures as of only moderate risk.

ABK's aggressive retail loan growth plans with an emphasis on unsecured cash lending (on average 60% per year in 2018-2020) may result in higher credit risks, although these should be covered by wide margins. However, the risk stems from potential overheating in the retail segment, which could happen over the medium-term due to increasing competition.

ABK's pre-impairment profit for 2017 equalled to a solid 7% of gross loans, translating into a decent return on average equity (ROAE) of 12% and providing the bank with a reasonable margin of safety against potential asset quality deterioration.

ABK's FCC at end-2017 was a high 18% of risk-weighted assets (RWAs), which is in line with the bank's regulatory capital ratios. At end-1M18, its regulatory ratios fell moderately by 2% to 16%, due to a one-off adjustment for IFRS 9. We estimate that ABK's capital buffer is sufficient to withstand additional loan impairment equalling to 12% of gross loans and still comply with regulatory requirements, including a 2% capital conservation buffer.

ABK is mainly customer-funded (95 % of total liabilities at end-2017). Funding concentration is high, with the 20-largest customer accounts making up 36% of total, but the risk is mitigated by a stable and counter-cyclical deposit base (the bank benefits from flight to quality), rapid loan turnover and an ample liquidity buffer, which covered 60% of total customer accounts at end-1M18.

### SUPPORT RATING AND SUPPORT RATING FLOOR

The Support Rating of '4' reflects Fitch's view of the limited probability of support that might be forthcoming from Alfa Bank Russia (ABR, BB+/Stable) or other group entities, if needed. In Fitch's view, support may be forthcoming in light of the common branding, potential reputational risk of a default at ABK and the small cost of support that may be required.

At the same time, Fitch views ABR's propensity to provide support as limited because (i) it holds shares in ABK on behalf of ABH Holdings S.A. (ABHH), to which it has ceded control and voting rights through a call option, under which ABHH may acquire 100% of ABK from ABH Financial Limited (the entity controlling 100% of ABR) until end-December 2019; and (ii) there is limited operational integration between ABK and ABR.

Support from other Alfa Group entities, in Fitch's view, also cannot be relied on, especially in a systemic financial crisis in Kazakhstan. ABHH's failure to provide full support to its Ukraine-based subsidiary PJSC Alfa-Bank (ABU; B-/Stable) in 2008 is an example.

### SENIOR UNSECURED DEBT RATINGS

ABK's senior unsecured local debt ratings are aligned with the bank's Long-Term Local-Currency IDR and National Long-Term Rating, and reflect Fitch's assessment that recoveries are likely to be average in the event of a default.

### RATING SENSITIVITIES

Upside is limited by a challenging operating environment, ABK's small franchise and large growth appetite. Downside rating pressure could result from significant deterioration of asset quality and/or capitalisation if that is not offset by sufficient and



timely equity support from the banks' shareholders.

The rating actions are as follows:

Long-Term Foreign- and Local-Currency IDRs: affirmed at 'BB-'; Outlooks Stable

Short-Term Foreign-Currency IDR: affirmed at 'B'

National Long-Term Rating: affirmed at 'BBB+(kaz)'; Outlook Stable

Viability Rating: affirmed at 'bb-'

Support Rating: affirmed at '4'

Senior unsecured debt: affirmed at 'BB-'

National senior unsecured debt rating: affirmed at 'BBB+(kaz)'

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#### Applicable Criteria

Bank Rating Criteria (pub. 23 Mar 2018) (<https://www.fitchratings.com/site/re/10023430>)

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