



«Қазақстанның Даму Банкі» АҚ  
Қазақстан Республикасы, Z05T3E2  
Астана қ. Есіл ауданы, Мәңгілік Ел даңғылы  
55А ғимараты, 15 т.е. бөл.  
тел.: +7 (7172) 79 26 00  
факс: +7 (7172) 79 26 38  
e-mail: info@kdb.kz

Development Bank of Kazakhstan JSC  
building 55A Mangilik Yel avenue, n-r. pr. 15  
Z05T3E2, Yessil district, Astana city  
Republic of Kazakhstan  
tel.: +7 (7172) 79 26 00  
fax: +7 (7172) 79 26 38  
e-mail: info@kdb.kz

15.02.2019 № 19/820

### АО «Казакстанская фондовая биржа»

АО «Банк Развития Казахстана» (далее – Банк), в соответствии с требованиями Листинговых правил АО «Казакстанская фондовая биржа», сообщает о том, что рейтинговое агентство Moody's Investors Service (далее – Агентство) подтвердило Банку долгосрочные кредитные рейтинги эмитента в иностранной и национальной валютах на уровне «Ваа3/Стабильный» в рамках новой методологии.

Одновременно долгосрочные рейтинги приоритетных необеспеченных долговых обязательств Банка (ISIN: XS0220743776, XS0248160102, XS0860582435, KZ2C00003002, XS1734574137, XS1814831563) подтверждены Агентством на уровне «Ваа3».

*Приложение: Пресс-релиз Агентства от 13 февраля 2019 года.*

Заместитель Председателя Правления

Д. Бабичев

Исп. Исабекова А.  
8 7172 79 26 52

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's takes rating actions on finance companies in Kazakhstan

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13 Feb 2019

London, 13 February 2019 -- Moody's Investors Service (Moody's) has today taken rating actions on four finance companies in Kazakhstan, thereby affirming all of the affected companies' ratings under the application of Moody's new Finance Companies rating methodology, which is now the primary methodology that Moody's uses to rate finance companies globally.

Among the rating actions taken today are:

- Affirmation of the long-term local and foreign currency issuer ratings and local and foreign currency senior unsecured ratings of Development Bank of Kazakhstan at Baa3 as well as the local and foreign currency senior unsecured MTN at (P)Baa3 and local currency Subordinated MTN at (P)Ba1. The outlook on the issuer remains stable.

- Affirmation of the long-term and short-term local and foreign currency issuer ratings of Damu Entrepreneurship Development Fund JSC at Baa3/Prime-3 as well as the National Scale rating (NSR) Issuer Rating of Aa1.kz. The outlook on the issuer remains stable.

- Affirmation of the long-term and short-term local and foreign currency issuer ratings of Kazakhstan Mortgage Company JSC at Baa3/Prime-3 as well as the NSR Issuer Rating of Aa1.kz. The outlook on the issuer remains stable.

- Affirmation of the Corporate Family Rating (CFR) of Fund Of Financial Support for Agriculture JSC and local currency senior unsecured rating at Ba2 as well as the (P)Ba2 local currency senior unsecured MTN. Affirmation of the NSR Issuer Rating at A2.kz. Withdrawal of its long and short term local and foreign currency issuer ratings of Ba2/Not-Prime for Moody's own business reasons. The outlook on the issuer remains stable.

Moody's has also withdrawn the outlooks on Development Bank of Kazakhstan, Damu Entrepreneurship Development Fund JSC, Kazakhstan Mortgage Company JSC and Fund Of Financial Support for Agriculture existing instrument, issuer and corporate family ratings - where applicable - for its own business reasons. The withdrawal of these outlooks has no impact on the issuer-level rating outlooks for these entities. Please refer to the Moody's Investors Service's Policy for Withdrawal of Credit Ratings, available on its website, [www.moodys.com](http://www.moodys.com).

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

#### RATINGS RATIONALE

##### - Development Bank of Kazakhstan (DBK)

The affirmation of DBK's Baa3 long-term senior unsecured and issuer ratings is based on its ba3 standalone assessment and incorporates three notches of rating uplift from Moody's assumptions of very high support considerations from its immediate parent Baiterek National Management Holding, JSC (Baiterek) (Baa3 stable), in turn 100% owned by the government of Kazakhstan (Baa3 stable).

As a dedicated provider of long-term financing resources to support local economic development, DBK's ba3 standalone assessment reflects (1) adequate capitalisation, (2) ongoing capital support from the government and (3) adequate medium term liquidity profile. At the same time, the credit challenges include (1) high loan book concentration, (2) asset risks associated with long-term projects and foreign-currency exposure and (3) refinancing risks in the long term.

The outlook on DBK's ratings is stable, in line with that of Baiterek.

##### - Damu Entrepreneurship Development Fund JSC (Damu)

The affirmation of the Baa3 long-term local and foreign currency issuer ratings of Damu reflects the company's

b1 standalone assessment and four notches of ratings uplift from Moody's assessment of very high affiliate support and Damu's very high dependence on its parent Baiterek.

Damu's ratings benefit from its public-policy role as a national development institution, specializing in supporting small and medium sized enterprise (SME) sector via providing funds to commercial banks which on-lend them to SMEs which ensures that it has a secure business niche, while cheap government funding results in adequate profitability. The company's capitalisation is also reasonable, and new capital supports business growth or addresses capital shortfall in case of assets quality deterioration. At the same time, the company's standalone credit profile is constrained by its (1) exposure to the weak local banking sector, with significant single-name concentrations; and (2) liquidity, which is potentially vulnerable to large unexpected defaults.

The outlook on Damu's ratings is stable, in line with that of Baiterek. In addition, Moody's expects that the key financial metrics such as capital, liquidity and asset quality will not significantly deviate from historic numbers in the next 12-18 months.

#### - Kazakhstan Mortgage Company JSC (KMC)

The affirmation of the Baa3 long-term local and foreign currency issuer ratings of KMC reflects the company's b1 standalone assessment and four notches of ratings uplift from Moody's assessment of very high affiliate support and KMC's very high dependence on its parent Baiterek.

KMC's strategic importance to its parent is reflected in its special mandate to develop residential housing in the country including mortgage lending and social housing rent. KMC participates in government programmes and its funding is pre-dominantly comprised of funding received from its parent and the government.

KMC's standalone assessment of b1 reflects credit strengths such as (1) its policy role ensuring secured business niche with access to cheap funding and capital, (2) adequate capitalisation and profitability, and credit challenges due to (3) exposure the volatile real estate sector which pressures asset quality, business volumes and revenues and (4) potentially vulnerable liquidity.

The stable outlook on KMC mirrors the stable outlook on its parent's (Baiterek) long-term issuer ratings. In addition, Moody's expects that the key financial metrics such as capital, liquidity and asset quality will not significantly change in the next 12-18 months.

#### - Fund Of Financial Support for Agriculture JSC (FFSA)

The affirmation of FFSA's Ba2 corporate family rating (CFR) reflects its b1 standalone financial profile and two notches of rating uplift from Moody's very high support assumptions from its parent KazAgro National Management Holding JSC (KazAgro, Ba1 stable), which is 100% owned by the government of Kazakhstan. FFSA has a policy mandate to focus on providing and expanding the access to financial services for the rural population under government programmes. FFSA's affirmed long-term senior unsecured rating of Ba2 reflects the relative positioning of unsecured obligations under Moody's LGD model.

FFSA's standalone assessment reflects the company's resilient financial fundamentals, illustrated by its substantial capital buffers, historically strong profitability and low refinancing risks. The credit challenges stem from the risks associated with FFSA's weakly performing and potentially risky loan book, given the cyclical nature of the agriculture sector (the policy mandate of the company). The monoline nature of the company's business makes its financial metrics potentially volatile, especially revenue, liquidity and asset quality.

The outlook on FFSA's ratings is stable, in line with that of KazAgro. In addition, Moody's does not expect significant change in its key credit metrics such as capital, liquidity and asset quality in the next 12-18 months.

#### WITHDRAWAL OF FFSA'S ISSUER RATINGS

Moody's has decided to withdraw the ratings for its own business reasons. Please refer to the Moody's Investors Service's Policy for Withdrawal of Credit Ratings, available on its website, [www.moodys.com](http://www.moodys.com).

#### WHAT COULD MOVE THE RATINGS UP/DOWN

For Damu, KMC and DBK the upside potential of the issuer's ratings is constrained by those of Baiterek, given that they are at the same level. For FFSA a sustained track record of strong asset performance, and the maintenance of healthy capital and liquidity profiles could have upward rating implications.

Damu's, KMC's and DBK's long-term ratings could be downgraded in case of a downgrade of Baiterek's rating or reduced support assumptions for the companies. Any indication of a weakening in KazAgro's willingness or ability to support FFSA, could negatively affect FFSA's CFR. Significant deterioration of individual credit metrics could trigger negative rating pressure for all entities.

#### LIST OF AFFECTED RATINGS

Issuer: Development Bank of Kazakhstan

Affirmations:

.... Long-term Issuer Ratings (Foreign and Local currency), Affirmed at Baa3, previously Stable debt level outlook withdrawn

.... Senior Unsecured (Foreign and Local currency), Affirmed at Baa3, previously Stable debt level outlook withdrawn

.... Senior Unsecured MTN (Foreign and Local currency), Affirmed at (P)Baa3

.... Subordinate MTN (Local currency), Affirmed at (P)Ba1

Outlook Action:

....Outlook, Remains Stable

Issuer: Damu Entrepreneurship Development Fund JSC

Affirmations:

.... Long-term Issuer Ratings (Foreign and Local currency), Affirmed at Baa3, previously Stable debt level outlook withdrawn

.... Short-term Issuer Ratings (Foreign and Local currency), Affirmed at Prime-3

. NSR Long-term Issuer Rating (Local Currency), Affirmed at Aa1.kz

Outlook Action:

....Outlook, Remains Stable

Issuer: Kazakhstan Mortgage Company JSC

Affirmations:

.... Long-term Issuer Ratings (Foreign and Local currency), Affirmed at Baa3, previously Stable debt level outlook withdrawn

.... Short-term Issuer Ratings (Foreign and Local currency), Affirmed at Prime-3

. NSR Long-term Issuer Rating (Local Currency), Affirmed at Aa1.kz

Outlook Action:

....Outlook, Remains Stable

Issuer: Fund Of Financial Support for Agriculture JSC

Affirmations:

.... Long-term Corporate Family Ratings, Affirmed at Ba2, previously Stable debt level outlook withdrawn

.... Senior Unsecured (Local currency), Affirmed at Ba2, previously Stable debt level outlook withdrawn

.... Senior Unsecured MTN (Local currency), Affirmed at (P)Ba2

..... NSR Long-term Issuer Rating (Local currency), Affirmed at A2.kz.

Withdrawals:

.... Long-term Issuer Ratings (Foreign and Local currency), previously rated Ba2 Stable

.... Short-term Issuer Ratings (Foreign and Local currency), previously rated Not Prime

Outlook Action:

.... Outlook remains Stable

The principal methodology used in these ratings was Finance Companies published in December 2018. Please see the Rating Methodologies page on [www.moodys.com](http://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 [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_1113601](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1113601).

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Vladlen Kuznetsov  
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

Carola Schuler  
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

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