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**Акционерное общество
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№

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

Пользуясь представившейся возможностью, АО «Bank RBK» (далее - Банк) выражает Вам свое почтение и надежду на дальнейшее плодотворное сотрудничество.

Настоящим сообщаем Вам, согласно отчету рейтингового агентства «Standard & Poor's» от «28» марта 2018 года Банку установлены следующие рейтинги:

- долгосрочный и краткосрочный рейтинг Банка по международной шкале «B-/B»;
- рейтинг Банка по национальной шкале «kzBB-».

Приложение: Копия краткого обоснования рейтинга Standard & Poor's от «28» марта 2018 года на 6 страницах.

**Первый заместитель
Председателя Правления**

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RatingsDirect®

Research Update:

Kazakhstan-Based Bank RBK Upgraded To 'B-/B' And 'kzBB-' On Restored Liquidity And Asset Quality; Outlook Stable

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Research Update:

Kazakhstan-Based Bank RBK Upgraded To 'B-/B' And 'kzBB-' On Restored Liquidity And Asset Quality; Outlook Stable

Overview

- Following its November 2017 default on some obligations, Bank RBK has cleaned up problem loans from its balance sheet and restored its liquidity with support from its new major beneficiary shareholder and the state.
- We are therefore upgrading Bank RBK to 'B-/B' and 'kzBB-' from 'CCC/C' and 'kzCCC+'.
- The stable outlook reflects the balance between the bank's restored asset quality and liquidity and the risks stemming from the implementation of its business development plan in the difficult operating environment.

Rating Action

On March 28, 2018, S&P Global Ratings raised its long- and short-term issuer credit ratings on Bank RBK JSC (RBK) to 'B-/B' from 'CCC/C'. The outlook is stable.

We also raised the national scale rating on RBK to 'kzBB-' from 'kzCCC+'.

We removed all ratings from CreditWatch with developing implications, where we had placed them on Dec. 22, 2017.

Rationale

The upgrade reflects our view of visibly decreased defaults risks for RBK thanks to the cleaning up of its balance sheet and strengthened liquidity position as a part of the support program led by new major beneficiary shareholder and the National Bank of Kazakhstan (NBK). This plan--agreed upon by all involved parties (including the government of Kazakhstan) after the bank received this support--included the establishment of a special purpose vehicle (SPV) for the transfer of the majority of its legacy problem loans; capital injections from the new major beneficiary shareholder; and a large increase in liquid assets from the NBK's purchase of RBK's subordinated bonds. Specifically:

- Kazakh tenge (KZT) 243 billion (\$740 million) in subordinated debt from the NBK;

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- KZT160 billion (\$486 million), including a KZT120 billion capital injection from KCC Finance LLP, owned by Mr. Vladimir Kim, and the conversion of a KZT40 billion deposit from Kazakhmys--a key asset of Mr. Kim--into equity at RBK; and
- Transfer of KZT603 billion gross problem loans (KZT335 billion net loans) without recourse to the SPV, which is legally not consolidated with the bank.

These measures restored the bank's Tier 1 and total capitalization ratios to 22% and 80%, respectively (versus regulatory minimums 7.5% and 10.0%) and improved the share of liquid assets to 54% of the balance sheet on March 12, 2018. Approximately 90% of liquid assets are Kazakh government bonds (Kazakhstan, BBB-/Stable/A-3), which are of sound credit quality in the Kazakh context. The bank is allowed to sell only one-third of the government bonds in 2018, as per the terms of the state support, and invest the proceeds in loans. We expect RBK's liquid assets will remain between 35% and 45% of the balance sheet over the next 12 months; the bank plans only a moderate loan growth and will maintain a high buffer as per the terms of the state support. Liquid assets fully cover wholesale funding and customer deposits at the moment. The absence of negative cumulative gaps in all possible time buckets over the next 12 months further supports the upgrade.

In addition, the bank's asset quality improved markedly after the transfer without recourse of the majority of problem loans to the SPV. The loan book has now reduced to about 37% of total assets on March 12, 2018. The bank's nonperforming loans (NPLs; loans overdue more than 90 days) amounted to about 17% of the loan book as of Feb. 15, 2018, versus more than 70% of the loan portfolio with signs of impairment before the transfer. We assume this ratio might reach about 19% over the next 12 months, depending on the quality of new untested underwriting standards. Currently, and based on unaudited financials, RBK's provisions were around 30% of the loan portfolio, and we expect limited deviations unless the ongoing audit of the bank's financials, under International Financial Reporting Standards, requires the need for additional provisions.

Finally, RBK has a new management team, experienced in local corporate banking (including international financial institutions), and an updated business plan. We understand that the new strategy comprises lending to large corporates and to partners and employees of Kazakhmys. However, we continue to see some uncertainty on the bank's business prospects, as the operating environment remains difficult and competitive. We also note that RBK has yet to overcome reputational pressure after the default.

Outlook

The stable outlook reflects the balance between RBK's restored asset quality and liquidity and the risks stemming from the implementation of its business plan amid a difficult operating environment. The outlook also reflects our

anticipation that the bank will maintain a high liquidity cushion over the next 12 months as per the terms of the support agreement with the NBK.

We could consider a negative rating action if we see signs of deteriorating asset quality far beyond market-average levels, recurrent liquidity pressures due to funding outflows, or indications of weakening capitalization. Failure to establish a stable customer base sufficient to re-establish the business viability due to reputational pressure could also trigger a downgrade.

We could consider a positive rating action if the bank is able to implement the new strategy, leading to a viable and sustainable business model. This might be challenging over the 12-month outlook horizon, in our view.

Related Criteria

- General Criteria: S&P Global Ratings' National And Regional Scale Mapping Tables, Aug. 14, 2017
- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- General Criteria: National And Regional Scale Credit Ratings, Sept. 22, 2014
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Kazakh Bank RBK Upgraded To 'CCC/C' From 'D/D' On Resumed Payments; Ratings Then Put On CreditWatch Developing, Dec. 22, 2017

Ratings List

Upgraded; CreditWatch Action

	To	From
Bank RBK JSC		
Counterparty Credit Rating	B-/Stable/B	CCC/Watch Dev/C
Kazakhstan National Scale	kzBB/--	kzCCC+/Watch Dev

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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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