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JSC «HOUSE
CONSTRUCTION
SAVINGS BANK OF
KAZAKHSTAN»

Шығ.: № 22-23-11/19645

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**АО "Казахстанская фондовая биржа"
Республика Казахстан, 050040,
г. Алматы, ул. Байзакова, 280,
Северная башня "Almaty Towers",
8-й этаж**

АО "Жилстройсбербанк Казахстана" (далее – Банк) выражает Вам свое почтение и желает успехов в работе.

Настоящим Банк уведомляет Вас о том, что он имеет рейтинги от двух международных рейтинговых агентств.

1. От Fitch Ratings (*пресс-релиз от 20.04.2018г. о подтверждении рейтингов прилагается к настоящему письму*) рейтинги Банка следующие:

Долгосрочный рейтинг дефолта эмитента (РДЭ) в национальной валюте	BBB-	Прогноз "стабильный"
Краткосрочный РДЭ в национальной валюте	F3	Прогноз "стабильный"

2. От Moody's Investors Services (*пресс-релиз от 28.07.2017г. о стабилизации прогноза и подтверждении рейтингов прилагается к настоящему письму*) рейтинги Банка следующие:

Долгосрочный рейтинг по депозитам в национальной валюте	Baa3	Прогноз "стабильный"
Краткосрочный рейтинг по депозитам в национальной валюте	Prime-3	Прогноз "стабильный"
Базовая оценка кредитоспособности (BCA)	Ba2	Прогноз "стабильный"

И.о. Председателя Правления

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Rating Action: Moody's stabilises outlook on five Kazakhstan financial institutions, affirms ratings

28 Jul 2017

London, 28 July 2017 -- Moody's Investors Service has today changed the outlooks to stable from negative on the ratings of five financial institutions domiciled in Kazakhstan reflecting reduced downside risks to the ratings from the government's credit strength. At the same time, it has affirmed the ratings of these issuers.

These rating actions follow the stabilisation of Kazakhstan's credit profile as captured by Moody's change of outlook to stable from negative on Kazakhstan's government rating (Baa3) on 26 July 2017. For additional information, please refer to the related announcement: https://www.moody's.com/research/--PR_370462.

Specifically, Moody's has changed the outlooks to stable and affirmed the ratings of the following entities: Development Bank of Kazakhstan, House Construction Savings Bank of Kazakhstan JSC, Halyk Savings Bank of Kazakhstan, Kazkommertsbank, Fund Of Financial Support for Agriculture JSC.

The full list of affected issuers and credit ratings can be found at the end of this press release.

RATINGS RATIONALE

The change of the outlook on Kazakhstan's Baa3 government bond rating to stable from negative triggered corresponding changes of the outlooks on the ratings of the five financial institutions whose ratings benefit from government support uplift. Moody's believes that the capacity and willingness of the Kazakhstan government to assist state-owned financial institutions and banks that benefit from government support remain substantially unchanged. The stabilisation of the sovereign credit profile has eased the downside risks the rating agency had identified earlier when it assigned the negative outlook and prompted the rating agency to stabilise the outlook on Development Bank of Kazakhstan, House Construction Savings Bank of Kazakhstan JSC, Halyk Savings Bank of Kazakhstan, Kazkommertsbank, Fund Of Financial Support for Agriculture JSC.

WHAT COULD MOVE RATINGS UP OR DOWN

For the majority of the affected financial institutions, with deposit, debt and issuer ratings being already positioned at or close to the sovereign rating level, an upgrade is unlikely in the absence of a corresponding change in the sovereign rating and foreign currency deposit ceiling. For other entities the upward pressure could arise from considerable improvements of their individual financial performances.

Conversely, the long-term ratings could be revised downwards in case of a downgrade on the sovereign rating although, given the stable outlook, this is unlikely in the next 12-18 months. These ratings may come under downward pressure if Moody's observes a substantial deterioration in the macroeconomic environment (which is not currently anticipated), and/or if the Kazakhstan government's capacity or propensity to render support to systemically important and state owned financial institutions diminishes.

LIST OF AFFECTED RATINGS

Issuer: Halyk Savings Bank of Kazakhstan

Affirmations:

....LT Bank Deposits (Local & Foreign Currency), Affirmed Ba1, Outlook Changed To Stable From Negative

....Senior Unsecured Regular Bond/Debenture, Affirmed Ba3, Outlook Changed To Stable From Negative

Outlook Actions:

....Outlook, Changed To Stable From Negative

Issuer: House Construction Savings Bank of Kazakhstan JSC

Affirmations:

....LT Bank Deposits (Local Currency), Affirmed Baa3, Outlook Changed To Stable From Negative

Outlook Actions:

....Outlook, Changed To Stable From Negative

Issuer: Kazkommertsbank

Affirmations:

....LT Bank Deposits (Local & Foreign Currency), Affirmed Ba2, Outlook Changed To Stable From Negative

....Senior Unsecured Regular Bond/Debenture, Affirmed B1, Outlook Changed To Stable From Negative

....Senior Unsecured MTN Program, Affirmed (P)B1

Outlook Actions:

....Outlook, Changed To Stable From Negative

Issuer: Development Bank of Kazakhstan

Affirmations:

....LT Issuer Rating (Local & Foreign Currency), Affirmed Baa3, Outlook Changed To Stable From Negative

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa3, Outlook Changed To Stable From Negative

....Senior Unsecured MTN Program, Affirmed (P)Baa3

Outlook Actions:

....Outlook, Changed To Stable From Negative

Issuer: Fund Of Financial Support for Agriculture JSC

Affirmations:

....LT Issuer Rating (Local & Foreign Currency), Affirmed Ba2, Outlook Changed To Stable From Negative

....Senior Unsecured Regular Bond/Debenture, Affirmed Ba2, Outlook Changed To Stable From Negative

....Senior Unsecured MTN Program, Affirmed (P)Ba2

Outlook Actions:

....Outlook, Changed To Stable From Negative

PRINCIPAL METHODOLOGIES

The principal methodology used in Halyk Savings Bank of Kazakhstan, House Construction Savings Bank of Kazakhstan JSC and Kazkommertsbank ratings was Banks published in January 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

The methodologies used in Development Bank of Kazakhstan and Fund Of Financial Support for Agriculture JSC ratings were Banks published in January 2016, and Government-Related Issuers published in October 2014. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt 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.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

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Fitch Affirms Three Kazakh Policy Institutions

Fitch Ratings-Moscow/London-20 April 2018: Fitch Ratings has affirmed the Long-Term Issuer Default Ratings (IDRs) of Development Bank of Kazakhstan (DBK) and House Construction Savings Bank of Kazakhstan (HCSBK) at 'BBB-'. The Outlooks are Stable. Fitch has also affirmed KazAgroFinance's (KAF) Long-Term IDRs at 'BB+' with Negative Outlook. A full list of rating actions is at the end of this rating action commentary.

KEY RATING DRIVERS

ISSUER RATINGS

The affirmation of the Long-Term IDRs and Support Rating Floors (SRFs) reflects Fitch's view of a high propensity of the Kazakhstani authorities to support the institutions, in case of need, due to:

- 100% ultimate (although indirect) state ownership.
- important policy roles in the development of non-extracting economic sectors (DBK), the house savings and mortgage system (HCSBK) and provision of state-subsidised financial leasing to the agricultural sector (KAF) in Kazakhstan.
- a track record of state funding and equity injections to support their expansion (HCSBK and KAF) or solvency (DBK).
- the moderate cost of any support that might be required, given DBK's wholesale debt of 3% of Kazakhstan's 2017 GDP or 16% of sovereign FX reserves at end-2017, and the other two institutions' wholesale debt being negligible relative to sovereign financial resources.
- guarantees on a third of DBK's third-party liabilities from Sovereign Wealth Fund Samruk-Kazyna (BBB/Stable).
- KAF qualifying as a material subsidiary for its owner, KazAgro National management holding JSC (BBB-/Stable), and the latter's USD2 billion Eurobond programme containing a cross-default clause in case of subsidiary default.
- potential adverse reputational, economic or social (in the cases of HCSBK and KAF) consequences of not supporting them.

DBK and HCSBK are rated one notch below the sovereign's 'BBB' rating primarily due to (i) indirect state ownership through JSC National Management Holding Baiterek (BBB/Stable), giving rise to a moderate risk of delays with receipt and pass-through of sovereign support, as Baiterek's own financial resources are limited; (ii) somewhat limited government supervision of both banks, as no government officials sit on their boards of directors, and DBK is exempt from regulatory oversight by the National Bank of Kazakhstan; and (iii) the moderate risk that the sovereign could cease providing full support to all quasi-sovereign entities before defaulting on its own obligations in a severe stress scenario.

KAF is rated two notches below the sovereign mainly due to Fitch's view of its somewhat lower importance for the country's economy and financial system compared with DBK and HCSBK. The Negative Outlook on KAF's ratings reflects the fact that there are announced plans to privatise a controlling stake in KAF by end-2020. Although selling a stake at book value to an investment-grade rated buyer, as required by the privatisation plan, may be difficult, a sale to some local quasi-sovereign fund or another entity is not inconceivable, which may result in some weakening of the state support propensity.

HCSBK

HCSBK is unlikely to need extraordinary support in the medium term in light of resilient asset quality (0.3% non-performing loan ratio) and a strong capital buffer, as reflected in a Fitch Core Capital (FCC) ratio of 57% at end-2017. The comfortable liquidity cushion (38% of total assets at end-2017) is currently sufficient to meet the bank's contingent liability for future mortgage issuance up to end-2021.

Fitch has not assigned a Long-Term Foreign-Currency IDR to HCSBK as the bank's foreign-currency transactions are immaterial for its business.

DBK

DBK may require additional capital due to its inherently risky business of lending to greenfields and projects that are economically important but may not be very profitable. DBK's high-risk assets, as assessed by Fitch, were equal to around 1x FCC at end-2017, comprising NPLs (1.3% of gross loans), restructured loans (3%), large reportedly performing loans with significant accrued interest (14%) and some other risky assets. As a moderate mitigating factor, government support could be provided to some of the problem borrowers due to their importance for the economy.

DBK's FCC ratio stood at 15% of RWAs at end-2017, which is only a moderate buffer relative to its risky assets. Positively, the bank benefits from regular capital injections from the state, the latest taking place in December 2017 (equal to 1% of RWAs).

The bank's liquidity position is solid, with total available liquidity comfortably covering total wholesale debt repayments up until end-2021.

KAF

KAF is less likely to need additional solvency support in the medium term due to a high capital buffer (36% equity-to-assets

ratio of at end-2017) relative to unreserved problems, focus on higher-quality lease issuance and modest growth. NPLs and restructured exposures of a mostly legacy nature (15% and 12% of gross exposures at end-2017, respectively) were 43% covered by reserves. If total problematic exposures were fully provisioned, the equity-to-assets ratio would still be a solid 22%. Given the moderate planned growth of 10% in the next three years capital pressure could only stem from some broader deterioration of the agricultural sector, which is cyclical by nature.

KAF is 70% funded by the parent through a number of long-term credit facilities including low-cost loans and bonds. A comfortable liquidity buffer equal to 23% of liabilities was sufficient to cover obligations due within 12 months, including a large wholesale debt repayment (5% of liabilities) in mid-2018.

DEBT RATINGS

The senior unsecured debt ratings of DBK and KAF are equalised with their IDRs and (in the case of KAF) National Long-Term rating.

RATING SENSITIVITIES

The ratings of all three policy institutions are sensitive to changes in the sovereign ratings.

The ratings of DBK or HCSBK could be upgraded and equalised with the sovereign if the banks become directly owned by the government and state officials become more directly involved in the oversight of the institutions. For DBK, upside rating potential may also emerge if the government replaces or guarantees most of its wholesale funding. Negative rating action on the banks could follow a marked weakening of their policy roles or association with the sovereign. However, neither scenario is currently expected by Fitch.

KAF may be downgraded if the plans to privatise a controlling stake go ahead and Fitch views support as less reliable following the sale. Conversely, if the government decides to retain control of KAF, then its ratings could stabilise at their current level.

The rating actions are as follows:

Development Bank of Kazakhstan

Long-Term Local-Currency IDR: affirmed at 'BBB-'; Outlook Stable

Short-Term Local-Currency IDR: affirmed at 'F3'

Long-Term Foreign-Currency IDR: affirmed at 'BBB-'; Outlook Stable

Short-Term Foreign-Currency IDR: affirmed at 'F3'

Support Rating: affirmed at '2'

Support Rating Floor: affirmed at 'BBB-'

Long term senior unsecured debt rating: affirmed at 'BBB-'

Short term senior unsecured debt rating: affirmed at 'F3'

House Construction Savings Bank of Kazakhstan

Long-Term Local-Currency IDR: affirmed at 'BBB-'; Outlook Stable

Short-Term Local-Currency IDR: affirmed at 'F3'

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

Support Rating: affirmed at '2'

Support Rating Floor: affirmed at 'BBB-'

KazAgroFinance

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

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

National Long-Term rating: affirmed at 'AA(kaz)'; Outlook Negative

Support Rating: affirmed at '3'

Support Rating Floor: affirmed at 'BB+'

Senior unsecured debt rating: affirmed at 'BB+'

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

Expected senior unsecured debt ratings: affirmed at 'BB+(EXP)'/AA(kaz)(EXP)'

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Additional information is available on www.fitchratings.com

Applicable Criteria

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

Non-Bank Financial Institutions Rating Criteria (pub. 22 Mar 2018) (<https://www.fitchratings.com/site/re/10023420>)

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