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# Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)

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# Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)

| SACP | b |
|---|---|

| | | |
|---|---|---|
| Anchor | b+ | |
| Business Position | Weak | -2 |
| Capital and Earnings | Strong | +2 |
| Risk Position | Moderate | -1 |
| Funding | Average | 0 |
| Liquidity | Adequate | |

\+

| Support | 0 |
|---|---|
| ALAC Support | 0 |
| GRE Support | 0 |
| Group Support | 0 |
| Sovereign Support | 0 |

\+

| Additional Factors | 0 |
|---|---|

| Issuer Credit Rating |
|---|
| B/Stable/B |

## Major Rating Factors

| Strengths: | Weaknesses: |
|---|---|
| • Potential support from parent ForteBank.<br>• Limited related party business. | • A limited customer franchise and narrow market share in the domestic banking system, focusing on generally riskier individuals and small and midsize enterprises (SMEs).<br>• Low coverage by provisions of Stage 3 loans (those that are credit impaired). |

**Outlook: Stable**

The stable outlook reflects our expectation that Bank Kassa Nova's business and financial profiles will remain resilient to the more challenging than expected economic environment in Kazakhstan. In our view, Bank Kassa Nova's ownership by the larger ForteBank offers some protection against unexpected mildly adverse developments at Kassa Nova over the next 12 months, particularly with regard to asset quality and capitalization.

### Upside scenario

A positive rating action on Kassa Nova in the coming 12 months is unlikely because we do not envisage material improvements to the bank's stand-alone credit profile (SACP). We are unlikely to raise our ratings on Kassa Nova to the level of those on ForteBank because of Kassa Nova's status as a newly acquired subsidiary and its small size in relation to ForteBank.

### Downside scenario

A negative rating action could follow if Bank Kassa Nova's capitalization does not strengthen, with our forecast risk-adjusted capital (RAC) ratio staying below 10% by 2021. A negative action could also result if ForteBank's creditworthiness deteriorates, reducing the likelihood that it will be able to support Bank Kassa Nova. This could happen if Bank Kassa Nova expands faster than expected or generates lower profits than our base-case assumptions for a long period. A significant increase in Stage 3 loans toward 25% of total loans, or a significant decrease in coverage of Stage 3 loans by provisions could also lead to a negative rating action.

If Kassa Nova's SACP weakens by one notch to 'b-', we do not expect the rating to change due to a potential notch of uplift for group support from ForteBank. However, this is contingent on our rating on ForteBank remaining 'B+' or higher.

## Rationale

We expect that Kassa Nova will retain its banking license and continue its operations as a stand-alone bank following its acquisition by ForteBank in May 2019. We assume the bank, which has assets of about $350 million, will benefit financially and operationally from its ownership by ForteBank, the third-largest domestic bank in the consolidating Kazakh banking sector. We envisage some optimization of Kassa Nova's administrative expenses, a reduction in funding costs, and a stronger reputation. We also see some potential for ForteBank to provide liquidity and capital support to Kassa Nova if needed.

We forecast that Kassa Nova's capitalization, as measured by our RAC ratio, will remain stronger than the average of its domestic peers' ratios and will rebound to about 10.4%-10.6% by year-end 2021 from about 9.8% at year-end 2018 supported by full earnings retention, decent profitability, and only modest planned balance-sheet growth. Kassa Nova's gross Stage 3 loans and purchased and originated credit-impaired (POCI) loans were 16.5% of total loans as of year-end 2018--better than our estimate of an average of 20%-25% for the Kazakh banking system. Only 19% of these loans were covered by provisions, reflecting high coverage by real estate collateral (predominantly residential flats, which on average take about a year to realize). The bank's funding profile has proven resilient to deposit outflows, which was a major issue for other small Kazakh banks over the past three years, due to the good reputation of its wealthy owner. We view the bank's liquidity position as adequate.

We view Kassa Nova as a moderately strategic subsidiary of ForteBank, reflecting its status as a newly acquired subsidiary and its relatively small size compared to ForteBank (accounting for 9% of ForteBank's capital). We do not give any uplift to our ratings on Kassa Nova in view of the small differential between the ratings on ForteBank and Kassa Nova.

### Anchor:

We use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for a commercial bank operating only in Kazakhstan is 'b+'.

In our view, economic risks have increased in Kazakhstan because we believe Kazakh banks will continue to display higher credit losses for a longer period than we previously expected. The economy's commodity-dependence exposes it to volatility in terms of trade. For 2019-2021, we expect economic growth to average 3.5%-3.7%, supported by rising oil production and exports. Extremely high credit risk remains a key weakness for Kazakh banks, in our view. We estimate that Stage 3 loans in the system comprised 20%-25% of total loans at year-end 2018, and were not adequately provisioned. We anticipate provisions for credit losses in the system will increase and remain at elevated levels in 2019-2020. The trend for the economic risk is stable.

Banking industry risks are also high. We believe Kazakhstan's banking regulators could be subject to political interference and are also prone to regulatory forbearance policies. Generating sufficient risk-adjusted returns over a cycle will remain difficult for most banks, owing to narrowed margins and elevated credit and funding costs. We believe that the government, government related-entities, and well-connected bank owners have influence on the competitive landscape. We do not expect material market consolidation over the next two years following a few M&A transactions and seven defaults in the previous three years. We expect stable customer deposits and sufficient Kazakh tenge liquidity across the system in 2019-2020, which should favor larger, more creditworthy banks. The trend for the industry risk is stable.

**Table 1**

| Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Key Figures | | | | | |
|---|---|---|---|---|---|
| | **--Year ended Dec. 31--** | | | | |
| **(Mil. KZT)** | **2019*** | **2018** | **2017** | **2016** | **2015** |
| Adjusted assets | 132,023.2 | 129,305.1 | 114,091.5 | 96,842.9 | 79,473.5 |
| Customer loans (gross) | 76,303.0 | 77,002.7 | 72,947.0 | 65,795.0 | 58,389.6 |
| Adjusted common equity | 15,204.6 | 13,916.6 | 13,730.8 | 11,761.3 | 12,063.3 |
| Operating revenues | 4,010.8 | 10,297.6 | 5,594.8 | 3,620.6 | 5,141.7 |
| Noninterest expenses | 2,116.9 | 4,210.0 | 3,943.9 | 3,765.8 | 3,339.3 |
| Core earnings | 1,183.5 | 1,419.7 | 914.2 | (113.1) | 933.8 |

*Data as of June 30. KZT--KZT-Kazakhstani tenge.

### Business position: Wholly-owned subsidiary of ForteBank focusing on secured loans to individuals and small businesses

With assets of Kazakhstan tenge (KZT) 133 billion (about $350 million) and a market share of 0.5% by total assets as of mid-2019, Kassa Nova ranked No. 20 among Kazakhstan's 28 banks. The bank serves over 72,000 clients through 18 outlets in eight cities in Kazakhstan after 10 years of operations. After ForteBank acquired Kassa Nova in May 2019 we expect Kassa Nova to focus more on loans to middle-class retail customers and small businesses. We expect that it will gradually scale down its loans to midsize businesses, which are better serviced by ForteBank. Loans to retail customers accounted for over 70% of total loans as of midyear 2019. We take a positive view of this strategy, since historical data suggest that credit costs in secured retail loans are lower over the cycle than for corporate and SME loans.

Since the change of CEO at the start of 2017, Kassa Nova has steadily improved its profitability. The bank reported a return on equity of 15.0% and return on assets (ROA) of 1.8% in the first half of 2019, compared with a breakeven result in 2016 due to its focus on higher-margin loan clients and reduction of the cost of funding. For example, the bank reduced its participation in lending under government support programs to about 13% of total loans at year-end 2018 due to lower margins in this segment. In addition, the bank has been working on new strategic initiatives such as e-commerce, internet banking, and new products. We view these as customer acquisition and retention initiatives at this stage rather than measures to improve operational efficiency. We envisage some further optimization of Kassa Nova's administrative expenses, a reduction in funding costs, and a stronger reputation following the acquisition by ForteBank.

**Table 2**

**Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Business Position**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2019*** | **2018** | **2017** | **2016** | **2015** |
| Total revenues from business line (currency in millions) | 4,010.8 | 10,297.6 | 5,594.8 | 4,302.9 | 5,144.6 |
| Other revenues/total revenues from business line | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Return on average common equity | 15.0 | 9.5 | 6.6 | 0.8 | 7.8 |

*Data as of June 30.

## Capital and earnings: Historically stronger capitalization than the domestic system average

We believe Kassa Nova will maintain a much larger capital cushion than its rated domestic peers in 2019-2021. This should enable it to stay resilient to more challenging than expected economic conditions in Kazakhstan over the next 12 months.

We project our risk-adjusted capital (RAC) ratio for Bank Kassa Nova, our main measure of a bank's capitalization, will temporarily weaken to about 9.8% by year-end 2019 from 10.4% in 2018. We forecast the RAC ratio will rebound to 10.4%-10.6% by year-end 2021 supported by full earnings retention, decent profitability, and only modest planned balance-sheet growth.

Our RAC ratio forecast for 2019-2021 is based on the following assumptions:

- Loan growth of 1% in 2019 and annual loan growth of about 4%-6% in 2020-2021.
- Stable net interest margin, balancing a larger share of higher-margin retail loans with sectorwide margin pressure.
- Cost of risk of about 1.7%, significantly below our forecast for the system of 2.0%-2.5%.
- ROA of about 1.2%-1.4%.

- No shareholder capital injections.
- No dividend payouts.

Kassa Nova reported a Tier 1 ratio of 14.6% and total capital adequacy ratio of 17.0% as of June 30, 2019, significantly above the minimum requirements of 7.5% and 10.0%, respectively, including countercyclical buffer. We consider Kassa Nova's quality of capital to be weaker than peers', since only about 85% of its total adjusted capital (TAC) comprises common shareholders' equity. The remaining capital comprises preferred shares and subordinated loans that we consider to have intermediate equity content, and therefore include in our calculation of TAC. We expect the share of common equity in the bank's TAC will remain at the current levels over the next two years.

Kassa Nova made good progress in normalizing its cost-to-income ratio to 53% in the first half 2019, compared with 104% in 2016 supported by improved revenue through reallocation of lower margin corporate loans into higher margin retail loans and reduction of the cost of funding. We expect this improvement to be sustainable. We note that Kassa Nova's bottom line is supported by lower cost of risk than the system average.

**Table 3**

**Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Capital And Earnings**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2019*** | **2018** | **2017** | **2016** | **2015** |
| Tier 1 capital ratio | N/A | 13.8 | 15.9 | 15.0 | 16.9 |
| S&P Global Ratings' RAC ratio before diversification | N/A | 10.4 | 11.1 | N/A | N/A |
| S&P Global Ratings' RAC ratio after diversification | N/A | 7.5 | 7.6 | N/A | N/A |
| Adjusted common equity/total adjusted capital | 87.1 | 86.3 | 81.1 | 75.2 | 100.0 |
| Net interest income/operating revenues | 71.9 | 48.8 | 72.1 | 84.4 | 74.1 |
| Fee income/operating revenues | 18.3 | 13.2 | 20.1 | 20.7 | 8.5 |
| Market-sensitive income/operating revenues | 8.1 | (1.7) | 7.1 | (8.5) | 16.5 |
| Noninterest expenses/operating revenues | 52.8 | 40.9 | 70.5 | 104.0 | 64.9 |
| Preprovision operating income/average assets | 2.9 | 5.0 | 1.6 | (0.2) | 2.4 |
| Core earnings/average managed assets | 1.8 | 1.2 | 0.9 | (0.1) | 1.2 |

*Data as of June 30. N/A--Not applicable.

**Table 4**

**Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Risk-Adjusted Capital Framework Data**

| **(Mil. KZT)** | **Exposure*** | **Basel III RWA** | **Average Basel III RW(%)** | **S&P Global Ratings RWA** | **Average S&P Global Ratings RW (%)** |
|---|---|---|---|---|---|
| **Credit risk** | | | | | |
| Government & central banks | 43,289.1 | 0.0 | 0.0 | 935.3 | 2.2 |
| Of which regional governments and local authorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Institutions and CCPs | 2,264.8 | 0.0 | 0.0 | 3,938.9 | 173.9 |
| Corporate | 23,469.8 | 0.0 | 0.0 | 37,888.3 | 161.4 |
| Retail | 48,291.6 | 0.0 | 0.0 | 47,432.1 | 98.2 |
| Of which mortgage | 44,561.1 | 0.0 | 0.0 | 41,214.5 | 92.5 |
| Securitization§ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Table 4**

| Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Risk-Adjusted Capital Framework Data (cont.) | | | | | |
|---|---|---|---|---|---|
| Other assets† | 18,284.2 | 0.0 | 0.0 | 45,710.5 | 250.0 |
| Total credit risk | 135,599.5 | 0.0 | 0.0 | 135,905.0 | 100.2 |
| **Credit valuation adjustment** | | | | | |
| Total credit valuation adjustment | -- | 0.0 | -- | 0.0 | -- |
| **Market Risk** | | | | | |
| Equity in the banking book | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trading book market risk | -- | 0.0 | -- | 0.0 | -- |
| Total market risk | -- | 0.0 | -- | 0.0 | -- |
| **Operational risk** | | | | | |
| Total operational risk | -- | 0.0 | -- | 19,308.0 | -- |
| | **Exposure** | **Basel III RWA** | **Average Basel II RW (%)** | **S&P Global Ratings RWA** | **% of S&P Global Ratings RWA** |
| **Diversification adjustments** | | | | | |
| RWA before diversification | -- | 0.0 | -- | 155,213.0 | 100.0 |
| Total Diversification/ Concentration Adjustments | -- | -- | -- | 60,549.7 | 39.0 |
| RWA after diversification | -- | 0.0 | -- | 215,762.7 | 139.0 |
| | | **Tier 1 capital** | **Tier 1 ratio (%)** | **Total adjusted capital** | **S&P Global Ratings RAC ratio (%)** |
| **Capital ratio** | | | | | |
| Capital ratio before adjustments | | 13,499.1 | 14.3 | 16,120.7 | 10.4 |
| Capital ratio after adjustments‡ | | 13,499.1 | 14.3 | 16,120.7 | 7.5 |

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital.KZT -- Kazakhstran Tenge. Sources: Company data as of 'Dec. 31 2018', S&P Global Ratings.

## Risk position: Very low loan provisioning reflecting real estate collateral

We view the bank's problem loans as lower than the average for domestic banks but higher than the average for international peers. We consider its historically aggressive NPL provisioning rate and over-reliance on real estate collateral as two of its main weaknesses.

Gross Stage 3 loans and POCI loans were 16.5% of total loans as of year-end 2018--better than our estimate of an average of 20%-25% for the Kazakh banking system. Majority of loans is performing well as suggested by reported ratio of net interest income received in cash versus net interest income accrued of about 94% in 2018, compared with the sector average of about 80%. Only 19% of Stage 3 and POCI loans were covered by provisions, reflecting high coverage by real estate collateral (predominantly residential flats). It can take up to a year to sell residential real estate in Kazakhstan. However, there is still a high probability of recovering the collateral value, which usually is significantly higher than the size of consumer loans.

On a positive note, we understand that the bank plans to increase its provisions to about 4.5%-5.0% of total loans by year-end 2021 from 3.3% at midyear 2019 and coverage for Stage 3 loans is likely to improve to about 25-30% due to anticipated recoveries, write offs and loan growth.

As of midyear 2019, 45% of loans had duration surpassing five years. This exposes the bank to a higher risk of adverse changes in borrowers' financial standing.

Compared to domestic peers Kassa Nova has lower level of foreign currency loans in its portfolio (1.7% of loan portfolio as of midyear 2019 compared to about 20% system average). This helped it manage currency risk in view of 10% tenge depreciation in the third quarter of 2018. Individual loan concentration is not a concern: the top-20 largest loans progressively reduced to 12% of total loans and were covered by 1.7x capital as of midyear 2019. We expect a further increase of loan portfolio granularity, given the bank's focus on smaller loans.

**Table 5**

| Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Risk Position | | | | | |
|---|---|---|---|---|---|
| | --Year ended Dec. 31-- | | | | |
| **(%)** | **2019*** | **2018** | **2017** | **2016** | **2015** |
| Growth in customer loans | (1.8) | 5.6 | 10.9 | 12.7 | 11.8 |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | N/A | 39.0 | 45.7 | N/A | N/A |
| Total managed assets/adjusted common equity (x) | 8.8 | 9.4 | 8.4 | 8.3 | 6.6 |
| New loan loss provisions/average customer loans | 1.6 | 5.7 | 0.7 | 0.3 | 0.6 |
| Net charge-offs/average customer loans | N.M. | 6.0 | N.M. | N.M. | N.M. |
| Gross nonperforming assets/customer loans + other real estate owned | N/A | 16.9 | 8.1 | 7.3 | 8.4 |
| Loan loss reserves/gross nonperforming assets | N/A | 18.4 | 27.4 | 23.0 | 18.1 |

*Data as of June 30. N/A--Not applicable. N.M.--Not meaningful.

### Funding and liquidity: Expected stable funding profile benefiting from ownership by ForteBank

We expect Kassa Nova's funding and liquidity profile will remain stable over the next 12 months. We view Kassa Nova's funding profile as more in line with midsize local peers than smaller banks, which experienced customer deposits outflows and slim liquidity over the past three years. The bank's stable funding ratio was 136% as of year-end 2018, similar to midsize peers'. The loan-to-deposit ratio of 71% as of midyear 2019 was at the system average. We also think that the bank, in case of need, will benefit from potential liquidity support and ownership by ForteBank with a strong name recognition.

The bank's funding base comprises primarily customer deposits, which amounted to 92.4% of total liabilities at midyear 2019, with the majority of funds from corporate customers (about 67% as of midyear 2019) and the rest being retail deposits. We see the bank's customer base as relatively stable and loyal, supported by the good reputation of its owner.

We note, however, that, like other small-to-midsize banks in Kazakhstan, Kassa Nova's deposit concentrations remain high. The 20 largest depositors accounted for 45% of total deposits at midyear 2019, unchanged from midyear 2018. Deposits to related parties are considerably lower than for peers.

Kassa Nova holds an ample liquidity cushion. Cash and interbank accounts amounted to 36% of total assets as of midyear 2019. We expect the bank's liquid assets could reduce with time but remain above 20% of total assets in the next 24 months. At year-end 2018, broad liquid assets covered all wholesale funding by 3.4x, and customer deposits by 44%, which we view as adequate. We note that retail and corporate term deposits can be withdrawn in Kazakhstan before the maturity date. We believe that in the event of unexpected deposit outflows and subsequent liquidity problems, ForteBank could provide liquidity support.

**Table 6**

**Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)--Funding And Liquidity**

| | --Year ended Dec. 31-- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2019*** | **2018** | **2017** | **2016** | **2015** |
| Core deposits/funding base | 92.4 | 90.2 | 93.0 | 89.8 | 82.9 |
| Customer loans (net)/customer deposits | 70.8 | 74.2 | 79.8 | 89.8 | 104.0 |
| Long-term funding ratio | N.M. | 91.5 | 94.1 | 91.5 | 91.4 |
| Stable funding ratio | N.M. | 136.1 | 130.8 | 116.6 | 111.0 |
| Short-term wholesale funding/funding base | N.M. | 0.0 | 2.1 | 6.2 | 7.5 |
| Broad liquid assets/short-term wholesale funding (x) | N.M. | N.M. | 16.6 | 4.4 | 1.9 |
| Net broad liquid assets/short-term customer deposits | N.M. | 54.1 | 46.4 | 32.6 | 10.1 |
| Short-term wholesale funding/total wholesale funding | N.M. | 0.0 | 20.2 | 41.4 | 44.0 |
| Narrow liquid assets/3-month wholesale funding (x) | N/A | N.M. | 80.7 | 101.1 | 51.1 |

*Data as of June 30. N/A--Not applicable. N.M.--Not meaningful.

### External Support: None

We view Kassa Nova as a moderately strategic subsidiary of ForteBank, reflecting its status as a newly acquired subsidiary and its relatively small size compared to ForteBank (accounting for 9% of ForteBank's capital). We give no uplift to Kassa Nova Bank's rating in view of a small differential between ForteBank's B+/Stable/B issuer credit rating and Kassa Nova's 'b' SACP.

If we were to observe a longer track record of ForteBank's support to and integration of Kassa Nova, we could view Kassa Nova as having increased strategic importance. However, this is unlikely to lead us to raise our ratings on Kassa Nova without an increase in ForteBank's rating.

## Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- 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: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013

- 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

**Anchor Matrix**

| Industry Risk | Economic Risk | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | **8** | 9 | 10 |
| 1 | a | a | a- | bbb+ | bbb+ | bbb | - | - | - | - |
| 2 | a | a- | a- | bbb+ | bbb | bbb | bbb- | - | - | - |
| 3 | a- | a- | bbb+ | bbb+ | bbb | bbb- | bbb- | bb+ | - | - |
| 4 | bbb+ | bbb+ | bbb+ | bbb | bbb | bbb- | bb+ | bb | bb | - |
| 5 | bbb+ | bbb | bbb | bbb | bbb- | bbb- | bb+ | bb | bb- | b+ |
| 6 | bbb | bbb | bbb- | bbb- | bbb- | bb+ | bb | bb | bb- | b+ |
| 7 | - | bbb- | bbb- | bb+ | bb+ | bb | bb | bb- | b+ | b+ |
| 8 | - | - | bb+ | bb | bb | bb | bb- | bb- | b+ | b |
| **9** | - | - | - | bb | bb- | bb- | b+ | **b+** | b+ | b |
| 10 | - | - | - | - | b+ | b+ | b+ | b | b | b- |

**Ratings Detail (As Of November 8, 2019)***

| | |
|---|---|
| **Bank Kassa Nova JSC (Subsidiary Bank of JSC Forte Bank)** | |
| Issuer Credit Rating | B/Stable/B |
| *Kazakhstan National Scale* | kzBB+/--/-- |
| **Issuer Credit Ratings History** | |
| 21-Dec-2018 | B/Stable/B |
| 28-Apr-2017 | B/Negative/B |
| 09-Nov-2015 | B/Negative/C |
| 11-Jul-2018 *Kazakhstan National Scale* | kzBB+/--/-- |
| 23-Dec-2011 | kzBB/--/-- |
| **Sovereign Rating** | |
| Kazakhstan | BBB-/Stable/A-3 |
| *Kazakhstan National Scale* | kzAAA/--/-- |

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.