

Official exchange KZT/US\$ rate on 1 December 2013 – 153.68

Summary

Economy

- The volume of oil production in Kazakhstan over the first 11 months of the current year was 74.6 million tons.
- Kazakhstan ranked 19th in the world rankings for managing mineral resources.
- Kazakhstan's GDP reaches the level of 5.8% in 10 months

Banking sector

- KKB reaches a preliminary agreement in a consortium with businessman Kenes Rakishev to buy state-owned stake in BTA
- Kazakh Sovereign Wealth Fund Samruk-Kazyna reached an agreement with Kazakh investor Bulat Utemuratov on the sale of its shares in Temirbank and part of its shares in Alliance Bank.

News on Kazakhstan's economy:

- 10 January. The Government of Kazakhstan has approved the updated composition of the Board of Directors of "Samruk-Kazyna" National Welfare Fund" JSC.
- 6 January. The Rough Guide, an ultimate guide for travelers around the world, has revealed its list of top 10 cities to visit in 2014. Almaty, Kazakhstan secured the 7th spot of the list.
- 1 January. General Director of "KazTransOil" JSC Kayrgeldy Kabildin and the president of "Rosneft" National Company" JSC Igor Sechin have signed a contract to provide crude oil transportation services.
- 27 December. "KazMunayGas" National Company" JSC (KMG) has finalized the central office reorganization.
- 26 December. More than KZT 3 trillion worth of taxes has been remitted to the National Fund of the Republic of Kazakhstan since the beginning of 2013, Vice Minister of Finance Ruslan Dalenov said.
- 26 December. Fitch affirms Kazakhstan Temir Zholy at 'BBB'; Outlook Stable.
- 26 December. The volume of oil production in Kazakhstan over the first 11 months of the current year was 74.6 million tons.
- 26 December. Kazakhstan's national debt makes 26.5 bln U.S. dollars (1.9 % of GDP), Vice Minister of Finance of Kazakhstan Ruslan Dalenov informs.
- 24 December. Standard & Poor's Ratings Services affirmed its counterparty credit and financial strength ratings on Insurance Co. Kazkommerts-Policy JSC at 'B+'; outlook negative.
- 18 December. In November 2013 the annual inflation rate was 4.7%, in January-November inflation stood at 4.1%. "These are the lowest figures for the years of independence", the chairman of the National Bank of Kazakhstan Kairat Kelimbetov said.

- 15 December. Foreign trade turnover of Atyrau region in January-November this year totaled 25 billion 361 million US dollars.
- 14 December. According to international experts, this year Kazakhstan ranked 19th in the world rankings for managing mineral resources.
- 13 December. Kazakhstan's population is 17 million 125 thousand, as of 1 November 2013.
- 13 December. During January-November of the current year the volume of investment in fixed assets increased by 8.7% compared to the same period last year.
- 13 December. S&P affirms ratings on Kazakhstan at 'BBB+/A-2'; outlook stable.
- 10 December. In 2014, Kazakhstan plans to introduce visa-free regime for 34 OECD states.
- 9 December. Kazakhmys Plc, Kazakhstan's largest copper miner, agreed to sell two power producers to the nation's sovereign wealth fund, Samruk-Kazyna, for \$1.3 billion to protect loan accords.
- 9 December. Kazakhmys Plc appointed China Nonferrous Metal Industry's Foreign Engineering and Construction Co. as a second contractor for its Bozshakol project to ensure the mine starts in 2015 and said the total budgeted cost will rise by about \$350 million.
- 6 December. KATCO LLP JV, a joint subsidiary of the Canadian AREVA and Kazakh Kazatomprom has produced around 20,000 tons of uranium since the beginning of its industrial production in 2005.
- 5 December. Around 320,000 barrels of oil have been extracted at the Kazakh Kashagan field from the start of commercial production and its completion.
- 29 November. According to the UN Conference on Trade and Development (UNCTAD), Kazakhstan ranked 19th among the top 20 leading countries in terms of attracting direct investment.
- 27 November. Kazakhstan's GDP reaches the level of 5.8% in 10 months: Vice PM.
- 21 November. Tethys plans to increase gas production in Kazakhstan to about 1 million cubic meters (6,100 barrels of oil equivalent) a day from about 3,000 barrels now, said Executive Chairman David Robson.

Major events in the banking sector

- 30 December. The chairman of Kazakhstan National Bank, Kairat Kelimbetov held an official meeting with Governor of the UAE Central Bank Sultan Bin Nasser Al Suwaidi in Abu-Dhabi.
- 23 December. National Bank of Kazakhstan promised to solve the problem regarding exchange of large banknotes.
- 23 December. Kazkommertsbank, Kazakhstan's largest bank by assets, plans to acquire BTA Bank after reaching a preliminary agreement in a consortium with businessman Kenes Rakishev to buy state-owned stake in the twice-defaulted lender.
- 23 December. "Baiterek" Holding announced the launch of the Programme of Support of industrial-innovative development of Kazakhstan by funding \$800 million "Development Bank of Kazakhstan" JSC for second-tier banks (STB).
- 20 December. Standard & Poor's Ratings Services said today that it had affirmed its 'B' long-term and 'C' short-term counterparty credit ratings and 'kzBB' Kazakhstan national scale rating on Kassa Nova Bank JSC. The outlook is stable.
- 18 December. This year's inflation is the lowest in Kazakhstan since the country became independent - National Bank.
- 14 December. Kazakh Sovereign Wealth Fund Samruk- Kazyna reached an agreement with Kazakh investor Bulat Utemuratov on the sale of its shares in Temirbank and part of its shares in Alliance Bank.
- 10 December. The record number of active plastic cards in Kazakhstan was set in October. The amount of cards used is 6.3 mln.
- 7 December. S&P affirmed Development Bank of Kazakhstan at 'BBB+/A-2'; Outlook Stable.
- 5 December. Kazakhstan Needs Bad Banks to Cut Loan Delinquency in its financial industry, central bank Governor Kairat Kelimbetov Says.
- 22 November. Kazkommertsbank has repaid KZT 149 billion to the government, more than half of amount that was received as part of the anti-crisis state-financing backing; KZT 94 billion were repaid in advance.
- 20 November. Samruk-Kazyna, the country's sovereign wealth fund, is considering a sale of its entire stake in Temirbank and 16 percent of Alliance Bank, to Kazakh billionaire Bulat Utemuratov.

Kazakhstan's key macroeconomic indicators

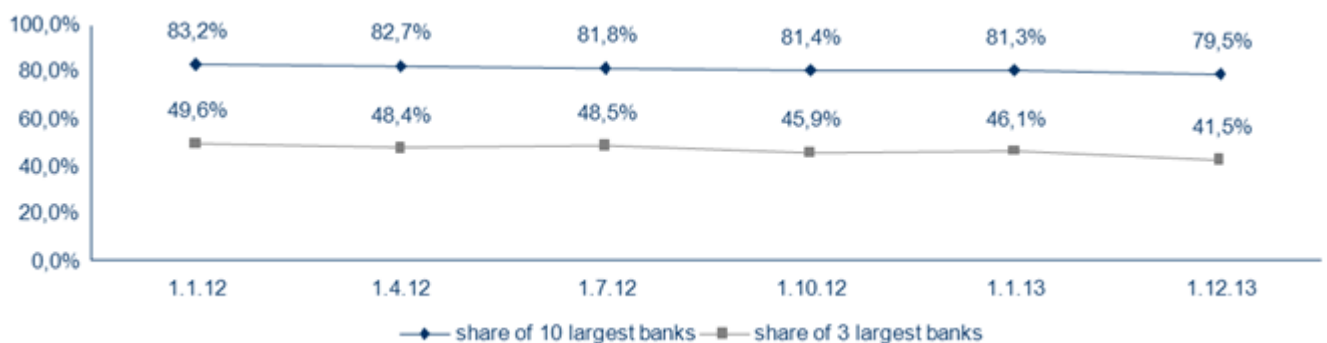
	2008	2009	2010	2011	2012	Nov 13
Domestic economy and financial system						
Real GDP growth, %	103.2	101.2	107.0	107.5	105.0	105.1
GDP, US\$ million	131 713	107 197	145 854	183 969	199 407	222 660
Production, % YoY	102.1	101.7	110.0	103.5	100.5	102.1
Unemployment rate, %	6.6	6.5	5.5	5.4	5.3	5.2
CPI, %	109.5	106.2	107.8	107.4	106.0	106.3
Monetary supply M3, US\$ million	51 894	49 754	57 942	65 708	69 805	75 054
Monetary base (reserve money), US\$ million	12 629	16 510	17 443	19 111	19 172	18 065
Real exchange rate	120.77	148.46	147.50	148.40	150.74	153.81
Official refinancing rate, %	9.5	7.0	7.0	7.5	5.5	5.5*
State finance						
State budget balance, % of GDP	-2.1	-3.1	-2.5	-1.3	-2.1	-2.9*
Sovereign foreign debt, % of GDP	1.6	2.5	2.8	2.4	3.0	4.3*
Sovereign foreign debt / State budget income, %	6.5	11.4	13.9	14.9	-	6.5*
Sovereign foreign debt, US\$ million	2 167	2 218	4 061	4 456	5 944	5 500*
Balance of payments						
Current account balance, US\$ million	6 978	-3 408	4 319	14 110	7 717	-224*
Current account balance, % of GDP	5.3	-2.6	3.0	7.4	3.9	0.1*
Capital and finance account balance, US\$ million	1 219	5 554	416	13 815	-1 775	1 789*
Capital and finance account balance, % of GDP	0.9	5.2	0.3	7.2	0.9	0.8*
Imports, US\$ million	38 452	28 672	31 956	47 263	47 400	13 160*
Exports, US\$ million	71 971	43 886	60 838	88 470	92 073	20 876*
Foreign assets and liabilities						
Gross foreign debt, US\$ million	107 933	112 866	118 228	125 350	136 924	145 393
Gross foreign debt, % of GDP	80,9	98,3	79,9	66,7	67,6	67,4
National Bank's Net International Reserves, US\$ thousands	19 872	23 218	27 723	28 762	27 746	23 594
National Fund	27 486	24 368	30 578	43 693	57 766	66 652
National Fund and international reserves	47 358	47 586	58 301	72 455	85 512	89 946

*for 6 month 2013

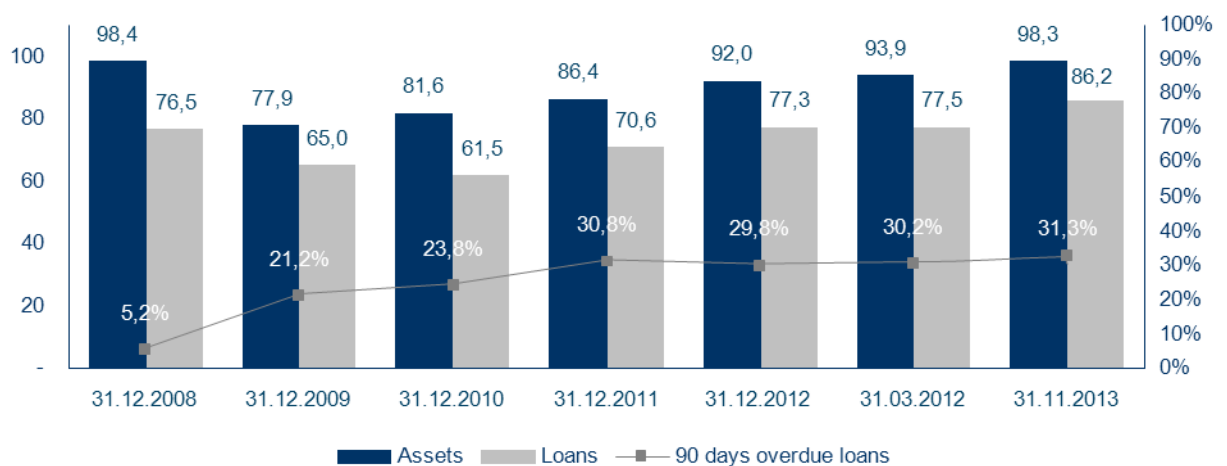
Banking sector indicators

	2008	2009	2010	2011	2012	Nov13
Commercial banks (number)	37	38	39	38	38	38
Major indicators of the banking sector, US\$ million						
Assets	98 432	77 837	81 614	86 400	92 015	98 316
Capital	12 026	-6 601	8 967	8 797	13 252	13 125
Gross loans	76 534	64 926	60 627	70 370	77 329	86 285
Provisions for loans	8 491	24 458	18 995	22 480	26 595	29 919
- % of total loans	11.1	37.7	30.9	32.0	34.4	34.6
Deposits	38 084	40 441	46 850	53 125	57 184	62 979
Net profit	89	-19 225	9 904	-241	1 439	1 538
Profitability ratios, %						
NIM	3.4	5.7	4.3	4.5	4.2	4.98
RoA	0.32	-1.35	-1.22	-0.10	1.61	8.94
RoE	2.59	-12.60	-10.61	-0.94	26.52	74.35
Banking sector and the economy, %						
Assets / GDP	74.6	68.0	61.9	44.3	43.6	44.2
Loans / GDP	58.0	56.7	46.5	36.1	36.5	38.7
Deposits / GDP	28.9	37.1	35.2	26.9	27.0	28.2

Concentration of banking system assets



Assets, loans (US\$ billion) and 90 days overdue loans dynamics



Major indicators of the largest Kazakh banks as of 1 December 2013

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans*
	US\$ mln	Oct,%	US\$ mln	Oct,%	US\$ mln	Oct,%	US\$ mln	Oct,%	US\$ mln	Oct,%	US\$ mln	% of gross loans	% of gross loans
KKB	16 123	-0,7	2 150	0,81	16 145	-0,1	10 561	-1,02	4 059	-0,4	164	38,8	26,57
Halyk	14 817	-6,6	2 229	0,52	10 975	-0,1	10 880	-8,5	5 173	1,01	406	18,56	17,38
BTA	9 926	0,3	1 537	-0,78	15 519	15,23	3 467	-1,9	1 888	0,3	164	91,18	86,19
BCC	7 186	-0,01	549	-0,01	5 928	3,03	5 114	-3,5	2 153	-0,86	9,7	21,17	15,23
ATF	5 852	-0,68	451	-0,2	4 541	-0,1	3 742	0,1	1 439	0,9	-1	39,26	43,17
Sberbank	6 313	-0,16	697	1,87	4 794	3,1	4 264	-4,2	1 343	0,9	130	3,02	2,43
Tsesnabank	5 235	0,13	457	1,08	4 318	2,5	4 031	-2,2	1 317	-0,9	87	4,2	3,08
Alliance	3 708	-2,27	63	5,8	3 821	-1,5	2 041	-5,7	1 035	-1,2	0,8	47,3	49,11
Kaspi	5 288	1,58	530	0,3	4 608	1,8	3 722	4,2	2 567	4,1	195	14,8	12,10
Eurasian	3 698	0,01	368	1,3	2 994	1,6	2 332	-2,2	843	1,5	70	7,56	8,27
Top 10	78 146	-1,5	9 031	0,5	73 649	3,5	50 153	-3,27	21 817	0,7	1 225	38,75	34,44
Other banks	19 732	0,99	3 989	1,01	11 881	1,06	15 742	0,99	2 894	1,07	236	11,10	2,34
Total	98 316	-1,2	13 125	0,6	86 285	3,7	62 979	-3,05	24 798	0,9	1 538	34,67	31,35

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