

Official exchange KZT/US\$ rate on 1 October 2013 – 153.81

### News on Kazakhstan's economy:

- 18 November. As per estimations of Economical integration ministry, Kazakhstan plans to enter WTO in 2014.
- 15 November. For Jan-Oct 2013 period tenge (KZT) weakened to 2,3%.
- 15 November. Level of yearly inflation in Kazakhstan decreased to 4,9%.
- 13 November. Transfer of pension funds assets to Unified national pension fund will be completed in I quarter 2014.
- 7 November. Principles of land-tax assessment in Kazakhstan shall be reconsidered.
- 6 November. 26 ton out of total 46 ton of gold produced in Kazakhstan, this year, shall be purchased by National Bank.
- 31 October. Government adjusted earnings of state budget for 2013 upward for KZT 20 billion.
- 23 October. Unification of pension funds of Kazakhstan shall be completed in second half year 2014.
- 8 October. Oil production at Kashagan field increased up to 60 thousand barrels per day.
- 4 October. Limited retail price for gasoline (AI-92/93) in Kazakhstan will increase from KZT 110 to KZT 117 per 1 liter in October.
- 1 October. The subsistence minimum in Kazakhstan in September 2013 amounted to KZT 18 797, which is 2.9% lower than same indicator in previous month.
- 17 September. The volume of oil production in Kazakhstan will drop to 30-50 million tons in 2050.
- 12 September. The Ministry of Oil and Gas stated that increasing the share of Chinese investors in the Kashagan project is not considered.
- 11 September. North Caspian Operating Company B.V. (NCOC) informed that at Kashagan field was extracted first oil.
- 6 September. Total volume of defaulted securities in the portfolios of Kazakh pension funds, as at 1 July 2013 amounted to KZT 14.9 billion.
- 5 September. For the next 3-5 years Kazakhstan plans to invest abroad about 20% of the JSC "United Pension Fund" assets.
- 4 September. Kazakhstan moved up one position in the global competitiveness rankings and became N. 50.
- 4 September. Fitch Ratings has confirmed the long-term Issuer Default Ratings of "KazTransGas" and its two subsidiaries at level 'BB +' with outlook "stable".
- 29 August. JSC "United Pension Fund" started to operate on 22 August 2013, said the press service of the pension fund.

- 28 August. The level of economic risk in Kazakhstan in the international context remains very high, Standard & Poors.
- 28 August. Kazakhstan plans to introduce a differentiated tax on real property of individuals.
- 28 August. In 2014 is planned to obtain KZT 150 billion from the National Fund for infrastructure projects and preparations for EXPO 2017.
- 28 August. The volume of oil production in Kazakhstan in 2018 will amount to 110 million tons.
- 28 August. GDP growth in Kazakhstan in 2014-2018 will be 6-7.1%, the Ministry of Economy and Budget Planning.
- 27 August. Net profit of JSC "NC" KazMunaiGas" in January-June 2013 amounted to KZT 242.07 billion, which is 14.3% less than at the same period last year.
- 27 August. Net income of KEGOC in January-June 2013 amounted to KZT 4.31 billion, which is 24.4% more than for the same period in 2012.
- 27 August. The project for the production of bio-fuel from cane, worth over KZT1 billion planned to be launched in Atyrau region.
- 22 August. JSC "National Holding "Baiterek" will cover projects of public-private partnership.
- 21 August. Moody's Investors Service changed the outlook on the ratings of Baa3 from "stable" to "positive" on seven corporate government organizations of Kazakhstan, in particular, the ratings changed with respect to JSC "NC" KazMunaiGas ", its subsidiary JSC" Exploration and Production "KazMunaiGas" and "KazTransGas".
- 19 August. Deputy Chairman of JSC "National Welfare Fund "Samruk-Kazyna" Ms. Elena Bakhmutova elected as a Chairman of the board of directors of "KazPost".
- 19 August. Mr. Dauren Erdebay appointed as a Chairman of the board of directors of JSC "Kazatomprom".
- 19 August. Trade turnover between Kazakhstan and China will increase to US\$ 40 billion by 2015, Ministry of Foreign Affairs of the Republic of Kazakhstan.
- 19 August. JSC "KazTransGas" signed an agreement on annual purchases of 2.5-3 billion cubic meters of Kashagan gas.
- 14 August. Under the state program of forced industrial-innovative development (FIID) LLP "Kazphosphate" launched a new plant for the production of sulfuric acid in Taraz.
- 15 August. Return on investment of the pension funds assets for the last 5 years was 19%, or 3.8% per year.
- 14 August. The cost of the insurance company "Eurasia" for potential customers is US\$ 600 million.
- 13 August. In Almaty region raised new power plant, which will produce 4 types of renewable energy.

- 12 August. Rail and Beam plant worth KZT 60.7 billion is constructed in Aktobe.
- 9 August. International reserves of Kazakhstan in July 2013 increased by 0.3% and amounted to US\$ 89.8 billion.
- 8 August. With resolution of the Government of the Republic of Kazakhstan dated July 31, 2013 Kazakhstan has created a Unified pension fund of Kazakhstan.
- 7 August. Zhanatas wind power farm is being constructed in Zhambyl region.
- August 01. State debt of Kazakhstan on August 01, exceeded KZT 3.8 trillion.

### **Major events in the banking sector**

- 18 November. JSC "Halyk Bank of Kazakhstan" refused to purchase shares of JSC "BTA Bank".
- 15 November. National Bank of Kazakhstan is developing a macro-prudential measures to hold down growth of consumer lending.
- 31 October. Former Managing Director of JSC "Kazkommertsbank" Mr. Andrey Timchenko took a similar position at "Sberbank" Kazakhstan.
- 30 October. New banknotes with value of KZT 20 thousand will be signed by the former chairman of the National Bank of Kazakhstan.
- 25 October. Net loss JSC "Temirbank" as per consolidated financial statements, in January-September 2013 amounted to KZT 4,139 billion against net profit of KZT 2,396 billion for the same period in 2012.
- 10 October. Mr. Maxat Kabashev resigned as chairman of the Board of JSC "Alliance Bank" and Mr. Timur Issatayev appointed as the new head of the bank.
- 3 October. Russian «Sberbank» planning to purchase insurance company in Kazakhstan.
- 3 October. Moody's downgraded «CenterCredit» Bank to B2.
- 3 October. Kazakhstan for the first time in 2013 became a donor state of the European Bank for Reconstruction and Development (EBRD).
- 3 October. Moody's upgraded forecast on JSC "Kazkommertsbank" ratings to - stable.
- 1 October. Mr. Kairat Kelimbetov appointed as a Chairman of the National Bank of RK.
- 27 September. Ministry of Economy and Budget Planning of Kazakhstan proposes to release from corporate income tax for 10 years, banks with state participation in capital.
- 23 September. Mr. Kenes Rakishev, Chairman of the Board of Directors of SAT Company will become a large shareholder of JSC "Temirbank".
- 16 September. As informed by JSC "Kazakhstan deposit insurance fund" interest rate on new deposits of individuals held in foreign currency will be reduced from 5,5% to 4,5%.

- 13 September. Mr. Arman Dunayev entered in to the Board of Directors of JSC «Halyk Bank Kazakhstan» as an Independent Director.
- 13 September. JSC "Distressed assets fund" shall not buy out "bad" loans of 3 restructured banks; JSC "BTA bank", JSC "Alliance Bank" and JSC "Temirbank".
- 13 September. Five commercial banks of Kazakhstan established six subsidiaries for distressed assets management.
- 10 September. The President of Kazakhstan Mr. Nursultan Nazarbayev informed on the intention of government to exit the capital of second tier banks, and to reduce its presence in the ownership of infrastructural and industrial entities.
- 6 September. Net profit of Kazakhstan JSC "Sberbank", as per interim financial statements January-June 2013 decreased by 1.68 times, amounting to KZT 6,821 billion against KZT 11,482 billion for the same period of 2012.
- 3 September. JSC "Halyk Bank Kazakhstan" management expects an increase of net income for current year by 5.7% to KZT 74 billion.
- 29 August. National Bank of Kazakhstan has suspended the license for banking and other activities of JSC "Citibank Kazakhstan" in terms of acceptance of deposits, opening and maintaining bank accounts for 3 months period.
- 28 August. Standard & Poor's downgraded the quality rating of regulation and supervision of banking activities in Kazakhstan from "average" to "weak".
- 28 August. National Bank of Kazakhstan starting September 02 starts to use mechanism of binding the national currency to the multi-currency basket consisting of the U.S. dollar, euro and Russian ruble.
- 27 August. Net profit of JSC "Alliance Bank" in January-June 2013 decreased by 46.54 times and amounted to KZT 114 million against net profit of KZT 5,31 billion for the same period in 2012.
- 27 August. Net loss of JSC "ATF Bank" for January-June 2013 increased by 38.55%, amounting to KZT 4,15 billion against a net loss for KZT 2,99 billion for the same period in 2012
- 26 August. Top managers of the Eurasian Bank brought to administrative actions for violating banking legislation of Kazakhstan.
- 20 August. An undisposed asset of liquidated JSC «Valut-Tranzit Bank» in Karagandy is amounting to KZT 700 million.
- 5 August. National Bank of Kazakhstan put on hold exchange operations with foreign currency of JSC "Halyk Bank Kazakhstan", JSC "Eurasian Bank" and JSC "Citibank Kazakhstan".

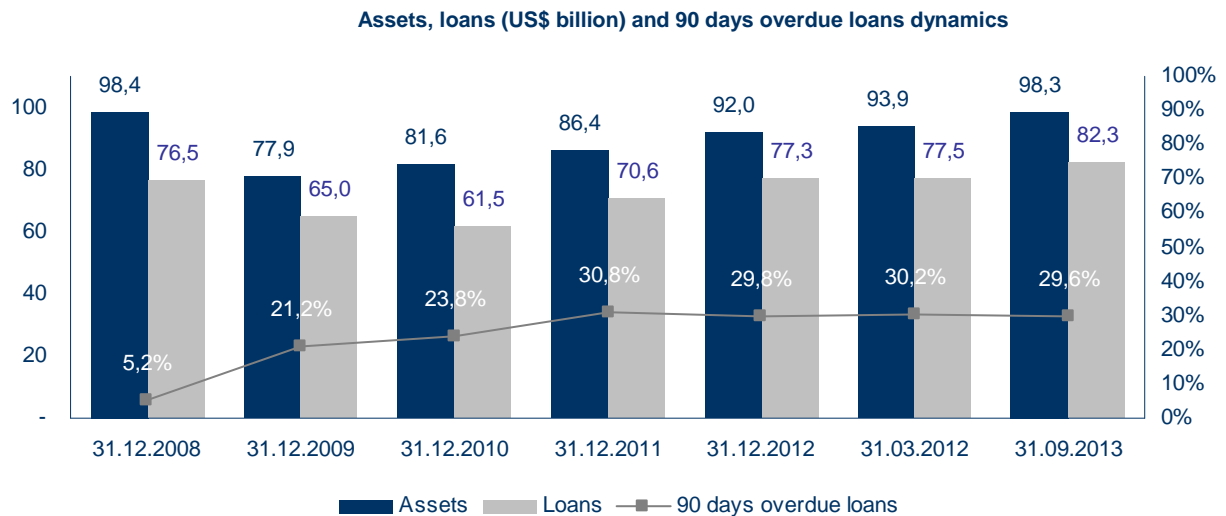
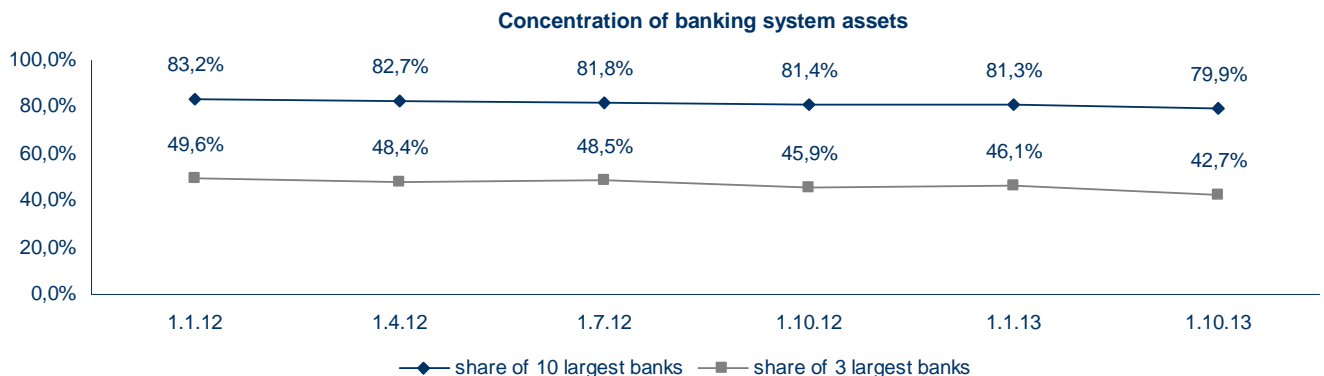
## Kazakhstan's key macroeconomic indicators

	2008	2009	2010	2011	2012	Oct 13
<b>Domestic economy and financial system</b>						
Real GDP growth, %	103.2	101.2	107.0	107.5	105.0	105.1
<b>GDP, US\$ million</b>	<b>131 713</b>	<b>107 197</b>	<b>145 854</b>	<b>183 969</b>	<b>199 407</b>	<b>222 660</b>
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*
<b>State finance</b>						
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*
<b>Balance of payments</b>						
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*
<b>Foreign assets and liabilities</b>						
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	Oct 13
Commercial banks (number)	37	38	39	38	38	38
<b>Major indicators of the banking sector, US\$ million</b>						
Assets	98 432	77 837	81 614	86 400	92 015	98 280
Capital	12 026	-6 601	8 967	8 797	13 252	18 180
Gross loans	76 534	64 926	60 627	70 370	77 329	82 290
Provisions for loans	8 491	24 458	18 995	22 480	26 595	27 530
- % of total loans	11.1	37.7	30.9	32.0	34.4	33.1
Deposits	38 084	40 441	46 850	53 125	57 184	63 790
Net profit	89	-19 225	9 904	-241	1 439	1 233
<b>Profitability ratios, %</b>						
NIM	3.4	5.7	4.3	4.5	4.2	4.9
RoA	0.32	-1.35	-1.22	-0.10	1.61	8.78
RoE	2.59	-12.60	-10.61	-0.94	26.52	77.58
<b>Banking sector and the economy, %</b>						
Assets / GDP	74.6	68.0	61.9	44.3	43.6	44.1
Loans / GDP	58.0	56.7	46.5	36.1	36.5	37.0
Deposits / GDP	28.9	37.1	35.2	26.9	27.0	28.7



### Major indicators of the largest Kazakh banks as at 1 October 2013

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans*
	US\$ mln	Jul/Oct,%	US\$ mln	Jul/Oct,%	US\$ mln	Jul/Oct,%	US\$ mln	Jul/Oct,%	US\$ mln	Jul/Oct,%	US\$ mln	% of gross loans	% of gross loans
KKB	16 559	1,03	2 116	1,01	16 125	1,03	14 442	1,03	4 038	-0,99	133	38,34	26,53%
Halyk	15 663	-0,93	2 159	1,04	10 728	1,04	13 504	-0,91	5 119	1,01	329	18,84	16,49%
BTA	9 807	-0,97	1 528	1,02	13 442	-0,99	8 278	-0,96	1 861	-1,01	156	89,47	82,35%
BCC	7 228	1,03	548	-0,99	5 694	0,98	6 680	1,04	2 173	0,95	7	17,29	9,30%
ATF	5 736	1,09	447	-1,00	4 657	-0,94	5 288	1,10	1 425	1,03	-15	38,34	48,34%
Sberbank	6 190	1,05	665	1,12	4 469	1,12	5 524	1,05	1 293	1,23	95	3,36	2,43%
Tsesnabank	5 159	1,10	443	1,28	4 116	1,10	4 715	1,10	1 306	1,12	73	3,89	2,60%
Alliance	3 813	-0,94	69	-0,32	3 903	-0,98	3 743	-0,98	1 050	-0,99	-6	46,39	47,75%
Kaspi	4 906	1,13	510	1,22	4 442	1,18	4 396	1,12	2 422	1,05	174	13,82	11,97%
Eurasian	3 613	1,05	353	1,05	2 878	1,05	3 260	1,05	819	1,03	55	7,89	8,66%
<b>Top 10</b>	<b>78 678</b>	<b>1,01</b>	<b>8 843</b>	<b>1,02</b>	<b>70 514</b>	<b>1,03</b>	<b>69 834</b>	<b>1,01</b>	<b>21 510</b>	<b>1,02</b>	<b>1 003</b>	<b>36,83</b>	<b>32,20%</b>
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%
<b>Total</b>	<b>98 410</b>	<b>1,01</b>	<b>12 832</b>	<b>1,02</b>	<b>82 395</b>	<b>1,03</b>	<b>85 577</b>	<b>-0,97</b>	<b>24 405</b>	<b>1,03</b>	<b>1 240</b>	<b>33,12</b>	<b>29,64%</b>

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