

*Official exchange KZT/US\$ rate on 1 March 2013 – 150.37*

**Summary**

**Economy**

- The GDP growth of Kazakhstan in January-March 2013 was 4.5% according to the estimates of the Ministry of economics and budget planning

**Banking sector**

- March 27. Fitch Ratings downgraded long-term Issuer default rating (IDRs) of ATFBank from BBB to BBB- with negative outlook.

**News on Kazakhstan's economy:**

- April 12. The volume of construction works in Kazakhstan decreased 4.9% in January-March 2013 compared to the same period last year and amounted to KZT 229.7 billion, according to the Agency of Statistics.
- April 12. The volume of retail trade (excluding catering) increased 12.5% in January-March 2013 compared to the same period last year and amounted to KZT 1,074.1 billion, according to the Agency of Statistics.
- April 11. Kazakhstan took the highest rank among CIS countries by level of information and communication technologies development, according to the ranking of World Economic Forum.
- April 10. The GDP growth of Kazakhstan in January-March 2013 was 4.5% according to the estimates of the Ministry of economics and budget planning.
- April 9. As at 31 December 2012 Kazakhstan investments in Cyprus amounted to \$1,162 million, said Chairman of the National Bank Grigoriy Marchenko.
- April 5. The placement price for KEGOC's shares in the framework of People's IPO will be announced by the end of April, said Deputy Chairman of Samruk Kazyna Fund Kuandyk Bishimbayev.
- April 3. The draft law of the Republic of Kazakhstan «On pension provision in RK» was presented in the Majilis of the Parliament. The document includes following proposed amendments: the unification of the retirement age, the introduction of compulsory professional pension security.
- April 2. The Samruk Kazyna's 100% stake in Damu Entrepreneurship Development Fund are transferred under management of The Ministry of the Regional Development of Kazakhstan.
- April 1. Inflation in Kazakhstan in March 2013 MoM increased 0.2%, in annual terms – 6.8%, ytd 1.9%, according to the Agency of Statistics.
- April 1. GDP growth in 2013 will be 5.8%, forecast Eurasian Development Bank's analysts.
- April 1. Annual GDP per capita growth in Kazakhstan in 2013-2015 will amount 6% in average, according to the S&P's forecast.
- March 27. Kazakhstan residents spent US\$ 1.4 billion in online shops in 2012, said the General Manager of CNP Processing GmbH Konstantin Gorozhankin. He also notes that e-commerce market grew by 2.7 times in 2012.
- March 27. Saving rate in Kazakhstan grows faster than wages, says ranking.kz. The retail deposits grow 20% faster than aggregate wages. 49.4% of total retail deposits are located in Almaty and 11% in Astana.
- March 26. Kazakhmys's net loss in 2012 amounted to US\$2.27 billion compared to US\$930 million net income in 2011. The main reason for the loss was the US\$ 2.2 billion decline in value of the company's 26% stake in Eurasian Natural Resources Corporation (ENRC).
- March 20. Net loss of Eurasian Natural Resources Corporation Plc (ENRC) in 2012 amounted to US\$852 million compared to US\$1.986 billion in 2011.
- March 14. The number of transaction on residential real estate market increased 8.7% yoy in January-February 2013, according to the Agency of statistics.

- March 13. Industrial output in Kazakhstan increased 0.9% in January-February 2013 compared to the same period last year.
- March 13. The Government and the National Bank of Kazakhstan are going to focus on achieving 6% GDP growth in 2013 and maintain inflation at targeted 6-8%.
- March 13. Nominal cash income per capita in Kazakhstan increased 7.9% in January 2013 compared to January 2012 and amounted to KZT 51,365, according to the Agency of Statistics.
- March 12. The fees and commissions on pension assets management will be cut 50% said Minister of labor and Social protection of Kazakhstan population Serik Abdenov.
- March 12. Prime Minister Serik Akhmetov entrusted to the Ministry of the regional development to introduce proposals on the actualization of “Business Roadmap 2020” government programme before May 1, 2013.
- March 7. The cost of 1 sq.m. of new residential property in Kazakhstan in February 2013 increased 0.4% compared to January 2013 and amounted to KZT 174,805 according to the Agency of Statistics.
- March 8. The wheat harvest in Kazakhstan is forecasted at 15.2 million tons in 2013 according to Bloomberg.

### Major events in the banking sector

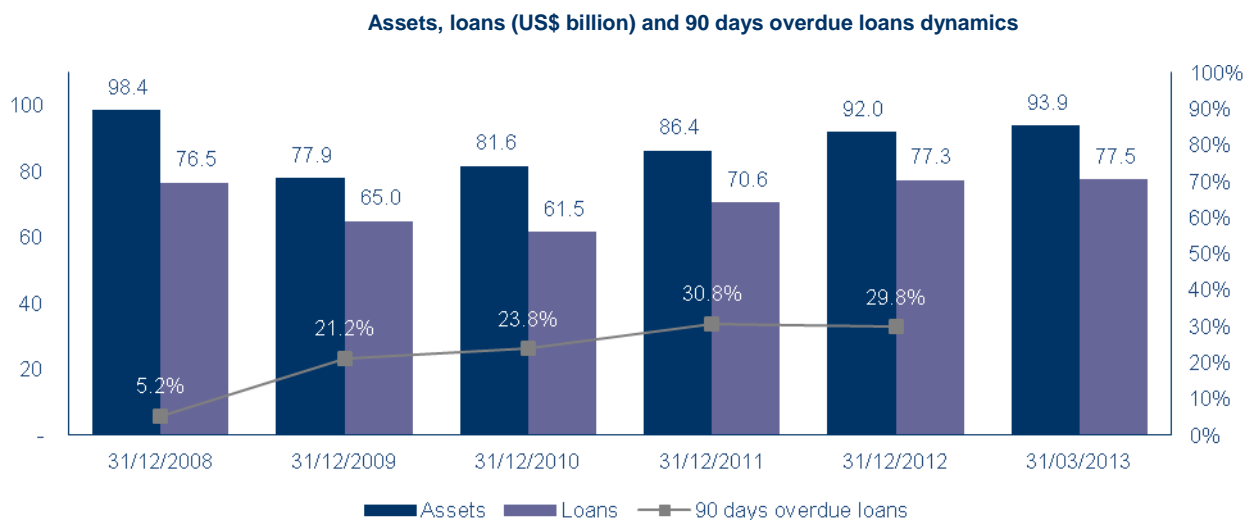
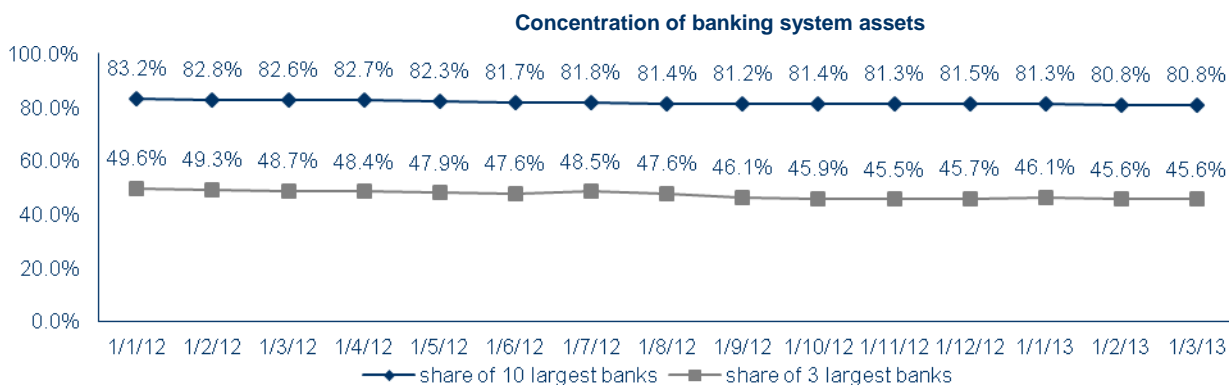
- April 9. The National Bank granted permission to KazNitrogenGas to purchase ATF Bank.
- April 2. JSC "Home Credit Bank" plans to increase its net profit under IFRS by 20 percent in 2013, said the Chairman of the Board Pavel Matso.
- April 2. The Net profit of JSC «Alliance Bank», according to the IFRS consolidated financial statements amounted to KZT 640 million compared to KZT 39.88 billion in the end of 2011, reported the Bank's press service.
- April 2. The National Bank of Kazakhstan has kept the official refinancing rate at the level of 5.5%.
- March 29. The Gross external debt of Kazakhstan as at 31 December 2012 amounted to US\$137,051 million, an increase of 9.47% since the beginning of the year (US\$125,195 million as at December 31, 2011), as indicated in the information placed on a site of the National Bank of the RK.
- March 29. Moody's Investors Service has placed the ratings of JSC «ATFBank» on review with the possibility of downgrade.
- March 27. Fitch Ratings downgraded long-term Issuer default rating (IDRs) of ATFBank from BBB to BBB- with negative outlook.
- March 27. Halyk Bank received a proposal to begin negotiations on purchase of «BTA Bank» from Samruk-Kazyna, said the CEO of Halyk Bank Umut Shayakhmetova.
- March 27. Halyk Bank is planning to increase its net profit by 5.7% to T74 billion in 2013, according to the CEO of the Bank Umut Shayakhmetova.
- March 26. The volume of cash decreased by 0.9% and amounted to KZT1.409 trillion in February 2013, according to the National Bank. The monetary aggregate M1, which includes cash and liquid tenge deposits, increased in February by 1.07% and amounted to KZT 3.759 trillion. Indicator M2, which includes cash, all tenge and liquid foreign currency deposits, increased by 0.7% to KZT 8.624 trillion. Money supply in a country, or all the money in the economy, increased by 0.4% to KZT10.536 trillion. Monetary base, or the money of the National Bank, in February decreased by 4.3% - to the level of KZT 2.628 trillion.
- March 13. The Government of Kazakhstan granted a permission to Samruk-Kazyna to become a shareholder of the pension Fund of Halyk Bank, «Grantum» and «UlarUmit» by purchasing their shares from their parent companies – banks.
- March 12. «The big four» audit companies will conduct a valuation of the assets of the Kazakhstani pension funds, said the Chairman of the National Bank of Kazakhstan Grigory Marchenko.

## Kazakhstan's key macroeconomic indicators

	2008	2009	2010	2011	2012	Feb 13
<b>Domestic economy and financial system</b>						
Real GDP growth, %	103.2	101.2	107.0	107.5	105.0	-
<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>	-
Production, % YoY	102.1	101.7	110.0	103.5	100.5	100.9
Unemployment rate, %	6.6	6.5	5.5	5.4	5.3	5.3
CPI, %	109.5	106.2	107.8	107.4	106.0	106.8
Monetary supply M3, US\$ million	51 894	49 754	57 942	65 708	69 805	70 068
Monetary base (reserve money), US\$ million	12 629	16 510	17 443	19 111	19 172	17 482
Real exchange rate	120.77	148.46	147.50	148.40	150.74	150.37
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	-	-
Sovereign foreign debt, % of GDP	1.6	2.5	2.8	2.4	3.0	-
Sovereign foreign debt / State budget income, %	6.5	11.4	13.9	14.9	-	-
Sovereign foreign debt, US\$ million	2 167	2 218	4 061	4 456	5 944	-
<b>Balance of payments</b>						
Current account balance, US\$ million	6 978	-3 408	4 319	14 110	7 717	-
Current account balance, % of GDP	5.3	-2.6	3.0	7.4	3.9	-
Capital and finance account balance, US\$ million	1 219	5 554	416	13 815	-1 775	-
Capital and finance account balance, % of GDP	0.9	5.2	0.3	7.2	0.9	-
Imports, US\$ million	38 452	28 672	31 956	47 263	47 400	-
Exports, US\$ million	71 971	43 886	60 838	88 470	92 073	-
<b>Foreign assets and liabilities</b>						
Gross foreign debt, US\$ million	107 713	113 229	119 242	123 848	137 051	-
Gross foreign debt, % of GDP	81.3	98.6	45.2	34.4	35.0	-
National Bank's Net International Reserves, US\$ thousands	19 872	23 218	27 723	28 762	27 746	26 649
National Fund	27 486	24 368	30 578	43 693	57 766	59 504
National Fund and international reserves	47 358	47 586	58 301	72 455	85 512	86 153

## Banking sector indicators

	2008	2009	2010	2011	2012	Feb 13
Commercial banks (number)	37	38	39	38	38	38
<b>Major indicators of the banking sector, US\$ million</b>						
<b>Assets</b>	<b>98 432</b>	<b>77 837</b>	<b>81 614</b>	<b>86 400</b>	<b>92 015</b>	<b>93 908</b>
Capital	12 026	-6 601	8 967	8 797	13 252	13 547
<b>Gross loans</b>	<b>76 534</b>	<b>64 926</b>	<b>60 627</b>	<b>70 370</b>	<b>77 329</b>	<b>77 466</b>
Provisions for loans	8 491	24 458	18 995	22 480	26 595	24 827
- % of total loans	11.1	37.7	30.9	32.0	34.4	32.0
<b>Deposits</b>	<b>38 084</b>	<b>40 441</b>	<b>46 850</b>	<b>53 125</b>	<b>57 184</b>	<b>58 420</b>
<b>Net profit</b>	<b>89</b>	<b>-19 225</b>	<b>9 904</b>	<b>-241</b>	<b>1 439</b>	<b>237</b>
<b>Profitability ratios, %</b>						
NIM	3.4	5.7	4.3	4.5	4.2	-
RoAA	0.1	11.9	0.12	-	2.1	-
RoAE	0.7	-	1.02	-	15.6	-
<b>Banking sector and the economy, %</b>						
Assets / GDP	74.6	68.0	61.9	44.3	43.6	-
Loans / GDP	58.0	56.7	46.5	36.1	36.5	-
Deposits / GDP	28.9	37.1	35.2	26.9	27.0	-



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

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans*
	US\$ mln	Feb/Jan	US\$ mln	Feb/Jan	US\$ mln	Feb/Jan	US\$ mln	Feb/Jan	US\$ mln	Feb/Jan	US\$ mln	% of gross loans	% of gross loans
KKB	17,328	2.7%	3,108	0.6%	15,789	-0.4%	10,526	7.5%	4,099	-0.3%	16	30.4%	25.3%
Halyk	15,262	-1.3%	2,073	0.4%	9,890	-0.8%	10,589	-2.5%	4,883	7.1%	55	20.0%	17.0%
BTA	10,201	0.9%	1,445	2.2%	13,671	-0.3%	3,508	-0.1%	1,885	-1.7%	14	87.3%	78.2%
BCC	7,260	2.0%	557	0.1%	5,723	0.9%	5,226	2.6%	2,543	-1.3%	3	15.8%	9.7%
ATF	5,439	-1.8%	465	-1.2%	5,024	0.3%	3,053	-1.4%	1,375	-0.9%	-3	23.5%	42.7%
Sberbank	4,964	0.8%	595	1.3%	3,608	0.7%	3,535	4.9%	873	6.1%	7	3.1%	1.3%
Tsesnabank	4,403	4.2%	346	0.4%	3,416	6.3%	3,528	4.7%	1,121	0.9%	7	3.8%	2.9%
Alliance	4,002	-0.2%	227	1.3%	3,965	0.5%	2,192	-0.6%	1,037	-1.6%	-17	45.9%	46.3%
Kaspi	3,960	0.8%	465	2.6%	3,389	2.4%	2,827	2.1%	2,236	1.9%	12	16.0%	13.5%
Citi	3,102	8.2%	285	1.2%	974	-2.9%	2,756	12.9%	28	5.2%	2	0.0%	6.6%
<b>Top 10</b>	<b>75,920</b>	<b>1.2%</b>	<b>9,566</b>	<b>0.8%</b>	<b>65,447</b>	<b>0.3%</b>	<b>47,739</b>	<b>2.7%</b>	<b>20,080</b>	<b>1.6%</b>	<b>97</b>	<b>35.8%</b>	<b>37.2%</b>
Other banks	17,987	1.2%	3,981	0.4%	12,020	1.4%	10,677	-1.6%	3,283	4.6%	32	11.9%	12.5%
<b>Total</b>	<b>93,908</b>	<b>0.8%</b>	<b>13,547</b>	<b>0.7%</b>	<b>77,466</b>	<b>0.4%</b>	<b>58,416</b>	<b>1.9%</b>	<b>23,363</b>	<b>2.0%</b>	<b>129</b>	<b>32.0%</b>	<b>29.8%</b>

\* As at YE2012

Please note that the information provided in this document is based on data from different sources including, without limitation, published announcements made by various state authorities and other organisations.

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