

Official exchange KZT/US\$ rate on 1 February 2013 – 150.81

## Summary

### Economy

- The inflation in Kazakhstan in February 2013 amounted to 0.8%; ytd -1.7%, annualized - 7%.

### Banking sector

- The government may consider offering BTA Bank shares to pay for a stake in Halyk Bank's pension fund and returning Kazkommertsbank shares owned by Samruk-Kazyna for a stake in Kazkommertsbank's Grantum PAF.

## News on Kazakhstan's economy:

- **5 March.** Kazatomprom is planning to divest its non-core assets by the end of 2013, in accordance with Samruk-Kazyna's request.
- **5 March.** Toyota Tsusho Corporation is interested in setting up a car accumulators manufacturing in Kazakhstan, informs Ministry of Industry and New Technologies.
- **4 March.** The inflation in Kazakhstan in February 2013 amounted to 0.8%; ytd -1.7%, annualized - 7% informs The Agency of Statistics.
- **28 February.** The revenue of Kazakhmys decreased by 5.9% to USD 3.353 billion. This was due to decrease in copper price, decline in volumes of sale and increase in operating costs.
- **27 February.** By the beginning of summer the proposal regarding the new tax on land will be submitted to the Parliament says the Chairman of the Tax Committee of the Ministry of Finance Anuar Djumadildayev.
- **25 February.** A special organization will be created in Kazakhstan to develop construction of rented residences in the framework of the government programme "Affordable residence-2020". The price per sq.m. is planned at KZT 100,000.
- **19 February.** The European Bank for Reconstruction and Development (EBRD) is providing a local currency loan in the equivalent of US\$ 3 million to MCO Arnur Credit for on-lending to micro and small enterprises (MSEs) and individual entrepreneurs in Kazakhstan.
- **18 February.** Average nominal salary in Kazakhstan in January 2013 increased yoy 7.6% and amounted to KZT 99,152 according to the Agency of Statistics.
- **14 February.** The number of deals on Kazakhstan's residential real estate market decreased in January 2013 by 5.3% to 11,607 compared to December 2013, but increased by 17.3% compared to January 2012, according to the Agency of Statistics.
- **14 February.** GDP of Kazakhstan increased by 5% in 2012 and amounted to KZT 30,072.5 billion, according to the Agency of statistics. 40.7% was represented by manufacturing and 52.9% by services.
- **13 February.** The volume of construction works in January 2013 decreased by 6.9% to KZT 56.9 billion, compared to January 2012, according to the Agency of statistics. 2,009 buildings were completed in January 2013 – 1,839 of which residential.
- **13 February.** The volume of retail trade increased in January 2013 by 11.2% and amounted to KZT 361 billion compared to January 2012, according to the Agency of statistics.
- **8 February.** The Prime Minister Serik Akhmetov ordered the Ministry of economics and budget planning to target 6% GDP growth in 2013.7 February. Samruk-Kazyna purchased 29% stake of Kazzinc's shares from Verny Capital, the price was not disclosed.
- **7 February.** The price of 1 sq.m. of new residential real estate increased by 0.9% in January 2013 compared to December 2012 and amounted to KZT 174,151, according to the Agency of statistics.
- **5 February.** The population of Kazakhstan as at 1 January 2013 amounted to 16,911,900 (9,264,900 rural and 7,646,900 urban), an increase of 1.4% since last year.

## Major events in the banking sector

- **6 March.** Following the traditional annual study conducted by experts of the international edition Global Finance (<http://www.GFmag.com>) JSC "Kazkommerts Securities" was named "The Best Investment Bank of Kazakhstan in 2013"
- **6 March.** The Chairman of the National Bank, Mr. Marchenko believes that it is time for local banks to tap into the international capital markets.
- **6 March.** The project of the Law on Consolidated Savings Pension Fund was submitted for the Parliament's consideration, says Mr Marchenko. He also mentioned that the Consolidated Savings Pension Fund will be actively purchasing Kazakh Banks' mid-term notes.
- **4 March.** The National Bank suspended licenses of Sberbank, Temirbank, Kaspi, CenterCredit in part of cash exchange operations, due to improper execution of financial monitoring procedures.
- **1 March.** 12.4 million cards are issued by Kazakh Banks as at 1 February 2013, according to the National Bank.
- **1 March.** The National Bank purchased KZT 1.1 billion notes issued by the Ministry of Finance from the Pension Funds. Previously the National Bank already purchased KZT 9.1 billion, KZT 9.8 billion and KZT 1.9 billion government notes on 14, 18 and 22 February, respectively.
- **25 February.** Eurasian Bank's net income increased by 64.13% in 2012 and amounted to KZT T9.91 billion.
- **21 February.** Moody's Investors Service has today upgraded BTA Bank's long-term local and foreign-currency deposit ratings to Caa1 from Caa2. The rating actions follow BTA's completion of its \$11.2 billion market debt restructuring in December 2012, which is supportive of the bank's credit fundamentals.
- **19 February.** Halyk Bank informed that it has not received any official offer, including state authorities, with respect to the shares in the Pension Fund. The Bank is planning to hold preliminary consultations with the representatives of the Government of the Republic of Kazakhstan and JSC Samruk-Kazyna in order to clarify the current situation.
- **19 February.** Kazkommertsbank is ready to work together with government authorities on the details of the sale of its pension fund Grantum, informed the Bank.
- **18 February.** Deputy Prime Minister of Kazakhstan Kairat Kelimbetov in his interview to Interfax said that the government may consider offering BTA Bank shares to pay for a stake in Halyk Bank's pension fund and returning Kazkommertsbank shares owned by Samruk-Kazyna for a stake in Kazkommertsbank's Grantum PAF. The full English translation of interview can be found here [http://www.interfax.kz/?lang=eng&int\\_id=13&category=exclusive&news\\_id=73](http://www.interfax.kz/?lang=eng&int_id=13&category=exclusive&news_id=73)
- **18 February.** Elena Bakhmutova was appointed as the Chairman of the Board of BTA Bank.
- **8 February.** The aggregate volume of insurance companies' assets increased by 14.2% in 2012 and amounted to KZT 442.6 billion, according to the National Bank.
- **8 February.** The total volume of pension funds increased by 20.1% in 2012 and amounted to KZT 3.2 trillion, according to the National Bank.
- **7 February.** The Head of Samruk Kazyna Umirzak Shukeyev promised not to take funds from the National Fund for BTA Bank.
- **7 February.** The Chairman of the National Bank Grigoriy Marchenko believes that the pension funds may be invested in the profitable infrastructure projects.
- **6 February.** The consolidated pension fund will be created on the basis of the State Pension Asset Fund (GNPF), 100% owned by the National Bank said Deputy Prime Minister Kairat Kelimbetov.
- **4 February.** The President Nazarbayev ordered the government to sell its stakes in BTA, Alliance and Temir Bank by the end of 2013.

## Kazakhstan's key macroeconomic indicators

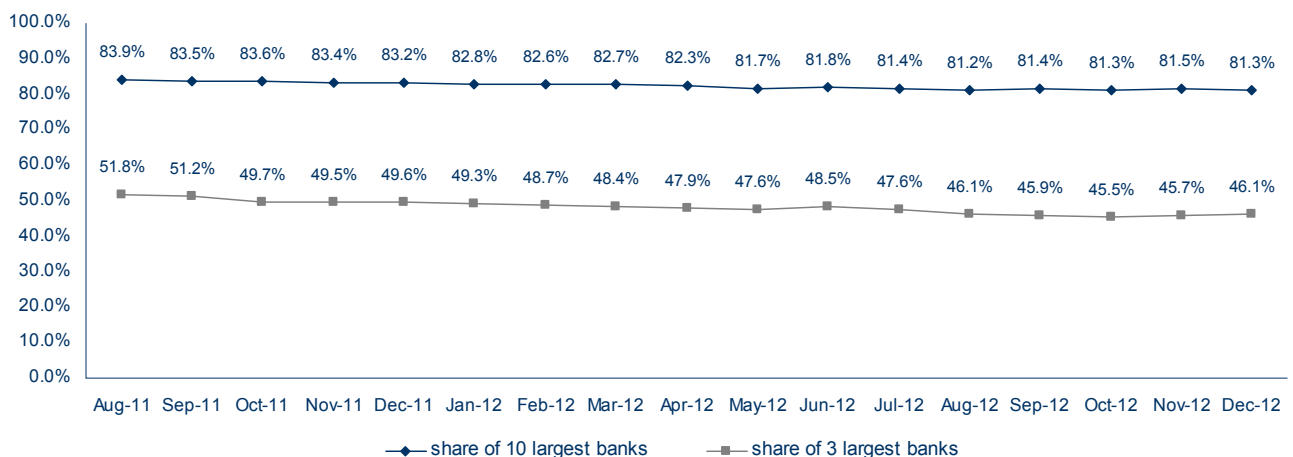
	2008	2009	2010	2011	2012	Jan 13
<b>Domestic economy and financial system</b>						
Real GDP growth, %	103.2	101.2	107.0	107.5	105.0	-
GDP, US\$ million	131 713	107 197	145 854	183 969	199 407	-
Production, % YoY	102.1	101.7	110.0	103.5	100.5	100.7
Unemployment rate, %	6.6	6.5	5.5	5.4	5.3	5.4
CPI, %	109.5	106.2	107.8	107.4	106.0	106.6
Monetary supply M3, US\$ million	51 894	49 754	57 942	65 708	69 805	69 597
Monetary base (reserve money), US\$ million	12 629	16 510	17 443	19 111	19 172	18 210
Real exchange rate	120.77	148.46	147.50	148.40	150.74	150.81
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	-	-
Sovereign foreign debt, % of GDP	1.6	2.5	2.8	2.4	4.1*	-
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	5 574*	-
<b>Balance of payments</b>						
Current account balance, US\$ million	6 978	-3 408	4 319	14 110	7 787*	-
Current account balance, % of GDP	5.3	-2.6	3.0	7.4	6.0*	-
Capital and finance account balance, US\$ million	1 219	5 554	416	13 815	-1 175*	-
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	34 284*	-
Exports, US\$ million	71 971	43 886	60 838	88 470	69 469*	-
<b>Foreign assets and liabilities</b>						
Gross foreign debt, US\$ million	107 713	113 229	119 242	123 848	134 878*	-
Gross foreign debt, % of GDP	81.3	98.6	45.2	34.4	35.3*	-
National Bank's Net International Reserves, US\$ thousands	19 872	23 218	27 723	28 762	27 746	-
National Fund	27 486	24 368	30 578	43 693	57 766	-
National Fund and international reserves	47 358	47 586	58 301	72 455	85 512	-

\*Jan-Sept. 2012

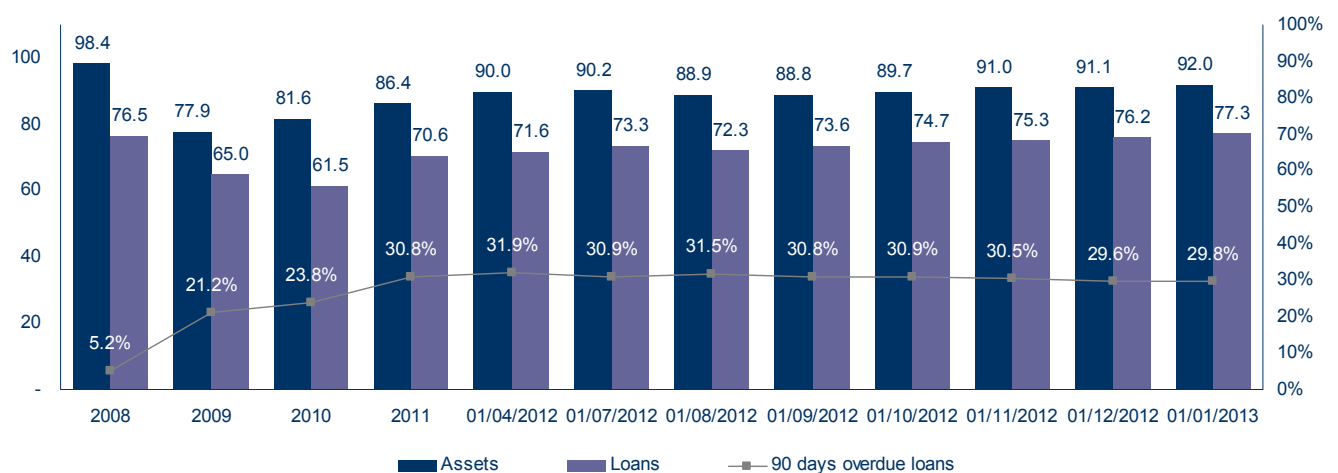
## Banking sector indicators

	2008	2009	2010	2011	2012
Commercial banks (number)	37	38	39	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>
Capital	12 026	-6 601	8 967	8 797	13 252
<b>Gross loans</b>	<b>76 534</b>	<b>64 926</b>	<b>60 627</b>	<b>70 370</b>	<b>77 329</b>
Provisions for loans	8 491	24 458	18 995	22 480	26 595
- % of total loans	11.1	37.7	30.9	32.0	34.4
<b>Deposits</b>	<b>38 084</b>	<b>40 441</b>	<b>46 850</b>	<b>53 125</b>	<b>57 184</b>
<b>Net profit</b>	<b>89</b>	<b>-19 225</b>	<b>9 904</b>	<b>-241</b>	<b>1 439</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

Concentration of banking system assets



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



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

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans
	US\$ mln	Dec/ Nov	US\$ mln	Dec/ Nov	US\$ mln	Dec/ Nov	US\$ mln	Dec/ Nov	US\$ mln	Dec/ Nov	US\$ mln	% of gross loans	% of gross loans
<b>KKB</b>	<b>16,937</b>	<b>-0.2%</b>	<b>3,062</b>	<b>0.3%</b>	<b>15,906</b>	<b>-0.7%</b>	<b>9,837</b>	<b>2.9%</b>	<b>4,123</b>	<b>3.2%</b>	<b>11</b>	<b>38.0%</b>	<b>25.3%</b>
Halyk	15,520	0.7%	2,009	0.7%	10,179	7.7%	10,986	1.2%	4,554	4.7%	386	21.8%	17.0%
BTA	10,073	4.9%	1,392	116.6%	13,676	-1.1%	3,590	-19.8%	1,937	4.0%	-2,317	86.5%	78.2%
BCC	7,051	-0.3%	553	-1.3%	5,651	0.6%	4,999	1.0%	2,600	4.0%	3	16.2%	9.7%
ATF	5,650	-4.0%	473	-0.2%	5,103	-2.2%	3,137	-2.5%	1,403	5.5%	-73	23.1%	42.7%
Sberbank	4,859	6.7%	585	0.4%	3,511	5.8%	3,276	7.1%	790	11.9%	90	5.16%	1.3%
Tsesnabank	4,100	2.2%	337	-1.6%	3,152	3.8%	3,423	5.8%	1,056	6.4%	72	3.9%	2.9%
Alliance	3,972	1.3%	242	9.6%	3,940	-0.8%	2,218	0.6%	1,038	-0.1%	49	41.0%	46.3%
Kaspi	3,904	9.0%	440	6.6%	3,220	2.3%	2,738	8.6%	2,117	4.9%	125	15.7%	13.5%
Eurasian	3,090	1.2%	315	0.8%	2,442	1.0%	1,961	1.1%	647	7.4%	64	8.3%	6.6%
<b>Top 10</b>	<b>75,155</b>	<b>-0.2%</b>	<b>9,408</b>	<b>18.3%</b>	<b>66,781</b>	<b>1.2%</b>	<b>46,166</b>	<b>0.3%</b>	<b>20,264</b>	<b>4.5%</b>	<b>-1,592</b>	<b>32.5%</b>	<b>37.2%</b>
Other banks	16,860	-1.0%	3,844	3.5%	10,548	3.2%	10,440	-0.3%	2,391	8.3%	229	16.9%	12.5%
<b>Total</b>	<b>92,015</b>	<b>1.0%</b>	<b>13,252</b>	<b>13.6%</b>	<b>77,329</b>	<b>1.4%</b>	<b>56,606</b>	<b>0.2%</b>	<b>22,656</b>	<b>4.9%</b>	<b>-1,363</b>	<b>34.4%</b>	<b>29.8%</b>

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