

**Summary**

**Economy**

- IMF forecasts that Kazakhstan's GDP growth in 2013 would be 5.5%

**Banking sector**

- Temir Bank and Alliance Bank are negotiating sale of Samruk-Kazyna shares with potential investors.

**News on Kazakhstan's economy:**

- July 31. French intelligence agency arrested ex-chairman of BTA bank Mr. Mukhtar Abliazov.
- July 25. Agreement on establishing Unified Savings Pension Fund of Government with national fund "Samruk-Kazyna" and shareholders of three major Savings funds has not been reached yet.
- July 23. Receipts of the National fund of RK in January-June period amounted to KZT1,79 trillion.
- July 18. Net profit of «Savings pension fund "GNPF" JSC for January-June 2013 period decreased 19,92 times, amounted to KZT111,39 million, for the same period of 2012 this number was KZT2,22 billion.
- July 17. As per announcement made by Ministry of oil and gas, Kashagan project is complete for 98%.
- July 16. "Kazakhmys" debt reduced to 76% due to release of 26% stake to the founder, Eurasian Natural Resources Corporation Plc (ENRC).
- July 15. Citigroup, HSBC and JP Morgan appointed as lead arrangers for the Republic of Kazakhstan \$1 bln sovereign Eurobonds issue.
- July 12. Mr. Daniyar Berlibayev appointed as Board of Directors Chairman for the "RD "KazMunaiGaz" JSC.
- July 11. Foreign Affairs Ministry announced that 2014 will be a year of Kazakhstan in France.
- July 10. Kazakhstan international reserves decreased by 2,2% to \$89,6 bln.
- July 9. Number of transactions on residential real estate market for January-June 2013 period amounted to 83 763, this was for 7,6% more than for the same period of 2012.
- July 9. Population of the Republic of Kazakhstan as per 01 June 2013 is 17 million 10,6 thousand, this number increased to 0,6% from year end 2012.
- July 9. Chinese oil and gas companies are planning pipeline construction in Kashagan and Karachaganak at Kazakhstan-China direction.
- July 05. S&P confirmed sovereign rating of Kazakhstan as "BBB+/A-2" with "stable" outlook.
- July 05. Kazakhstan's accession to the WTO does not suggest closing down subsidy programs for domestic producers, said the Minister of Agriculture of the Republic Asylzhan Mamytbekov.
- July 05. An oil exploration project will be soon launched in the Kostanai Region (north Kazakhstan), the regional administration says in a press release.
- June 25. The decision to hold the two previous rounds of P5+1 negotiations on the Iranian nuclear program in Almaty was not out of protocol only, Iranian Ambassador to Kazakhstan Gorban Seyfi said.
- June 24. Eurasian Resources Group BV has confirmed an intention to make an offer for ENRC comprising US\$2.65 in cash plus 0.23% Kazakhmys shares per ENRC share, Kazakhmys says in a press release.
- June 24. Kazakh President Nursultan Nazarbayev has signed the Law on Pension System in Kazakhstan.

- June 18. Russia's JSC "Academician M.F. Reshetnev "Information Satellite Systems" and Kazakhstan's National Company "Kazakhstan Garysh Sapary" have entered into the memorandum of cooperation during the international Paris Air Show at Le Bourget.
- June 20. The Caspian Region will continue playing a significant role in the global energy market, said Richard H. Jonesm, the deputy executive director of the International Energy Agency (IEA).
- May 31. It's possible for Kazakhstan to see early elections to the Majilis in 2014, said the political analyst Maxim Kaznacheyev.
- May 21. The National Bank of Kazakhstan may have a controlling stake+1 share in the would-be centralized processing center.
- May 27. By 2030 electricity generated by alternative and renewable sources will account for 30% of all power produced in the republic, said Environmental Minister Nurlan Kapparov.
- April 24. A number of Kazakh opposition members voiced their protest at the possible sale of Eurasian Natural Resources Corporation (ENRC) to international investors.
- April 25. President Nursultan Nazarbayev says that the Eurasian Economic Union, which is being created by Kazakhstan, Russia and Belarus, will be open to any other country.
- April 17. The International Monetary Fund (IMF) forecasts that Kazakhstan's GDP growth in 2013 would be 5.5%, said IMF in its April report on the world economic outlook.

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

- July 30. Mr. Kadyrzhan K. Damitov elected as the Chairman of the Management Board of BTA Bank JSC with effect from August 5, 2013, for one year.
- July 30. Mr. Kadyrzhan K. Damitov resigned from the Board of Directors of Halyk Savings Bank Kazakhstan.
- July 30. Banking license for retail deposits and bank accounts of AsiaCredit Bank was suspended by regulator.
- July 29. "Temirbank" reported a net loss for KZT4.45 billion for 1HY 2013.
- July 26. Development Bank Kazakhstan transferred around \$1 billion of non-performing loans to the Investment Fund of Kazakhstan.
- July 25. Number of second tier commercial banks with foreign involvement in Kazakhstan equaled to 17, or 44,7% from total number.
- July 24. Kaspi Bank is planning to issue 10-years bond for amount of KZT3 billion.
- July 18. Assets of "Tsesnabank" Kazakhstan for January-June 2013 increased to 20% and amounted to KZT740,6 billion.
- July 16. Net profit of "Sberbank" Kazakhstan decreased for 33,5% to KZT7,63 billion on 1HY 2013.
- July 16. Central Bank forbade "Tsesnabank" to acquire "Respublica" pension fund.
- July 16. Net profit of "Nurbank" for 1HY 2013 shrunk 16,4 times, to KZT50 million.
- July 11. Chairman of BTA Bank Kazakhstan, Management Board Mr. Erik Balapanov has resigned from position.
- July 9. RK Central Bank rejected application of Mr. Bertran Gossar for taking position of Deputy, Chairman of Eurasian Bank.
- July 1. "SENYM-BANK" JSC renewed a license for carrying out bank and other operations and activity on securities market in connection with change of the name and the legal address.
- June 12. National Bank of Kazakhstan issued a license for carrying out banking and other activities to "Zaman Bank" JSC on June 12 of 2013.

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- June 7. Central Bank of the Republic of Kazakhstan refused to grant consent for "BTA Bank" JSC to purchase the subsidiary company – «SK Leasing» JSC.
  - June 21. Loans to Agricultural sector only account for 3% of all lending by commercial banks of Kazakhstan, said Majilis Speaker Nurlan Nigmatulin.
  - May 14. Temir Bank and Alliance Bank are negotiating sale of Samruk-Kazyna shares with potential investors.
  - May 27. the Board of the National Bank of the Republic of Kazakhstan cancelled a resolution of 2008 "On delivery to the UniCredit Bank Austria AG (Austria) of the consent to acquisition of the status of bank holding of "ATF Bank" JCS.
  - May 28. the Board of the National Bank of the Republic of Kazakhstan adopted the Resolution concerning the cancellation of the resolution of Board of the National Bank of the Republic of Kazakhstan "On delivery to the Karsybekov Orazkhan Kaerzhanovich of the consent to acquisition of the status of bank holding of "Bank Astana-Finance" JCS.
  - April 26. Banking license of TAIB Kazakh Bank suspended for 6 months.

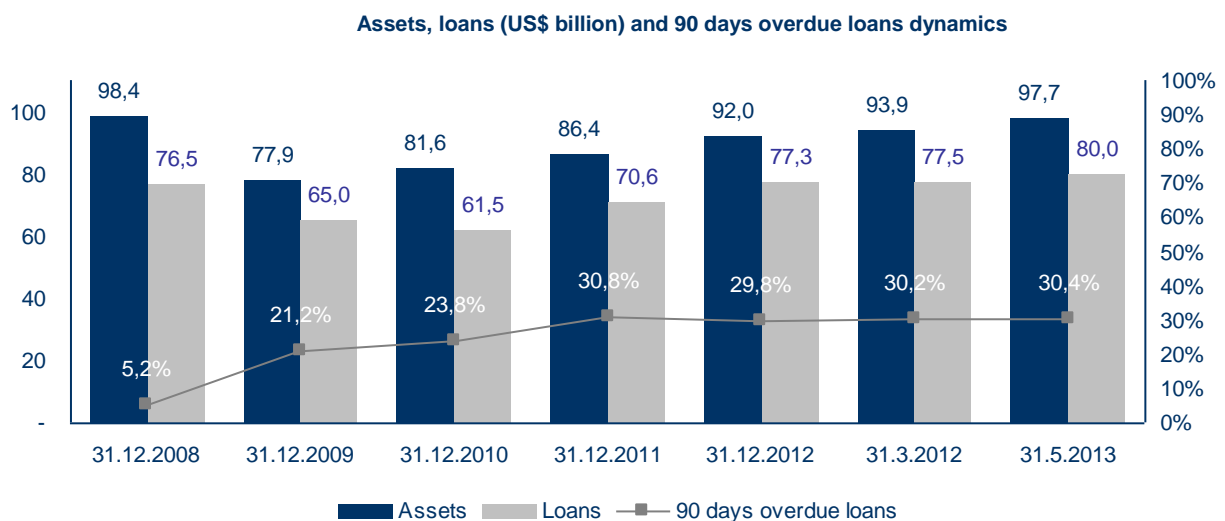
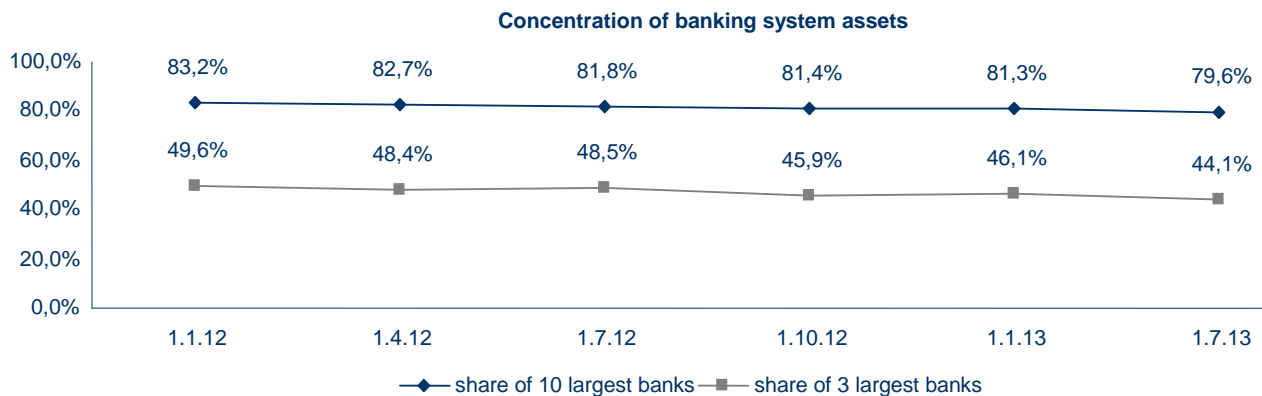
## Kazakhstan's key macroeconomic indicators

	2008	2009	2010	2011	2012	Jun 13
<b>Domestic economy and financial system</b>						
Real GDP growth, %	103.2	101.2	107.0	107.5	105.0	104.7*
<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>202 000*</b>
Production, % YoY	102.1	101.7	110.0	103.5	100.5	101.8
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	102.7
Monetary supply M3, US\$ million	51 894	49 754	57 942	65 708	69 805	74 635
Monetary base (reserve money), US\$ million	12 629	16 510	17 443	19 111	19 172	20 038
Real exchange rate	120.77	148.46	147.50	148.40	150.74	151.43
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	1 857*
Current account balance, % of GDP	5.3	-2.6	3.0	7.4	3.9	0.9*
Capital and finance account balance, US\$ million	1 219	5 554	416	13 815	-1 775	959*
Capital and finance account balance, % of GDP	0.9	5.2	0.3	7.2	0.9	0.4*
Imports, US\$ million	38 452	28 672	31 956	47 263	47 400	17 884,7*
Exports, US\$ million	71 971	43 886	60 838	88 470	92 073	34 259,8*
<b>Foreign assets and liabilities</b>						
Gross foreign debt, US\$ million	107 713	113 229	119 242	123 848	137 051	139 953
Gross foreign debt, % of GDP	81.3	98.6	45.2	34.4	35.0	69.3
National Bank's Net International Reserves, US\$ thousands	19 872	23 218	27 723	28 762	27 746	26 118
National Fund	27 486	24 368	30 578	43 693	57 766	63 452
National Fund and international reserves	47 358	47 586	58 301	72 455	85 512	89 044

\* jan-may 2013

## Banking sector indicators

	2008	2009	2010	2011	2012	Jun 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>97 700</b>
Capital	12 026	-6 601	8 967	8 797	13 252	12 665
<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>80 021</b>
Provisions for loans	8 491	24 458	18 995	22 480	26 595	27 029
- % of total loans	11.1	37.7	30.9	32.0	34.4	33.7
<b>Deposits</b>	<b>38 084</b>	<b>40 441</b>	<b>46 850</b>	<b>53 125</b>	<b>57 184</b>	<b>63 489</b>
<b>Net profit</b>	<b>89</b>	<b>-19 225</b>	<b>9 904</b>	<b>-241</b>	<b>1 439</b>	<b>644</b>
<b>Profitability ratios, %</b>						
NIM	3.4	5.7	4.3	4.5	4.2	4.7
RoA	0.32	-1.35	-1.22	-0.10	1.61	8.61
RoE	2.59	-12.60	-10.61	-0.94	26.52	102.50
<b>Banking sector and the economy, %</b>						
Assets / GDP	74.6	68.0	61.9	44.3	43.6	43.1
Loans / GDP	58.0	56.7	46.5	36.1	36.5	35.2
Deposits / GDP	28.9	37.1	35.2	26.9	27.0	28



Major indicators of the largest Kazakh banks as at 1 June 2013

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans*
	US\$ mln	Jun/ Mar	US\$ mln	Jun/ Mar	US\$ mln	Jun/ Mar	US\$ mln	Jun/ Mar	US\$ mln	Jun/ Mar	US\$ mln	% of gross loans	% of gross loans
KKB	16,080	-0,93%	2,092	-0,67%	15,672	-0,99%	13,987	1,33%	4,076	-0,99%	78	38,67	27,80%
Halyk	16,854	1,10%	2,077	1,00%	10,316	1,04%	14,777	1,40%	5,056	1,04%	190	19,44	18,01%
BTA	10,086	-0,99%	1,492	1,03%	13,545	-0,99%	8,594	2,45%	1,845	-0,98%	99	87,93	80,70%
BCC	6,990	-0,96%	553	-0,99%	5,822	1,02%	6,440	1,23%	2,283	-0,90%	3	16,83	12,47%
ATF	5,247	0,96%	448	-0,96%	4,960	-0,99%	4,825	1,58%	1,385	1,01%	-21	36,52	45,48%
Sberbank	5,893	1,19%	595	0,00%	4,002	1,11%	5,271	1,49%	1,054	0,00%	44	3,40	2,75%
Tsesnabank	4,687	1,06%	346	0,00%	3,727	1,09%	4,276	1,21%	1,161	1,04%	43	3,77	2,72%
Alliance	4,038	1,01%	218	0,96%	3,994	1,01%	3,820	1,74%	1,065	1,03%	-21	45,42	46,88%
Kaspi	4,344	1,10%	419	0,90%	3,780	1,12%	3,925	1,39%	2,298	1,03%	78	15,99	12,47%
Eurasian	3,445	1,13%	336	1,02%	2,740	1,14%	3,109	1,15%	797	1,11%	33	7,51	7,04%
<b>Top 10</b>	<b>77,699</b>	<b>1,02%</b>	<b>8,671</b>	<b>-0,91%</b>	<b>68,563</b>	<b>1,05%</b>	<b>69,027</b>	<b>1,45%</b>	<b>21,022</b>	<b>1,05%</b>	<b>529</b>	<b>37,44</b>	<b>33,36%</b>
Other banks	19,913	1,11%	3,952	-0,99%	11,193	-0,93%	15,961	1,49%	2,702	0,82%	113	11,35	12,05%
<b>Total</b>	<b>97,613</b>	<b>1,04%</b>	<b>12,624</b>	<b>-0,93%</b>	<b>79,757</b>	<b>1,03%</b>	<b>87,989</b>	<b>1,51%</b>	<b>23,724</b>	<b>1,02%</b>	<b>642</b>	<b>33,78</b>	<b>30,37%</b>

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