Official exchange KZT/US$ rate on 1 January 2014 – 154.06

Summary

Economy

- Kazakhstan's central bank devalued the Tenge by 19%.
- Oil export made up 72.2 mln tons in 2013.

Banking sector

- JSC Kazkommertsbank and Kenes Rakishev reached a final agreement to acquire 46.5 % of the shares of JSC BTA Bank each from JSC National Welfare Fund Samruk-Kazyna.
- Alliance Bank's Board of Directors decides to restructure its liabilities.

News on Kazakhstan's economy:

- 17 February. The Kazakhstan Stock Exchange Index (KZKAK) jumped 2.2 percent to a one-year high after data showed the nation's economic growth accelerated to 6 percent in 2013 from 5 percent in 2012.
- 17 February. Kazakhmys Plc (KAZ) jumped 7.3 percent today, extending its rally since the devaluation to 38 percent.
- 17 February. KazMunaiGas Exploration Production shares traded in London rose 1.1 percent today, extending this week's gain to 10 percent, valuing the company at five times estimated profit.
- 13 February. KCell (KCEL), the Kazakh unit of Sweden's TeliaSonera AB, rose 0.7 percent in London, paring week's loss to 13 percent.
- 11 February. The Kazakhstan Stock Exchange Index jumped 12 percent, the most since February 2009 on a closing basis.
- 11 February. Kazakhstan's central bank devalued the Tenge by 19%, the most since 2009. The Tenge weakened to 184.52 per dollar at 6:31 p.m. in Almaty, compared with Feb.10 close of 155.63. The stock market rallied.
- 10 February. Commodity circulation between Kazakhstan and the US increased by 9% to $2.75 bn in 2013.
- 9 February. "KazTransGas" increased profit by 80% in 2013.
- 9 February. Profits of "Kazakhtelecom" increased by 12% in 2013.
- 6 February. International reserves of Kazakhstan climbed by 0.4% to $95.66 bln in January.
- 4 February. According to preliminary NB evaluation current account of payment balance showed $118 mln surplus in 2013.
- 3 February. Inflation made up 0.6% in January.

- 30 January. EBRD invested 328 mln euro in Kazakhstan in 2013.
- 27 January. Oil export made up 72.2 mln tons in 2013.
- 26 January. “KazMunaiGaz” received about 460 bn Tenge net profit in 2013.
- 24 January. Cash volume increased by 7.7% in December.
- 17 January. Investments into fixed capital increased by 4% in January.
- 17 January. Ferro alloys production increased by 6.9% in January.
- 17 January. Petrol production increased by 8.1% in January
- 17 January. Electric power production lowered by 0.5% in January.
- 17 January. Construction works increased by 2.1% in January.
- 17 January. Freight circulation lowered by 4.1% in January.

Major events in the banking sector

- 19 February. Moody's affirmed rating of "Eurasian Bank" at B1; outlook negative.
- 13 February. Standard & Poor's lowered its corporate credit rating on Almaty, Kazakhstan-based Alliance Bank to D on Feb. 11, after the company announced its intention to restructure senior and subordinated bonds, according to a report from S&P.
- 6 February. JSC Kazkommertsbank (KKB) and Rakishev Kenes reached a final agreement to acquire 46.5 % of the shares of JSC BTA Bank (BTA) each from JSC National Welfare Fund Samruk-Kazyna (SK).
- 4 February. International Rating Agency Moody's upgraded Kazakh BTA Bank's long-term local- and foreign-currency deposit ratings to B3 from Caa1.
- 4 February. Alliance Bank's Board of Directors decides to restructure bank.
- 29 January. Fitch Ratings upgraded long-term default rating of Halyk Savings Bank of Kazakhstan to BB; outlook Stable.
- 28 January. ATFBank (Kazakhstan) provides data on its current ratings assigned by agency Fitch Ratings.
- 24 January. Nurbank reported 33.15 bn Tenge net loss in 2013.
- 24 January. Net profit of Eurasian Bank increased by 34.4% to 12.92 bn Tenge in 2013.
- 24 January. Kaspi bank net profit increased by 1.7 times in 2013 to 29.74 bn Tenge.
- 24 January. Fitch affirms KKB ratings at 'B'.
- 23 January. Fitch Ratings has upgraded Halyk Bank of Kazakhstan's Long-Term Issuer Default Ratings (IDRs) to 'BB' from 'BB-' and removed the ratings from Rating Watch list 'Evolving' (RWE). The Outlook is Stable.
- 22 January. Fitch Ratings affirmed the long-term issuer default rating (IDR) of Subsidiary Bank JSC "Sberbank of Russia" (Kazakhstan) at level "BBB-" with "Stable" outlook and upgraded the Bank's strength rating from "b+" to "bb-".
- 15 January. Halyk Savings Bank of Kazakhstan (Kazakhstan) is announced by Global Financial Market Review winner of "Best Kazakhstan Bank 2013" award.

Annex 1

Kazakhstan's key macroeconomic indicators

	2008	2009	2010	2011	2012	Dec 13
Domestic economy and financial system						
Real GDP growth, %	103.2	101.2	107.0	107.5	105.0	105.7
GDP, US$ million	**131 713**	**107 197**	**145 854**	**183 969**	**199 407**	**219 600**
Production, % YoY	102.1	101.7	110.0	103.5	100.5	102.5
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	105.8
Monetary supply M3, US$ million	51 894	49 754	57 942	65 708	69 805	75 301
Monetary base (reserve money), US$ million	12 629	16 510	17 443	19 111	19 172	18 320
Real exchange rate	120.77	148.46	147.50	148.40	150.74	154.06
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	2,7
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	5 914
Balance of payments						
Current account balance, US$ million	6 978	-3 408	4 319	14 110	7 717	-2135*
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 63	47 400	12 887
Exports, US$ million	71 971	43 886	60 838	88 470	92 073	20 158
Foreign assets and liabilities						
Gross foreign debt, US$ million	107 933	112 866	118 228	125 350	136 924	147 965
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

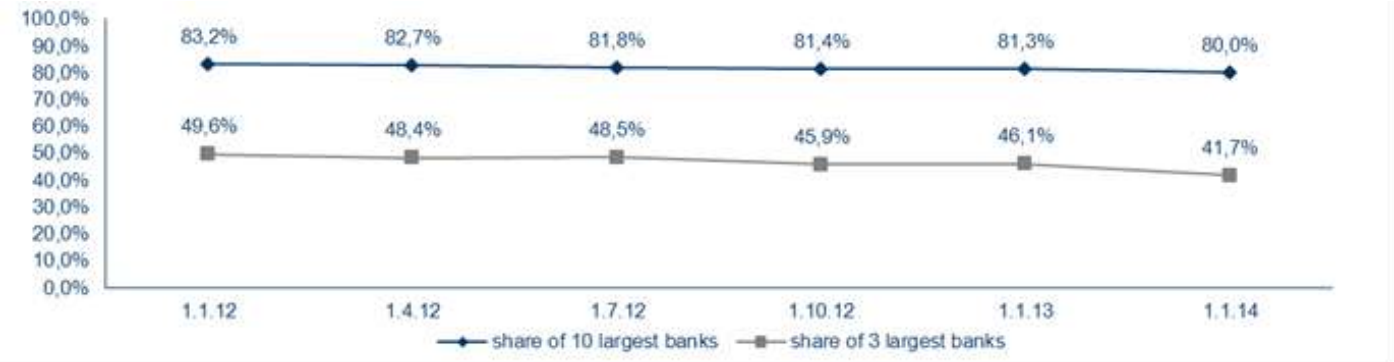
*for 6 month 2013

Annex 2

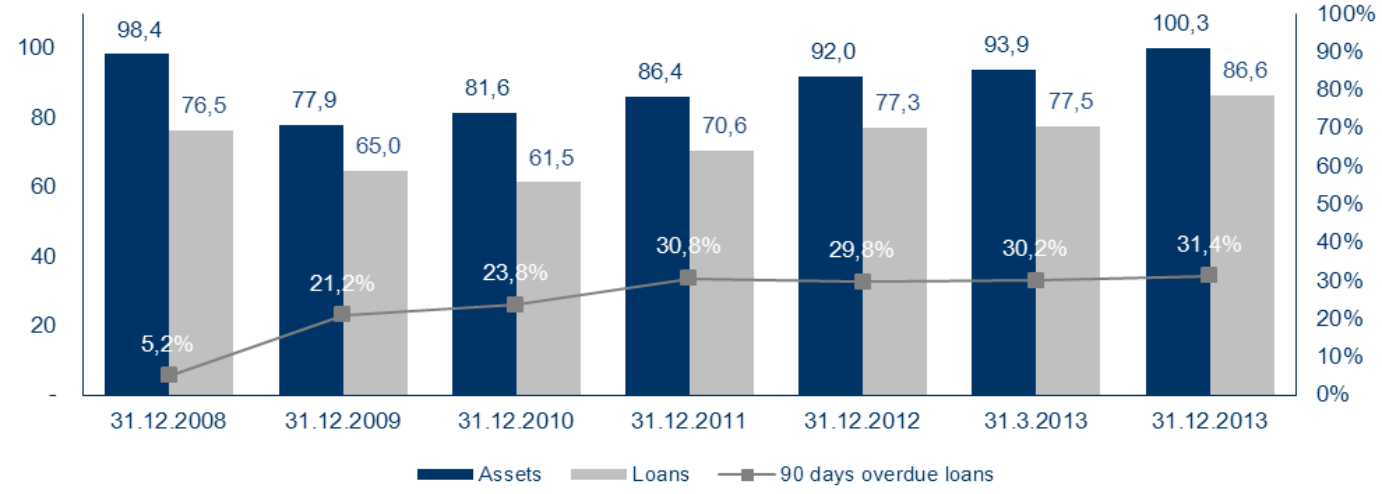
Banking sector indicators

	2008	2009	2010	2011	2012	Dec13
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**	**100 368**
Capital	12 026	-6 601	8 967	8 797	13 252	13 517
Gross loans	**76 534**	**64 926**	**60 627**	**70 370**	**77 329**	**86 642**
Provisions for loans	8 491	24 458	18 995	22 480	26 595	30 136
- % of total loans	*11.1*	*37.7*	*30.9*	*32.0*	*34.4*	*34.8*
Deposits	**38 084**	**40 441**	**46 850**	**53 125**	**57 184**	**63 912**
Net profit	**89**	**-19 225**	**9 904**	**-241**	**1 439**	**1 719**
Profitability ratios, %						
NIM	3.4	5.7	4.3	4.5	4.2	4.15
RoA	0.32	-1.35	-1.22	-0.10	1.61	1.7
RoE	2.59	-12.60	-10.61	-0.94	26.52	12.7
Banking sector and the economy, %						
Assets / GDP	74.6	68.0	61.9	44.3	43.6	45.7
Loans / GDP	58.0	56.7	46.5	36.1	36.5	39.4
Deposits / GDP	28.9	37.1	35.2	26.9	27.0	29.1

Concentration of banking system assets



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



Annex 3

Major indicators of the largest Kazakh banks as of 1 January 2014

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans*
	US$ mln	Nov,%	US$ mln	Nov,%	US$ mln	Nov,%	US$ mln	Nov,%	US$ mln	Nov,%	US$ mln	% of gross loans	% of gross loans
KKB	16 235	0,7	2 391	11,2	16 109	-0,2	10 600	0,3	4 201	3,5	296	38,7	29,42
Halyk	15 849	6,9	2 366	6,1	11 269	2,6	10 944	0,5	5 192	0,4	551	18,5	16,3
BTA	9 846	-0,8	1 542	0,3	15 457	-0,4	3 575	3,1	1 928	2,1	175	91,6	86,51
BCC	6 961	-3,1	551	0,3	5 759	-2,8	5 090	-0,5	2 206	2,5	12	22	16,35
ATF	5 816	-0,6	465	3,1	4 653	2,6	3 613	-3,4	1 479	2,7	1,8	39	40,99
Sberbank	6 723	6,5	761	9,2	5 184	8,1	4 528	6,2	1 450	8	140	2,9	2,14
Tsesnabank	5 980	14	475	4	4 312	-0,1	4 469	10,8	1 391	5,6	106	4,5	3,75
Alliance	3 655	-1,4	84	33,3	3 797	-0,6	1 986	-2,7	1 045	1	17	48,3	49,78
Kaspi	5 523	4,4	545	2,8	4 636	0,6	3 814	2,5	2 651	3,3	211	14	12,23
Eurasian	3 820	3,3	380	3,2	2 891	-3,4	2 496	7	906	7,5	84	8	8,9
Top 10	80 408	2,9	9 560	5,8	74 061	0,5	51 115	1,9	22 449	2,9	1 594	39	34,44
Other banks	19 960	1,2	3 957	-0,8	12 581	5,8	12 792	-18	3 186	10	126	11,5	2,34
Total	100 368	2	13 517	3	86 642	0,4	63 907	1,4	25 635	3,3	1 720	35	31,37

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.
The majority of the information contained herein has been selected from different publications released by the National Bank of Kazakhstan, the Statistics Agency of the Republic of Kazakhstan, the Committee of the Republic of Kazakhstan for the Regulation and Supervision of the Financial Market and Financial Organisations, and the official websites of Kazakh banks. None of the managers or directors involved in the preparation of this document has independently verified the information contained herein. Accordingly, no responsibility or liability is accepted by Kazkommertsbank, its employees or directors as to the accuracy of the information provided herein.
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