

Official exchange KZT/US\$ rate on 1 March 2014 – 184.08

Summary

Economy

- International reserves of Kazakhstan increased by 1.7% to \$99.3 bln. in March

Banking sector

- KKB reported 52.53 bln. Tenge net profit in 2013
- Halyk Bank is to acquire HSBC branch in Kazakhstan

News on Kazakhstan's economy:

- 7 April. International reserves of Kazakhstan increased by 1.7% to US\$99.3 bln. in March – National Bank
- 3 April. K. Massimov appointed as the Prime Minister of Kazakhstan
- 1 April. Economy growth will make up 5-5.5% this year in Kazakhstan – Fitch Ratings
- 1 April. Inflation made up 1% in March - Statistics Agency
- 31 March. Cumulative foreign debt of Kazakhstan increased by 8.6% to US\$248.75 bln. in 2013 – National Bank
- 28 March. Average nominal monthly salary increased by 6.3% in February year on year- Statistics Agency
- 26 March. Events in Ukraine will not affect Kazakhstan integration processes in Eurasian Economic Union- Nazarbayev
- 14 March. Kazakhstan's foreign trade surplus was US\$5.2 billion in January 2014 or an increase of 44.4% compared with the same month last year - State Agency for Statistics
- 13 March. Unrefined gold production decreased by 4.9% in January-February - Statistics Agency
- 12 March. Tenge devaluation will benefit exporters but will put under pressure domestically-focused companies - Moody's
- 11 March. Kazakhstan to increase export oil fee to US\$80 per ton
- 7 March. Foreign Exchange Reserves in Kazakhstan increased to US\$ 26,517Million in March of 2014 from US\$ 26,006 Million in February of 2014.
- 4 March. Five Kazakh natives entered list of richest people of the world according to Forbes
- 3 March. Finance Ministry to consider Eurobonds issue in 2014 in case of good market environment
- 3 March. Inflation made up 1.7% in February - Statistics Agency
- 27 February. “Kazakhmys” revenue reduced by 7.6% in 2013

- 26 February. KMG net profit increased by 24% in 2013
- 24 February. Tax receipts into state budget climbed by 16.7% to KZT 4.78 trln. in 2013
- 18 February. Kazakhstani grain export to China to triple in 2014 to 30 000 tons

Major events in the banking sector

- 8 April. KKB reported KZT 52.53 bln. net profit in 2013
- 4 April. Foreign debt of Kazakhstani banks lowered by 21.4% to US\$11.2 bln. - Finance Ministry
- 3 April. Kazakhstan may fail to clear banks from problematic assets in the coming 3 years – Elena Bakhmutova, “Samruk-Kazyna” NWF Deputy Chairperson
- 2 April. Merger of insurance companies following banking sector expected in Kazakhstan – Fitch Ratings
- 2 April. Dependence of Kazakhstani banks on "Samruk-Kazyna" NWF deposits makes 21% - Fitch Ratings
- 1 April. Fitch Ratings agency downgrades Alliance Bank rating to "RD"
- 27 March. "Samruk-Kazyna" NWF signed all transaction documents selling shares of 3 nationalized banks (BTA, Alliance and Temirbank)
- 26 March. Halyk Bank will complete acquisition of HSBC affiliated company by November 2014
- 26 March. Net profit of Halyk Bank increased by 3.5% to KZT 72.4 bln. in 2013
- 3 March. Moody's rating agency affirms JSC “Kazkommertsbank” rating at B2
- 26 February. Halyk Bank is to acquire HSBC branch in Kazakhstan
- 26 February. Tenge devaluation and sms attack caused KZT 55 bln. deposits outflow from "Alliance Bank"
- 26 February. Magzhan Auezov appointed as a new CEO of BTA
- 19 February. Moody's affirmed rating of "Eurasian Bank" at B; outlook negative
- 19 February. Moody's downgraded Alliance Bank's debt rating to C

Kazakhstan's key macroeconomic indicators

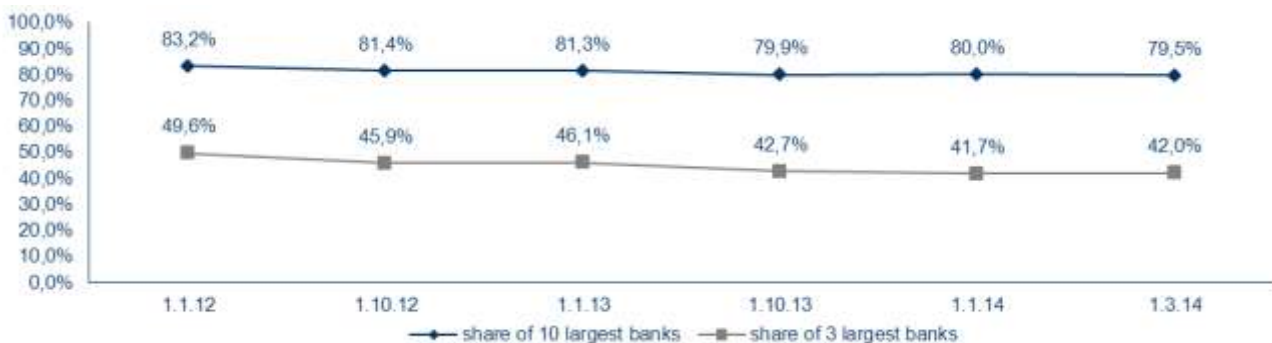
	2009	2010	2011	2012	2013	Feb 2014
Domestic economy and financial system						
Real GDP growth, %	101.2	107.0	107.5	105.0	106.0	106.0
GDP, US\$ million	107 197	145 854	183 969	199 407	217 585	215 583
Production, % YoY	101.7	110.0	103.5	100.5	103.3	99.4
Unemployment rate, %	6.5	5.5	5.4	5.3	5.2	5.2
CPI, %	106.2	107.8	107.4	106.0	104.8	105.4
Monetary supply M3, US\$ million	49 754	57 942	65 708	69 805	75 301	76 415
Monetary base (reserve money), US\$ million	16 510	17 443	19 111	19 172	18 320	-
Real exchange rate	148.46	147.50	148.40	150.74	154.06	-
Official refinancing rate, %	7.0	7.0	7.5	5.5	5.5*	-
State finance						
State budget balance, % of GDP	-3.1	-2.5	-1.3	-2.1	-2.9*	-
Sovereign foreign debt, % of GDP	2.5	2.8	2.4	3.0	2.7	-
Sovereign foreign debt / State budget income, %	11.4	13.9	14.9	-	6.5*	-
Sovereign foreign debt, US\$ million	2 218	4 061	4 456	5 944	5 914	-
Balance of payments						
Current account balance, US\$ million	-3 408	4 319	14 110	7 717	-2 135*	-
Current account balance, % of GDP	- 2.6	3.0	7.4	3.9	-	-
Capital and finance account balance, US\$ million	5 554	416	13 815	-1 775	1 789*	-
Capital and finance account balance, % of GDP	5.2	0.3	7.2	0.9	0.8*	-
Imports, US\$ million	28 672	31 956	47 263	47 400	12 887	2 687.3
Exports, US\$ million	43 886	60 838	88 470	92 073	20 158	7 887.7
Foreign assets and liabilities						
Gross foreign debt, US\$ million	112 866	118 228	125 350	136 924	147 965*	-
Gross foreign debt, % of GDP	98,3	79,9	66,7	67,6	67,4	-
National Bank's Net International Reserves, US\$ thousands	23 218	27 723	28 762	27 746	23 594	-
National Fund	24 368	30 578	43 693	57 766	66 652	-
National Fund and international reserves	47 586	58 301	72 455	85 512	89 946	-

*for 9 months 2013

Banking sector indicators

	2009	2010	2011	2012	2013	Feb 2014
Commercial banks (number)	38	39	38	38	38	38
Major indicators of the banking sector, US\$ million						
Assets	77 837	81 614	86 400	92 015	100 361	91 850
Capital	-6 601	8 967	8 797	13 252	13 485	11 518
Gross loans	64 926	60 627	70 370	77 329	86 642	78 298
Provisions for loans	24 458	18 995	22 480	26 595	30 143	28 560
- % of total loans	37.7	30.9	32.0	34.4	34.8	36,4
Deposits	40 441	46 850	53 125	57 184	63 907	58 559
Net profit	-19 225	9 904	-241	1 439	1 695	198
Profitability ratios, %						
NIM	5.7	4.3	4.5	4.2	5.6	5.6
RoA	-1.35	-1.22	-0.10	1.61	1.7	0.002
RoE	-12.60	-10.61	-0.94	26.52	12.6	1.7
Banking sector and the economy, %						
Assets / GDP	68.0	61.9	44.3	43.6	46.1	42.6
Loans / GDP	56.7	46.5	36.1	36.5	39.8	36.3
Deposits / GDP	37.1	35.2	26.9	27.0	29.4	27.2

Concentration of banking system assets



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



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

Bank	Assets		Equity		Loans to customers		Total deposits		Retail deposits		Net profit	Reserves	90 days overdue loans*
	US\$ mln	Jan,%	US\$ mln	Jan,%	US\$ mln	Jan,%	US\$ mln	Jan,%	US\$ mln	Jan,%	US\$ mln	% of gross loans	% of gross loans
KKB	14 713	-9,4	2 013	-15,8	14 781	-8,2	9 599	-9,4	3 752	-10,7	14	40%	32%
Halyk	15 265	-3,7	2 054	-13,2	9 837	-12,7	11 436	+4,5	4 846	-6,6	73	20%	17%
BTA	8 553	-13,1	1 304	-15,4	14 646	-5,2	2 924	-18,2	1 594	-17,3	13	93%	88%
BCC	5 671	-18,5	463	-15,9	4 962	-13,8	3 649	-28,3	1 545	-29,9	2	23%	20%
Sberbank	6 521	-3,00	653	-14,2	4 584	-11,5	4 367	-3,5	1 441	-0,1	17	3%	3%
Tsesnabank	5 484	-8,3	412	-13,2	4 094	-5,1	4 177	-6,5	1 402	+0,1	17	4%	4%
ATF	5 295	-8,9	375	-19,3	4 255	-8,5	3 594	-0,1	1 363	-7,8	-4	41%	44%
Kaspi	4 911	-11,1	467	-14,3	3 998	-13,7	2 788	-26,9	1 875	-29,3	10	15%	13%
Eurasian	3 489	-8,66	324	-14,7	2 484	-14,1	2 362	-5,4	835	-7,8	5	8%	10%
Alliance	3 110	-14,9	24	-71,4	3 354	-11,6	1 408	-29,1	609	-41,7	-31	52%	53%
Top 10	73 012	-9,2	8 089	-15,4	66 995	-9,5	46 304	-3,27	19 261	-14,2	117	41%	37%
Other banks	18 838	-5,5	3 429	-13,3	11 303	-10,1	12 255	0,99	2 947	-7,5	81	11%	12%
Total	91 850	-8,5	11 518	-14,8	78 298	-9,6	58 559	-3,05	22 209	-13,3	198	36%	34%

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