

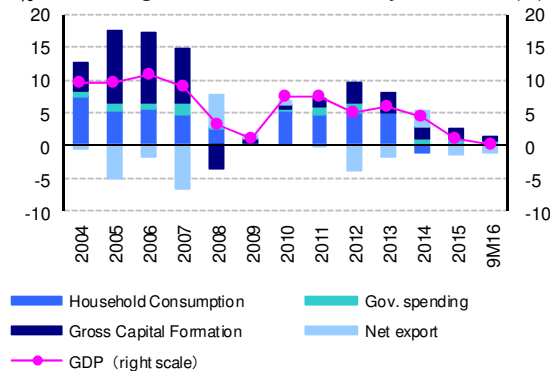
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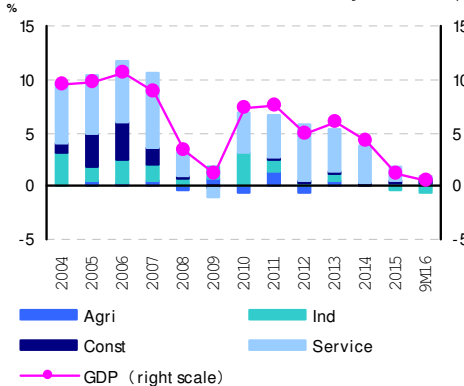
A macroeconomic, financial markets, and banking sector overview

KAZAKHSTAN Macroeconomic and financial sectors

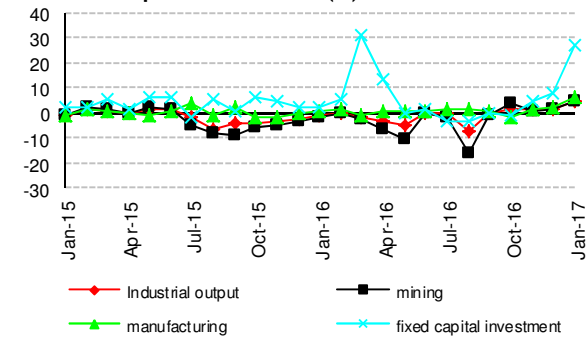
1. GDP growth contribution by final use (%)



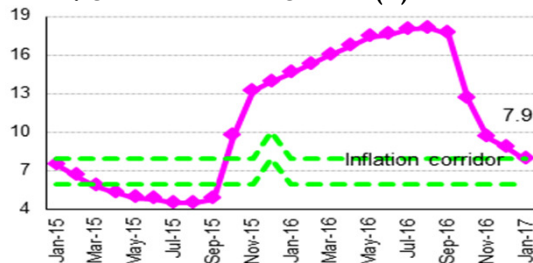
2. GDP Growth Contribution by Sector (%)



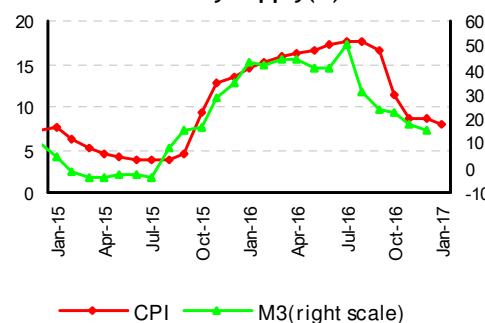
3. Industrial Output/Fixed Capital Investment(%)



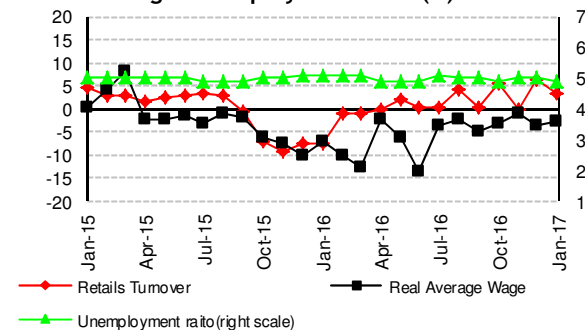
4. CPI and Inflation Corridor(%)



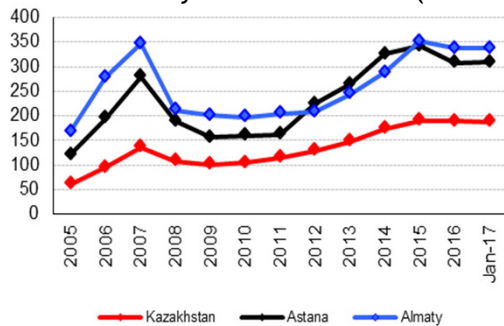
5. CPI and Money supply(%)



6. Retail Turnover/ Average Wage/Unemployment Ratio(%)



7. Secondary Real Estate Prices (th KZT/sq m)



Comments: (1). By final use GDP in 9M2016 made +0.3%; in household consumption +1.0%, Government spending +2.7%, Gross capital formation +1.3%, Net Export ▲23.5%. Structure of GDP is Household consumption 53.9%, Government spending 12.9%, Gross capital formation 27.7%, Net Export 4.3%. As the result, GDP growth contribution by Household consumption +0.5%, by Government spending +0.3%, by Gross Capital formation +0.4% and by Net Export ▲1.0%. (2). By Industrial Sector GDP made up +0.4% in 9M2016. Growth by sectors was: in services +0.4%; industry ▲2.1%; agriculture +4.9%; construction +6.9%. Structure of GDP is Service 56.7%, industry 26.3%, Construction 5.9%, Agriculture 4.7%. As a result, contribution to GDP growth by Service is +0.22%, by industry ▲0.55%, by agriculture +0.23%, and by construction +0.4%. (3). Industrial output made up +4.9% YoY in January 2017; mining and extraction industries made up +4.5%, manufacturing +6.1%, in utilities +2.2%. Fixed capital investments in January 2017 made up +27.4% YoY. (4-5). CPI made up +0.8% MoM; 7.9% YoY in January 2017. Money supply in December 2016 +0.9% MoM, (+15.7% YoY) and made up KZT19.9trillion (or USD59.7bn). (6). Retail turnover increased +3.5% YoY in January 2017. Unemployment ratio slightly decreased by 0.1% and came to 4.9% in January 2017. Real average wage in January 2017 ▲2.6% YoY and nominal wage +5.1%YoY. (7). In January 2017 secondary real estate price total in Kazakhstan decreased ▲0.1%MoM and made up KZT188,400/1 sq m (▲3.9% YoY); prices in Astana +0.5% MoM to KZT308,900/1 sq m (▲3.9% YoY) and in Almaty unchanged and stood at KZT337,300/1 sq m (▲14.8% YoY).

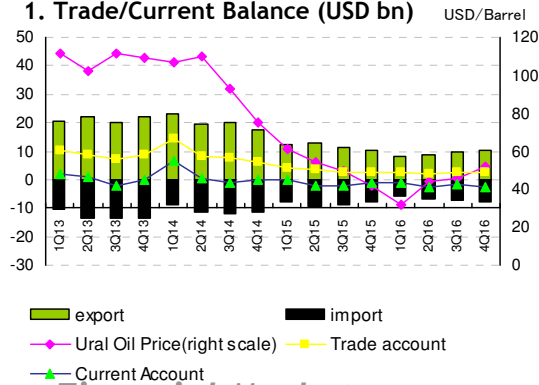
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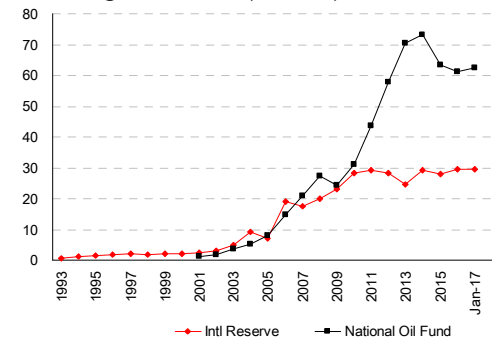
A macroeconomic, financial markets, and banking sector overview

KAZAKHSTAN External sectors

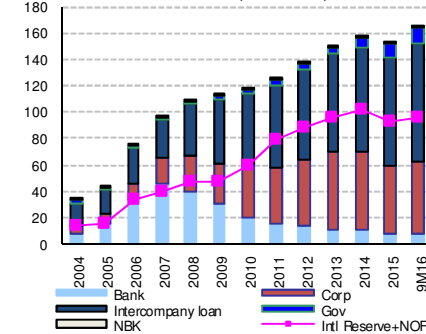
1. Trade/Current Balance (USD bn)



2. Foreign Reserves (USD bn)



3. External Debt (USD bn)

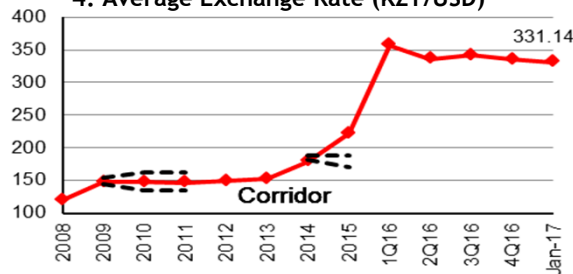


Long-Term Foreign Currency Sovereign Rating

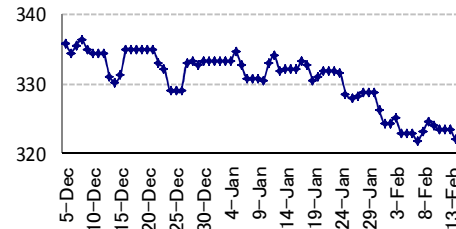
| Agency | Rating |
|------------------|---------------|
| Moody's (Apr-16) | Baa3 Negative |
| S&P (Feb-16) | BBB- Negative |
| Fitch (Oct-16) | BBB Stable |

Financial Market

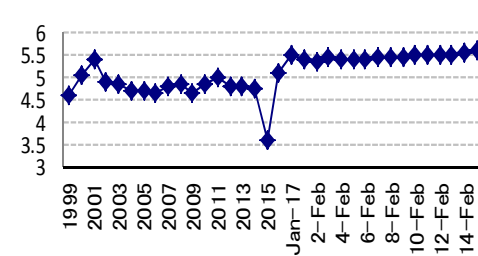
4. Average Exchange Rate (KZT/USD)



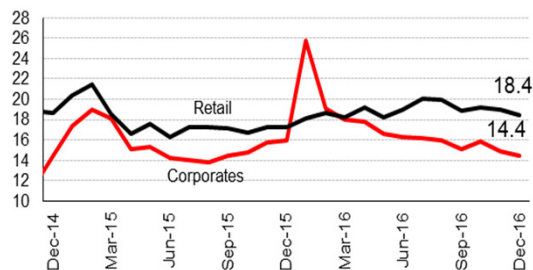
5. Daily Exchange Rate (KZT/USD)



6. Exchange Rate (KZT/RUB)



7. Interest rates for loans to economy in KZT (%)



Comments:

- (1). Current Account deficit came to USD8.2bn in 2016. According to Statistic Agency, external trade in Jan-Dec 2016 amounted USD61.9bn (\uparrow 19.0%YoY), with export USD36.7bn (\uparrow 20.0%YoY) and import USD25.2bn (\uparrow 17.6%YoY).
- (2). Gold and forex reserves, including NBK gross reserves and NOF assets, totaled USD91.9bn in January 2017. NBK gross int'l reserves increased by 0.24% MoM, totaling USD29.6bn, where forex reserves amounts 19.6bn (\uparrow 1.65% MoM). National Oil Fund's reserves made up USD62.3bn, increased by 1.84% MoM in January 2017.
- (3). In 9M 2016 external debt totaled USD165.4bn (+7.59% YTD); banking sector debt USD7.5bn (\uparrow 5.26% YTD); government debt USD12.7bn (+12.3% YTD); NBK's debt USD736m (\uparrow 18.14%YTD); inter-company loans USD90.4bn (10.3% YTD); corporate loans made up USD53.9bn (+4.7% YTD).
- (4-5). Average exchange rate for USD was KZT331.14 in January 2017, or appreciated by 2.61 tenge (or 0.8% MoM). Tenge is under the influence of volatile oil prices and RUB.
- (6). Average exchange rate of KZT/RUB in January 2017 was KZT5.53 /1RUB, or depreciated by 0.15 tenge (or 2.7% MoM).
- (7). The interest rate for corporate credits decreased by 0.5% MoM to 14.4% in average, and also for retails by 0.6% to 18.4% in December 2016.

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A macroeconomic, financial markets, and banking sector overview

KAZAKHSTAN

Banking Sector as of January 1, 2017

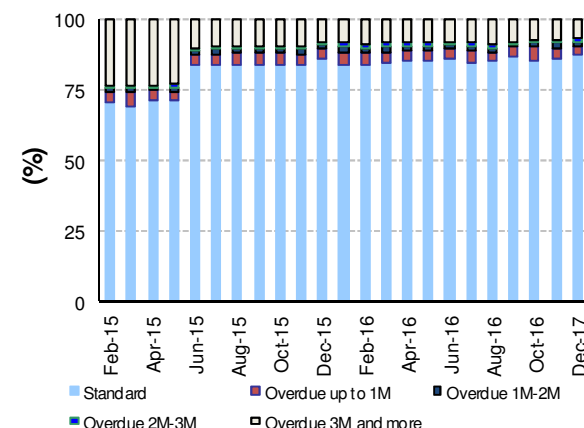
| | Bank | Values for December 2016 (USDm) ¹ | | | | MoM Change | | | |
|----|------------------------|--|---------------|----------------------|-----------------------|-------------|-------------|----------------------|-------------|
| | | Assets | Loans | Provis. ² | Deposits ³ | Assets | Loans | Provis. ² | Deposits |
| 1 | Halyk | 14,652 | 7,098 | 11.53% | 10,335 | 6.9% | 2.6% | (0.8%) | 14.4% |
| 2 | Qazkom (KKB) | 14,585 | 11,097 | 14.68% | 8,580 | (5.2%) | (1.6%) | 0.6% | (18.2%) |
| 3 | Tsesnabank | 6,238 | 4,919 | 8.21% | 4,600 | 2.4% | 2.5% | 0.6% | (0.3%) |
| 4 | Sberbank | 4,958 | 2,912 | 10.60% | 3,458 | 10.6% | 3.8% | 0.3% | 9.2% |
| 5 | ATF | 4,108 | 2,129 | 18.02% | 3,146 | (3.5%) | 1.3% | (0.3%) | (4.3%) |
| 6 | BCC | 4,073 | 2,666 | 10.51% | 3,061 | 0.0% | (0.2%) | 0.1% | (1.0%) |
| 7 | Forte Bank | 3,651 | 1,543 | 7.64% | 2,592 | 2.3% | 1.6% | 0.1% | 1.9% |
| 8 | Kaspibank | 3,596 | 2,361 | 10.60% | 2,424 | 2.7% | 4.6% | 1.4% | 4.1% |
| 9 | Bank RBK | 3,059 | 2,257 | 4.12% | 2,321 | 2.4% | 2.3% | 0.0% | 9.4% |
| 10 | Eurasian | 2,986 | 2,070 | 6.53% | 1,960 | (2.0%) | 2.3% | (0.4%) | (4.5%) |
| | Banking sector* | 76,575 | 46,474 | 10.59% | 51,741 | 1.1% | 0.4% | 0.3% | 0.2% |

Source: FSA, National Bank of Kazakhstan

Notes: (1). KZT values converted at average FX rate in November at 339.05 and in December at 333.75; (2). Provis. as % loan portfolio; MoM reflects change in prov. amounts; (3). Individual and legal entity deposits (excluding SPV deposits)

*NBK took out the banking licence of KazInvestBank

Loans structure (as of January 1, 2017)



Comments:

The total assets of 33 commercial banks amounted to USD76.6bn as of January 1st 2017, and increased by 1.1% MoM.

Loan-portfolio in December increased by 0.4% and made up USD46.5bn.

In December 2016 the loans portfolio structure was: 87.8% standard loans or in amount of KZT 13.6tn (total amount +1.3% YTD), overdue loans up to 30 days 3.0% or in amount of KZT463.8bnn (▲2.8%YTD), overdue loans from 31 to 60 days 1.4% or in amount of KZT213.8bn(▲16.4% YTD), overdue loans from 61 to 90 days 1.1% or in amount of KZT178.0bn(+20.8% YoY) and NPLs (overdue loans from 91 days and more) 6.7% or in amount of KZT 1.0tn(▲0.6% MoM, ▲15.8% YTD).

Banks' provisions for loans in December made up USD 4.9bn, or 10.6% of loan portfolio (+0.3% MoM, ▲0.5%YTD).

Total liabilities made up USD68.1bn, or increased by 1.0% MoM in December 2016.Total amount of deposits (excluding banks and SPVs) increased by 0.2% MoM to USD51.7bn.

Topics:

DBK: to provide a loan up to KZT 15.8 billion to finance the transport and logistics center in Shymkent.

Kazakh Banking Consolidation: Kookmin bank to sell owns 41.93% of the Bank CenterCredit to "Tsesnabank" and JSC "Tsesna" Financial Holding" and the IFC owns 10% of the shares to the businessman Baiseitov Bakhytbek.

Also, Halyk Bank and Qazkom is under the merger talks.

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A macroeconomic, financial markets, and banking sector overview

CENTRAL ASIA AND RUSSIA

Key Economic Indicators

| Country | Population | 2015 n.GDP* | GDP per capita* | 2015 Trade Volume | Ex. Rate | | GDP growth forecast for 2017 | | | |
|-----------------|------------|-------------|-----------------|-------------------|------------------------------|-----------------|------------------------------|------|------|------|
| | (M) | (Bn USD) | (USD) | (Bn USD) | (as the end of January 2017) | | IMF** | EBRD | ADB | WB |
| Kazakhstan | 17.7 | 120.1 | 6,786.5 | 75.9 | 326.25 | Kaz. Tenge/USD | 2.5% | 2.4% | 1.0% | 2.2% |
| Uzbekistan | 31.6 | 61.0 | 1,931.4 | 25.2 | 3,280 | Uzb. Soum/USD | 6.0% | 6.2% | 7.3% | 7.4% |
| Turkmenistan | 5.4 | 35.8 | 6,654.0 | 26.2 | 3.50 | New Manat/USD | 5.4% | 7.1% | 5.5% | 6.5% |
| Kyrgyz Republic | 5.8 | 6.7 | 1,155.2 | 5.7 | 69.13 | Kyrg. Soum/USD | 2.3% | 2.6% | 2.0% | 3.0% |
| Tajikistan | 8.4 | 6.9 | 830.1 | 4.3 | 7.90 | Taj. Somoni/USD | 4.5% | 4.1% | 4.0% | 4.5% |
| Russia | 146 | 1,103.4 | 7,541.7 | 530.4 | 60.16 | Rus. Ruble/USD | 1.1% | 1.2% | N/A | 1.5% |

Source: Statistical agencies and central bank websites of each country; GDP projections based on latest IMF, EBRD, ADB, WB, Central Intelligence Agency (CIA) Forecasts

Note: Trade value reflects total trade turnover, ie sum of exports and imports

(*): exchange rate for calculation as of end of Dec 2015: RUB72.88; KZT339.47; UZS2,810; KGS75.90; TJS6.99. Only the source for Turkmen's data is WB.

(**) in February 2017 IMF revised the GDP forecasts for Kazakhstan from 0.6% to 2.5%.

Key Social-Economic Indicators (January - December 2016)

| Country | GDP | Industrial output | PPI | Fixed capital investments | Cargo transportation (railways) | Retail turnover | CPI |
|-----------------|---------|-------------------|------|---------------------------|---------------------------------|-----------------|-------|
| | % | % | % | % | % | % | % |
| Kazakhstan | 0.4** | (1.1) | 16.8 | 5.1 | (0.9) | 0.9 | 14.6 |
| Uzbekistan | 7.8 | 6.6 | N/A | 9.6 | N/A | 14.4 | 5.7 |
| Turkmenistan | 6.2 | 1.2 | N/A | 4.6** | 1.9** | 16.9 | 3.59* |
| Kyrgyz Republic | 3.8 | 4.9 | 6.4 | 3.8 | 32.9 | 5.3 | 0.4 |
| Tajikistan | 6.9 | 16.0 | 6.7 | 20.3 | (11.0) | 6.1 | 5.9 |
| Russia | (0.7**) | 1.1 | 4.0 | (2.3**) | 0.7 | (5.2) | 7.1 |

*) Sept 16 to Dec 15

***) 9M16 to 9M15

Source: Statistic Agencies

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