



PUBLIC INFORMATION NOTICE

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Yerbolat Dossayev – The current base rate level contributes to reaching the inflation targets

The inflation rate amounted to 0,3% in February 2019, whereas the annual inflation rate decelerated to 4,8%. The base rate remained unchanged at 9,25%. The current base rate level contributes to reaching the inflation targets for 2019, said Y. Dossayev, the Governor of the National Bank of Kazakhstan (hereinafter – National Bank, NBK) reporting “On the outcomes of socio-economic development and implementation of the national budget in January-February 2019” at the Government session.

Mr. Dossayev noted that the exchange rate of tenge amounted to 379,48 tenge per one US dollar on March 11, 2019. “The National Bank will continue to follow the regime of the free-floating exchange rate of tenge. In that regard, NBK did not make any interventions at the FX market in February 2019”, said the Governor.

According to Y. Dossayev, international reserves of the National Bank amounted to approximately 29,2 bn US dollars, shares of the National Fund – to 59,0 bn US dollars as of March 1, 2019. Total international reserves amounted to 88,2 bn US dollars.

The Governor of the financial regulator also added that the deposits’ volume increased by 3,7% to 19,2 tn tenge in January 2019. Deposits in tenge increased by 11,9%. “Largely the growth was due to support of Tsesnabank. Deposits in foreign currency decreased by 5,0%. As a result, dollarization of deposits declined to 44,4%”, said Mr. Dossayev.

The Governor of the NBK said that the lending market continues to recover. “898 bn tenge were assigned for the new loans in January 2019, and that is 8,2% higher than the same period of the previous year. As of the end of January 2019, loan portfolio was 12,5 tn tenge”, commented the Governor.

Mr. Dossayev added that tenge deposits’ rates for businesses declined from 13,2% at the beginning of 2018 to 12,4% in January, 2019. Rate on short-term loans declined from 12,9% to 12,3%, long-term loans – from 14,3% to 13,8%.

“To provide long-term resources for the priority economic sectors, the National Bank of Kazakhstan together with the Government and second-tier banks developed the mechanisms of financing projects. These projects are now being implemented. Two banks’ bonds for 25 bn tenge were purchased on March 1, 2019”, informed Mr. Dossayev.

The Governor of the NBK also reported on the implementation of the “7-20-25” Program (hereinafter – Program). “8 banks participate in the Program. As of March 1, 9 983 applications for the sum of 114,1 bn tenge were accepted, 5 816 applications for 68 bn tenge were approved. The banks issued 54,5 bn tenge for 4 566 applications”.

Baspana entered into memorandums of subsidizing the down payment on the Program with 13 district administrations.

“NBK and Baspana together hold an active communicative work, including press coverage in mass media and social networks”, reported the Governor.

Mr. Dossayev noted that banks’ shares decreased by 0,1% and amounted to 25,2 tn tenge in January 2019. “Loans with overdue of more than 90 days amounted to 8,1% of loan

portfolio. Shares of insurance companies increased by 3% to 1 080 bn tenge in January 2019. With that the insurance reserves increased by 5,6% and amounted to 548 bn tenge”, concluded the Governor of the National Bank of Kazakhstan.

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