



NATIONAL BANK OF KAZAKHSTAN

PUBLIC INFORMATION NOTICE

**Fitch Ratings international credit rating agency
affirmed Kazakhstan's sovereign rating**

May 18, 2024

On May 17, 2024 **Fitch Ratings affirmed** Kazakhstan's sovereign credit rating at "**BBB**" with a **Stable Outlook**. The key drivers for maintaining the credit rating are preserved significant external reserves and fiscal stability, which provide resilience to external shocks.

According to Fitch, the country's international reserves rose by USD 1.6 billion in the year to end-March 2024 (Y-o-Y), while the National Fund assets increased by USD 2.3 billion.

Fitch forecasts GDP growth slows to 3.8% in 2024. This forecast partly reflects a cooling of investment, construction, and credit growth, as well as the impact of flooding in several regions of the country. In 2025, GDP growth is expected to accelerate to 5% helped by higher oil production. At the same time, economic diversification will be facilitated by developing transport section of the Middle Corridor and increased investment in renewable energy sources.

Fitch analysts note a decrease in inflation to 8.7% in April with an easing of food price inflation and national currency appreciation since October 2023. Fitch forecasts a decline in inflation to 8.6% in 2024 and 7.5% in 2025, which is above the National Bank's medium-term target of 5%.

In addition, a decrease in the deposit dollarization ratio has been noted. Fitch Ratings positively assesses the ongoing work by the National Bank to withdraw from economic support programs and on enhanced transparency of foreign exchange operations of the National Fund.

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