



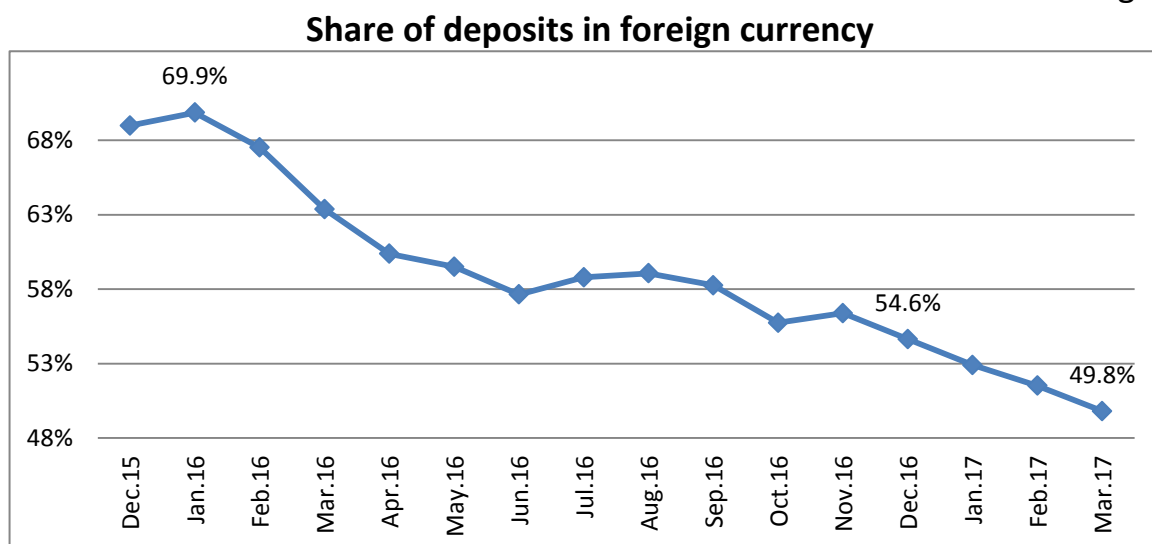
PUBLIC INFORMATION NOTICE

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The dollarization level of deposits decreased down to 49.8%

For the first time since October 2014, the volume of tenge deposits exceeded the volume of foreign currency deposits, and the level of deposits dollarization reached 49.8% at the end of March (Figure 1).

Figure 1



The decrease in the dollarization level of deposits was contributed by the increase in tenge deposits by 7.6% for the first quarter of 2017, while deposits in foreign currency decreased by 11.5%. The decrease in foreign currency deposits was due to a revaluation as a result of the strengthening of tenge (by 5.5% since the beginning of the year) and physical outflow (6.3%). In absolute terms, the physical outflow of deposits in foreign currency amounted to 593.6 bln. tenge (equivalent to USD 1 885.6 million) and the inflow of deposits in the national currency amounted to 624.7 bln. tenge, which shows not only continuous conversion of foreign currency deposits into tenge, but also inflow of new deposits into the banking system.

Foreign currency deposits of legal entities decreased by 12.6% from the beginning of the year which led to a decrease in the share of foreign currency deposits of legal entities down to 43.6% in March 2017 (Figure 2). In the currency structure of individual's deposits, there was also a decrease in the level of dollarization down to 58.0% in March 2017, which is the minimum value since November 2014 (Figure 3). This was contributed by a decrease in foreign currency deposits of individuals by 10.4% and an increase in tenge deposits by 5.6% since the beginning of the current year.

Figure 2

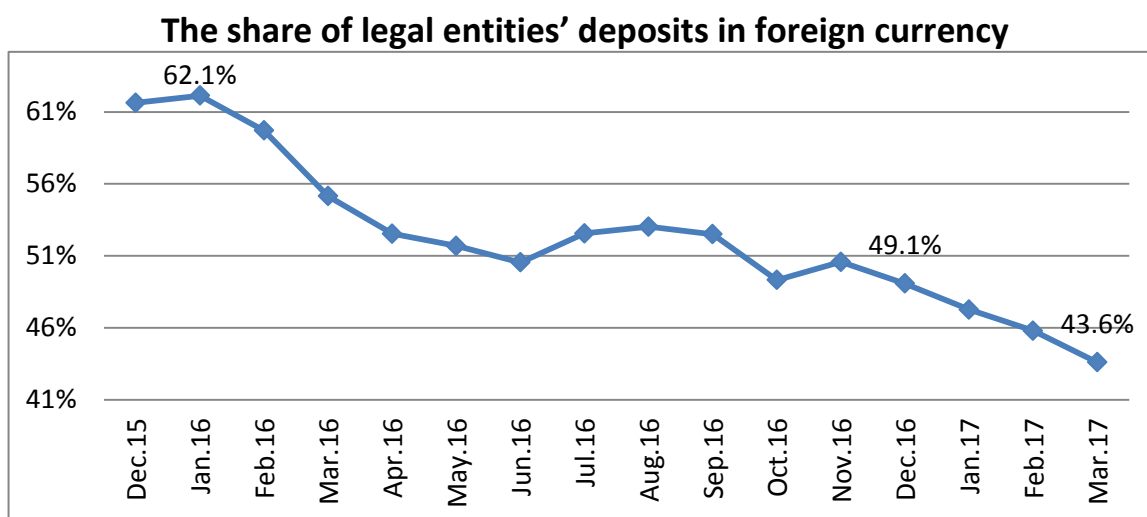
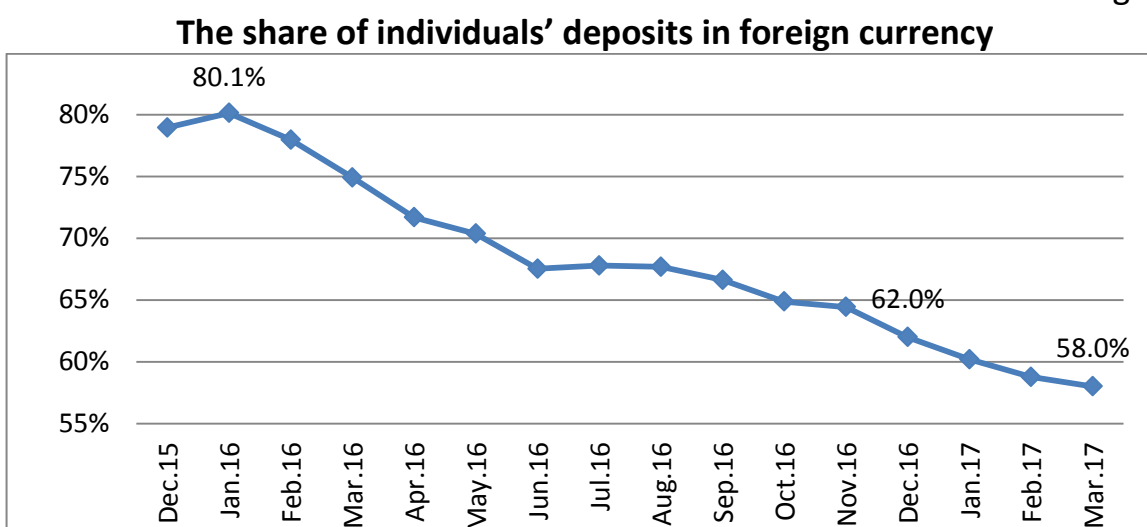


Figure 3



In January-March 2017, banks attracted deposits in the amount of 19,955.5 bln. tenge, of which deposits in the national currency amounted to 16,546.3 bln. tenge (maximum value for the whole history of observations), and foreign currency deposits decreased to the minimum quarterly volume for the last 1.5 year – 3,409.2 bln. tenge (equivalent to USD 10,572.5 million).

The average weighted interest rate on deposits in the national currency decreased from 10.6% in December 2016 to 9.7% and also foreign currency deposits' rate decreased from 2.2% to 1.9%.

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