



NATIONAL BANK OF KAZAKHSTAN

PUBLIC INFORMATION NOTICE

The international credit rating agency S&P confirmed Kazakhstan's sovereign rating

September 4, 2021

On September 3, 2021 the international credit rating agency S&P confirmed the sovereign credit rating of the Republic of Kazakhstan at "BBB-", outlook "stable".

According to the assessment of the analysts at S&P, the key factors supporting Kazakhstan's rating are robust fiscal and external reserves. The analysts at S&P also note that the floating exchange rate regime helped the economy adapt to external pressures from the oil shock in 2020.

Gradual fiscal consolidation, implementation of a fiscal rule limiting the amount of transfers from the National Fund to the budget, and an increase in oil production will contribute to strengthening of Kazakhstan's external position.

According to S&P, in 2021 inflation will amount to 8.5%, which reflects the ongoing stimulating fiscal policy, an increase in prices for imported goods, as well as early withdrawals of pension savings by citizens.

The agency notes that increased transparency by the National Bank, in particular, the publication of National Fund's foreign exchange operations, the joint work with the Ministry of Finance on building the yield curve, the allocation of financial regulation functions from the mandate of the National Bank increase the confidence in the pursued monetary policy.

In S&P analysts view, the implementation of the National Bank's plans to withdraw from programs to support the economy until 2025 will help increase its efficiency.

According to S&P forecasts, the growth rate of Kazakhstan's economy will amount to 3.5% in 2021 and will be supported by the growth of the non-oil sector, the recovery of economic activity due to easing of restrictions, the growth of investments, and the recovery of business activity in the countries being Kazakhstan's main trading partners.

More detailed information for media is available by request:

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