



NATIONAL BANK OF KAZAKHSTAN

Press Release №4

The base rate raised to 13.5%

February 24, 2022

Nur-Sultan

National Bank of the Republic of Kazakhstan made an extraordinary decision on the level of the base rate due to the need to maintain the price stability amid realization of the external sector risks with a significant deterioration in the geopolitical situation, which was considered as a part of the negative scenario and anti-crisis measure plans of the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

From February 24, 2022, the base rate is set at 13.5% per annum with an interest rate corridor of +/- 1.0 percentage points. Consequently, the rate for the liquidity provision standing facilities set on 14.5%, while the liquidity withdrawal standing facilities at 12.5%.

The monetary policy of the National Bank of the Republic of Kazakhstan carried out within the framework of inflation targeting is aimed at preventing the spread of the consequences of an external shock to the country's economy, ensuring the macroeconomic stability and protecting the assets in tenge. The second-tier banks are provided with the necessary liquidity as part of monetary policy instruments.

National Bank of the Republic of Kazakhstan remains committed to the free-floating exchange rate regime of national currency reserving the right to conduct foreign exchange interventions in case of excessive volatility to ensure stability of the financial system. At the same time, flexible exchange rate of tenge will ensure safety of the gold and foreign exchange assets, the importance of which has increased by the cause of realization of the external sector risks.

As of 13:00 on February 24, 2022, National Bank of the Republic of Kazakhstan carried out foreign exchange interventions in the amount of 104 million US dollars. For this week, foreign exchange interventions amounted to 137 million US dollars.

The measures to support tenge deposits of population are to be announced by the Government of the Republic of Kazakhstan together with National Bank of the Republic of Kazakhstan.

National Bank of the Republic of Kazakhstan continuously monitors the situation in the domestic money and foreign exchange markets, as well as world commodity markets and, if necessary, will take additional measures to ensure financial stability.

The next decision of the National Bank of the Republic of Kazakhstan on the base rate will be announced on March 9, 2022 at 15:00 Nur-Sultan time.

More detailed information for mass media is available upon request:

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