



NATIONAL BANK OF KAZAKHSTAN

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On the base rate

March 14, 2016

Almaty

The National Bank of Kazakhstan has decided to keep the base rate unchanged at 17% with a symmetric interest rate corridor of +/- 2 percentage points. Interest rates on standing facilities are also kept unchanged at 19% to provide liquidity and at 15% to withdraw liquidity.

The decision on the base rate was made taking into account risks for price stability, financial stability and economic growth outlook. Keeping the base rate at the same level in terms of economic slowdown indicates the necessity to ensure the demand for tenge assets.

Situation in the domestic financial market indicates stabilization in the currency preferences of banking depositors – dollarization of bank deposits has stopped. The National Bank's measures to increase the attractiveness of tenge instruments will continue to influence on the gradual change in population preferences in favor of national currency deposits.

In February 2016 headline inflation reached 15.2% year-on-year. Factors that determine inflation remained the same. The National Bank of Kazakhstan expects that headline inflation will slow down in the second half of the year and it will approach to the upper boundary of the objective range of 6-8 percent by the end of 2016.

The next decision of the National Bank of Kazakhstan on the base rate will be announced on May 5, 2016.

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