



NATIONAL BANK OF KAZAKHSTAN

PUBLIC INFORMATION NOTICE

**International rating agency S&P Global Ratings
updated its country overview for Kazakhstan**

March, 2 2024

On March 1, the S&P rating agency, as part of its analysis of the sovereign credit rating of Kazakhstan, affirmed the country's credit rating at the level of "BBB-", with "stable" outlook. This decision is primarily due to the significant volume of external reserves and significant fiscal stability, which offset potential external shocks. At the same time, agency analysts note that planned reforms in governance and economic reforms also positively reflect the outlook for the sovereign rating.

According to S&P analysts, despite the global decline in energy and food prices, inflationary pressure remains. Analysts predict that in 2024 inflation will average 8%, with a slowing to the National Bank's target of 5% by 2026. The agency also emphasizes that the transition to a freely floating exchange rate in 2015 helped the economy adapt to external factors of volatility. The level of de-dollarization reached 23% in December 2023, and a stable exchange rate and gradually falling inflation should prevent further growth.

In order to increase the independence of the central bank and the effectiveness of monetary policy, S&P analysts emphasize the National Bank's intention not to participate in new lending and economy support programs.

Analysts also positively note the introduced fiscal rules, which reduce the growth of government spending. Thus, government plans to reduce the growth of expenditures and transfers from the National Fund should contain the state budget deficit and stabilize the level of international reserves.

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