



PUBLIC INFORMATION NOTICE

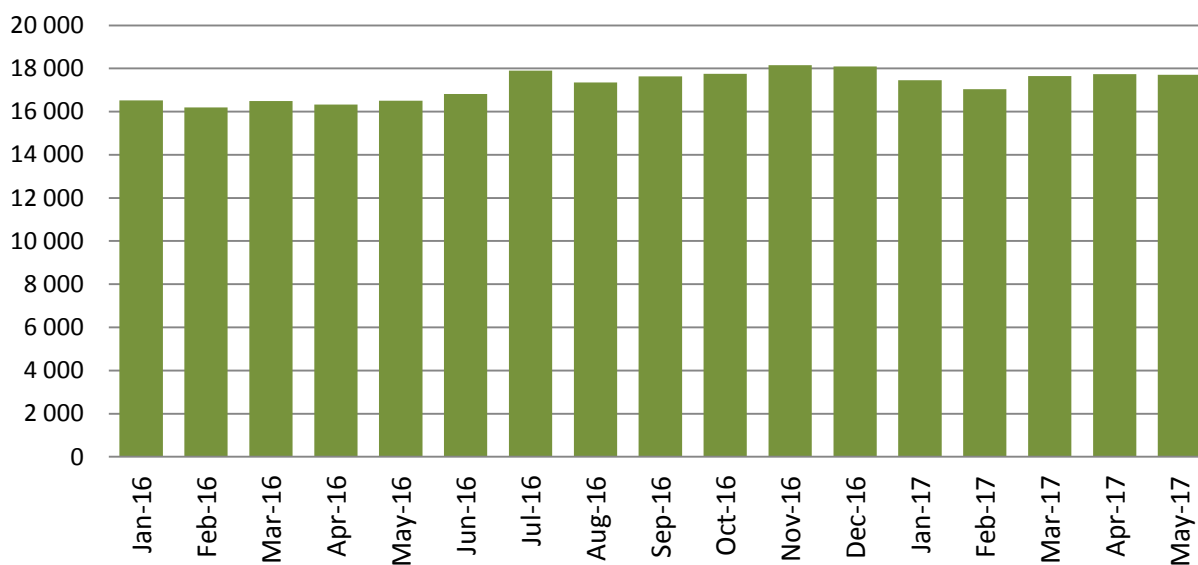
July 3, 2017

The trend of the transfer of deposits in foreign currency into tenge deposits continues

As of the end of May 2017, the volume of deposits amounted to 17 707.3 bln. KZT, having decreased by 2.2% from the beginning of the year and related to the corresponding period of 2016 the volume of deposits increased by 7.3% or 1 206.3 bln. KZT (Figure 1). The decrease in deposits is mainly due to the revaluation of foreign currency deposits as a result of the strengthening of the national currency (by 6.3% from the beginning of the year).

Figure 1

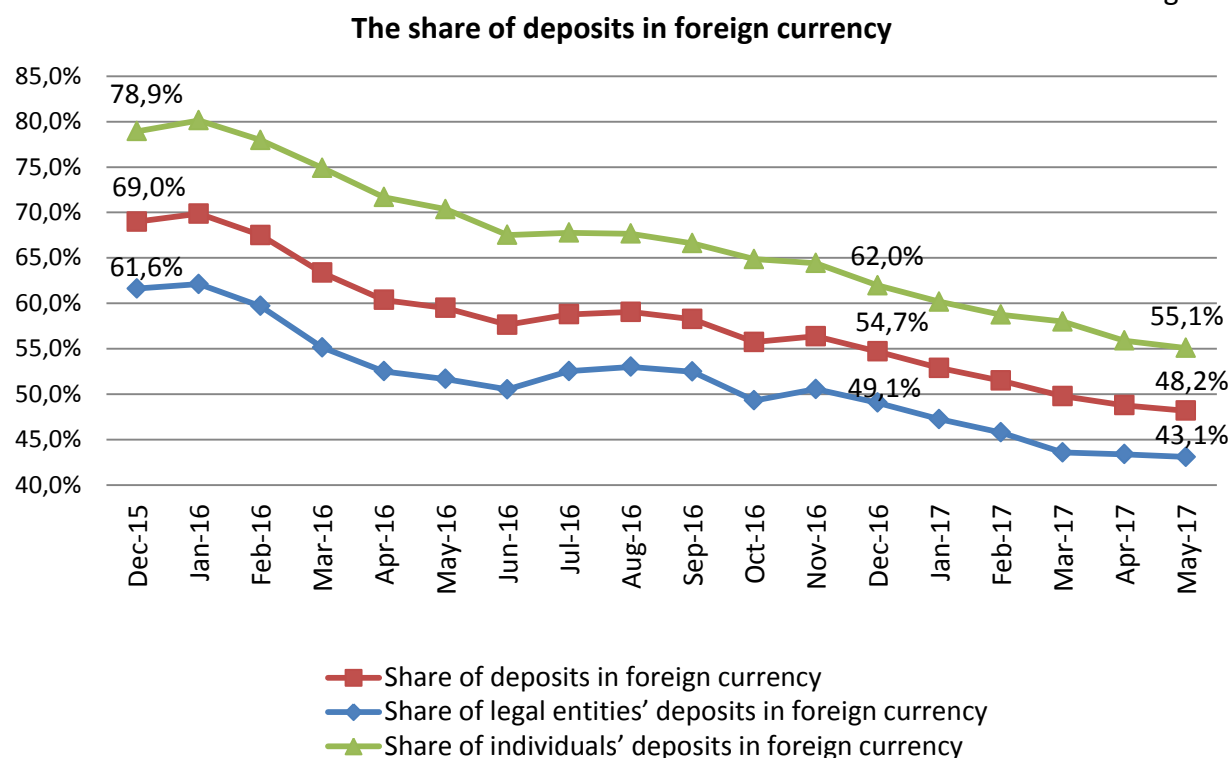
Dynamics of the volume of deposits, bln. tenge, at the end of the period



The volume of deposits in foreign currency decreased from the beginning of the year by 13.7% or by 1 358.1 bln. KZT. The physical outflow of foreign currency deposits amounted to 2 348.6 mln. USD or 7.9%. Deposits in the national currency increased by 11.8% or 969.0 bln. KZT from the beginning of the year. As a result of the trend of growth of tenge deposits and reduction of foreign currency deposits, the dollarization of deposits in May decreased to 48.2%.

Foreign currency deposits of legal entities without taking into account the changes in the exchange rate decreased from the beginning of the year by 7.7% (1 159.3 mln. USD) against the background of an increase in deposits in tenge by 10.4%, which led to a decrease in the share of deposits in foreign currency of legal entities to 43.1% in May 2017. The level of dollarization of individuals' deposits amounted to 55.1% as a result of a decrease in individuals' deposits in foreign currency by 8.2% (1 189.2 mln. USD) and an increase in tenge deposits by 14.3% since the beginning of the current year (Figure 2).

Figure 2



For five months of this year, banks attracted deposits in the amount of 34 184.9 bln. KZT, which is 40.1% more than for the same period of 2016. During this period, attracted deposits in tenge increased by 72.1% (12 008.9 bln. KZT), in foreign currency decreased by 28.6% (2 216.6 bln. KZT).

The average weighted interest rate on deposits attracted in the national currency decreased from 10.6% in December 2016 to 9%. This trend is explained by a decrease in the rates on time deposits of legal entities from 10.5% to 8.7%. While the rate on time deposits in tenge of individuals remains relatively stable - within 12.1-12.5% during the current year. The rate on deposits in foreign currency fluctuates between 1.8-2%.

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