

## **Background Paper: Kazakhstan**

### **2. Kazakhstan's economic development since independence: an overview**

Following independence in 1991, Kazakhstan was one of the earliest and most vigorous reformers among the countries of the former Soviet Union. In the early years of transition, prices were liberalized, trade distortions reduced, and small- and medium-scale enterprises (SMEs) privatized. The treasury and budget processes were significantly improved. Kazakhstan scores much less favorably, however, in the areas of land reform in the rural areas, in the creation of an enabling environment for the small and medium sized enterprises, and in the elimination of corruption. Kazakhstan's rapid economic growth has been largely based on substantial oil, gas, and mineral reserves, and privatization process.<sup>1</sup>

Since its independence in late 1991, Kazakhstan has consistently followed an economic course toward development of a free market economy. The 1991-1993 period may be described in general as a preparatory phase, laying the foundations of reforms of the republic's inherited administrative-command economy. Significant economic reforms started in 1993, following the introduction of Kazakhstan's national currency - the tenge.<sup>2</sup>

The government has established a basic framework to attract foreign direct investment (FDI) into its resource-rich oil and mineral sector. Banking reforms and pension reform followed, together with the unbundling and partial privatization of the electricity sector.

Kazakhstan has also made good progress in the creation of a framework for public resource management. This includes the creation of a National Oil Fund that accumulated surplus oil revenues during the years of high prices, and has helped support public finance during the more difficult times in 2008 and 2009.

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<sup>1</sup> World Bank. Kazakhstan. Country information. 2009. [www.worldbank.org](http://www.worldbank.org)

<sup>2</sup> Jandosov, Oraz. Prospects and Challenges of Financial Systems in Transition Economies. Development, prospects and challenges of financial system in Kazakhstan. [www.imf.org/external/np/eu2/kyrgyz/pdf/jandosov.pdf](http://www.imf.org/external/np/eu2/kyrgyz/pdf/jandosov.pdf)

In recent years, the government has prioritized reform in the state sector, significantly revising the tax and budget codes, and introducing a more strategic and medium-term focus to public policy. Civil service reform has also become a priority.

The economic situation in Kazakhstan has become increasingly difficult in the context of the world economic crisis. The banking sector has been struggling since a sudden stop in capital inflows in August 2007.

More recent sharp declines in oil and other export prices, combined with even tighter international financial markets, are taking a big toll on growth, profitability, and state revenues. A widening current account deficit has put the Tenge under pressure, leading to a 20 percent devaluation of the currency relative to the US dollar in early February 2009. The economy slipped into recession in early 2009.

The medium-term prospects for Kazakhstan are still quite promising, although supply-side constraints may become increasingly binding on growth. There are clear shortages of labor at many skill levels. Infrastructure inadequacy and bottlenecks are becoming more apparent in such forms as frequent blackouts and traffic jams in large cities. Regions outside of the two main cities and resource-rich areas may be falling behind in growth and development.<sup>3</sup>

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<sup>3</sup> World Bank. Kazakhstan. Country information.

### **3. The institutions of the financial system**

Since 1993, the Kazakh banking system has been formally arranged into two tiers, with the National Bank of Kazakhstan (NBK) comprising the first tier and all commercial banks, both private and state-owned, comprising the second tier. NBK acts as a regulator of monetary and credit policy. NBK is accountable directly to the President of the Republic of Kazakhstan. The National Bank of Kazakhstan is an independent financial institution.<sup>4</sup>

Its major objectives include control and prudential regulation of the banking sector and maintenance of a stable national currency. It is independent within the scope of its activity, identified by current legislation. Neither the Government, nor the Parliament or local authorities are authorized to interfere with the National Bank's operations.

The National Bank, however, co-ordinates its activities with the Cabinet of Ministers. It acts as a bank, a financial adviser, or an agent of the governmental bodies. The management bodies of the National Bank are the Council and the Board of Directors.

The Kazakhstan banking system continues to be one of the strongest among the countries of the former Soviet Union. Total banking assets hover around 10% of GDP, and the National Bank of Kazakhstan commands sufficient resources to support the country's commercial banks. Consolidation in the banking sector continues, with liquidation of insolvent banks, privatization and mergers of others.

Restructuring of the state-controlled banking and financial systems that Kazakhstan inherited in 1991 has been a long, and slow process. The National Bank continues to dominate the financial system, including currency management.

During the period of 1991-1993 Kazakhstan, as well as other CIS countries experienced the banking boom. In 1992, the number of banks grew from 155 (with 877 branches) to 204 (with 1023 branches).<sup>5</sup>

Many of these structures were created for just one type of transactions. An especially popular scheme was the attraction of state loans of several millions dollars with the initial malicious plan to go bankrupt.

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<sup>4</sup> Jandosov, Oraz. Prospects and Challenges of Financial Systems in Transition Economies.

<sup>5</sup> Ibid.

The year 1993 was crucial for the country's banking system development. Kazakhstan's banking industry was created on the basis of a subsequently modified law enacted in April 1993. That law created a central institution, NBK, which has regulatory authority over a system of state, private, joint stock, and joint banks. Licensed banks are authorized to perform all of the traditional banking functions.

At the same time economic sanctions on possible defaults were introduced, as well as the requirement for the minimum charter capital. It should be noted that it took some time for banks to get accustomed to the new rules. During 1993 only 10% of the total number of banks met the new requirements. During the following years, the number of second-tier banks in Kazakhstan gradually decreased. Capitalization and liquidity requirements were also increased. Finally, all these measures had to ensure both the safety of deposits in Kazakhstan banks and the reliability of transactions and other banking operations. NBK divided all second-tier banks into two groups according to the date by which they were expected to meet international banking standards. The first group was expected to participate in a deposit insurance fund. As a result, the banking sector has gradually become more stable and professional.

Despite rapid recent growth in bank assets, the country remains under banked in terms of assets and loans to GDP. In particular, over the coming years and consumer lending, as well as lending to micro and small enterprises (MSEs). Banks are introducing new products, such as mortgages, leasing and consumer financing. Further foreign investment is also expected in the sector as competition and consolidation proceeds.

Since June 1994, the National Bank of Kazakhstan has been pursuing a tight monetary policy aimed at lowering inflation and stabilizing the tenge. In the beginning the government pursued mainly coordinated policies in monetary and fiscal areas.

Under these conditions the emphasis was put on achieving macroeconomic and financial stabilization. During subsequent years, the thrust of economic reforms implemented by the Government and the National Bank of the Republic of Kazakhstan has been mainly shaped by the need for creating and developing the institutions of a free market economy. In particular, destatization and privatization proceeded vigorously, the country's financial institutions were strengthened, and the necessary legislative,

normative and regulatory framework for development of the Kazakhstan economy's private sector was established.

However, the situation in many sectors of Kazakhstan's economy remains difficult. The industry operated under tight financial constraints due to the shortage of working capital caused by consumers' arrears, and often by its own inability to complete the entire production cycle resulting from shortfall in deliveries of raw materials and components. A low level of domestic savings and sluggish effective end-product demand reduced fixed capital investment.

The situation became especially difficult in the domestic market-oriented and the CIS countries' market-oriented sectors of the economy.

State regulation of the pricing of output and services of certain enterprises—natural monopolies, electric power distribution and oil shipment, in particular, as well as freight shipment by rail, significantly contained price increases by industrial producers. In general, during the last year there was no significant difference between the producer price index and the consumer price index.

It is envisaged that as the financial markets develop and deepen, the National Bank of Kazakhstan will conduct its monetary policy relying mainly on indirect instruments. An important place in the conduct of monetary policy is reserved for institution building in the national financial system, and in particular, for prudential control and supervision of the banking system.

### **3.2. The Banking System of the Republic of Kazakhstan**

The Republic of Kazakhstan has a two-tier banking system where the National Bank of the Republic of Kazakhstan constitutes the upper (first) tier of the banking system and all other banks constitute the lower (second) tier of the banking system. Reforms in the banking sector started from the introduction of international prudential standards, accounting, capital adequacy, liquidity, and asset diversification standards, and standards on data input and transfer. The system of prudential supervision has been restructured and centralized concurrently.<sup>6</sup>

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<sup>6</sup> Jandosov, Oraz. Prospects and Challenges of Financial Systems in Transition Economies. Development, prospects and challenges of financial system in Kazakhstan.

Within the banking supervision department of the National Bank of Kazakhstan, there are currently banking supervision divisions consisting of two subdivisions each (an inspection subdivision and an analysis subdivision), which are responsible for a certain number of banks divided among the divisions so that each division supervises the homogenous banks.

In order to enhance the stability of the banking system and assist the banks in achieving international standards, the National Bank of Kazakhstan adopted the “Program for Transitions to International Standards by Second-Tier Banks.” Accordingly, in the end of the 90s all banks were divided into two tracks. Banks from the first track attained international standards by end-1998, whereas banks from the second track in 2000.<sup>7</sup>

This classification is based on the banks’ plans for recapitalization and improvement of their portfolio, setting up their individual targets for attaining prudential standards in line with international standards that they must submit to the NBK. The NBK monitors fulfillment of the banks’ commitments on a monthly basis and takes action when they do not meet them.

The NBK also requires that banks set up units for asset/liability management. Pursuant to the Statute on Prudential Standards, second-tier banks must file with the National Bank a table matching/comparing the maturities of their assets and liabilities.<sup>8</sup>

The government and the National Bank of Kazakhstan are committed to the policy of reducing the state’s interest in the charter capital of banks. For example, the state-owned Export-Import Bank of the Republic of Kazakhstan (Eximbank) has been corporatized, the “Program of Phased Privatization of the Joint-Stock People’s Savings Bank of Kazakhstan for 1997-2001” was approved and is now implemented, exchange of the state’s interest in the Kazagroprombank is completed.<sup>9</sup>

The territorial distribution of the banks remains uneven. Over 50 percent of the registered banks and branches are located in the city of Almaty.

### **3.3. Insurance Market in Kazakhstan**

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<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

The reform of the insurance system in Kazakhstan began with the establishment of an appropriate legal framework based on the decree of the President of the Republic of Kazakhstan having the force of law “On Insurance.” In general, development of the insurance market in the republic has been determined by the possibilities of the economy itself.

With the introduction of new types of insurance (petroleum operations, private notary offices, industrial accident insurance), in the future the share of mandatory insurance will continue to grow. This represents, undoubtedly, a negative trend, brought about by objective factors (decline in economic activity, low standards of living).<sup>10</sup>

The insurance portfolio of Kazakhstan’s insurance providers consists mainly of traditional forms of insurance: accident (72.4 percent of premiums are paid under personal insurance policies), freight insurance and other forms of liability insurance (40 percent and 37.7 percent of total property insurance premiums, respectively), and mandatory premiums.

Kazakhstan’s insurance market is young, is essentially in its infancy and, therefore, encounters a plethora of problems and difficulties. The latter are related mainly to the lack of the necessary insurance infrastructure, lack of diversified financial instruments, and insufficient level of population insurance awareness.

In the nearest future, a consolidation is expected to take place in insurance sector by way of exit or merger of the weak and noncompetitive insurance providers. The large, multi sector, and financially sound insurance companies will survive in the marketplace. Introduction of new types of insurance should broaden the geography of insurance activities, and reduce the concentration of insurance companies in Almaty.

Thus, in general the insurance industry is at a nascent stage but growing. The influence of foreign insurers in Kazakhstan is limited, although reinsurance is internationalized.

Most insurance companies are located in Almaty. They are registered as joint-stock companies; there is one limited liability partnership (TOO “IC Medeu”), and one

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<sup>10</sup> Jandosov, Oraz. Prospects and Challenges of Financial Systems in Transition Economies.

republican state enterprise (RGSSP “Kazagropolis”). Life insurance market is relatively undeveloped and is going through a period of rapid expansion.<sup>11</sup>

The government is supporting the development of the insurance market through introduction of compulsory insurance in a number of areas, such as third-party liability for vehicle owners and operators, private notaries, auditors and audit companies, as well as tourism operators.

### **3.4. The government securities market**

Starting in 1996, the government securities market began dominating financial markets of Kazakhstan. The following main steps were taken within the context of implementing the **“Blue Chips” Program** (a package of measures aimed at preparing stock market entry for the shares of the largest joint-stock companies in which the state retains an interest):

- The list of joint-stock companies, part of the state interest in which is to be sold in the stock market, was determined, and the size of state interest to be sold was specified;

- In conjunction with the Ministry of Finance, the National Commission took the most insistent measures to see that joint-stock companies included in the list would convert their charts of accounts as quickly as possible to the new accounting standards and undergo a full-scale audit;

- Organizational and technical measures such as selecting the model stock exchange and setting up the depository and settlement system were implemented;

- With a view to maximize proceeds from the sale of shares owned by the state, tenders were conducted with the participation of the largest foreign investment banks, companies, and funds for the selection of lead managers for primary placement of government-owned shares. Bids for participation in these tenders were received from a total of 11 groups of investment banks, companies, and funds.<sup>12</sup>

Adoption of the Law of the Republic of Kazakhstan “On Investment Funds in the

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<sup>11</sup> Republic of Kazakhstan: Financial System Stability Assessment.

<sup>12</sup> Jandosov, Oraz. Prospects and Challenges of Financial Systems in Transition Economies.

Republic of Kazakhstan” launched the process of transforming investment privatization funds (IPFs) into investment funds, and emergence of mutual funds and investment companies. In an effort to accelerate this process, the Government allowed IPFs to conduct their first general meetings of shareholders by correspondence. The first investment funds appeared in Kazakhstan in 1998.<sup>13</sup>

Furthermore, amendments and additions to banking legislation allowed second-tier banks to acquire non-government securities, albeit with certain restrictions, and to participate in the capital of organizations acting as professional players in the securities market and of institutional investors (non-state pension savings funds, investment funds, and insurance organizations).

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<sup>13</sup> Ibid.

### **3.5. Evaluation of the institutions of the financial system**

The financial sector, which is dominated by private commercial banks, has been one of the fastest growing sectors in Kazakhstan.<sup>14</sup> This has been facilitated by a favorable macroeconomic environment characterized by early structural reforms, a cautious fiscal stance, increasing oil revenue, and a commitment to ambitious financial sector reforms. Since the 2000, Kazakhstan has made impressive improvements in many aspects of financial sector legislation, and has improved its institutional structure for financial sector oversight.

The reform agenda is ambitious and anticipates even more far-reaching developments. The National Bank of Kazakhstan (NBK) has announced the transition to the principles for inflation targeting and full liberalization of capital account transactions by 2007. The financial supervisory authority (FSA) contemplated adopting EU standards. This creates additional challenges for the financial sector, the FSA,<sup>15</sup> and the NBK. Preconditions for full capital account liberalization include robust financial institutions and markets, combined with adequate monitoring of market risks. The developing financial sector is likely to also change the monetary transmission mechanism. Accordingly, the NBK will have to continuously monitor a wide range of indicators, including asset prices, to avoid slippages in maintaining domestic price stability.

With real sector development still lagging that of the financial sector, there are pressures for administrative measures to force down interest rates. A case in point includes the introduction of ceilings on “excessive deposit rates” by the Deposit Insurance Fund. Such interest ceilings create risks and could hide severe problems in individual banks. If some banks offer and charge relatively high interest rates, it may be an indication of lack of competition or of business practices that warrant closer monitoring.

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<sup>14</sup> Republic of Kazakhstan: Financial System Stability Assessment - Update including Reports on the Observance of Standards and Codes on the following topics: Banking Supervision and Anti-Money Laundering and Combating the Financing of Terrorism. 2004 International Monetary Fund IMF Country Report No. 04/268 August 2004.

<sup>15</sup> The 2000 pilot FSAP mission took place during the period February 21 to March 10, and the FSSA was issued on November 27, 2000. Appendix I shows the main recommendations of the 2000 FSAP. The Monetary and Financial Systems Department (MFD) has since provided technical assistance on integrated supervision, capital account liberalization, and payment systems.

The low level of competition in some key economic sectors and the influential financial-industrial groupings limit the number of potential issuers in the market. The mixed legacy of the first wave of privatizations, some enterprises' concerns regarding increased transparency, and the cost of listing may slow financial deepening. The issuance of corporate bonds will be facilitated by the government issuing larger and less frequent tranches of securities to become benchmarks.

The establishment of Kazakhstan Mortgage Company (KMC) has helped financial sector development. While an important step for encouraging home ownership through the offering of affordable mortgages, it has also helped create a new financial instrument, securitized mortgage bonds.<sup>16</sup>

The financial system, which is dominated by private commercial banks, has been one of the most rapidly growing sectors of the economy. While the number of banks has declined, the total assets of the banking system have increased to almost 38 percent of GDP in 2004. The three largest banks hold about 65 percent of deposits by individuals. About half of the banks have some foreign participation.

### **3.6. Non-bank financial institutions**

Kazakhstan adopted laws that regulate emission of securities, as well as trading rules and regulation of operations in the stock market, supervising government agencies, etc. However, the legislation is still to be adapted to changing market conditions as the stock market is at early stages of its development.

National Bank of Republic of Kazakhstan is a supervising body for operations on the stock market (formerly these activities were under control of National Commission on Securities). There are a number of dealers and brokers, working primarily on the currency market. Kazakhstan Stock Exchange and Central Depository are vital parts of the stock market.<sup>17</sup>

Kazakhstan Stock Exchange is the only Kazakhstan exchange that provides services for the financial market. It is a universal platform for trading in repo market instruments, foreign currency (US dollar, euro, and Russian rubble), government and

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<sup>16</sup> Republic of Kazakhstan: Financial System Stability Assessment.

<sup>17</sup> Ibid.

corporate equity securities of Kazakhstan and foreign issuers, bonds of international financial organizations. KASE operates the special trading floor of the regional financial center of Almaty (RFCA). Today, KASE own capital equals to about USD 10.0 mln. In 2007 the turnover of trades at KASE totaled an equivalent of USD 322.5 billion. Currently the KASE shares market capitalization is equal to USD 52.3 billion, corporate bonds market capitalization – USD 10.0 billion, Kazakhstan government securities market capitalization – USD 6.2 billion.<sup>18</sup>

The government’s policy usually encourages local companies to raise capital by launching new issues. Domestic bond issues by two banks on the Stock Exchange are a case in point.

The recently amended Law on Joint Stock Companies (JSC) removes the provision of “closed” joint stock companies and increases the amount of required chartered capital. This Law also requires that shares be maintained by an independent, licensed shares registry. It also improves the protection of minority shareholders.<sup>19</sup>

The new Securities Market Act (SMA) enacted in 2003 is an important improvement. It provides a clear and consistent regulatory framework, strengthens enforcement powers, provides for the authority to institute sanctions, promotes transparency, prohibits manipulation and other unfair trading practices, provides clear objectives, functions, responsibilities, powers and authority for self-regulatory organizations, and increases capital requirements for the central securities depository.

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<sup>18</sup> Deutsche Börse AG and KASE Signed a Memorandum of Understanding Kazakhstan Stock Exchange Incorporated. Feb. 13, 2008. [www.kase.kz/files/press/en/08\\_02\\_11\\_DeutscheBoerse\\_eng.pdf](http://www.kase.kz/files/press/en/08_02_11_DeutscheBoerse_eng.pdf)

<sup>19</sup> Republic of Kazakhstan: Financial System Stability Assessment.

## APPENDIX

**Table 1. Kazakhstan: Selected Economic Indicators, 1998-2003.**

|   | 1998  | 1999  | 2000  | 2001  | 2002  | 2003<br>Prelim. |
|---|-------|-------|-------|-------|-------|-----------------|
| Real GDP growth (percent)                                       | -1.9  | 2.7   | 9.8   | 13.5  | 9.8   | 9.2             |
| Growth of consumer prices (CPI, percent)                        | 1.9   | 17.8  | 9.8   | 6.4   | 6.6   | 6.8             |
| Unemployment (percent)  | 13.1  | 13.5  | 12.8  | 10.4  | 9.3   | 9.0             |
| General government balance (cash basis, percent of GDP)         | -7.7  | -5.0  | -0.8  | 2.6   | 1.4   | 3.0             |
| General government non-oil balance (cash basis, percent of GDP) | ...   | -6.0  | -4.1  | -3.1  | -3.0  | -3.2            |
| National Fund of the Republic of Kazakhstan (percent of GDP)    | ...   | ...   | ...   | 5.6   | 7.9   | 12.3            |
| Public debt (percent of GDP)                                    | 22.5  | 29.7  | 25.6  | 20.9  | 17.6  | 15.0            |
| Domestic public debt (percent of GDP)                           | 4.6   | 5.8   | 4.1   | 3.7   | 3.3   | 2.9             |
| External public debt (percent of GDP)                           | 17.9  | 23.9  | 21.5  | 17.2  | 14.2  | 12.2            |
| Current account balance (percent of GDP)                        | -5.4  | -0.1  | 4.2   | -4.0  | -3.5  | -0.2            |
| External debt (percent of GDP)                                  | 44.8  | 71.3  | 69.3  | 68.5  | 74.1  | 76.9            |
| Gross official reserves (millions of US\$)                      | 1,964 | 2,003 | 2,096 | 2,508 | 3,136 | 4,961           |
| National Fund of the Republic of Kazakhstan (millions of US\$)  | ...   | ...   | ...   | 1,270 | 1,917 | 3,603           |
| Short-term external debt (million US\$)                         | 2,321 | 1,805 | 1,021 | 1,366 | 2,360 | 3,771           |
| Gross official reserves (month of imports)                      | 3.0   | 3.6   | 2.8   | 2.9   | 3.3   | 4.5             |
| Exchange rate average (period average, tenge per U.S. dollar)   | 78.6  | 120.1 | 142.1 | 146.9 | 153.5 | 149.7           |
| Exchange rate average (period average, tenge per Russian ruble) | 10.4  | 4.8   | 5.1   | 5.0   | 4.9   | 4.9             |
| Change in real exchange rate (REER) 1/                          | 21.0  | -26.8 | -0.6  | -1.5  | -5.0  | -2.4            |
| Broad money growth (M3, Dec./Dec, percent)                      | -14.1 | 84.4  | 45.6  | 42.8  | 34.1  | 26.8            |
| Financial deepening I (M3 in percent of GDP)                    | 8.6   | 13.6  | 15.4  | 17.5  | 20.3  | 21.8            |
| Financial deepening II (M3 in percent of non-oil GDP)           | 9.2   | 15.7  | 21.4  | 23.1  | 26.4  | 29.5            |
| Currency in circulation (percent of GDP)                        | 4.0   | 5.1   | 4.1   | 4.0   | 4.3   | 5.4             |
| Turnover of payment systems (times GDP)                         | 1.9   | 2.1   | 2.7   | 3.2   | 4.1   | 5.1             |
| Refinance rate, percent end of period                           | 25.0  | 18.0  | 14.0  | 9.0   | 7.5   | 7.0             |
| 3-month treasury bill rate (year-end)                           | 25.6  | 16.6  | 7.0   | 5.2   | 5.3   | 6.0             |
| Foreign currency debt rating:                                   |       |       |       |       |       |                 |
| Moody's   | Ba3   | B1    | B1    | Ba2   | Baa3  | Baa3            |
| Standard and Poor's 2/  | B+    | B+    | BB-   | BB    | BB+   | BB+             |
| Memorandum item:  |       |       |       |       |       |                 |
| Nominal GDP (billions of tenge)                                 | 1,733 | 2,016 | 2,600 | 3,251 | 3,776 | 4,450           |

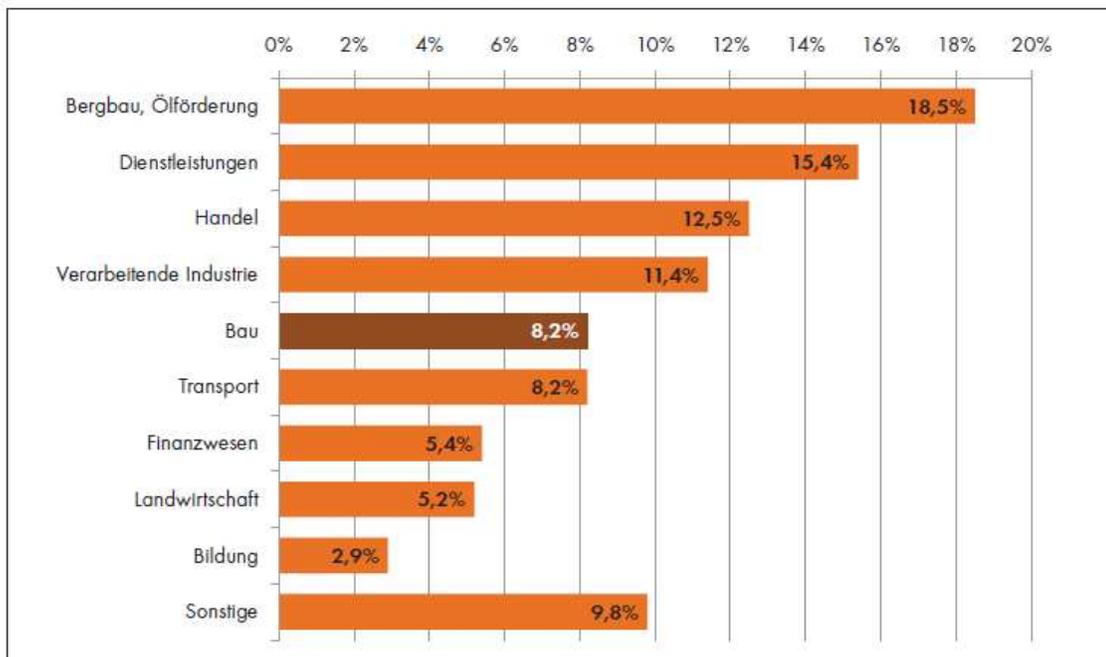
Sources: National Bank of Kazakhstan and Fund staff estimates.

1/ A negative sign indicates an appreciation.

2/ In May 2004, Standard & Poor's raised Kazakhstan's foreign currency debt rating to investment grade (BBB-) citing increased government revenue from oil exports.

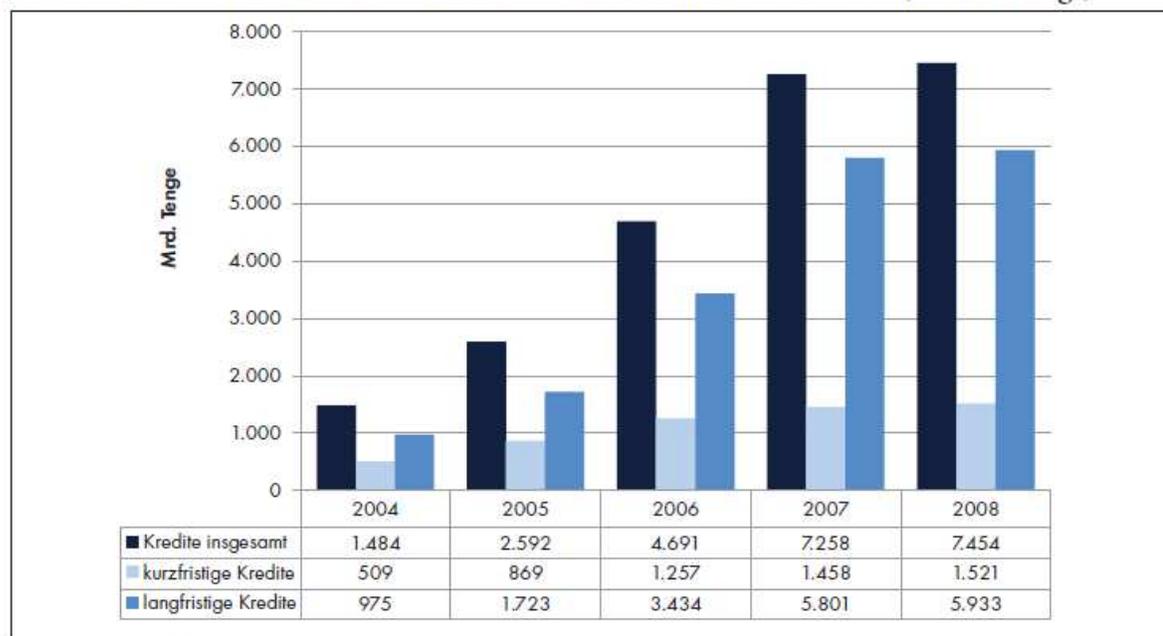
## Statistiken zum Bausektor und Wohnungsmarkt in Kasachstan

Struktur des BIP in Kasachstan 2008 (Anteile in Prozent)



Quelle: Agentur für Statistik der Republik Kasachstan [www.stat.kz](http://www.stat.kz), zitiert nach Nachrichtenmagazin vox populi [www.voxpopuli.kz](http://www.voxpopuli.kz)

Kredite von Geschäftsbanken in die Wirtschaft Kasachstans 2004–2008 (in Mrd. Tenge)



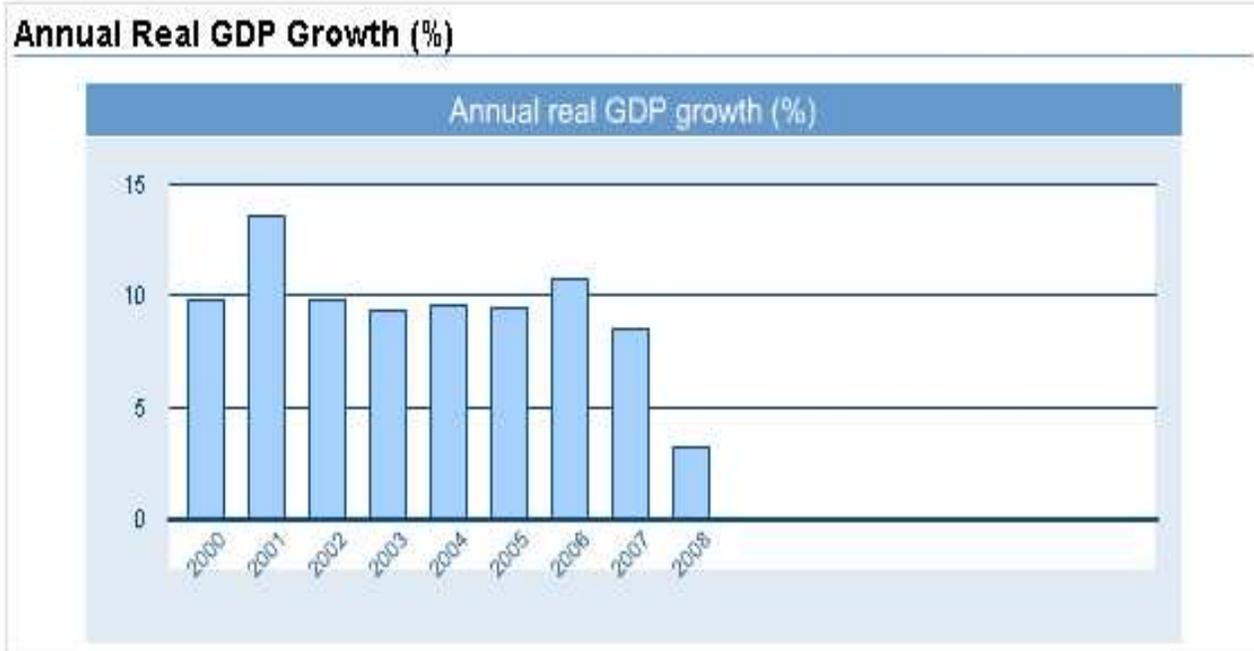
Quelle: Agentur für Statistik der Republik Kasachstan;

[www.stat.kz/publishing/Documents/публикаций/предварительные%20данные%20за%202008%20год.pdf](http://www.stat.kz/publishing/Documents/публикаций/предварительные%20данные%20за%202008%20год.pdf)

**Table. Commercial Banks in Kazakhstan**



Source: Doing Business in Kazakhstan. Banking and Finance in Kazakhstan Banking sector. 2000. <http://ozs.mofcom.gov.cn/table/kaza/banking.pdf>

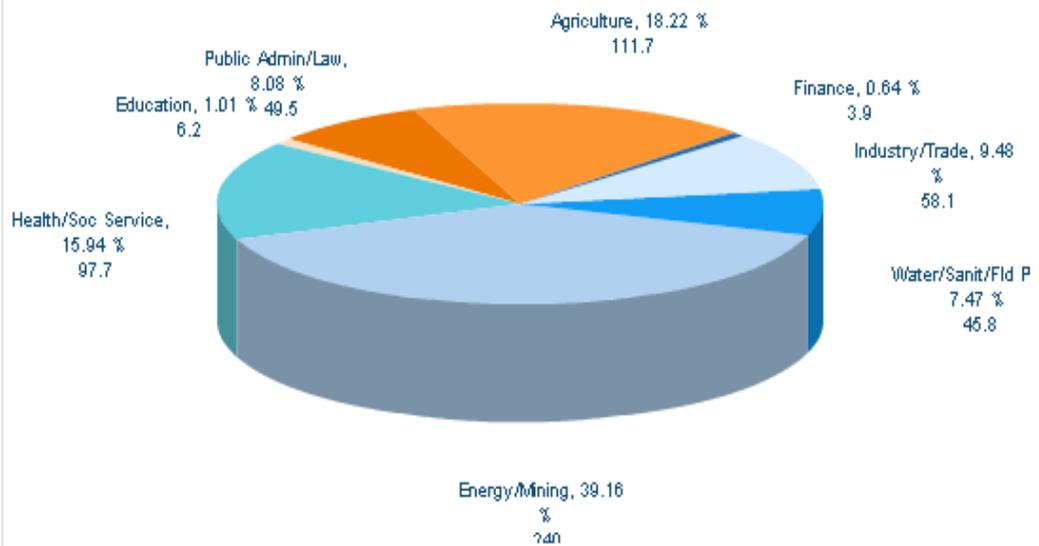


Source: World Bank. Kazakhstan. Country information, 2009.

<http://www.worldbank.org.kz/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/KAZAKHSTANEXTN/0,,contentMDK:20629270~menuPK:361877~pagePK:141137~piPK:141127~theSitePK:361869,00.html>

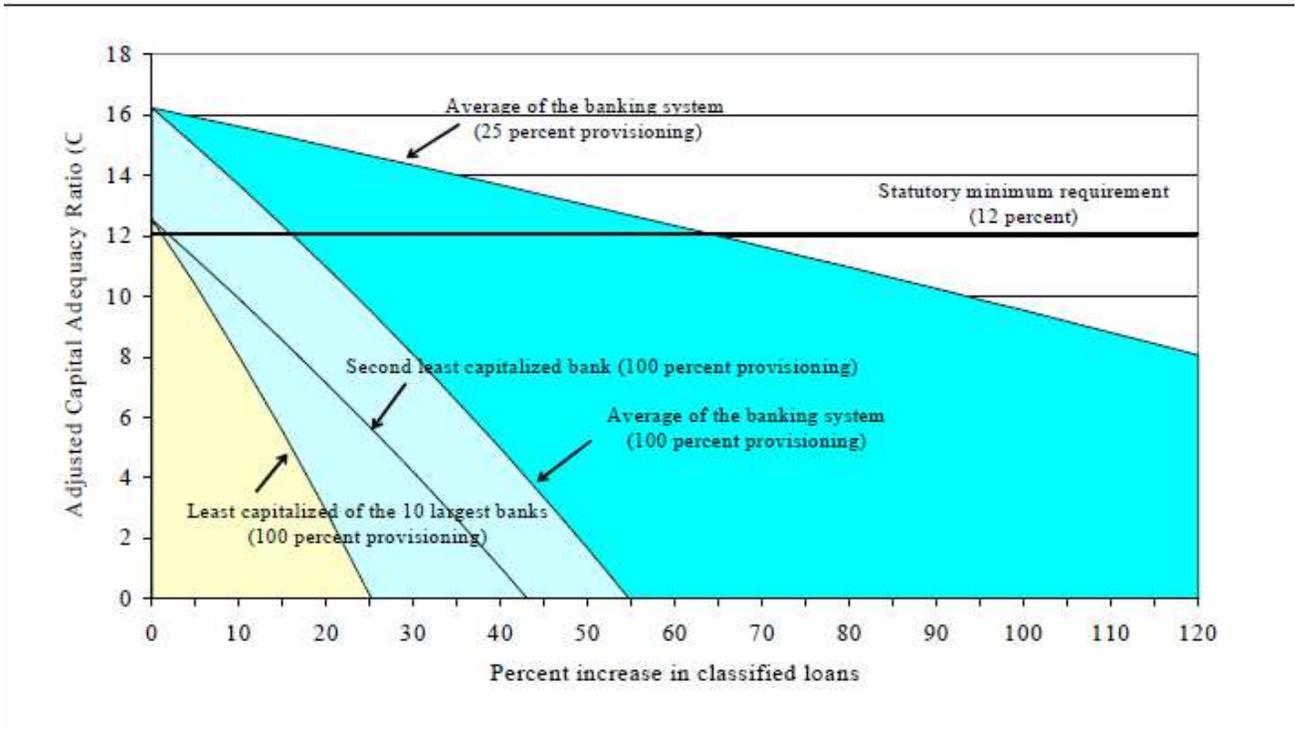
**Active Portfolio by Sector as of April, 2009**

(US\$ millions)



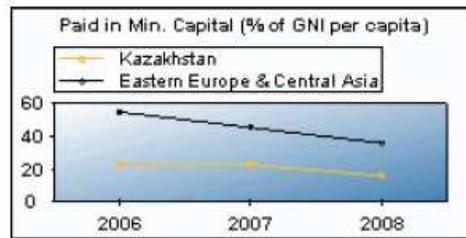
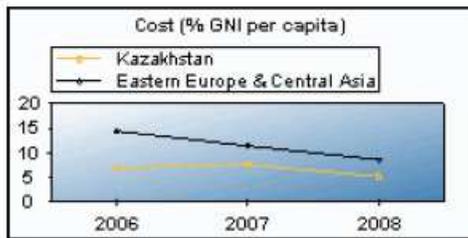
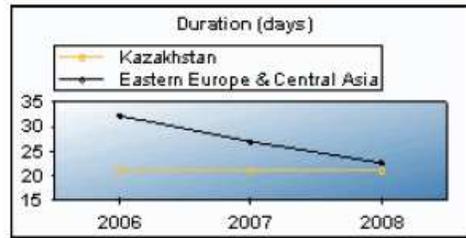
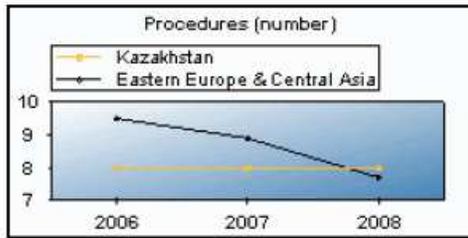
Source: World Bank. Country information. 2009. [www.worldbank.org](http://www.worldbank.org)

Figure 1. Capital Adequacy Ratio Adjusted for an Increase in Classified Loans,  
 preliminary data of January 1, 2004



Source: Republic of Kazakhstan: Financial System Stability Assessment - Update including Reports on the Observance of Standards and Codes on the following topics: Banking Supervision and Anti-Money Laundering and Combating the Financing of Terrorism. 2004 International Monetary Fund IMF Country Report No. 04/268 August 2004.

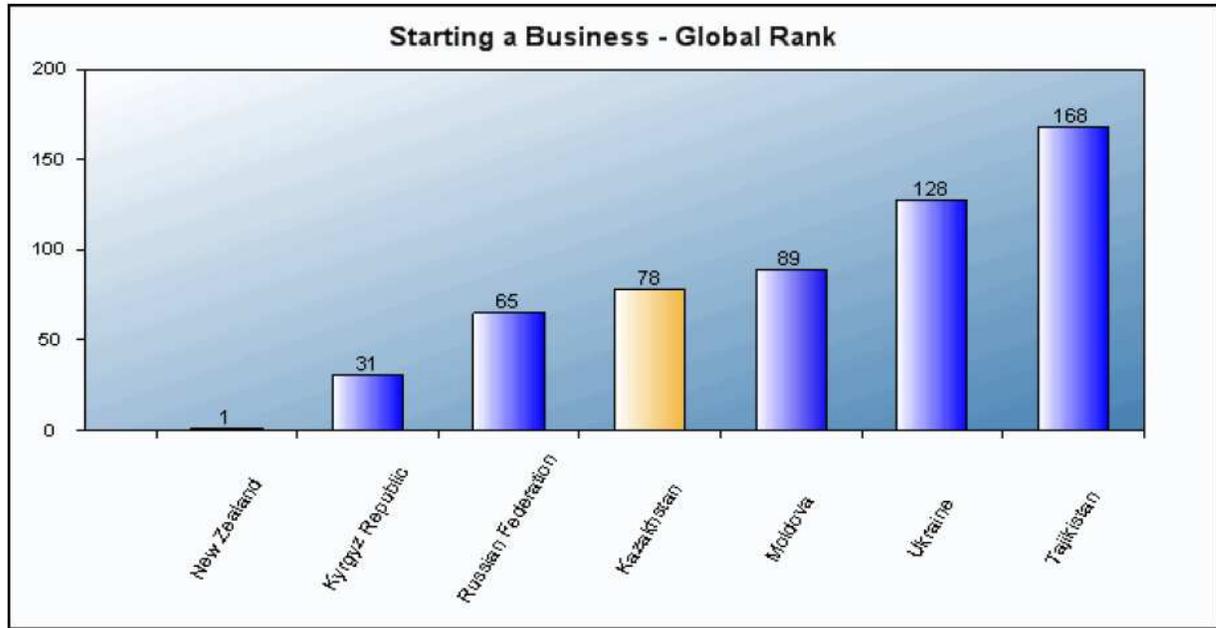
**Table. The Starting a Business indicators in Kazakhstan over the past 3 years**



Source: Doing Business 2009. Country profile for Kazakhstan. Comparing regulation in 181 economies. 2008 The International Bank for Reconstruction and Development / The World Bank. [www.worldbank.org](http://www.worldbank.org)

### Table. Benchmarking Starting a Business Regulations

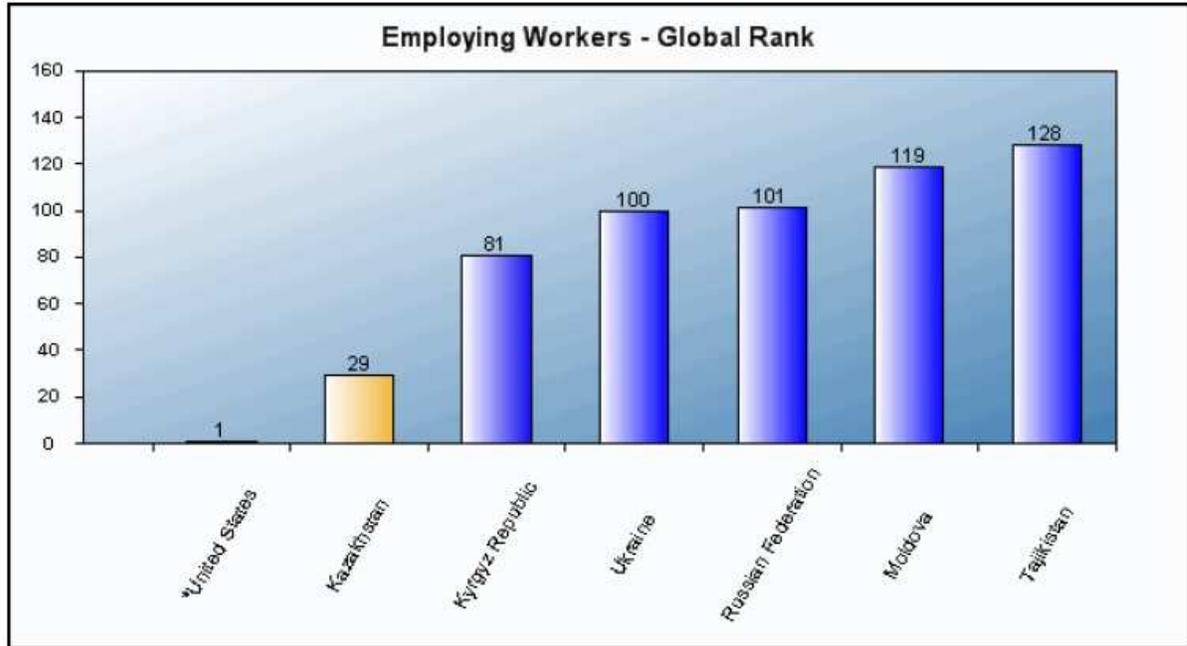
Ranking of Kazakhstan in Starting a Business - Compared to good practice and selected economies.



Source: Doing Business 2009. Country profile for Kazakhstan. Comparing regulation in 181 economies. 2008 The International Bank for Reconstruction and Development / The World Bank. [www.worldbank.org](http://www.worldbank.org)

## Table. Benchmarking Employing Workers Regulations

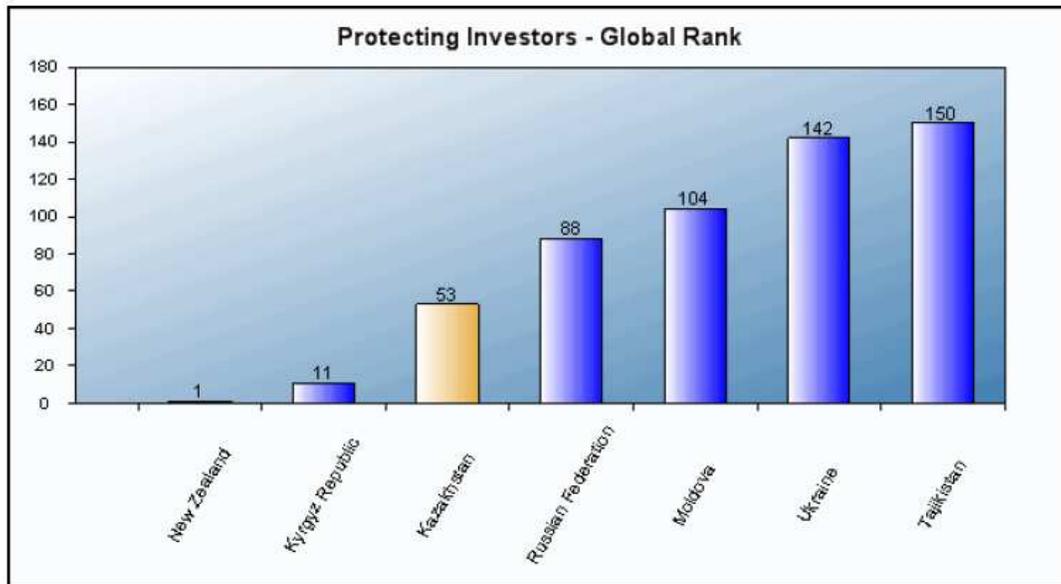
Ranking of Kazakhstan in Employing Workers - Compared to good practice and selected economies:



Source: Doing Business 2009. Country profile for Kazakhstan. Comparing regulation in 181 economies. 2008 The International Bank for Reconstruction and Development / The World Bank. [www.worldbank.org](http://www.worldbank.org)

## Table. Benchmarking Protecting Investors Regulations

Kazakhstan is ranked 53 overall for Protecting Investors.



Source: Doing Business 2009. Country profile for Kazakhstan. Comparing regulation in 181 economies. 2008 The International Bank for Reconstruction and Development / The World Bank. [www.worldbank.org](http://www.worldbank.org)