



Dushanbe Business Forum

18 May 2013

Country Overview: Republic of Kazakhstan



Socio-Economic Indicators, 2012 estimates

Population (Mln)	17.74 (April 2013 est.)
Total area (sq. km)	2,724,900
Nominal GDP	USD 210.9 Bio
GDP Growth rate	5.0%
Inflation	5.2%
Exchange rate (KZT/USD)	151.09 (current)
External Turnover	Exports :USD 88.61 Bio
	Imports :USD 42.82 Bio
Unemployment rate	5.2%
Major Industries	Oil, Natural Gas, Uranium, Metals, Other Natural resources, Grain production
GDP growth key sectors	Oil and Oil products, Natural Gas, Grains, wools, Coal, etc.

- Kazakhstan is the 2nd largest country in the CIS and 3rd in economy wise.
- The first law on Islamic Banking in CIS was adopted in Kazakhstan in 2009
- The first Sharia compliant bank (Al Hilal Bank) opened in Kazakhstan in 2010
- The law on Islamic leasing will be adopted by end of 2013
- Since January 01, 2010 Kazakhstan is a member of Custom Union (Belorussia, Kazakhstan and Russian Federation).
- Custom Union GDP 2,1 trillion USD
- Population of the Union – 167.5 mln

Leasing Companies in Kazakhstan

The leasing market in Kazakhstan is represented by 4 main groups: Governmental leasing companies, Commercial banks, Bank owned leasing companies and Private leasing companies.

Large state-owned companies

- BRK Leasing (the main operator of the state program "Industrialization 2020")
- KazAgroFinance (implements the state policy to support the agricultural sector)

Commercial Banks

- Kazkommertsbank
- Al Hilal Bank
- BTA Bank
- Others

Bank owned leasing companies

- JSC "Halyk Leasing" (JSC "Halyk Bank")
- JSC "Temirleasing" (JSC "Temir Bank")
- JSC "Leasing Company "Astana-Finance" (JSC "Bank Astana-Finance")
- Others

Private sector companies

- LLP "Raiffeisen Leasing Kazakhstan"
- LLP "Virage leasing"
- LLP "BIPEK leasing"
- LLP "CenterLeasing"
- Others

Leasing market in Kazakhstan

- The **total lease portfolio** at the end of 2012 amounted to approximately **1.2 billion US dollars**. Leasing market is estimated to double by 2015 and to equal 2.6 bln USD and market share for privately owned leasing companies is estimated to be 1.0 – 1.5 bln USD in 2015.
- **The main subjects of leasing** based on 2012 are:

Governmental Leasing companies:

- Agricultural machinery (60%)
- Auto-manufacturer, heavy metal industry equipment (13%)
- Medical equipment and pharmaceutical equipment (3.5%)

Banking and Private leasing companies

- Transportation (60%)
- Road construction equipment (20%)
- Other equipment (15%)
- Commercial property leasing (2%)

Lease profit rates ranges from 4% p.a. (for Government Programs) to 18% p.a. (for private leasing companies)

About KIC leasing

Kazakhstan Ijara Company JSC is “*the first Islamic Leasing Company*”, incorporated in April 2013 in Kazakhstan. The shareholders of the Company are a pool of International and local investors who has many years of experience in the finance and other sectors.

Principal shareholders include **Islamic Corporation for Development of Private Sector**, a private sector arm of the Islamic Development Bank Group. The other Shareholders are:

- Kolon World Investment Co. Limited (Hong Kong)
- Eurasia Group AG (Switzerland)
- Aktif Yatirim Bankasi AS (Turkey)
- ZAMAN-Group (Republic of Kazakhstan)
- ZERDE Group (Republic of Kazakhstan)
- Murad-Mi Holding LLC (Republic of Azerbaijan)

The Announced Share Capital is USD 40 mln.

Challenges

**Efforts needed to
educate market
on Ijara Product**

**High dependence
on the world
commodities
prices**

**More
dependence on
External
financing**

Opportunities



Privately owned leasing companies are small in size and this creates an opportunity for a strong player to enter the market and gain market share

Development in the hydrocarbons sector and sustained high commodity prices will continue to drive the overall growth of the economy.

Fixed Assets being depreciated at an avg. of 40% will give opportunity to be replaced in Short-Medium term.

Contact Us



Nurlan Sembiyev **Chief Operating Officer**

Office 703, No. A62,
Pavilion 2Б, 19, Al-Farabi Ave.,
Almaty, Republic of Kazakhstan

Website: www.kic.kz

E-mail: nurlan@kic.kz ; info@kic.kz

Tel./Fax: +7 727 311 0524