

**Rating Action: KECIC**

**MOODY'S UPGRADES KECIC'S INSURANCE FINANCIAL STRENGTH RATING TO Baa1 FROM Ba1**

---

**The outlook is stable**

London, 11 August 2006 -- Moody's Investors Service announced today that it had upgraded the insurance financial strength rating of the State Insurance Corporation for the Insurance of Export Credit and Investment of Kazakhstan (Kecic) to Baa1 from Ba1. This concludes the review for possible upgrade announced in our press release on 12 July 2006. The outlook on the new rating is stable.

Headquartered in Almaty, Kazakhstan, Kecic was founded in August 2003 and started operations in February 2004. It is 100% owned by the Republic of Kazakhstan and is mandated to be the primary provider of export credit insurance in the country, both commercial and political. In addition, Kecic is writing inward reinsurance business in the Kazakh market.

Commenting on the upgrade, Moody's said that a key factor that added positive pressure on the rating was the upgrade of Kazakhstan's foreign currency bond rating to Baa2 from Baa3 on 9 June 2006. Furthermore, Moody's said that the company's current plans foresaw a more limited rate of growth than previously expected, ensuring that the company's strong capitalisation will be maintained. Finally, Moody's concluded that Kecic enjoyed very substantial support from the Government of Kazakhstan, as a result of which the degree of implied support for the purposes of Moody's GRI (Government Related Issuer) methodology was increased from 20% to 60%.

In accordance with Moody's GRI (Government Related Issuer) rating methodology, the current rating of Kecic reflects a combination of the following inputs: (i) Baseline credit assessment of 9 (on a scale of 1 to 21, where 1 represents the lowest credit risk), (ii) 100% dependence, reflecting the company's operating and financial proximity to the Government (iii) 60% support, reflecting the importance of Kecic in its capacity as Export Credit Agency (ECA), somewhat offset by its status as an underwriter of inwards reinsurance business which is associated with more limited support from the Government.

Moody's said that further upward pressure on Kecic's rating was highly unlikely to develop in the absence of positive rating actions on the Republic of Kazakhstan bond ratings. Commenting on what could move Kecic's rating down, Moody's mentioned faster than expected growth, particularly in the non-core inwards reinsurance business, failure to develop adequate risk management systems to accommodate growing exposure, a change in asset allocation strategy resulting in a decline of the credit quality of invested assets, as well as any evidence of weakening support by the Government of Kazakhstan.

The date of the preceding rating action was 12 July 2006, when Kecic's insurance financial strength rating was placed on review for possible upgrade.

Kecic had shareholders equity of KZT8,792.8 million and total assets of KZT9,038.4 million as of 31 December 2005. For FY 2005, it reported net income of KZT205.5 million.

The following rating was upgraded and a stable outlook assigned:

The State Insurance Corporation for the Insurance of Export Credit and Investment of Kazakhstan (Kecic) -- insurance financial strength rating to Baa1 from Ba1

London  
Simon Harris  
Managing Director  
Financial Institutions Group  
Moody's Investors Service Ltd.  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

London  
Timour Boudkeev  
VP - Senior Credit Officer  
Financial Institutions Group

Moody's Investors Service Ltd.  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

---

© Copyright 2006, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

This credit rating opinion has been prepared without taking into account any of your objectives, financial situation or needs. You should, before acting on the opinion, consider the appropriateness of the opinion having regard to your own objectives, financial situation and needs.