

# **KAZAKHSTAN DEPOSIT INSURANCE FUND**

*Methodology and calculation of differential premium rates department*

## **OVERVIEW OF THE RETAIL DEPOSITS MARKET**

*Over the 1<sup>st</sup> quarter of 2016*

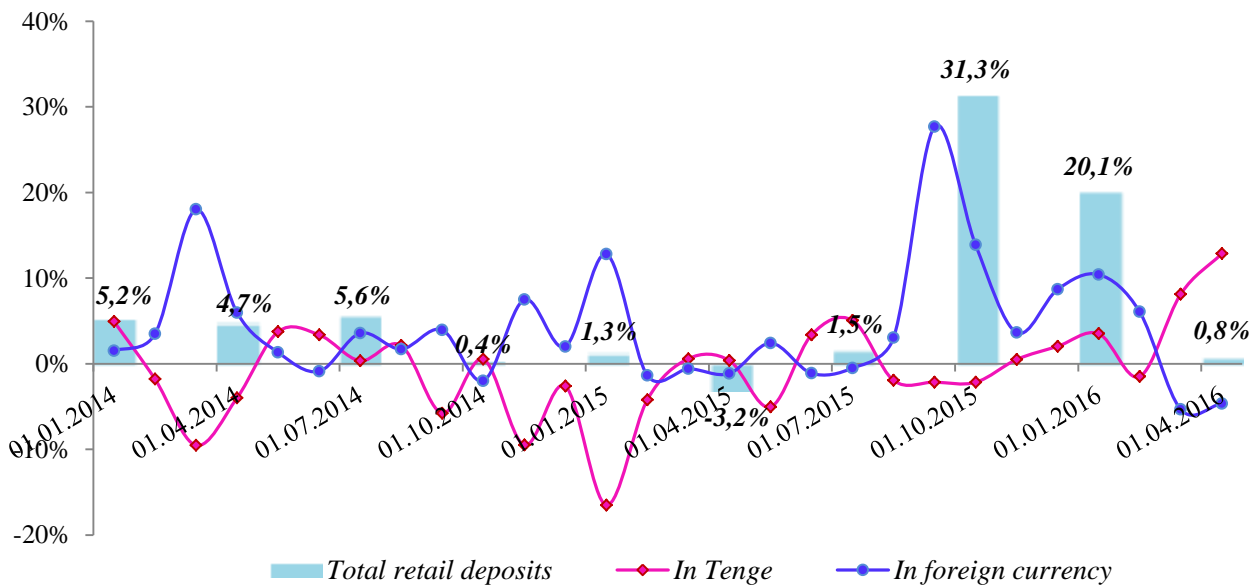
**Overview of the individuals’ deposit market trends**

The retail deposits base in DIS member-banks as of April 1, 2016 amounted to T6.9 trillion, at that the change in the deposit base in the first quarter of the current year is insignificant and amounted to T56.1 billion or 0.8%.

In the reporting quarter *Halyk Bank* managed to regain a leadership position – the share of the deposit base of individuals amounted to 21.1%. The top three also includes the *KKB* and *Kaspi Bank* share of which amounted to 20.2% and 9.0% respectively. However, in the reporting quarter an inflow of deposit base was observed only at *Halyk Bank* (+ T47.5 billion), at *KKB* (-T25.4 billion) and *Kaspi Bank* (-T28.1 billion) were an outflow of retail deposits.

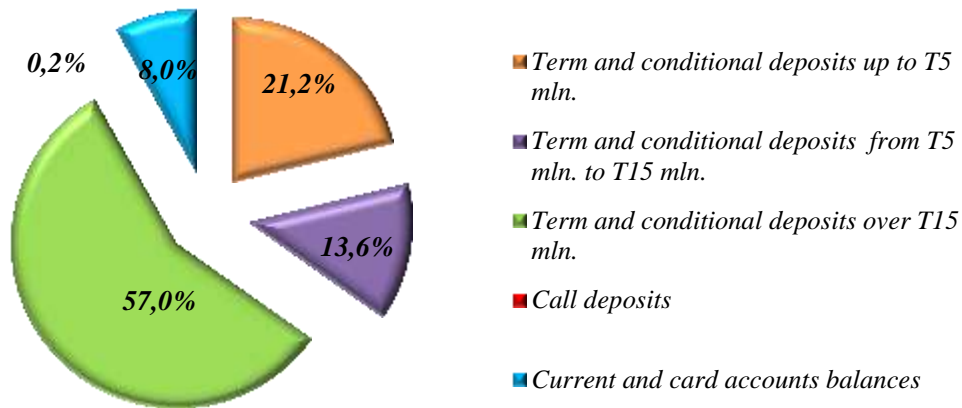
As for the currency structure of retail deposits portfolio, the change in the reporting quarter of deposits in national currency is + T289.4 billion or + 20.2%, and in foreign currency - T233.3 billion or - 4.3%. Thus, it can be assumed that the decisions taken on the de-dollarization of the economy in terms of reduction of the maximum interest rates, as well as an increase in the coverage amount on deposits in national currency up to 10 million tenge gradually find their reflection (*Figure 1*).

*Figure 1. Dynamics of retail deposits amount (in %)*



The total retail deposits portfolio of member-banks consisted of the *term and conditional deposits* with the share of 91.8%, or T6.4 trillion which increased over the quarter by T75.1 billion or 1.2%, *current and card accounts balances* with the share of 8.0% (T557.5 billion), having decreased by T13 billion or 2.3%, and *call deposits* with the share of 0.2%, the change in this category is - 31.2% (*Figure 2*).

**Figure 2. Structure of retail deposits portfolio by the main categories (in %)**



The **term and conditional deposits up to T5 million**, composing 21.2% (or T1.5 trillion) of the aggregate individuals’ deposits portfolio in member-banks, have positive change by T92.4 billion. Term and conditional deposits **from T5 to T10 million** during the period declined by T8.5 billion and amounted T636.6 billion (or 9.2% of the cumulative individuals’ deposits amount).

The term and conditional deposits **from T10 to T15 million** amounted T306.8 billion or 4.4% of the cumulative individuals’ deposits portfolio. The change in this section was –T2.3 billion due to the outflow of deposits in foreign currency by T24.7 billion. While the deposits in national currency increased by T22.4 billion or 60%.

The largest share of aggregate retail deposits represented by the term and conditional deposits **over T15 million**, composing 57%. Total outflow in this category of deposits was 0.2% or T6.5 billion.

**Call deposits** of individuals composing 0.2% of the retail deposits portfolio have decreased by T5.9 billion. The outflow was observed in call deposits in foreign currency (-T4.8 billion) as well as in national currency (-T1.1 billion).

In the **current and card account balances** was also a negative change at T13 billion (-2.3%). This outflow was due to the decline of **current and card account balances** in national currency by -T36.5 billion, while the change in the foreign currency amounted +T23.5 billion.

As of April 1, 2016 the cumulative KDIF’s liabilities on payouts to the DIS member-banks’ insured depositors amounted to T2.9 trillion. At the reporting date, KDIF’s special reserve reached T279.1 billion net of the KDIF’s authorized capital. If necessary, KDIF is authorized to use up to 70% of its authorized capital in case of its special reserve’s shortage upon the Shareholder’s approval, and in this case the maximum possible size of the KDIF’s special reserve will be amounted to T386.5 billion which is 13.2% of the cumulative KDIF’s liabilities on payouts and 5.6% of the total amount of member-banks’ retail deposits.

The cumulative KDIF’s payouts to depositors of **Nauryz Bank** amounted to T679.6 million and to depositors of **Valut-Tranzit Bank** totaled T17.8 billion as of January 1, 2016 (including additional reimbursement). Reimbursement of the KDIF’s claims to the liquidation commissions of **Nauryz Bank** reached T679.4 million or 88% of the total amount to be recovered from this bank and of **Valut-Tranzit Bank** reached T9.1 billion or 49.6% (including additional reimbursement), 64.62% (net of additional reimbursement) of the total amount to be recovered.

**Aggregate retail deposits placed with DIS member-banks  
as of April 1, 2016**

| <b>№</b>  | <b>Name</b>  | <b>Total amount of retail deposits (in thousand Tenge)</b> | <i>Difference in deposits amount compared to the last quarter (in thousand Tenge)</i> | <b>Total number of deposit accounts</b> |
|-----------|--|--|---|---|
| <b>1</b>  | <b>Total amount of retail deposits placed both in Tenge and in foreign currencies, including:</b>  | 6 935 224 775  | 56 099 554  | 24 291 011                              |
| <b>1.</b> | <b>Call deposits, including:</b>   | 13 070 026   | -5 935 240  | 935 217                                 |
| 1.1.      | <i>in Tenge</i>  | 3 542 555  | -1 139 447  | 897 015                                 |
| 1.2.      | <i>in foreign currencies</i>   | 9 527 471  | -4 795 793  | 38 202                                  |
|           | Call deposits of the member-banks' top-management, as well as their shareholders holding in total five or more per cent of the banks' voting shares, and their close relatives                       | 4 254 050  | -3 973 936  | 88                                      |
| <b>2.</b> | <b>Term and conditional deposits, including:</b>   | 6 364 630 586  | 75 067 001  | 3 021 345                               |
| 2.1.      | <i>in Tenge, including:</i>  | 1 353 615 775  | 327 074 767   | 2 303 080                               |
|           | up to T1 million   | 306 093 458  | 22 342 095  | 2 004 247                               |
|           | from T1 million to T3 million  | 355 153 321  | 49 477 472  | 214 664                                 |
|           | from T3 million to T5 million  | 176 017 492  | 31 532 896  | 46 210                                  |
|           | from T5 million to T10 million   | 184 812 971  | 50 597 127  | 27 965                                  |
|           | from T10 million to T15 million  | 59 795 226   | 22 412 366  | 5 139                                   |
|           | over T15 million   | 271 743 307  | 150 712 811   | 4 855                                   |
| 2.2.      | <i>in foreign currencies, including:</i>   | 5 011 014 811  | -252 007 766  | 718 265                                 |
|           | up to T1 million   | 94 180 538   | -1 370 780  | 380 736                                 |
|           | from T1 million to T3 million  | 262 493 331  | -12 182 262   | 145 904                                 |
|           | from T3 million to T5 million  | 274 553 097  | 2 574 297   | 71 043                                  |
|           | from T5 million to T10 million   | 451 779 212  | -59 074 471   | 64 696                                  |
|           | from T10 million to T15 million  | 246 975 933  | -24 731 868   | 20 606                                  |
|           | over T15 million   | 3 681 032 700  | -157 222 681  | 35 280                                  |
|           | Term and conditional deposits of the member-banks' top-management, as well as their shareholders holding in total five or more per cent of the banks' voting shares, and their close relatives       | 565 899 149  | 48 093 486  | 2 292                                   |
| <b>3.</b> | <b>Current and card accounts' balances, including:</b>   | 557 524 163  | -13 032 207   | 20 334 449                              |
| 3.1.      | <i>in Tenge</i>  | 365 502 886  | -36 500 878   | 19 533 909                              |
| 3.2.      | <i>in foreign currencies</i>   | 192 021 277  | 23 468 671  | 800 540                                 |
|           | Current and card accounts' balances of the member-banks' top-management, as well as their shareholders holding in total five or more per cent of the banks' voting shares, and their close relatives | 8 815 492  | 1 899 570   | 32 952                                  |