

# **KAZAKHSTAN DEPOSIT INSURANCE FUND**

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

*Over the 2<sup>nd</sup> quarter of 2018*

## Overview of the individuals' deposit market trends

As of July 1, 2018, the deposit insurance system (DIS) consisted of 30 second tier banks with the exception of two Islamic banks “*Al-Hilal*” Islamic Bank” JSC and “*Islamic bank* “*Zaman-Bank*” JSC.

In the second quarter by decision of the Board of the National Bank of the Republic of Kazakhstan 3 member-banks suspended the license for accepting deposits from individuals, opening bank accounts of individuals:

1) JSC “Qazaq Banki” - from April 28, 2018 until July 27, 2018, inclusive. In addition, the license was resumed for the specified bank on July 31, 2018 until September 28, 2018 inclusive.

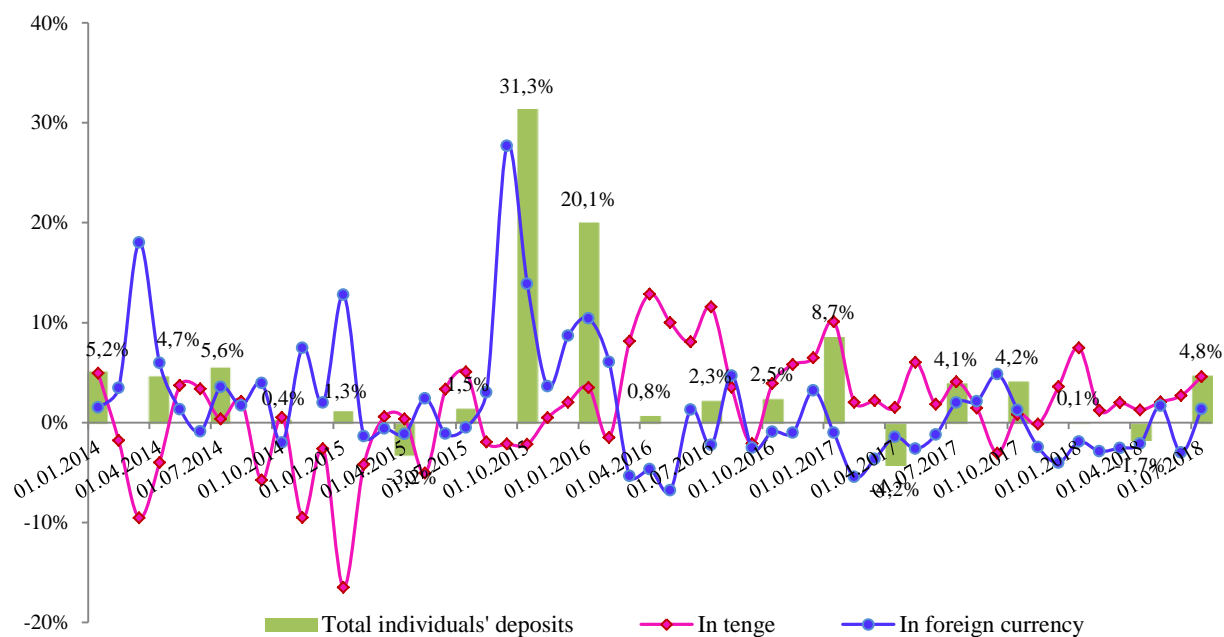
2) JSC “Bank of Astana” - from May 29, 2018 until August 29, 2018 inclusive.

3) JSC “Eximbank Kazakhstan” - from May 29, 2018 until August 29, 2018 inclusive.

The retail deposits base in DIS member-banks as of July 1, 2018 amounted to T8.5 trillion, and the change in the deposit base in the 2<sup>nd</sup> quarter of the current year amounted to +T390.6 billion or +4.8% (*Figure 1*).

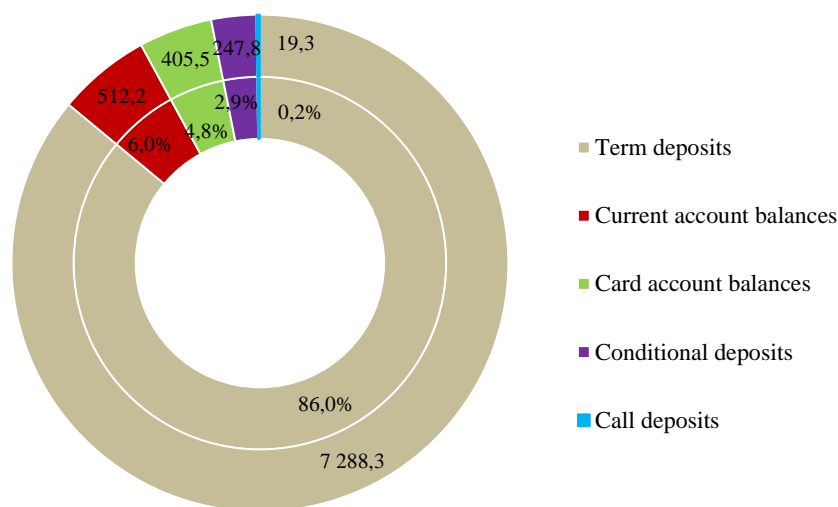
As for the currency structure of retail deposits portfolio, the change in the reporting quarter of deposits in national currency is +T178.0 billion or 4.6%, and in foreign currency (-T316.6 billion) or (-7.3%). As of July 1, 2018 retail deposits in foreign currency amounted 47.1% (T4.0 trillion), in national currency 52.9% (T4.5 trillion).

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



The total retail deposits portfolio of member-banks consisted of the *term deposits* with the share of 86.0%, or T7 288.3 billion, *current account balances* with the share of 6.0% (T512.2 billion), *card account balances* with the share of 4.8% (T405.5 trillion), *conditional deposits* with the share of 2.9% (T247.8 billion), and *call deposits* with the share of 0.2%, (T19.3 billion) (*Figure 2*).

**Figure 2. Structure of retail deposits portfolio by the main categories (in billion tenge and %) as of July 1, 2018.**



In the reporting period, **term deposits** were increased by T246.7 billion, or +3.5%, as compared to the previous period. This increase was due to the inflow of deposits in national currency (+T254.9 billion or +7.7%). In the reporting quarter, the share of term deposits in tenge was 49.0% (or T3.6 trillion) and the share of term deposits in foreign currency was 51.0% (or T3.7 trillion).

As of July 1, 2018, deposits with maturity over 12 months – 68.0% or T4 953.2 billion, prevail in the time structure of term deposits. Deposits with maturity up to 12 months account for 27.5% or T 2003.0 billion. In turn, deposits with maturity up to 3 and 6 months make up the smallest share in the time structure of term deposits – 4.1% and 0.5%, or T296.9 billion and T35.3 billion, respectively (*Table 1*).

**Table 1. Time structure of term deposits as of July 1, 2018**

Term deposits with maturity	Amount, billion tenge	Share, %
up to 3 months inclusive	296.9	4.1%
up to 6 months inclusive	35.3	0.5%
up to 12 months inclusive	2 003.0	27.5%
over 12 months	4 953.2	68.0%
Total	7 288.3	100%

In the breakdown of term deposits in terms of allocated funds, deposits up to T5 million, over T500 million and from T50 million to T500 million prevail – their share is 27.2% (or T1 980.4 billion), 23.5% (or T1 709.2 billion) and 19.2% (or T1 400.4 billion), respectively.

Term deposits from T20 million to T50 million make up 8.4% (or T613.7 billion), from T10 million to T20 million – 9.2% (or T671.8 trillion), from T5 million to T10 million – 12.5% (or T912.8 billion).

**Table 2. Breakdown of term deposits in terms of allocated funds as of July 1, 2018**

Deposits in terms of allocated funds	Amount, billion tenge	Share, %
up to T5 million	1 980.4	27.2%
from T5 million to T10 million	912.8	12.5%

from T10 million to T20 million	671.8	9.2%
from T20 million to T50 million	613.7	8.4%
from T50 million to T500 million	1 400.4	19.2%
over T500 million	1 709.2	23.5%
Total	7 288.3	100%

**Conditional deposits** for the 2<sup>nd</sup> quarter increased by 3.4% (or T8.1 billion). This increase was due to the inflow of deposits in tenge and outflow of deposits in foreign currency. In the reporting quarter, the share of conditional deposits in the tenge was 77.9% (or T193.0 billion), the share of conditional deposits in foreign currency was 22.1% (or T54.8 billion).

The change in **call deposits** amounted to +2.3 billion or +13.3%, which is caused by significant inflows of call deposits in foreign currency by 1.9 billion or +18.9%. For the 2<sup>nd</sup> quarter the share of call deposits in foreign currency remained quite high – 61.5% (or T11.9 billion), the share of call deposits in tenge, respectively, was 38.5% (or T7.4 billion).

On **current account balances** in the reporting quarter was also a positive change in the amount of T60.8 billion or 13.5%, the increase in the current accounts balances in tenge was T54.7 billion and in foreign currency was T6.1 billion.

At the same time, there was also a positive change in the **card account balances** by T72.7 billion or 21.8%, which was due to the inflow of money on card accounts in the national currency by T71.5 billion and in foreign currency by T1.1 billion.

As of July 1, 2018 the cumulative KDIF's liabilities on payouts to the DIS member-banks' insured depositors (taking into account counter-claims of member-banks to depositors) amounted to T3.7 trillion. At the reporting date, KDIF's special reserve reached T501.4 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 T610.9 billion which is 16.7% of the cumulative KDIF's liabilities on payouts and 7.2% of the total amount of member-banks' retail deposits.

### Aggregate retail deposits placed with DIS member-banks as of July 1, 2018

№ n/n	Name	Total number of deposit accounts	Total amount of retail deposits (in thousand Tenge)
1	Total amount of retail deposits placed both in Tenge and in foreign currencies, including:	50 125 307	8 473 159 855
1.	Call deposits, including:	4 913 574	19 305 604
1.1.	<i>in Tenge</i>	4 845 163	7 442 036
	up to T1 million	4 844 743	6 556 078
	from T1 million to T3 million	358	477 381
	from T3 million to T5 million	34	132 306
	from T5 million to T10 million	18	116 290
	from T10 million to T20 million	7	87 516
	from T20 million to T50 million	3	72 465
	from T50 million to T500 million	0	0
	over T500 million	0	0
1.2.	<i>in foreign currencies</i>	68 411	11 863 568
	up to T1 million	67 609	578 507
	from T1 million to T3 million	365	630 464
	from T3 million to T5 million	183	705 994
	from T5 million to T10 million	170	1 189 179
	from T10 million to T20 million	49	647 620
	from T20 million to T50 million	25	791 472
	from T50 million to T500 million	7	576 195
	over T500 million	3	6 744 137
	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	142	6 251 836
2.	Term deposits, including:	4 430 262	7 288 326 067
2.1.	<i>in Tenge</i>	3 707 012	3 571 828 870
2.1.1.	deposits with maturity up to 3 months, including:	150 208	287 947 318
	up to T1 million	124 828	12 608 828
	from T1 million to T3 million	12 551	21 360 716
	from T3 million to T5 million	4 279	16 368 365
	from T5 million to T10 million	4 469	31 699 756
	from T10 million to T20 million	2 404	32 133 846
	from T20 million to T50 million	1 021	30 426 534
	from T50 million to T500 million	613	72 527 444
	over T500 million	43	70 821 829
2.1.2.	deposits with maturity up to 6 months, including:	27 868	18 517 019
	up to T1 million	24 109	2 493 592
	from T1 million to T3 million	2 394	3 965 941
	from T3 million to T5 million	622	2 349 365
	from T5 million to T10 million	500	3 471 056
	from T10 million to T20 million	180	2 294 054
	from T20 million to T50 million	45	1 218 004
	from T50 million to T500 million	17	2 127 668
	over T500 million	1	597 339
2.1.3.	deposits with maturity up to 12 months, including:	1 262 666	1 246 624 674
	up to T1 million	1 004 755	151 387 249
	from T1 million to T3 million	167 472	278 481 221
	from T3 million to T5 million	41 587	158 197 459
	from T5 million to T10 million	33 847	235 826 762
	from T10 million to T20 million	11 051	139 096 564
	from T20 million to T50 million	2 851	83 610 667
	from T50 million to T500 million	1 069	124 144 374
	over T500 million	34	75 880 378
2.1.4.	deposits with maturity over 12 months, including:	2 266 270	2 018 739 859
	up to T1 million	1 907 769	233 901 884
	from T1 million to T3 million	229 347	388 098 981
	from T3 million to T5 million	57 080	217 795 740
	from T5 million to T10 million	47 514	334 622 575
	from T10 million to T20 million	16 632	212 280 019
	from T20 million to T50 million	5 318	158 176 594
	from T50 million to T500 million	2 454	295 137 753
	over T500 million	156	178 726 313

2.2.	<i>in foreign currencies</i>	723 250	3 716 497 197
2.2.1.	deposits with maturity up to 3 months, including:	4 334	8 930 712
	up to T1 million	3 044	467 034
	from T1 million to T3 million	626	1 121 238
	from T3 million to T5 million	265	1 008 378
	from T5 million to T10 million	220	1 519 867
	from T10 million to T20 million	106	1 456 817
	from T20 million to T50 million	58	1 719 017
	from T50 million to T500 million	15	1 638 361
	over T500 million	0	0
2.2.2.	deposits with maturity up to 6 months, including:	8 589	16 753 860
	up to T1 million	5 909	1 021 549
	from T1 million to T3 million	1 338	2 348 969
	from T3 million to T5 million	578	2 197 271
	from T5 million to T10 million	454	3 068 419
	from T10 million to T20 million	198	2 707 714
	from T20 million to T50 million	82	2 386 735
	from T50 million to T500 million	30	3 023 203
	over T500 million	0	0
2.2.3.	deposits with maturity up to 12 months, including:	275 750	756 330 746
	up to T1 million	173 817	31 823 055
	from T1 million to T3 million	49 216	87 121 610
	from T3 million to T5 million	23 209	89 708 125
	from T5 million to T10 million	17 557	117 971 058
	from T10 million to T20 million	7 399	100 417 774
	from T20 million to T50 million	3 152	94 997 885
	from T50 million to T500 million	1 328	151 967 536
	over T500 million	72	82 323 703
2.2.4.	deposits with maturity over 12 months, including:	434 577	2 934 481 879
	up to T1 million	287 863	41 152 876
	from T1 million to T3 million	59 558	107 150 284
	from T3 million to T5 million	32 727	128 258 820
	from T5 million to T10 million	27 379	184 659 259
	from T10 million to T20 million	13 076	181 456 829
	from T20 million to T50 million	7 831	241 125 431
	from T50 million to T500 million	5 577	749 849 503
	over T500 million	566	1 300 828 877
	Term 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	2 585	415 478 429
3.	Conditional deposits, including:	140 941	247 816 448
3.1.	<i>in Tenge</i>	57 291	193 024 766
	up to T1 million	21 081	2 738 792
	from T1 million to T3 million	12 939	27 201 378
	from T3 million to T5 million	11 313	43 719 169
	from T5 million to T10 million	9 309	63 046 546
	from T10 million to T20 million	2 290	29 022 333
	from T20 million to T50 million	238	6 658 208
	from T50 million to T500 million	117	16 683 467
	over T500 million	4	3 954 873
3.2.	<i>in foreign currencies</i>	83 650	54 791 682
	up to T1 million	83 144	99 611
	from T1 million to T3 million	89	151 629
	from T3 million to T5 million	69	268 364
	from T5 million to T10 million	89	630 623
	from T10 million to T20 million	73	1 028 319
	from T20 million to T50 million	70	2 305 106
	from T50 million to T500 million	95	16 470 395
	over T500 million	21	33 837 635
	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	27	1 150 146
4.	Current account balances, including:	21 080 270	512 247 229
4.1.	<i>in Tenge</i>	19 756 607	347 624 870
	up to T1 million	19 701 683	149 639 325
	from T1 million to T3 million	40 784	66 972 572
	from T3 million to T5 million	6 875	26 152 682
	from T5 million to T10 million	4 397	30 365 908
	from T10 million to T20 million	1 901	26 104 740
	from T20 million to T50 million	790	23 094 169
	from T50 million to T500 million	172	17 067 887

	over T500 million	5	8 227 587
4.2.	<i>in foreign currencies</i>	1 323 663	164 622 358
	up to T1 million	1 305 421	15 006 986
	from T1 million to T3 million	10 053	17 252 072
	from T3 million to T5 million	3 339	12 682 975
	from T5 million to T10 million	2 666	18 445 530
	from T10 million to T20 million	1 271	17 349 469
	from T20 million to T50 million	660	19 535 988
	from T50 million to T500 million	239	27 531 958
	over T500 million	14	36 817 381
	Current account 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	3 828	32 577 864
5.	Card account balances, including:	19 560 260	405 464 507
5.1.	<i>in Tenge</i>	19 151 334	360 721 872
	up to T1 million	19 106 130	256 003 088
	from T1 million to T3 million	37 626	57 883 129
	from T3 million to T5 million	4 368	16 439 708
	from T5 million to T10 million	2 445	17 179 662
	from T10 million to T20 million	606	7 875 347
	from T20 million to T50 million	138	3 895 611
	from T50 million to T500 million	21	1 445 327
	over T500 million	0	0
5.2.	<i>in foreign currencies</i>	408 926	44 742 635
	up to T1 million	400 855	8 063 313
	from T1 million to T3 million	4 972	8 403 069
	from T3 million to T5 million	1 453	5 550 029
	from T5 million to T10 million	1 021	6 871 384
	from T10 million to T20 million	416	5 676 925
	from T20 million to T50 million	161	4 770 862
	from T50 million to T500 million	48	5 407 053
	over T500 million	0	0
	Card account 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	4 208	1 978 402