**JSC “kazakhstan deposit insurance fund”**

***Methodology and Calculation of Differential Premium Rates Department***

**OVERVIEW OF THE RETAIL DEPOSITS MARKET**

***Over the 3rd quarter of 2014***

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

As of October 1, 2014 deposits of individuals in DIS member-banks reached T4.4 trillion, and the deposit base growth over the 3rd quarter was only T18.1 billion or 0.4%. In the reporting quarter was the outflow of deposits in tenge, although in the previous quarter the increase of deposits amount in tenge was twice the increase of deposits in foreign currency. The deposits in tenge fall by 3.3% and in foreign currency increased by 3.6%, thus the share of deposits in national currency represented 44.7%, in foreign currency – 55.3%. *Figure 1* shows thedynamics of individuals' deposits by currency*.*

***Figure 1. Quarterly dynamics of retail deposits amount in national and foreign currencies (in %)***

***In foreign currency***

***In Tenge***

***Total retail deposits***

The total retail deposit portfolio of member-banks consisted of the term and conditional deposits with the share of 89.2%, or 3.9 trillion tenge which increased over the quarter by 1.3%, current and card accounts balances with a share of 10.0%, or 436.5 billion tenge, having decreased during the quarter by 5.8%, and call deposits with the share of 0.9%, or 37.7 billion tenge.

The term and conditional deposits up to 5 mln. tenge, composing 29.7% (or 1.3 trillion tenge) of the aggregate individuals’ deposits portfolio, have gained 15.9 billion tenge over the quarter (three times less than in the previous quarter). Term and conditional deposits from 5 to 15 mln. tenge, over the quarter increased by 3.0 billion tenge and represent 532.6 billion tenge or 12.2% of the cumulative individuals’ deposits amount. The term and conditional deposits over 15 mln. tenge amounted 2.1 trillion tenge or 47.3% of the individuals’ deposit portfolio.

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

Term and conditional deposits up to T5 mln.

Term and conditional deposits from T5 mln. to T15 mln.

Term and conditional deposits over T15 mln.

Call deposits

Current and card accounts balances

Call deposits of individuals have decreased by 5.8 billion tenge over the quarter. Current and card account balances also declined by 26.7 billion tenge.

6.2% of aggregate retail deposits or 269.9 bln. tenge belong to the member-banks’ top-management, as well as their shareholders holding in total 5% or more of the banks’ voting shares, and their close relatives. Over the reporting quarter the cumulative balance of those deposits has dropped by 3.6 bln. tenge or 1.3%.

***Figure 3. Quarterly dynamics of the deposits of member-banks’ top-management and shareholders***

As of October 1, 2014 the cumulative KDIF’s liabilities on payouts to the member-banks’ insured depositors in case of a bank failure amounted to 2.2 trillion tenge. At the reporting date, KDIF’s special reserve reached 202.2 bln. tenge, net of the KDIF’s authorized capital. Under the current legislation 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 305.0 bln. tenge which is 13.6% of the cumulative KDIF’s liabilities on payouts or 7.0% of the total amount of member-banks’ retail deposits.

As a result of the 3rd quarter 2014 five member-banks improved their results within the differential premium system “BATA” framework. As a result, the shares of member-banks in classification groups allocated as follows: the share of group “A” is 2.7% (1 bank), share of group “B” is 18.9% (7 banks), share of group “C” – 43.2% (16 banks), share of group “D” – 29.7% (11 banks), share of group “E” – 2.7% (1 bank) and the share of group “S” – 2.7% (1 bank).

***Figure 4. Quarterly dynamics of the member-banks’ classification within the “BATA” system***

*group D*

*group S*

*group E*

*group C*

*group B*

*group A*

*1st qr. 2013*

*2nd qr. 2013*

*3rd qr. 2013*

*4th qr. 2013*

*1st qr. 2014*

*2nd qr. 2014*

*3rd qr. 2014*

As of November 1, the cumulative KDIF’s payouts to depositors of JSC “Nauryz Bank Kazakhstan” amounted to 679.5 million tenge and to depositors of JSC “Valut-Tranzit Bank” totaled 13.9 billion tenge. Reimbursement of the KDIF’s claims to the liquidation commissions of JSC “Nauryz Bank Kazakhstan”, JSC “Valut-Tranzit Bank” reached 679.4 million tenge (88.01% of the total amount to be recovered from this bank) and 8.6 billion tenge (61.21% of the total amount to be recovered), respectively.

*Appendix 1*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Aggregate retail deposits placed with DIS member-banks** | | | | | |
| **as of October 1, 2014** | | | |  | |
| **№** | | **Name** | **Total amount of retail deposits**  **(in thousand Tenge)** | *Difference in deposits amount compared to the last quarter* | | **Total number of deposit accounts** | |
| **1** | | **Total amount of retail deposits placed both in tenge and in foreign currencies, including:** | **4 382 825 566** | ***18 145 001*** | | **22 867 533** | |
| 1. | | Call deposits, including: | 37 667 224 | *-5 805 521* | | 1 626 919 | |
| 1.1. | | *in Tenge* | 15 676 587 | *-1 591 198* | | 1 502 219 | |
| 1.2. | | *in foreign currencies* | 21 990 637 | *-4 214 323* | | 124 700 | |
|  | | 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 | 8 660 727 | *-2 641 871* | | 241 | |
| 2. | | Term and conditional deposits, including: | 3 908 622 595 | *50 685 008* | | 2 576 385 | |
| 2.1. | | *in Tenge, including:* | 1 575 215 977 | *-39 090 449* | | 1 937 749 | |
|  | | up to T1 million | 278 608 609 | *-4 890 308* | | 1 620 914 | |
|  | | from T1 million to T3 million | 368 852 780 | *-7 986 500* | | 225 801 | |
|  | | from T3 million to T5 million | 200 191 545 | *-5 921 932* | | 51 969 | |
|  | | from T5 million to T10 million | 173 668 730 | *-3 374 265* | | 27 227 | |
|  | | from T10 million to T15 million | 55 348 335 | *-3 309 614* | | 4 644 | |
|  | | over T15 million | 498 545 978 | *-13 607 831* | | 7 194 | |
| 2.2. | | *in foreign currencies, including:* | 2 333 406 618 | *89 775 457* | | 638 636 | |
|  | | up to T1 million | 91 521 495 | *6 588 884* | | 431 406 | |
|  | | from T1 million to T3 million | 197 137 565 | *13 233 617* | | 111 003 | |
|  | | from T3 million to T5 million | 167 345 483 | *14 892 382* | | 42 310 | |
|  | | from T5 million to T10 million | 206 895 135 | *6 547 388* | | 30 277 | |
|  | | from T10 million to T15 million | 96 707 943 | *3 165 003* | | 7 971 | |
|  | | over T15 million | 1 573 798 997 | *45 348 183* | | 15 669 | |
|  | | 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 | 259 208 566 | *921 893* | | 1 902 | |
| 3. | | Current and card accounts’ balances, including: | 436 535 747 | *-26 734 486* | | 18 664 229 | |
| 3.1. | | *in Tenge* | 369 884 276 | *-25 351 914* | | 17 806 988 | |
| 3.2. | | *in foreign currencies* | 66 651 471 | *-1 382 572* | | 857 241 | |
|  | | 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 | 2 033 936 | *-1 836 964* | | 14 459 | |