

Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations



Press release № 221
as of August 1, 2010

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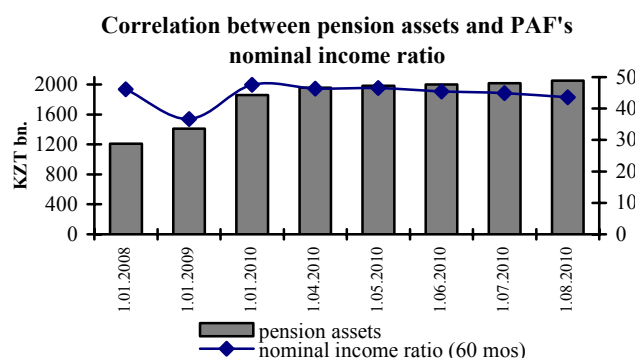
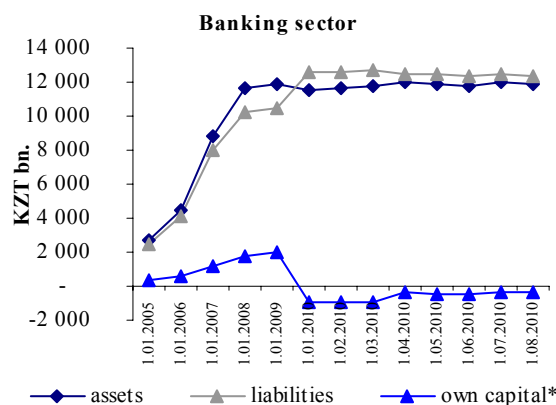
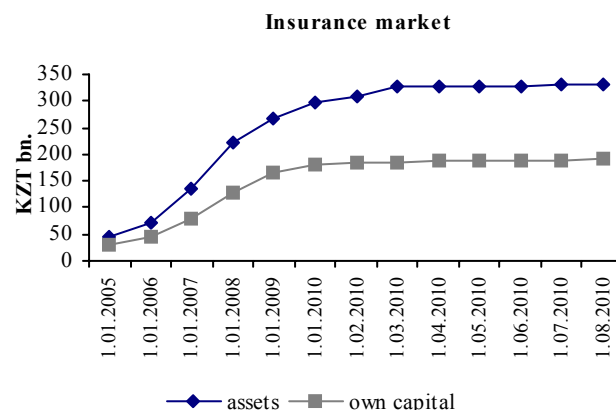
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* - own capital calculated in accordance with the Prudential rules



Key indicators of financial market of the Republic of Kazakhstan as of August 1, 2010

| Indicator | KZT bn. | | | |
|-------------------|----------------|----------------------------|------------------|------------------------|
| | Banking sector | Pension accumulation funds | Insurance sector | Mortgage organizations |
| Total assets | 11 845.8 | 82.6 | 332.8 | 121.4 |
| Total liabilities | 12 343.7 | 6.8 | 139.6 | 87.9 |
| Own capital | -497.9 | 75.8 | 193.2 | 33.5 |

BANKING SECTOR (based on preliminary data)

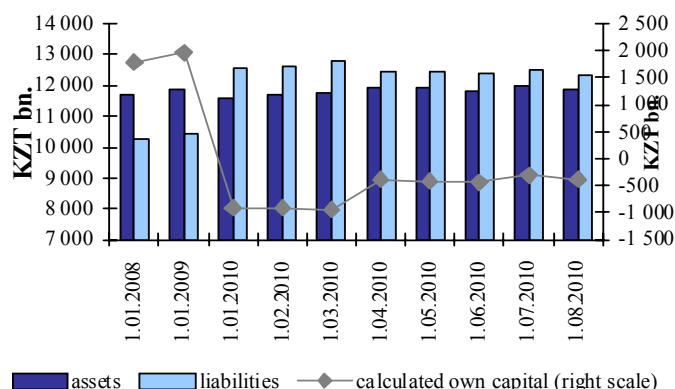
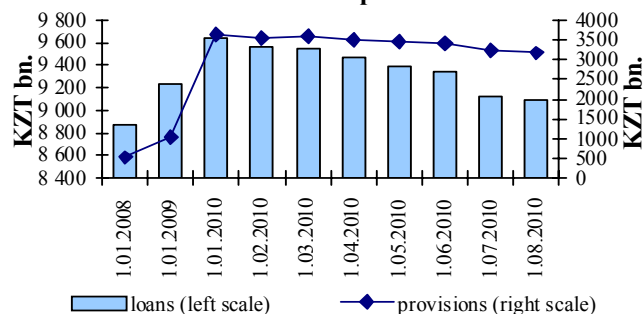
As of August 1, 2010 the banking sector of the Republic of Kazakhstan comprised 39 tier two banks.

As of 1 August 2010, total assets of banks equaled KZT11 845.8 bn., having decreased during July 2010 by KZT116.5 billion (1.0%).

As of 1 August, 2010, total calculated own capital of the banking sector equaled minus KZT385.9 billion. Without BTA Bank, JSC and Temirbank, JSC, the calculated own capital equaled to KZT1 463.6 billion.

Foreign currency assets have constituted 39.8% of total assets or KZT4 716.9 billion.

As of 1 August, 2010, the banks' loan portfolio (inclusive of interbank loans) equaled KZT9 091.7 billion, having decreased during July 2010 by KZT32.7 billion (0.4%). Herewith, loans to non-residents of the RoK have constituted KZT1 499.4 billion or 16.5% of loan portfolio (as of 1 January, 2010, the same indicator has constituted KZT1 803.3 billion or 18.1%). As of 1 August, 2010, the banks' foreign currency loans have constituted 54.3% of total loan portfolio and equaled to KZT4 933.5 billion.

Assets, liabilities and calculated own capital**Banks' loan portfolio**

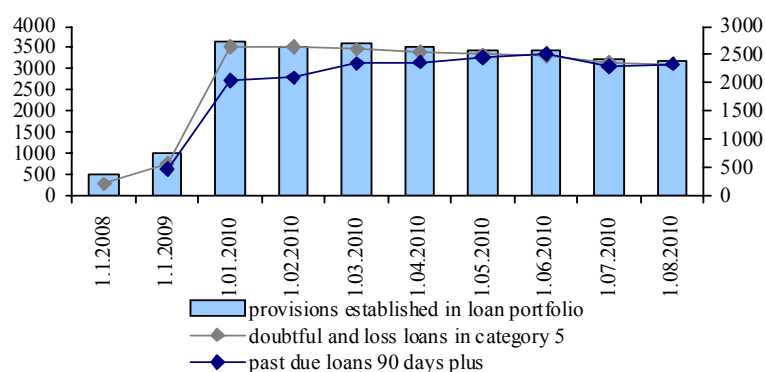
As to tier two banks loan portfolio, including loans to non-residents of the RoK at August 1, 2010.

KZT bn.

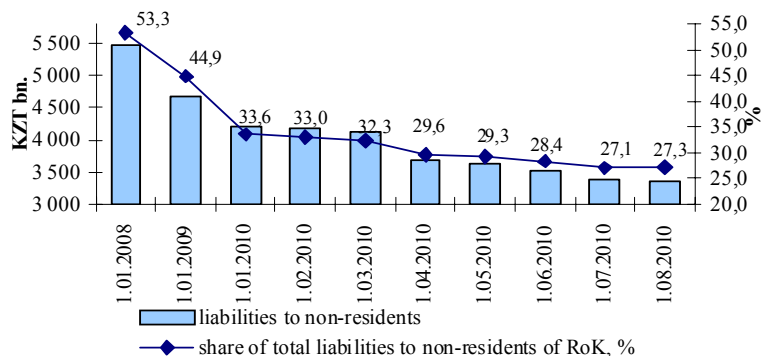
| № | Name of a bank | Loan portfolio | Loans to non-residents | Share of loans to non-residents of a bank in aggregate loans to non-residents of bank system . % | Share of loans to non-residents in loan portfolio. % |
|----|--------------------------------------|----------------|------------------------|--|--|
| 1 | Kazkommertsbank, JSC | 2 334.2 | 265.4 | 17.7 | 11.4 |
| 2 | BTA bank, JSC | 1 895.5 | 1 057.2 | 70.5 | 55.8 |
| 3 | Halyk Bank, JSC " | 1 206.1 | 86.3 | 5.8 | 7.2 |
| 4 | ATF Bank, JSC " | 809.9 | 14.1 | 0.9 | 1.7 |
| 5 | Centercredit Bank, JSC | 707.3 | 24.7 | 1.6 | 3.5 |
| 6 | Alliance Bank, JSC | 530.7 | 17.1 | 1.1 | 3.2 |
| 7 | KASPI BANK, JSC | 262.0 | 0.0 | 0.0 | 0.0 |
| 8 | Temir Bank, JSC | 250.5 | 2.3 | 0.2 | 0.9 |
| 9 | Nurbank, JSC | 227.1 | 9.8 | 0.7 | 4.3 |
| 10 | Eurasian Bank, JSC | 193.8 | 17.7 | 1.2 | 9.2 |
| 11 | Sberbank Subsidiary, JSC | 131.2 | 0.0 | 0.0 | 0.0 |
| 12 | Tsesnabank, JSC | 119.5 | 2.1 | 0.1 | 1.7 |
| 13 | HSBC BANK Kazakhstan, JSC | 66.9 | 0.4 | 0.0 | 0.6 |
| 14 | EXIMBANK KAZAKHSTAN, JSC | 59.6 | - | - | - |
| 15 | Zhilstroysberbank of Kazakhstan, JSC | 56.8 | - | - | - |
| 16 | Kazininvestbank, JSC | 53.2 | 0.0 | 0.0 | 0.1 |
| 17 | Citybank Kazakhstan, JSC | 46.2 | 0.2 | 0.0 | 0.3 |

| | | | | | |
|--------------|-----------------------------------|----------------|----------------|--------------|-------------|
| 18 | RBS Kazakhstan Subsidiary, JSC | 40.6 | 0.7 | 0.0 | 1.7 |
| 19 | Delta Bank, JSC | 26.4 | - | - | - |
| 20 | ALFA-BANK Subsidiary, JSC | 17.9 | 0.2 | 0.0 | 0.9 |
| 21 | Astana-finance Bank, JSC | 11.3 | - | - | - |
| 22 | Home Credit Bank, JSC | 7.8 | 0.0 | 0.0 | 0.5 |
| 23 | AsiaCredit Bank, JSC | 5.3 | - | - | - |
| 24 | KZI BANK Subsidiary, JSC | 4.2 | 0.6 | 0.0 | 13.6 |
| 25 | Zaman-Bank, JSC Bank | 3.9 | - | - | - |
| 26 | Bank Positive Kazakhstan, JSC | 3.4 | 0.1 | 0.0 | 1.7 |
| 27 | Kassa Nova Bank. JSC | 3.4 | - | - | - |
| 28 | METROCOMBANK, JSC | 3.3 | - | - | - |
| 29 | Senim-Bank, JSC | 2.7 | - | - | - |
| 30 | Masterbank, JSC | 2.0 | 0.2 | 0.0 | 10.0 |
| 31 | BANK OF CHINA IN KAZAKHSTAN, JSC | 2.0 | - | - | - |
| 32 | Kazincombank., JSC | 1.6 | - | - | - |
| 33 | NB of Pakistan in Kazakhstan, JSC | 1.6 | 0.1 | 0.0 | 5.4 |
| 34 | TAIB KAZAKH BANK Subsidiary, JSC | 1.2 | 0.0 | 0.0 | 0.4 |
| 35 | BTB Bank Kazakhstan, JSC | 1.2 | - | - | - |
| 36 | Danabank. JSC | 0.8 | - | - | - |
| 37 | TIB of China in Almaty, JSC | 0.3 | 0.3 | 0.0 | 100.0 |
| 38 | Shinkhan Bank Kazakhstan, JSC | 0.0 | 0.0 | 0.0 | 15.5 |
| 39 | Al Hilal Islamic Bank, JSC | - | - | - | - |
| Total | | 9 091.7 | 1 499.4 | 100.0 | 16.5 |

As of 1 August, 2010, the banks' loan portfolio breakdown looked as follows: standard loans 25.5%, doubtful – 47.5%, loss – 27.0% (the percentage of loss loans without consideration of banks whose debts are to be restructured¹. constituted 10.3% of the loan portfolio). A total of doubtful loans in category 5 and loss loans (inclusive of provisions against homogeneous loans)² equaled KZT3 113.4 billion or 34.2% of total loan portfolio. Without consideration of banks whose debts are subject to restructuring, this indicator equaled KZT1 246.1 billion or 17.9% of total loan portfolio.



Liabilities to non-residents



¹ BTA Bank, JSC and Temirbank, JSC (the BTA Bank, JSC's subsidiary) are undergoing the restructuring process. Alliance Bank, JSC has completed its debt restructuring in accordance with the Agency's Decree №54 dated 19 April, 2010 "Concerning Alliance Bank, JSC";

² Within homogeneous loan portfolio, non-performing loans are accounted for as a total of actually established provisions

As of 1 August of the current year, loans which are past due over 90 days amounted KZT2 343.2 billion that is 25.8% of banks' loan portfolio (without consideration of banks whose debts are subject to restructuring this indicator equaled to KZT1 133.1 billion or 17.7% of total loan portfolio).

As of 1 August 2010, loan provisions totaled KZT3 177.6 billion or 35.0% of total loan portfolio.

As of 1 August 2010, loans by sectors of economy (exclusive of natural persons and entrepreneurs) equaled KZT6 955.3 billion, having decreased during July, 2010 by KZT29.0 billion or 0.4%. Herewith, the breakdown of loans was as follows: construction – 26.6%; trade – 26.3%; non-productive area – 23.6%; industry – 15.1%; agriculture – 4.3%; transport – 2.7%; entrepreneurship – 0.8%; communication – 0.7%.

As of 1 August 2010, total liabilities equaled KZT12 343.7 billion, of which amount, liabilities to non-residents equaled KZT3 368.7 billion, i.e. 27.3% of total liabilities, having decreased during July 2010 by KZT14.8 billion or 0.4%. Foreign currency liabilities have constituted 48.8% of total liabilities of tier two banks or KZT6 019.0 billion.

As of 1 August 2010, total corporate and retail deposits attracted by banks from legal entities and individuals (other than banks) equaled KZT7 672.1 billion, having increased over July 2010 by KZT133.6 billion or 1.8%. Corporate deposits (exclusive of special purposes deposits of subsidiaries) totaled KZT4 729.2 billion i.e. 61.6% of total deposits. The amount of special purpose deposits of subsidiaries equaled KZT844.4 billion, having increased over July 2010 by KZT14.3 billion or 1.7%. Retail deposits equaled KZT2 098.5 billion (27.4% of total amount of deposits) having increased over July 2010 by KZT57.4 billion or 2.8%. As of 1 August 2010, foreign currency deposits constituted 41.0% total retail deposits (exclusive of special purpose deposits of subsidiaries) and equaled KZT2 802.2 billion.

As of 1 August 2010, the banks' ratio of high liquid assets to total assets was 24.7%.

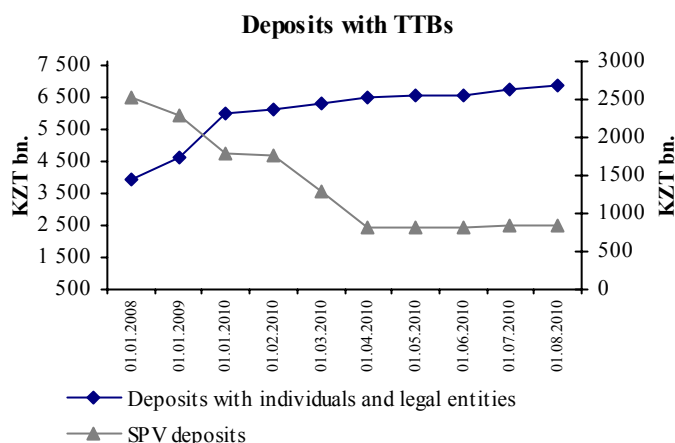
As of 1 August 2010, total income of tier two banks equaled KZT2 439.2 billion. Expenses totaled KZT2115.5 billion (exclusive of income tax, which as of reporting date equaled KZT5.2 billion). The banks' retained net earnings equaled KZT318.5 billion at August 1, 2010.

Loans granted to legal entities and individuals at 1 August, 2010

| loans | total | KZT bn. | | |
|--|----------------|-------------------------------------|--------------------|-------------------|
| | | Percentage of the loan portfolio, % | Special provisions | Share of loans, % |
| Bank loans granted to legal entities | 5 917.8 | 65.1 | 2 311.4 | 39.1 |
| Bank loans granted to individuals, including | 1 796.1 | 19.8 | 417.2 | 23.2 |
| loans for consumption purposes | 774.0 | 8.5 | 197.4 | 25.5 |
| loans for house purchase and construction (except for home mortgage loans) | 840.9 | 9.2 | 170.5 | 20.3 |
| home mortgage loans | 745.4 | 8.2 | 146.7 | 19.7 |
| car loans | 47.1 | 0.5 | 10.9 | 23.1 |
| other bank loans | 134.2 | 1.5 | 38.4 | 28.6 |
| Bank loans to small-sized firms | 1 239.3 | 13.6 | 401.2 | 32.4 |
| Loan portfolio | 9 091.7 | 100.0 | 3 177.6 | 35.0 |

Tier two banks' liabilities to non-residents of the RoK per date of maturity as of 1 August, 2010

| Period of payment | KZT bn. | |
|-------------------------------------|----------------|--|
| | Amount | |
| on demand | 208.5 | |
| up to one month | 585.7 | |
| from 1 to 3 months | 81.0 | |
| from 3 to 6 months | 66.8 | |
| from 6 months to 1 year | 169.0 | |
| from 1 to 2 years | 400.7 | |
| from 2 to 3 years | 282.7 | |
| from 3 to 5 years | 488.3 | |
| from 5 years and more | 1 059.7 | |
| non-financial liabilities | 26.3 | |
| liabilities to non-residents | 3 368.7 | |



In July, 2010, 4 written instructions and 6 written warnings were sent to tier two banks by the Agency in order to correct the violations of legislation governing the activity of banking law. Besides, 1 written agreement was served and 10 letters of commitment were exacted to this effect.

As of 1 August 2010, there are 2 banks under forcible liquidation as decided by court: Valyut-Transit Bank, JSC and Nauryz Bank Kazakhstan, JSC.

On 15 July, 2010, the Board of the Agency adopted the following decrees concerning the regulation of tier two banks and banking conglomerates:

- On amendments to the Decree № 44 “On values and methods of calculation of prudential standards for banking conglomerates” issued by the Board of the Agency on 25 February 2006;
- Approval of forms of reporting of banks’ transactions with persons standing in a special relationship with them.

INSURANCE MARKET (according to preliminary data)

As of 1 August 2010 there were 40 insurance/reinsurance organizations operating in financial market of Kazakhstan as licensed by the Agency; herewith, 7 organizations are licensed to engage in life insurance activity, while 27 are in mandatory insurance of civil responsibility of car owners. Also operating in the insurance services market are 14 insurance brokers and 63 actuaries.

Year to date, total assets of insurance companies have increased by 11.9% to reach KZT332.8 billion. Total equity (own capital) has increased by 7.0% and equaled KZT193.2 billion. Insurance reserves totaled KZT121.5 billion.

As of 1 August 2010, the volume of insurance premiums taken under direct insurance contracts equaled KZT85.1 billion, having increased by 31.7% vs. the same indicator of the last year. Of this amount, the volume of premiums on mandatory insurance equaled KZT19.8 billion (a 25.3% increase vs. the same indicator of the last year), on voluntary personal insurance, insurance premiums equaled KZT19.4 billion (a 57.7% increase), on voluntary property insurance, KZT45.9 billion (a 26.1 % increase).

As of 1 August 2010, the volume of insurance premiums in “life insurance” branch equaled KZT9.0 billion (a 95.7% increase), percentage-wise, life insurance accounted for 10.6% (vs. 7.1% on August 1, 2009).

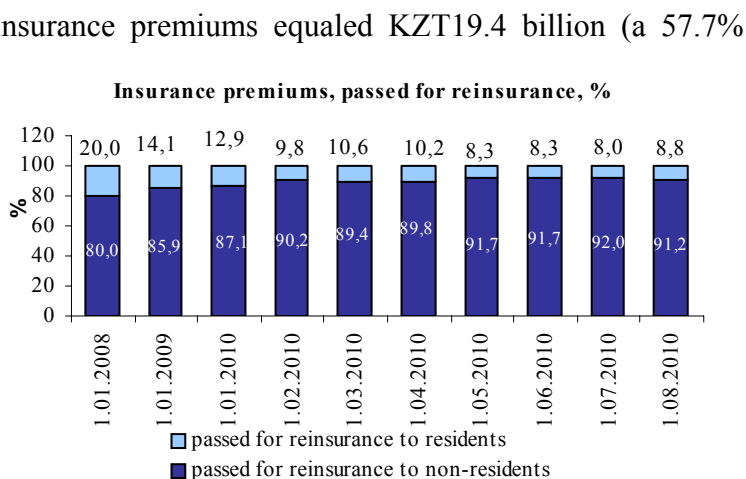
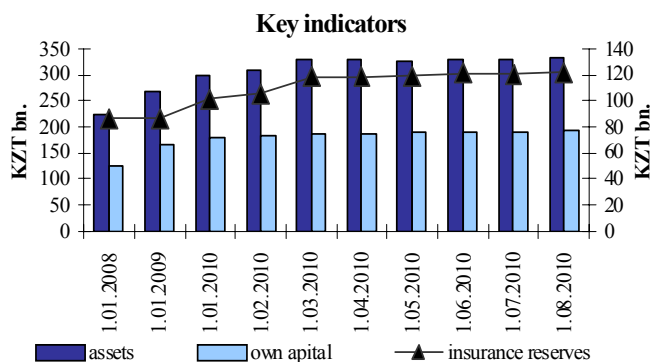
As to 1 August 2010, insurance premiums passed for reinsurance totaled KZT41.9 billion (49.2% of total insurance premiums), herewith, 45.0% of total insurance premiums were passed for reinsurance to non-residents (as of 1 August 2009, the percentage of insurance premiums passed to non-residents for reinsurance was 54.8%).

Year to date, the volume of insurance payments made under direct insurance contracts equaled KZT13.6 billion, which is a 8.7% decrease vs. the last year’s indicator. Of this amount, the volume of insurance payments on mandatory insurance equaled KZT5.2 billion (a 15.6% increase), on voluntary personal insurance, KZT6.8 billion (a 54.5% increase) on voluntary property insurance, KZT1.7 billion (a 72.1% decrease vs. the last year’s indicator).

Currently, 30 insurance/reinsurance organizations are participating in insurance payments ensuring system.

During July 2010, 1 written warning and 7 written instructions were sent to insurance organizations by the Agency in order to correct the violations of legislation governing the activity of insurance market. Besides, it was exacted 15 letters of commitment to this effect.

As of 1 August 2010, there are 5 insurance/reinsurance organizations under forcible liquidation: Valyut Transit Policy, joint stock insurance company; Valyut Transit Life, joint stock insurance company, Altyn Policy Insurance, JSC; NASCO-Kazakhstan, joint stock insurance company and Premier Strakhovanie, JSC, and 1 company is under voluntary liquidation: Temir At Insurance, JSC.



In July, 2010, the Board of the Agency adopted the following decrees concerning the insurance activities:

- «On amendments to the Agency's Decree № 83 as of 25 March, 2006 “On approval of the rules for calculation of the ratio of the annual losses sustained to the premiums received by an insurance/reinsurance organization”;
- «On amendments to some RK legal acts concerning annuity insurance.

ACCUMULATIVE PENSION SYSTEM (according to preliminary data)

As of 1 August 2010, there are 13 pension accumulation funds operating in Kazakhstan, with 75 branches and 49 representative offices in regions across the country.

13 legal entities are currently holding licenses for investment management of pension assets, of which number, 12 funds are licensed to independently manage pension assets. In July 2010, licenses to independently manage pension assets were not issued to pension accumulation funds.

The number of individual pension accounts (hereinafter - accounts) on mandatory pension contributions reached 7 838 873 by August 1, 2010, with pension accumulations on them totaling KZT2 048.8 billion. During July 2010, the number of accounts owned by contributors of mandatory pension payments has increased by 14 914 (0.2%), while pension accumulations increased by KZT34.3 billion (0.9%).

The number of accounts of contributors/beneficiaries on voluntary pension payments, having increased over July by 212 (0.5%), equaled 40 017 as of 1 August, 2010, with pension accumulations on them totaling KZT1.1 billion.

As of 1 August 2010, the number of accounts owned by contributors/beneficiaries on voluntary professional pension contributions, having decreased over July 2010 by 2 equaled 4061, with pension accumulations on them totaling KZT92.2 million.

Contributors/beneficiaries' pension accumulations have increased over July by KZT34.2 billion (1.7%) to reach KZT2 054.2 billion by August 1, 2010. Total received pension payments have increased over July, 2010 by KZT30.7 billion (1.9%), to reach KZT1 658.7 billion by August 1, 2010.

Total net investment income from invested pension assets (less commission fees), distributed among contributors/beneficiaries' individual pension accounts have increased over July 2010 by KZT6.2 billion (1.2%). and as of 1 August, 2010 equaled KZT509.6 billion.

As of 1 August, 2010, net investment income accounted for 24.8% of contributors/beneficiaries' total pension accumulations, which is 0.1 percentage points decrease during July 2010.

As of 1 August, 2010, pension payments and transfers to insurance organizations from pension funds equaled KZT164.3 billion.

In July 2010, the funds made a total of KZT4.3 billion (2.7%) pension payments to beneficiaries.

Transfers of contributors/beneficiaries/ pension accumulations from one fund to another have increased by KZT34.6 billion (3.8%) during July and reached KZT933.6 billion by August 1, 2010.

As of 1 August 2010, the average ratios of nominal income on pension assets of pension accumulation funds equaled:

- over a 5 year period (July 2005 to July 2010): 43.63%. Adjusted average nominal income ratio was 41.41% (cumulative inflation rate for the same period was 61.88%);

- over a 3 year period (July 2007 to July 2010): 16.43% (cumulative inflation rate for the same period was 36.87%);

- over a 12 months period (July 2009 to July 2010): – 5.47% (inflation rate for the same period was 6.7%).

During July, 2010, 2 written instructions were sent to pension funds by the Agency in order to correct the violations of RK laws. Besides, it was served two written agreements and 4 commitment letters were exacted.

As of 1 August 2010, there were two accumulation pension funds under forcible liquidation as ruled by the court: *Valyut Transit Fund*, JSC and *Korgau*, JSC (on July 13, 2010, the Specialized Inter-district Economic Court for Almaty city made its decision to put PF *Korgau*, JSC into compulsory liquidation. The court's decision came into the force on July 29, 2010).

At the meeting held in July 2010, the Board of the Agency adopted the following decrees:

- "On rationalization of some Agency's legal acts regarding activities of organizations engaged in investment management of pension assets, and the evaluation of financial instruments of investment portfolio of pension funds";

- "On rationalization of some Agency's legal acts regarding prudential regulation of activities of pension funds, organizations engaged in investment management of pension assets, and organizations combining several types of professional activities on securities market".

SECURITIES MARKET

As of 1 August 2010, there were 2179 joint stock companies with current issues operating in corporate securities market. Also operating in the market are 79 brokers/dealers, 11 registrars, 10 custodian banks, 15 IMPAs (investment managers of pension assets, i.e. organizations engaged in investment management of pension assets), 46 investment portfolio managers, and 3 transfer agents.

During July, 2010, 86 share issues were registered: including those share issues whose prospectuses have been modified and state registration certificates renewed.

Also, in July, 2010, there was registered 1 issue of bonds at total face value of KZT65 million. No bond issues within the framework of bond programs have been registered over the reporting period. So, as of 1 August, 2010, there were 67 current bond programs in circulation with total face value of KZT3 670.8 billion. Besides, during the reporting period, one bond issue was redeemed at KZT118 million.

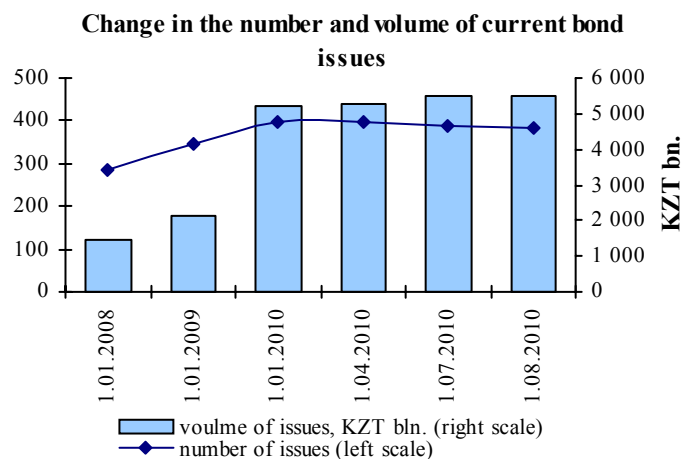
As of 1 August 2010, there were 385 current corporate bond issuers in circulation with total face value of KZT5 481.3 billion

As of 1 August 2010, there were 172 mutual funds operating in securities market, of which number 132 were closed-end, 14 open-end and 25 interval ones. Also, there are 34 joint-stock investment funds currently operational in the market.

As of 1 August 2010, there was the following number of corporate securities issues by RK issuers included in official KASE list: 275 issues in A category, 98 issues in B category, 2 issues in sector "Investment fund securities".

Besides, in July 2010, Karagandy asbestos cement plant, JSC was declared in default on payment for bonds (under national identification number: KZPC2Y05B806).

In July 2010, the Agency sent 3 written instructions to professional participants of the securities market for violation of RK laws. Besides, it was served 3 written agreements to this effect.



**SECTOR OF INSTITUTIONS ENGAGED IN CERTAIN TYPES OF BANKING OPERATIONS
(according to preliminary data)**

As of 1 August 2010, 6 mortgage companies and 9 institutions engaged in certain types of banking operations were operating in financial market of Kazakhstan based on valid licenses.

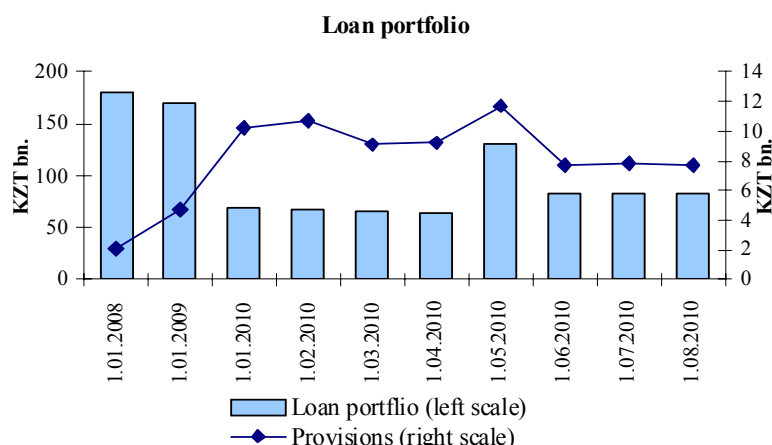
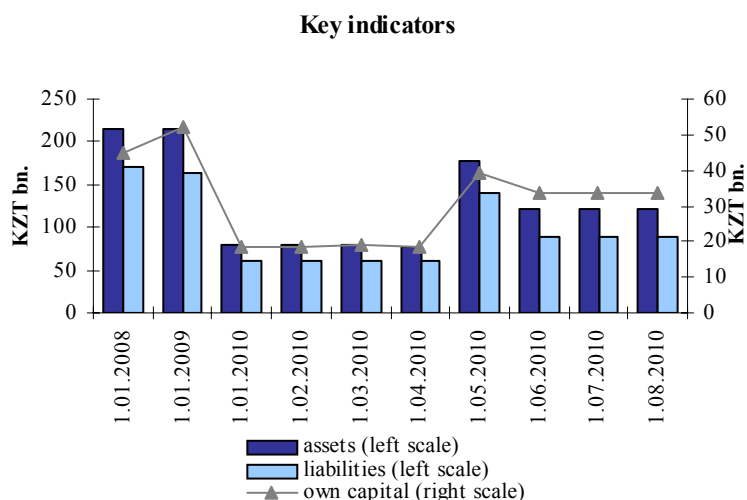
As of 1 August, 2010, total assets of mortgage companies equaled KZT121.4 billion, a KZT41.1 billion (51.2%) increase, year to date.

Total liabilities have increased by KZT26.2 billion (42.5%) and equaled KZT87.9 billion. Own capital of mortgage companies equaled KZT33.5 billion.

As of reporting date, total loans of mortgage companies equaled KZT81.8 billion, which is a KZT13.4 billion (19.6%) increase vs. January 1, 2010.

As of 1 August 2010, the breakdown of mortgage companies' loan portfolio was as follows: standard loans, 86.3%, doubtful, 5.9%, and loss, 7.8%. As of 1 August 2009, standard loans accounted for 64.9%, doubtful, 28.6%, and loss, 6.5% of total loan portfolio.

In July 2010, the Agency sent 1 written instruction to an organization engaged in certain types of banking operations in order to correct the violations of the mortgage law.



PROTECTION OF INTERESTS OF CONSUMERS OF FINANCIAL SERVICES

In July 2010, the Agency received **292** claims from individuals and legal entities, including **242** written claims, **17** claims were emailed to the Agency’s address and **33** claims that were placed on RK e-government blog-platform and addressed to the Agency’s Chairperson (hereinafter referred to “blog-platform”) of which:

– **147** addressed tier-two banks activities (50.35% of total number). Upon consideration of 194 claims (including 121, which came in the previous periods), it was found that none of them being well-grounded;

– **10** claims related to activity of institutions engaged in certain types of banking operations (3.43% of total amount of letters), upon consideration of 10 letters (including 4 letters received in the previous periods), it was found that none of them being well-grounded;

– **30** letters dealt with insurance/reinsurance organizations (10.27% of total amount), among 55 letters being examined (including 39, received in the previous periods), only 4 were proved as reasonable (7.27 % of total amount of letters being considered);

– **8** claims addressed activities of entities operating in the securities market (2.74% of the total number), upon consideration of 9 claims (including 3 ones that came in the previous periods), it was found that none of them being well-grounded;

– **22** claims addressed activities of accumulative pension funds (7.53% of the total amount), upon consideration of 23 claims (including 14 ones that came in the previous periods), it was found that none of them being well-grounded;

– **38** of letters contained inquiries from individuals and legal entities seeking explanations of RK legislation norms, as well as suggestions to make alterations and amendments to RK laws (13.01 % of total amount);

– **37** letters focused on issues beyond the Agency’s control (12.67 % of total amount).

The table below provides the breakdown of appeals against tier two banks, institutions engaged in certain types of banking operations, insurance organizations, APFs and institutions operating in securities market, along with the percentage of each of those of total appeals over July, 2010.

Table 1

| № | Name of the financial organization | In the reporting period | | | |
|-----------------------|---|---------------------------|---|---------------------------------|--|
| | | Number of claims/requests | | number of appeals considered ** | number of appeals at the stage of consideration at the end of the reporting period |
| | | number of appeals | the weight of the sector in financial market, % | | |
| <i>Tier two banks</i> | | | | | |
| 1 | Kazkommertsbank, JSC | 30 | 20.42 | 13 | 17 |
| 2 | Alliance bank, JSC | 23 | 15.66 | 15 | 8 |
| 3 | Temir Bank, JSC (Subsidiary of BTA Bank, JSC) | 18 | 12.24 | 9 | 9 |
| 4 | BTA Bank, JSC | 13 | 8.84 | 8 | 5 |
| 5 | Halyk Bank, JSC | 12 | 8.16 | 3 | 9 |

| | | | | | |
|--|---|------------|-----------------------------|-----------|-----------|
| 6 | ATF Bank, JSC | 11 | 7.48 | 6 | 5 |
| 7 | Bank Center Credit, JSC | 9 | 6.12 | 7 | 2 |
| 8 | Kaspi Bank, JSC | 9 | 6.12 | 2 | 7 |
| 9 | Tsesnabank, JSC | 6 | 4.08 | 4 | 2 |
| 10 | Zhilstroysberbank of Kazakhstan, JSC | 5 | 3.40 | 3 | 2 |
| 11 | Eurasian Bank, JSC | 4 | 2.72 | 1 | 3 |
| 12 | Nurbank, JSC | 2 | 1.36 | 0 | 2 |
| 13 | Metrocombank, JSC | 1 | 0.68 | 0 | 1 |
| 14 | Astana Finance, JSC» | 1 | 0.68 | 0 | 1 |
| 15 | Homecreditbank, JSC | 1 | 0.68 | 0 | 1 |
| 16 | Bank of China in Kazakhstan, JSC | 1 | 0.68 | 1 | 0 |
| 17 | Sberbank of Russia Subsidiary, JSC | 1 | 0.68 | 1 | 0 |
| | Total: | 147 | 100 50.35* | 73 | 74 |
| <i>Institutions engaged in certain types of banking operations</i> | | | | | |
| 1 | BTA Bank Ipoteka. JSC | 5 | 50.00 | 4 | 1 |
| 2 | Agrarian Credit Corporation, JSC | 2 | 20.00 | 0 | 2 |
| 3 | Astana Finance Mortgage Organization, JSC | 1 | 10.00 | 1 | 0 |
| 4 | Kazpost, JSC | 1 | 10.00 | 0 | 1 |
| 5 | Kazakhstan Mortgage Company, JSC | 1 | 10.00 | 1 | 0 |
| | Total: | 10 | 100 3.43* | 6 | 4 |
| <i>Insurance market</i> | | | | | |
| 1 | Altyn Policy, JSC | 8 | 26.66 | 6 | 2 |
| 2 | Premier Strakhovanie, JSC | 4 | 13.33 | 4 | 0 |
| 3 | Astana Finance, Insurance JSC | 3 | 10.00 | 0 | 3 |
| 4 | Oil Insurance, JSC | 2 | 6.68 | 2 | 0 |
| 5 | Atlanta Policy, JSC | 2 | 6.68 | 1 | 1 |
| 6 | SAYA Insurance, JSC | 2 | 6.68 | 0 | 2 |
| 7 | Kazcommerce-Life, JSC | 1 | 3.33 | 0 | 1 |
| 8 | Pana Insurance, JSC | 1 | 3.33 | 1 | 0 |
| 9 | Eco Policy, JSC | 1 | 3.33 | 0 | 1 |
| 10 | Kazcommerce-Policy, JSC | 1 | 3.33 | 0 | 1 |
| 11 | Amanat insurance, JSC | 1 | 3.33 | 1 | 0 |
| 12 | Alliance Policy, JSC | 1 | 3.33 | 0 | 1 |
| 13 | Nurpolicy, JSC | 1 | 3.33 | 0 | 1 |
| 14 | Victoria, JSC | 1 | 3.33 | 0 | 1 |
| 15 | BTA Strakhovanie, JSC | 1 | 3.33 | 1 | 0 |
| | Total: | 30 | 100 10.27* | 16 | 14 |
| <i>Securities market</i> | | | | | |
| 1 | Zerde, JSC | 1 | 12.5 | 1 | 0 |
| 2 | Bereke, UIF | 1 | 12.5 | 1 | 0 |
| 3 | Bayan-Sulu, OJSC | 1 | 12.5 | 0 | 1 |
| 4 | Almatyteplocommunenergo, JSC | 1 | 12.5 | 1 | 0 |
| 5 | Almaty real estate fund, JSC | 1 | 12.5 | 0 | 1 |
| 6 | Eurasian Energy corporation, JSC | 1 | 12.5 | 0 | 1 |
| 7 | Maman-specialist, JSC | 1 | 12.5 | 1 | 0 |
| 8 | Alliance Trading-Finance, JSC | 1 | 12.5 | 1 | 0 |

| | | | | | |
|---|---|------------|----------------------------|------------|------------|
| | total: | 8 | 100 2.74* | 5 | 3 |
| <i>Accumulative Pension system</i> | | | | | |
| 1 | REPUBLIC, JSC | 5 | 22.72 | 3 | 2 |
| 2 | BTA Kazakhstan, JSC | 4 | 18.18 | 1 | 3 |
| 3 | ULAR UMIT, JSC | 4 | 18.18 | 0 | 4 |
| 4 | Korgau, JSC | 2 | 9.09 | 2 | 0 |
| 5 | Halyk Bank. JSC | 2 | 9.09 | 1 | 1 |
| 6 | GRANTUM, JSC | 2 | 9.09 | 0 | 2 |
| 7 | Otan, JSC | 1 | 4.55 | 1 | 0 |
| 8 | AMANAT Kazakhstan, JSC | 1 | 4.55 | 0 | 1 |
| 9 | Capital, JSC BankCenterCredit, JSC's subsidiary) | 1 | 4.55 | 1 | 0 |
| | A total of PAFs: | 22 | 100 7.53* | 9 | 13 |
| | TOTAL: | 217 | 74.32* | 109 | 108 |

*- the weight of the sector in financial market

** - not all appeals are well-grounded

Banking sector

In July 2010, the Agency received 147 letters concerning banking activities.

Relevant to the public remain the issues relating to the activities of the banking sector, as follows:

- rendering assistance in restructuring of borrowings, including through providing deferral of borrowings repayment, revision of mortgage borrowing interest rate toward reduction, repeal of penalty fees under borrowings;
- the banks' refusal to re-finance mortgage borrowings;
- rendering assistance in the effort to repeal the procedure for out-of-court sale of the pledged property;
- rendering assistance in checking whether the calculation of monthly payment under loans or of penalty fees is made properly;
- return of deposits;
- payments and transfers by payment cards.

Relevant comments on all of the above claims and other requests from individuals and legal entities have been provided.

In the reporting period, for delay in providing of information requested by the Agency as well as for submitting of incomplete information, the Agency sent written instructions to BTA Bank, JSC and Kazkommertbank, JSC.

Organizations engaged in certain types of banking operations.

In July 2010, the Agency received 10 letters concerning activities of organizations engaged in certain types of banking operations.

Insurance market

In July, 2010, the Agency received 30 letters concerning activities of insurance companies, among which:

- 7 letters on mandatory insurance;

- 2 letters on voluntary insurance;
- 5 letters where class of insurance is not indicated.

The bulk of claims to insurers addressed the facts that the insurers defaulted on their benefit payments for mandatory and voluntary types of insurance, or they failed to pay the full amount of these benefits or delayed in their payment.

Upon consideration of complaints and appeals of individuals and legal entities, the Agency has identified the following breaches during the reporting period:

Nomad Insurance, JSC:

- breached the requirements of the Article 19 of RK Law “On Mandatory motor third party insurance”, in particular, the company miscalculated the insurance premium. In this connection, the Agency will apply to the company restricted measures in accordance with RK laws.

Atlanta Policy, JSC:

- failed to produce insurance payment. In this connection, restricted measures will be applied in accordance with RK laws;

Oil Insurance Company, JSC:

- failed to produce insurance payment. In this connection, restricted measures will be applied in accordance with RK laws;

- failed to pay the full amount of insurance benefit. In this connection, restricted measures will be applied in accordance with RK laws;

Upon consideration of the individual’s complaint, the Agency has identified the following breaches in the previous period:

Atlanta Policy Insurance, JSC:

- breached the order of notifying of its policyholder about missing documents, as a result of which, the insurance benefit was not paid. In this connection, the Agency exacted a commitment letter from it.

Securities market

In July 2010, the Agency received 8 letters concerning activities on the securities market. The claims addressed non-payment of dividends, breaching the order of calculation of dividends and order of registration of shares. Also, they contained requests to explain RK legislation norms.

Accumulative pension system.

In July 2010, the Agency received 22 complaints concerning activities of accumulative pension funds.

A considerable amount of appeals and complaints concerned the following:

- transfer of pension contributions to APFs, with whom the contributors have not concluded contracts on pension provision;
- decrease of pension savings as a result of their transfer from one fund to another;
- refusal to produce pension payments.

Proper clarifications were provided regarding all above and other requests of individuals and legal entities.

Upon consideration of complaints, the Agency has identified the following breaches in the previous period:

- *SAPF, JSC* breached the requirements of the Clause 13 of the Rules for Payment of Pensions from Pension Funds, Formed Using Mandatory Pension Contributions and Voluntary Professional Pension Contributions, approved by the Decree № 661 of the Government of the Republic of Kazakhstan on July 1, 2003. In particular, it failed to pay the bank fees for entering pension funds to the banking accounts of applicants. In this connection, the Agency sent to the Fund its written instruction.