

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



Press release № 229
as of October 1, 2010

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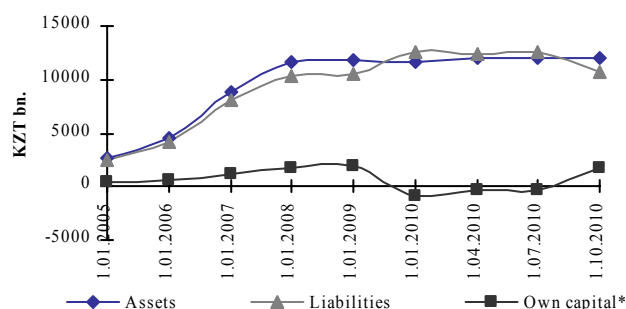
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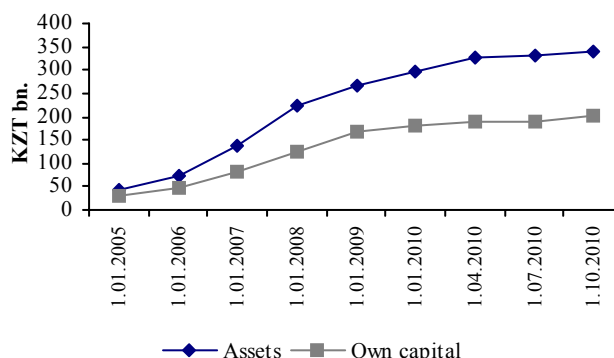
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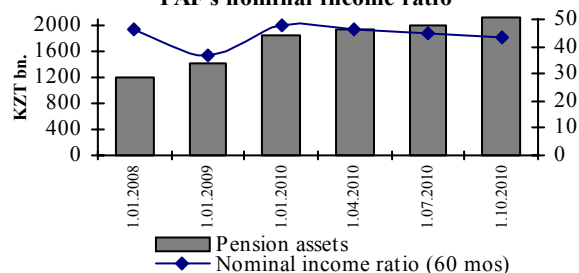
Banking sector



Insurance market



Correlation between pension assets and PAF's nominal income ratio



* - own capital calculated in accordance with Prudential rules

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

(KZT bn.)

Indicator	Banking sector	Pension accumulation funds	Insurance sector	Mortgage organizations
Total assets	11 927.1	85.1	339.6	122.2
Total liabilities	10 697.6	5.3	138.6	89.3
Own capital	1 229.5	79.8	201.0	32.9

BANKING SECTOR (based on preliminary data)

As of October 1, 2010 the banking sector of the Republic of Kazakhstan comprised 38 tier two banks.

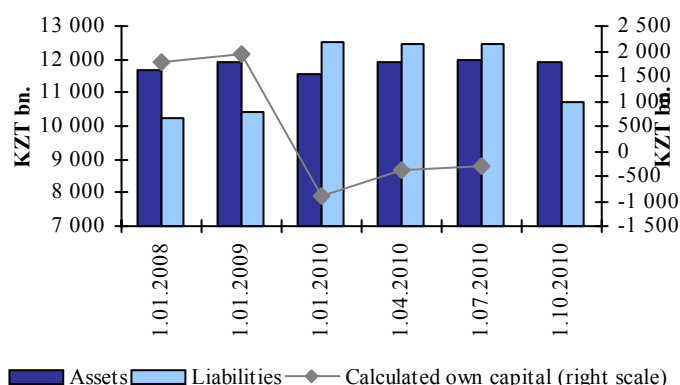
As of 1 October 2010, total assets of banks equaled KZT11 927.1 billion, having decreased during September 2010 by KZT40.3 billion (0.3%).

As of 1 October 2010, total calculated own capital of the banking sector equaled KZT1777.5 billion, having increased during September 2010 by KZT12.0 billion or 0.7%.

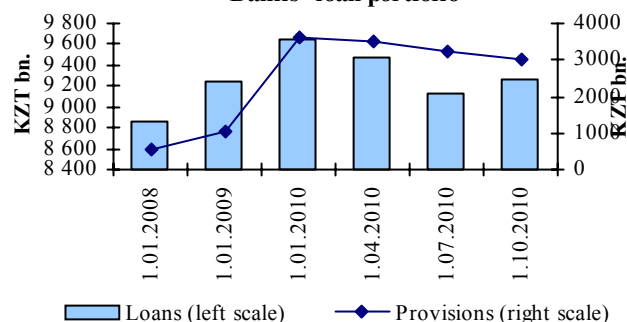
Foreign currency assets have constituted 39.1% of total assets or KZT4667.7 billion.

As of 1 October, 2010, the banks' loan portfolio (inclusive of interbank loans) equaled KZT9258.9 billion, having increased during September 2010 by KZT140 billion (1.5%). Herewith, loans to non-residents of the RoK have constituted KZT1562.2 billion or 16.9% of loan portfolio (as of 1 January, 2010, the same indicator has constituted KZT1 803.3 billion or 18.1%). As of 1 October, 2010, the banks' foreign currency loans have constituted 53.1% of total loan portfolio and equaled to 4 914.8 billion.

Assets, liabilities and calculated own capital



Banks' loan portfolio



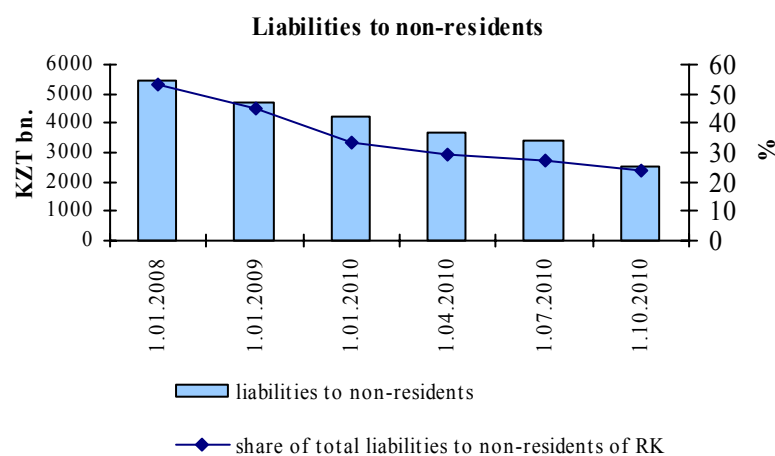
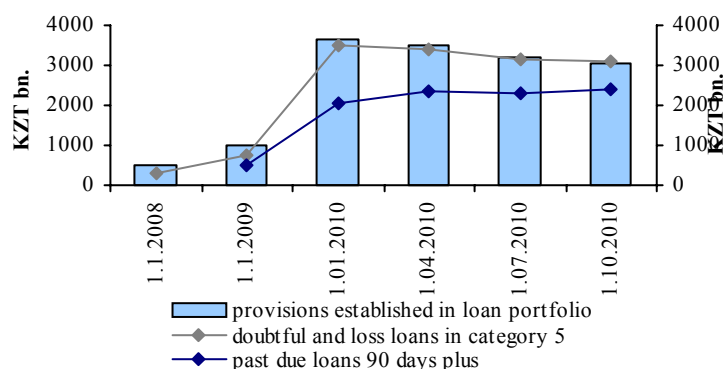
As to tier two banks loan portfolio, including loans to non-residents of the RoK at October 1, 2010.

KZT bn.

No	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	2 344.3	262.2	16.8	11.2
2	BTA bank, JSC	1 926.0	1 101.4	70.5	57.2
3	Halyk Bank, JSC "	1 220.8	87.4	5.6	7.2
4	ATF Bank, JSC "	859.6	37.2	2.4	4.3
5	Centercredit Bank, JSC	709.4	24.7	1.6	3.5
6	Alliance Bank, JSC	537.0	16.0	1.0	3.0
7	KASPI BANK, JSC	271.6	0.0	0.0	0.0
8	Temir Bank, JSC	241.3	1.8	0.1	0.8
9	Nurbank, JSC	225.1	9.8	0.6	4.4
10	Eurasian Bank, JSC	195.7	17.7	1.1	9.1
11	Sberbank Subsidiary, JSC	141.6	0.0	0.0	0.0
12	Tsesnabank, JSC	133.9	2.1	0.1	1.5
13	HSBC BANK Kazakhstan, JSC	93.0	0.4	0.0	0.5
14	Zhilstroysberbank of Kazakhstan, JSC	59.5	-	0.0	0.0
15	EXIMBANK KAZAKHSTAN, JSC	58.4	-	0.0	0.0
16	Kazinvestbank, JSC	50.8	0.0	0.0	0.1

17	Citybank Kazakhstan, JSC	49.4	0.1	0.0	0.3
18	ALFA-BANK Subsidiary, JSC	30.5	0.3	0.0	0.9
19	Delta Bank, JSC	30.0	-	0.0	0.0
20	RBS Kazakhstan Subsidiary, JSC	22.2	0.0	0.0	0.0
21	Astana-finance Bank, JSC	9.1	-	0.0	0.0
22	Home Credit Bank, JSC	8.9	0.0	0.0	0.5
23	METROCOMBANK, JSC Bank	5.7	-	0.0	0.0
24	AsiaCredit Bank, JSC	4.7	-	0.0	0.0
25	Kassa Nova Bank. JSC	4.5	-	0.0	0.0
26	KZI BANK Subsidiary, JSC	4.1	0.6	0.0	13.5
27	Zaman-Bank, JSC	3.8	-	0.0	0.0
28	Bank Positive Kazakhstan, JSC	3.4	0.1	0.0	1.6
29	BTB Bank Kazakhstan, JSC	3.1	-	0.0	0.0
30	Senim-Bank, JSC	2.8	-	0.0	0.0
31	BANK OF CHINA IN KAZAKHSTAN, JSC	2.4	-	0.0	0.0
32	NB of Pakistan in Kazakhstan, JSC	2.1	0.0	0.0	0.6
33	Kazincombank., JSC	1.5	-	0.0	0.0
34	TAIB KAZAKH BANK Subsidiary, JSC	1.2	0.0	0.0	0.3
35	Danabank. JSC	0.7	-	0.0	0.0
36	Al Hilal Islamic Bank, JSC	0.4	-	0.0	0.0
37	TIB of China in Almaty, JSC	0.3	0.3	0.0	100.0
38	Shinkhan Bank Kazakhstan, JSC	0.1	0.0	0.0	12.6
Total		9 258.9	1 562.2	100.0	16.9

As of 1 October, 2010, the banks' loan portfolio breakdown looked as follows: standard loans 26%, doubtful – 50.7%, loss – 23.3% (the percentage of loss loans without consideration of banks whose debts have 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 123.2 billion or 33.7% of total loan portfolio. Without consideration of banks whose debt restructuring have been completed, this indicator equaled KZT1 267.5 billion or 19.3% of total loan portfolio.



¹ Alliance Bank, JSC has completed its debt restructuring in accordance with the Agency's Decree №54 dated 19 April, 2010 "Concerning Alliance Bank, JSC". Temir Bank, JSC has completed its debt restructuring in accordance with the Agency's Decree №100 dated 7 July, 2010. BTA Bank, JSC has completed its debt restructuring in accordance with the Agency's Decree №116 dated 31 September, 2010.

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

As of 1 October of the current year, loans which are past due over 90 days amounted KZT2 391.9 billion that is 25.8% of banks' loan portfolio (without consideration of banks whose debt restructuring has been completed, this indicator equaled to KZT1 142.8 billion or 17.4% of total loan portfolio).

As of 1 October 2010, loan provisions totaled KZT3 032.0 billion or 32.7% of total loan portfolio.

As of 1 October 2010, loans by sectors of economy (exclusive of natural persons and entrepreneurs) equaled KZT7116.6 billion, having increased during September, 2010 by KZT134.8 billion or 1.9%. Herewith, the breakdown of loans was as follows: construction – 25.9%; trade – 26.2%; non-productive area – 24.6%; industry – 15.2%; agriculture – 4.3%; transport – 2.6%; entrepreneurship – 0.6%; communication – 0.6%.

As of 1 October 2010, total liabilities equaled KZT10 697.6 billion, of which amount, liabilities to non-residents equaled KZT2 523.5 billion of total liabilities, having increased during September 2010 by KZT46.9 billion or 1.9%. The share of liabilities to non-residents of RoK constituted 23.6% of total liabilities (at the beginning of the year it was 33.6%).

Foreign currency liabilities have constituted 44.7% of total liabilities of tier two banks or KZT4782.9 billion.

As of 1 October 2010, total corporate and retail deposits attracted by banks from legal entities and individuals (other than banks and special purpose subsidiaries) equaled KZT6730.7 billion, having decreased over September 2010 by KZT118.2 billion (1.7%). Corporate deposits (exclusive of special purposes deposits of subsidiaries) totaled KZT4 593.6 billion i.e. 68.2% of total deposits (exclusive of special purposes deposits of subsidiaries). The amount of special purpose deposits of subsidiaries equaled KZT25.3 billion, having increased during September, 2010 by KZT41.1 billion or 0.2%. Retail deposits equaled KZT2137.1 billion (46.5% of total amount of deposits (exclusive of special purposes deposits of subsidiaries)), having increased over September 2010 by KZT39.6 billion or 1.9%. As of 1 October 2010, foreign currency deposits constituted 37.8% of total retail deposits (exclusive of special purpose deposits of subsidiaries) and equaled KZT2 546.8 billion.

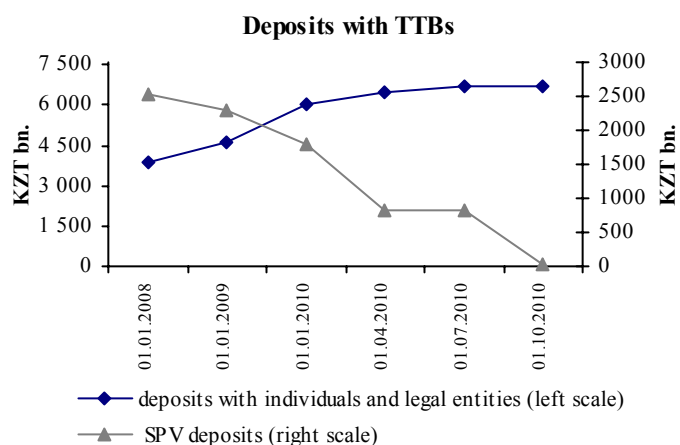
As of 1 October 2010, the banks' ratio of high liquid assets to total assets was 22.5%.

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

loans	total	Percentage of the loan portfolio, %	KZT.bn.	
			Special provisions	Share of loans, %
Bank loans granted to legal entities	5 961.7	64.4	2 162.6	36.3
Bank loans granted to individuals, including loans for consumption purposes	1 807.8	19.5	415.2	23.0
loans for house purchase and construction (except for home mortgage loans)	786.4	8.5	197.0	25.1
home mortgage loans	92.8	1.0	22.9	24.7
car loans	746.1	8.1	145.7	19.5
other bank loans	45.8	0.5	10.8	23.7
Bank loans to small-sized firms	136.7	1.5	38.8	28.4
Loan portfolio	9 258.9	100.0	3 031.8	32.7

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

Period of payment	Amount
on demand	213.0
up to one month	49.9
from 1 to 3 months	22.8
from 3 to 6 months	88.1
from 6 months to 1 year	125.6
from 1 to 2 years	247.3
from 2 to 3 years	289.1
from 3 to 5 years	309.3
from 5 years and more	1155.8
non-financial liabilities	22.7
liabilities to non-residents	2 523.5



As of 1 October 2010, total income of tier two banks equaled KZT5144.2 billion. Expenses totaled KZT3662.2 billion (exclusive of income tax, which as of reporting date equaled KZT7.8 billion). The banks' retained net earnings equaled KZT1474.3 billion at October 1, 2010.

In September, 2010, 2 written instructions and 3 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, 3 written agreements were served to this effect.

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

INSURANCE MARKET (according to preliminary data)

As of 1 October 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 13 insurance brokers and 65 actuaries.

Year to date, total assets of insurance/reinsurance companies have increased by 14.2% to reach KZT339.6 billion. Total equity (own capital) has increased by KZT17.1 billion (11.4%) and equaled KZT201 billion.

Insurance reserves totaled KZT120.9 billion.

As of 1 October 2010, the volume of insurance premiums taken under direct insurance contracts equaled KZT106.1 billion, having increased by 26.6% vs. the same indicator of the last year. Of this amount, the volume of premiums on mandatory insurance equaled KZT28.1 billion (a 20.1% increase vs. the same indicator of the last year), on voluntary personal insurance, insurance premiums equaled KZT25.5 billion (a 60.4% increase), on voluntary property insurance, KZT52.5 billion (a 18% increase).

As of 1 October 2010, the volume of insurance premiums in “life insurance” branch equaled KZT12.7 billion (a 2 times increase vs. the last year indicator), percentage-wise, life insurance accounted for 12% (vs. 7.4% on October 1, 2009).

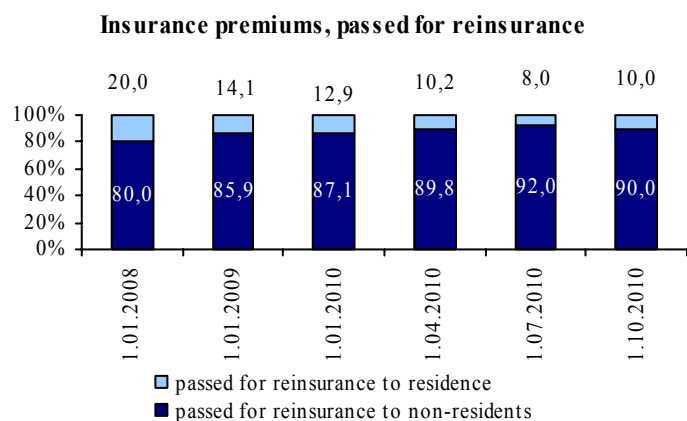
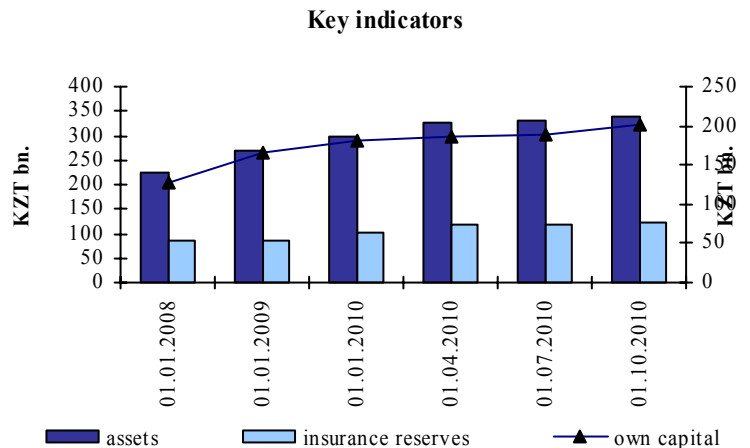
As to 1 October 2010, insurance premiums passed for reinsurance totaled KZT46.7 billion (44% of total insurance premiums), herewith, 39,6% of total insurance premiums were passed for reinsurance to non-residents (as of 1 October, 2009, the percentage of insurance premiums passed to non-residents for reinsurance was 45%).

Year to date, the volume of insurance payments made under direct insurance contracts equaled KZT18.7 billion, which is 1.1% decrease vs. the last year’s indicator. Of this amount, the volume of insurance payments on mandatory insurance equaled KZT7.1 billion (a 20.3% increase), on voluntary personal insurance, KZT9.3 billion (a 57.6% increase), on voluntary property insurance, KZT2.3 billion (a 65.7% decrease vs. the last year’s indicator).

Currently, 28 insurance/reinsurance organizations are participating in insurance payments ensuring system.

During September 2010, 6 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 served 2 written agreements and exacted 4 letters of commitment to this effect.

As of 1 October 2010, there are 3 insurance/reinsurance organizations under forcible liquidation: 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 accordance with the decree of Karaganda Department of Justice № 3-8/8577 dated September 1, 2010, it was registered compulsory liquidation of Valyut-Transit Life, JSC. On the basis of the order, this insurance company was withdrawn from the Public register of legal entities.

On October 4, 2010, the Board of the Agency adopted the following decrees concerning the insurance activities:

- “On cancelation of the FSA’s Decree №107 as of July 15, 2010 “On amendments to the National bank’s Decree №249 as of 25 July, 2003 “On approval of the Rules for pension provision by RK insurance entities through using pension accumulations on the basis of retirement annuity contracts”.

ACCUMULATIVE PENSION SYSTEM (according to preliminary data)

As of 1 October 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 September 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 7 903 567 by October 1, 2010, with pension accumulations on them totaling KZT2124.1 billion. During September 2010, the number of accounts owned by contributors of mandatory pension payments has increased by 33242 (0.4%), while pension accumulations increased by KZT40.3 billion (1.9%).

The number of accounts of contributors/beneficiaries on voluntary pension payments, having decreased over September by 169 (0.4%), equaled 39 912 as of 1 October, 2010, with pension accumulations on them totaling KZT1.2 billion.

As of 1 October 2010, the number of accounts owned by contributors/beneficiaries on voluntary professional pension contributions, having decreased over September 2010 by 4 equaled 4053, with pension accumulations on them totaling KZT96.6 million.

Contributors/beneficiaries' pension accumulations have increased over September by KZT40.3 billion (1.9%) to reach KZT2 129.6 billion by October 1, 2010. Total received pension payments have increased over September, 2010 by KZT31.6 billion (1.9%), to reach KZT1 720.4 billion by October 1, 2010.

Total net investment income from invested pension assets (less commission fees), distributed among contributors/beneficiaries' individual pension accounts have increased over September 2010 by KZT12.9 billion (2.5%), and as of 1 October, 2010 equaled KZT532.5 billion.

As of 1 October, 2010, net investment income accounted for 25% of contributors/beneficiaries' total pension accumulations, which is 0.1 percentage points increase during September 2010.

As of 1 October, 2010, pension payments and transfers to insurance organizations from pension funds equaled KZT173.3 billion.

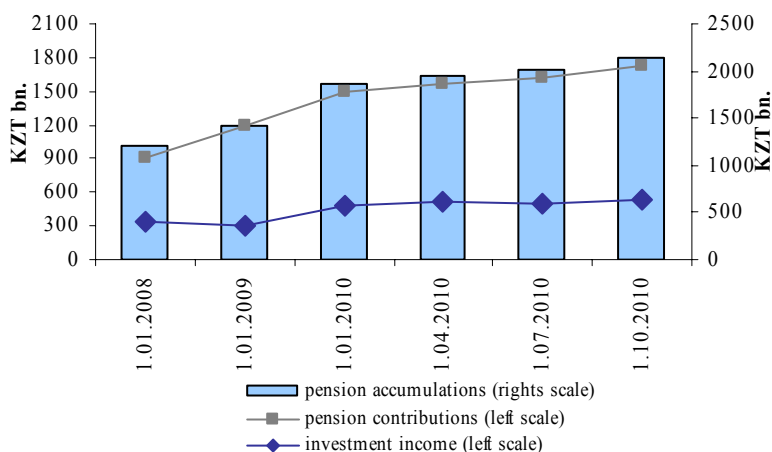
In September 2010, the funds made a total of KZT4.4 billion (2.6%) pension payments to beneficiaries.

Transfers of contributors/beneficiaries' pension accumulations from one fund to another have increased by KZT33.7 billion (3.5%) during September and reached KZT996.6 billion by October 1, 2010.

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

- over a 5 year period (September 2005 to September 2010): 43.29%. Adjusted average nominal income ratio was 41.06% (cumulative inflation rate for the same period was 61.30%);

Change in the number and volume of current bond issues



- over a 3 year period (September 2007 to September 2010): 17.11% (cumulative inflation rate for the same period was 33.69%);

- over a 12 months period (September 2009 to September 2010): – 4.54% (inflation rate for the same period was 6.7%).

As of 1 October 2010, the percentage of securities whose issuers have been declared in default was 3.9% of total pension assets which in absolute expression is KZT83.4 billion.

During September, 2010, 7 written instructions were sent to pension accumulation funds by the Agency in order to correct the violations of RK laws. Besides, it was exacted 2 letters of commitment to this effect.

As of 1 October 2010, there were two accumulation pension funds under forcible liquidation as ruled by the court: *Valyut Transit Fund*, JSC and *Korgau*, JSC

SECURITIES MARKET

As of 1 October 2010, there were 2169 joint stock companies with current issues operating in corporate securities market. Also operating in the market are 78 brokers/dealers, 11 registrars, 10 custodian banks, 15 IMPAs (investment managers of pension assets, i.e. organizations engaged in investment management of pension assets), 43 investment portfolio managers, and 3 transfer agents.

During Q3, 2010, 190 share issues were registered: including those share issues whose prospectuses have been modified and state registration certificates renewed.

Also, in Q3, 2010, there were registered 7 issues of bonds at total face value of KZT252.5 billion. 2 bond issues at total face value of KZT150 billion within the framework of bond programs have been registered over the reporting period. Besides, in July-September, 6 bond issues were redeemed at KZT14.6 billion.

As of 1 October 2010, there were 387 current corporate bond issuers in circulation with total face value of KZT5 860.8 billion

As of 1 October 2010, there were 168 mutual funds operating in securities market, of which number 129 were closed-end, 15 open-end and 24 interval ones. Also, there are 34 joint-stock investment funds currently operational in the market.

As of 1 October 2010, there was the following number of corporate securities issues by RK issuers included in official KASE list: 255 issues in A category, 98 issues in B category, 2 issues in sector “Investment fund securities”.

In September 2010, the Agency sent 3 written instructions to professional participants of the securities market for violation of RK laws. Besides, there were served 3 written agreements and 1 commitment letter was exacted to this effect.

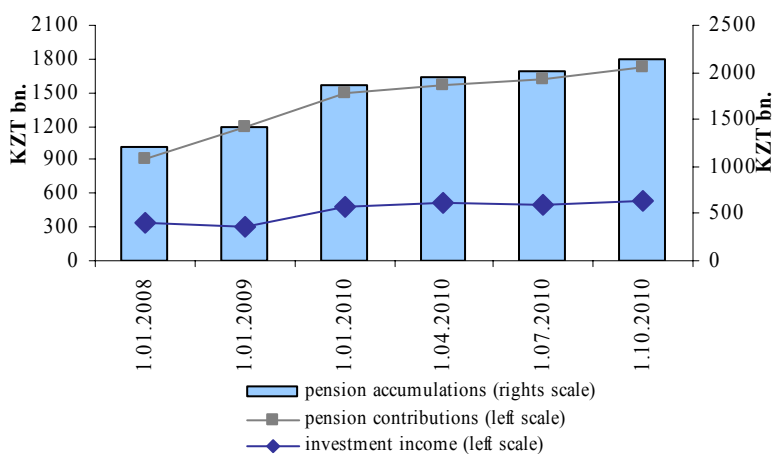
At the meeting held on 4 October, 2010, the Board of the Agency adopted the following decrees concerning regulation of the activities of participants of securities market:

“On amendments to some RK legal acts concerning regulation and supervision of financial market and financial organizations”;

“On amendments to some RK legal acts concerning keeping the system of registries of securities holders”;

“On amendments to the Agency’s decree №132 dated 19 April 2005 “On approval of the Instruction issued to comply with requirements set for software used to carry out activities on securities market”.

Change in the number and volume of current bond issues



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

As of 1 October 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.

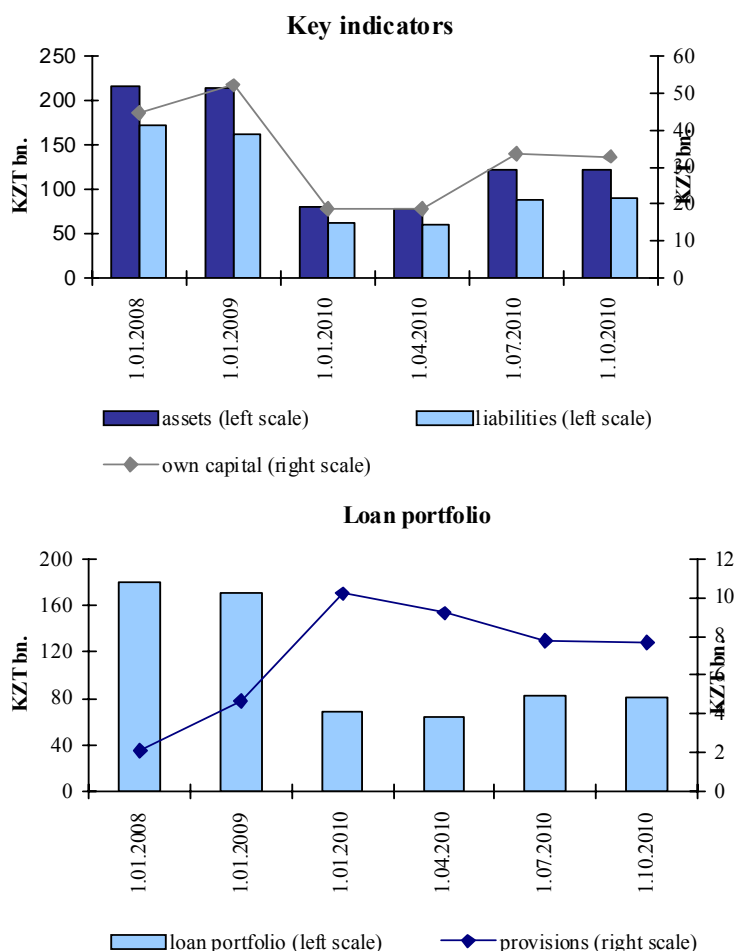
As of 1 October, 2010, total assets of mortgage companies equaled KZT122.2 billion, a KZT0.7 billion (0.6%) increase during September.

In September, 2010, total liabilities have increased by KZT0.8 billion (0.9%) and equaled KZT89.3 billion. Own capital of mortgage companies equaled KZT32.9 billion.

As of reporting date, total loans of mortgage companies equaled KZT80.3 billion, which is a KZT0.7 billion (0.7%) decrease vs. September 1, 2010.

As of 1 October 2010, the breakdown of mortgage companies' loan portfolio was as follows: standard loans, 86.6%, doubtful, 5.1%, and loss, 8.3%. As of 1 September 2010, standard loans accounted for 86.5%, doubtful, 5.5%, and loss, 8% of total loan portfolio.

In September 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 September 2010, the Agency received **334** claims from individuals and legal entities, including **269** written claims, **14** claims were emailed to the Agency's address and **51** claims that were placed on RK e-government blog-platform and addressed to the Agency's Chairperson (hereinafter referred to "blog-platform") of which:

– **157** addressed tier-two banks activities (47% of total number). Upon consideration of 147 claims (including 66, which came in the previous periods), only 4 were proved as reasonable (2.7% of total amount of letters being considered);

– **9** claims related to activity of institutions engaged in certain types of banking operations (2.7% of total amount of letters), upon consideration of 7 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 (8.98% of total amount), among 35 letters being examined (including 26 received in the previous periods), only 5 were proved as reasonable (14.28 % of total amount of letters being considered);

– **6** claims addressed activities of entities operating in the securities market (1.8% of the total number), upon consideration of 6 claims (including 4 ones that came in the previous periods), it was found that none of them being well-grounded;

– **29** claims addressed activities of accumulative pension funds 8.68% of the total amount), upon consideration of 36 claims (including 16 ones that came in the previous periods), it was found that none of them being well-grounded;

– **80** of letters contained inquiries from individuals and legal entities seeking explanations of RK legislation norms, among which offers to bring closer the day when the law on rationalization of RK legal acts concerning the mortgage lending and protection of rights of consumers of financial services and investors is passed" (23.95% of total amount);

– **23** letters focused on issues beyond the Agency's control (6.89 % 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 September, 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, %		
Tier two banks					
1	Alliance bank, JSC	35	22.29	15	20
2	Kazkommertsbank, JSC	28	17.83	9	19
3	Temir Bank, JSC	21	13.38	15	6
4	Bank Center Credit, JSC	16	10.19	11	5
5	BTA Bank, JSC	11	7.01	8	3
6	Halyk Bank, JSC	11	7.01	6	5
7	Kaspi Bank, JSC	11	7.01	10	1
8	Tsesnabank, JSC	6	3.82	0	6
9	Zhilstroysberbank of Kazakhstan, JSC	6	3.82	2	4
10	Eurasian Bank, JSC	3	1.91	1	2

11	ATF Bank, JSC Delta Bank, JSC	3	1.91	0	3
12	HSBC Bank Kazakhstan, JSC	2	1.26	0	2
13	RBS Kazakhstan, JSC	1	0.64	1	0
14	Nurbank, JSC	1	0.64	1	0
15	Homecreditbank, JSC	1	0.64	1	0
16	Sberbank Subsidiary, JSC	1	0.64	1	0
	total:	157	100 47,00*	81	76
<i>Institutions engaged in certain types of banking operations</i>					
1	BTA Bank Ipoteka. JSC	5	55.55(5)	3	2
2	Agrarian Credit Corporation, JSC	3	33.33(3)	0	3
3.	Astana-Finance Mortgage, JSC	1	11.11(1)	0	1
	total:	9	100 2.70*	3	6
<i>Insurance market</i>					
1	Altyn Policy, JSC	5	16.66(6)	5	0
2	Halyk-Kazakhinstrakh, JSC	5	16.66(6)	0	5
3	Saya Insurance, JSC	5	16.66(6)	1	4
4	Atlanta Policy, JSC	3	10.00	1	2
5	Astana Finance, Insurance JSC	2	6.66(6)	1	1
6	Pana Insurance, JSC	2	6.66(6)	0	2
7	Alliance Policy, JSC	2	6.66(6)	0	2
8	Acso Insurance, JSC	1	3.33(3)	0	1
9	Allianz Kazakhstan, Insurance JSC	1	3.33(3)	0	1
10	Alatau Insurance, JSC	1	3.33(3)	0	1
11	Centre's Insurance, JSC	1	3.33(3)	0	1
12	Premier Insurance, JSC	1	3.33(3)	1	0
13	Kazkommerts-Policy, JSC	1	3.33(3)	0	1
	total:	30	100 8.98*	9	21
<i>Securities market</i>					
1	Astana-Finance Broker, JSC	2	33.33(3)	0	2
2	Kazakh social development bank, JSC	1	16.66(6)	0	1
3	AsTsesInvest IPF #28	1	16.66(6)	1	0
4	AlmatyTeploCommunEnergy, JSC	1	16.66(6)	0	1
5	Zerde, JSC	1	16.66(6)	1	0
	Total :	6	100 1.80*	2	4
<i>Accumulative Pension system</i>					
1	APF Ular Umit, JSC	16	55.17	13	3
2	APF AMANAT Kazakhstan, JSC	4	13.79	0	4
3	SAPF, JSC	3	10.34	3	0
4	APF BTA Kazakhstan, JSC	2	6.90	1	1
5	APF Halyk Bank. JSC	1	3.45	0	1
6	APF GRANTUM, JSC "	1	3.45	1	0
7	APF Eurasian, JSC	1	3.45	1	0
8	OAPF Otan, JSC	1	3.45	1	0
	total:	29	100 8.68*	20	9
	TOTAL:	231	69.16*	115	116

*- the weight of the sector in financial market

** - not all appeals are well-grounded

Banking sector

In September 2010, the Agency received 157 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.

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

Kazkommertsbank, JSC:

- breached the requirements of the Instruction as to availability of the system of risk management and internal control in tier-two banks (Decree № 359 of the Board of the FSA dated September 30, 2005), in particular, the Bank failed to ensure control over timely return by the borrower of its title deeds. In this connection, the Agency sent the letter to the Bank on necessity to increase control on the part of the Bank's Senior Management to prevent the same situations in future.

Temirbank, JSC

- - due to out-of-court sale of the property (despite the fact that it was pledged for the second time), the Agency sent to the Bank the letter on necessity to settle the situation with the buyer of the pledged property;

Bank Center Credit, JSC

- has failed to calculate correctly deposit interest rate. In this regard, the Agency sent its letter on necessity to make a fresh account of the deposit interest rate and to ensure that standard deposit agreements are in line with the Bank's accounting policy;

BTA Bank, JSC

- Director and employees of Bank's branch misappropriated money received from the borrowers who had repaid their loans. In this regard, the Agency sent to the Bank its **letter** on necessity to hold inquiries in the Bank's branch and take appropriate measures, including those that are aimed at settlement of situation with the borrowers;

Home Credit Bank, JSC

- violated the Article 39 of RK Banking Act, in particular, it increased the size of the loan rate in the Bank contract. In this regard, appropriate sanctions will be applied to the bank.

In the previous reporting period the following violations of laws were revealed in the activities of:

- ATF Bank, JSC violated the Article 39 of RK Banking Act, in particular, it increased the size of the loan rate in the bank contract. In this regard, the Agency sent its written instruction to the Bank.

Organizations engaged in certain types of banking operations.

In September 2010, the Agency received 9 letters concerning activities of organizations engaged in certain types of banking operations, among which those related to:

- indexation;
- rendering assistance in restructuring of borrowings, including through providing deferral of borrowings repayment;
- refusal to re-finance mortgage borrowings;
-

Insurance market

In September, 2010, the Agency received 20 letters concerning activities of insurance companies, among which:

- 17 letters on mandatory insurance;
- 5 letters on voluntary insurance;
- 8 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:

Atlanta Policy Insurance, JSC:

- has failed to pay insurance indemnities under contracts of mandatory motor third party insurance. In this connection, sanctions will be applied to the insurance company.
- the insurance agent breached the procedure of conclusion of the contract of mandatory motor third party insurance, in particular, the insured was not entered into the database of the Insurance company. In this connection, it will applied sanctions to it.

INTERTEACH, Insurance JSC

- has delayed in payment of insurance indemnity under the contract of mandatory motor third party insurance. In this connection, sanctions will be applied to the insurance company.

Nomad Insurance, JSC

- has unreasonably refused to pay insurance indemnity insurance indemnity under the contract of mandatory motor third party insurance. In this connection, sanctions will be applied to the insurance company.

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

Atlanta Policy Insurance, JSC:

- has failed to pay insurance indemnities under the contract of mandatory motor third party insurance. In this connection, the Agency sent its written instruction to the insurance company.

Nomad Insurance, JSC

- has failed to calculate correctly the insurance premium under the contract of mandatory motor third party insurance. In this connection, the company made its written commitment;

Oil Insurance JSC:

- failed to comply with RK Law on mandatory motor third party insurance, in particular, the order of evaluation of the damaged property was not kept. In this connection, the company made its written commitment

- failed to notify the policyholder and the insured person about necessity to submit it required documents concerning insured accident as well as about its refusal to pay insurance benefit. In this connection, the company's written commitment was exacted.

Securities market

In September 2010, the Agency received 6 letters concerning activities of the securities market. They contained requests to explain RK legislation norms, the order of registration of shares, conversion and calculation of equity value. Also, they addressed non-payment of dividends and repurchase of shares.

Accumulative pension system.

In September 2010, the Agency received 29 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.