

The deposit guarantee system in Kazakhstan

The Kazakhstan Deposit Insurance Funds JSC was founded in 1999 for administering the deposit guarantee system. The Fund is a non-benefiting organization. The National Bank of the Republic of Kazakhstan is the founder and the only shareholder of the Fund.

The Fund at the expense of quarterly contributions of banks forms a reserve for payment of guarantee compensation in case of involuntary winding-up of a bank.

The legal basis of the deposit guarantee system, as well as rights and liabilities of its participants are determined by the Law of the Republic of Kazakhstan “On mandatory guarantee of deposits, placed in second-tier banks of the Republic of Kazakhstan”.

What banks participate in the deposit guarantee system?

Each bank that has received a license from the National Bank of the Republic of Kazakhstan for acceptance of deposits, opening and maintenance of individual accounts, with the exception of Islamic banks, automatically becomes a member of the mandatory deposit guarantee system.

The current list of banks participating in the mandatory deposit guarantee system is always available at the kdif.kz website.

What deposits are subject to guarantee?

Guaranteed is the money:

- 1) of individuals, including individual entrepreneurs, irrespective of their nationality;
- 2) in national and foreign currencies;
- 3) on current accounts, payment cards and all deposit types.

What is NOT included into the KDIF guarantee?

- 1) Metal accounts of individuals;
- 2) deposit certificates;
- 3) money and valuables, placed in bank cells;
- 4) deposits, placed with Islamic banks.

What is a guarantee compensation?

This is the cumulative amount of money that the KDIF pays to a specific depositor in the event of a forced liquidation of a bank.

The depositor receives a guarantee compensation in the amount of the deposit balance (s) without accrued interest, not exceeding the amount of the maximum state guarantee per each depositor in each bank separately.

What is the maximum amount of guarantee for deposits in tenge and in foreign currency?

The state guarantee for all deposits and bank accounts per depositor in each of the banks is:

up to 15 million tenge inclusive - on savings deposits in national currency;

up to 10 million tenge inclusive — on deposits in national currency;

up to 5 million tenge inclusive — on deposits in foreign currency (in equivalent, at the exchange rate established as of the date when the court decision on compulsory liquidation of a member bank enters into legal force).

If a depositor has 2 or more deposits placed in one bank at the same time both in tenge and in foreign currency, the guarantee compensation is paid up to **15 million tenge inclusive**.

Examples:

1. A depositor has a non-term deposit of 11 million tenge. The maximum guarantee amount is 10 million tenge, 1 million tenge is not guaranteed.

2. A depositor has a bank deposit in tenge in the amount of 8 million tenge and a current account in US Dollars in the amount equivalent to 8 million tenge. The amount of compensation from the Fund will be 13 million tenge: 8 million tenge - for the deposit in tenge and 5 million tenge for the current account in foreign currency.

Is the interest guaranteed?

The guarantee shall not apply to interests on deposits. If the bank deposit agreement provides for interest capitalization, then the capitalized interest is added to the deposit balance and becomes the object of the guarantee.

Example

A depositor has a savings deposit in the amount of 10 million tenge at one bank. The interest accrued is 1.2 million tenge, while the capitalized part is 600 thousand tenge. In this case, the amount of the guarantee compensation shall consist of the full deposit amount and the capitalized interest on the deposit, t. i. 10.6 million tenge.

Are deposits placed with different banks individually guaranteed?

Yes, if you place deposits in several banks participating in the obligatory deposit guarantee system, your deposits are guaranteed separately in each of these banks within the maximal amount of the state guarantee.

KDIF Contacts

Website: kdif.kz.

Telegram chat: @kdif_ask.

Call Center: 1460 (free).