

KAZAKHSTAN DEPOSIT INSURANCE FUND

PRESS RELEASE

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Kazakhstan Deposit Insurance Fund is internationally recognized as the best deposit insurance organization for achievement in banking resolutions and payouts

Kazakhstan Deposit Insurance Fund (KDIF) was honored with the 2015 Deposit Insurance Organization Award for Achievement in Banking Resolutions and Payouts.

The award was bestowed by Mr. Thomas M. Hoenig, the President of the International Association of Deposit Insurers (IADI) and the Vice-President of the FDIC, at the IADI Annual General Meeting and International Conference held in Kuala-Lumpur, Malaysia.

In selecting the winner for the award international professional community considered such factors as the efficiency of the payouts procedures, advancement of the legal framework regulating the deposit coverage payouts process, terms and procedures of handling the payouts process, as well as completeness of the KDIF's mandates and powers and operational guidelines (procedural manuals) within the problem bank's resolution process for the sake of protecting the individual depositors' lawful rights and interests, and mechanics of the assets recovery processes. One of the factors that have received a positive assessment and special appreciation of the IADI Award Selection Committee, is the work being successfully carried out by the KDIF on the organization of additional payouts of deposit coverage to insured depositors of Valut-Tranzit Bank which have been taking place since August 10, 2015.

"Positive assessment of the global professional community confirms the considerable efforts of the KDIF and the National Bank of Kazakhstan on development and improvement of the Kazakhstani deposit insurance system. The KDIF is continuously studying and analyzing the best international practices and focuses on the most efficient methods in its work to strengthen financial stability and adequately protect the interests of the banks' insured depositors", - Mr. Bakyt Kogulov, KDIF's Chairman, noted.

Earlier, the IADI had already distinguished the KDIF's positive operational results, which resulted in bestowing the KDIF with the Award for Deposit Insurance System's Improvements in 2013, in particular, for the improvement of the national legal framework, development of the KDIF's own specialized information systems and simplification of the procedures for the deposit coverage payouts.

IADI is currently represented by 80 Deposit Insurers from 77 jurisdictions, as well as Central Banks and financial regulators.

The International Association of Deposit Insurers (IADI) was established in 2002 to enhance the efficiency of deposit insurance systems throughout the world by means of the development and promotion of the methodology reflecting international best practices, and the development of cooperation within the international professional community.

Kazakhstan Deposit Insurance Fund JSC (KDIF) is a whole subsidiary of the National Bank of the Republic of Kazakhstan, founded in 1999 to protect the legitimate rights and interests of the second-tier banks' depositors.

KDIF insures deposit insurance system member-banks' commitments to return the individuals' funds placed on all types of bank accounts (including savings deposits, current and card accounts), in the event of the bank's forced closure. Currently 34 second-tier banks are members of the Kazakhstani deposit insurance system.

The state guarantee provided by the KDIF covers all individuals' and private entrepreneurs' deposits. The deposit coverage limit for deposits placed in the national currency is 10 million tenge, while the one for deposits placed in foreign currency composes 5 million tenge.

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