

## Update on insurance market as of December 1, 2008

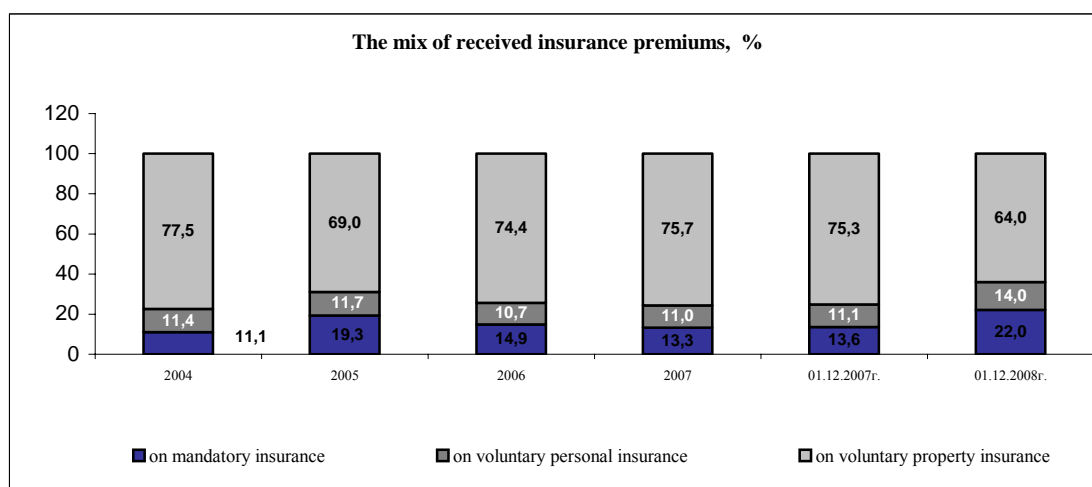
### Insurance premiums

Total insurance premiums taken year-to-date by insurance/reinsurance organizations under direct insurance agreements equaled KZT 124,6 bln., which is 6,7% less than total premiums over the same period last year.

#### Insurance premium inflow

Insurance premium inflow	as of 01.12.2007		as of 01.12.2008		Change over the year
	amount	percent age, %	amount	percent age, %	
Total, including on:	133 601,1	100,0	124 599,4	100,0	-6,7
Mandatory insurance	18 130,2	13,6	27 443,1	22,0	51,4
Voluntary personal insurance	14 827,6	11,1	17 423,6	14,0	17,5
Voluntary property insurance	100 643,3	75,3	79 732,7	64,0	-20,8

The table above shows that total insurance premiums on mandatory insurance exceeded the last year's corresponding indicator by 51,4%. On voluntary personal insurance such excess was 17,5%, on voluntary property insurance reduction was 20,8%.



The breakdown, by insurance classes, of insurance premiums received by December 1, 2008 looks as follows:

**mandatory insurance:** 55,1% (KZT 15,1 bln.) of received insurance premiums fell on insurance of civil responsibility of car owners, 33,9% (KZT 9,3 bln.) on an employer' civil liability insurance against causing life and health damage to a worker while at office/work, 3,6% (KZT 1,0 bln.) on insurance of civil liability of owners of facilities whose operations is fraught with risk of causing damage to third parties, and others: 7,4%.

**voluntary personal insurance:** 24,7% (KZT 4,3 bln.) of received insurance premiums fell on casualty insurance, 46,0% (KZT 8,0 bln.) on health insurance, 9,2% (KZT 1,6 bln.) on life insurance, 19,5% (KZT 3,4 bln.) on annuity insurance.

**voluntary property insurance:** 19,1% (KZT 15,2 bln.) fell on insurance on other financial losses, 30,6% (KZT 24,4 bln.) property insurance (except for automobile, air, railway, waterborne transport and cargo insurance), 31,4% (KZT 25,0 bln.) on insurance of civil liability (except for civil liability of owners of automobile, air and waterborne transport), and others 18,9%.

Total insurance premiums collected by insurance sectors (life, non-life) were as follows:

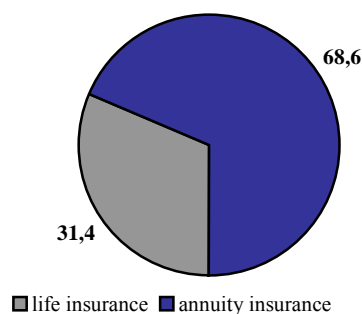
*KZT mln.*

Insurance premiums received, by insurance sectors	as of 01.12.2007		as of 01.12.2008		Change over the year
	Amount	percent age, %	Amount	percent age, %	
Total by insurance sectors	133 601,1	100,0	124 599,4	100,0	-6,7
Life insurance	4 274,7	3,2	5 078,3	4,1	18,8
General insurance	129 326,4	96,8	119 521,1	95,9	-7,6

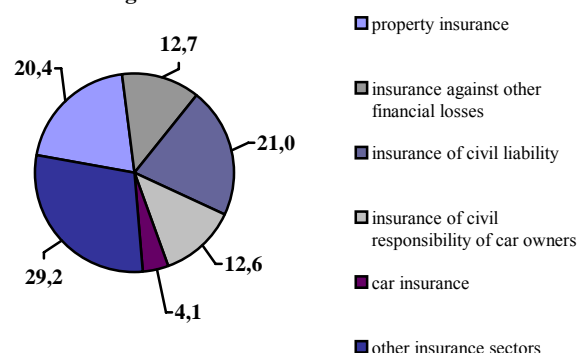
**"Life insurance" sector.** As of December 1, 2008, total insurance premiums collected in "life insurance" sector equaled KZT 5,1 bln., which is a 18,8% increase vs. the same date last year. Percentage of insurance premiums collected in "life insurance" sector related to total premiums, as of reporting date, totaled 4,1% vs 3,2% as of December 1, 2007.

**"General insurance" sector.** Total insurance premiums collected during January- December 2008 in "general insurance" sector totaled KZT 119,5 bln., which is a 7,6% increase vs. the same period of 2007.

The mix of insurance premiums received in  
"life insurance" sector



The mix of insurance premiums received in  
"general insurance" sector



## Reinsurance

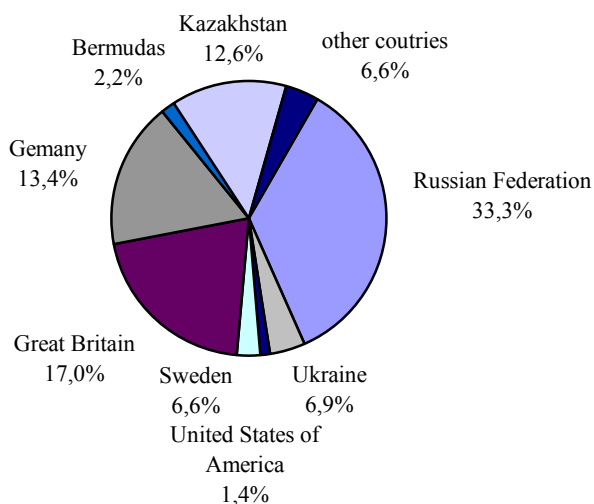
Total insurance premiums passed for reinsurance equaled KZT 57,4 bln., i.e. 46,1% of total insurance premiums. Herewith, 40,3% of total insurance premiums were passed to non-residents for reinsurance.

Total insurance premiums received by insurance/reinsurance organizations under reinsurance agreements equals KZT 16,5 bln.. Herewith, total insurance premiums accepted from non-residents for reinsurance equals KZT 9,4 bln..

KZT mln.

Insurance premiums passed for reinsurance	as of 01.12.2007		as of 01.12.2008	
	amount	percentage of total premiums, %	amount	percentage of total premiums, %
Total passed for reinsurance, incl.	56 859,6	42,6	57 424,2	46,1
to non-residents	44 542,6	33,3	50 187,3	40,3
to residents	12 317,0	9,2	7 236,9	5,8
Total received for reinsurance from non-residents	2 917,1	2,2	9 409,1	7,6

#### Breakdown of insurance premiums passed for reinsurance, by countries



Of total insurance premiums passed for reinsurance, the percentage of voluntary property insurance is the largest: 92,4%, voluntary personal insurance is 0,6%, mandatory insurance is 7,0%.

#### Insurance payments

Insurance payments over the 11 months of 2008 totaled KZT 53,6 bln., which is 24,7% increase vs. the same period last year. Herewith, the percentage of insurance payments made using the reinsurance compensation from reinsurance organizations totaled 12,5% (KZT 6,7 bln.).

KZT mln.

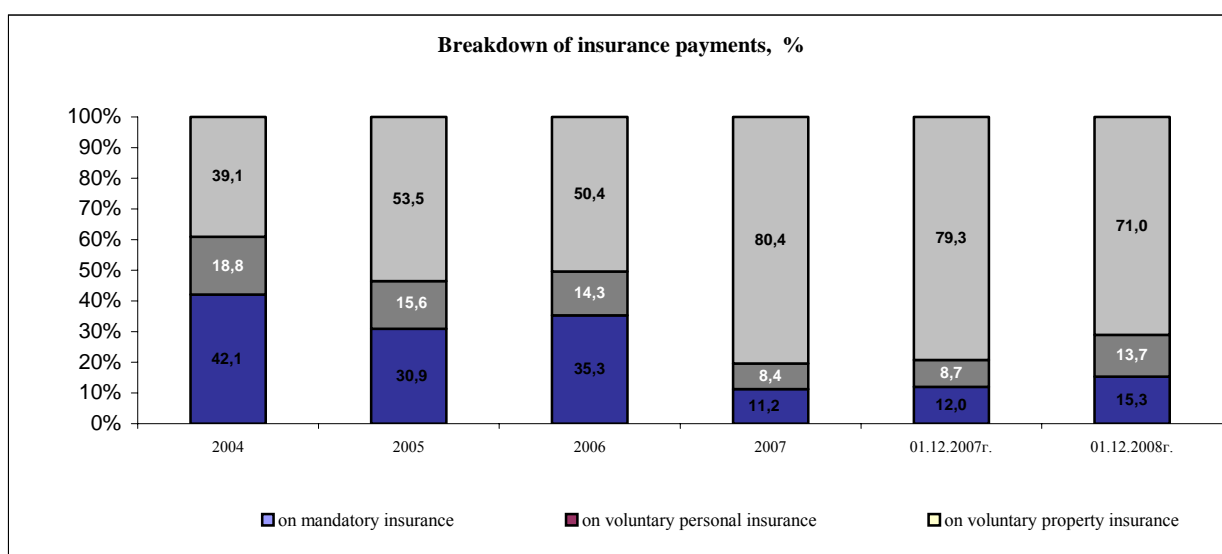
Insurance payments	as of 01.12.2007		as of 01.12.2008		Change over the year
	amount	percentage, %	amount	percentage, %	
Total, including on:	43 018,6	100,0	53 636,6	100,0	24,7
Mandatory insurance	5 158,2	12,0	8 209,6	15,3	59,2
Voluntary personal insurance	3 740,0	8,7	7 363,0	13,7	96,9
Voluntary property insurance	34 120,4	79,3	38 064,0	71,0	11,6

When analyzing the effectuated insurance payments by insurance classes, as of December 1, 2008, the following can be noted:

**mandatory insurance:** 47,6% (KZT 3,9 bln.) of total payments fell on insurance of civil responsibility of car owners, 30,5% (KZT 2,5 bln.) on an employer' civil liability insurance against causing life and health damage to a worker while at office/work, 19,5% (KZT 1,6 bln.) on plant-growing insurance, and 2,4% fell on other classes of insurance;

**voluntary personal insurance:** 74,3% (KZT 5,5 bln.): on health insurance, 12,2% (KZT 0,9 bln.) were payments on casualty insurance, 9,5% (KZT 0,7 bln.) on annuity insurance, 2,7% (KZT 0,2 bln.) on life insurance;

**voluntary property insurance:** 88,2% (KZT 33,6 bln.) on insurance against other financial losses; 5,5% (KZT 2,1 bln.) on car insurance; 2,1% (KZT 0,8 bln.) on property insurance (except for automobile, air, railway, waterborne transport and cargo insurance); 4,2% account for others classes of insurance.



Of total insurance payments made in 11 months 2008, payments on insurance against other financial losses are the greatest: 62,7% of total payments.

### General information on insurance market

As of 1 December 2008, engaged in the licensed activity in insurance market of the Republic of Kazakhstan were: 44 insurance organizations (including 8 life insurance ones), 12 insurance brokers and 55 actuaries.

Institutional structure of insurance sector	as of 01.12.2007	as of 01.12.2008
Number of insurance organizations, incl.	41	44
on life insurance	7	8
Number of insurance brokers	14	12
Number of actuaries	43	55

As of reporting date, 32 insurance organizations were participants of the Insurance Payments Guaranteeing Fund, JSC.

**Capital.** As of 1 November 2008, total equity of insurance organizations was KZT 162,8 bln..

*KZT mln.*

Financial indicators	as of 01.12.2007	as of 01.12.2008	Change vs. 01.12.2007, %
Total assets	218 867,1	269 074,4	22,9
Liabilities	97 036,2	106 225,3	9,5
incl. insurance reserves	88 577,0	88 237,3	-0,4
other liabilities	8 459,2	17 988,0	Б 2,1 раза
Equity (on balance sheet)	121 830,9	162 849,1	33,7

**Assets.** Total assets of insurance organizations as of 1 December, 2008 was KZT 269,1 bln., which is a 22,9% increase vs. the same indicator on 1 December, 2007, including:

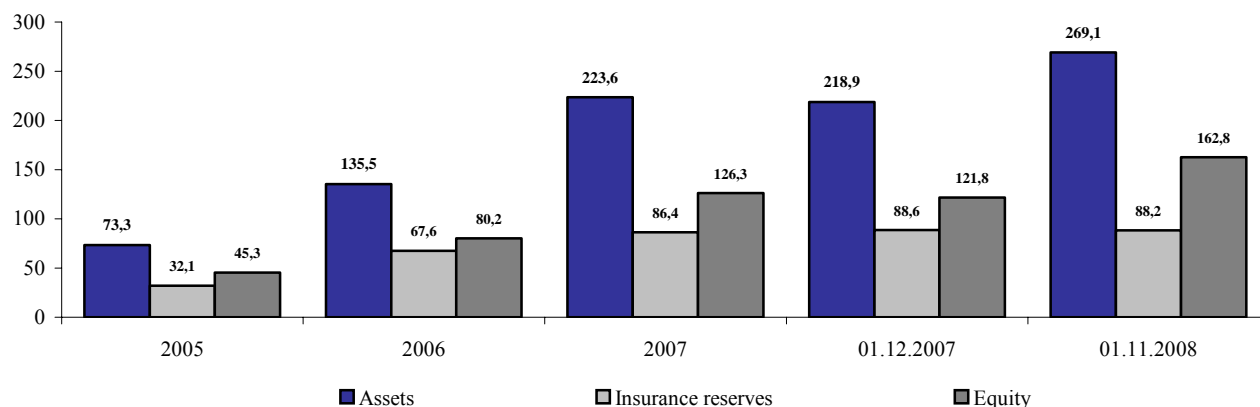
*KZT mln.*

Assets	as of 01.12.2007		as of 01.12.2008		Change over the year
	amount	percentage, %	amount	percentage, %	
Cash	7 201,1	3,3	6 770,8	2,5	-6,0
Deposits placed	56 473,3	25,8	84 082,9	31,2	48,9
Securities	77 910,3	35,6	84 476,1	31,4	8,4
reverse Repo transaction	24 021,8	11,0	25 453,1	9,5	6,0
Insurance premiums receivable from insurants and intermediaries	10 890,0	5,0	19 389,8	7,2	78,1
Fixed assets	4 022,8	1,8	4 681,5	1,7	16,4
Reinsurance assets	30 989,3	14,2	32 735,9	12,2	5,6
Other receivables	4 855,6	2,2	7 355,0	2,7	51,5
Other assets	2 502,9	1,1	4 129,3	1,6	65,0
Total assets	218 867,1	100,0	269 074,4	100,0	22,9

**Liabilities.** As of December 1, 2008, total liabilities of insurance organizations equaled KZT 106,2 bln., which is 9,5% greater than on the same date last year.

As of reporting date, total insurance reserves established by insurance/reinsurance organizations in order to fulfill the undertaken obligations under current insurance and reinsurance agreements, equaled KZT 88,2 bln., which is 0,4% greater than established reserves as of 1 December 2007.

Change in assets, equity and insurance reserves,  
KZT bln.



### Insurance sector concentration

During the reviewed period, the concentration of insurance market in terms of insurance premiums and insurance compensation kept intensifying. Top 5 insurance companies accounted for 49,8% of total insurance premiums and 16,7% of insurance payments.

Top five insurance companies' assets accounted for 54,5% of insurance market' total assets.

Percentage of total indicators of insurance market, %	01.12.07	01.12.08
Insurance premiums of top five insurance companies	53,2	49,8
Insurance premiums of top ten insurance companies	76,4	65,7
Insurance compensation paid by top five insurance companies	79,7	16,7
Insurance compensation paid by top ten insurance companies	89,0	78,2
Assets of top five insurance companies	51,7	54,5
Equity of top five insurance companies	56,3	59,2

### Key performance indicators of insurance market

	as of 01.12.2007	as of 01.12.2008
<b>GDP, KZTbln.</b>	12 464	15 046,7
Insurance premiums to GDP ratio, %	1,07	0,83
Equity to GDP ratio, %	0,98	1,08
Assets to GDP ratio, %	1,76	1,79
Insurance premiums per capita, in KZT	8 907	8 024,4

The above information has been prepared by the Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations.