

### Complex analysis of risks and statistic dependents in domestic bank system

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**Abstract.** Authors in the article touch issues of efficiency of a banking system of Kazakhstan. According to authors, it is necessary to depart from a formalistic approach of requirements to quality of a banking system. Authors considers that accession to WTO will demand from the Kazakhstan banks system approach to the global competition and the problem of creation of competitive and effective business will demand a complex of actions at the level of the state in the person of regulators and all other elements of a banking system. According to the authors, the new mechanism of interaction between the government and all elements of the banking system will involve systemic risks. If occurring in the financial markets or on its individual segments risks are of fundamental character, for example, excess demand or excess supply of liquidity, then it will be enough for the National Bank of Kazakhstan to correct used instruments in order to reduce the overall level of risk.

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#### Introduction

Effectiveness of national economics mainly depends on stability of banking system and aiming to solving problems of real sector. The most important condition of balanced and stable development of banking sector is the followings: having effectively functioning credit institution, efficient system of banking regulation and control, which has real authority and independence of National Bank.

Functioning commercial banks and other credit institutions have to cover demand of economic subject in different types of bank service, have to execute functions on attracting deposits, to calculate, to lend the population and business. Their amounts, types, regional net have to be sufficient to provide service all over Kazakhstan.

If to apply one of the mentioned conditions to national banking system, it can be told that banking system of Kazakhstan is not developed enough and it requires further improvement.

It should be noted, that all listed conditions are not the strict requirements to the quality of banking system. In the role of these requirements it is advisable to consider principles of forming and functioning, which are confirmed by world and national practice, such as: controllability, functional completeness, self-development, openness, effectiveness, adequate legal support.

Actually every of these requirements more or less are not performed by national banks. Therefore bank crisis was expected and not avoidable in 2007, and it was result of the fact that the complex functioning credit organization in Kazakhstan did not

get required features of unit system. Building of this system is still modern issue for perspective.

According to official statistics growth of GDP in 2011-2013 years was 3,1-4,5 per cent. The reason for such moderate growth dynamics is tightening of fiscal policy, which restrains growth of internal demand. Also lending terms have become stricter in comparison with pre-crisis period. Risks for stable growth create significant pressure on national currency rate, which is a result of increasing of inflow of foreign exchange earnings from oil export.

At the same time opportunity of faster growth of economics is maintained, which is provided in official forecast. There is a big potential for inflow of growth of direct foreign investments in the extraction of energy resources and energy transport infrastructure in the medium term perspective. Government policy, which is directed to development of related industry, serving oil extracting and transportation, diversification of the economy, is also oriented to support manufacture and export of oil. Consumer incomes are supported by maintaining of high export earnings and are going to grow on 4 per cent yearly. Growth rate on these terms is from 4,5 till 7 per cent in 2011-2013 years [1].

Main reasons of observed rise of GDP (table 1) are firstly related with favorable external economic environment.

High growth rates in agriculture - 26.7% (contribution 1.2%), manufacturing - 6.2% (0.7 % contribution), in trade - 14.5% (contribution 1.9%) and communication services - 18.7% (0.58 %

contribution) resulted on GDP growth [2].

**Table 1 – Dynamics of basic macroeconomic index of Kazakhstan**

In % to previous period	Year				
	2009	2010	2011	2012	2013
Real GDP	1,7	4,8-5,0*	3,1*-4,9	3,3*-4,0	3,5*-4,5
Index of industrial production	1,7	7,5*	3,6*-4,1	3,9*-4,3	3,7*-3,9
Investments in fixed capital	2,1	1,8	9,0	3,0	2,7
Retail trade turnover	-3,9	7,3-8,0*	4,1*	4,1*	4,0-4,4*
Consumer price index	7,3	6,9-8,0*	6,7-8,0*	6,5-8,0*	5,0-8,0*
Unemployment, %	6,6	6,4*	5,0-6,4*	4,5-6,2*	4,2-6,0*
Budget deficit, % GDP	-2,1	-4,2*	-2,8*-0,7	-2,3*-0,5	-1,5*-0,5
Total external debt, % GDP	97,2	97	78,2	69,5	62,8
Current account balance, % GDP	-3,2	2,0*-3,5	1,0*-1,4	-0,1-1,3*	-0,2-1,4*
Exchange rate to the U.S. dollar (national currency units per U.S. \$ 1)	148,4	145,0-150,0*	143,0-150,0*	142,0-150,0*	142,0-150,0*

Source: world market conditions. The energy sector. The forecast of world oil supply and demand  
\* - official  
- and the consensus forecast.

P.Kotler[3,4] identifies four main types of competitors based on analysis of consumer decision-making:

Desire competitors-possible desires of the consumer;

commodity and generic competitors-other ways to meet any particular desire;

commodity-species competitors- other varieties of the same product that can meet the specific desire of the buyer;

brand competitors-different brands of the same product.

Based on current trends, rich resource potential really looks like the main competitive advantage of the Kazakhstan economy. However, it should be noted that due to formed system of interbranch relationships during the Soviet period, growth, which depended mainly on external factors, will increasingly acquire diversified features. In addition to oil and gas companies enterprise construction, transport, telecommunications and trade involved in the distribution of added gross value, earned on commodity exports.

Generally nowadays there are favorable conditions for domestic production. We can say about the universality of the expansion of manufacturing activity: only agriculture, light industry and housing and utilities form pockets of stagnation.

Observed expansion of investment activity is determined by the action of several factors. Primarily, this situation on the world commodity markets, enabling companies of commodity sector to increase the supply capacity, oriented on the external supply. At the same time the rise acquired the intensity due to fundraising conditions prevailing in the global capital market.

In the last year and a half non-financial enterprises sector has significantly expanded the scope of its external borrowing. This source of funding for capital expenditures obviously could be used on a regular basis only by oil and gas complex companies. High profitability and a significant proportion of foreign supplies in the sales structure

give them the status of reliable borrowers in the global financial markets. The oil industry also remains the main recipient of entering direct investment to the country.

Along with the increasing of the external borrowing of export sector important feature of investment processes in Kazakhstan's economy is to increase the availability of long borrowings in the domestic financial market. Increasing of tenge investments attractiveness promotes development of the stock market and the expansion of bank lending. This trend gives reason to hope that in the future imbalance in favor of the mineral sector in the industry structure of investment can be overcome, and the extent of the Kazakhstan economy from external commodity conjuncture decrease.

Competitiveness of the banking system is the ability, at least, maintain market position in the face of strong impact on the selected segment from competitors. Global challenge to remain competitive of domestic banking system depends on a number of external and internal factors.

Key indicators of competition are:

market share - the percentage of total sales for a certain period of time;

proportion of consciousness - the percentage of customers who name famous brand of goods that they know and that comes to mind when deciding whether to purchase a particular product;

share of voice - the percentage of space or time in the advertising media occupied by trademark in relation to the total volume for the media industry – it is measured by the amount of money spent on advertising;

share of R & D - the percentage ratio of all expenditures of the enterprise to sector expenditure on R & D, an indicator to assess of the future competitiveness [5].

Development and growth of competitiveness of the banking system is largely refers to the influence of several factors. These factors include the predictability of economic policy in the country, macroeconomic index and a reasonable level of inflation expectations. Also, an important factor of the development of the banking system is the political stability and the stability of property rights institute. The prerequisite is the creation of advanced information environment and, in particular, information transparency and development of an adequate system of information exchange between participants of the banking system.

In the aftermath of the financial crisis of 2007, the banking sector develops on the background of generally positive macroeconomic situation in the country caused also by favorable foreign trade. Production of goods and services and income of

population grow, investment activity increases, stable situation on the financial markets remains. Activities of financial institutions are more focused on the needs of the real economy. Positive changes have affected both active and passive operations of the banking sector.

Lending has become a major element of active operations of commercial banks. In the structure of assets of financially stable banks cash in hand and on correspondent accounts in the NBRK dominate (46%), loans and other placements (30%). Assets, which bring direct revenue, of financially stable banks are 34%, while the normal level should be over 50% (Table 2) [6].

**Table 2 - Dynamics of the banking sector in the Republic of Kazakhstan, bln.tenge**

Financial indicators	01.01.2010	01.01.2011	01.01.2012	01.01.2013
Assets	11 557	12 032	12 818	13 880
Liabilities	12 537	10 715	11 515	11 875
Shareholders' equity	-980	1 316	1 303	2 005
Retained profit for the current year	-2 834	1 420	34	-199
Loans	9 639	9 065	10 473	11 658
Investments	7 799	6 851	7 797	8 533
ROA	24,52%	11,80%	0,27%	1,88%
ROE	289,18%	107,90%	2,61%	28,11%

Source: Current state of the banking sector of the Republic of Kazakhstan, the Committee for the Control and Supervision of Financial Market and Financial Organizations of the National Bank of Kazakhstan, Almaty, 2010-2013

Increasing of the total loan portfolio constrained by existing risks level and most importantly by deficiency of stable liabilities. Proportion of large credit risks in the assets of banking sector held steady at 32-35 %. At the same time, the development potential of the banking sector has not been exhausted. Banking sector can and should play more significant role in the economy.

Let's consider the factors that constrain the development of banking activities in Kazakhstan. Development of the banking sector and the growth of its activities constrained by a number of the circumstances, which have in relation to the banking sector both internal and external nature.

The internal barriers includes undeveloped control system, the low level of business-planning, unsatisfactory level of management of different banks, their focus on providing questionable services and (or) maintenance of unfair commercial practices, a fictitious features of the capital part of individual banks.

The external constraints include high credit risks due to inefficient economic structure, defect management and low transparency of many enterprises, a number of unresolved key issues of mortgage legislation; limited resource capabilities of banks, especially deficiency of medium-and long-term liabilities; not high enough level of confidence financial intermediaries, including banks; maintaining of the advantages of state-controlled

banks in the form of full guarantees on attracted deposits.

In addition, Kazakhstan economy in general and the banking sector in particular have relatively low investment attractiveness, what is shown by the dynamics of investment, and in the banking sector - the declining share of foreign capital. The share of bank loans in the sources of financing of investment is only 0.3%. Mostly it is explained by the specific model of the investment process in Kazakhstan, where the predominant form of investing is self-financing of the corporate sector of economy (Table 3).

**Table 3 - Structure of total liabilities of the banking sector of the Republic of Kazakhstan**

Indicator / date	2009		2010		2011		2012		Growth, in % 2012		
	bln. tenge	%	bln. tenge	%	bln. tenge	%	bln. tenge	%	2009	2010	2011
Interbank deposits	287,0	1,9	215,0	2,0	106,5	0,9	161,9	1,4	68,3	75,3	in 1,5 times
Loans from banks and other institutions, engaged in certain types of banking operations	1 247,5	10,0	548,5	5,1	491,3	4,3	263,5	2,2	21,1	48,0	in 1,5 times
Loans from the Government of the RK	47,5	0,4	58,4	0,5	72,2	0,6	317,7	2,7	in 6,7 times	in 5,4 times	in 4,4 times
Loans from international financial institutions	98,7	0,8	77,8	0,7	54,9	0,5	33,8	0,2	34,2	43,4	in 1,1 times
Customer deposits	6003,9	47,9	6825,3	63,7	7797,5	67,7	8532,8	71,9	in 1,4 times	in 1,3 times	in 1,1 times
Deposits SPV	1795,5	14,3	25,4	0,2	1,5	0,0	0,6	0,0	0,03	2,4	in 40,0 times
Outstanding securities	1397,6	10,4	1577,2	14,7	1498,1	13,0	996,5	8,4	76,2	63,2	in 1,1 times
REPO with securities	534,7	4,3	577,2	5,4	497,0	4,3	640,0	5,4	in 1,2 times	in 1,1 times	in 1,3 times
Other liabilities	1264,4	10,0	810,4	7,6	995,6	8,7	926,1	7,8	73,2	in 1,1 times	in 1,1 times
Total liabilities	12536,8	100,0	10715,2	100,0	11514,6	100,0	11872,7	100,0	94,7	in 1,1 times	in 1,1 times

Source: Current state of the banking sector of the Republic of Kazakhstan, the Committee for the Control and Supervision of Financial Market and Financial Organizations of the National Bank of Kazakhstan, Almaty, 2010-2013

There is still a significant administrative burden, which is on banks due to the diversion of resources to perform government functions. Procedure of capital consolidation is unnecessarily complicated (mergers and acquisitions of financial organizations). Along with the listed factors banking community observes high standards of contributions to the mandatory reserves and a number of methodological problems of their formation, the need for further development of the refinancing, including the expansion of instruments of liquidity management.

It should be noted that the structure of the domestic banking system changed quite rapidly over the last few years. The process of concentration and centralization of capital, accompanied by the creation of formalized and non-formalized bank holdings leads to deterioration of positions of a number of small and medium-sized banks.

According to the FSCon01.03.2013 the banking sector in Kazakhstan is represented by 38 second-tier banks (STB). Total assets of STB amounted to 14120.9 billion tenge, which increase by 2% from the beginning of the year. The main source of growth is the increase of liabilities to customers at

248.6 billion tenge. Information about the share and place of assets volume among the STB for the ten largest banks is given below in Table 4.

**Table 4. Share and place of STB on assets of the banking sector in Kazakhstan in 2012**

Name of Bank	Bank, %	Place
JSC«KAZKOM»	18,4	1
AO «Halyk Bank»	16,9	2
AO «BTA»	10,9	3
AO«Bank CenterCredit»	7,7	4
AO «ATFBank»	6,1	5
BBJSC«Sberbank»	5,3	6
JSC«Tsesnabank»	4,5	7
JSC«AlyansBank»	4,3	8
JSC«KaspiBank»	4,2	9
JSC«CitibankKazakhstan»	2,3	10
TOTAL:	80,5	

Source: Current state of the banking sector of the Republic of Kazakhstan, the Committee for the Control and Supervision of Financial Market and Financial Organizations of the National Bank of Kazakhstan, Almaty, 2010-2013

Share of 10 largest STB decreased from 01.01.2013 (including share of JSC «Eurasian Bank» 3.4%, 10th place) to 01.03.2013 by 0.8% to 80.8%, while the share of five largest banks –by 0.9% to 59.1%, indicating about reducing the concentration of assets in the banking sector of Kazakhstan. The greatest increase of assets volume during the period shown above is observed in «Citibank Kazakhstan» (on 153.2 billion), which went up from 11th place to 10th place in assets ranking.

Loan portfolio of STB from 01.01.2013 to 01.03.2013 decreased by 0.1% to 648.6 billion tenge. While the highest growth of loan portfolio was recorded in the loan portfolio of JSC «Tsesnabank» (by 39 billion tenge) and JSC «KaspiBank» (by 24 billion tenge).

Provisions formed by the loan portfolio decreased during the period shown above by 6.9 % to 3 733.2 billion tenge, while provisions of JSC «KAZKOM» fell by 187.4 billion tenge or 21 % (share of JSC «KAZKOM» in the provisions formed by the aggregate loan portfolio of STB RK is 19 %). The largest share in the provisions formed by the aggregate loan portfolio of STB RK is JSC «BTA» (48%).

On 01.03.2013 total liabilities of STB amounted to 12 083.9 billion tenge, increased from 01.01.2013 by 2%. In addition to increasing commitment to customers, the largest increase was observed on other lenders by 30.8 billion tenge and time deposits by 17.1 billion tenge. At the same time

there was a reduction by 17.1 billion tenge in REPO by 34.6 billion tenge and loans received from other banks and organizations engaged in certain types of banking operations.

Total revenues of STB RK on 01.03.2013 amounted to 532.0 billion tenge, which is less than the same period in 2012 by 17%. Total expenditure of the banking sector of RK amounted to 496.3 billion tenge, which is less by 33% than in the same period in 2012.

Financial result of STB RK on 01.03.2013 has been improved in comparison to the same period in 2012 (on 01.03.2012 financial result of STB RK - 98.3 bln.tenge) and amounted to 35.7 billion tenge [7].

Small banks in terms of increased competition have to intensify the search for their niche. Nowadays large number of small banks reoriented to microcredit, foreign exchange transactions and securities transactions. Most of these businesses is associated with high credit, pricing and operational risks. In this regard, a significant potential loss sooner or later will force the owners of these banks to seek ways of merger or to leave the market of financial services.

M.Porter [8], starting from ideas of his predecessors on the comparative advantages on the basis of factors of production, created an expanded theory of national competitiveness. The basis of his concept is efficiency of using of production (resources) factors.

Scientists have identified four groups of characteristics of the country, or four determinants of competitive advantages:

- 1) the parameters of production factors;
- 2) the parameters of the domestic demand;
- 3) the availability of competitive on world markets related or supporting industries;
- 4) the strategy of enterprises, their structure and rivalry .

However, it should be noted that due to the globalization and integration process begin to affect more and more sectors of the economy, the competitiveness of the national economy on a global scale become a necessary prerequisite for economic growth. Efficiency ranking of the domestic economy in a rapidly changing world depends on the adaptability of the basic economic mechanisms and strategically correct choice of the branch structure.

Quality of public and corporate management, innovation of management structure should be reflected in overcoming a focused vector of economic development. The domestic economy is in need of formation of effective market mechanisms of

redistribution of resources from the traditionally strong sectors such as energy, transport, housing and mining in promising sectors, which include agriculture, chemical and medical industries, engineering and light industry.

Kazakhstan's economy in recent years has significantly increased the level of its sustainability. The economy has developed the mechanism of growth and development, based on the interaction of internal and external factors. Strong demand for the products of export industries contributed to the cash inflow in the economy. Investment and consumer demand contributed to the increase in revenues of economic subjects. Money supply growth has generated a demand for money. Level of monetization of the economy has grown. Money supply in 2015 will increase from 10,465.0 to 16,961 bln.tenge in comparison with 2012, or by 62.1%. Over the same period, deposits will rise from 9086 to 14622 bln.tenge or by 61.0% (Table 5).

**Table 5- Indicators of the monetary sector**

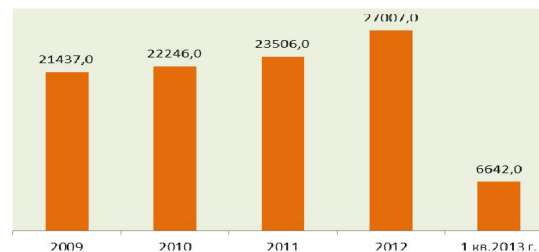
Indicators	2012		2013	2014	2015
	fact	assessment			
Inflation,% in annual terms	6,0	7,0	6,0-8,0	6,0-8,0	6,0-8,0
Monetary Base, billion tenge	2 890	2 963	3 433	3 941	4 580
Money Supply, billion tenge	10 465	10 932	12 690	14 590	16 961
Deposits, billion tenge	9 086	9 432	10 949	12 589	14 622
Loans to the economy, billion tenge	9 738	9 851	11 257	12 855	14 771
Level of monetization of the economy, %	36,5	34,6	34,7	34,6	34,6

Source: «The main directions of the monetary policy for 2013», National Bank, 2013

Dynamics of the main parameters, characterizing the state of monetary sphere in 2012-2015, indicates about consolidation of trends in the development of banking sector.

During the last 5 years there has been a positive change in the structure and function of the financial market. The role of the financial market and banking system in economic development significantly has been increased. Financial market and its institutions became an important resource for ventures in the real sector of the economy.

In the volume of attracted resources, resources, that are available to the majority of shareholders of companies due to their participation as sellers in transactions during public share offerings, are not considered. It should be noted that the growth rate of investment in fixed capital for the past eight years increases from 3.7 % in 2010 to 14.9 % in 2012, what exceeds the growth rate of GDP.



**Figure 1 - The total amount of FDI (mln. Of U.S.dollars) attracted to the Republic of Kazakhstan from 2009 to 1<sup>st</sup> quarter 2013**

Only in the last 5 years, the country attracted 100.8 billion U.S. dollars of foreign direct investment, and 5.7 U.S. billion dollars of them in manufacturing. More than 150 bilateral agreements totaling more than 400 billion U.S. dollars have been signed. The three main factors, which now affect the investment policy of Kazakhstan, are the followings: a technological revolution in the world economy, integration processes and new industrialization program of Kazakhstan.

However, it should be noted that in the domestic economy for a country with an emerging market savings rate remains quite high - about 30% of the excess savings. Financial and banking system should fulfill a major macroeconomic problem and provide leveling of the factors, throwing back the development of the economy. Active involvement of funds, derived from the turnover, to the investment process and placement on the financial market will maintain the level of resources supply [9].

One of the most important competitive advantages, which is on one of the first places, is the level of confidence of the international market, or, more precisely, of representatives of investment capital to the national market in the whole and to its individual sectors. In the past few years, Kazakhstan itself increasingly invests in the economy of foreign countries, systematically developing new markets. Thus, in 2012 the Kazakhstan direct investments abroad amounted already to 6.2 billion U.S. dollars. However, the main recipients of FDI from Kazakhstan are Russia and Kyrgyzstan.

Kazakh investments in the Russian economy in 2012 amounted to \$ 1.1 billion, in Belorussia - 6.1 million dollars. In Russian investments in the CIS, Kazakhstan ranks second after Ukraine on volume of invested funds and is estimated at 25.3 % of total investments in the segment of the Commonwealth.

The main volume of Kazakhstan investments in Kyrgyzstan aims in the sphere of financial activity contains 67.1% and trading companies, car repair, household goods and personal items - 19.9%. Russian investments in Kyrgyzstan,

mainly aimed at the enterprise trade, repair of motor vehicles, household goods and personal items - 67.3%, in manufacturing - 14.8 %, with 98.7% in the manufacture of food products, beverages, as well as tobacco and scope of financial activities - 8.9 % [10]. Volume of direct investments in Kazakhstan, Kyrgyzstan in 2011 was \$ 24 million. Direct investment of Kazakhstan in Kyrgyzstan in 2012 - \$ 32 million, while the highest investment activity is shown by the Kazakhstan company «Kazakhmys».

Leading industry of mutual with Kazakhstan investment is telecommunications (mainly mobile telephony). Crude oil and natural gas industry as well as their processing, transportation and marketing industry is allocated. Ferrous and nonferrous metallurgy, banking, electricity attract substantial investments. Direct investments are aimed in many other industries, including high tech, but the volume of funding for most projects are minor [10].

Basic postulates of Coaseteaching and Hernando de Soto research [11] show that the developed system of property rights is a necessary condition for the creation and further capital increase. The share of foreign credit and investment resources in the Kazakhstan market gradually increases. Share of attracted funds from abroad in total debt of Kazakhstan companies in 2012 is 22.5 billion U.S. dollars, or 12.1 % of GDP. Also, the share capital of banks, controlled by non-residents, increases, and became was 11.4 % at the beginning of 2013. Thus, we can assume the preservation and possible increase in the rate by 4-5 percentage points per year.

WTO membership will require from Kazakhstan banks systematic approach to the global competition. The task of creating a competitive and efficient business require complex of action, both at the level of the state in the face of regulators and all other elements of the banking system.

From an organizational point of view, we can select classic (full) the Central bank, as structure that has been formed on evolutionary path, which most effectively performs the following functions (the qualitative characteristics of the function are given in brackets, according to the research by Charles Collins [12]):

- Monetary emission (full participation);
- The Government's banker (full participation);
- Banker of commercial banks (full participation);
- Control of financial institutions (full participation);
- Conductor of monetary policy (full participation, a strong influence of the government);
- Encouragement of the development of the financial system (limited participation).

Currently, the National Bank of Kazakhstan has a rather limited list of tools. Withdrawal of liquidity may be implemented by the National Bank of the Republic of Kazakhstan by emission of short-term notes and deposits attractive, liquidity - with the help of refinancing loans and REPO.

Financial sector development leads to the need for better regulation of liquidity. In this regard, the National Bank of Kazakhstan needs to introduce new tools that will enhance the role of the National Bank and will be flexible enough to regulate liquidity in the money market.

Under these conditions, the main promising direction in the near future for the National Bank of the Republic of Kazakhstan in the field of monetary policy is the gradual introduction of a new transmission mechanism, development and implementation of the first phase of which began in 2012. At the first stage mechanism of minimum reserve requirements was amended, and operation, holding of which was suspended in 2005, in the sector of automatic REPO on Kazakhstan Stock Exchange were reactivated in the frame of pilot project.

National Bank of Kazakhstan needs to change approaches to permanent mechanisms for the provision/withdrawal of liquidity (in terms of collateral, interest rates, and the delivery mechanism), open market operations (to introduce a new tool - auctions to purchase securities with resell).

In general, the purpose of innovation is to intensify the credit channel of the transmission mechanism of monetary policy and reduce the value of its currency channel. The new mechanism is designed to reduce the level of depending on foreign currency in the economy, interest rate volatility, the speculative component in the money market and, as a consequence, increasing the flexibility and efficiency of liquidity regulation and conduct of monetary policy in general.

In the frame of implementation of new mechanism it is necessary to provide an analysis of systemic risk. If risks, occurring in the financial markets or on its individual segments, have fundamental character, which is expressed in a uniform behavior of all or most of the banks (for example, excess demand or excess supply of liquidity), then the National Bank of Kazakhstan has just to correct instruments used in order to reduce the overall level of risk.

If resources attracted by STB from the National Bank of Kazakhstan lead to increased volatility in interest rates or exchange rates, then the National Bank of Republic of Kazakhstan will be able to impose restrictions for these banks to participate in its activities.

With frequent handling of instruments to support liquidity of the National Bank of Kazakhstan the bank shall be subjected to an additional (unscheduled) appropriate scrutiny by the Committee on Regulation and Supervision of Financial Market and Financial Organizations [13].

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