



**On approval of the Rules for creating provisions (reserves) in accordance with international standards of financial reporting and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting**

*Invalidated Unofficial translation*

Resolution of the Board of the National Bank of the Republic of Kazakhstan of December 22, 2017 № 269. Registered with the Ministry of Justice of the Republic of Kazakhstan on March 5, 2018 № 16502. It became invalid by Resolution № 61 of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 29.09.2025 (effective from 01.01.2026).

**Unofficial translation**

Footnote. It became invalid by Resolution № 61 of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 29.09.2025 (effective from 01.01.2026).

In accordance with the Code of the Republic of Kazakhstan “On taxes and other obligatory payments to the budget” (Tax Code) and the Law of the Republic of Kazakhstan “On State Statistics”, the Board of the National Bank of the Republic of Kazakhstan **HEREBY RESOLVES:**

**Footnote. Preamble - as amended by the resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated December 30, 2023 № 100 (shall come into effect ten calendar days after the day of its first official publication).**

1. To approve the attached Rules for creating provisions (reserves) in accordance with international standards of financial reporting and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting (hereinafter- the Rules).

2. Banks (with the exception of the bank, being the national institute of development, which controlling stake belongs to the national managing holding) and organizations carrying out certain types of banking operations, within one month from the day of enforcement of this resolution, shall develop and approve the Methodology for calculating provisions (reserves) according to the Rules.

3. To recognize invalid some resolutions of the Board of the National Bank of the Republic of Kazakhstan according to the list in accordance with the Appendix to this resolution (not translated).

4. The department of accounting (S.K. Rakhmetov), in accordance with the procedure established by the legislation of the Republic of Kazakhstan shall ensure:

1) jointly with the Legal department (N.V. Sarsenova) the state registration of this resolution at the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days from the date of state registration of this resolution, sending its copy on paper and electronic form in the Kazakh and Russian languages to the Republican state enterprise on the right of economic management "Republican Center for Legal Information" for official publication and inclusion into the Standard control bank of regulatory legal acts of the Republic of Kazakhstan;

3) placement of this resolution on the official Internet resource of the National Bank of the Republic of Kazakhstan after its official publication;

4) within ten working days after the state registration of this resolution, submission of information on implementation of measures provided for in subparagraphs 2), 3) of this paragraph and paragraph 5 of this resolution to the Legal department.

5. The administration for protection of the rights of consumers of financial services and external communications (A.T. Terentyev) shall ensure, within ten calendar days after the state registration of this resolution, sending of its copy for official publication in periodicals.

6. Control over execution of this resolution shall be imposed on the deputy chairman of the National Bank of the Republic of Kazakhstan, D.T. Galiev.

7. This resolution shall be enforced upon expiry of ten calendar days after its first official publication and apply to relations arising from January 1, 2018.

*Chairman of the  
National Bank*

*D. Akishev*

"AGREED"

Minister of Finance  
of the Republic of Kazakhstan

\_\_\_\_\_ B. Sultanov

February 20, 2018

"AGREED"

Chairman of the Committee on statistics  
of the Ministry of National Economy  
of the Republic of Kazakhstan

\_\_\_\_\_ N. Aydapkelov

February 16, 2018

Approved  
by resolution of the  
Board of the National Bank of the  
Republic of Kazakhstan  
dated December 22, 2017 № 269

**Rules for creating provisions (reserves) in accordance with international standards of financial reporting and requirements of the legislation of the Republic of Kazakhstan on**

## **accounting and financial reporting**

### **Chapter 1. General Provisions**

1. These Rules for the creation of provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting (hereinafter referred to as the Rules) have been developed in accordance with the Code of the Republic of Kazakhstan “On taxes and other obligatory payments to the budget” (Tax Code), the Law of the Republic of Kazakhstan “On State Statistics” and shall determine the procedure for creating provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting for banks (with the exception of a bank that is a national development institution, the controlling stake of which belongs to the national management holding), branches of non-resident banks of the Republic of Kazakhstan and organizations carrying out certain types of banking operations on the basis of a license to conduct bank lending operations (hereinafter referred to as Financial organizations).

**Footnote. Paragraph 1 - as amended by the resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated December 30, 2023 № 100 (shall come into force ten calendar days after the day of its first official publication).**

2. The following terms are used herein:

1) shortfall in cash receipts is the difference between cash flows due to a financial institution under a contract and cash flows that the financial institution expects to receive;

2) debt is the amount of the borrower's outstanding obligation in the form of principal, accrued interest and/or other payments as per the terms of the loan agreement ;

3) homogeneous financial assets is a group of financial assets with similar credit risk features;

4) default – the existence of overdue payment(s) for over 90 (ninety) calendar days, or the existence of one or more situations outlined in this sub-paragraph. For the purposes of determining default, the financial institution shall accept the following situations:

the existence of overdue debt for more than 90 (ninety) days on other loans of the borrower at the bank;

the existence of overdue debt for more than 90 (ninety) days on loans at other banks, as an indicator of the deterioration of the borrower's financial condition;

suspension of interest accrual on the loan due to the deterioration of the borrower's financial condition;

write-off of part and/or all of the borrower's debt caused by a significant increase in credit risk since the loan was granted;

sale of loans at a significant discount;

forced restructuring of the loan;

filing a claim for recognition of the borrower as bankrupt as per the Law of the Republic of Kazakhstan “On Rehabilitation and Bankruptcy” (hereinafter referred to as the Law on Rehabilitation and Bankruptcy);

the borrower applies to the court for a declaration of bankruptcy under the Law on Rehabilitation and Bankruptcy;

other situations that abide by International Financial Reporting Standard 9 “Financial Instruments” (hereinafter referred to as IFRS 9) and are outlined in the Methodology for Calculating Provisions (Reserves) as per the Rules;

5) individual financial asset is a financial asset whose asset value at the reporting date exceeds 0.2 (zero point two) per cent of equity as per the financial statements, but not less than fifty million tenge, or a financial asset that represents a claim on a related party.

A financial institution may establish additional criteria, in addition to those stated in this sub-paragraph, for classifying a financial asset as individual.

A financial institution may determine a different ratio of the gross asset value of a financial asset to equity, but not exceeding 0.2 (zero point two) per cent of equity.

For branches of non-resident banks of the Republic of Kazakhstan, equity capital shall refer to the sum of the head office account, reserves and operating results of the branch of the non-resident bank of the Republic of Kazakhstan;

6) counterparty is a person under a contract who is not a financial institution and who, under that contract, forms provisions (reserves);

7) credit-impaired financial asset is a financial asset for which there are indications of impairment that meet the criteria of IFRS 9;

8) credit scoring is an analysis of a borrower's creditworthiness based on qualitative and quantitative characteristics;

9) amortised cost of a financial asset is the amount at which a financial asset is measured at initial recognition, less payments on the principal amount of the debt, plus (minus) the amount of accumulated amortisation of the discount (premium) calculated using the effective interest rate method and adjusted for the estimated allowance for losses;

10) gross carrying amount of a financial asset is the amortised cost of a financial asset prior to adjustment for the estimated loss allowance;

11) loan restructuring is any amendment to the terms and conditions of a loan agreement;

12) forced restructuring is restructuring and one of the following:

granting or extending a grace period for principal payments and/or interest for a period exceeding 60 (sixty) calendar days will result in a reduction in the net present value of future cash flows by more than 10 (ten) percent;

loan extension is the deferral of one or more loan payments for a period exceeding 60 (sixty) calendar days will result in a decrease in the net present value of future cash flows by more than 10 (ten) percent;

write-off or forgiveness of part of the principal debt and/or interest on the loan;

capitalisation of overdue payments on remuneration;

change (conversion) of the loan currency from one currency to another with capitalisation of overdue remuneration debt;

provision of a new loan to pay overdue and/or non-overdue debt on a bank loan;

increase in the loan limit in the event of overdue loan debt;

reduction of loan debt as a result of repayment of the amount owed, via the transfer of the borrower's collateral to the financial institution;

the borrower's financial condition has deteriorated as per the internal rating model;

the financial institution predicts that the borrower's cash flows will be insufficient to cover its contractual obligations to the financial institution (including principal and interest);

the existence of overdue debt on the principal amount and/or remuneration for a period exceeding 30 (thirty) calendar days;

the borrower has no outstanding obligations and the financial institution has reasonable and verifiable data that the borrower will default on its payment obligations without being granted preferential terms on the loan;

transfer of part of the borrower's debt that shows signs of impairment;

refinancing of overdue debt, omitted where the borrower's debt burden on the loan with the financial institution, including other financial institutions, is reduced;

a reduction in the interest rate below the base rate of the National Bank of the Republic of Kazakhstan (in national currency) from the date of the last restructuring or loan issuance, due to the deterioration of the borrower's financial condition in accordance with the bank's internal regulations;

misuse of the loan in excess of 25 (twenty-five) per cent of the credit line amount, apart from financing to replenish working capital;

rehabilitation procedures are applied to the borrower and/or persons who have contractual obligations to the borrower to repay its debt under the Law on Rehabilitation and Bankruptcy;

the borrower's request for restructuring due to force majeure and/or other circumstances resulting in the loss of the borrower's asset, which was used to service the borrower's obligations to the financial institution.

Loan restructuring shall not be considered compulsory in the following cases:

write-off, forgiveness, deferral, extension, currency conversion, repayment schedule, loan interest rates carried out in accordance with the requirements of targeted government programmes, including reduction of interest rates on market terms;

partial early repayment of debt, change of the scheduled payment date (including the loan term) within one month, reduction of the loan term, change of the repayment method, change of the base rate for a loan with a floating interest rate, transfer of the payment date within the same month by less than 30 (thirty) calendar days, if laid out by the terms of the agreement or government programmes;

payment deferral has been granted on a loan to a person classified as a flood victim as per the lists of local executive bodies of the Republic of Kazakhstan, as well as victims of circumstances that served as grounds for declaring a state of emergency in one or more administrative-territorial units of the Republic of Kazakhstan.

No impairment test shall be performed when calculating the net present value of future cash flows:

for loans classified as credit-impaired financial assets;

for loans for which the bank has decided to impair for other reasons;

if the interest rate on the loan decreases or increases as per changes in the base rate of the National Bank of the Republic of Kazakhstan (in national currency) from the date of the last restructuring or issuance of the loan;

13) reasonable and verifiable information is information that is reasonably available as of the reporting date without excessive cost or effort, including information about past events for a period of at least five (5) years, current qualitative and quantitative indicators, and forecasts of future economic qualitative and quantitative indicators. In the absence of information for a period of at least five (5) years that is reasonably available as of the reporting date, a financial institution may use information for a shorter period, only if information on past events for a period of at least five (5) years is subsequently accumulated. For individual financial assets, it may be permissible to construct forecast flows based on monitoring of the counterparty's financial condition over the last three (3) years or less if the financial institution has been operating for less than three (3) years;

14) provisions (reserves) is an estimated reserve for expected and existing credit losses on financial assets recognised at amortised cost of the financial asset and at fair value through other comprehensive income, as well as an estimated liability for expected credit losses on contingent liabilities;

15) acquired or created credit-impaired financial asset is an acquired or created financial asset for which there was evidence of impairment at the time of initial recognition;

16) authorised body is an authorised body responsible for the regulation, control and supervision of the financial market and financial organisations;

17) contingent liabilities are possible liabilities arising from uncovered letters of credit, guarantees issued or confirmed;

18) internal rating model is a model for rating the creditworthiness of a borrower;

19) the going concern method is a valuation method based on the principle of a “going concern”, where it is expected that the borrower will continue to generate cash flows (assumption of continuity of operations);

20) the gone-concern method is a valuation method based on the liquidation value principle, where the borrower's operating cash flows are expected to cease and the collateral is expected to be realised (assuming zero cash flows from operating activities).

**Footnote. Paragraph 2 - as revised by Resolution № 30 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan of 24.06.2024 (shall take effect ten calendar days after the date of its first official publication).**

## **Chapter 2. Creating of provisions (reserves) in accordance with international standards of financial reporting and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting**

3. Provisions (reserves) shall be created in accordance with IFRS 9 and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

At the initial recognition of a financial asset, in order to decide whether to classify a financial asset as measured at amortised cost or as measured at fair value through other comprehensive income, an assessment is made of whether the cash flows of the financial asset meet the SPPI criterion (Solely Payments of Principal and Interest), that shall be, whether the terms of the contract of this financial asset provide for the occurrence of cash flows on time, which represent the payment of the principal amount and remuneration only.

The quantitative and qualitative criteria of the SPPI test shall be established in the internal documents of the financial institution (hereinafter referred to as the SPPI Methodology).

The SPPI method contains, but shall not be limited to:

- 1) definition and criteria for passing the SPPI test;
- 2) approach to estimating the modified time value of money;

3) approaches and criteria for determining minimum characteristics (de minimis) that shall not affect the classification of a financial asset (the impact on contractual cash flows is insignificant);

4) definition and criteria of non-recourse assets whose contractual cash flows are described as principal and consideration payments but are investments in specific assets or cash flows. Signs of such assets shall be, among other things, the low or zero level of the borrower's equity at the time of the loan, low or zero indicators of the borrower's operating activities at the time of the loan, investment purpose of the loan, financing of the development project, high probability that the loan payment will be made by a third party, financing the acquisition of a share in the capital of another company, refinancing a loan in another bank, the main part in the borrower's balance sheet shall be financial instruments;

5) threshold values of the collateral coverage ratio (LTV), calculated as the ratio of the amount of claims at risk of default (EAD) to the cost of collateral, at which the passage of the SPPI test in relation to loans falling under the characteristics specified in subparagraph 4) of this paragraph of the Rules shall be determined;

6) the procedure for passing the SPPI test in the multi-rank structure of obligations (analysis at the level of the credit line or separately for each tranche);

7) an SPPI test questionnaire evaluating the information defined in subparagraphs 1), 2), 3), 4), 5) and 6) of this paragraph of the Rules, as well as the following characteristics of the financial asset (but not limited to) for the purpose of deciding whether to pass the SPPI test:

Currency type and rate

conditions for early repayment of the loan (prolongation).

**Footnote. Paragraph 3 - in the wording of the Resolution of the Management Board of the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market dated 30.12.2021 № 110 (shall enter into force from 01.01.2022).**

4. Expenses for provisions (reserves) created in accordance with IFRS 9 and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting are determined in accordance with the Rules based on the Methodology for calculating provisions (reserves) agreed with the authorized body.

5. Financial assets and contingent liabilities shall be classified as homogeneous and individual.

Provisions for individual financial assets shall be calculated separately for each individual financial asset.

For individual financial assets, for which there shall no be signs of impairment in accordance with the Methodology for calculating provisions (reserves), financial assets

shall be grouped according to the general characteristics of credit risk established in the Methodology for calculating provisions (reserves), and provisions (reserves) shall be calculated in accordance with the Methodology for calculating provisions (reserves).

Homogeneous financial assets and contingent liabilities shall be grouped on the basis of the general credit risk characteristics determined by the Provisions Calculation Method.

The methodology for calculating provisions (reserves) shall contain justified and statistically confirmed segmentation of loans with homogeneous features (in the absence of sufficient statistics, expert justification of segmentation is allowed), as well as:

- 1) list of criteria used for segmentation of loans with homogeneous characteristics (product type, maturity, industry and other criteria);
- 2) description of approaches to statistical analysis of loan segmentation with homogeneous features (including analysis of homogeneity, sufficiency of statistics and other components), as well as in case of application of expert approach description and justification of segmentation on the basis of expert approach;
- 3) criteria for selecting threshold values for each of the criteria;
- 4) conditions under which there is no need for further portfolio segmentation (for cases where applicable).

**Footnote. Paragraph 5 - in the wording of the resolution of the Management Board of the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market dated 30.12.2021 № 110 (shall enter into force from 01.01.2022).**

6. Depending on the change in credit risk and presence of impairment indicators on financial assets, provisions (reserves) are formed:

- 1) in the amount equal to twelve-month expected credit losses in accordance with paragraph 8 of the Rules;
- 2) in the amount equal to expected credit losses for the entire term of the financial asset in accordance with paragraph 9 of the Rules;
- 3) in the amount equal to existing credit losses in accordance with paragraph 14 of the Rules.

7. Upon initial recognition of a financial asset, a contingent liability and on valuation date (but not less than once a quarter), the risk of a default occurrence is determined over the expected life of the financial asset, the contingent liability on an individual basis for financial assets, contingent liabilities classified as individual financial assets, contingent liabilities, and on a group basis, for financial assets, contingent liabilities, classified as homogeneous financial assets, contingent liabilities.

8. If as of the reporting date there is no significant increase in credit risk calculated taking into account paragraph 7 of the Rules for a financial asset, the contingent liability from the moment of initial recognition, financial organization shall estimate

the amount of provisions (reserves) for this financial asset, the contingent liability in the amount equal to a twelve-month expected credit loss from the balance sheet date.

9. As of the reporting date, the financial organization estimates the amount of provisions (reserves) for a financial asset, a contingent liability in the amount equal to the expected credit losses for the entire term, if the credit risk, including the risk of default, determined in accordance with paragraph 7 of the Rules, for this financial asset, contingent liability has significantly increased since the initial recognition.

10. The increase in credit risk shall be determined as follows:

1) the change in the risk of default over the expected validity period of the financial asset is assessed by comparing the risk of default on the financial asset determined in accordance with paragraph 7 of the Rules with the risk of default on the date of initial recognition;

2) analysis of reasonable and corroborable information available without undue cost and effort that indicates a significant increase in credit risk since initial recognition

A significant increase in credit risk for an individual financial asset shall be the occurrence of one or more of the following cases:

the borrower (co-borrower) shall have an internal rating (point) corresponding to an increase in credit risk in accordance with the internal methodology (internal models) of the bank;

at the reporting date, the probability of default (PD) during the validity period of a financial asset exceeds its value at the initial recognition (but not earlier than the date of implementation of IFRS 9) in the amount determined by the financial institution based on confirmed statistics, and in the absence of statistics - by at least two hundred (200) percent. To assess a significant increase in credit risk, loans with a probability of default within 12 (twelve) months exceeding 5 (five) percent shall be taken into account, except for cases of a significant change in the Methodology for calculating provisions (reserves) or the internal rating model. In the event of a significant change in the Methodology for calculating provisions or an internal rating model for assessing a significant increase in credit risk, loans with a probability of default within 12 (twelve) months exceeding 10 (ten) percent shall be taken into account;

the financial institution shall set an absolute probability of default threshold determined on the basis of the confirmed statistics of the financial institution, in the absence of statistics, if the absolute value of the twelve-month probability of default exceeds 20 (twenty) percent;

presence of overdue debt on principal and/or remuneration for a period of more than 30 (thirty) calendar days;

significant changes in external market indicators of credit risk for a certain financial asset or similar financial assets with the same expected validity period;

significant changes in the cost of security under the obligation or the quality of guarantees or mechanisms providing an economic incentive for the counterparty to make planned payments provided for in the contract, which are expected to reduce the economic incentive for the counterparty to make planned payments provided for in the contract, or otherwise affect the likelihood of default;

other signs of a significant increase in credit risk in accordance with IFRS 9 and provided for in the Methodology for calculating provisions (reserves).

A significant increase in credit risk for homogeneous financial assets shall be the occurrence of one or more of the following cases:

at the reporting date, the probability of default (PD) during the validity period of a financial asset exceeds its value at the initial recognition (but not earlier than the date of implementation of IFRS 9) in the amount determined by the financial institution based on confirmed statistics, in case of absence of statistics by at least two hundred (200) percent. To assess a significant increase in credit risk, loans with a probability of default within 12 (twelve) months exceeding 5 (five) percent shall be taken into account, except for cases of a significant change in the Methodology for calculating provisions (reserves). In the event of a significant change in the Methodology for calculating provisions or an internal rating model for assessing a significant increase in credit risk, loans with a probability of default within 12 (twelve) months exceeding 10 (ten) percent shall be taken into account;

the financial institution shall set an absolute probability of default threshold determined on the basis of its own confirmed statistics, in the absence of statistics, the absolute value of the twelve-month probability of default exceeds 20 (twenty) percent;

presence of overdue debt on principal and/or remuneration for a period of more than 30 (thirty) calendar days;

other signs of a significant increase in credit risk in accordance with IFRS 9 and provided for in the Methodology for calculating provisions (reserves).

**Footnote. Paragraph 10 - in the wording of the Resolution of the Management Board of the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market dated 30.12.2021 № 110 (shall enter into force from 01.01.2022).**

11. Expected credit losses on a financial asset (s) shall be weighted taking into account the probability of assessing credit losses, that shall be, they shall be the present value of all losses of money over the entire expected validity period of the financial asset (s).

Expected credit losses for a financial asset (s) shall be calculated using the expected credit loss calculation formula in accordance with Annex 1 to the Rules and shall be assessed in a manner that reflects:

- 1) an unbiased and probability-weighted amount determined by assessing the range of possible results;
- 2) temporary value of money;
- 3) reasonable and corroborable information on past events, current qualitative and quantitative indicators and forecasts of future economic qualitative and quantitative indicators, including forecast macroeconomic information available at the reporting date without excessive costs or efforts.

It shall be allowed to amend and (or) add by the financial institution the formula for calculating expected credit losses in case of compliance of the indicators stipulated by the formula for calculating expected credit losses in accordance with Annex 1 to the Rules with the requirements of parts one and two of this paragraph in accordance with the Methodology for calculating provisions (reserves).

Quantitative and qualitative factors affecting the probability of default (PD), including, but not limited to the fact of restructuring and forced restructuring of a loan, the number of days of loan delinquency, shall be determined in the Methodology for calculating provisions (reserves).

In the event of a default in accordance with events that shall be objective evidence of impairment established by the Rules, the Methodology for calculating provisions (reserves) and IFRS 9, the probability of default (PD) shall be assumed to be 1.

When assessing the level of losses in the event of default (LGD), refinancing a loan through the issuance of a new loan, as well as loans received as part of government programs, are not taken into account as a loan repayment.

When evaluating the LGD, the financial institution takes into account:

- 1) probability of impossibility to recover the collateral property due to limiting factors (transfer of ownership to third parties and other factors) and (or) probability of impossibility to sell the collateral property after foreclosure (unfavorable characteristics of the collateral property and other factors);
- 2) liquidity ratios in accordance with paragraph 17 of the Rules or liquidity ratios estimated using statistical analysis based on historical data on actual and estimated sales values, timing and costs of implementation;
- 3) other cases of application of additional discounts;
- 4) calculation of discounted cash returns;
- 5) the ratio of the value of the pledged property and the debt of the borrower, the recovery of which shall be provided by this property;
- 6) the fact of complete cancellation of debt in the presence of collateral, which shall be a sign of the lack of the possibility of collection or sale of collateral;
- 7) existence of a significant deviation of LTV on the loan to legal entities in comparison with LTV of the assessed segment;

8) the fact of complete cancellation of debt in the presence of collateral shall be a sign of the lack of the possibility of collection or sale of collateral and the need to reevaluate the LGD based on the level of returns;

9) reasonable threshold values for the level of debt cancellation in the presence of collateral, which shall be a sign of the lack of the possibility of collecting or selling collateral, which leads to the need to reevaluate the LGD on an individual basis based on the level of returns.

Claims at risk of default (EAD) shall take balance sheet liabilities into account accrued fees and off-balance sheet liabilities using the appropriate credit conversion ratio.

The credit conversion rate for possible (contingent) obligations, for the placement of loans and deposits by the bank in the future for the purposes of calculating EAD shall be determined on the basis of historical data of the financial institution. In other cases, the credit conversion rate for credit lines shall be equal to 1. Under the unused part of the credit line with the right to revoke, under which the financial institution shall be provided with proper control, confirmed by statistics for a period of at least 3 (three) years, the credit conversion rate shall be equal to 0. On credit cards, if it is possible to automatically block the limit until the overdue debt is fully repaid (more than 15 (fifteen) calendar days), the credit conversion rate shall be equal to 0.

The credit conversion rate for possible (conditional) obligations to place loans and deposits by the bank in the future shall be equal to 0, if, when making each individual tranche, the bank confirms the absence of signs of a significant increase in credit risk, credit impairment by checking internal and external sources of information, taking into account the availability of up-to-date monitoring of the borrower's financial condition.

The financial institution shall determine reasonable scenarios for changes in macroeconomic factors, supported by analytical and statistical reports, and takes them into account when assessing expected credit losses.

The methodology for calculating provisions (reserves) shall contain general approaches to calculating macroeconomic scenarios and indicators, as well as stages for developing and approving macroeconomic scenarios.

A detailed description of the calculations of macroeconomic scenarios and indicators shall be contained in the bank's internal documents.

**Footnote. Paragraph 11 - in the wording of the resolution of the Management Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan dated 28.10.2022 № 78 (shall enter into force upon expiry of ten calendar days after the day of its first official publication).**

12. A credit loss on a financial asset (financial assets) represent the present value of the difference between contractual cash flows that are due to a financial organization under the contract and the cash flows that a financial organization expects to receive.

13. Twelve-month expected credit losses are calculated using the formula for calculating twelve-month expected credit losses in accordance with Appendix 2 to the Rules and are part of the expected credit losses over the entire term and represent the shortfall of money that will occur upon the occurrence of a default within twelve months after the reporting date (or for a shorter period, if the expected term of a financial asset is less than twelve months), weighted with the probability of occurrence of such a default.

A financial organization may change and (or) supplement the formula for calculating twelve-month expected credit losses in case of compliance with the indicators provided by the formula for calculating twelve-month expected credit losses in accordance with Appendix 2 to the Rules, the requirements of the first part of this paragraph in accordance with the Methodology for calculating provisions (reserves).

14. The debt loss on an individually credit-impaired financial asset as at the reporting date, which is not an acquired or originated credit-impaired financial asset, shall be measured as the difference between the gross carrying amount of the financial asset and the present value of future cash flows, discounted using the initial interest rate on the financial asset and factoring in the weighted average probability of outcome using the going concern method and the gone concern method in scenarios defined in the financial organisation's internal documents.

Requirements for determining scenarios and outcome probabilities using the going concern method and the gone concern method, calculating discounted cash flows for scenarios and outcome probabilities using the going concern method and the gone concern method shall be set out in the Methodology for Calculating Provisions (Reserves).

The discounted value of future cash flows and the net discounted value of future cash flows shall be calculated using the discounted value of future cash flows formula or the net discounted value of future cash flows formula as per Appendix 3 hereto.

**Footnote. Paragraph 14 - as revised by Resolution № 30 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan of 24/06/2024 (shall be effective ten calendar days after the date of its first official publication).**

15. A credit-impaired financial asset shall become a financial asset with signs of a significant increase in credit risk, provided that the counterparty repays the debt for the period of at least 12 (twelve) months, which leads to a decrease in the gross book value of the financial asset at the date of formation of provisions (reserves) up to the level of equal or lower than the amount of debt at the time of transition of the financial asset to the category of credit-impaired financial assets and in the absence of events at the date

of assessment that shall be objective evidence of impairment based on the signs of impairment of the financial asset established by the Methodology for calculating provisions (reserves).

A financial asset with signs of a significant increase in credit risk shall be transferred to the category of financial assets, provisions (provisions) for which are formed in the amount equal to twelve-month expected credit losses in accordance with paragraph 8 of the Rules, provided that the counterparty repays the debt, which leads to a decrease in the gross book value of the financial asset at the date of provision formation (reserves) up to the level equal to or lower than the amount of debt at the time of transition of the financial asset to the category of financial assets showing signs of significant increase in credit risk and absence of significant increase in credit risk at the date of provision (reserves) formation.

The conditions for the transfer (reclassification) of a loan between impairment stages include, but shall not be limited to, one or more of the following conditions:

1) the period from the date of the forced restructuring, during which there is no deterioration in the financial condition of the borrower, is determined in the internal document of the financial institution and shall be at least 12 (twelve) months. For loans issued to individuals assessed on a collective basis, it shall be allowed to use a period of at least 6 (six) months in the presence of historical statistics on the repayment of restructured loans issued to individuals, indicating the stabilization of the dynamics of overdue payments, starting from the seventh payment. For other events that shall be objective evidence of impairment as defined in Paragraph 16 of the Rules - from the moment of exclusion of this event, which resulted in deterioration of the credit impairment stage;

2) conditions under which the stage of impairment shall not change (significant deferral of payments and other conditions);

3) the total amount of payments made by the borrower after credit impairment shall be greater than or equal to the amount of previously overdue debt;

4) other conditions required to improve the impairment stage.

**Footnote. Paragraph 15 - in the wording of the Resolution of the Management Board of the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market dated 30.12.2021 № 110 (shall enter into force from 01.01.2022).**

16. An individual financial asset shall be evaluated for the presence of one or more of the following events that provide objective evidence of impairment:

1) significant financial difficulties of the borrower:

For individuals:

the borrower (co-borrower) shall have an internal rating (score) corresponding to the level of impairment according to the internal methodology (internal models) of the financial organization;

significant deterioration in the level of income or solvency of the borrower (co-borrower) and (or) insufficient income to repay obligations;

lack of employment or commercial activity;

the presence of factors that caused material damage to the borrower (co-borrower) or did not allow him/her to continue other commercial activities;

death of the borrower;

lack of a credit file.

For legal entities:

the borrower (co-borrower) shall have an internal rating (score) corresponding to the level of impairment according to the bank's internal methodology (internal models) ;

availability of reasonable and verifiable information about significant financial difficulties of the borrower, identified during the analysis of financial statements, cash flow statements, monitoring reports and other information from publicly available sources, if two or more of the following cases occur:

negative equity;

decrease in equity capital by more than 50 (fifty) percent over the last 12 (twelve) months;

decrease in revenue by more than 30 (thirty) percent over the last 12 (twelve) months.

loss and failure to replace a major customer within the last twelve (12) months;

the ratio of liabilities to assets is more than 0.8. This ratio shall not apply to borrowers who are microfinance organizations operating in accordance with subparagraph 3) of paragraph 1-1 of Article 3 of the Law of the Republic of Kazakhstan "On Microfinance Activities";

the interest coverage ratio, which is calculated as the ratio of EBIT (earnings before interest and taxes) to interest expense, is less than 1.5;

the average annual current ratio, which is calculated as the ratio of current assets to current liabilities, is less than 1 for the last 12 (twelve) months.

negative average annual operating cash flow according to the cash flow statement for the last 12 (twelve) months;

the presence of force majeure, as well as other circumstances that caused material damage to the borrower (co-borrower), but did not lead to the termination of its activities;

absence of current signed financial statements (as of a date no earlier than 6 (six) months before the calculation of provisions);

lack of a credit file;

2) violation of the terms of the contract, including:

the presence of overdue debt on the principal debt and (or) remuneration for a period of more than 60 (sixty) calendar days;

misuse of a loan, more than 25 (twenty-five) percent of the size of the credit line, except for cases of financing for replenishment of working capital;

3) forced loan restructuring over the last 12 (twelve) months;

4) the emergence of the likelihood of bankruptcy or other financial reorganization of the borrower:

the borrower has filed for bankruptcy;

a legal entity that has contractual obligations to repay the debt of the borrower in the event of its insolvency, with assets more than 10 (ten) percent of the assets of the consolidated financial statements of a group of entities that have contractual obligations with the borrower to repay its debt in the event of its insolvency, applied for bankruptcy;

5) other events established by the Methodology for calculating provisions (reserves ).

A financial organization shall designate an individual financial asset with signs of impairment into another category of financial assets if the following conditions are simultaneously met:

the presence of a conclusion from the risk management department of the financial organization regarding the non-classification of an individual financial asset into the category of credit-impaired financial assets, indicating reasonable arguments and corresponding calculations in accordance with the internal documents of the financial organization;

existence of a decision of the authorized collegial body of the financial organization that decided on financing not to classify an individual financial asset as a credit-impaired financial asset;

the aggregate gross book value of individual financial assets with signs of impairment that are subject to classification into another category of financial assets does not exceed 5 (five) percent of the equity capital of the financial organization.

If there is an internal rating model developed and (or) tested with the participation of international organizations (experts) in the field of modelling rating assessments or their specialized divisions, or developed by a parent financial organization that has a rating of at least "A-" by the Standard & Poor's rating agency or a rating of a similar level from one of the other rating agencies, a financial institution uses an internal rating to determine whether a borrower has significant financial difficulties.

International organizations (experts) in the field of rating assessment modelling shall recognize:

Standard & Poor's Financial Services LLC;  
Fitch Ratings Inc.;  
Moody's Investors Service;  
Oliver Wyman;  
Boston Consulting Group;  
McKinsey & Company (McKinsey & Company);  
Fair, Isaac and Company (FICO);  
Experian plc.;  
Deloitte Touche Tohmatsu Limited;  
Ernst & Young Global Limited;  
KPMG;  
PricewaterhouseCoopers International Limited.

To examine the discriminatory ability of rating models, one of the following statistical tools is used:

GINI- index;  
AUC (“Area under the curve”);  
Kendall Tau's;  
other statistical methods.

The rating model shall be valid and acceptable for use if the following criteria are met:

availability of good discriminatory power when the statistical criteria take one of the following values: AUC curve > 70 (seventy) percent, GINI- index > 40 (forty) percent, Kendall Tau's > 60 (sixty) percent;

the depth of statistical data used to build the model is at least 3 (three) years;

the weight of quantitative indicators is at least 40 (forty) percent.

Validation shall be carried out at least 1 (one) time every 2 (two) years by an independent division of a financial organization or with the involvement of an independent third party.

The independent unit responsible for validating the rating model shall meet the following requirements:

division, independent of other functions, designed to develop and support model tools and to handle credit risk processes and procedures;

division independent of the persons involved in assigning ratings and lending;

the division is not accountable to those responsible for assigning ratings and lending;

division independent of the internal audit service.

Participants in the rating model validation shall meet the following requirements:

Master's degree (or equivalent) in statistics, mathematics, data science or a related quantitative field;

More than four (4) years of experience developing and validating models in financial services;

More than four (4) years of hands-on experience with data science and statistical tools;

More than four (4) years of experience in statistical analysis, large data processing and trend analysis.

Validation results with detailed justification shall be provided to the management body of a financial organization or non-resident bank of the Republic of Kazakhstan (for a branch of a non-resident bank of the Republic of Kazakhstan).

**Footnote. Paragraph 16 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated October 28, 2022 № 78 (for the order of enforcement, refer to Paragraph 4).**

17. When calculating expected debt losses, a financial institution shall weigh verifiable information on the sale of collateral over a period of at least two years. In the absence of verifiable information on the sale of collateral, the financial institution shall apply liquidity ratios to the value of the collateral in the following order to calculate expected credit losses:

1) security in the form of residential and/or commercial real estate, including land plots – 0.7;

2) security in the form of freight vehicles – 0.5;

3) security in the form of passenger vehicles – 0.6;

4) security in the form of equipment – 0.55;

5) provision in the form of inventory, products ready for sale – 0.4;

6) guarantees given to individuals and/or legal entities, omitting guarantees issued by a second-tier bank or a legal entity with a rating not lower than the sovereign rating of the Republic of Kazakhstan by Standard & Poor's or a rating of a similar level from one of the other rating agencies, or by a quasi-public sector entity – 0;

7) security in the form of property, including money, to be received in the future – 0;

8) security in the form of money to be received in the future under an off-take contract, rights of claim against the state partner for cash receipts transferred to an account designated for the crediting of compensation for investment costs under a public-private partnership agreement concluded as per the laws of the Republic of Kazakhstan, which is pledged under a bank loan agreement, the terms thereof are set out in Resolution № 170 of the Board of the National Bank of the Republic of Kazakhstan dated 13 September 2017 “On the Establishment of Regulatory Values and Methods for Calculating Prudential Ratios and Other Mandatory Standards and Limits, the Amount of a Bank's Capital, and the Rules for Calculating and Setting Limits on

Open Currency Positions” (registered in the Register of State Registration of Normative Legal Acts under № 15886) (hereinafter referred to as Resolution № 170) – 0.5;

9) collateral in the form of highly liquid securities – 0.95;

10) security in the form of guarantees issued by a second-tier bank, a legal entity with a rating not lower than the sovereign rating of the Republic of Kazakhstan by Standard & Poor's rating agency or a rating of a similar level by one of the other rating agencies; a quasi-public sector entity – 1;

11) security in the form of cash – 1;

12) security in the form of insurance contracts containing clauses on unconditional and irrevocable performance of insurance payment obligations, concluded with a national company performing export support functions and having a state guarantee of the Government of the Republic of Kazakhstan – 1;

13) security in the form of rights of claim under grain receipts, the terms of which are set out in Decree № 170 – 0.5.

For other types of collateral not specified in the first part of this paragraph, for which there is no verifiable information on the sale of the collateralised property for a period of at least two years, the financial institution may apply liquidity ratios to the value of the collateral when calculating expected credit losses, Outlined in the Methodology for Calculating Provisions (Reserves), but not exceeding 0.5. A liquidity ratio of zero shall apply for types of collateral not laid down in the Methodology for Calculating Provisions (Reserves).

**Footnote. Paragraph 17 - as revised by Resolution № 30 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan of 24.06.2024 (shall come into force ten calendar days after the date of its first official publication).**

18. Expected credit losses on contingent liabilities are expected payments that reimburse the holder of a financial instrument for the credit losses that it incurs, less the amounts that the financial organization expects to receive from the holder of the financial instrument, the debtor or any other party. This paragraph applies to contingent liabilities of counterparties whose financial assets are measured on an individual basis.

19. For an acquired (acquired) or created (created) credit-impaired (credit-impaired) financial asset (financial assets) at the reporting date, the financial organization recognizes as an estimated provision for losses only the changes in expected credit losses accumulated since initial recognition for the entire period.

Loans with a maturity of more than three years and for which repayment of more than 50 % (fifty percent) of the principal and more than 50 % (fifty percent) of the remuneration is made at the same time in the last year of the loan are classified as acquired or created credit-impaired financial assets. These loans for the purposes of the

Rules are recognized as a financial asset provided for the benefit of related parties, or to the third parties for obligations of related parties.

20. According to the results of determining the amount of provisions (reserves) on loans at least once a year at the end of the tax period for corporate income tax financial organization fills in the register on the amounts of provisions (reserves) in the form according to Appendix 4 to the Rules.

During the tax period for corporate income tax, a financial organization fills and stores the register on the amounts of provisions (reserves) in the form according to Appendix 4 to the Rules in electronic form and at the request of state bodies presents on paper and electronic media.

21. The financial organization at each reporting date estimates the amount of provisions (reserves) for a financial asset and contingent liability.

22. The amount of provisions (reserves) created in accordance with the Rules calculated at the reporting date is reflected by the financial organization in accounting and financial reporting no later than the last working day of each month.

23. The aggregate amount of provisions (reserves) created in accordance with the Rules for financial assets classified as credit impaired financial assets and financial assets with a significant increase in credit risk during the initial transition to IFRS 9 exceeds or equals the aggregate level of provisions (reserves) for the same financial assets in accordance with international standard of financial reporting 39 "Financial instruments: recognition and measurement".

### **Chapter 3. The methodology for calculating provisions (reserves)**

24. A financial organization shall develop a Methodology for calculating provisions (reserves) in accordance with the Rules.

The procedure for calculating provisions (reserves), as well as amendments and/or additions made to the Methodology for calculating provisions (reserves), shall be approved by the executive body of a financial organization or a non-resident bank of the Republic of Kazakhstan (for a branch of a non-resident bank of the Republic of Kazakhstan).

Financial organizations that received a license to conduct banking and other operations after the day the Rules enter into force shall develop and approve the Methodology for calculating provisions (reserves) within one month from the date of obtaining a license to conduct banking and other transactions.

**Footnote. Paragraph 24 as amended by the resolution of the Management Board of the RK dated 11.02.2021 № 20 (shall enter into force upon expiry of ten calendar days after the day of its first official publication).**

25. The methodology for calculating provisions (reserves) shall contain:

1) a list of structural units of a financial organization participating in the process of determining the amount of provisions (reserves) with description of their functional responsibilities, as well as business processes of interaction between structural units of a financial organization;

2) a specific list of signs of impairment of a financial asset, including determining the materiality of the material damage caused to the counterparty due to force majeure and (or) other circumstances;

3) the criteria for assigning financial assets, contingent liabilities to individual financial assets, contingent liabilities and a detailed description of the procedure for their determination and calculation determination, established by a financial organization;

4) criteria for grouping financial assets, contingent liabilities by general characteristics of credit risk;

5) a detailed procedure for determining the amount of provisions (reserves) for homogeneous and individual financial assets, contingent liabilities, both with and without collateral, disclosing, including a detailed procedure for calculating the probability of default, which defines the significance of the discount when selling loans, the level losses in case of default, claims at risk of default, discounting factor, the present value of future cash flows, the forecast of future cash flows, liquidity ratios to the cost of security and other constituent formulas involved in calculation of expected and (or) existing credit losses;

6) the frequency of calculating the amount of provisions (reserves);

7) criteria for determining a significant increase in credit risk when it increases and (or) decreases and assesses the probability of bankruptcy and reorganization of the counterparty;

8) determination of default and the procedure for determining (calculating) the risk of a default occurring;

9) the procedure for analyzing the range of possible scenarios of expected credit losses;

10) the procedure for determining the period during which the expected credit losses are estimated;

11) the specific definition of significant financial difficulties of the counterparty and the procedure for their establishment (calculation);

12) sources of statistical and macroeconomic information used in estimating credit losses;

13) the procedure for collecting statistical information used in calculation of provisions (reserves).

It is not allowed to determine in the Methodology for calculating provisions (reserves) of incomplete lists and (or) information provided for in part one of this paragraph.

It is not allowed to use in the Methodology for calculating provisions (reserves) of references to other sources, documents, information and (or) grounds that are not specified in the Methodology for calculating provisions (reserves).

26. Changes and (or) additions to the Methodology for calculating provisions (reserves) are carried out on one or several of the following reasons:

1) changing the list of structural units of a financial organization participating in the process of determining the amount of provisions (reserves) and their functional responsibilities specified in the Methodology for calculating provisions (reserves);

2) inconsistency of the approved Methodology for calculating provisions (reserves) with international standards of financial reporting and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

3) test results for compliance of provisions (reserves), calculated according to the requirements of the Methodology for calculating provisions (reserves), actual amounts of losses;

4) change of the source (inability to obtain in the future) statistical and macroeconomic data, making it impossible to use them in the future;

5) change in the grouping of financial assets and contingent liabilities for similar credit risk characteristics due to the change in the strategy of a financial organization;

6) improving the accuracy of calculations of provisions (reserves) and improving the procedure for determining their amount, including their automation.

27. Copies approved by the executive body of a financial institution or a non-resident bank of the Republic of Kazakhstan (for a branch of a non-resident bank of the Republic of Kazakhstan) Methods for calculating provisions (reserves) and (or) amendments and/or additions to the Provision Calculation Methodology (reserves) and information on amendments and (or) additions introduced to the Provision Calculation Methodology (reserves) in the form according to Annex 5 to the Rules shall be submitted by the financial institution to the authorized body no later than five working days from the date of approval by the executive body of the financial institution or non-resident bank of the Republic of Kazakhstan (for a branch of a non-resident bank of the Republic of Kazakhstan) Provision Calculation Methodology (reserves) and (or) amendments and (or) additions to the Provision Calculation Methodology (reserves).

Based on the results of consideration of copies approved by the executive body of a financial institution or a non-resident bank of the Republic of Kazakhstan (for a branch of a non-resident bank of the Republic of Kazakhstan) Provision Calculation Methodology (reserves) and (or) amendments and (or) additions to the Provision Calculation Methodology (reserves) authorized body not later than sixty calendar days

from the date of receipt of documents specified in Part 1 of this paragraph, shall send notification to the financial institution about absence or presence of comments to the Provision Calculation Methodology (reserves) and (or) amendments and/or additions to the Provision Calculation Methodology (reserves) in the form according to Annex 6 to the Rules.

In the course of monitoring and supervision of banking activities, the authorized body shall notify the financial institution of the absence or presence of comments on the Provision Calculation Methodology (reserves) and (or) amendments and (or) additions to the Provision Calculation Methodology (reserves) in the form according to Annex 6 to the Rules.

The comments of the authorized body shall be eliminated by the financial institution not later than 30 (thirty) working days from the date of receipt of the notifications provided for in the second and third parts of this paragraph.

The provisions of the Provision Calculation Methodology (reserves) to be amended and/or added on one or more grounds stipulated by paragraph 26 of the Rules shall not apply until the financial institution has eliminated the comments of the authorized body , as well as brought it into compliance with international standards of financial reporting and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

**Footnote. Paragraph 24 - in the wording of the resolution of the Management Board of the RK dated 11.02.2021 № 20 (shall enter into force upon expiry of ten calendar days after the day of its first official publication).**

28. At the request of the tax authorities, the authorized body shall, within ten calendar days from the date of receipt of the request, provide copies of the agreed Methodology for calculating provisions (reserves), changes and / or additions to it, as well as information about the comments of the authorized body.

29. When conducting a tax audit, the authorized body, at the request of the tax authority, shall submit within ten calendar days from the date of receipt of the request a notice on absence or presence of comments to the Methodology for calculating provisions (reserves) and (or) changes and (or) additions to the Methodology for calculating provisions (reserves) in the form according to Appendix 6 to the Rules.

Appendix 1  
to the Rules for creating provisions  
(reserves) in accordance with international  
standards of  
financial reporting and requirements of  
the legislation of  
the Republic of Kazakhstan on accounting  
and  
financial reporting

## The formula for calculating expected credit losses

$$ECL = \sum_{t=1}^n PD * LGDt * EADt * Dt,$$

PD - probability of default (%);

LGDt - loss rate in case of default (%);

EADt - claims at risk of default;

Dt - discounting factor;

t - period during which the cash flow of the financial asset is assumed.

Appendix 2  
to the Rules for creating provisions  
(reserves) in accordance with international  
standards of  
financial reporting and requirements of  
the legislation  
of the Republic of Kazakhstan on  
accounting  
and financial reporting

## The formula for calculating the twelve-month expected credit losses

$$ECL = \sum_{t=1}^n PD_{12} * LGDt * EADt * Dt,$$

PD<sub>12</sub> - probability of default (%);

LGDt - loss rate in case of default (%);

EADt - claims at risk of default;

Dt - discounting factor;

t - period during which the cash flow of the financial asset is assumed.

Appendix 3  
to the Rules for Creating Provisions  
(Reserves) as per the  
International Standards of Financial  
Reporting  
and Requirements of the Legislation  
of the Republic of Kazakhstan  
On Accounting and  
Financial Reporting

## Formula for the actual value of future cash flows

Footnote. Appendix 3 - as revised by Resolution № 30 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan of 24.06.2024 (shall be enacted ten calendar days after the date of its first official publication).

Formula for the actual value of future cash flows

$$PV = \sum_{t=1}^n \frac{CF_t}{(1+r)^t}$$

where:

PV - current value of future cash flows;

CF - forecast of future cash flows;

r - эффективная effective interest rate;

t - the number of years over which cash flows are expected to flow from a financial asset.

Formula for the net present value of future cash flows

$$\Delta NPV = \left( \sum_{t=1}^n \frac{CF_t}{(1+r)^{\frac{t}{12}}} - \sum_{i=1}^m \frac{CF_i}{(1+r)^{\frac{i}{12}}} \right) / \sum_{i=1}^m \frac{CF_i}{(1+r)^{\frac{i}{12}}}$$

where:

$CF_t$

– scheduled payment under the new schedule (repayment of principal and interest from the date of restructuring until the end of the loan term);

$CF_i$

– scheduled payment under the old schedule (repayment of principal and interest from the date of restructuring until the end of the loan term);

r – effective annual interest rate applicable prior to restructuring;

t – number of months from the date of granting the restructuring to the date of the next payment under the new schedule;

i – number of months from the date of restructuring to the date of the next payment under the old schedule;

n – remaining loan term in months according to the new schedule;  
 m – remaining term of the loan in months according to the old schedule.

Appendix 4  
 to the Rules for creating provisions  
 (reserves) in accordance with international  
 standards  
 of financial recording and requirements of  
 the legislation  
 of the Republic of Kazakhstan on  
 accounting  
 and financial reporting  
 Form

**Register on the size of provisions (reserves)**

Name of the borrower	Borrower's identification number	Number of contract	Date of contract	Identification number of the contract in the accounting information system (if any)	Date of issue of the loan	Date of repayment of the last payment under the contract	Sign of homogeneity (1-individual; 2-homogeneous)	Sign of credit risk (A-1 basket; B-2 basket; C-3 basket)	Sign of grouping by general characteristics of credit risk	Debt at the beginning of the year	Amount of provisions (reserves) at the beginning of the year
1	2	3	4	5	6	7	8	9	10	11	12

continuation

Reducing the size of the right of claim, including:		Increasing the size of the right of claim, including:		Debt at the end of the year	Discount / Premium	Other indicators affecting the size of the asset (in value terms)	Amount of provisions (reserves) at the end of the year	Cost of security at the end of the year	Income from reducing of provisions (reserves) for the period	Expenses on creating provisions (reserves) for the period
as a result of the debtor's performance of the claim	on other grounds	as a result of issue of a loan, accrual of interest, penalty, forfeit	on other grounds							
13	14	15	16	17	18	19	20	21	22	23

Appendix 5  
 to the Rules for creating provisions  
 (reserves) in accordance with international  
 financial reporting  
 standards and the requirements of the  
 legislation of the

**Administrative data collection form**

Footnote. Appendix 5 – in the wording of the Resolution of the Management Board of the Agency of the RK for Regulation and Development of the Financial Market dated 11.02.2021 № 20 (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

Submitted to the authorized body for regulation, control and supervision of the financial market and financial organizations

The form of administrative data shall be posted on the Internet resource: [www.finreg.kz](http://www.finreg.kz)

**Information on introduction of amendments and/or additions to the Methodology for calculation of provisions (reserves)**

Administrative data form index: Ф1-БВУ.

Periodicity: as necessary to introduce amendments and/or additions to the Methodology for calculation of provisions (reserves).

Reporting period: as of \_\_\_\_\_ "\_\_\_\_", 20 \_\_.

The circle of persons presenting information: banks (with the exception of a bank that is a national development institute, a controlling stake in which belongs to the national managing holding), branches of non-resident banks of the Republic of Kazakhstan and organizations that carry out certain types of banking operations on the basis of a license to conduct bank borrowing operations.

Due Date:

no later than five working days from the date of approval of amendments and/or additions to the Methodology for calculating provisions (reserves) by the executive body of the bank (with the exception of the bank, which is a national development institute, the controlling stake of which belongs to the national managing holding), the non-resident bank of the Republic of Kazakhstan (for the branch of the non-resident bank of the Republic of Kazakhstan), organizations that carry out certain types of banking operations on the basis of a license for banking borrowing operations.

Form  
(in KZT thousand)

	Пункт, подпункт Методики расчета провизий резервов)	Wording before introducing (amendments and/ or additions to the	Wording after introducing amendments and/ or additions to the	Grounds for introduction of amendments and (or) additions to the Methodology for calculation of provisions (reserves) and	Estimation of the introduction of amendments in the amount of provisions (reserves) as a

№	Paragraph, sub-paragraph of Methodology for calculation of provisions (reserves)	Methodology for calculation of provisions (reserves)	Methodology for calculation of provisions (reserves)	comments on the grounds for introduction of amendments and (or) additions to the Methodology for calculation of provisions (reserves)	result of the introduction of amendments and (or) additions to the Methodology for calculating provisions (reserves)
1	2	3	4	5	6
1					
2					
3					

Name \_\_\_\_\_ Address \_\_\_\_\_

Phone \_\_\_\_\_

E-mail address \_\_\_\_\_

Executor \_\_\_\_\_

\_\_\_\_\_ last name, first name and patronymic (if any)

Head manager or person

authorized by him to sign the report

\_\_\_\_\_ last name, first name and patronymic (if any) signature

Annex to the form of  
data on introduction of amendments and (or)  
additions to the Methodology  
of the calculation of provisions (reserves)

### **Explanation for filling out the administrative data form**

#### **Information on introduction of amendments and/or additions to the Methodology for calculation of provisions (reserves)**

**(index: Ф1-БВУ, periodicity: as necessary to introduce amendments and/or additions to the Methodology for calculation of provisions (reserves))**

#### **Chapter 1. General provisions**

1. This explanation for filling out the administrative data form (hereinafter referred to as the Explanation) shall define the unified requirements for filling out the form "Information on introduction of amendments and (or) additions to the Methodology for calculating provisions (reserves)" (hereinafter referred to as the Form).

2. The form have been developed in accordance with Article 1, paragraph 2-1, Article 250, paragraphs 1 and 3 of the Code of the Republic of Kazakhstan dated

December 25, 2017 "On taxes and other mandatory payments to the budget" (Tax Code ) and Article 16, paragraph 3, subparagraph 2) of the Law of the Republic of Kazakhstan dated March 19, 2010 "On state statistics."

3. The form is filled out by the bank (with the exception of the bank, which is the national development institute, the controlling stake of which belongs to the national managing holding), a branch of the non-resident bank of the Republic of Kazakhstan and an organization that carries out certain types of banking operations on the basis of a license to conduct bank borrowing operations, when introducing amendments and (or ) additions to the Methodology for calculating provisions (reserves).

4. The unit of measure used to complete the Form shall be set in KZT thousand. The amount of less than KZT five hundred is rounded to zero, and the amount equal to KZT five hundred and above is rounded to KZT thousand.

5. The form shall be signed by the head manager or person authorized by him to sign the report and the executor.

## **Chapter 2. Explanation to completion of the Form**

6. When filling in column 2, the structural element of the Methodology for calculation of provisions (reserves) shall be indicated, to which amendments and (or) additions shall be introduced.

7. Column 3 shall indicate the wording of the structural element of the Methodology for calculation of provisions (reserves) before introduction of amendments and (or) additions.

8. Column 4 shall indicate the wording of the structural element of the Methodology for calculation of provisions (reserves) after introduction of amendments and (or) additions.

9. Column 5 shall indicate the reasons for the need to introduce amendments and/or additions to the Methodology for calculating provisions (reserves).

10. Column 6 shall indicate the data of estimation of amendments in the number of provisions (reserves) as a result of introduction of amendments and/or additions introduced in the Methodology for calculation of provisions (reserves)

Appendix 6  
to the Rules for creating provisions  
(reserves) in accordance with international  
financial  
reporting standards and the requirements  
of the legislation  
of the Republic of Kazakhstan on  
accounting  
and financial reporting  
Form

**Notification on absence or presence of comments to the Methodology for calculating provisions (reserves) and (or) changes and (or) additions to the Methodology for calculating provisions (reserves)**

**Footnote. Appendix 6 is in the wording by the Decree of the Board of the National Bank of the Republic of Kazakhstan dated 29.11.2019 № 230 (shall be enforced from 01.01.2020).**

" \_\_\_\_ " \_\_\_\_\_ 20\_\_\_\_ № \_\_\_\_\_

The authorized authority for regulation, control and supervision of financial market and financial organizations hereby inform you

\_\_\_\_\_

\_\_\_\_\_ (financial organization name)

\_\_\_\_\_

\_\_\_\_\_ (location of a financial organization)

on absence of comments to the Methodology for calculating provisions (reserves) and (or) changes and (or) additions to the Methodology for calculating provisions (reserves)				
on presence of comments to the Methodology for calculating provisions (reserves) and (or) changes and (or) additions to the Methodology for calculating provisions (reserves) according to the table				
№	Structural element number	Structural element edition	Comment	Elimination term
1.				
2.				
...				

Head or Deputy First Head of the authorized authority for regulation, control and supervision of financial market and financial organizations

\_\_\_\_\_

(surname, name, patronymic (if any), signature)

Executor \_\_\_\_\_

(surname, name, patronymic (if any), signature, telephone)

Notification received \_\_\_\_\_

\_\_\_\_\_

(surname, name, patronymic (if any) of an employee of a financial organization, signature, date)

Notification sent to financial organization

---

(name, date, number of document confirming the fact of sending and (or) receiving )

Annex  
to the Resolution of the  
Management Board  
of National Bank  
of the Republic of Kazakhstan  
dated December 22, 2017  
№ 269

## List

### **of some resolutions of the Management Board of the National Bank of the Republic of Kazakhstan recognized as invalid**

1. Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 25, 2013 № 65 "On approval of the Rules for the creation of provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements" (registered in the Register of State Registration of Regulatory Legal Acts under № 8670, published on October 17, 2013 in the Kazakhstani Pravda newspaper № 295 (27569)).

2. Resolution of the Board of the National Bank of the Republic of Kazakhstan dated December 25, 2013 № 289 "On introduction of the amendments of the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 25, 2013 № 65 "On approval of the Rules for the creation of provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements " (registered in the Register of State Registration of Regulatory Legal Acts under № 9387, published on May 22, 2014 in the information and legal system "Adilet").

3. Resolution Board of the National Bank of the Republic of Kazakhstan dated June 27, 2016 № 152 "On introduction of the amendments of the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 25, 2013 № 65" On approval of the Rules for the creation of provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements " (registered in the Register of State Registration of Regulatory Legal Acts under № 14153, published on September 20, 2016 in the information and legal system "Adilet"). 3. Resolution of the Board of the National Bank of the Republic of Kazakhstan dated June 27, 2016 № 152 "On introduction of the amendments of the Resolution of the Board of the National

Bank of the Republic of Kazakhstan dated February 25, 2013 № 65" On approval of the Rules for the creation of provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements " (registered in the Register of State Registration of Regulatory Legal Acts under № 14153, published on September 20, 2016 in the information and legal system "Adilet").

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