

**On approval of the list of transactions under non-market terms, the conclusion of which is the basis for making a decision to classify a bank, a branch of a non-resident bank of the Republic of Kazakhstan, as insolvent banks, branches of non-resident banks of the Republic of Kazakhstan**

*Unofficial translation*

Resolution of the Board of the National Bank of the Republic of Kazakhstan of October 29, 2018 No. 275. Registered in the Ministry of Justice of the Republic of Kazakhstan on November 28, 2018 No. 17804.

*Unofficial translation*

**Footnote. The title is in the wording of the Resolution of the Board of Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 17.02.2021 No. 34 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

In accordance with the Law of the Republic of Kazakhstan dated August 31, 1995 "On Banks and Banking Activity in the Republic of Kazakhstan" The Board of the National Bank of Kazakhstan hereby **RESOLVED** as follows:

1. To approve the following list of transactions under non-market terms, as a result of which a bank, a branch of a non-resident bank of the Republic of Kazakhstan (hereinafter- to as the bank) incurs losses and which lead to a further deterioration in the financial condition of the bank, the conclusion of which is the basis for making a decision to classify the bank earlier classified as a bank with an unstable financial position that poses a threat to the interests of its depositors and creditors and (or) a threat to the stability of the financial system, to the category of insolvent banks:

1) transactions, except those carried out within the framework of implementation of state programs, corresponding to one of the following conditions:

the amount of the given bank loan does not correspond to the financial position and (or) income of the borrower (taking into account the co-borrowers, in its existence), as well as the value of collateral;

deferred payment transaction by the debtor of remuneration and (or) repayment of the principal debt on banking transactions exceeds one year;

the amount of interest rates levied on the debtor is significantly lower than the market interest rates for similar banking transactions;

2) issuance of bank guarantees or guarantor for obligations of debtors for an amount that does not conform to the financial position and (or) income of the debtor, or without the right to reverse the claim (regress) to the debtor;

3) transactions that lead to the early satisfaction of the requirements of main shareholders and (or) executives of the bank;

4) transactions, the terms of which stipulate the right of an individual or legal entity who is a party to the transaction, to complete or partial rejection of the financial obligations to the bank.

The requirements of subparagraphs 1) and 2) of this paragraph shall apply to the cases when the size of the transaction is:

1) for a bank, except for a branch of a non-resident bank of the Republic of Kazakhstan:

2 (two) or more percent of the bank's own capital (as of the date the bank made a decision to make a transaction) - for the banks with own capital up to 100,000,000,000 (one hundred billion) tenge inclusive;

1 (one) or more percent of the bank's own capital (as of the date the bank made a decision to make a transaction) - for the banks with own capital of more than 100,000,000,000 (one hundred billion) tenge;

2) for a branch of a non-resident bank of the Republic of Kazakhstan:

2 (two) or more percent of the assets accepted as a reserve, a branch of a non-resident bank of the Republic of Kazakhstan (as of the date of the decision to make a transaction) - for branches of a non-resident bank of the Republic of Kazakhstan with the amount of assets accepted as a reserve, up to 100,000 000,000 (one hundred billion) tenge inclusive;

1 (one) or more percent of the assets accepted as a reserve, a branch of a non-resident bank of the Republic of Kazakhstan (as of the date of the decision to make a transaction) - for a non-resident bank of the Republic of Kazakhstan with the amount of assets accepted as a reserve over 100,000,000,000 (one hundred billion) tenge.

**Footnote. Paragraph 1 as amended by the Resolutions of the Board of Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 17.02.2021 No. 34 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

2. In accordance with the legislation of the Republic of Kazakhstan, the Bank Supervision Department (O.T. Kizatov) shall:

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

2) within ten calendar days from the date of state registration of this resolution, send a copy hereof both in Kazakh and Russian languages to the Republican State Enterprise on the Right of Economic Management "Republican Center of Legal Information of the Ministry of Justice of the Republic of Kazakhstan" for official publication and inclusion in the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) place this resolution on the 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, submit to the Legal Department the information on the implementation of measures provided for in subparagraphs 2), 3) of this paragraph and paragraph 11 of this resolution.

3. The Directorate for the Protection of the Rights of Consumers of Financial Services and External Communications (A.L. Terentyev) shall, within ten calendar days after the state registration of this resolution, send a copy hereof for the official publication in periodicals.

4. Control over execution of this resolution shall be entrusted to Deputy Chairman of the National Bank of the Republic of Kazakhstan O.A. Smolyakova.

5. This resolution shall enter into force from January 1, 2019 and shall be subject to official publication.

*Chairman of the National Bank*

*D. Akishev*