



2023 Banking Sector Review: Kazakhstan, Uzbekistan, Kyrgyzstan

According to reports published by banks as of December 31, 2023

Briefly about the Review

Dear Reader!

Central Asian banks have completed the publication of financial reports for 2023.

In this Review, you will be able to familiarize yourself with the data published by banks, see which banks have become market leaders, and which, on the contrary, have lost their positions.

2023 is quite an interesting year in the Central Asian economy:

- Have banks recovered from the COVID-19 pandemic?
- How have the events between Russia and Ukraine affected the banking sector?
















Enjoy reading!

Financial Advisory Services
Department
Forvis Mazars

For a full rating of banks in Kazakhstan, Uzbekistan and Kyrgyzstan based on key indicators, see pages 12, 20, 28.
















Loan portfolio as of 31.12.2023

Top 15 banks, mln \$

No	Name	Amount
1.	 JSC "Halyk Bank"	20 351 ▲ 18%
2.	 JSC "Kaspi Bank"	9 285 ▲ 34%
3.	 NBU	7 866 ▲ 9%
4.	 JSC "Otbasy Bank"	6 797 ▲ 8%
5.	 JSC "Bank CenterCredit"	6 420 ▲ 46%
6.	 SQB	4 940 ▲ 20%
7.	 JSCB "Agrobank"	4 896 ▲ 28%
8.	 JSC "Asakabank"	3 439 ▲ 11%
9.	 JSC "ForteBank"	3 019 ▲ 17%
10.	 JSCIB "Ipoteka-bank"	2 864 ▲ 4%
11.	 OJSC "Aiyl Bank"	440 ▲ 23%
12.	 OJSC "RSK Bank"	331 ▲ 39%
13.	 OJSC "Optima Bank"	258 ▲ 9%
14.	 CJSC "Demir Kyrgyz International Bank"	243 ▲ 58%
15.	 OJSC "Bakai Bank"	235 ▲ 33%

Net profit for 2023

Top 15 banks, mln \$

No	Name	Amount
1.	 JSC "Kaspi Bank"	1 860 ▲ 134%
2.	 JSC "Halyk Bank"	1 520 ▲ 25%
3.	 JSC "Otbasy Bank"	323 ▲ 54%
4.	 JSC "First Heartland Jusan Bank"	292 ▲ 50%
5.	 JSC "ForteBank"	255 ▲ 19%
6.	 NBU	146 ▼ -29%
7.	 JSCB "Kapitalbank"	143 ▲ 77%
8.	 JSCB "Hamkorbank"	102 ▲ 58%
9.	 SQB	73 ▲ 35%
10.	 JSCIB "Ipoteka-bank"	70 ▼ -39%
11.	 OJSC "Aiyl Bank"	62 ▲ 4%
12.	 OJSC "Commercial Bank Kyrgyzstan"	43 ▲ 29%
13.	 OJSC "Optima Bank"	32 ▼ -14%
14.	 OJSC "RSK Bank"	28 ▲ 95%
15.	 CJSC "Demir Kyrgyz International Bank"	28 ▲ 12%

*Source: Financial statements of banks, at the rate of regulators on 31.12.2023

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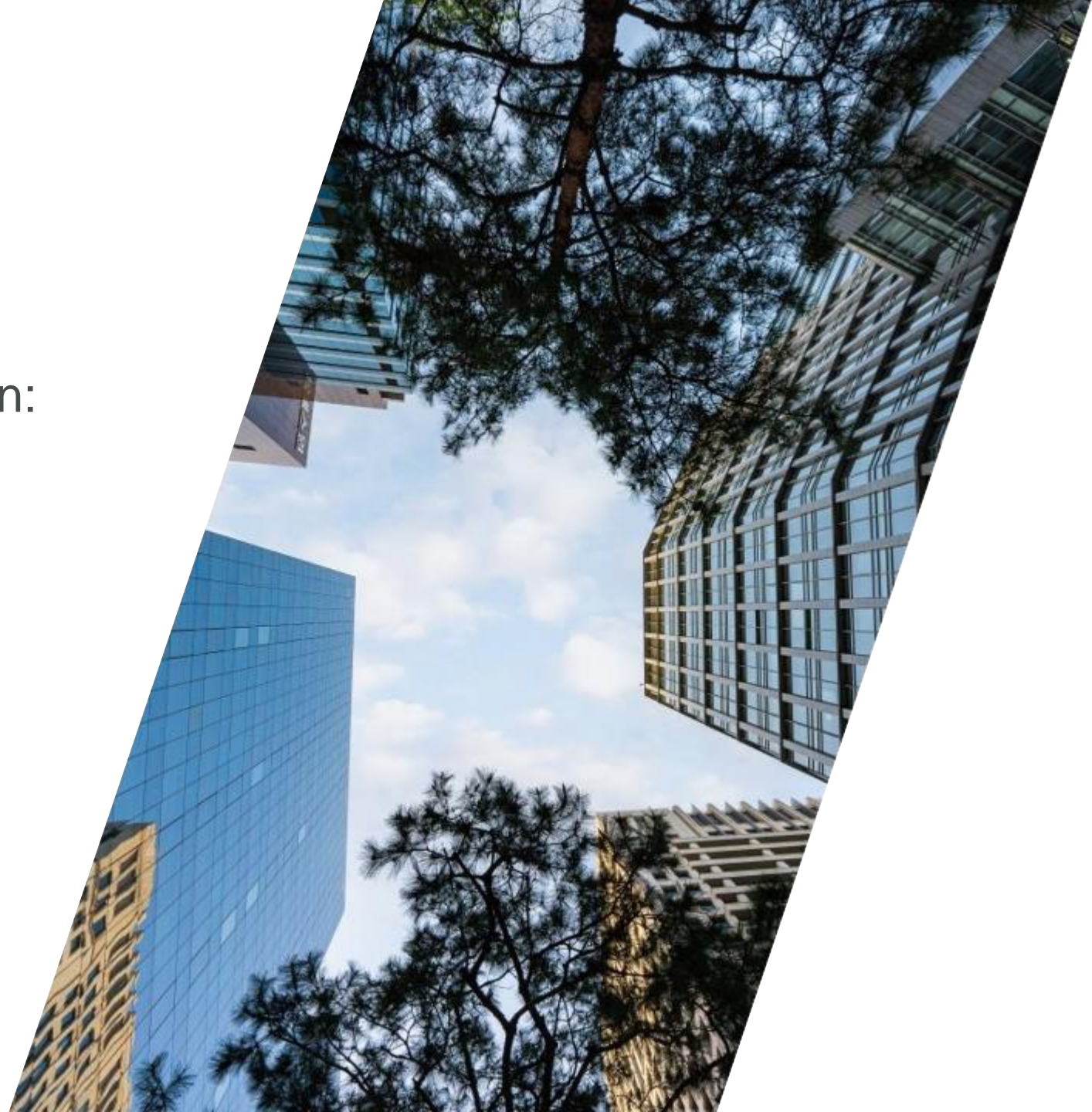
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01

Kazakhstan, Uzbekistan, Kyrgyzstan:
overview of key indicators



1.1 Key indicators of the banking sector

Indicator	 Kazakhstan	 Uzbekistan	 Kyrgyzstan
Key rate for July 2024	14,5% ¹ ▼ 16,8%	13,5% ² ▼ 14%	9,0% ⁴ ▼ 13%
<i>Date of the central bank's last key rate decision</i>	3 June 2024	25 July 2024	28 May 2024
Inflation in 2023	9,8% ¹ ▼ 20,3%	8,8% ² ▼ 12,3%	7,3% ⁴ ▼ 14,7%
Business loans: average weighted rate for May 2024	18,1% ¹ ▼ 19,0%	22,4% ² ▲ 22,3%	17,6% ⁴ ▼ 17,9%
Consumer loans: average weighted rate for May 2024	19,6% ¹ ▲ 19,2%	24,5% ² ▲ 23,1%	24,1% ⁴ ▲ 22,2%
Demand deposits of legal entities: weighted average rate for May 2024	0,0% ¹ ▼ 0,1%	0,0% ³ ► 0,0%	1,4% ⁴ ▲ 1,2%
Term deposits of legal entities: weighted average rate for May 2024	13,7% ¹ ▼ 14,5%	16,2% ² ▼ 17,0%	12,4% ⁴ ▲ 11,3%
Demand deposits of individuals: weighted average rate for May 2024	0,1% ¹ ► 0,1%	0,0% ³ ► 0,0%	0,8% ⁴ ► 0,8%
Term deposits of individuals: weighted average rate for May 2024	13,6% ¹ ▼ 13,9%	21,2% ² ▲ 20,8%	12,8% ⁴ ▲ 12,6%
Sovereign credit rating according to Moody's as of July 2024	Baa2 ► Baa2	Ba3 ► Ba3	B3 ► B3

Sources:

1. According to the National Bank of the Republic of Kazakhstan data for May 2024

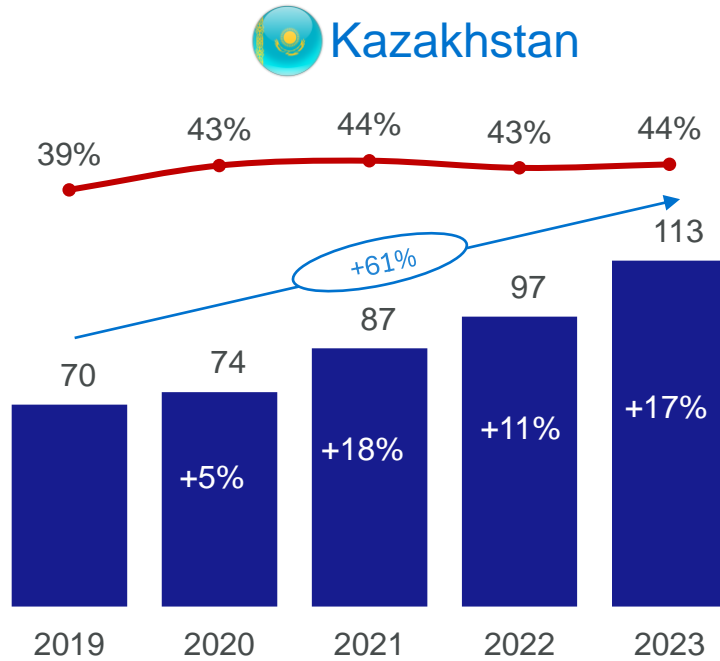
2. The latest available data published on the website of the Central Bank of the Republic of Uzbekistan for May 2024

3. There is no data on demand deposits on the official website of the central bank; according to the largest commercial banks, the rate on such deposits is 0%.

4. The latest available data published on the website of the National Bank of the Republic of Uzbekistan for May 2024

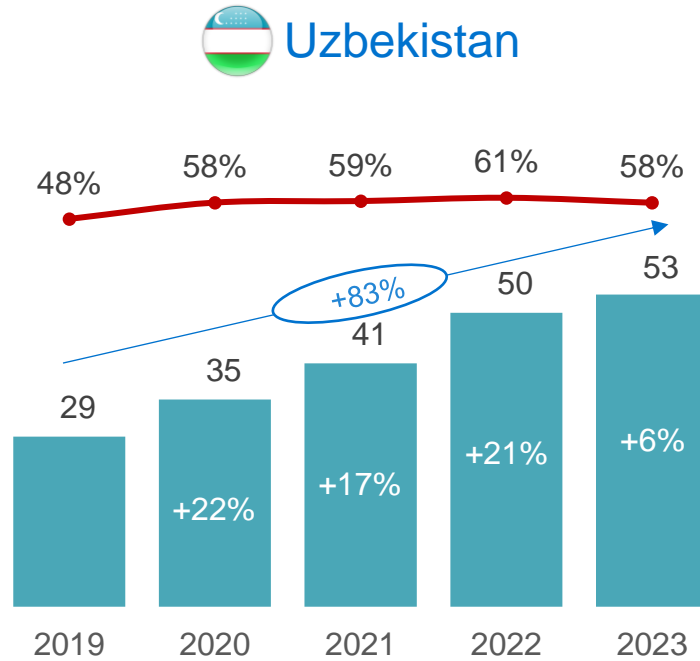
1.2 Dynamics of assets in banks of Kazakhstan, Uzbekistan, Kyrgyzstan, billion \$

—●— Level of financial intermediation = assets/GDP



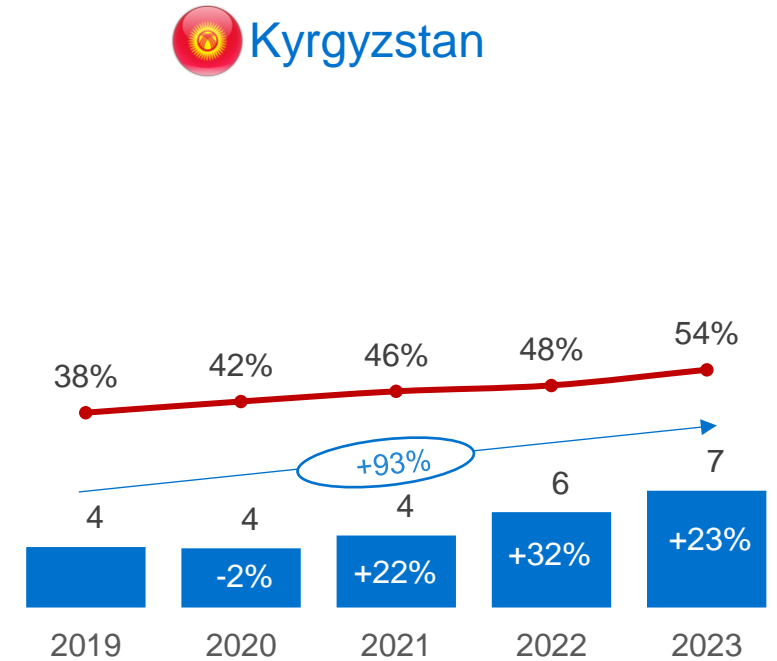
Key findings

- Kazakhstan is the leader in the region in terms of the size of the banking sector: assets exceed Uzbekistan by 2.1 times, Kyrgyzstan - by 16.1 times.
- After the Covid-19 pandemic, the banking sector has fully recovered: the results of 2023 in Kazakhstan exceed the results of 2022.
- The ratio of assets to GDP remains stable and lower than the indicator of neighboring countries.



Key findings

- Uzbekistan is the second largest country in the world in terms of banking sector. In dollars, the growth of bank assets in 2023 slowed down compared to previous years due to the strengthening of the dollar against the sum. In sums, the growth of bank assets in 2022 was 25%, in 2023 - 17%.
- Bank assets grow at record rates in 5 years.



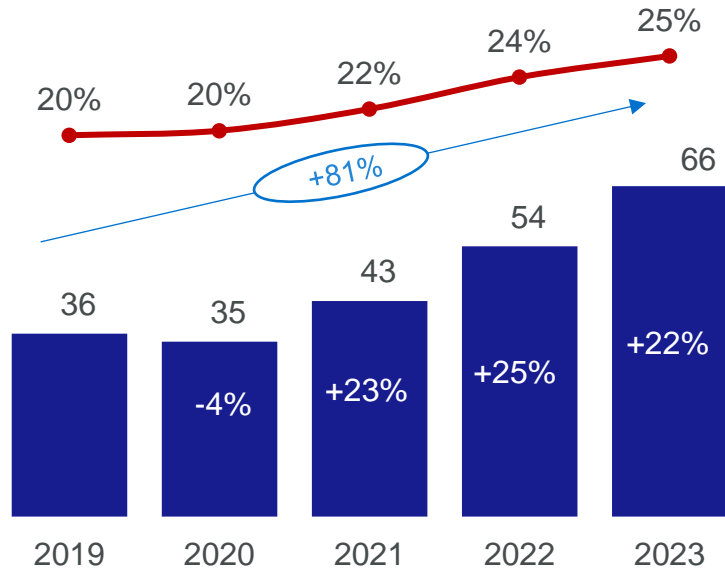
Key findings

- In 2023, the growth of assets of Kyrgyz banks is lower than the 2022 indicator, when record growth was demonstrated, due to an increase in non-resident deposits in 2022 (according to official data of the National Bank of the Kyrgyz Republic) and a change in the requirements of the National Bank of the Kyrgyz Republic for the minimum capital of banks.
- Bank assets grow at record rates in 5 years.

1.3 Dynamics of the loan portfolio in banks of Kazakhstan, Uzbekistan, Kyrgyzstan, billion \$

—●— Level of financial intermediation = loan portfolios/GDP

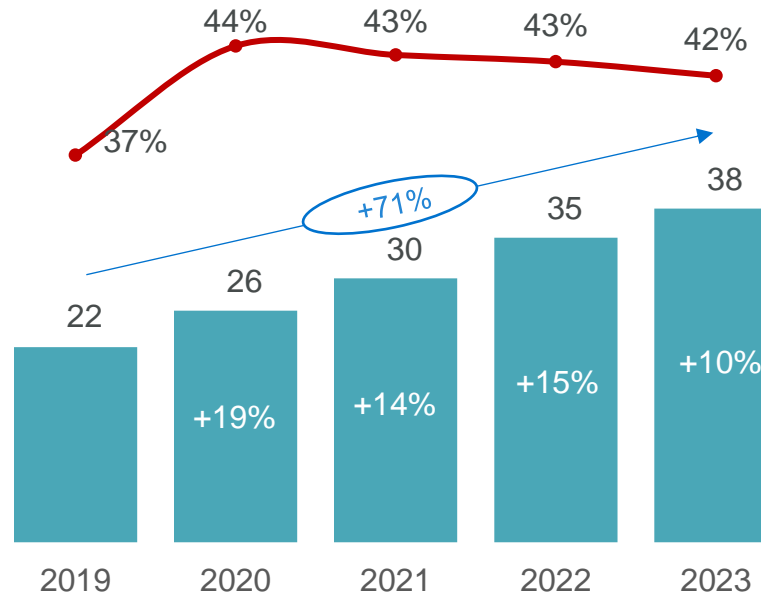
Kazakhstan



Key findings

- Kazakhstan ranks first among the three countries in this indicator and its loan portfolio has grown by 81% since 2019.
- In 2023, the total loan portfolio of banks increased by 22% compared to the previous year. Mainly due to the high share of loans to individuals (56% of the total loan portfolio).

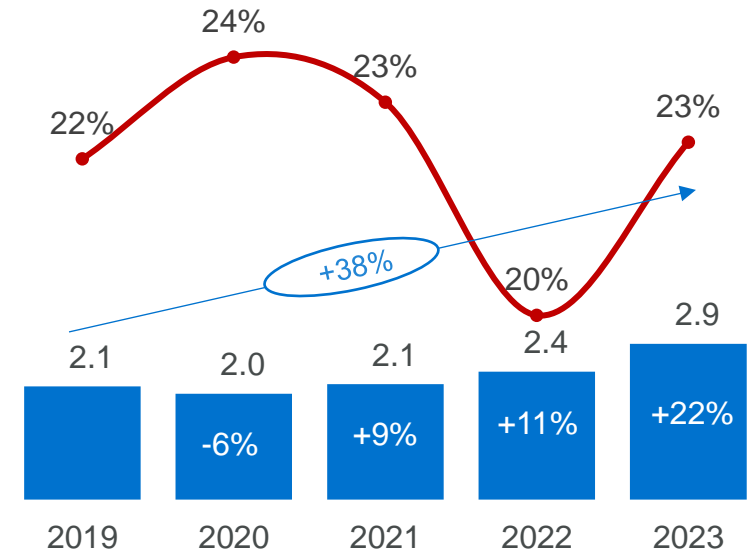
Uzbekistan



Key findings

- Uzbekistan differs from its neighboring countries by its high ratio of the total loan portfolio of banks to the country's GDP due to the high share of loans to legal entities (67% of the total loan portfolio).
- In 2023, the growth of the loan portfolio in dollars slowed down due to the growth of the exchange rate against the sum. In sums, the growth of the banks' loan portfolio in 2022 was 20%, in 2023 - 21%..

Kyrgyzstan

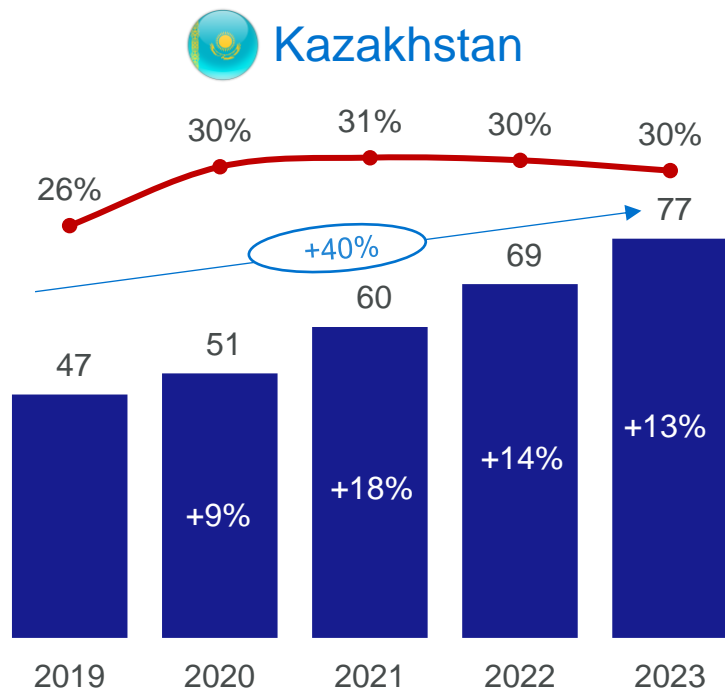


Key findings

- In 2023, there will be a record increase in the total loan portfolio of banks, which is a consequence of an increase in loans to individuals (an increase of 49% over the year).
- The growth of the total loan portfolio for 2019-2023 is almost two times lower than the indicator of neighboring countries, since the annual growth reached the level of neighboring countries only in 2023.

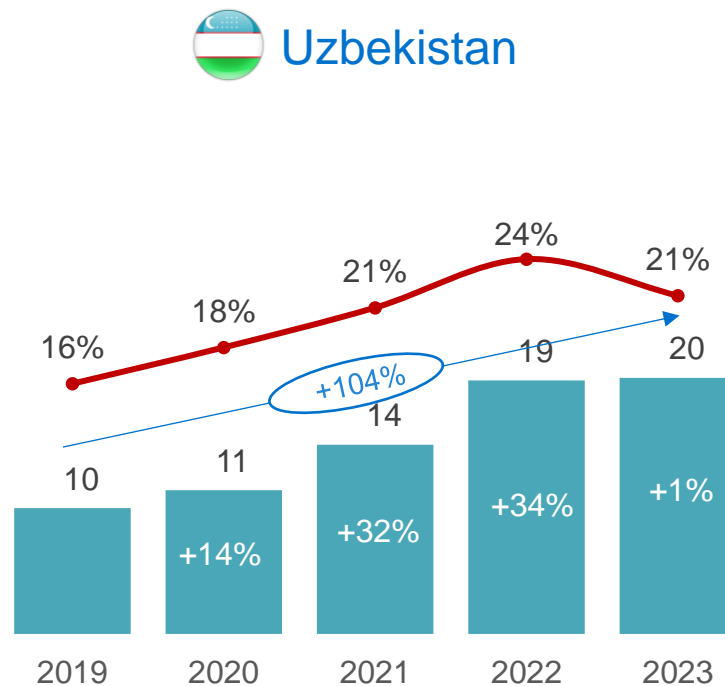
1.4 Dynamics of deposits in banks of Kazakhstan, Uzbekistan, Kyrgyzstan, billion \$

—●— Level of financial intermediation = Deposits/GDP



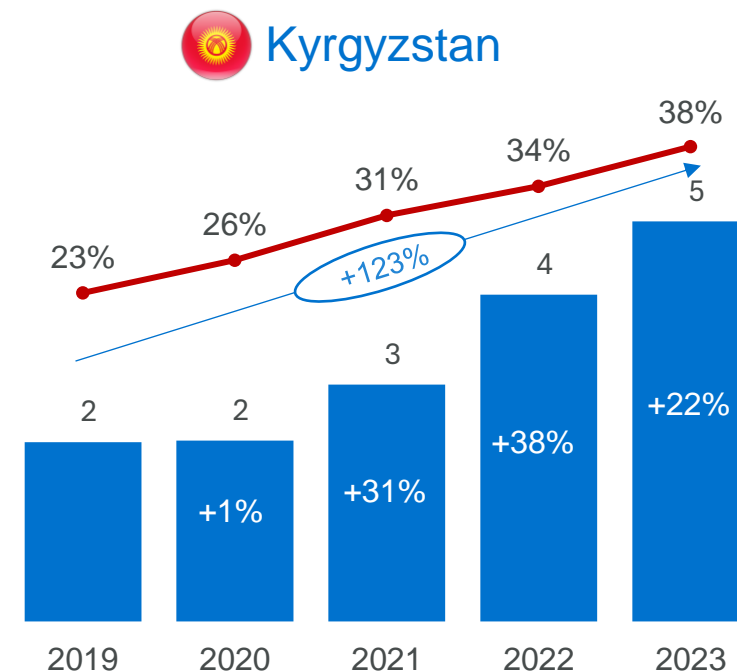
Key findings

- There is a stable increase in deposits, due to an increase in rates on deposits in tenge following the increase in the base rate of the National Bank of the Republic of Kazakhstan from 9.25% in 2019 to 16.75% in 2023.



Key findings

- In 2023, the growth of dollar deposits slowed down due to the growth of the exchange rate against the sum. In sums, the growth of the banks' loan portfolio in 2022 was 39%, in 2023 - 12%.
- The highest growth rates of deposits were observed in 2021-2022 due to positive real returns on deposits.



Key findings

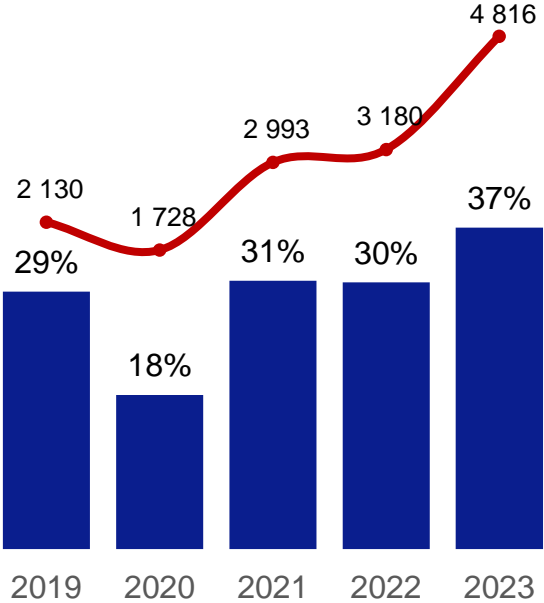
- In 2021-2023, the volume of deposits in Kyrgyzstan increased significantly. The record growth was in 2022 due to a significant increase in deposits from non-residents.

1.5 Return on equity in banks of Kazakhstan, Uzbekistan, Kyrgyzstan, %

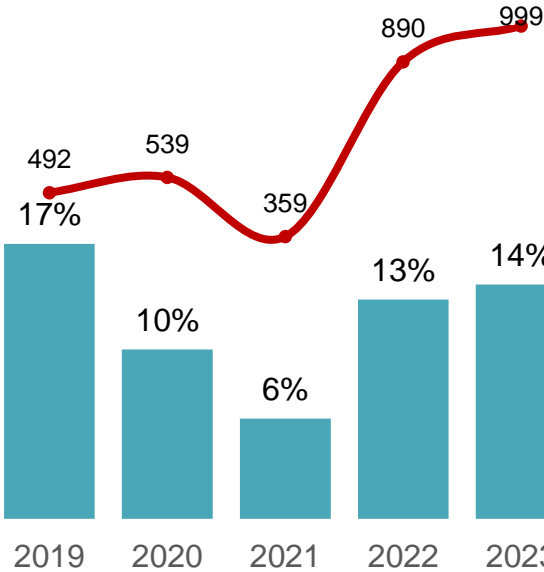
Return on Equity Ratio = Net Profit / Equity

Net profit, million USD

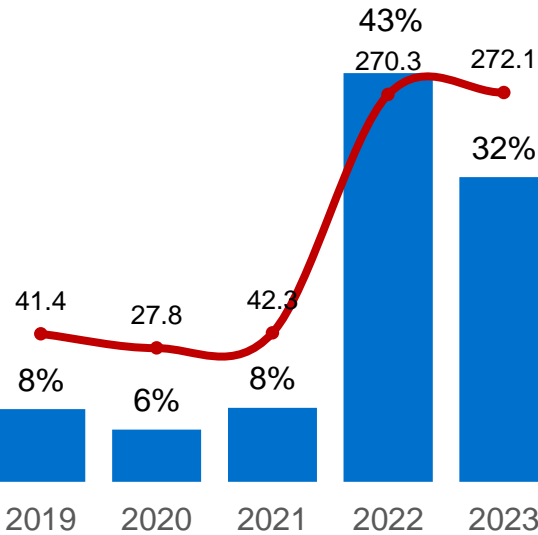
Kazakhstan



Uzbekistan



Kyrgyzstan



Key findings

- In 2021-2023, banks' net profits increased significantly due to increased demand for credit products, indicating the recovery and strengthening of the country's banking sector after the COVID-19 pandemic.
- 2023 was a record positive year for the country's banking sector.

Key findings

- Banking sector profitability has not yet reached pre-pandemic levels.
- The decrease in return on equity in 2021 was due to a 21.5% increase in commercial banks' capital and a 33% decrease in net profit. In subsequent years, the growth rate of net profit outpaced the growth rate of capital, which led to the restoration of the profitability indicator.

Key findings

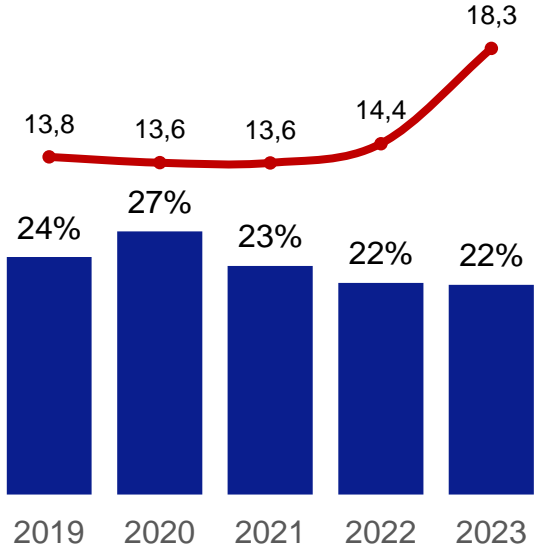
- Kyrgyzstan's return on equity has risen to a record 35% since 2022.
- This growth is associated with an increase in the number of foreign exchange transactions.

1.6 Capital adequacy in banks of Kazakhstan, Uzbekistan, Kyrgyzstan, %

*Capital adequacy ratio = Capital/Risk-weighted assets, according to the regulator's methodology

—●— Capital, billion dollars

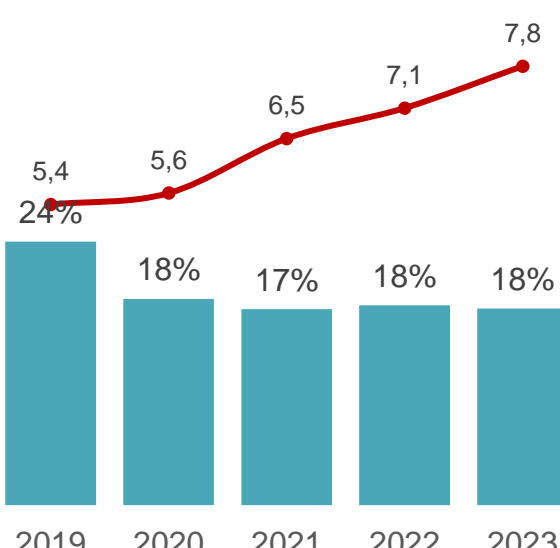
Kazakhstan



Key findings

Kazakhstan had the highest capital adequacy ratio among the countries in the region from 2019 to 2021. In 2022-23, the ratio stabilized at 22%.

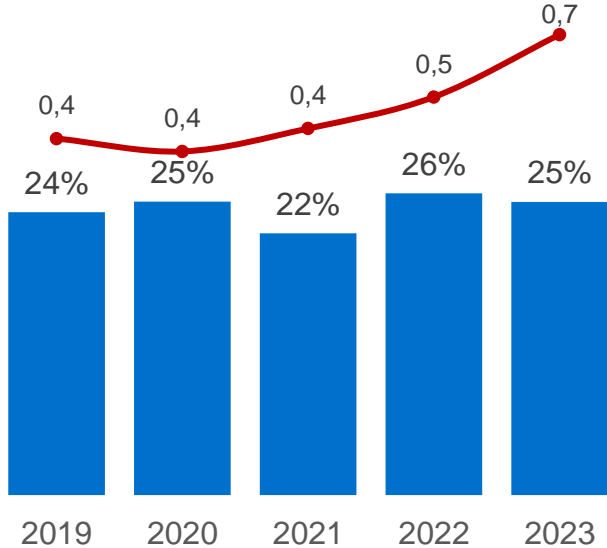
Uzbekistan



Key findings

Uzbekistan has seen a significant decline in its capital adequacy ratio in 2020 due to the Covid-19 pandemic and a further slight decline in 2021. In 2022 and 2023, the ratio stabilized at 18%.


Kyrgyzstan



Key findings

Kyrgyzstan has seen an increase in the capital adequacy ratio in 2020, followed by a decline in 2021. In 2022, the ratio reached a maximum of 26%, as the National Bank of the Kyrgyz Republic introduced new minimum capital requirements.

02











 Kazakhstan: 2023 results for banks




2.1 Financial indicators of commercial banks

Kazakhstan








* Compared to the corresponding indicator of the previous year

Net Profit 2023: Top 10 Banks, \$ million				
No	Name	Net profit	Change % *	
1.	 JSC "Kaspi Bank"	1 860	▲	134%
2.	 JSC "Halyk Bank"	1 520	▲	25%
3.	 JSC "Otbasy Bank"	323	▲	54%
4.	 JSC "First Heartland Jusan Bank"	292	▲	50%
5.	 JSC "ForteBank"	255	▲	19%
6.	 JSC "Citibank Kazakhstan"	242	▲	10%
7.	 JSC "Eurasian Bank"	209	▲	15%
8.	 JSC "Bank CenterCredit"	151	▼	-53%
9.	 JSC "Bank RBK"	106	▲	30%
10.	 JSC "Altyn Bank"	75	▲	40%











Source: Financial statements of banks

Assets 2023: Top 10 banks, \$ million				
No	Name	Assets	Change % *	
1.	 JSC "Halyk Bank"	33 962	▲	8%
2.	 JSC "Kaspi Bank"	14 953	▲	35%
3.	 JSC "Bank CenterCredit"	11 597	▲	22%
4.	 JSC "Otbasy Bank"	8 759	▲	16%
5.	 JSC "ForteBank"	7 131	▲	17%
6.	 JSC "First Heartland Jusan Bank"	6 199	▲	0%
7.	 JSC "Eurasian Bank"	5 911	▲	14%
8.	 JSC "Bank Freedom Finance Kazakhstan"	4 814	▲	74%
9.	 JSC "Bereke Bank"	4 509	▲	22%
10.	 JSC "Bank RBK"	4 479	▲	3%

Source: Financial statements of banks

Loan Portfolio 2023: Top 10 Banks, \$ million				
No	Name	Loan portfolio	Change % *	
1.	 JSC "Halyk Bank"	20 351	▲	18%
2.	 JSC "Kaspi Bank"	9 285	▲	34%
3.	 JSC "Otbasy Bank"	6 797	▲	8%
4.	 JSC "Bank CenterCredit"	6 420	▲	46%
5.	 JSC "ForteBank"	3 019	▲	17%
6.	 JSC "Eurasian Bank"	2 979	▲	28%
7.	 JSC "Bereke Bank"	2 665	▲	3%
8.	 JSC "Bank RBK"	2 373	▲	21%
9.	 JSC "First Heartland Jusan Bank"	2 078	▲	16%
10.	 JSC "Bank Freedom Finance Kazakhstan"	1 334	▲	106%

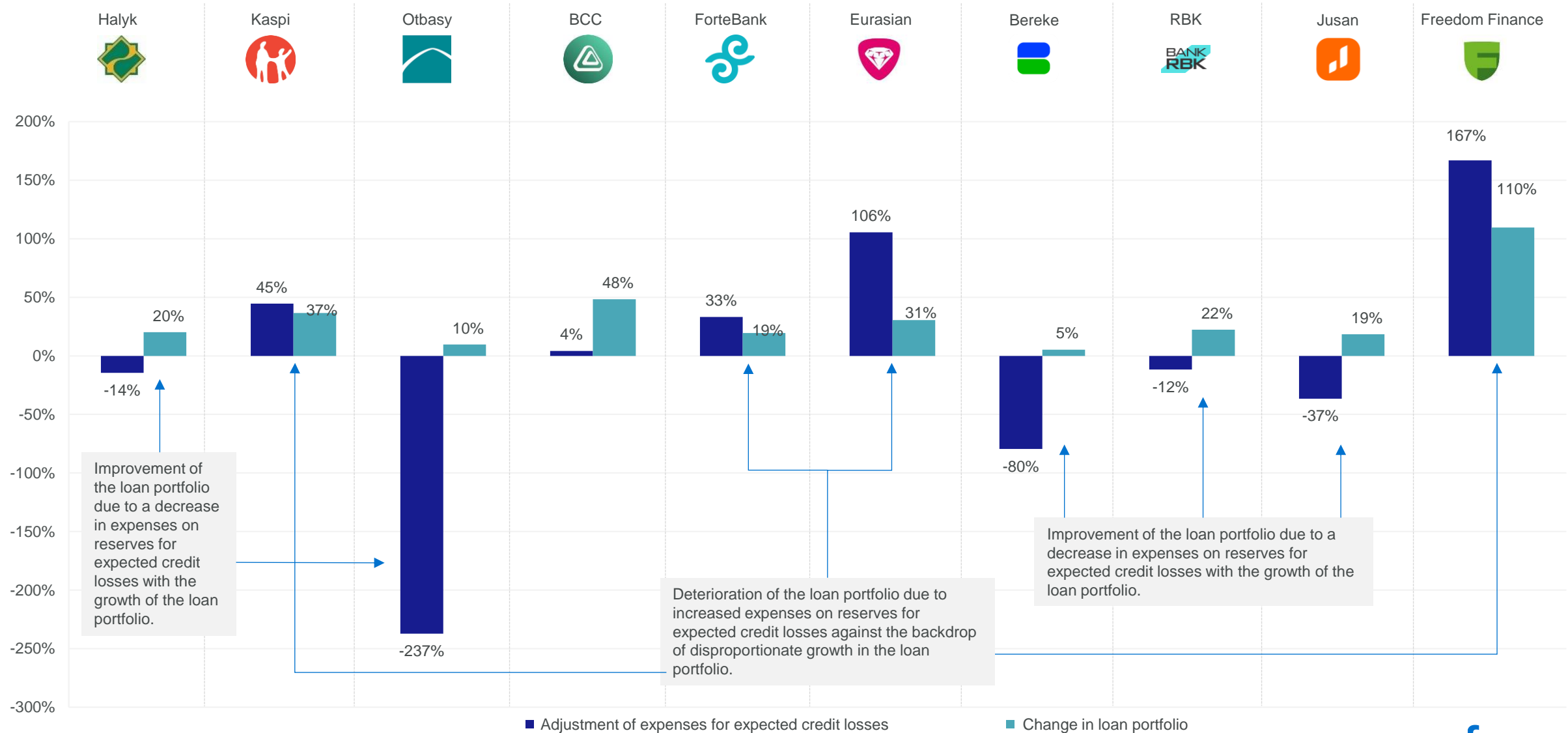
Source: Financial statements of banks

Deposits 2023: Top 10 banks, \$ million				
No	Name	Deposits	Change % *	
1.	 JSC "Halyk Bank"	23 956	▼	-4%
2.	 JSC "Bank CenterCredit"	8 816	▲	23%
3.	 JSC "Kaspi Bank"	8 769	▼	-6%
4.	 JSC "Otbasy Bank"	5 831	▲	16%
5.	 JSC "ForteBank"	4 956	▲	12%
6.	 JSC "Eurasian Bank"	4 699	▲	11%
7.	 JSC "First Heartland Jusan Bank"	3 184	▼	-3%
8.	 JSC "Bank RBK"	2 895	▼	-4%
9.	 JSC "Bereke Bank"	2 225	▼	-6%
10.	 JSC "Citibank Kazakhstan"	2 039	▼	-12%

Source: Financial statements of banks

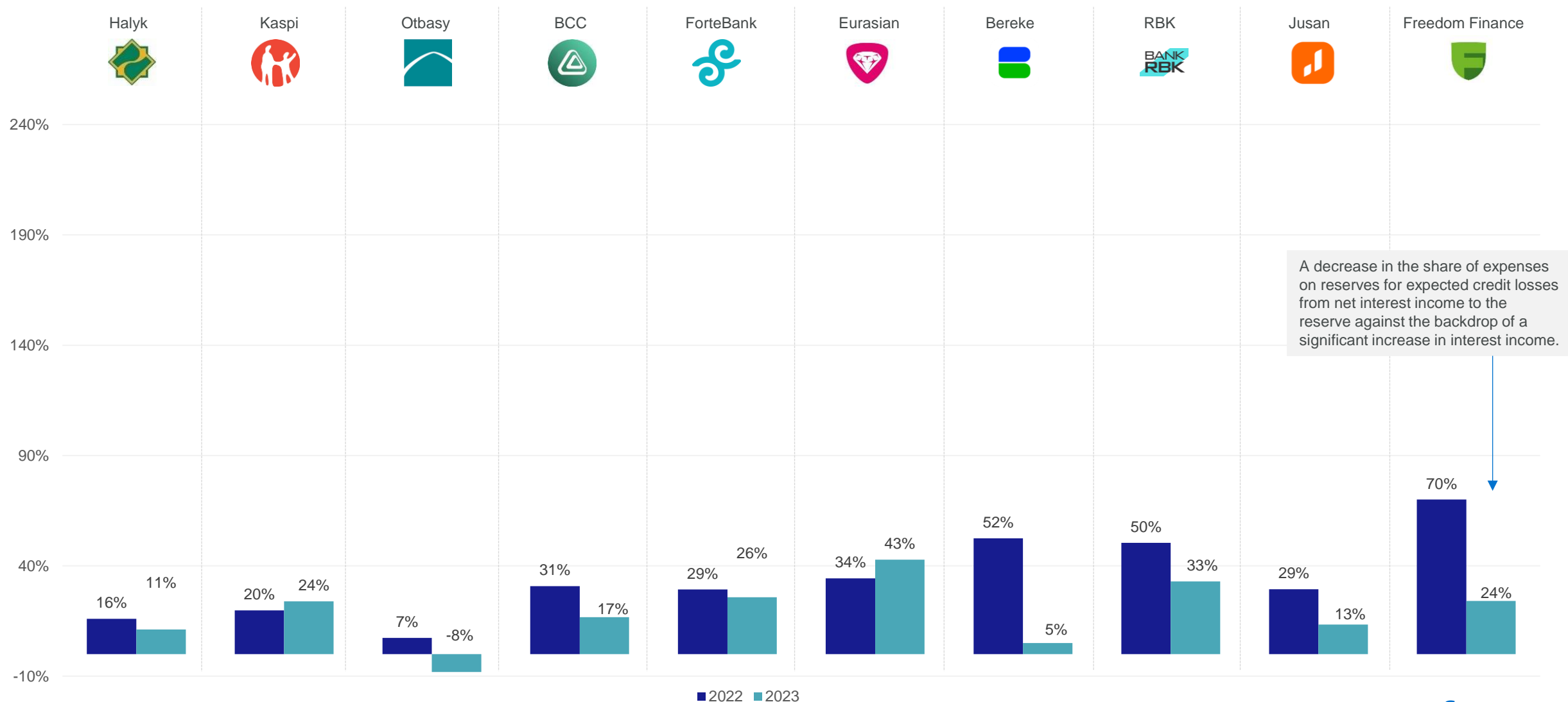
2.2 Loan Portfolio and Provisions for Expected Credit Losses, 2023

Kazakhstan



Source: Financial statements of banks

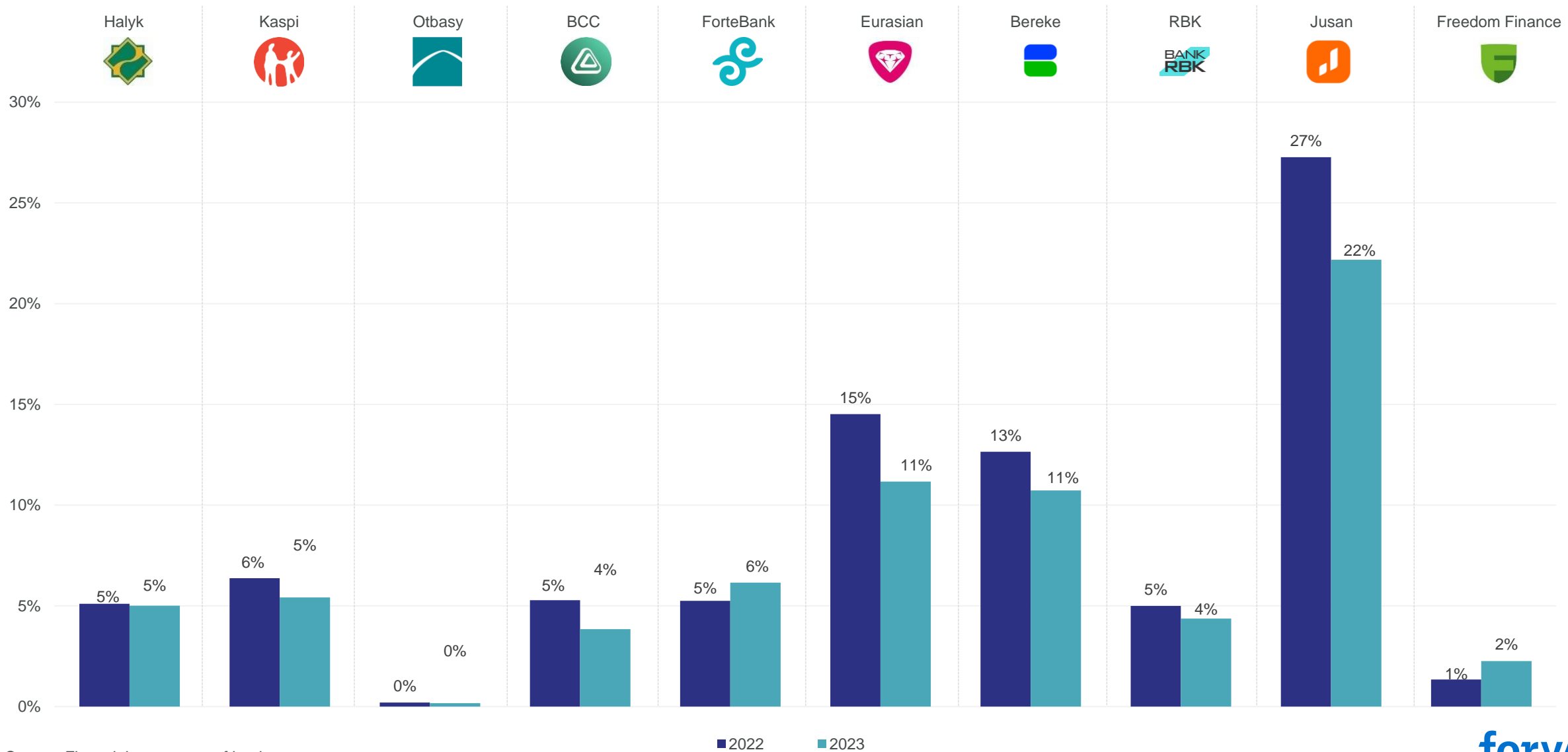
2.3 Provision for expected credit losses as a percentage of net interest income before provision for expected credit losses Kazakhstan



Source: Financial statements of banks

2.4 Coverage of the loan portfolio with reserves for expected credit losses, 2022-2023

Kazakhstan



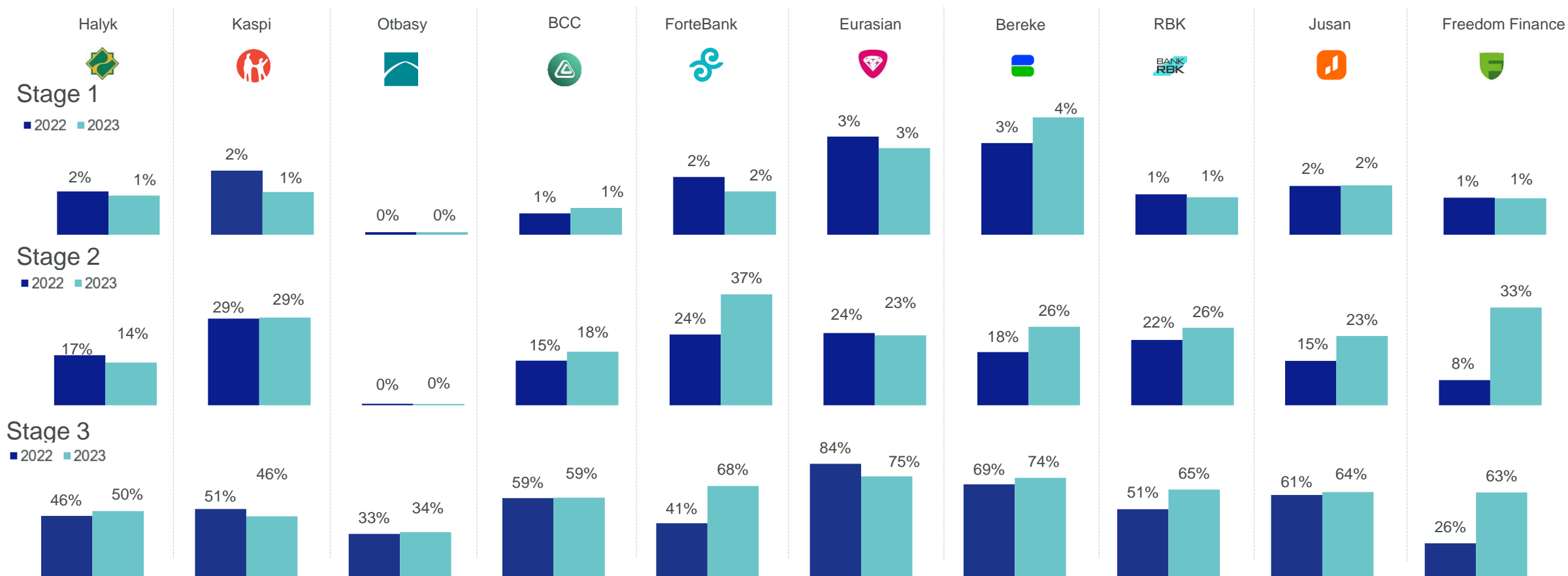
Source: Financial statements of banks

2.4 Coverage of the loan portfolio with reserves for expected credit losses, 2022-2023

Kazakhstan

Key findings

- Standard results of the provisioning approach taken by banks are observed, as the provisioning ratio increases in accordance with the stages of credit risk.
- The reserve ratio in the bank JSC "Housing Construction Savings Bank "Otbasy Bank" for stage 2 loans remains close to zero.
- Freedom Finance Bank's coverage of stage 2 and 3 loans with reserves is growing significantly.



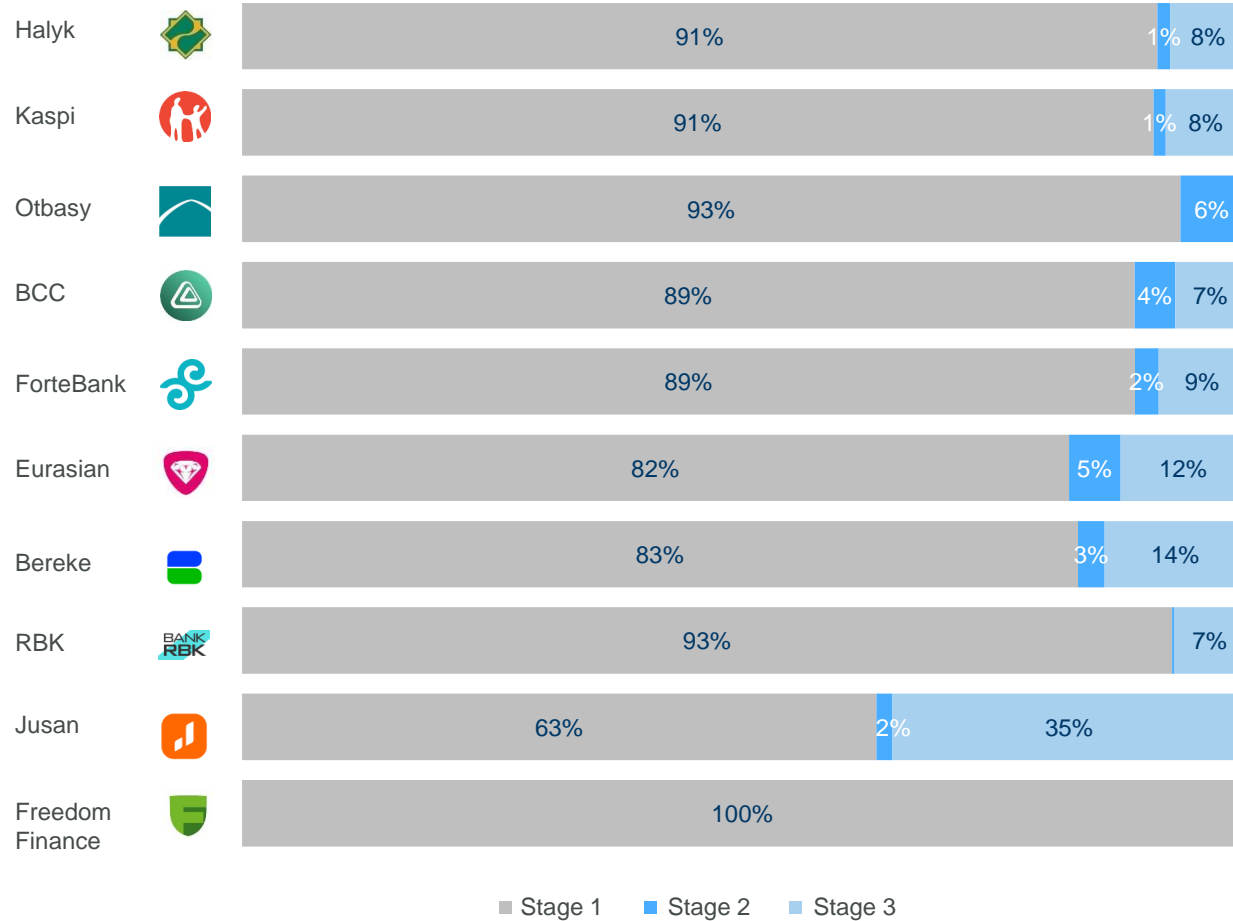
Source: Financial statements of banks

2.5 Gross value of loans by credit risk stage

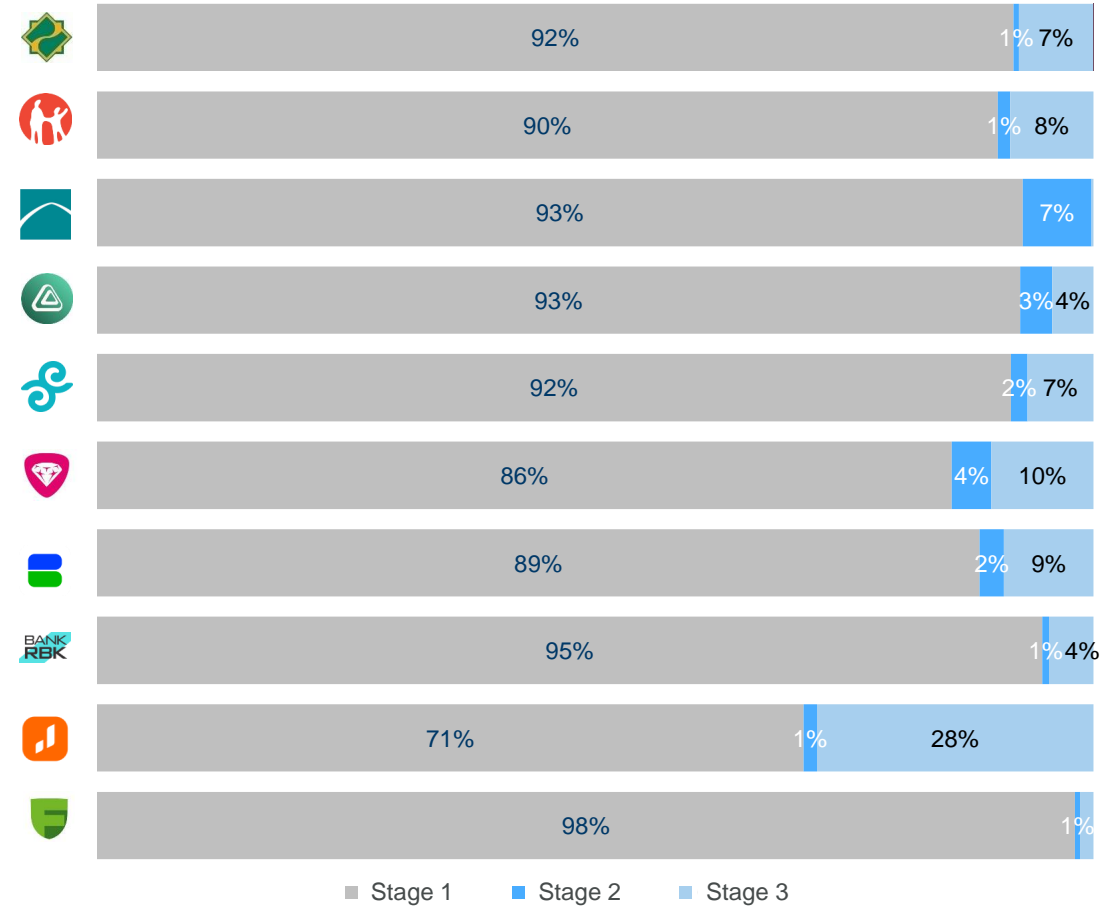
Kazakhstan

Gross value of credit is the value of credit before deducting the allowance for expected credit losses.

2022



2023



* POCI assets are classified into stage 3

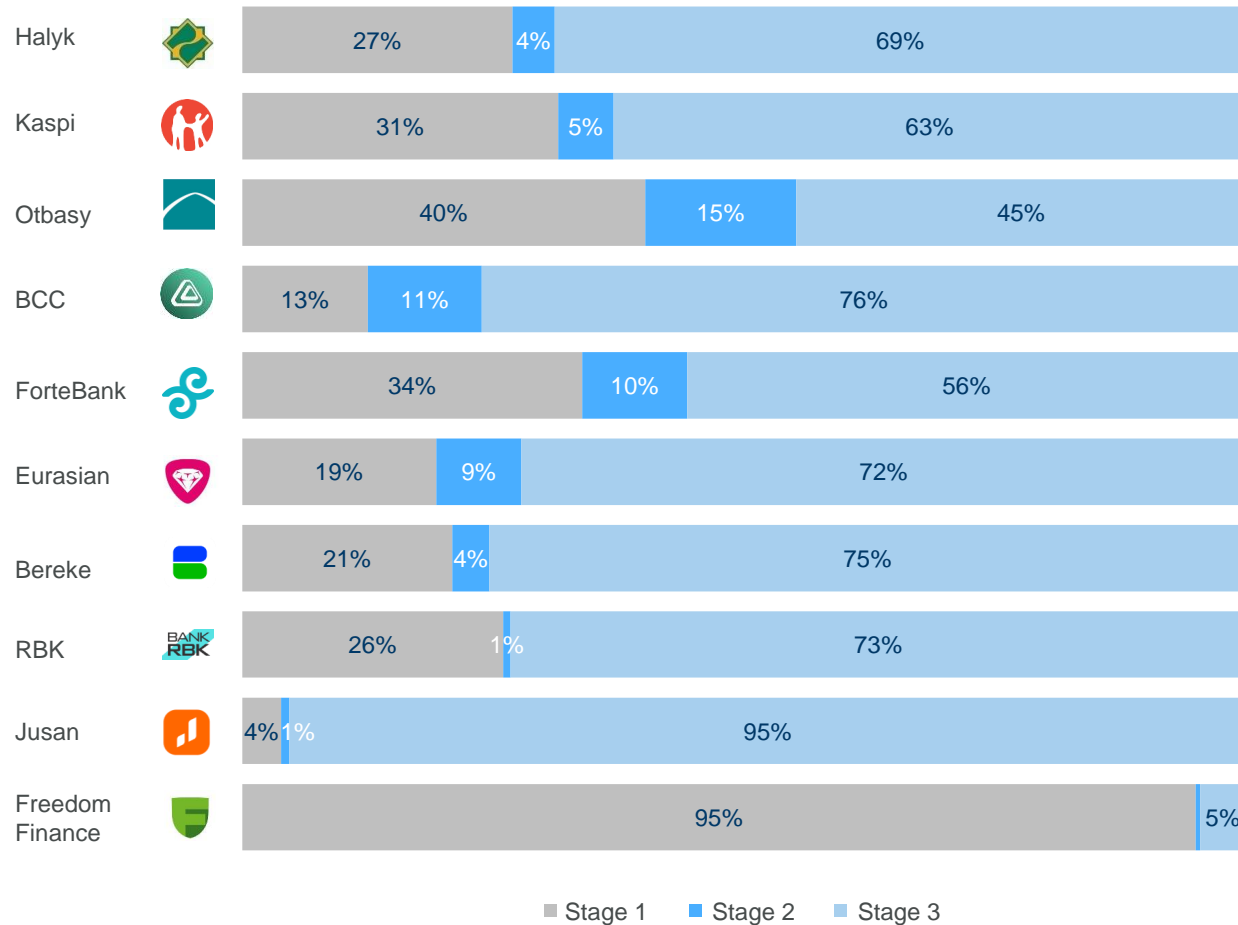
** Loans issued to customers, assessed at FVTPL, are classified as stage 1

Source: Financial statements of banks

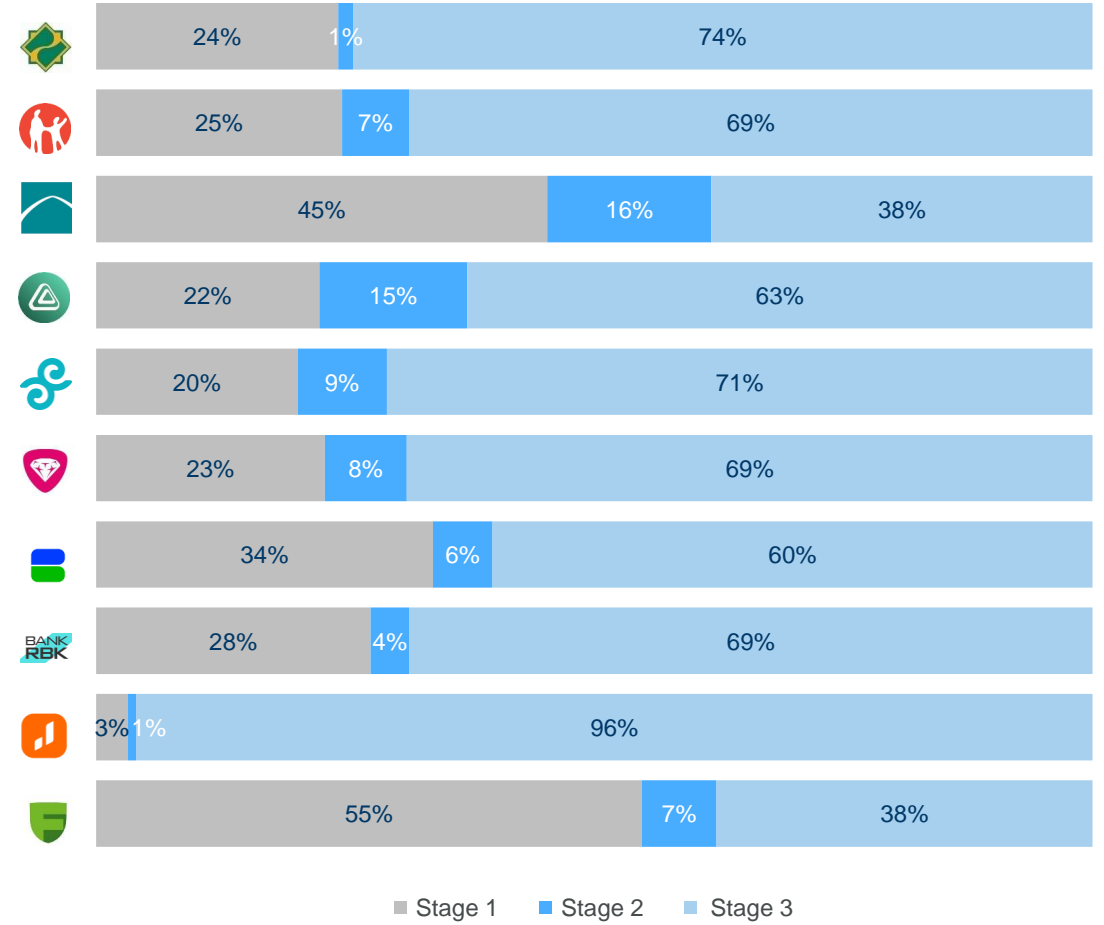
2.6 Reserves for expected credit losses by credit risk stage

Kazakhstan

2022



2023



* POCI assets are classified into stage 3

** Loans issued to customers, assessed at FVTPL, are classified as stage 1

Source: Financial statements of banks

03

 Uzbekistan: 2023 results for banks



3.1 Financial indicators of commercial banks

Uzbekistan

* Compared to the corresponding indicator of the previous year

Net Profit 2023: Top 10 Banks, \$ million				
No	Name	Net profit	Change % *	
1.	 JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"	146	▼	-29%
2.	 JSCB "Kapitalbank"	143	▲	77%
3.	 JSCB "Hamkorbank"	102	▲	58%
4.	 JSCB "Uzbek Industrial and Construction Bank"	73	▲	35%
5.	 JSCIB "Ipoteka-bank"	70	▼	-39%
6.	 AIKB "Ipak Yuli"	62	▲	55%
7.	 Private Joint Stock Commercial Bank "Orient Finance"	59	▲	50%
8.	 Joint-Stock Commercial "Alokabank"	31	▲	82%
9.	 JSCB "ASIA ALLIANCE BANK"	29	▲	74%
10.	 JSCB "Agrobank"	20	▲	21%

Source: Financial statements of banks

Assets 2023: Top 10 banks, \$ million				
No	Name	Assets	Change % *	
1.	 JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"	10 858	▲	6%
2.	 JSCB "Uzbek Industrial and Construction Bank"	6 241	▲	16%
3.	 JSCB "Agrobank"	5 678	▲	26%
4.	 JSC "Asakabank"	4 839	▲	13%
5.	 JSCIB "Ipoteka-bank"	4 057	▲	7%
6.	 JSCB "Kapitalbank"	3 535	▲	45%
7.	 JSCB "Hamkorbank"	1 787	▲	24%
8.	 Joint-Stock Commercial "Alokabank"	1 344	▼	-1%
9.	 AIKB "Ipak Yuli"	1 440	▲	30%
10.	 JSCB "Turon Bank"	1 316	▲	24%

Source: Financial statements of banks

Loan Portfolio 2023: Top 10 Banks, \$ million				
No	Name	Loan portfolio	Change % *	
1.	 JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"	7 866	▲	9%
2.	 JSCB "Uzbek Industrial and Construction Bank"	4 940	▲	20%
3.	 JSCB "Agrobank"	4 896	▲	28%
4.	 JSC "Asakabank"	3 439	▲	11%
5.	 JSCIB "Ipoteka-bank"	2 864	▲	4%
6.	 JSCB "Kapitalbank"	2 533	▲	80%
7.	 JSCB "Hamkorbank"	1 357	▲	39%
8.	 JSCB "Turon Bank"	1 018	▲	28%
9.	 AIKB "Ipak Yuli"	982	▲	50%
10.	 Joint-Stock Commercial "Alokabank"	893	▲	9%

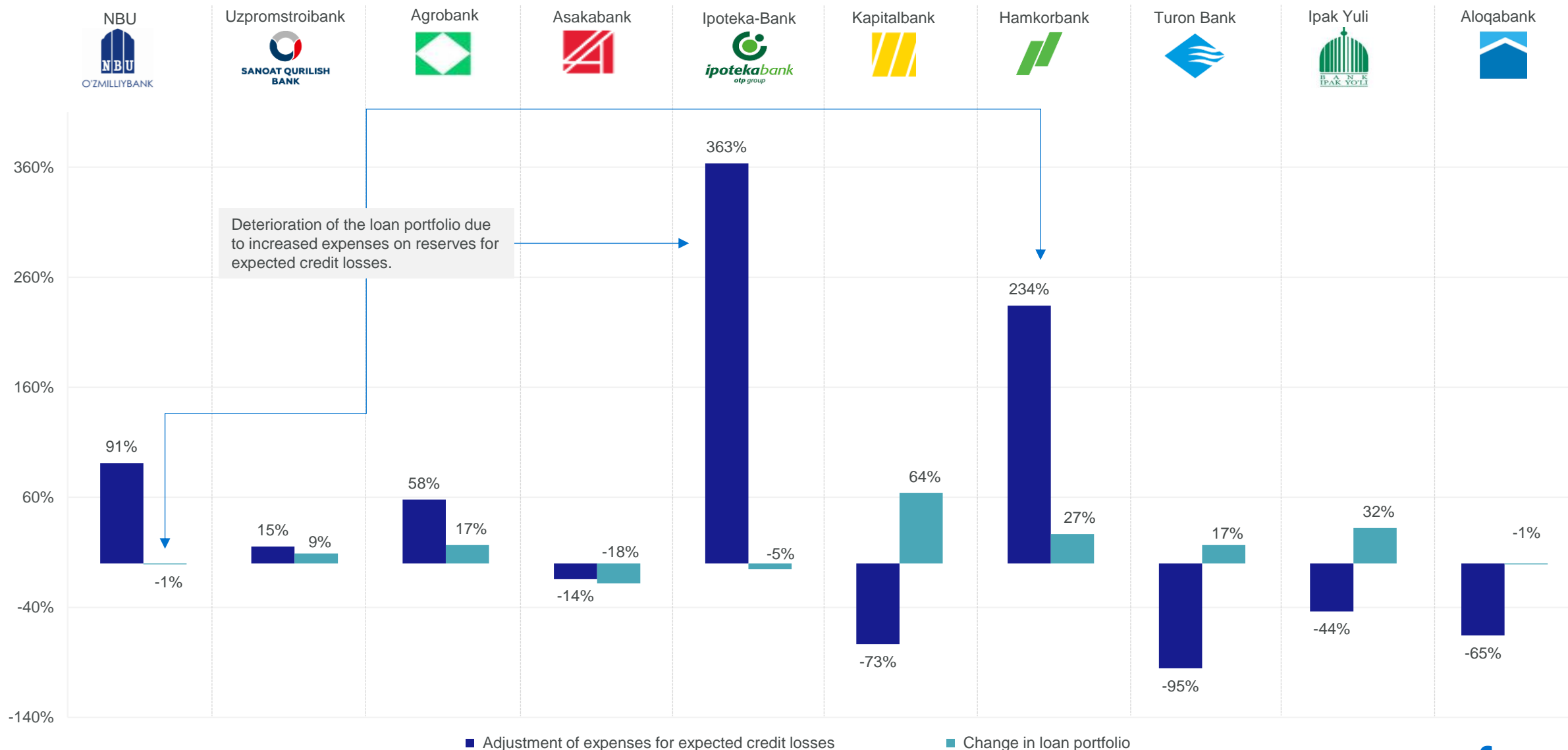
Source: Financial statements of banks

Deposits 2023: Top 10 banks, \$ million				
No	Name	Deposits	Change % *	
1.	 JSCB "Kapitalbank"	2 855	▲	34%
2.	 JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan"	2 803	▼	-14%
3.	 JSCIB "Ipoteka-bank"	1 514	▲	41%
4.	 JSCB "Agrobank"	1 365	▲	17%
5.	 JSC "Asakabank"	1 253	▲	25%
6.	 JSCB "Uzbek Industrial and Construction Bank"	1 220	▼	-7%
7.	 Private Joint Stock Commercial Bank "Orient Finance"	877	▲	49%
8.	 Joint-Stock Commercial "Alokabank"	725	▲	12%
9.	 AIKB "Ipak Yuli"	716	▲	28%
10.	 JSCB "Hamkorbank"	679	▲	19%

Source: Financial statements of banks

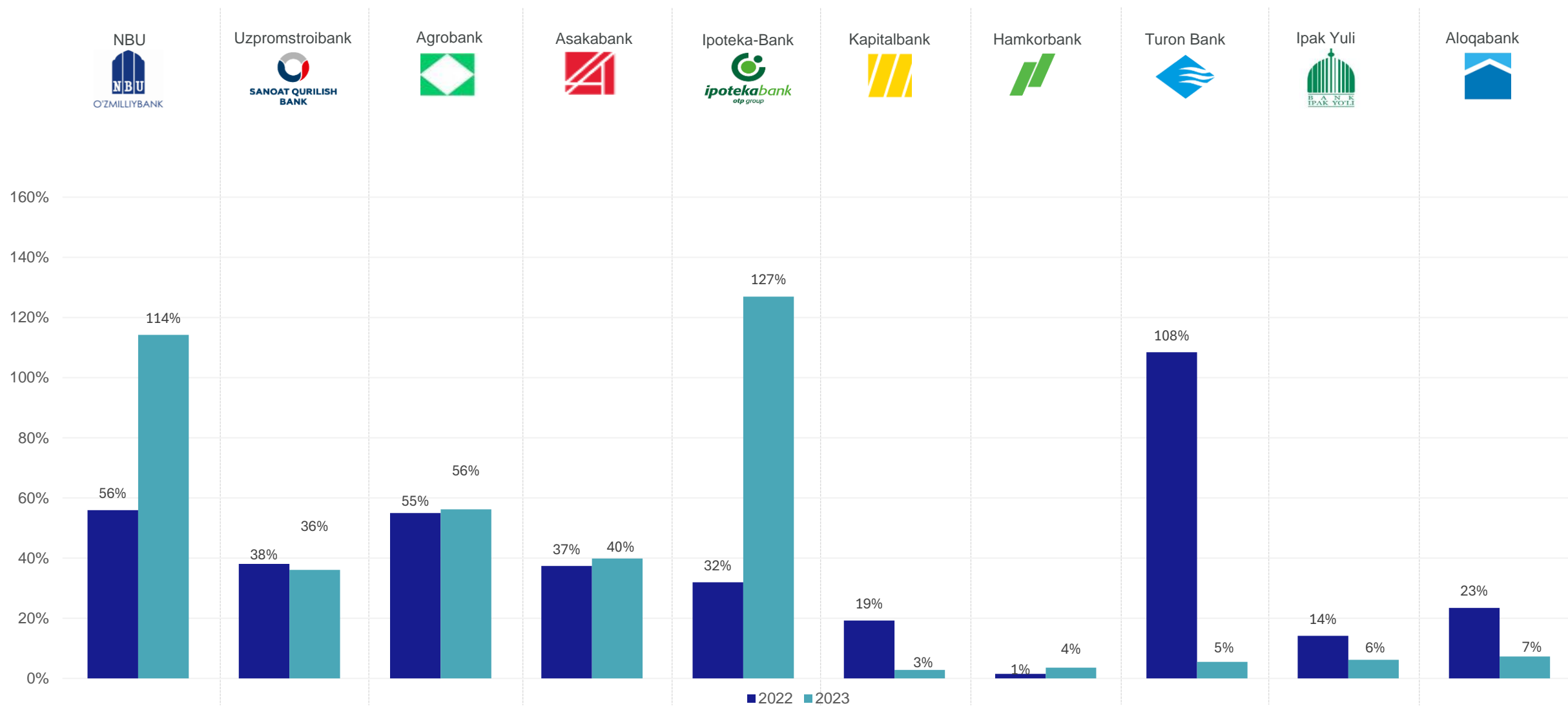
3.2 Loan portfolio and reserves for expected credit losses, 2023

Uzbekistan



Source: Financial statements of banks

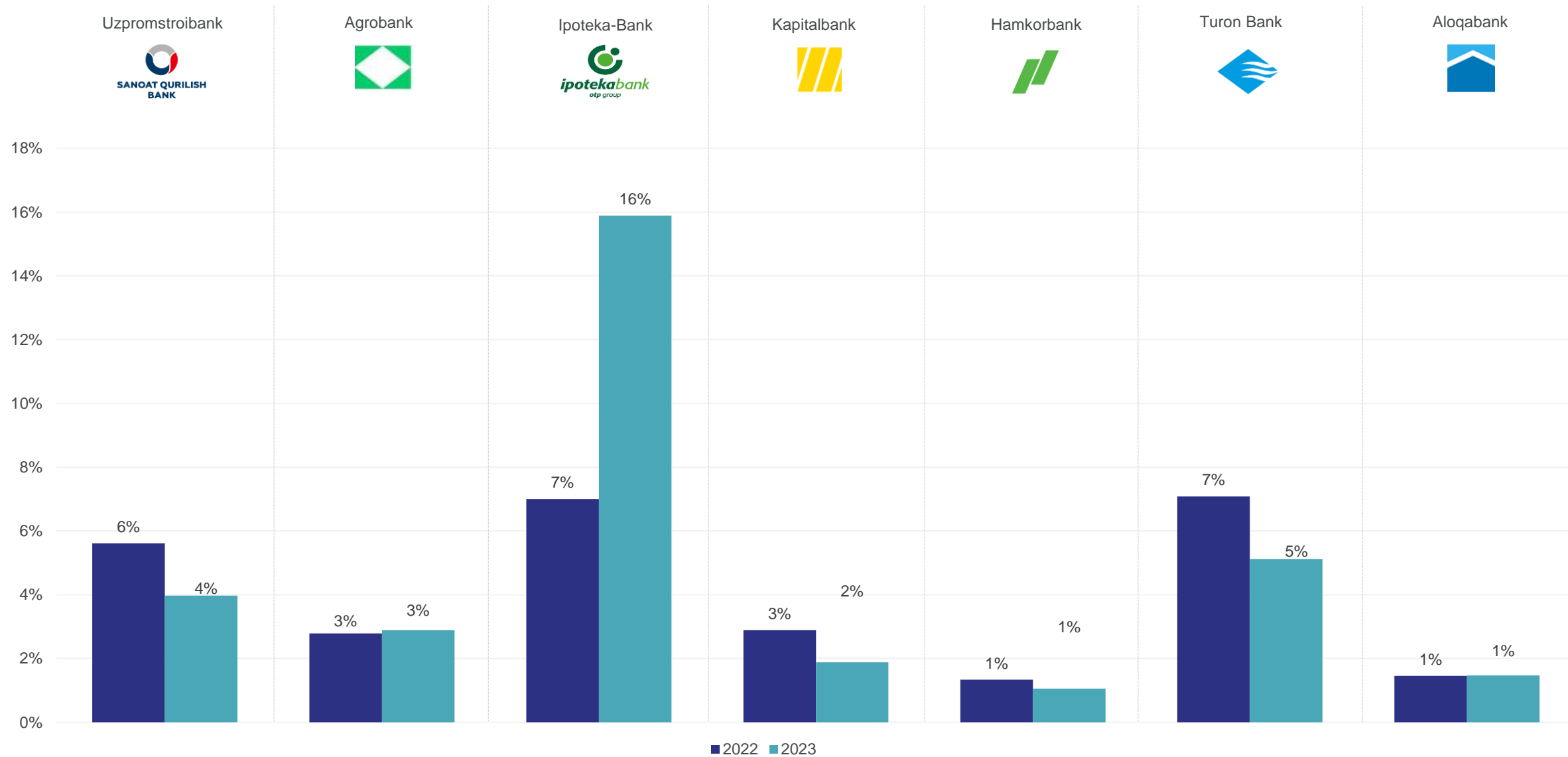
3.3 Provision for expected credit losses as a percentage of net interest income before provision for expected credit losses Uzbekistan



Source: Financial statements of banks

3.4 Coverage of the loan portfolio with reserves for expected credit losses

Uzbekistan

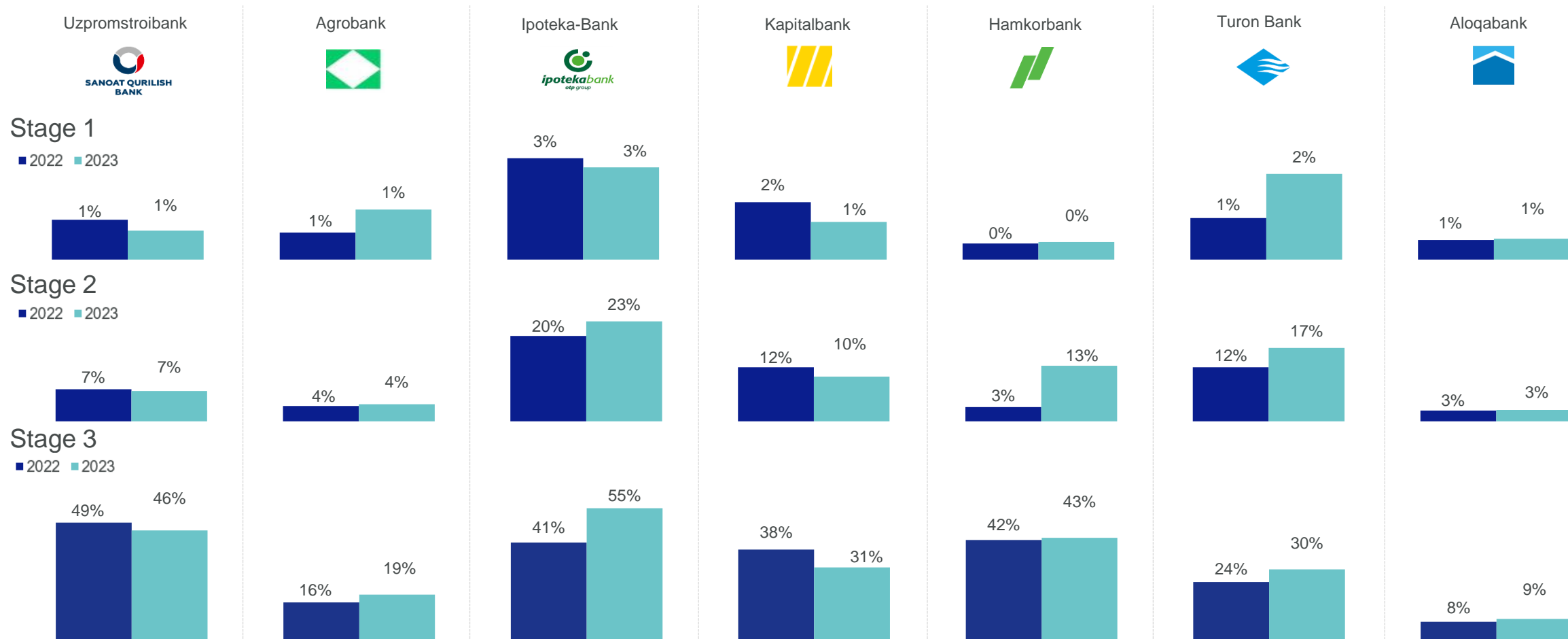


Source: Financial statements of banks

3.4 Coverage of the loan portfolio with reserves for expected credit losses

Key findings

- Standard results of the provisioning approach taken by banks are observed, as the provisioning ratio increases in accordance with the stages of credit risk.
- In UZ-10 bank in 2022-2023 the reserve ratio remains in the range of 1-9% for all three stages.



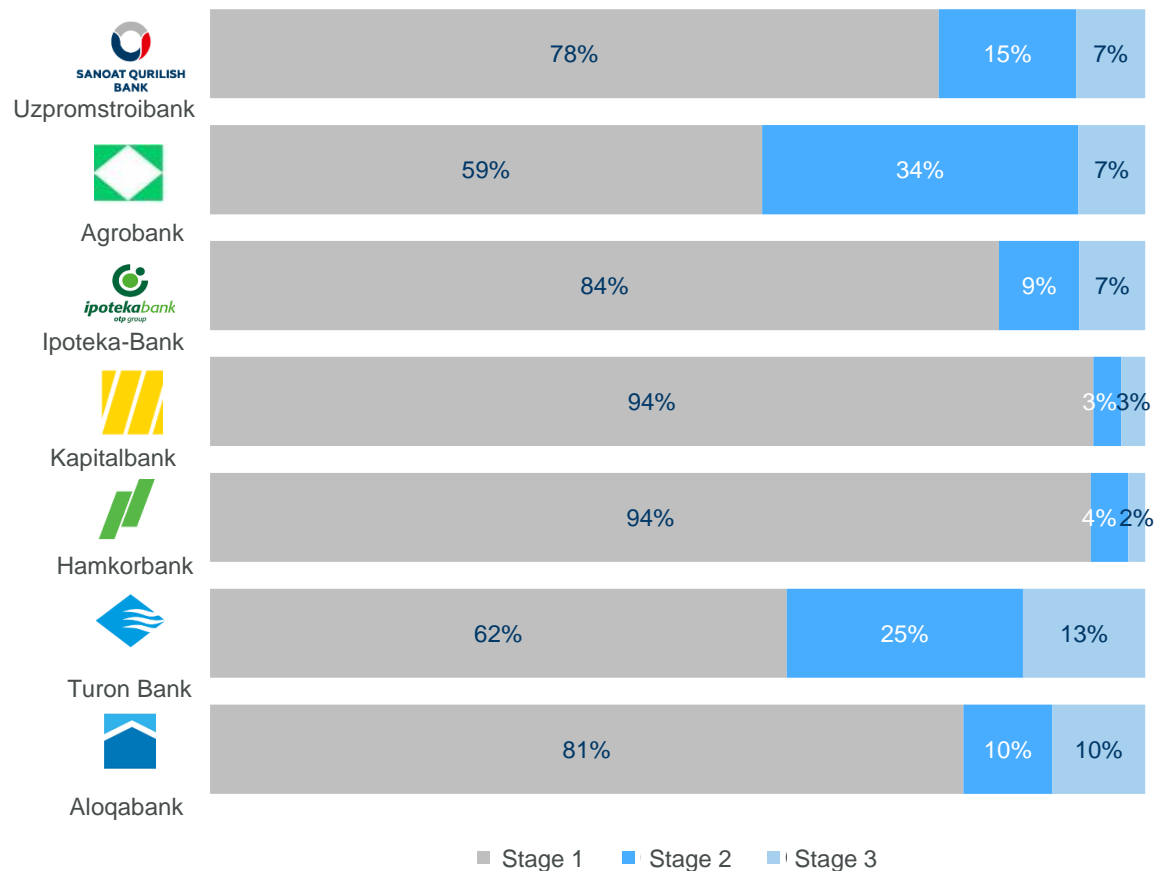
Source: Financial statements of banks

3.5 Gross value of loans by credit risk stage

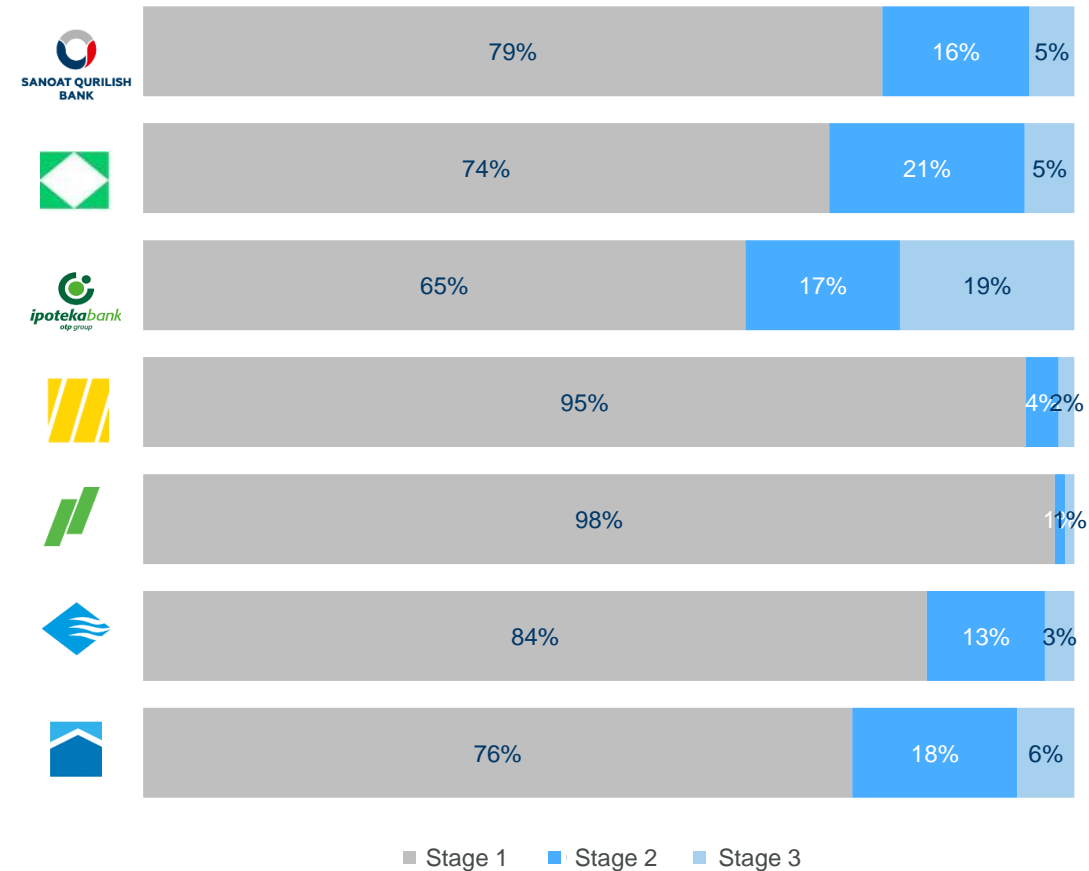
Uzbekistan

Gross value of credit is the value of credit before deducting the allowance for expected credit losses.

2022



2023



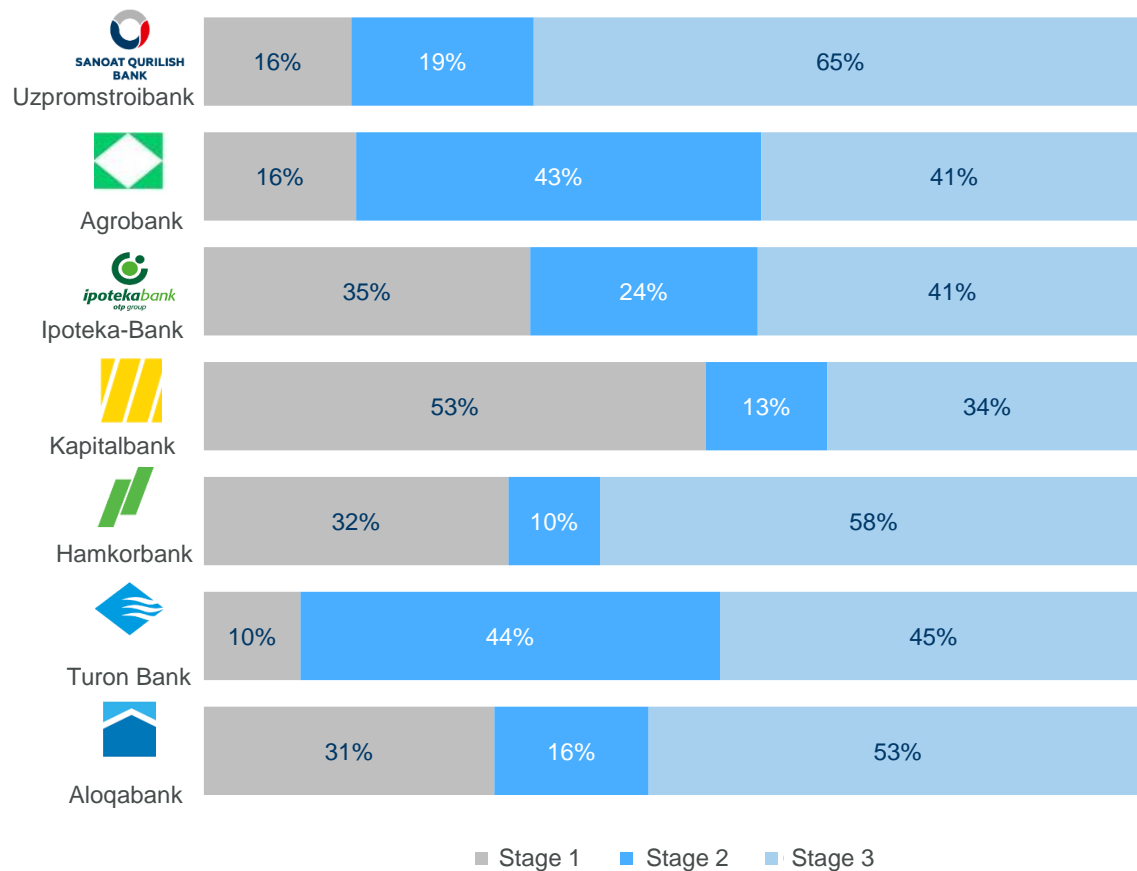
* POCI assets are classified into stage 3

Source: Financial statements of banks

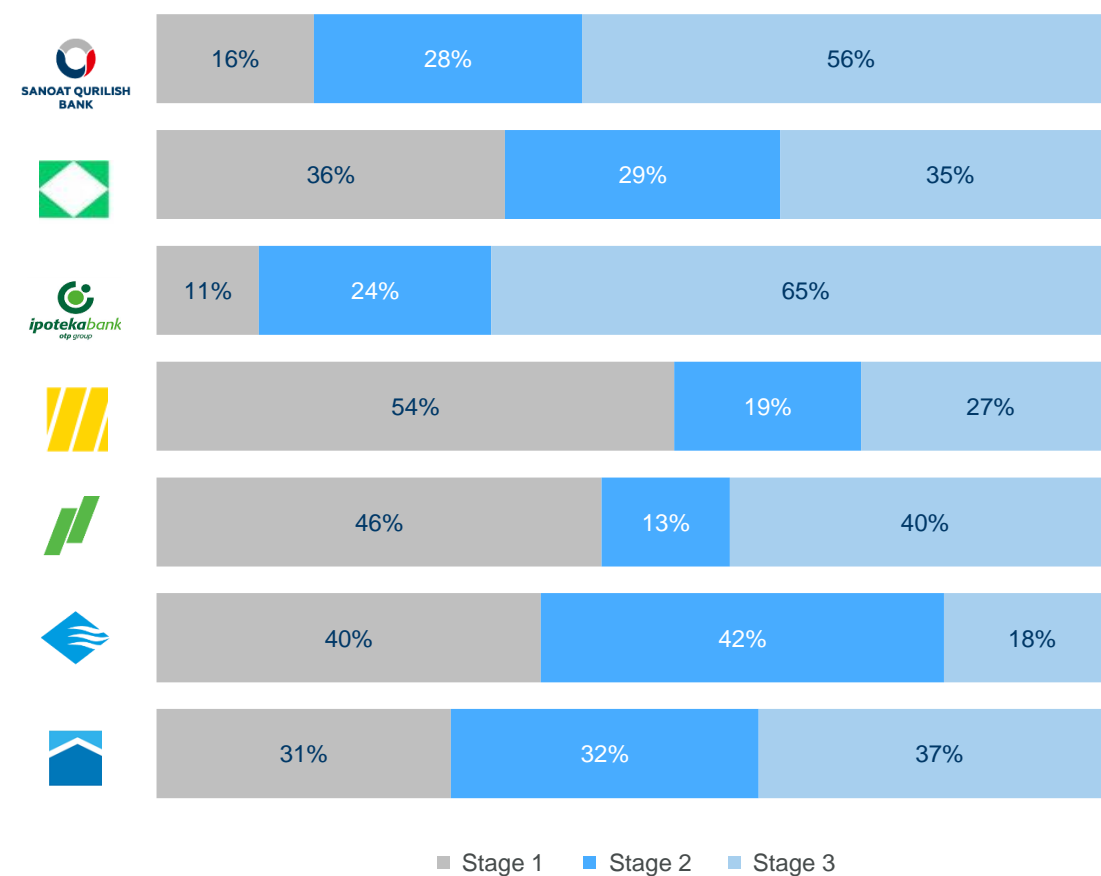
3.6 Reserves for expected credit losses by credit risk stage

Uzbekistan

2022



2023



* POCI assets are classified into stage 3

Source: Financial statements of banks

04










 Kyrgyzstan: 2023 results for banks



4.1 Financial indicators of commercial banks

Kyrgyzstan

* Compared to the corresponding indicator of the previous year

Net Profit 2023: Top 10 Banks, \$ million			
No	Name	Net profit	Change % *
1.	 OJSC "Aiyyl Bank"	62	▲ 4%
2.	 OJSC "Commercial Bank Kyrgyzstan"	43	▲ 29%
3.	 OJSC "Optima Bank"	32	▼ -14%
4.	 OJSC "RSK Bank"	28	▲ 95%
5.	 CJSC "Demir Kyrgyz International Bank"	28	▲ 12%
6.	 JSC "Kyrgyz Investment and Credit Bank"	23	▲ 103%
7.	 OJSC "Bakai Bank"	20	▼ -59%
8.	 OJSC "Keremet Bank"	11	▲ 169%
9.	 CJSC "Bank Companion"	10	▼ -28%
10.	 CJSC "Bank of Asia"	5	▼ -45%

Source: Financial statements of banks

Assets 2023: Top 10 banks, \$ million			
No	Name	Assets	Change % *
1.	 OJSC "Aiyyl Bank"	1 232	▲ 34%
2.	 OJSC "Bakai Bank"	799	▲ 37%
3.	 OJSC "RSK Bank"	792	▲ 35%
4.	 OJSC "Commercial Bank Kyrgyzstan"	682	▲ 57%
5.	 OJSC "Optima Bank"	667	▲ 19%
6.	 CJSC "Demir Kyrgyz International Bank"	622	▲ 13%
7.	 JSC "Kyrgyz Investment and Credit Bank"	616	▲ 17%
8.	 CJSC "Bank Companion"	218	▲ 27%
9.	 OJSC "Halyk Bank Kyrgyzstan"	203	▲ 4%
10.	 OJSC "Keremet Bank"	162	▲ 10%

Source: Financial statements of banks

Loan Portfolio 2023: Top 10 Banks, \$ million			
No	Name	Loan portfolio	Growth, % r/r
1.	 OJSC "Aiyyl Bank"	440	▲ 23%
2.	 OJSC "RSK Bank"	331	▲ 39%
3.	 OJSC "Commercial Bank Kyrgyzstan"	200	▲ 60%
4.	 OJSC "Optima Bank"	258	▲ 9%
5.	 CJSC "Demir Kyrgyz International Bank"	243	▲ 58%
6.	 OJSC "Bakai Bank"	235	▲ 33%
7.	 JSC "Kyrgyz Investment and Credit Bank"	230	▲ 33%
8.	 CJSC "Bank Companion"	169	▲ 31%
9.	 CJSC "FINCA Bank"	125	▲ 17%
10.	 OJSC "Halyk Bank Kyrgyzstan"	100	▼ -8%

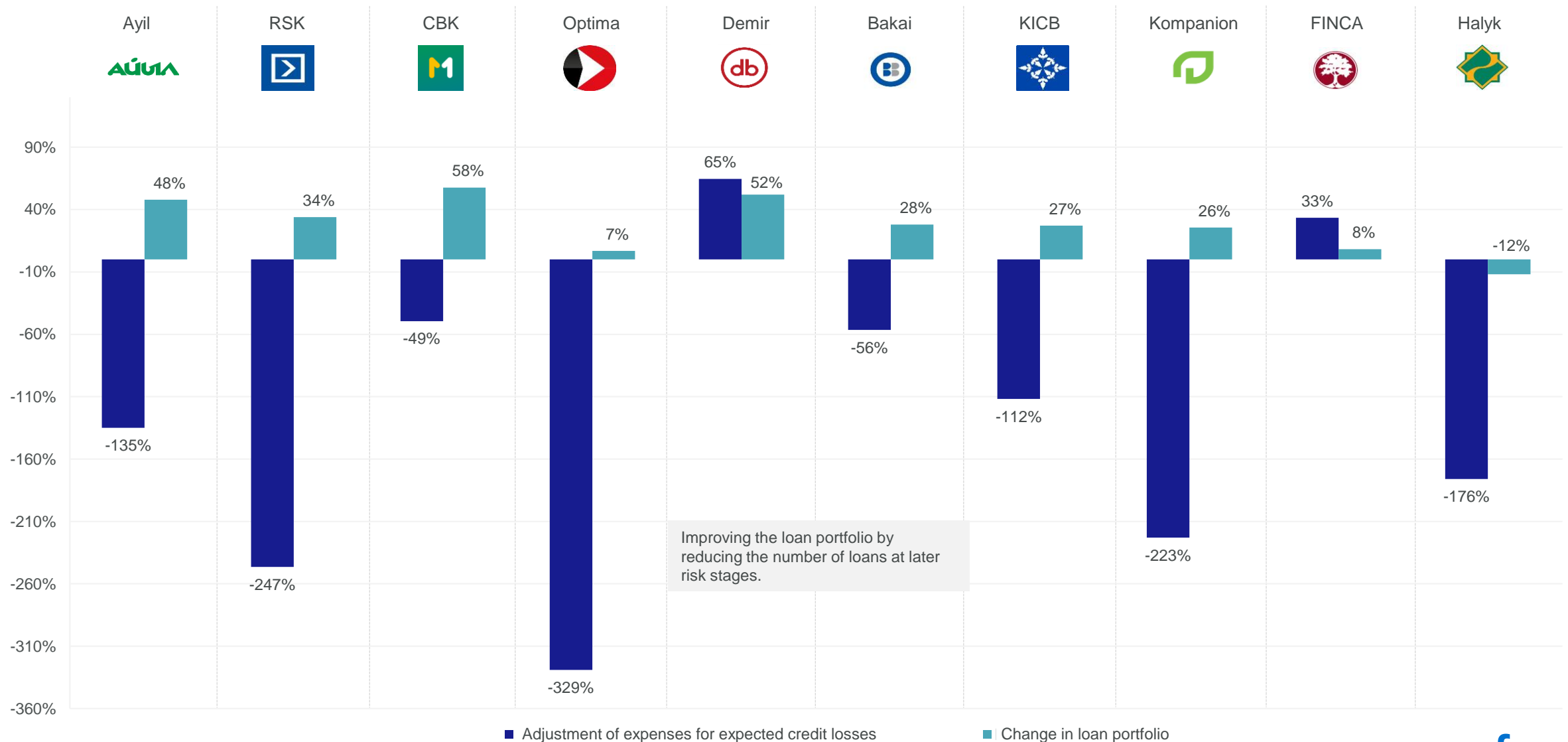
Source: Financial statements of banks

Deposits 2023: Top 10 banks, \$ million			
No	Name	Deposits	Change % *
1.	 OJSC "Aiyyl Bank"	870	▲ 35%
2.	 OJSC "Bakai Bank"	629	▲ 43%
3.	 OJSC "RSK Bank"	563	▲ 36%
4.	 OJSC "Commercial Bank Kyrgyzstan"	519	▲ 54%
5.	 CJSC "Demir Kyrgyz International Bank"	485	▲ 4%
6.	 OJSC "Optima Bank"	479	▲ 22%
7.	 JSC "Kyrgyz Investment and Credit Bank"	402	▲ 11%
8.	 OJSC "Halyk Bank Kyrgyzstan"	115	▲ 20%
9.	 CJSC "Bank Companion"	139	▲ 39%
10.	 CJSC "FINCA Bank"	106	▲ 6%

Source: Financial statements of banks

4.2 Loan portfolio and reserves for expected credit losses, 2023

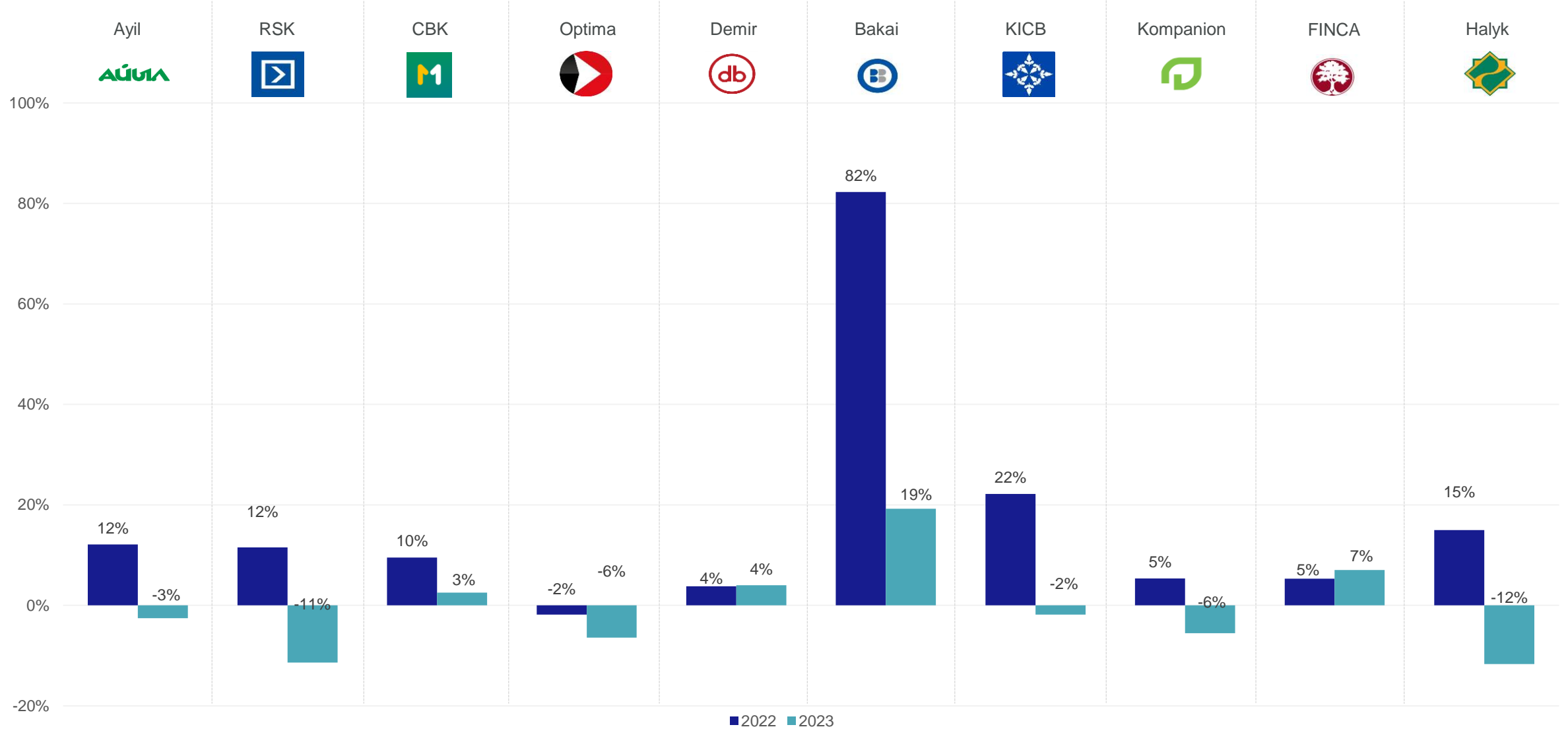
Kyrgyzstan



Source: Financial statements of banks

4.3 Provision for expected credit losses as a percentage of net interest income before provision for expected credit losses

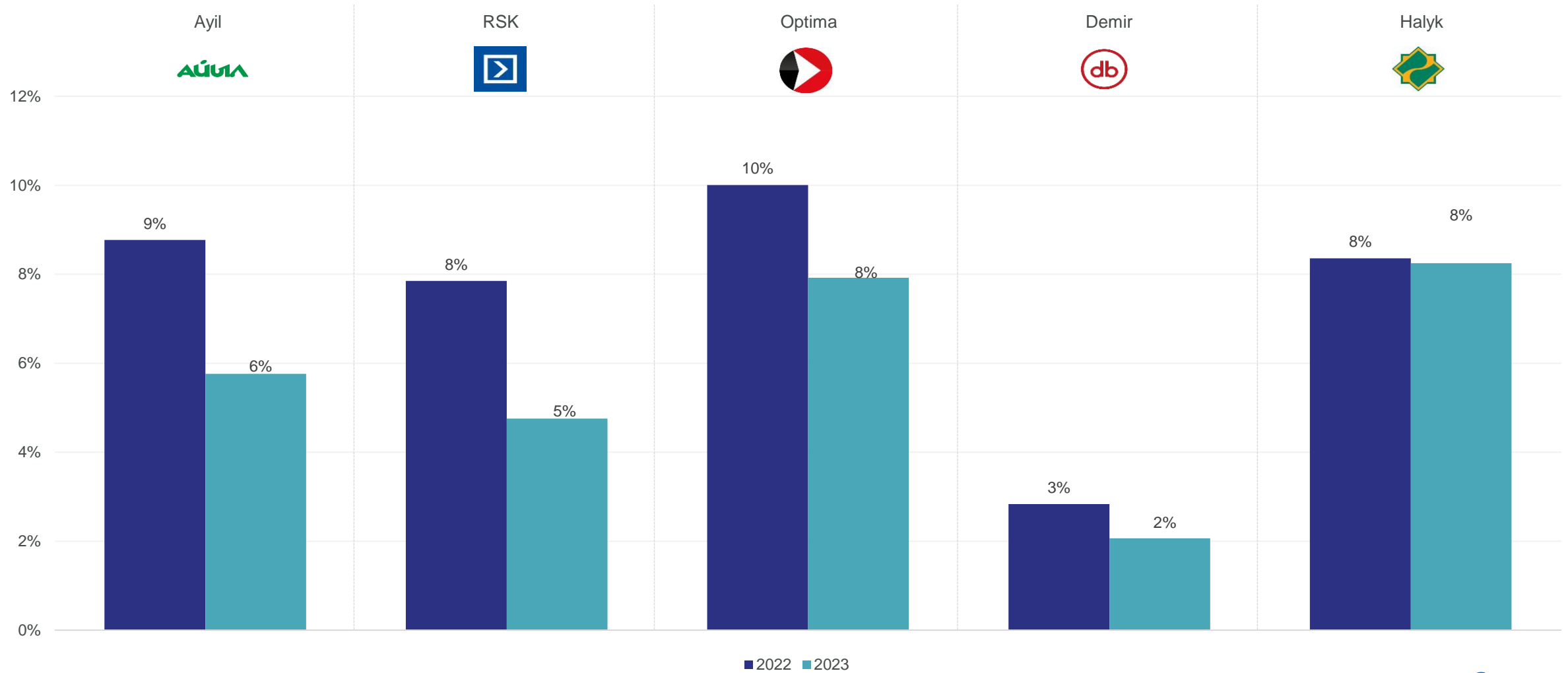
Kyrgyzstan



Source: Financial statements of banks

4.4 Coverage of the loan portfolio with reserves for expected credit losses

Kyrgyzstan



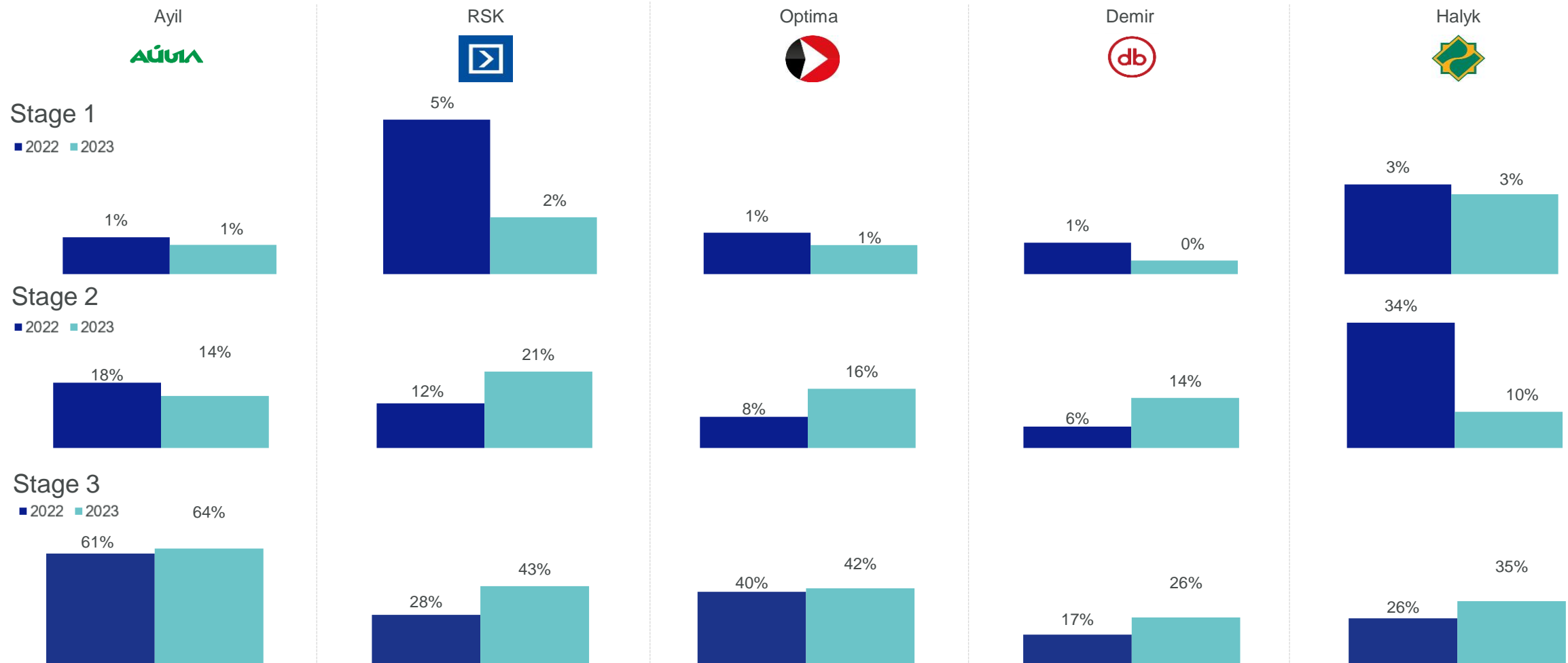
Source: Financial statements of banks

4.4 Coverage of the loan portfolio with reserves for expected credit losses

Kyrgyzstan

Key findings

- Standard results of the provisioning approach taken by banks are observed, as the provisioning ratio increases in accordance with the stages of credit risk.



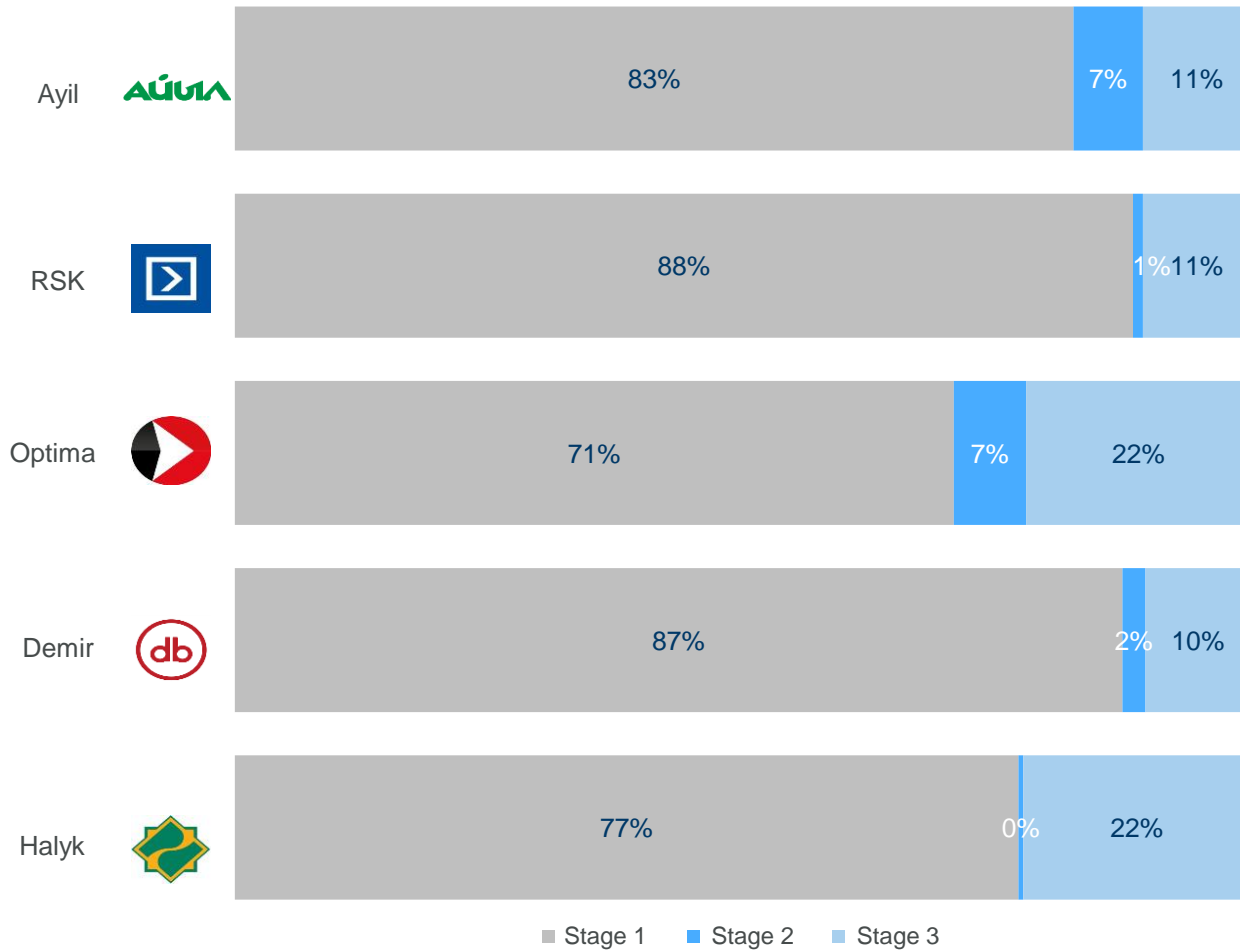
Source: Financial statements of banks

4.5 Gross value of loans by credit risk stage

Kyrgyzstan

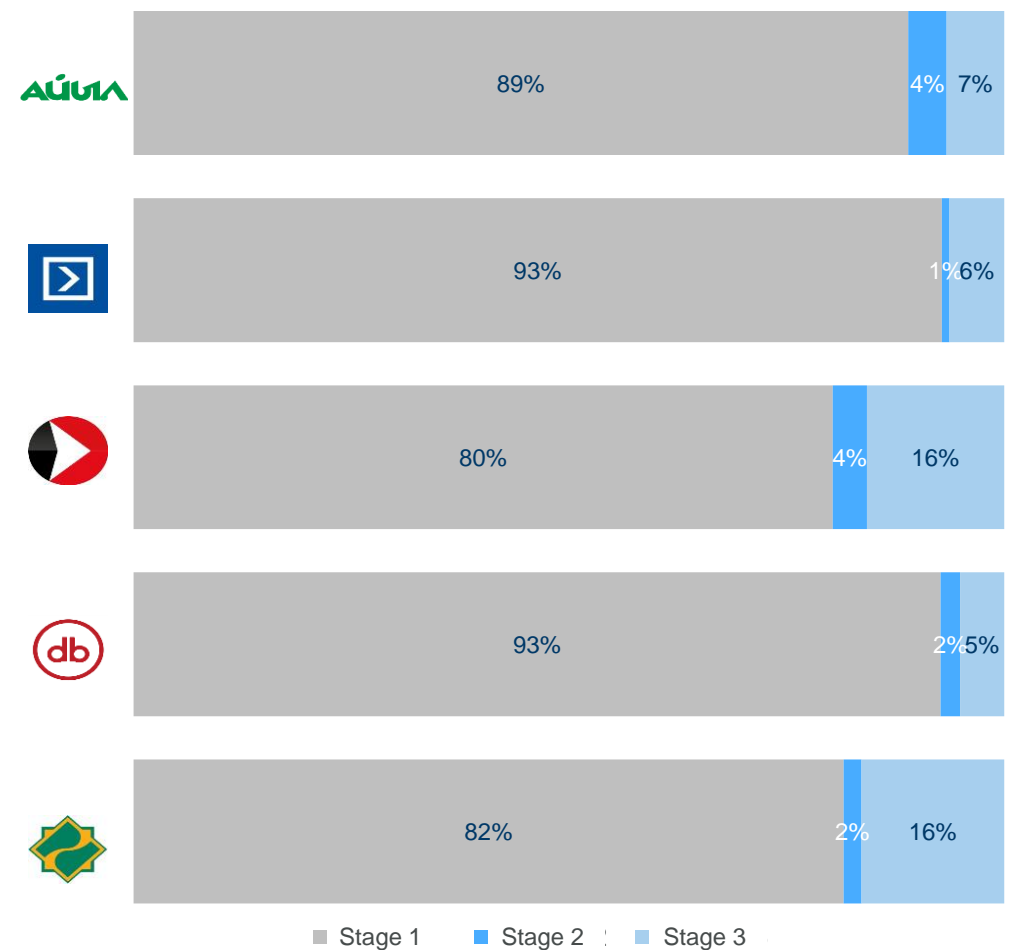
Gross value of credit is the value of credit before deducting the allowance for expected credit losses.

2022



* POCI assets are classified into stage 3

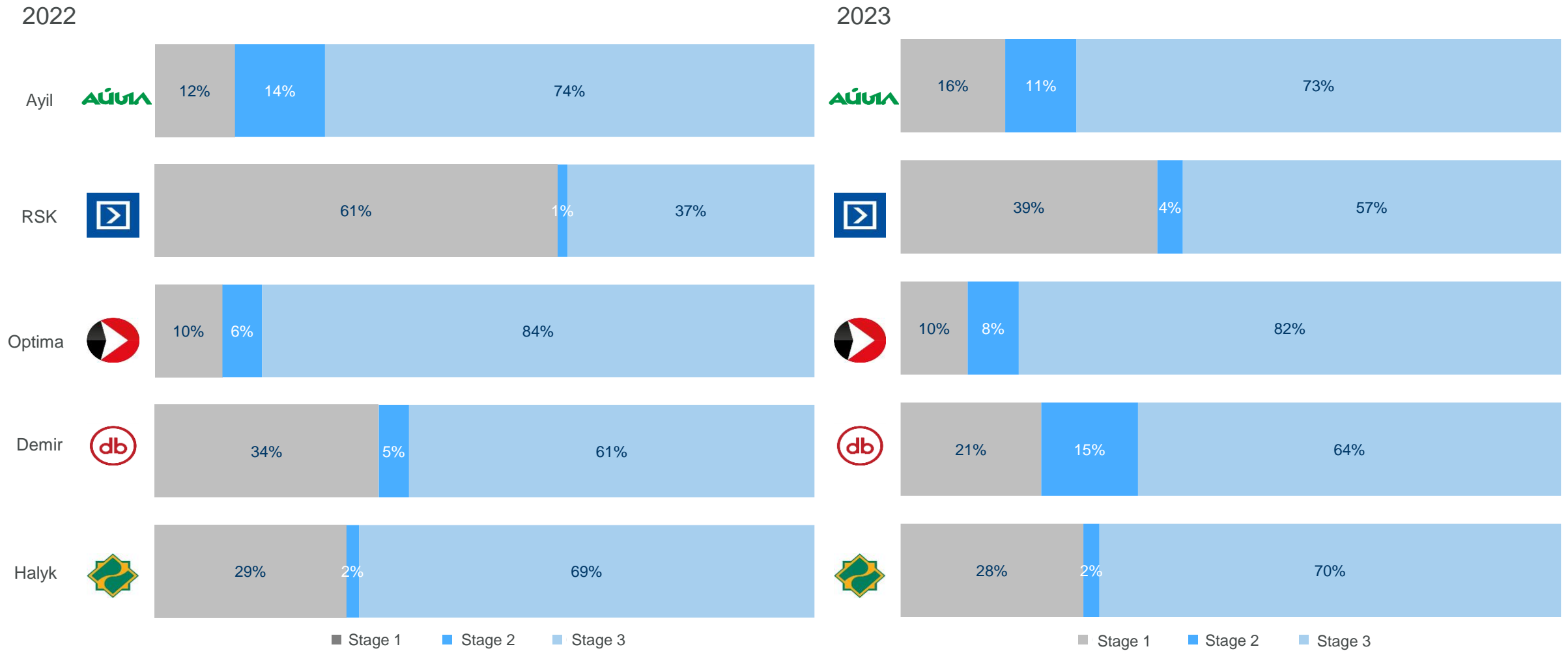
2023



Source: Financial statements of banks

4.6 Reserves for expected credit losses by credit risk stage

Kyrgyzstan



* POCI assets are classified into stage 3

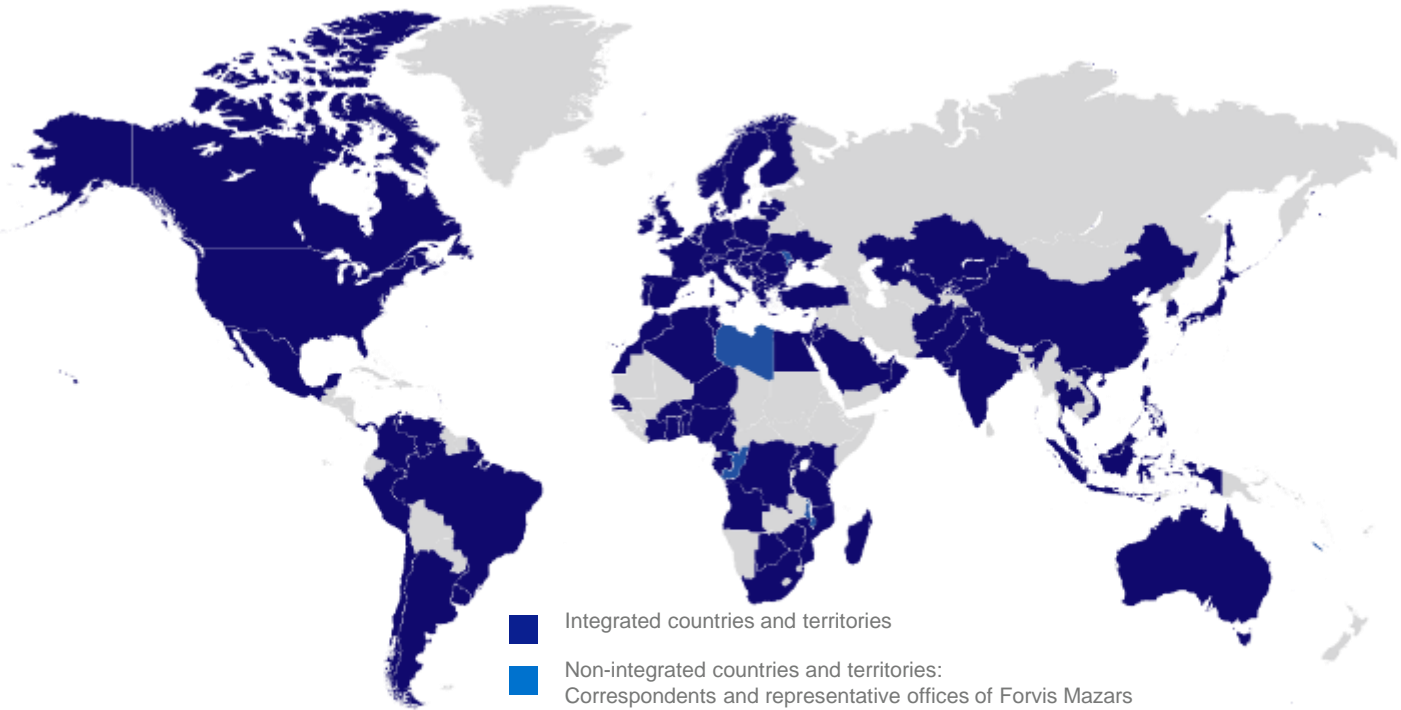
Source: Financial statements of banks

05

About Forvis Mazars



Forvis Mazars – A Global and Reliable Company: Clients have trusted us for nearly 80 years



About Forvis Mazars software for automating expected credit losses calculations according to IFRS 9

Calculation stage	Usual market practice		Forvis Mazars approach		Effect
	Process	Timeline*	Process	Timeline*	
Preparing data for calculation	<p>Manual downloading from the accounting system</p> <p>Processing and generating data in Excel</p>	1-4 weeks	<ul style="list-style-type: none"> • Full automation of downloading • Python Data Processing • Local storage in a single database on the Company server 	30-60 minutes	
Segmentation and stratification	<p>Manual/semi-manual segmentation and staging in Excel</p>	4-8 hours	<ul style="list-style-type: none"> • Creating directories • Automating segmentation in Python • Possibility of adjustments 	5-10 minutes	<ul style="list-style-type: none"> ✓ Data Security ✓ Labor costs reduction
Calculation of risk factors (PD, LGD, EAD)	<p>Large number of Excel files for modeling each risk factor</p>	2-5 days	<ul style="list-style-type: none"> • Automation of risk factor calculations in Python • Simple user interface 	10-20 minutes	<ul style="list-style-type: none"> ✓ Elimination of manual labor and human factor
Macro adjustment (PiT PD)	<p>Manual calculation in Excel/R/Python</p>	2-5 days	<ul style="list-style-type: none"> • Automating macro adjustment calculations in Python 	2-4 hours**	<ul style="list-style-type: none"> ✓ Improved understanding of model quality
ECL calculation	<p>Aggregation of all stages in Excel and calculation of ECL</p>	1-2 days	<ul style="list-style-type: none"> • Automated calculation of ECL 	3-5 minutes	
Formation of disclosures and analytics	<p>Manual/semi-manual Excel file</p>	1-2 weeks	<ul style="list-style-type: none"> • Archiving calculations in the database • Automated dashboards/reports and disclosures for financial reporting in the required format (Excel, Word, PDF) 	30-60 minutes	

Link to demo video: <https://youtu.be/40h7TdF9cLc?si=yqG3rucyGcJM6-dH>

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Our services in Kazakhstan, Uzbekistan and Kyrgyzstan

- Audit
- Taxation
- Accounting
- Valuation
- Financial modeling
- Due diligence
- Process automation, IFRS 9
- Power BI

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