



**NATIONAL BANK
OF THE REPUBLIC OF KAZAKHSTAN
P R E S S R E L E A S E No. 14
of 23 April 2012**

On Establishment of “Problem Loan Fund” JSC

For the purpose of implementation of the Law of the Republic of Kazakhstan “On Making Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan concerning the Matters of Regulation of Banking Activity and Financial Organizations with regard to Risk Minimization”, the National Bank of the Republic of Kazakhstan has established “Problem Loan Fund” JSC, an organization, which specializes in improvement of quality of the loan portfolios of the second-tier banks, and wherein the National Bank of the Republic Kazakhstan is a sole shareholder.

Further, with a view to meet the requirements of the legislative norms, the respective regulations have been adopted concerning the matters of the Fund operations. These regulations determine the criteria to the doubtful loans of the fifth category and bad loans of the second-tier banks that the Fund purchases.

According to the regulations the key criteria to the acquired rights of claim include loans granted to the residents of the Republic of Kazakhstan, which loans have appropriate security.

An appropriate independent assessment of said loans in case of purchase by the Fund of the rights of claim from the second-tier banks, including assessment of the security, will be held by the organizations having an international experience.

Currently the work is carried out to collect data from the second-tier banks related to the loans, which comply with requirements of the authorized body, to perform a pilot project for purchase of said loans from the banks in order to develop the appropriate mechanisms.

In future, upon having the appropriate assessment of the situation with the loans purchased, the Fund will issue securities to finance the core activity of acquiring the rights of claim.