January 22, 2021

Russia and Kazakhstan are emerging from the crisis with greater debt sustainability than Belarus

Risks of contingent liabilities have been deferred

In 2021, Russia and Kazakhstan will remain in the group of countries whose public debt is low; the public debt of Belarus will be moderate but more vulnerable in terms of its currency profile. According to ACRA's estimates, by the end of 2020, the direct public debt of the general government in Russia will not exceed 18% of GDP, and in Kazakhstan, it will amount to 26.6% of GDP. These figures are not significant in comparison with the sovereign debt of both emerging and developing economies and advanced economies. In ACRA's opinion, at the end of 2020, the public debt of Belarus will be about 44% of GDP, which is higher than sovereign debts of Russia and Kazakhstan, but lower than the average debt of emerging and developing economies. Factors that contributed to the debt sustainability of Russia and Kazakhstan in 2020 were low pre-crisis levels of public debt and its favorable profile and low service costs. Belarus entered the crisis with a moderate level of debt, which consisted mainly of non-market and foreign currency debt. At the beginning of 2020, 90% of the sovereign debt of Belarus was denominated in foreign currencies; this is the highest indicator among the countries under consideration and it increases Belarus' vulnerability to foreign exchange revaluation. Foreign exchange revaluation caused by the depreciation of the national currency was the main driver of the growth of public debt in 2020.

The net debt of Russia and Kazakhstan is minimal, and its service costs will remain low in 2021 in all three countries, but for different reasons. The net debt of Russia and Kazakhstan is low. In ACRA's opinion, the net debt of these countries will grow by the end of 2020, but it will remain very low by world standards, which will help to manage the cost of public borrowings in the future. Given their low debt burden, Russia and Kazakhstan have very low debt service costs relative to GDP and budget revenues. In Belarus, the situation is different: a higher debt burden leads to higher debt service costs.

In 2020, all three countries faced risks of contingent liabilities; nevertheless, regulatory forbearance measures taken by the central banks as well as credit holidays, do not currently allow us to assess these risks in full. A comparison of key indicators reflecting the state of their banking sector at the latest available date in 2020 with pre-crisis indicators suggests that asset quality and capital adequacy levels have remained virtually unchanged.

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Notwithstanding the crisis, borrowing costs are virtually unchanged for Russia, Kazakhstan and Belarus

In ACRA's opinion[1], the economies of Russia, Kazakhstan and Belarus managed to withstand the crisis of 2020 and retain debt sustainability, one of the strengths of their creditworthiness, which gives these countries room to maneuver in the event of new crises. However, the degree of fiscal freedom in the countries is not the same: Russia has the maximum fiscal space, Belarus has the minimum, and Kazakhstan is slightly behind Russia.

Having maintained their debt sustainability, all three countries managed to keep the cost of market borrowing relatively low (*Fig. 1*). In 2020, the yields on Russian federal loan bonds (OFZs) reached historic lows, the yields on Kazakh government bonds remained at levels slightly higher than in 2019, and the yields on foreign currency bonds of Belarus[2] almost reached their pre-crisis values. The Russian ruble market served as a source of liquidity for Kazakhstan and Belarus: the latter issued RUB-denominated Eurobonds for RUB 10.0 bln, and Kazakhstan made its debut placement of RUB-denominated Eurobonds for RUB 39.5 bln, the main purpose of which was to set a benchmark for corporate borrowers. The average premiums to OFZ in 2020 on RUB-denominated issues for Belarus and Kazakhstan amounted to about 330 bps and 110 bps, respectively.

Figure 1. Bond yields, %

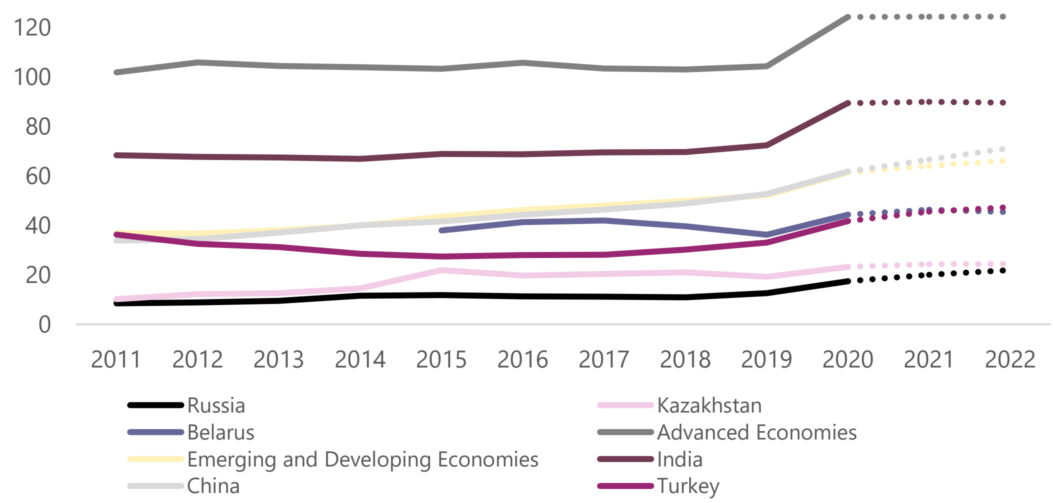
Source: Reuters

[1] ACRA assesses the creditworthiness of three CIS countries (Russia, Kazakhstan, and Belarus) whose GDPs account for 84% of GDP of all CIS countries in 2019; the CIS includes Belarus, Kazakhstan, Kyrgyzstan, Russia, Azerbaijan, Moldova, Tajikistan, Uzbekistan, Ukraine, Turkmenistan.
[2] External markets are the main source of budget deficit financing for Belarus.

In 2021, Russia and Kazakhstan will remain in the group of countries whose public debt is low; the public debt of Belarus will be moderate

According to ACRA's estimates, by the end of 2020, the direct[3] public debt of general government in Russia will not exceed 18% of GDP, and in Kazakhstan, it will amount to 26.6% of GDP. These figures are not significant in comparison with the debt[4] of both developing and advanced economies. In ACRA's opinion, the public debt of Belarus will be about 44% of GDP at the end of 2020, which is almost twice higher than sovereign debts of Russia and Kazakhstan, but lower than the average debt of developing economies.

Figure 2. Sovereign debt of consolidated governments of CIS countries, some BRICS countries, and Turkey, % of GDP



Sources: IMF, ACRA's forecast

Advanced economies are expected to emerge from the current crisis with debt levels nearly twice as high as those of developing economies (*Fig. 2*). However, their debt service costs are at historic lows (near-zero), making increased debt more affordable.

The debt growth in the CIS countries in 2020 was driven by reasons both similar to and different from those of developing and advanced economies. The similarity lies in the sharp increase in budget deficits compared to 2019, which was associated with the loss of fiscal revenues amid the economic slowdown and anti-crisis fiscal measures aimed at supporting the aggregate demand. The difference was a debt revaluation due to the weakening of national currencies. Factors that drove budget deficits up had different impacts on budget deficits and debt burden of all three countries.

In Russia, budget deficit grew due to a 4% fall in real GDP expected by the end of 2020 and additional anti-crisis expenditures of 4.5% of GDP; in Kazakhstan, the expected 1.9% GDP decline by the end of the year was combined with a package of anti-crisis support of 2.9%[5] of GDP forecasted for 2020. As for Belarus, the decline in its GDP is expected to be more moderate in 2020 (-1.7%), and the anti-crisis assistance package is to amount to about 1.1% of GDP.

[3] Excluding guarantees.

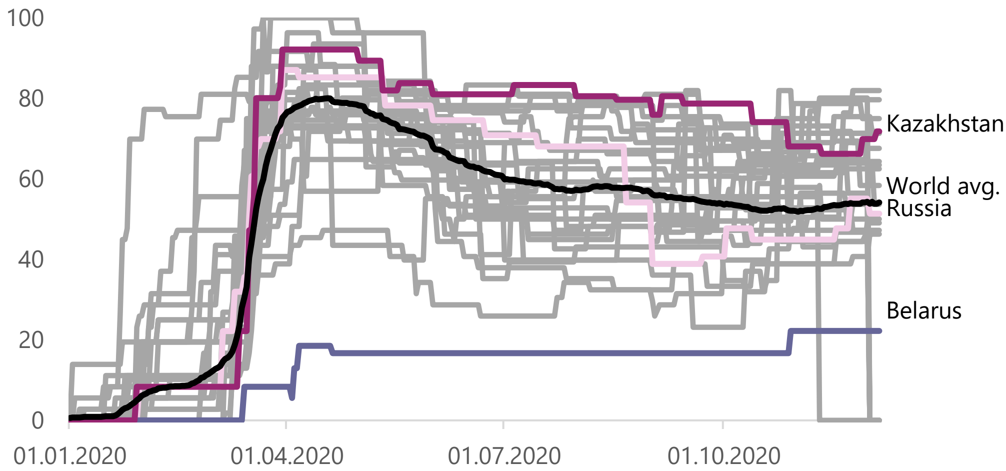
[4] IMF forecast as of October 2020.

[5] In 2020, the full anti-crisis package in Kazakhstan amounted to KZT 5.9 tln, of which only KZT 2.1 tln contributed to an increase in budget expenditures. In addition to this portion of the package, the amount of KZT 1.3 tln was redirected to anti-crisis support from other expenditures, and KZT 2.5 tln was contributed by extra-budgetary funds (for example, the State Social Insurance Fund) and used for the purposes of social support.

In the analyzed economies, the degree of GDP decline at the end of 2020 was unequal if taken on an annualized basis, and in Belarus, it turned out to be less significant than in Russia and Kazakhstan.[6] This is due to both a sharp drop in oil prices and a relevant reduction in oil production volumes in the previous year (which is important for Russia and Kazakhstan, who are exporters of energy resources) and the varying stringency of quarantine measures introduced by the three countries against the backdrop of the pandemic (*Fig. 3*). In Belarus, quarantine restrictive measures were significantly weaker than in Russia and Kazakhstan, so their impact on the Belarusian economy was moderately negative.

The GDP decline in Russia, which is the main trading partner of Belarus, had a much greater impact on the Belarusian economy, along with the aggravated oil disputes between Belarus and Russia and the growing political tensions in Belarus. The dependence of Belarusian economy on external factors is more pronounced than that of Russia and Kazakhstan, which is confirmed by the value of foreign trade turnover relative to the size of the economy. In 2019, Belarus' foreign trade turnover amounted to 134% of GDP, compared with 40% in Russia and 54% in Kazakhstan.

Figure 3. Stringency of quarantine measures in major CIS economies and the world



Source: Oxford Government Response Tracker

According to ACRA's estimates, in 2021, the recovery growth of the Russian and Kazakh GDPs will be sufficient to gradually stabilize the direct public debt relative to GDP (20–22% of GDP in Russia and 26–27% of GDP in Kazakhstan). In all three countries, the Agency expects a decrease in budget deficits in 2021 due to the gradual phasing out of anti-crisis measures by the governments of these countries.

After 2021, budget consolidation in Russia will be triggered by the expected return to the fiscal rule limiting the federal budget expenditures. In Kazakhstan, recovery in tax revenues amid growing economy and increased tax collection rate will facilitate a budget deficit decrease. In Belarus, according to ACRA's estimates, the GDP growth rate in 2021 will amount to 0.5% and the budget deficit to about 2–3% of GDP. As a result the public debt will increase to 46% of GDP.

[6] The GDP growth rate has changed in Kazakhstan by about 6.5 p.p. (from 4.5% in 2019 to -2% in 2020), in Russian by about 5.3 p.p. (from 1.3% to -4%), in Belarus by about 3.4 p.p. (from 1.7% to -1.7%).

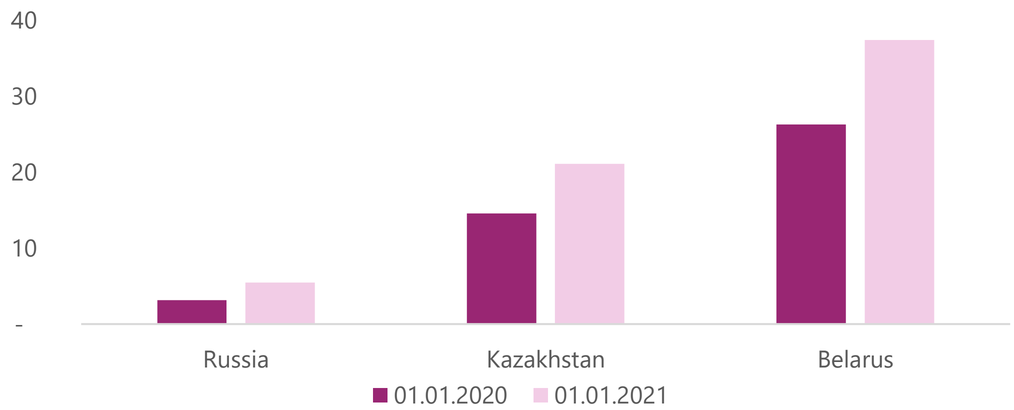
The net debt of Russia and Kazakhstan is minimal

For more information, see ACRA's analytical commentary "Despite the record transfer in 2020, the NFRK continues to be a reliable buffer for the budget of Kazakhstan and has a positive effect on the country's rating" from December 25, 2020.

In all three countries, the level of debt burden could have been even higher, but the liquid assets accumulated before the crisis smoothed the situation. In Russia, such assets included both a portion of the National Welfare Fund (NWF) and liquid assets of consolidated budget, which amounted to 9–16% of GDP at the beginning of 2020 (depending on the consolidation perimeter). The National Fund of the Republic of Kazakhstan (NFRK), the size of which was 40% of GDP at the beginning of 2020, became the safety buffer for the Kazakh budget. In Belarus, liquid budget balances held with the central bank accumulated thanks to budget surpluses in previous years and external borrowings amounted to about 10% of GDP at the beginning of 2020. During the crisis, the countries actively used their accumulated cash, which allowed them to show certain borrowing flexibility and successfully cover the financial needs of budgets in 2020.

The net debt of Russia is minimal[7]: its gross debt is almost comparable to liquid assets. In Kazakhstan, the net debt is slightly higher due to higher gross debt relative to the size of the economy and the relatively small share of the NFRK's liquid assets. In ACRA's opinion, by the end of 2020, the net debt of these countries will grow, but it will remain at a very low level by world standards. According to ACRA's calculations, in 2020, 2.6% of the NWF (about 4% of its liquid portion) was spent by Russia to compensate the shortfall in oil and gas revenues in the budget, while in Kazakhstan, the budget transfer from the NFRK amounted to 17.4% of the fund's assets.[8]

Figure 4. Net direct debt, % of GDP



Sources: data from ministries of finance, ACRA

Though current oil prices are close to the base level laid down in the fiscal rule formula for the federal budget of Russia, the aggregate transfer from the NWF will probably be positive in 2021 and could amount to 0.6% of GDP, provided that the oil production cuts are maintained under the OPEC+ deal.

The reason for this is the fact that the federal budget will be compensated not only for the low oil prices like in the past, but also for a decrease in oil production volumes.[9] So, should the transfer from the NWF is close to zero in 2022, then in two years the size of the fund will slightly exceed 10% of GDP (about 6.5% of GDP in the liquid component).

[7] Net debt of Kazakhstan and Russia is the direct public gross debt less liquid assets and sovereign funds.

[8] Russian and Kazakh sovereign funds have different sources of revenue: the NWF is replenished by a portion of annual mineral extraction tax collections and a portion of energy resource export duties, the size of which depends on the actual price and the base price (cut-off price) for oil; the NFRK is replenished by direct taxes paid by oil and gas companies.

[9] Such procedure is outlined in the Key Lines of Budgetary, Tax and Customs Tariff Policy for 2021 and 2022–2023. It will require relevant changes in the Budget Code.

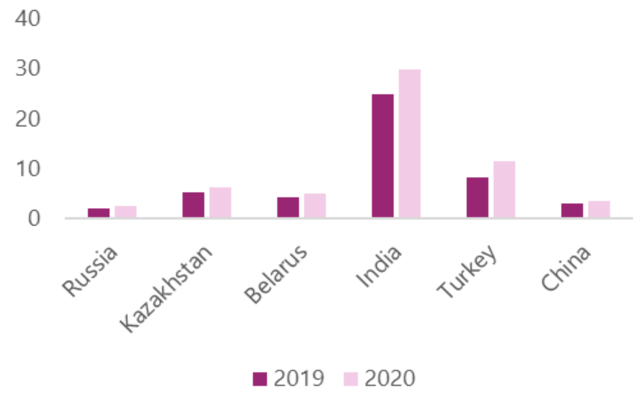
According to ACRA's estimates, given the size of Kazakhstan's NFRK's transfers to the budget over the past decade (including the sharp increase in the transfer of 2020), the size of the fund by the end of 2022 is likely to be at 26–27% of GDP, which provides a reliable cushion for the Kazakh economy. In contrast to Russia and Kazakhstan, the net public debt of Belarus will be more sizable and may amount to about 37% of GDP in 2020.

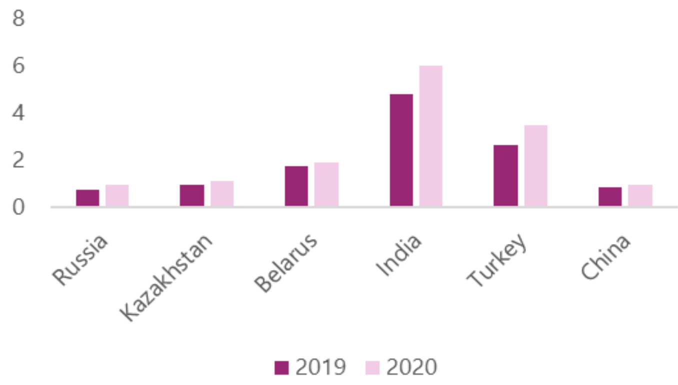
The cost of servicing public debt remains low

The debt sustainability of a country is a combination of the cost of servicing debt and debt load. Taking into account their low debt loads, Russia and Kazakhstan have extremely low debt service costs relative to GDP and budget revenues (*Fig. 5*). The situation is different in Belarus: a higher debt load results in higher debt service costs.

The three CIS countries spend a lot less of their budgets on servicing debts compared to some of the BRICS countries and Turkey due to both the different debt burden and its structure.

Figure 5. Debt servicing expenses (CIS, BRICS and Turkey), as a % of revenues (left) and % of GDP (right)





Sources: data from ministries of finance, ACRA

ACRA expects the volume of debt service costs in Russia and Kazakhstan to remain largely unchanged in 2021. However, for Russia these costs will become more sensitive to interest rate fluctuations, given the increased share of floating rate debt. This was the main borrowing instrument in 2020 and is likely to also play a significant role in 2021. About a quarter of Russia's direct public debt had a floating coupon by the end of 2020. The share of debt with floating rates remains minimal. It corresponds to 0.2% of GDP of annual public debt service costs, which are close to 1.2% of GDP.

As of the end of 2020, ACRA assumes that the share of short-term debt in the structure of Kazakhstan's public debt will go up slightly, as it accounted for 14% of bond issues for the period from January to September 2020. In addition, the share of medium-term securities increased slightly. A higher share of short-term debt increases the sensitivity of public debt to fluctuations in refinancing rates, however an insignificant share of debt service costs relative to budget revenues noticeably mitigates this risk.

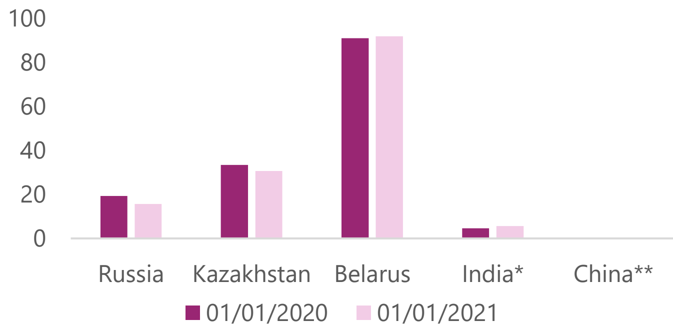
Belarus's public debt servicing costs are low due to the large share of non-market debt (66% as of the end of 2019), which is dominated by bilateral loans and loans from international financial organizations. A condition for maintaining low debt service costs is the possibility of refinancing it via these organizations, but this is not guaranteed because some international creditors do not plan to finance new projects in the country. An exception is the Eurasian Development Bank, which is ready to boost its investment activities in Belarus in order to compensate for lost investments. However, according to statements made by the bank's representatives, this year the volume of lending to Belarus will reach the bank's country limit, and therefore the limit has to be increased by the bank's member state shareholders. ACRA believes the limit will most likely be increased, however, in the future market l borrowing will play a bigger role and this will lead to higher debt servicing costs.

Belarus has the most vulnerable structure of public debt among the largest CIS economies

Russia, Kazakhstan and Belarus have different foreign currency structures of public debt, which significantly affects its value in the event of a weakening of national currencies. As of the start of 2020, Russia had the smallest share of foreign currency debt out of the three countries (*Fig. 6*). Consequently, even though the ruble has lost around 20% in value since the start of the 2020 crisis, the foreign currency revaluation amounted to little over 4%.

Other major developing economies such as India and China, which both have a minimal share of foreign currency debt, rely on the local currency borrowing market (*Fig. 6*). This possibility is available to them thanks to relatively developed and deep internal capital markets, which is indirectly related to the sizes of these countries.

Figure 6. Share of foreign currency debt for the sample and local currency performance since the start of 2020



* Central government only, share as of June 1, 2020.
** China's foreign currency debt amounts to 0.3% of total debt.
Sources: data from ministries of finance, ACRA, Refinitiv

Out of three countries, Belarus is the most susceptible of debt revaluation due to its high share of foreign currency debt. *Fig. 6* demonstrates that as of the start of 2020, approximately 90% of the public debt of Belarus was denominated in foreign currency, the highest among the three. The Belarusian ruble declined by 24% against the US dollar over nine months of 2020, which resulted in higher public debt[10] due to foreign currency revaluation (22%). Meanwhile, the country's total public debt grew by 26%. This reduces the potential for fiscal maneuver in the future, especially in the event of currency volatility.

In terms of its share of foreign currency debt, Kazakhstan is between Russia and Belarus, which, given the relatively small weakening of the tenge since the beginning of the year and the country's low level of debt, had an insignificant effect on the increase in debt at the end of 2020.

By the end of 2020, the foreign currency public debt of Russia and Kazakhstan had fallen, which was the result of their governments' policy focused on borrowing in local currencies (*Fig. 6*). In 2020, new debt in national currency in Russia accounted for more

[10] Including local government debt.

than 95% of debt, while in Kazakhstan it amounted to 76%.[11] Net funds raised to finance the budget of Belarus as of 11M 2020 were 92% denominated in foreign currency. This is a reflection of the low level of development of the domestic capital market and high dependence on foreign currency to finance budget needs.

The maturity of public debt is also an important feature that allows its refinancing risks to be assessed. The average maturity of government securities is 7.4 years for Kazakhstan, 7.2 years for Russia, and 5.2 years for Belarus.

Contingent liability risks are hard to determine at the moment, but they may materialize in the future

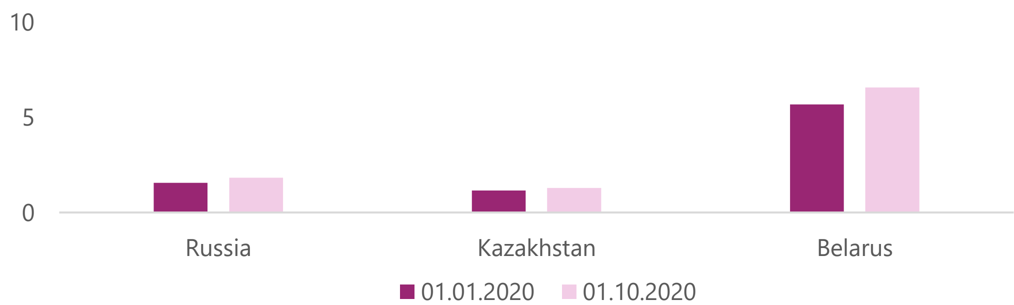
The volume of direct debt may lead to certain problems for Belarus, but for Russia and Kazakhstan this risk is absent. However, indirect debt in the form of contingent liabilities may materialize on the balance sheet of the government under certain circumstances. It is difficult to determine the size of these liabilities at the moment, but this risk must not be ignored.

The materialization of contingent liabilities is usually deferred, which was especially relevant during the 2020 crisis. Governments carried out programs to support companies that were badly hit by the crisis, while central banks introduced regulatory forbearance measures (concessions for banks with regard to recognizing problem assets on their balance sheets, and a number of measures that allowed banks not to disclose the extent of potential problems). Only in time will the share of so-called ‘zombie companies’ be revealed, which ran into problems before the crisis and will be unable to return to normal in the post-crisis period, even in the event of government support. We will take a closer look at two types of contingent liabilities: government guarantees and contingent liabilities related to the banking sector.

The level of government guarantees is practically unchanged

Although government guarantees are actively used in a number of countries as anti-crisis support, in the three CIS economies the volume of guarantees relative to GDP had grown insignificantly as of the last available data compared to data for early 2020 revealed (*Fig. 7*). This can be partially explained by guarantees provided by quasi-state institutions instead of the government. These entities are not part of the consolidated budget but are part of the public sector; statistics for them are extremely limited. At the same time, the rather close interaction between the state and these institutions allow us to assume that the state will be implicitly guaranteeing the obligations of such institutions.

Figure 7. Government guarantees as of the start of 2020 and October 1, 2020, % of GDP



Sources: data from ministries of finance, ACRA

[11] According to data for January to September 2020.

The size of implicit government guarantees related to the consolidated budget t in Russia only increased by 0.1% of GDP over the first nine months of 2020, while less than RUB 0.5 bln of guarantees were called in during the same period.

In Kazakhstan, government guarantees were not the primary anti-crisis support instrument. Instead, focus was placed on targeted programs to stimulate demand among the population and support businesses under existing programs, such as the "Economy of Simple Things" and the "Employment Roadmap".

In Belarus, on the other hand, the government guarantee program was one of the key instruments: the central government and local budgets provided banks with government guarantees worth BYN 800 mln (0.6% of GDP from the overall support package which stands at 1.1% of GDP) over nine months of 2020 in order to support lending to the economy. Furthermore, the total limit for government guarantees in 2020 was increased to BYN 1.2 bln (0.9% of GDP).

Contingent liabilities related to the banking sector still need to be assessed

A comparison of the key indicators that illustrate the state of the banking sector in the analyzed CIS countries to their pre-crisis levels suggests that the quality of assets and capital adequacy have not formally changed in the first nine months of 2020 (*Table 1*). In Russia and Belarus, the volume of loans issued increased by 30%[12] and 9.8%[13], respectively, while in Kazakhstan it fell by 4.5%[13].

These figures, in ACRA's opinion, do not adequately reflect the asset quality problems that banks have accumulated, and the financial statements released by banks do not allow for quantitative assessment of the scale of this deterioration. The reason for low value of the information about the banks' asset quality is measures enacted by central banks to postpone the recording of solvency issues among borrowers and introduce credit repayment holidays, as well as measures to supporting lending and liquidity in the banking sector (*Appendix*).

Table 1. Key banking sectors indicators

	2019		9M 2020	
	Capital adequacy[14]	Share of non-performing loans[15]	Capital adequacy	Share of non-performing loans
Russia	12.3	9.3	12.7	9.3
Kazakhstan	24.3	8.13	25	8.05
Belarus	17.8	4.6	16.4	4.9

Sources: Bank of Russia, National Bank of Kazakhstan[16], National Bank of the Republic of Belarus

Given the abovementioned reasons, it is practically impossible to assess the extent of deterioration of credit portfolios based on an analysis of publicly disclosed information on the size of potential problem loans in low credit quality categories[17] or the volumes of restructured loans (data is only available for Russia).

[12] January to October 2020 vs. the corresponding period in 2019, excluding currency revaluation.
[13] January to November 2020 vs. the corresponding period in 2019, excluding currency revaluation.
[14] Regulatory capital adequacy ratio.
[15] According to the FSI IMF methodology, non-performing loans include loans for which there have been no payment of the principal and interest for 90 days or more, or with interest payments for 90 days or more that have been capitalized (reinvested in the principal), refinanced or rolled over.
[16] Data for 2020 as of November 1, 2020.
[17] The last three out of five bank loan quality categories are low.

For more information, see ACRA's research "The banking system is stable, but questions remain" from December 8, 2020.

In Russia, from March to November 2020, 11.6% of the aggregate credit portfolio of Russian banks was restructured, however, only part of this was due to worsening credit quality of borrowers. Precisely this category of loans will account for the bulk of growth in delinquencies in the aggregate credit portfolio in 2021. A substantial part of 2021 pre-tax profits may be used to build up additional reserves.

In Kazakhstan, potential problem loans, which we measure by taking into account the three lowest credit categories (out of five), made up 9.5% of the total volume of banking sector loans as of the start of 2021, unchanged compared to the 2020 indicator.

In Belarus, loans included in risk groups three to six amounted to 19.3% of the loan portfolio as of the start of 2020. The reserve for assets in risk groups two to six increased by 28% to 2.7% of GDP over nine months of 2020. It should be noted that the Asset Management Agency, whose main activity is the reform and improvement of the agricultural sector, injected an additional BYN 1.2 bln (1.0% of GDP) into the banking sector out of the budget.

Appendix. Measures to support lending and liquidity in the banking sector

Russia	Kazakhstan	Belarus
Lending support		
The key rate was lowered from 6% to 4.25% in 2020.	The National Bank of Kazakhstan's base rate was lowered from 12% to 9% in 2020.	The key rate was lowered from 9.0% to 7.75% in 2020.
A program of concessional lending to banks for refinancing SMEs was launched (as of November 1, 2020, RUB 450 bln, or 0.4% of GDP had been used).	KZT 600 bln in lending at 8% was provided to replenish the working capital of SMEs.	Possibility to create reserves to cover losses on assets and contingent liabilities in foreign currency at the official exchange rate as of March 1, 2020.
Subsidized interest rate for mortgage loans (lowered to 6.5%) was introduced. A number of mortgage bonds were included in the Lombard List.	90-day deferral was introduced for loan payments to the population and entrepreneurs from March 16 to June 15, 2020. 1.89 mln people with bank loans worth KZT 268 bln were granted deferrals (33% of all borrowers), along with 12,000 businesses (42% of borrowers) with loans worth KZT 165 bln. On June 15, under the bank programs for refinancing/state programs, a new procedure was adopted for granting deferrals and refinancing loans to entrepreneurs operating in sectors where the situation had seriously worsened due to the 2020 crisis.	When calculating capital adequacy, the level of credit risk is assessed as follows: - 100% for loans and securities of systemically important borrowers; - For debt guaranteed by the government; - 20% for foreign currency; - 0% for the national currency.
A subsidized interest rate on loans to pay wages at SMEs (with the possibility of writing off the body of debt) was introduced.	Financing for the "Economy of Simple Things" program was increased to KZT 1 tln, and the "Employment Roadmap" was expanded.	The conservation buffer was lowered from 2.5% to 2%.
Countercyclical macroprudential measures were adopted: the capital buffer was removed and prudential requirements for new loans were softened.	Agency for Regulation and Development of the Capital Market lowered the capital adequacy requirements via the prudential regulation mechanism.	The maximum size of risk for a single borrower was increased from 25% to 35% of regulatory capital.
The risk ratio for investing in perpetual bonds of non-financial organizations was reduced.		The National Bank of the Republic of Belarus recommended that banks send retained earnings to reserve and statutory funds, and refrain from paying dividends in 2020.
The introduction of the ratio for concentration of large credit risks (N30) was delayed.		
Liquidity support		
The limit for using irrevocable credit lines was increased and their cost was lowered.	The National Bank, government and quasi-state structures were instructed to sell part of their export revenues in the FX market and organize the gradual return of foreign currency deposits to the Kazakh financial system.	The liquidity coverage ratio was lowered from 100% to 80%.
One-month and one-year repo auctions were launched.	Liquidity ratio requirements were lowered via the prudential regulation mechanism.	The periods for refinancing and provision of liquidity to banks by the National Bank of the Republic of Belarus are being extended from three to six months.

Concessions for recognizing problem assets		
Temporary relaxation of the requirements for forming reserves for loans to the population and companies whose financial standing has deteriorated during the crisis (for major companies — until April 1, 2021, for the population — until July 1, 2021).	Easing of risk ratio requirements and suspension of the classification of loans in terms of specific credit positions via the prudential regulation mechanism by the Agency for Regulation and Development of the Capital Market .	When categorizing loans as problematic, banks are allowed to: - Not take into account the sufficiency of foreign currency held by the debtor; - Make an unlimited number of amendments to loan agreements without recognizing them as restructured.
Temporary (until December 31, 2020) option to use the pre-crisis financial standing of borrowers from sectors that have been negatively impacted by the crisis for the purpose of classifying loans by quality categories.		Option to use the minimum amount of the regulatory capital of a bank or non-bank credit and financial institution as of March 1, 2020 without applying indexation.
		For assets and contingent liabilities denominated in foreign currency: - The option to classify them according to the collateral criterion without taking into account the requirements for covering remuneration to be paid in the next 12 months; - Classifying collateral as high quality without taking into account the requirements for covering remuneration to be paid in the next 12 months; - Assessing the quality of the adequacy of collateral without requirements for the frequency of this assessment.

Sources: Bank of Russia, National Bank of Kazakhstan, National Bank of the Republic of Belarus