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IMPACT OF THE PANDEMIC ON THE DEVELOPMENT OF THE BANKING SYSTEM OF THE REPUBLIC OF KAZAKHSTAN

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Abstract: *The article analyzes the state of the banking system in 2020 in the context of a broad program of anti-crisis measures in response to the challenges of the COVID-19 pandemic. The results of managing the liquidity of the banking system, deposits and the risk of increasing the dollarization of bank liabilities are described. Objective factors of reduction of credit activity are revealed and the results of the credit policy of the banking system are detailed. It is noted that in 2020 the general trend of lending is positive, which was facilitated by the loyal credit policy of Kazakhstan banks and the implementation of state lending programs on concessional terms. The policy pursued by the NBRK contributes to maintaining financial stability and development of the banking system, recovery of the national economy in the face of the challenges of the COVID-19 pandemic.*

Keywords: *pandemic, banking system, financial stability, loans, lending, mortgage loans.*

The issues of anti-crisis policy and ensuring financial stability amid the spread of the COVID-19 pandemic, the introduction of quarantine measures and the uncertainty of their impact on the economy in 2020 have become a priority for all countries of the world, without exception, including Kazakhstan. A special role and responsibility was assigned to central banks, which on an ongoing basis continue to monitor and assess the systemic risks of the financial system, adaptively, together with state bodies,

develop and implement measures to level them, prevent a decrease in the growth rate of the national economy, maintain the solvency of the population, small and medium-sized businesses, preventing an increase in credit debt, providing an opportunity for restructuring and obtaining new loans on favorable terms. In this context, it is relevant to assess the effectiveness of measures taken during the period of quarantine restrictions for the development of the banking system.

The purpose of the article is to study the development of the banking system of the Republic of Kazakhstan, changes in the credit market and the peculiarities of the implementation of state anti-crisis initiatives in the context of the spread of coronavirus infection.

The analysis of the state of the banking system in 2020 was carried out in the context of a broad program of anti-crisis measures in response to the challenges of the COVID-19 pandemic. It is noted that the measures taken by the state together with the National Bank of the Republic of Kazakhstan allowed to get a positive impulse through the timely adaptive monetary policy in the form of a short-term increase in the base rate and an increase in the supply of liquidity in foreign currency, which made it possible to prevent the escalation of risks in the financial sector, curb inflation, support recovery of the national economy, which,

in addition to the pandemic, experienced another shock due to a sharp drop in oil prices and a reduction in its production. The results of the management of banking system liquidity, deposits and the risk of increasing dollarization of the second-tier banks' liabilities are characterized. The objective factors of the decrease in credit activity are revealed and the results of the credit policy of the banking system are detailed. It is noted that at the end of 2020, the overall trend in lending is positive, which was facilitated by the loyal credit policy of Kazakhstan banks and the implementation of state lending programs on concessional terms. The policy pursued by the NBRK contributes to the maintenance of financial stability and the development of the banking system, the restoration of the national economy in the face of the challenges of the COVID-19 pandemic.

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