

# Role of Capital Market in Financing Infrastructure Projects



KAZAKHSTAN STOCK EXCHANGE

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# International Trends

1

**Global GDP is expected to double by 2035 and amount to US\$ 145 trillion with annual average growth rate of 3.3%**

2

**The urban population is to increase by 40% by 2030 with growth of its share from 52% to 58%**

3

**The world population is to increase by 19% by 2030 and reach 8.5 billion**

4

**High growth rate of the households' income**

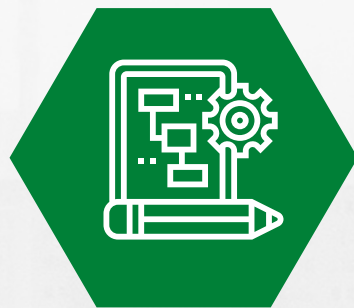
- **Such growth trends put pressure on infrastructure development in the next decade**
- **Timely development of the infrastructure, including large cities, becomes one of the main factors for sustainable economic growth**

# Why Private Funding?



**The need for infrastructure financing is very high**

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**Financing of infrastructure projects heavily depends on the state funding. However, during the last decades more financing is coming from private sources**

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**Government, banks and international financial Institutions cannot provide all necessary funding**

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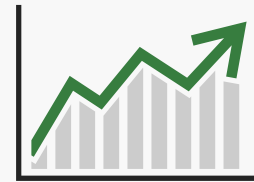
**Therefore, more funding is coming from private sources via capital markets**

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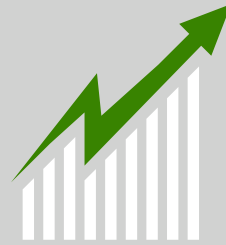
# Capital Market Instruments



**Classical  
bonds**



**Guaranteed  
bonds**



**Collateralized  
bonds**



**Infrastructure  
bonds**



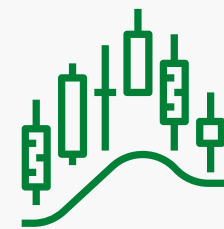
**Securitized  
bonds**



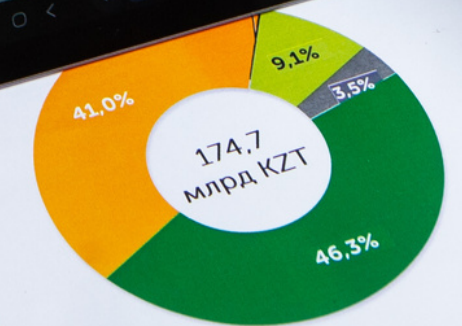
**Social  
bonds**



**Green  
bonds**



**Municipal  
bonds**



Банки  
Брокеры-дилеры  
Др. институциональные инвесторы  
Физические лица  
Прочие юридические лица

общего брутто-оборота торгов акциями на вторичном рынке  
коллективных сделок

# Use of Capital Market Instruments



Allows wide range of investors, including development institutions and financial institutions, to invest in reliable long-term instruments, which also facilitates the inflow of long-term financing in the economy



Allows to release the capital of commercial banks through the securitization of the PPP projects at the operational stage, which allows to create additional financing of new capital-intensive projects for equivalent amount



**Allows to expand the opportunities for companies investing in the PPPs to attract external funding**



# Our Mission

**Facilitate sustainable economic growth of the Republic of Kazakhstan by providing a broad range of capital markets instruments to attract financing for Kazakh companies, provide platform for redistribution of liquidity in the financial system and offer transparent investment environment to local and international investors**

# KASE: Full Range of Services

- LISTING
- MEMBERSHIP
- BOOKRUNNING
- PRE-TRADING
- TRADING
- POST-TRADING
- TECHNOLOGY SERVICES
- MARKET-DATA

# KASE Today



**Treasury Bills**  
**Municipality Bonds**  
**NBK Notes**  
**Corporate Securities**



**New Trading and  
Clearing Systems**



**FX Market**  
**Open Money Market Operations**  
**Derivatives**



**Multi-instrumental  
Collateral Management**  
**CCP**



**Netting**  
**Settlement Cycle T + 0, T + 2**  
**Omnibus Accounts**



# Universal Exchange



**4** MARKETS

- Securities
- Money
- FX
- Derivatives

**1594** INSTRUMENTS

- 963 Securities
- 589 Money Market
- 20 Derivatives
- 22 FX

**24** INDICES

- 14 Security Market
- 10 Money Market

**270** SECURITIES IN T+

**4.9 THSD.**

AVERAGE DAILY  
NUMBER OF DEALS

**USD 2.9 MLN**

AVERAGE DAILY  
VOLUME OF DEALS

**1.1 MLN+**

ACCOUNTS OF  
RETAIL INVESTORS

# 2023 Market Trends



14%

66%

x3

x10

+142  
th.

+59  
new

**Total  
Trading Volume**

from 248.9 bn USD 5M 2022  
to 282.6 bn USD 5M 2023

**Trading volume  
on the securities  
market**

from 6.1 bn USD 5M 2022  
to 10.1 bn USD 5M 2023

**Trading volume  
on the primary market**

from 2,764.8 mln USD 5M 2022  
to 7,326.2 mln USD 5M 2023

**Trading volume  
on the primary market  
of corporate bonds**

from 139.8 mln USD 5M 2022  
to 1,330.7 mln USD 5M 2023

**New Accounts opened  
by Individuals**

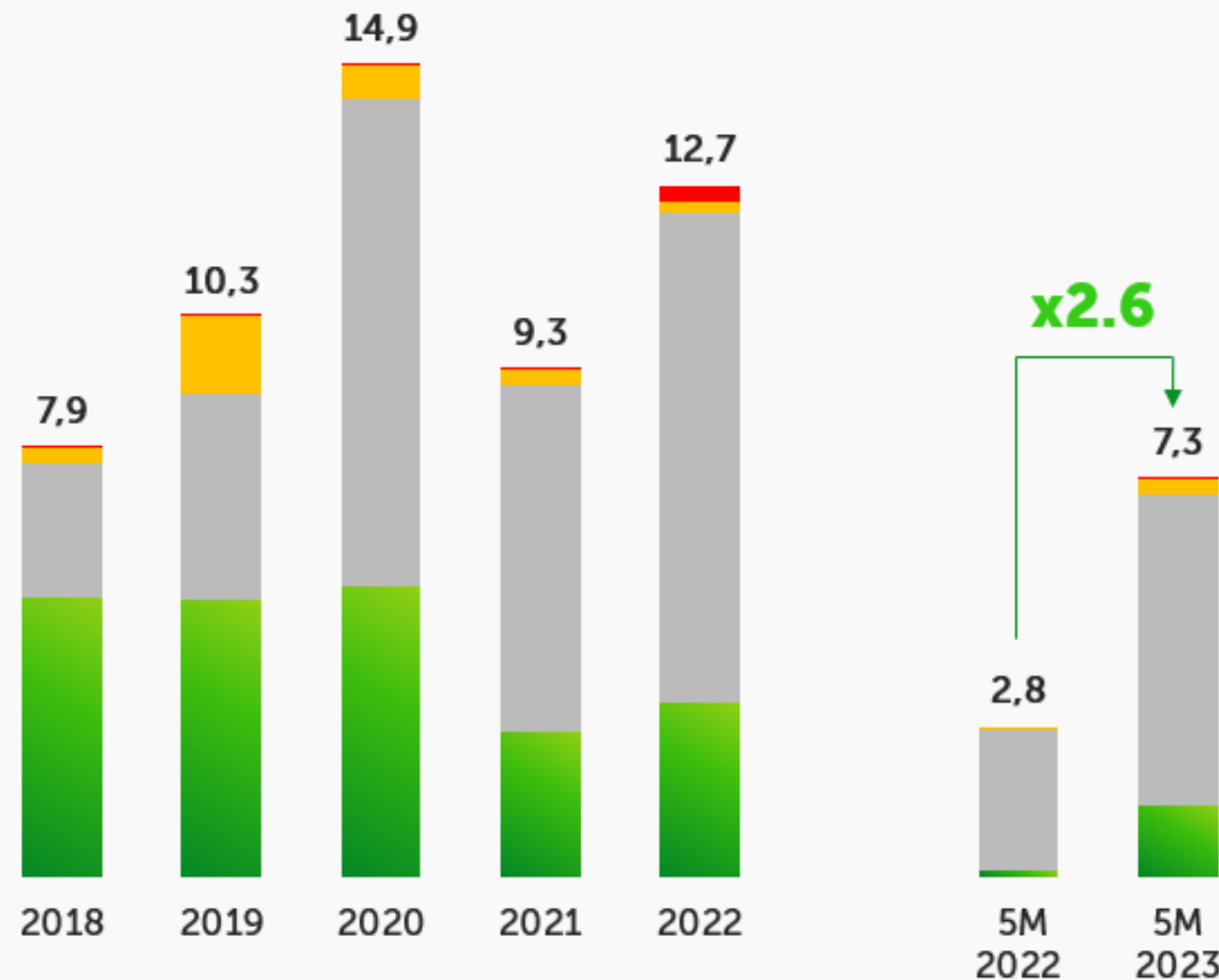
01.06.23:  
680.9 thsd. accounts in CSD  
and more than 508 thsd.  
omnibus

**Instruments in  
the official list of  
KASE**

# Financing Raised through KASE

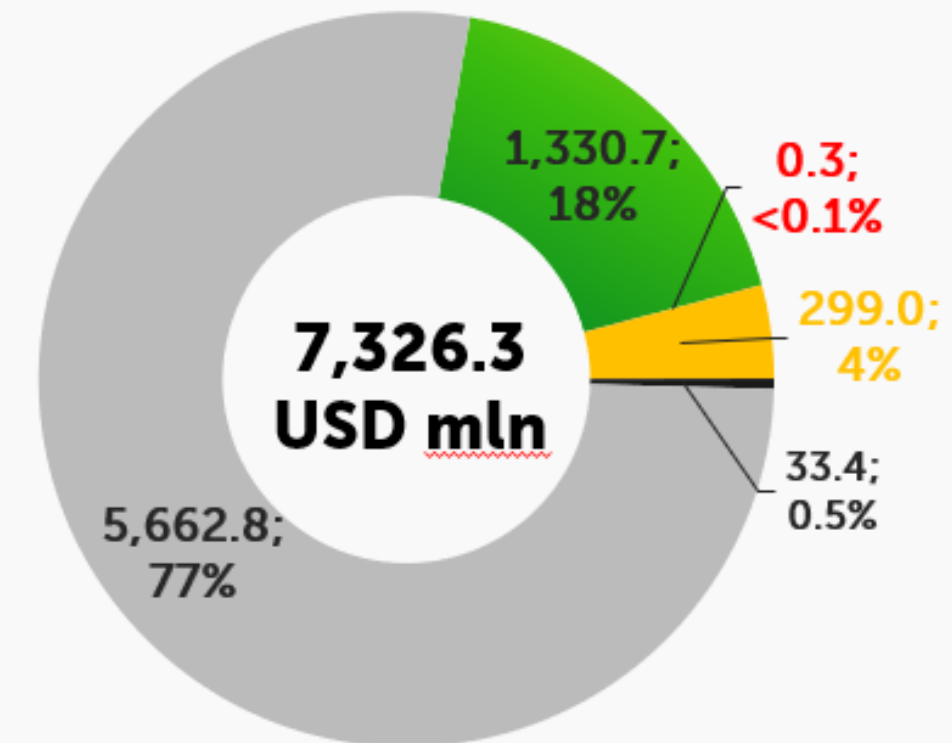
Trading volume on the primary market, USD bn

■ Corporate bonds ■ Government securities ■ IFO bonds ■ Stocks



Primary market structure for 5M 2023, USD mln

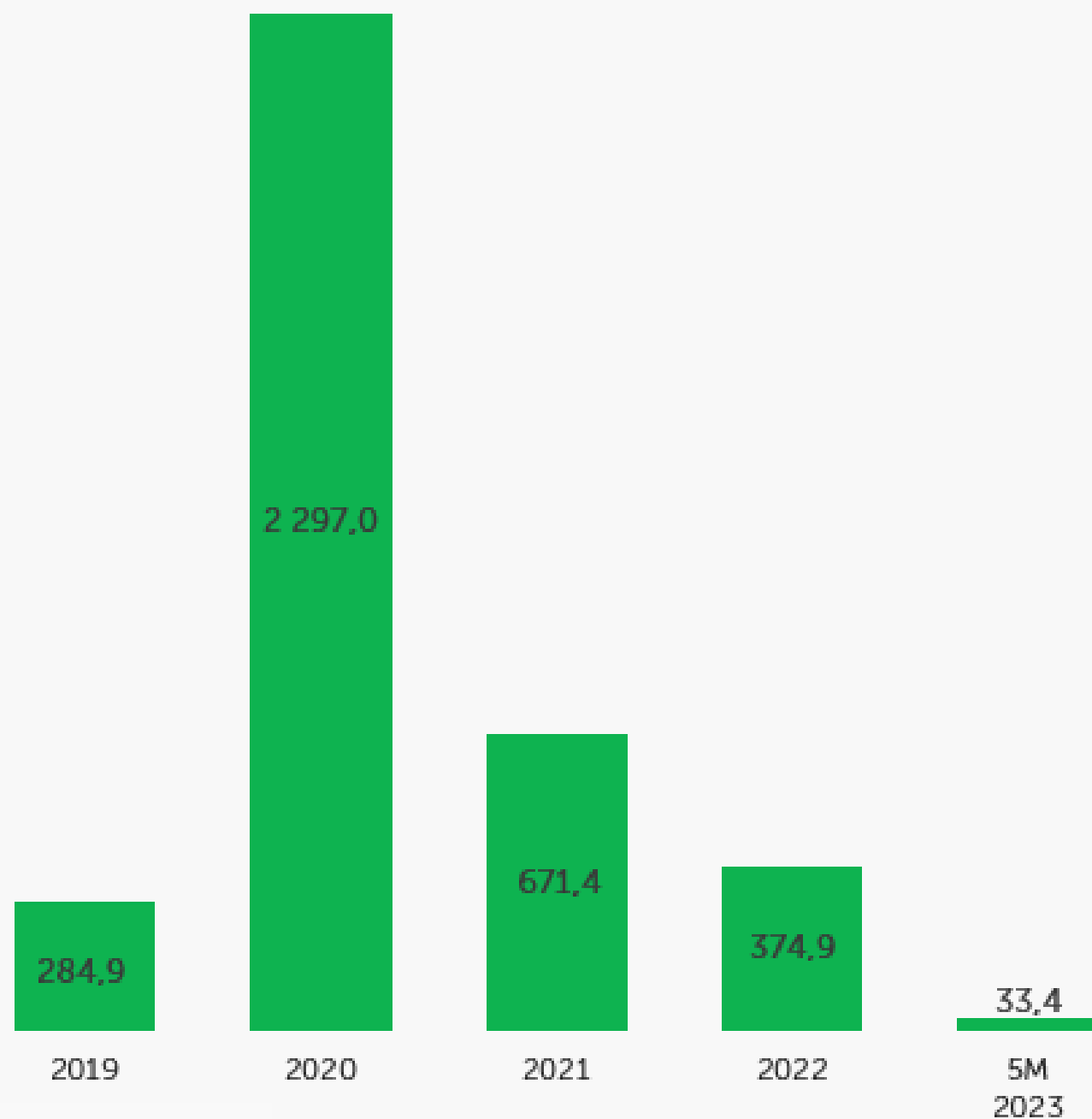
■ Corporate bonds  
■ Stocks  
■ IFO bonds  
■ Local executive bonds  
■ Ministry of Finance



Source: KASE

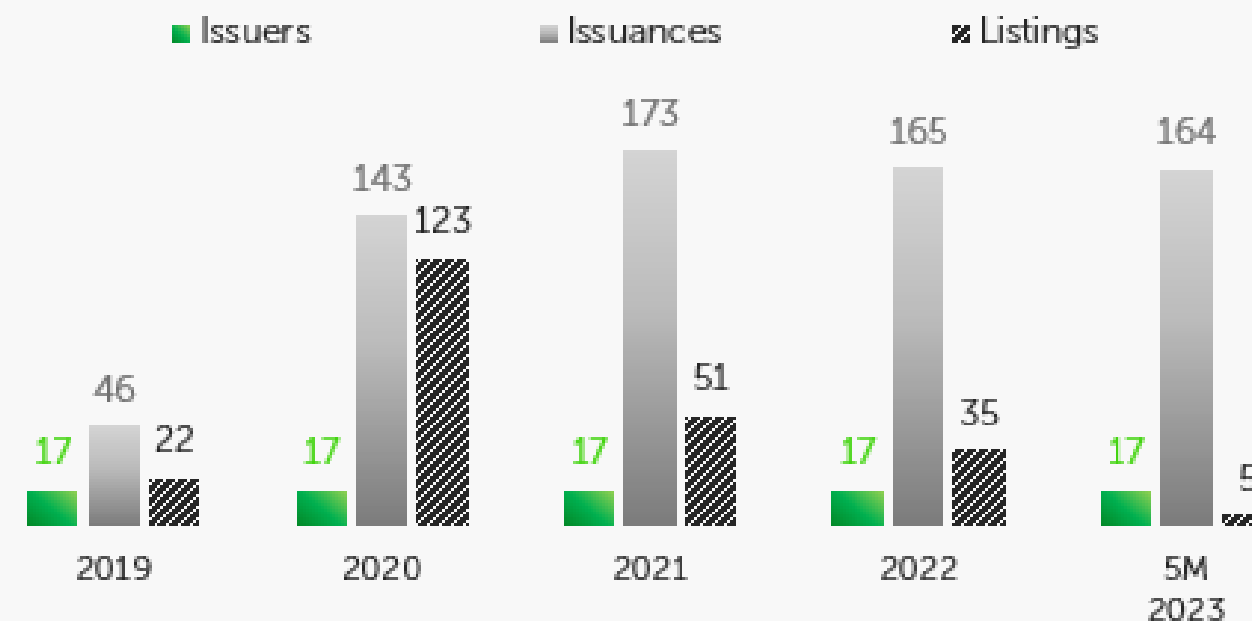
# Capital Raised by Municipal Authorities

Volume of primary placement of Municipal authorities of the RK, USD mln

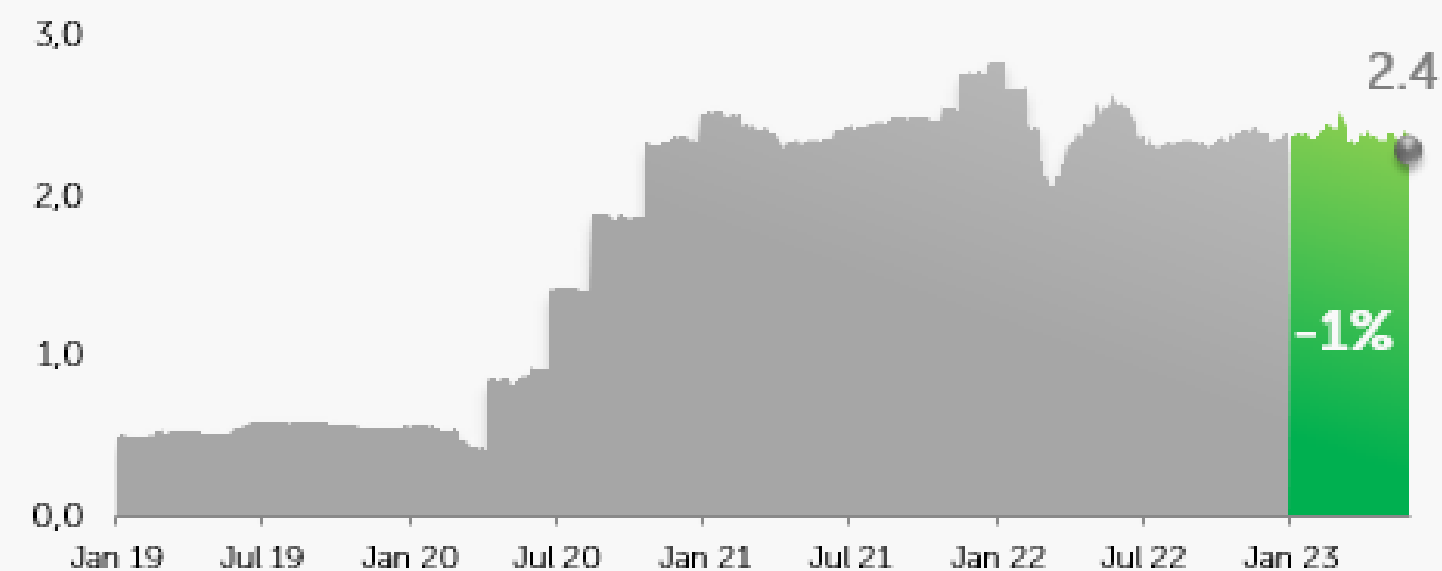


Source: KASE

New listings



The amount of debt of Municipal authorities of the RK (at face value), USD bn



# KASE ESG Initiatives

## ESG Infrastructure

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KASE joined the UN Sustainable Exchanges Initiative in 2015

KASE consistently promotes the ESG agenda in Kazakhstan financial market

KASE has infrastructure for listing and placement of ESG bonds

Special listing fees for ESG bonds on KASE

## ESG Bonds

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15 Issues of ESG bonds for a total amount of USD 289.4 mln were placed on KASE Issues of ESG bonds

ADB, EDB, Development Bank of Kazakhstan, Damu Fund and KEGOC

Green and social projects, SME projects, financing of programs for reducing gender inequality and post-COVID recovery

## ESG Events

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Annual training webinars on responsible investing and ESG compliance

Annual Market Opening Ceremony - Ring the Bell for Gender Equality

Competition for the best ESG annual report, Best Sustainable Development Disclosure

International Conference "ESG - a New Paradigm for the Financial Market Development"

# Kase Initiatives for Issues



**SME Funding on the  
Capital Market**



**Improving the  
Financial Literacy of  
Companies,  
including SMEs**



**Alignment of financing  
conditions between the  
banking system and the  
stock market in terms of  
sources of financing and  
cost of borrowing**

KAZAKHSTAN STOCK EXCHANGE

# Thank You

For Your Attention

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