



Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange

Leading Stock Exchanges

2017 GLOBAL SUMMIT OF WOMEN

May 11-13, 2017 • Tokyo, Japan



Kazakhstan at a Glance



Favorable Location



General Information

- Territory – **2.7 m sq. km**:
 - worldwide – **9th place**
 - amongst CIS countries – **2nd place**
- Population – **17.7 m**
- **Abundant natural resources**
- According to the World Bank's classification Kazakhstan is among **upper-middle-income countries** (gross national income per capita \$4,036 - \$12,475)
- Member of **OSCE, WTO** and other international organisations
- Credit rankings:
 - **Standard & Poor's – BBB-/negative**
 - **Fitch – BBB/stable**
 - **Moody's – Baa3/negative**



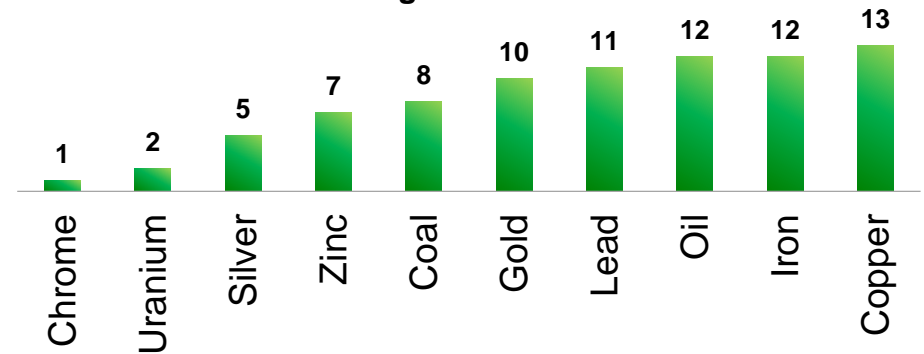
Natural Resources

Kazakhstan's soil contains **99 elements** of the periodic table:

- **70** types of resources have been **explored**
- **60** different elements are currently being **produced**



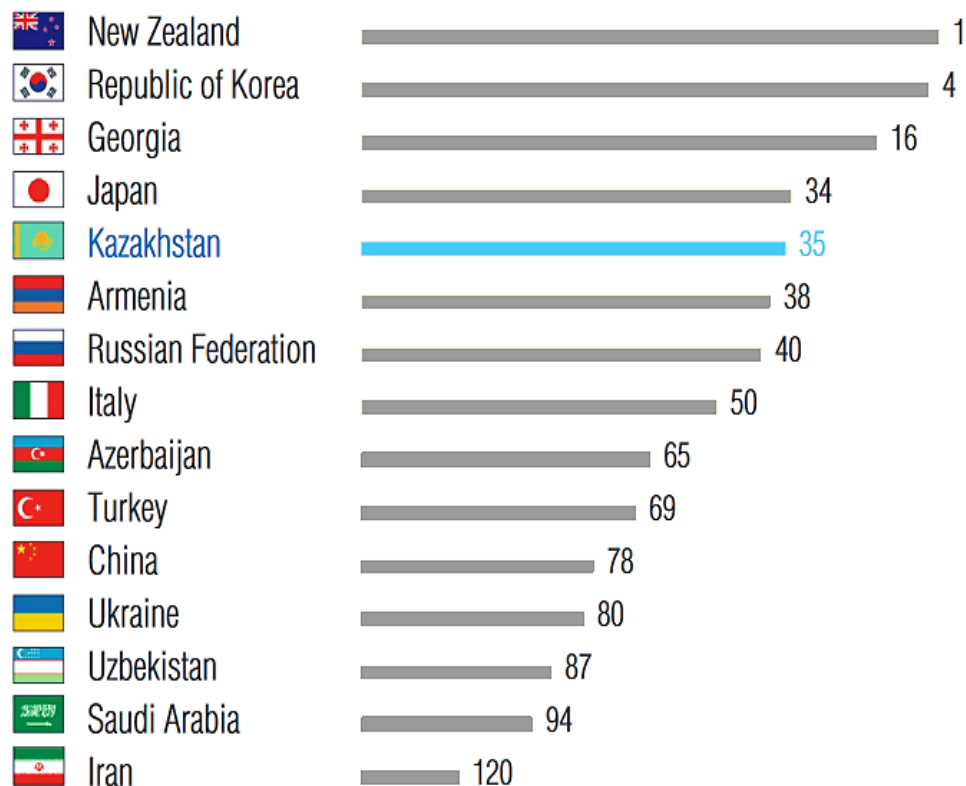
Ample Natural Resources. Kazakhstan in World Ranking for Production



Business Climate

DOING BUSINESS 2017 RANKING

Kazakhstan pays special attention to **creating a favorable business climate for investors and improving business environment**





Global Competitiveness Index 2016-2017
• Kazakhstan ranks 53rd out of 144 economies



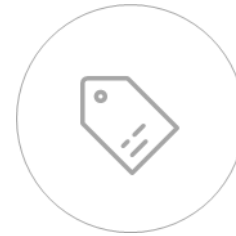
Economic Freedom Index
• Kazakhstan ranks 42nd out of 180 economies



Gender Inequality Index 2016
• Kazakhstan ranks 51st out of 144 economies



Corporate income tax
20%



Value-added tax
12%



Land tax
from 0.03 to 0.16
USD per 1 sq.m
(10.8 sq.ft)



Property tax
15%

Membership in Organisations



Eurasian Economic Union (EAEU)

since 2015

- free movement of goods, capital, services and common policies in macroeconomic sphere, transport, industry and agriculture, energy, foreign trade and investment, customs, technical regulation, competition and antitrust regulation
- provisions for a single currency and greater integration are envisioned in future



Commonwealth of Independent States (CIS)

since 1991

- regional organisation formed during dissolution of the Soviet Union
- cooperation in political, economic, ecological, humanitarian, cultural and other fields
- comprehensive development of the participating states within the framework of the common economic space, interstate cooperation and integration



Shanghai Cooperation Organisation (SCO)

since 2001

- promoting effective cooperation in politics, trade, the economy, research, technology and culture, as well as in education, energy, transport, tourism and other areas
- making joint efforts to maintain and ensure peace, security and stability in the region
- moving towards the establishment of a democratic, fair and rational new international political and economic order

Women's Economic Profile



- 17.670.000 people (**female - 51.7%**)
- Urban population – 57% (**female - 53.0%**)
- Rural population – 43% (**female - 23.4%**)
- Economically active population – 9.074 m (**female - 48.8%**)



- Employment – 8.624 m (**female – 48.4%**)
- Unemployment rate – 5% (**female – 5.7%**)
- Salaried workers – 6.295 m (**female – 49.2%**)
- Self-employed – 2.329 m (**female – 46.0%**)



- SMEs - 1 530 258
- Proportion in business: **female - 50% (755 th.)**
- **44.2%** of women leading the business

Women's Economic Profile

Education

- enrollment rate in **secondary education**: female - **99%**, male – **98%**
 - **literacy rate**: female – **99.8%**
 - enrollment rate in **higher education**: female – **55.2%**
-

Business

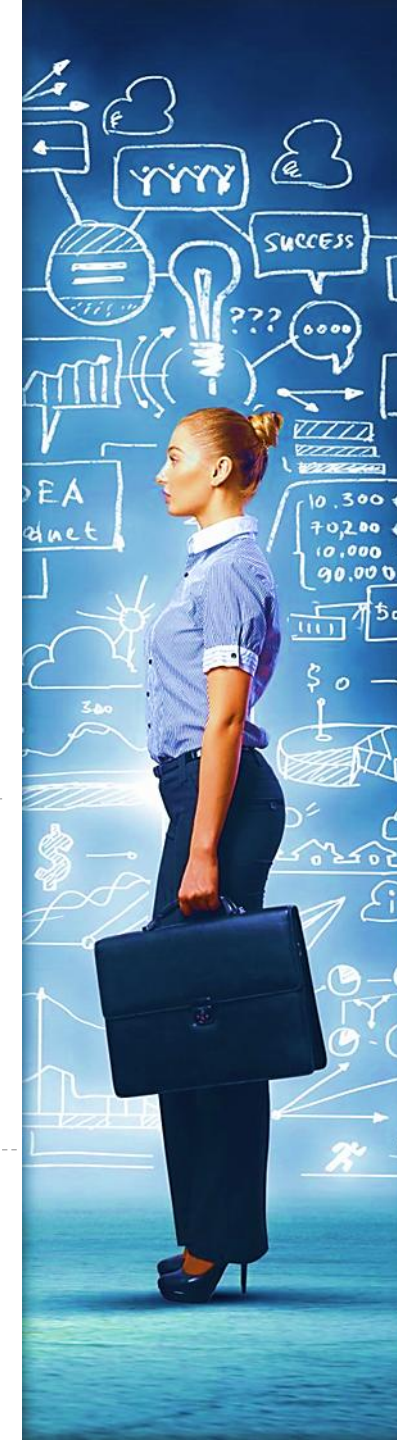
- proportion in **business**: female - **50%**
 - proportion of **heading peasant and farming**: female – **20.3 %**
 - proportion of **landowners**: female - **30%** (1.1 m)
-

Public Administration

- proportion in **the lower house of the Parliament**: female - **42%**
 - proportion in **local executive bodies out of elected deputies**: female - **22.2%**
 - **40 women in political positions**
-

Corporate Sector

- **private enterprises with female ownership** - **27.6%**
- **top managers of companies**: female - **37%**



Legal Support of Women at the State Level



Constitution of Kazakhstan

- guarantees the right of every citizen to remuneration for work without any discrimination



Labor Code of Kazakhstan

- everyone has **equal opportunities** in realizing their rights and freedoms at work (Art. 6 Prohibition of Discrimination at Work)
- an employee has right for **equal pay for equal work** without any discrimination (Art. 22, Basic Rights and Obligations of the Employee)



Membership in International Labor Organisation (since 1993)

- **equal remuneration** for men and women for work of equal value at the national level (Convention No. 100)
- **equal Treatment and Equal Opportunities for Men and Women Workers** - workers with family responsibilities (Convention No. 156)

Social Support of Women **at the State Level** KASE



Specifics of regulation on female labor, pregnant women labor and labor of women having child are fixed in the labor law:

- provision of paid maternity leave of 70 calendar days before childbirth and 56 calendar days after childbirth

In order to stimulate birth rate growth and to support women:

- **up to 1 year:**
 - childcare benefits, which are equal to 40% of the last labor remuneration of the woman
 - subsidizing mandatory pension contributions to working women during their stay in childcare leave
- **up to 1.5 years** - particularities of working hours for women with children under the age of one and a half years - additional paid breaks for feeding the child (children)
- **up to 3 years** - additional childcare leave before reaching the age of three years with the retention of the position

Women Supporting Programmes

Adopted new Concept for Family and Gender Policy of the Republic of Kazakhstan 2030

Dynamic sector of women's entrepreneurship, reduction of women's unemployment, improvement of the ratio of women's labor remuneration

Implementation of Gender Equality Strategy of the Republic of Kazakhstan for 2006 - 2016

Raising the level of gender equality, responsibility, parity and efficiency of family members' fulfillment their household, economic, moral, educational, protective and other important functions.

Currently work is in progress to join the second Recommendation of the OECD Council on Gender Equality in Public Life

Adherence to Recommendations of the OECD Council on Gender Equality in Education, Employment and Entrepreneurship

Financial Support

“Women in Business” by the European Bank for Reconstruction and Development (EBRD)



The program, the first of its kind in Central Asia, assists women-led SMEs with accessing finance and business advice:

- offers credit lines, risk management support and technical assistance to local partner banks who work with women-led SMEs and business advisory services, training and mentoring to women-led SMEs directly
- the Government has allocated US\$ 8.2 m for the program
- approximately 2 000 women-led Kazakh SMEs are expected to benefit under the program

"Business Roadmap 2020" Integrated Business Support and Development Programme



The Government's programme is an effective tool for the integrated support of entrepreneurship in Kazakhstan and is designed to address the main challenges that entrepreneurs face today, including female entrepreneurs, such as insufficient funding and lack of knowledge and information

2 699 contracts for subsidising women entrepreneurs for the amount of US\$804.2 m have been concluded

932 guarantee agreements with women with a total cost of loans of US\$60.4 m

preferential loans were received for a total of US\$30.3 m

Financial Support

Development Programme of Productive Employment and Large-Scale Entrepreneurship for 2017-2021

- mass free education of women in professions demanded in the labor market
- creates favorable conditions for opening and running a business for women
- secures employment in permanent and temporary jobs
- from 1 month to 6 months of professional training in mastering professional skills in free short-term courses in hairdressing, culinary and sewing skills, digital literacy and English classes
- significant part of the training conducted in practice with involvement of enterprises (from 30% to 60% of study time)
- the training period will be determined depending of complexity of the qualification
- all participants of short-term program will be provided with a scholarship, travel expenses and reimbursement of housing expenses
- in 2017, it is planned to train 26.000 people with an annual increase in coverage

"Atameken" National Chamber of Entrepreneurs of the Republic Kazakhstan and "Damu" Entrepreneurship Development Fund

- informing the population about the instruments of state support for entrepreneurial activity
- consulting services for the opening and running of entrepreneurial activities
- clarification of working conditions with financial instruments

KASE

KASE Overview



KASE at a Glance

KASE Highlights

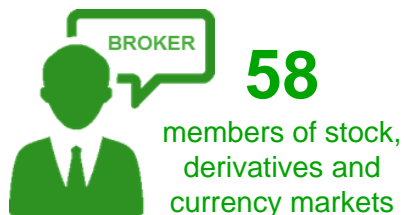


Capital Market Classification

MSCI  Frontier

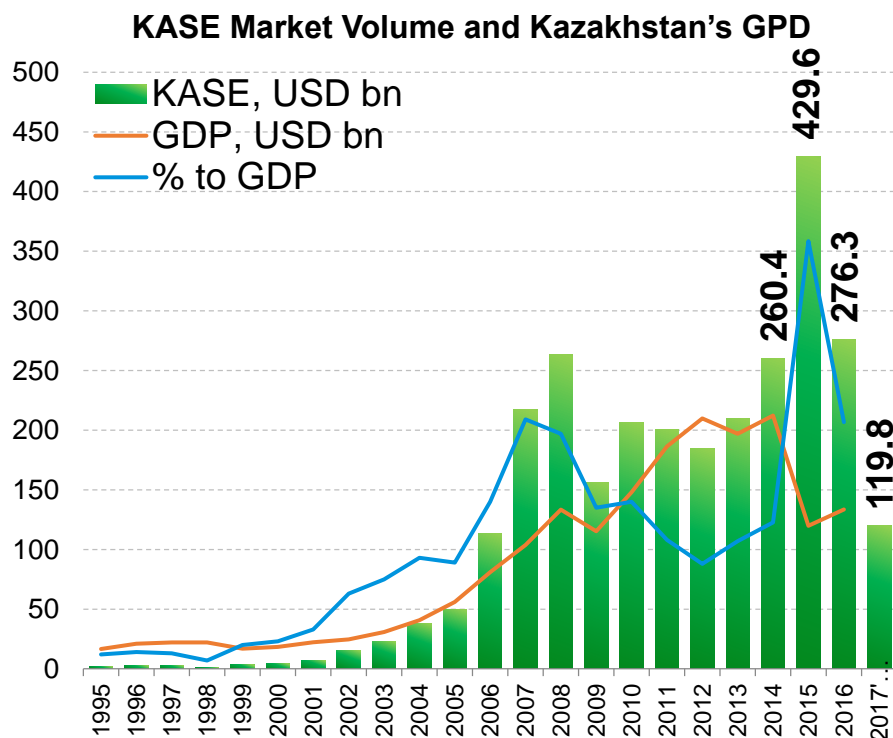
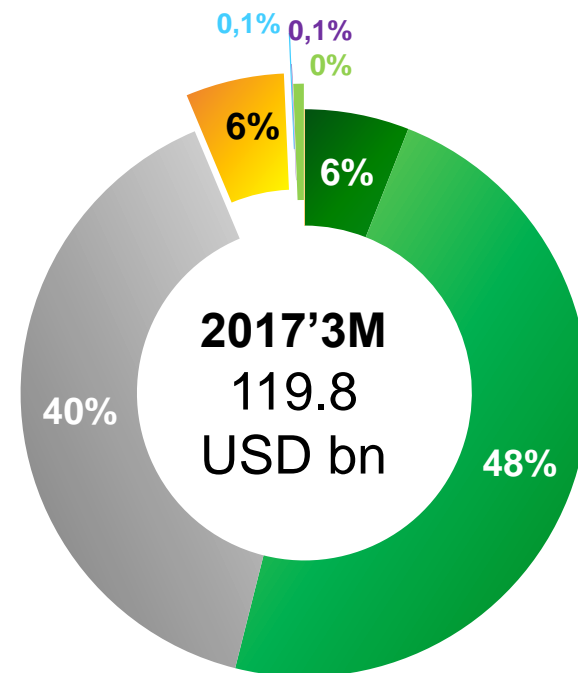
 S&P DOW JONES
INDICES
McGRAW HILL FINANCIAL Frontier

FTSE  Watch List
(Frontier)



KASE Key Performance Indicators

- Trading volume in IQ 2017 - USD 119.8 bn (+58 % YoY)
- Average daily volume of deals - USD 2 bn
- Average daily numbers of deals – 1 637
- KASE Index -1 554 points (+196 points or +14,4 %)
- 48% of total trading volume - FX swap market
- 40% of total trading volume - REPO operations with state securities



- Spot market
- Swap market
- REPO with government bonds
- REPO with corporate securities
- Shares
- Corporate bonds
- Government bonds
- Futures
- IFO securities
- Investment funds' securities

Stock market indicators for IQ 2017

Market Sector	Volume, KZT bn	Volume, USD m	Average daily number of deals	Average daily volume of deals, USD m	Average volume of one deal, USD m
Foreign currency	20 759.8	64 671.4	367	1 096.1	3.0
- spot-market	2 297.3	7 176.7	305	121.6	0.4
- swap-market	18 462.5	57 494.7	61	974.5	16.0
Shares	29.3	91.2	342	1.5	<0.1
Corporate bonds	9.5	29.3	5	0.5	0.1
Kazakhstan GS	230.6	713.1	3	12.1	3.9
Repo transactions	17 471.7	54 329.1	295	920.8	3.1
Investment funds securities	<0.1	<0.1	0*	<0.1	<0.1
Derivatives	<0.1	0.3	0*	<0.1	<0.1
TOTAL	38 501.0	119 834.3	1 012	2 031.1	2.0

* average daily number of deals was less than one

A person is shown from the side, looking at a document. The image is dark and has a blue-green tint. A prominent green diagonal line runs from the top right towards the bottom left. The text is overlaid on the left side of the image.

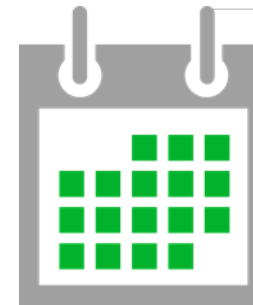
In what ways can a Stock Exchange promote good governance **with greater transparency among its member companies?**

Corporate Governance on KASE

At the moment of **listing securities or becoming full member** at KASE a company is obliged:



It has to have a
Corporate code



It is obliged to
provide with a
corporate events
calendar



It is encouraged to
provide with an ESG
report (as per KASE plans
this requirement will be
obligatory for a
companies of the Main
Board starting from 2018)



It is obliged to
provide with an
annual report

Gender Equality on KASE



KASE joined the UN initiative "Sustainable Stock Exchanges" (SSE)

- stock exchanges to develop and promote gender equality

SSE Gender Equality Survey 2016 – KASE

Data on gender diversity across listed companies

- % of issuers with a female CEO - **10.5%**

Exchange data on gender diversity

- % of women on the board - **11%**
- % of women in senior management - **40%**
- % of women across the workforce - **62%**



KASE adheres to the following gender equality principles:

- provide both women and men equal opportunities and outcomes, including equal remuneration for work of equal or comparable value. We note that the employee's remuneration is defined based on market rates
- provide full and genuine access to all occupations, including to leadership roles for women and men
- drive a culture where rewards are directly linked to employees' contributions and performance



Gender Equality for Listed Companies

November 2016 – KASE - ESG report

- the Methodology of preparing an Environmental, Social and Governance report was developed as part of the Kazakhstan Stock Exchange's obligation within the UN initiative "Sustainable Stock Exchanges"
- report is a recommendation on preparing ESG report for listed companies, as well as for members of KASE, and it includes a description of the subject and principles of preparation of an ESG report, approaches to information disclosure
- in accordance with ESG report, the Exchange recommends that companies provide information on all significant aspects of the activity, including the gender component of the companies

Gender Equality for Listed Companies

November 2016 – KASE - ESG report

Article 4 under the Social Section, “Diversity and equal opportunities” recommends for issuers to:

- disclose diversity metrics such as the gender break-down of representation across various levels of the workforce
- present data on the relation of the basis remuneration rate for women to that for men
- provide data on number of discrimination cases files and the measures taken against them

According to KASE statistics, only 10.5% (15 out of 143) of issuers are managed by women

Thank you for your attention!

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