

The scoring model for evaluating the activity of market participants in the GS MF market.

The evaluation results are summarized monthly. The maximum score for a month is 100 points, for the entire evaluation period – 600 points.

Criterion	Number of points
Primary market	45
(1) Participation share	20
(2) Participation activity	15
(3) Participation evenness	10
Secondary market	40
(4) Participation share	15
(5) Number of quotations	10
(6) Number of unique papers	10
(7) Quotation quality	5
Additional factors	15
(8) Providing analytical information	5
(9) Communication with the MF	5
(10) Interaction with non-residents	5

Description of criteria, methodology for calculating points.

The calculation of points according to criteria 1-7 will be carried out by ranking all market participants based on the corresponding indicator.

The participant who takes the first place in the ranking receives the maximum number of points for the criterion as a percentage (100%). Subsequent members receive 10% less. (For example, for the first place in the ranking, a participant receives – 100%, for the second place – 90% of points, for the third – 80%, for the tenth – 10%, for 11 and all subsequent – 0%). If two or more market participants have the same indicator, they are awarded the same number of points in accordance with their place in the ranking, and the next participant receives 10% less. (For example, two participants took the first place and receive – 100%, the participant following them – 90% of points and so on).

Therefore, the final score is calculated by multiplying the percentage score and the maximum score for the corresponding indicator.

The calculation according to criteria 8-10 is carried out on a yes/no basis. For example, if the participant fulfilled the requirement at least once, he receives 5 points according to the criterion, in case of non-fulfillment – 0 points.

Primary market:

(1) Participation share.

The ranking of participants is carried out in accordance with their share in the primary market (the ratio of the volume of the market participant to the total volume in the primary market for the period).

An example of calculation by criterion (1) Participation share.

1. The share of each market participant in the primary auction of the Ministry of Finance of the Republic of Kazakhstan is calculated as the ratio of the actual volume of participation in the primary market to the total volume in the primary market with an accuracy of two decimal places.

Participant name	Volume of participation in the primary market (tg.)	Share of participation in the primary market
Participant 1	1,000,000,000	1.80%
Participant 2	3,000,000,000	5.40%
Participant 3	5,000,000,000	9.10%
Participant 4	2,000,000,000	3.60%
Participant 5	4,000,000,000	7.30%
Participant 6	6,000,000,000	10.90%
Participant 7	10,000,000,000	18.20%
Participant 8	9,000,000,000	16.40%
Participant 9	8,000,000,000	14.50%
Participant 10	7,000,000,000	12.70%
Total volume of the primary market	55,000,000,000	100%

2. The resulting shares are ranked from maximum to minimum.

Participant name	Volume of participation in the primary market (tg.)	Share of participation in the primary market
Participant 7	10,000,000,000	18.20%
Participant 8	9,000,000,000	16.40%
Participant 9	8,000,000,000	14.50%
Participant 10	7,000,000,000	12.70%
Participant 6	6,000,000,000	10.90%
Participant 3	5,000,000,000	9.10%

Participant 5	4,000,000,000	7.30%
Participant 2	3,000,000,000	5.40%
Participant 4	2,000,000,000	3.60%
Participant 1	1,000,000,000	1.80%
Total volume of the primary market	55,000,000,000	100%

3. The participant who takes the first place in the ranking receives the maximum number of points for the criterion as a percentage (100%). Subsequent participants receive 10% less.

Participant name	Share of participation in the primary market	Rating	Final score (Rating*maximum score)
Participant 7	18.20%	100%	20
Participant 8	16.40%	90%	18
Participant 9	14.50%	80%	16
Participant 10	12.70%	70%	14
Participant 6	10.90%	60%	12
Participant 3	9.10%	50%	10
Participant 5	7.30%	40%	8
Participant 2	5.40%	30%	6
Participant 4	3.60%	20%	4
Participant 1	1.80%	10%	2

4. Participants ranked below 10th position receive 0%.

(2) Participation activity.

The ranking of participants is carried out in accordance with the number of initial auctions in which the market participant took part in the offering (the ratio of the number of initial auctions in which the market participant bought GS to the total number of initial auctions for the period).

An example of calculation by criterion (2) Participation activity.

1. The participation activity indicator is calculated as the ratio of the number of auctions in which a market participant has made a deal, to the total number

of auctions. Suppose, during the period under review, the Ministry of Finance held 10 auctions.

Participant name	Number of auctions in which the participant made a deal	Share of participation in auctions
Participant 1	1	10%
Participant 2	2	20%
Participant 3	5	50%
Participant 4	5	50%
Participant 5	8	80%
Participant 6	10	100%
Participant 7	10	100%
Participant 8	7	70%
Participant 9	7	70%
Participant 10	6	60%
Total number of MF auctions	10	100%

2. The resulting shares are ranked from maximum to minimum.

Participant name	Number of auctions in which the participant made a deal	Share of participation in auctions
Participant 6	10	100%
Participant 7	10	100%
Participant 5	8	80%
Participant 8	7	70%
Participant 9	7	70%
Participant 10	6	60%
Participant 3	5	50%
Participant 4	5	50%
Participant 2	2	20%
Participant 1	1	10%

3. The participant who takes the first place in the ranking receives the maximum number of points for the criterion as a percentage (100%). If two or more market participants have the same number of points, they are awarded the same rating.

Participant name	Share in the primary market	Rating	Final score (Rating*maximum score)
Participant 6	100%	100%	15
Participant 7	100%	100%	15
Participant 5	80%	90%	13.5
Participant 8	70%	80%	12
Participant 9	70%	80%	12
Participant 10	60%	70%	10.5
Participant 3	50%	60%	9
Participant 4	50%	60%	9
Participant 2	20%	50%	7.5
Participant 1	10%	40%	6

(3) Participation evenness.

Participants are ranked according to their HHI (Herfindahl-Hirschman Index), which is calculated as follows.

For each market participant, the share of participation in auctions is calculated in terms of maturity to the total volume of participation. The shares raised to the second power are summed up. The ranking of the participants' indices is carried out from the largest to the smallest.

An example of calculation by criterion (3) Participation evenness.

1. For each market participant, the HHI index is calculated – the share of participation in auctions in terms of maturity, to the total volume of participation; shares raised to the second power are summed up.

The calculation of HHI for one participant (**participant 1**) is carried out as follows:

Maturity of securities issued during the period	Volume of the market participant in the primary market (tg.)	Share of participation by maturity (Share of participation in	Shares raised to the second power
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		auctions by maturity to the total volume of the market participant)	
1 year	1,000,000,000	1.8%	0.000324
2 years	3,000,000,000	5.4%	0.002916
3 years	5,000,000,000	9.1%	0.008281
4 years	2,000,000,000	3.6%	0.001296
5 years	4,000,000,000	7.3%	0.005329
6 years	6,000,000,000	10.9%	0.011881
7 years	10,000,000,000	18.2%	0.033124
8 years	9000000000	16.4%	0.026896
9 years	8000000000	14.5%	0.021025
10 years	7,000,000,000	12.7%	0.016129
Sum	55,000,000,000	100%	0.127

2. The HHI index for the market participant **(participant 2)** that participated in auctions for only one maturity will be equal to one.

Maturity of securities issued during the period	Volume of the market participant in the primary market (tg.)	Share of participation in auctions by maturity to the total volume of the market participant	Shares raised to the second power
1 year	55,000,000,000	100%	1
Sum	55,000,000,000	100%	1

3. The resulting indexes are ranked from the minimum value to the maximum value, i.e. the participant with the lowest index value takes the first place.

Participant name	Share raised to the second power
Participant 1	0.127
Participant 2	1

4. The participant who takes the first place in the ranking receives the maximum number of points for the criterion as a percentage (100%). Subsequent participants receive 10% less.

Participant name	Share raised to the second power	Rating	Final score

Participant 1	0.127	100%	10
Participant 2	1	90%	9

Secondary market:

(4) Share of participation.

The ranking of participants is carried out in accordance with their share of participation in the secondary market (the ratio of the trading volume of a market participant to the total volume in the secondary market for the period). All transactions on the Exchange, in the Bloomberg E-bond and OTC system will be taken into account.

An example of calculation by criterion (4) Share of participation.

1. The participation activity indicator is calculated as the ratio of the trading volume of a market participant to the total volume in the secondary market for the period. Only GS denominated in tenge are taken into account. Suppose that during the period under review, the total volume of trades in all GS is 6,100,000 tenge.

Participant name	Volume of the trading participant	Share of participation in the secondary market
Participant 1	100,000	1.64%
Participant 2	200,000	3.28%
Participant 3	500,000	8.20%
Participant 4	500,000	8.20%
Participant 5	800,000	13.11%
Participant 6	1,000,000	16.39%
Participant 7	1,000,000	16.39%
Participant 8	700,000	11.48%
Participant 9	700,000	11.48%
Participant 10	600,000	9.84%
Total volume of the secondary market	6,100,000	100%

2. The resulting shares are ranked from maximum to minimum.

Participant name	Volume of the trading participant	Share of participation in the secondary market
Participant 6	1,000,000	16.39%
Participant 7	1,000,000	16.39%
Participant 5	800,000	13.11%
Participant 8	700,000	11.48%
Participant 9	700,000	11.48%
Participant 10	600,000	9.84%
Participant 3	500,000	8.20%
Participant 4	500,000	8.20%
Participant 2	200,000	3.28%
Participant 1	100,000	1.64%

3. The participant who takes the first place in the ranking receives the maximum number of points for the criterion as a percentage (100%). If two or more market participants have the same number of points, they are awarded the same rating.

Participant name	Share of participation in the secondary market	Rating	Final score (rating*maximum score)
Participant 6	16.39%	100%	15
Participant 7	16.39%	100%	15
Participant 5	13.11%	90%	13.5
Participant 8	11.48%	80%	12
Participant 9	11.48%	80%	12
Participant 10	9.84%	70%	10.5
Participant 3	8.20%	60%	9
Participant 4	8.20%	60%	9
Participant 2	3.28%	50%	7.5
Participant 1	1.64%	40%	6

(5)The number of quotations.

The ranking of participants is carried out in accordance with the number of "firm" quotations on KASE and in the E-Bond system. The quotation is taken into account if the following requirements are met:

- a. The quotation was active for at least 3 hours a day. This condition may not be observed if the transaction was completed at the announced quotation.
- b. The quotation volume was more than 500 million tenge.

An example of calculation by criterion (5) Number of quotations.**1.**

Participant	Instrument	Quotation activity 3 hours or more per day	The quotation volume is more than 500 million tenge	Application status	Criteria compliance
Participant 1	MUM096_0004	Yes	500	active	Yes
Participant 1	MUM084_0018	Yes	600	active	Yes
Participant 2	MUM072_0014	Yes	350	active	No
Participant 2	MUM096_0004	Yes	650	active	Yes
Participant 3	MUM132_0007	Yes	1,500	active	Yes
Participant 4	MUM096_0007	Yes	500	active	Yes
Participant 5	MUM096_0009	Yes	500	active	Yes
Participant 1	MUM096_0010	Yes	500	a deal was made	Yes
Participant 2	MUM096_0011	Yes	850	active	No
Participant 3	MUM096_0012	Yes	1,500	active	No

Participant	Number of quotations
KASE	
Participant 1	3
Participant 2	1
Participant 3	1
Participant 4	1
Participant 5	1

E-bond	
Participant 1	1
Participant 2	4
Participant 3	2
Participant 4	1
Participant 5	1
Participant 6	1

2. The ranking of participants is carried out in accordance with the number of "firm" quotations.

Participant	Number of quotations	Share of participation in terms of the number of quotations	Number of points
Participant 2	5	100%	10
Participant 1	4	90%	9
Participant 3	3	80%	8
Participant 4	2	70%	7
Participant 5	2	70%	7
Participant 6	1	60%	6

(6)The number of unique papers.

The ranking of participants is carried out in accordance with the number of unique securities for which there were "firm" quotations on KASE and in the E-Bond system.

An example of calculation by criterion (6) Number of unique securities.

Accounting is carried out by the number of unique securities for the period, for which there were "firm" quotations on KASE and in the E-Bond systems. This condition is checked for all quotations: active orders; if a transaction was completed on the submitted order (partially executed or completely); if the order is withdrawn by the trading participant.

The quotation is taken into account, if the following requirements are met:

- a. The quotation was active for at least 3 hours a day. This condition may not be observed, if the transaction was completed at the announced quotation.
- b. The quotation volume was 500 million tenge or more.

Participant	Order date	Instrument	Order status	Criteria matching
Participant 1	03.03.23	MUM096_0004	Active	Yes
Participant 1	10.03.23	MUM084_0018	Withdrawn	Yes
Participant 2	15.03.23	MUM072_0014	Active	Yes
Participant 2	15.03.23	MUM096_0004	Active	Yes
Participant 3	16.03.23	MUM132_0007	Active	Yes
Participant 4	19.03.23	MUM096_0007	Active	Yes
Participant 5	20.03.23	MUM096_0009	Active	Yes
Participant 1	28.03.23	MUM096_0010	Deal made	Yes
Participant 2	29.03.23	MUM096_0011	Active	Yes
Participant 3	31.03.23	MUM096_0012	Active	Yes

Participant	Number of unique papers
KASE	
Participant 1	3
Participant 2	3
Participant 3	2
Participant 4	1
Participant 5	1
E-bond	
Participant 1	1
Participant 2	4
Participant 3	2
Participant 4	1
Participant 5	1
Participant 6	1

2. The ranking of participants is carried out in accordance with the number of unique securities for which there were "firm" quotations on KASE and in the E-Bond system.

Participant	Number of unique papers	Share of participation in terms of the number of quotations	Number of points
Participant 2	7	100%	10
Participant 1	4	90%	9
Participant 3	3	80%	8

Participant 4	2	70%	7
Participant 5	2	70%	7
Participant 6	1	60%	6

(7)Quotation quality.

The ranking of participants is carried out in accordance with the number of *bilateral* "firm" quotations on KASE and in the E-Bond system. The quotation is taken into account, if the following requirements are met:

- c. The quotation was active for at least 3 hours a day. This condition may not be observed, if the transaction was completed at the announced quotation.
- d. The quotation volume was more than 500 million tenge.

The calculation is carried out similarly to the previous indicator.

Additional criteria:

(8)Providing analytical information

For the availability of an analytical review, 5 points are assigned, for the absence – 0 points. To confirm availability, a market participant sends a link to an analytical review of the government securities market, which is in the public domain.

(9)Communication with the MF

5 points are assigned for the availability of communication, 0 points – for the absence. The presence/absence of communication is determined by the Ministry of Finance.

(10) Interaction with non-residents

If there are transactions with non-residents, 5 points are assigned, for the absence – 0 points. Accounting is carried out on KASE and OTC market deals.

Appendix 1 – Format of publication of the results of the monitoring period

Ranking	Participant	Results for the past month			
		Total points	Points for the primary market	Points for the secondary market	Points for additional criteria

1					
2					
3					
4					

Ranking	Participant	Cumulative total			
		Total points	Points for the primary market	Points for the secondary market	Points for additional criteria
1					
2					
3					
4					