

KAZAKHSTAN STOCK EXCHANGE JSC

A p p r o v e d

by a decision of Management Board
of Kazakhstan Stock Exchange JSC

(meeting minutes
No. 22 dated February 27, 2020)

Effective from

March 2, 2020

NOTICE

The Specification below in English has been translated by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the Specification's original version in Russian, the latter prevails.

SPECIFICATION of Automatic Repo Market

Almaty

2020

LIST OF AMENDMENTS

1. Changes No. 1:

- approved by a decision of the Management Board of Kazakhstan Stock Exchange (KASE) (minutes No. 52 of the meeting on April 24, 2020);
- effective from April 27, 2020.

This Specification has been developed in compliance with the internal document of Kazakhstan Stock Exchange, JSC (hereinafter – the Exchange) called "Rules of Repo Transactions Execution"¹ (hereinafter – the Rules of Repo Transactions Execution), and it defines basic characteristics of repo transactions, carried out by the "automated" method in the ACT trading system.

Chapter 1. GENERAL PROVISIONS

1. This Specification uses concepts defined in the Rules of repo transactions execution and other internal documents of the Exchange.
2. For purposes hereof:
 - 1) a repo transaction means only the repo transaction carried out by the "automatic" method;
 - 2) a repo transaction with the National Bank of the Republic of Kazakhstan is understood as a repo transaction carried out by the "automatic" method, in which one of the parties is the National Bank of the Republic of Kazakhstan.
3. Only one currency – the Kazakh tenge – may be used when carrying out repo transactions.
4. Repo transactions are generated as financial instruments in the following way:
 - 1) with the securities out of those mentioned in sub-items 1), 2) and 3) of item 8 hereof – repo transactions with one and the same transaction term are one financial instrument, regardless of titles of securities used as underlying assets in those repo transactions (hereinafter – GS basket);
 - 2) with the securities out of those mentioned in sub-item 4) of item 8 hereof – repo transactions with one and the same transaction term are one financial instrument regardless of titles of securities used as underlying assets in those repo transactions (hereinafter – FGS basket);
 - 3) with the securities out of those mentioned in sub-item 5) of item 8 hereof – repo transactions with one and the same term are one financial instrument, regardless of titles of securities used as underlying assets in those repo transactions (hereinafter – ODGU basket);
 - 4) with the securities out of those mentioned in sub-items 6) –11) of item 8 hereof – with regard to each separate title of securities, repo transactions with different terms are different financial instruments.
5. Second-tier banks and Kazpost JSC, which are clearing participants in the stock market, can be participants in repo transactions with the National Bank of the Republic of Kazakhstan. At the same time, the National Bank of the Republic of Kazakhstan announces firm quotes, other trading participants may conclude transactions only at quotes announced by the National Bank of the Republic of Kazakhstan.
6. Codes of repo transactions as financial instruments in the trading system are set in accordance with the Exchange's internal document "Instructions on the coding procedure for members of Kazakhstan Stock Exchange JSC" and their accounts, financial instruments and issuers of securities"².
7. For purposes of this Specification ratings of agency "Standard & Poor's" or agencies "Moody's Investors Service" and "Fitch", or their subsidiaries (hereinafter – other rating agencies) are recognized.

If an issue of securities or their issuer have ratings from two or more rating agencies, the worst of such ratings is taken into account.

¹ Approved by a decision of the Exchange Council (meeting minutes No. 4 of February 29, 2012).

² Approved by a decision of the Exchange's Management Board (minutes No. 21 of the meeting on March 1, 2017).

Chapter 2. SUBJECTS OF REPO TRANSACTIONS

8. Securities of the types mentioned below complying with the following terms (with exception specified by item 10 of this Specification) can be used as subjects of repo transactions:
 - 1) government securities of the Republic of Kazakhstan, issued by the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan and quoted in sector "government securities" of the Exchange's official list;
 - 2) debt securities issued by international financial institutions and permitted to be purchased in accordance with the laws of the Republic of Kazakhstan³, which are on the Exchange's official list and whose issuer has a rating of at least "BBB-" according to the international rating agency Standard & Poor's rating or a similar rating on international scale of other rating agencies;
 - 3) debt securities whose issuer has a rating of no lower than "BBB" according to the international scale of Standard & Poor's rating agency or a rating of similar level according to the international scale of other rating agencies and 100% of the voting shares of which belong to the National Bank of the Republic of Kazakhstan;
 - 4) foreign government securities located in the government securities sector of the official list of the Exchange, the issuing country of which has a sovereign credit rating of no lower than "BB-" according to the international scale of Standard & Poor's rating agency or a rating of a similar level according to the international scale of other rating agencies;
 - 5) debt securities denominated in tenge on the Exchange's official list, whose issuer has a rating not lower than "BB" on the international scale of Standard & Poor's rating agency or a rating of a similar level on the international scale of other rating agencies, and is a national company of the Republic of Kazakhstan, or an organization, 75 and more percent of whose total number of issued shares or paid-up authorized capital belong to the state, a national holding or national managing holding (hereinafter for purposes hereof – debt securities of the issuer with state participation) (*this sub-item was changed by a decision of the Exchange's Management Board dated April 24, 2020*);
 - 6) bonds of local executive bodies of the Republic of Kazakhstan;
 - 7) debt securities that are on the Exchange's official list and have a rating of at least "B-" on the international scale of Standard & Poor's rating agency or a rating of a similar level on the international scale of other rating agencies;
 - 8) debt securities that are on the Exchange's official list and do not have a rating, the issuer of which has a rating of at least "B-" on the international scale of Standard & Poor's rating agency or a rating of similar level on the international scale of other rating agencies, except for perpetual and securitized bond;
 - 9) shares included in the List T+ in accordance with the Exchange's internal document "Procedure of inclusion of financial instruments in the List T+ and Collateral List T+";
 - 10) securities of international financial institutions;
 - 11) shares from the universe of exchange indices of other countries and included in the official list of the Exchange.
9. As subjects of repo transactions with the National Bank of the Republic of Kazakhstan, securities included in the GS basket are used.
10. As subjects of repo transactions, the government long-term savings treasury obligations of the Republic of Kazakhstan (MEUKAM) are not used during the first half of their circulation period.

³ Item 1 of the resolution No. 234 of the Management Board of the National Bank of the Republic of Kazakhstan "On the establishment of a list of international financial institutions whose bonds banks and bank holdings acquire into ownership, and requirements for bonds that banks and bank holdings acquire into ownership" No. 234 of November 29, 2017.

**Chapter 3. INCLUSION OF SECURITIES IN THE LIST
OF SECURITIES APPROVED AS UNDERLYING ASSETS OF REPO TRANSACTIONS**

11. Securities out of those specified in sub-item 1) of item 8 of this Specification are allowed to be used as repo transactions with the GS basket as they are included in the Exchange's official list with the trading division establishing the necessary settings of the trading system at the same time as those performed when these securities are included in the official list of the Exchange.

Long-term savings treasury bonds of the Republic of Kazakhstan (MEUKAM) are allowed to be used as repo transactions' subjects upon expiration of the first half of their circulation period with the trading division establishing the necessary settings of the trading system.

12. Securities out of those specified in sub-items 2) and 3) of item 8 of this Specification are included by the trading unit in the GS basket as they are added to the Exchange's official list no later than the next business day after receiving a memo from the monitoring unit confirming compliance of the securities and their issuer with the conditions established by item 18 of this Specification, by establishing the necessary settings of the trading system.

13. Securities:

- 1) are included in the FGS and ODGU baskets on the basis of a memo prepared by the monitoring unit confirming compliance of the indicated securities and their issuer with the conditions established by sub-items 2)–4) of item 18 of this Specification;
- 2) out of those specified in sub-items 6)–11) of clause 8 of this Specification are allowed for use as repo transactions' subjects on the basis of a respective application of a member of the Exchange of the "stock" category and a memo prepared by the monitoring unit no later than the business day following the day of receipt of such statements, and confirming compliance of these securities and their issuer with the conditions established by item 18 of this Specification.

14. The office memo specified in items 12 and 13 of this Specification must be agreed upon with the members of the Exchange's Management Board in charge of the monitoring unit and trading unit.

From the date specified in the application of a member of the Exchange (if any), or from the date following the date of receipt of the office memo from the monitoring unit (depending on which date is the latest), the trading unit makes trading system settings that provide access of said securities to the use as repo transactions' subjects.

15. It is forbidden to use as subjects of repo transactions the securities out of those specified in item 8 of this Specification, if such securities are already used as repo transactions' subjects on financial instruments out of those specified in item 4 of this Specification.

16. The standardized terms of repo transactions with securities are Intraday, one, two, three, seven, 14 (fourteen) and 28 (twenty eight) days.

The standardized term of repo transactions with the National Bank of the Republic of Kazakhstan is one day.

17. An application of a member of the Exchange on the use of securities of any denomination as a repo transaction subject is drawn up in any form and must comply with the following requirements:

- 1) it must contain information on securities of this denomination, allowing the Exchange to uniquely identify them;
- 2) it shall indicate the preferred terms for this Exchange member with regard to repo transactions with securities of this denomination and the date of commencement of trading on such transactions (taking into account the features established by item 16 of this Specification);
- 4) it must be signed by a person who has the right of first signature on behalf of this member of the Exchange in accordance with its document with specimen signatures (the authenticity of which is certified by an authorized employee of the Exchange or notarized) affixed with a seal (if any) of this member of the Exchange;

- 5) it must be received by the Exchange no later than 13:00 o'clock, Almaty time, on the last business day preceding the date preferable for this member of the Exchange to begin trading on repo transactions with securities of particular denomination.
18. Securities of particular denomination are allowed to be used as repo transactions' subjects, provided:
 - 1) in respect of securities of this denomination, the applicable conditions are observed out of those established by sub-items 2) -11) of item 8 of this Specification;
 - 2) securities of this denomination and their issuer fully comply with the basic listing requirements⁴ of the category, sector and market on which securities of this denomination are listed on the Exchange's official list;
 - 3) securities of this denomination are not subject to the prohibition established by item 20 of this Specification;
 - 4) for securities of this denomination, market valuation is calculated in accordance with the Exchange's internal document "Methodology of Securities Valuation"⁵.
 19. The norm established by sub-item 4) of item 18 does not apply to government securities of the Republic of Kazakhstan issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan, which can be used as repo transaction's subjects in the absence of a market valuation.
 20. It is forbidden to use as repo transactions' subjects the securities of any denominations out of those types specified in sub-items 6) –11) of item 8 of this Specification issued by a particular issuer at occurrence any of the following grounds:
 - 1) this issuer has unfulfilled obligations with expired deadlines towards holders of any securities issued by it;
 - 2) the admittance initiator of securities issued by this issuer has an obligation unfulfilled within three months after the deadline set by the listing agreement towards the Exchange to provide financial statements (including interim) of this issuer;
 - 3) the admittance initiator of securities issued by this issuer has an obligation towards the Exchange unfulfilled within ten days after the deadline specified by the Exchange's internal document "Listing Rules"⁶ to provide essential information about this issuer and/or the securities issued by it, to be provided to the Exchange according to this article.
 21. Securities issued by a particular issuer cease to be subject to the prohibition established by item 20 of this Specification, if the issuer or initiator (initiators) of admission of the securities issued by this issuer eliminates the violation(s) in connection with which these securities fell under the effect of this prohibition (taking into account the particulars established by the second paragraph of this item).

If securities issued by a particular issuer fall under the prohibition established by item 20 of this Specification, on the basis specified in item 1) of item 20 of this Specification, they cease fall under the prohibition only after the Exchange receives documents confirming the complete fulfillment by this issuer of respective obligations towards holders of securities issued by it (including on forfeits, penalties and fines), provided by applicable laws, securities issue prospectuses or other documents similar in their purpose to securities issue prospectuses), or other complete settlement of obligations undertaken by this issuer.

⁴ Basic listing requirements are requirements established by the legislation of the Republic of Kazakhstan for issuers and securities issued by them for inclusion of securities in the Exchange's official list and their presence therein.

⁵ Approved by a decision of the Exchange's Council (minutes No. 7 of the meeting on March 31, 2011).

⁶ Approved by a decision of the Exchange's Board of Directors (minutes No. 15 of the meeting on April 27, 2017).

Chapter 4. CALCULATION OF PARAMETERS OF REPO OPENING AND CLOSING TRANSACTIONS

22. The repo transaction's opening price is calculated by the trading system automatically based on the market price of the security that is the subject of the repo transaction, the discount established for this security, and is determined according to the following formula:

$$P_o = P \cdot (1 - \text{Disc}), \text{ where}$$

- P_o – repo transaction opening price (in the currency of settlements);
 P – the market price of a security set for the date of opening of a repo transaction and determined in accordance with the Exchange's internal document "Methodology of Securities Valuation";
 Disc – value of the discount determined in accordance with items 29 and 30 of this Specification.

23. The quantity of the subject of the repo transaction is calculated automatically by the trading system based on the amount of the repo opening transaction indicated by the participants of the repo transaction at its conclusion and the opening price of the repo transaction according to the formula:

$$K = \left\lceil \frac{Q}{P_o} \right\rceil, \text{ where}$$

- K – the amount of the repo transaction's subject (in pieces);
 Q – the amount of the repo opening transaction indicated by the participants of the repo transaction at its conclusion (in the currency of settlements);
 P_o – repo transaction opening price (in the currency of settlements);
 $\lceil \rceil$ – rounding the result up to the nearest integer value.

24. The exact amount of the repo opening transaction is calculated automatically by the trading system based on the quantity of the subject of the repo transaction and the opening price of the repo transaction according to the formula:

$$Q_o = K \times P_o, \text{ where:}$$

- Q_o – the exact amount of the repo opening transaction (in the currency of settlements).

25. The repo transaction closing price is calculated automatically by the trading system based on the repo transaction profitability, repo transaction term and repo transaction opening price according to the formula:

$$P_c = \left(\frac{l}{365} \times n \times \frac{P_o}{100} \right) + P_o, \text{ where}$$

- P_c – repo transaction closing price (in the currency of settlements);
 l – profitability of the repo transaction (in annual percentage);
 n – the repo transaction term (in days).

26. The amount of the repo closing transaction is calculated by the trading system automatically based on the number of the subject of the repo transaction and the closing price of the repo transaction according to the formula:

$$Q_c = K \times P_c, \text{ where}$$

- Q_c – closing repo transaction amount (in settlement currency).

27. If the repo closing date falls on a non-business day, the repo closing transaction amount is automatically recalculated by the trading system based on the actual duration of the repo transaction period.
28. The opening and closing prices of a repo transaction are rounded up automatically by the trading system to the fourth, and the exact amount of the repo opening transaction and the amount of the repo closing transaction are rounded to the second decimal place according to the rules of mathematical rounding (numbers up to five are reduced to zero, and numbers from five and higher are increased to ten).
29. In order to determine the amount of the repo transaction's subject, the exact amount of the opening transaction, opening and closing prices, as well as the amount of the repo closing transaction, the market prices of securities, depending on the type of these securities, are discounted:
 - 1) international securities of the Republic of Kazakhstan – by 5 %;
 - 2) KZT-denominated discount government securities (GS) issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan – by 3%;
 - 3) KZT-denominated non-indexed government securities issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan with a fixed coupon rate, with maturity counting from the date of valuation:
 - no more than three years – by 3 %;
 - from three years and up – by 5 %;
 - 4) bonds of local executive bodies of the Republic of Kazakhstan, until maturity of which from the date of assessment there are:
 - no more than three years – by 5 %,
 - from three years and up – by 10 %;
 - 5) GS issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan, denominated in foreign currency, and GS issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan, nominated in Kazakh tenge and indexed by the level of change of the exchange rate of the tenge to a foreign currency, until maturity of which from the date of assessment there are:
 - no more than 360 days – by 10 %;
 - 361 days and more – by 15 %;
 - 6) KZT-denominated government securities issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan with a coupon rate indexed by inflation, until maturity of which from the date of assessment there are:
 - no more than 360 days – by 10 %;
 - 361 days and more – by 15 %;
 - 7) debt securities issued by international financial institutions and permitted for purchase in accordance with the legislation of the Republic of Kazakhstan, which are on the Exchange's official list and whose issuer has a rating of at least "AA" on the international scale of Standard & Poor's rating agency or a similar rating according to the international scale of other rating agencies, until maturity of which from the date of assessment there are:
 - no more than three years – by 3 %,
 - from three years and up – by 5 %;
 - 8) debt securities issued by international financial institutions and permitted for purchase in accordance with the legislation of the Republic of Kazakhstan, which are on the Exchange's official list and whose issuer rating is from "AA-" to "BBB-" on the international scale of Standard & Poor's rating agency or of a similar level on the international scale of other rating agencies, until maturity of which from the date of assessment there are:

- up to one year – by 5 %
 - from one to three years – by 10 %,
 - from three years and up – by 20 %;
- 9) debt securities out of those indicated in sub-item 3) of item 8 of this Specification:
- up to one year – by 5 %;
 - from one to three years – by 10 %;
 - from three years and up – by 20 %;
- 10) foreign GS, the rating of whose issuing country is not lower than "BBB" on the scale of Standard & Poor's and/or not lower than a similar rating of agencies Fitch or Moody's, until maturity of which from the date of assessment there are:
- no more than 360 days – by 5 %;
 - 361 days and more – by 10 %;
- 11) foreign GS, the rating of whose issuing country is from "BBB-" to "BB-" on the scale of Standard & Poor's and/or not lower than the rating of the same level by Fitch or Moody's agencies, until maturity of which from the date of assessment there are:
- no more than 360 days – by 10 %;
 - 361 days and more – by 15 %;
- 12) shares – by 30% or if the size of the open position of one of the trading participants for a share of any denomination exceeds the concentration limit at the beginning of the trading day established for a security of that denomination, then for all newly submitted orders for conclusion of deals on repo transactions with this security – by the amount of the minimum concentration rate, but not less than 30% for shares quoted on the Main market, and not less than 40% for shares included on the Alternative market of the Exchange's official list;
- 13) corporate debt securities included in the Exchange's official list are determined in accordance with Appendix 1 to this Specification;
- 14) subordinated debt securities included in the Exchange's official list are determined in accordance with Appendix 2 to this Specification;
- 15) securities, whose issuer has a state share, included in the Exchange's official list, determined in accordance with Appendix 3 to this Specification.
30. In order to determine the amount of the subject of the repo transaction, the exact amount of the opening transaction, the closing price and the amount of the closing repo transaction in the absence of market prices for GS issued by the Ministry of Finance and the National Bank of the Republic of Kazakhstan, are discounted:
- no more than three years – by 10 %;
 - from three years and more – by 20 %.

Chapter 5. REPLACING ONE SUBJECT OF A REPO TRANSACTION WITH ANOTHER

31. Replacement of one subject of a repo transaction with another may be made only in cases and on the conditions provided for by the Rules for performing repo transactions, at that:
- 1) if the securities included in the GS, FGS and ODGU baskets are used as a replacement for a repo transaction's subject, they can be replaced with any other securities from the GS, INGSB and ODGU baskets, respectively;
 - 2) if securities of the types specified in sub-items 6) –11) of item 8 of this Specification are used as a repo transaction's subject, their replacement with securities of another denomination is not allowed.

**Chapter 6. PROCEDURE OF REMOVAL OF SECURITIES FROM
THOSE ALLOWED TO BE USED AS UNDERLYING ASSETS OF REPO TRANSACTIONS**

32. Securities of any denomination out of those specified in sub-items 6) –11) of item 8 of this Specification are excluded from the number of securities that are allowed to be used as repo transactions' subjects if any of the following grounds arise (taking into account the features specified by items 33 and 34 of this Specification):
 - 1) repo transactions with securities of this denomination are not carried out within 90 consecutive calendar days;
 - 2) with regard to securities of this denomination, the applicable conditions from the number established by item 18 of this Specification ceased to be observed;
 - 3) securities of this denomination are excluded from the Exchange's official list.
33. The exclusion of securities from the number of those permitted for use as subjects of repo transactions on the basis specified in sub-item 1) of item 32 of this Specification is carried out in the following order:
 - 1) the trading department checks on a daily basis all types of securities that are allowed to be used as repo transactions' subjects for compliance with the conditions established by sub-items 1) and 3) of item 32 of this Specification, and if such performance is detected by establishing the necessary settings of the trading system, excludes securities of the respective titles from the number of those permitted for such use;
 - 2) upon the exclusion of securities of particular denominations from the number of those permitted for use as repo transactions' subjects, the trading department shall send by e-mail information on securities of these denominations to the member of the Exchange's Management Board in charge of the trading department, as well as to the information and statistics department;
 - 3) upon receipt of information in accordance with sub-item 2) of this item, the information and statistics department performs the necessary subsequent actions.
34. The exclusion of securities from the number of those permitted for use as repo transactions' subjects on the basis specified in sub-item 2) of item 32 of this Specification is carried out in the following order:
 - 1) the monitoring unit at least once a week checks all types of securities that are allowed to be used as repo transactions' subjects for compliance with the conditions specified in item 18 of this Specification, and if any discrepancies are identified, draws up an office memo with information about such securities, coordinates it with members of the Exchange's Management Board in charge of the monitoring department and the trading department, and sends it to the trading department;
 - 2) the trading department, by establishing the necessary settings of the trading system, excludes securities of respective titles from the number of those permitted for use as repo transactions' subjects on the basis of the office memo specified in sub-item 1) of this item, no later than the next business day after receipt of such office memo;
 - 3) on the day of exclusion of securities of particular titles from the number of those permitted for use as repo transactions' subjects, the trading department sends information on such securities by e-mail to the information and statistics department.
35. The exclusion of securities of particular title from the number of those permitted for use as repo transactions' subjects for the reasons specified in sub-items 2) –4) of paragraph 32 of this Specification does not affect repo transactions with securities of this title already opened and does not exempt participants of these repo transactions from the execution of closing transactions related to these repo transactions.
36. Securities excluded from the number of those permitted for use as repo transactions' subjects may be re-authorized for such use in the manner and subject to the conditions set by this Specification.

Chapter 7. FINAL PROVISIONS

37. Responsibility for the timely introduction of changes and/or additions (updating) to this Specification rests with the trading department.
38. This Specification is subject to updating as necessary, but at least once every three years, beginning from the date of coming into effect of this Specification.

Chairperson of the Management Board

A. Aldambergen

Appendix 1

to the Specification of the Automatic Repo Market

T A B L E
of discounting debt securities included in the Exchange's official list

| Group | Current maturity less than 1 year | Current maturity from 1 year to 3 years (inclusive) | Current maturity from 4 years to 7 years (inclusive) | Current maturity more than 8 years |
|--|-----------------------------------|---|--|------------------------------------|
| Group I (debt securities with a rating of issue not lower than "BBB-" (inclusive) on the international scale of Standard & Poor's rating agency or a rating of a similar level on the international scale of another rating agency) | 10 % | 15 % | 20 % | 25 % |
| Group II (debt securities with a rating of issue from "BB +" to "BB-" (inclusive) on the international scale of Standard & Poor's rating agency or a rating of a similar level on the international scale of another rating agency, or whose issuer has a rating of not lower than "BB-" on the international scale of the rating agency Standard & Poor's or a rating of a similar level on the international scale of another rating agency) | 15 % | 20 % | 25 % | 30 % |
| Group III (other debt securities) | 25 % | 30 % | 35 % | 40 % |

Appendix 2

to the Specification of the Automatic Repo Market

T A B L E
of discounting subordinated debt securities included in the Exchange's official list

| Group | Current maturity less than 1 year | Current maturity from 1 year to 3 years (inclusive) | Current maturity from 4 years to 7 years (inclusive) | Current maturity more than 8 years |
|--|-----------------------------------|---|--|------------------------------------|
| Group I (subordinated debt securities with a rating of issue not lower than "BBB-" (inclusive) according to the international scale of Standard & Poor's rating agency or a rating of a similar level according to the international scale of another rating agency) | 20 % | 25 % | 30 % | 35 % |
| Group II (subordinated debt securities with a rating of issue from "BB +" to "BB-" (inclusive) on the international scale of Standard & Poor's rating agency or a rating of a similar level on the international scale of another rating agency, or whose issuer has a rating of not lower than "BB -" according to the international scale of the rating agency Standard & Poor's or a rating of a similar level according to the international scale of another rating agency) | 25 % | 30 % | 35 % | 40 % |
| Group III (other subordinated debt securities) | 35 % | 40 % | 45 % | 50 % |

Appendix 3

to the Specification of the Automatic Repo Market

T A B L E
of discounting debt securities of an issuer with state participation

| Group | Current maturity less than 1 year | Current maturity from 1 year to 3 years (inclusive) | Current maturity from 4 years to 7 years (inclusive) | Current maturity more than 8 years |
|--|-----------------------------------|---|--|------------------------------------|
| Group I (debt securities with a rating of issue not lower than "BBB-" (inclusive) on the international scale of Standard & Poor's rating agency or rating of a similar level on the international scale of another rating agency, or whose issuer has a rating of not lower than "BBB-" on the international scale of Standard & Poor's rating agency or rating of a similar level on the international rating scale of another rating agency) | 5 % | 10 % | 15 % | 20 % |
| Group II (debt securities with a rating of issue from "BB +" to "BB" (inclusive) on the international scale of Standard & Poor's rating agency or a rating of a similar level on the international scale of another rating agency, or whose issuer has a rating from "BB +" to "BB" on the international scale of the rating agency Standard & Poor's or a rating of a similar level on the international scale of another rating agency) | 10 % | 15 % | 20 % | 25 % |