

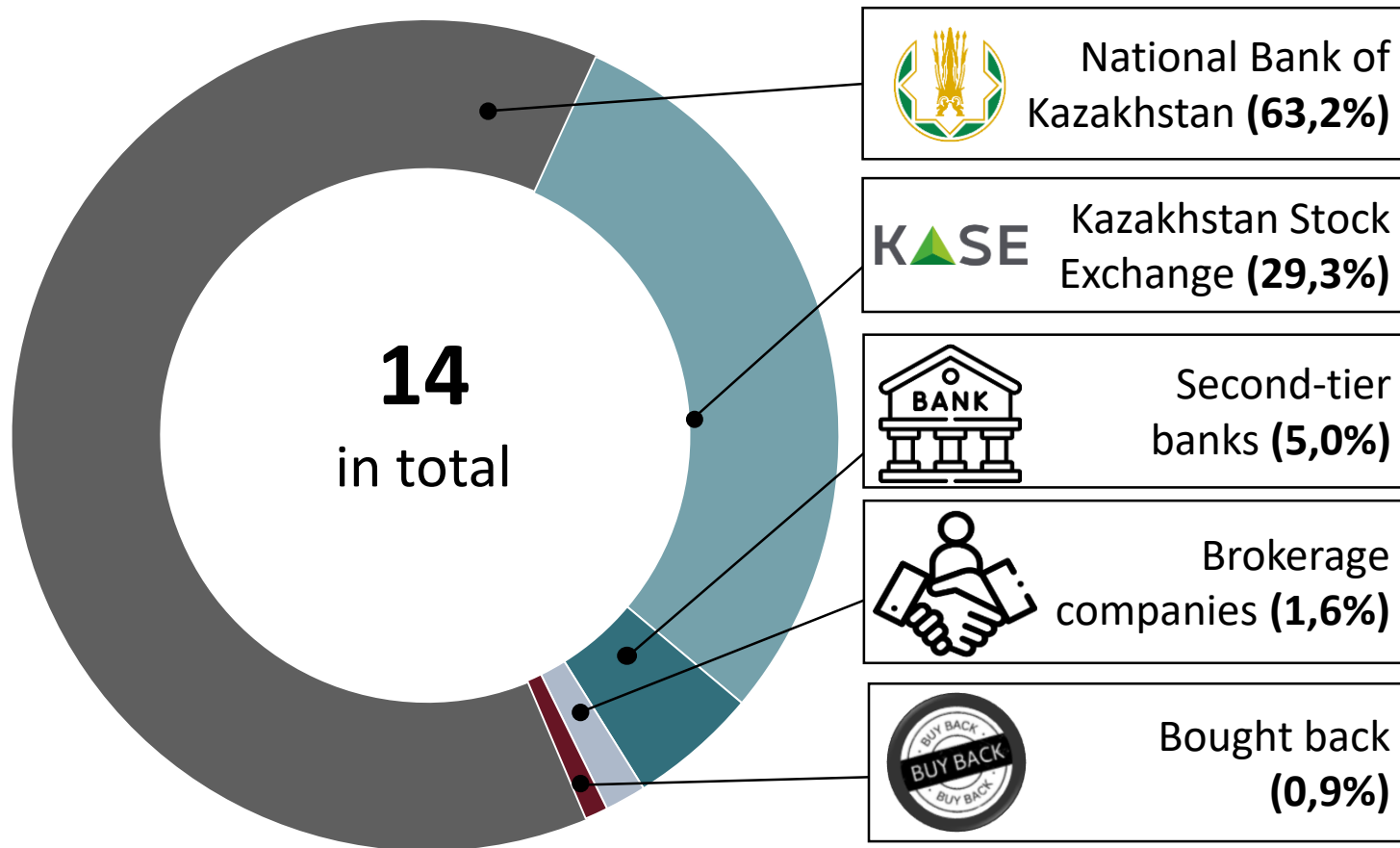


CSD
Central Securities Depository

ACTIVITIES OF THE CENTRAL SECURITIES DEPOSITORY (KCSD)

November 2023

Shareholders of KCSD



as of January 1, 2023

Key facts:

- ❖ KCSD is a **noncommercial organization**, which has been operating since 1997
- ❖ provides services on transactions with Kazakhstani and foreign securities
- ❖ unified center for accounting of ownership rights of securities
- ❖ settles all on-exchange and over-the-counter transactions in the local market, provides access to the international market
- ❖ volume of securities in the nominal holding system is **\$275 bn (125 trln KZT)**
- ❖ established correspondent relations with 5 national and 2 international depositories

KCSD Services



Depository



Registrar



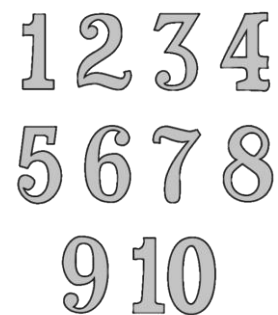
Corporate actions



Payment agent



Banking (cash)
operations



National
numbering agency



Information services



Trade repository

International cooperation

KCSD is a member of the following reputable associations:

⌘ Association of Eurasian Central Securities Depositories (**AECSD**)



⌘ Association of National Numbering Agencies (**ANNA**)



⌘ Asia-Pacific Central Securities Depository Group (**ACG**)



⌘ International Organization of Securities Commissions (**IOSCO**)



⌘ European Central Securities Depositories Association (**ECSDA**)





⌘ **SWIFT** community



KCSD's Correspondent Links



Business development stage:

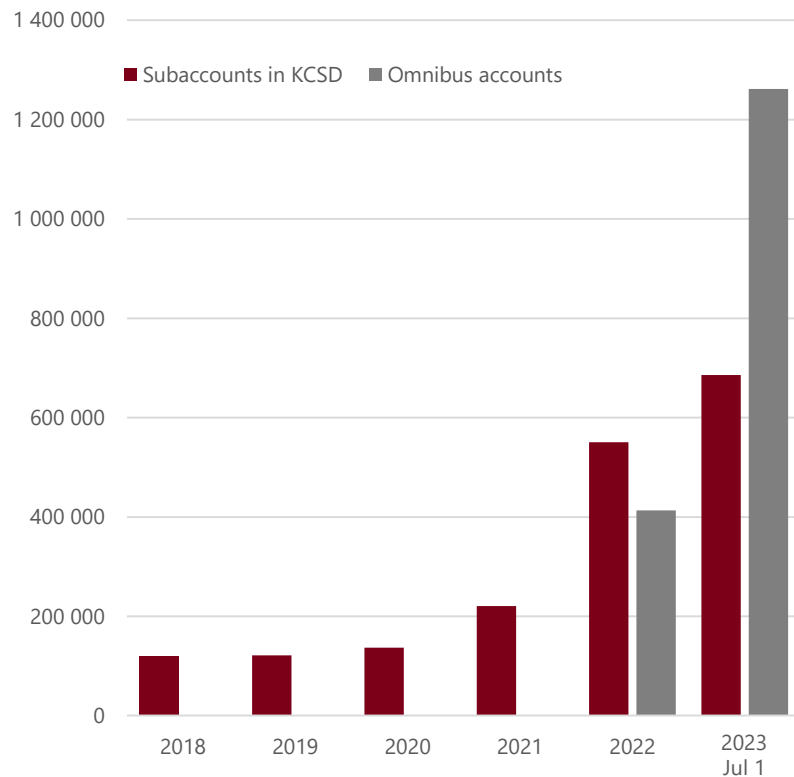
-  **Uzbekistan**
-  **Azerbaijan**

*NSD Russia ↔ KCSD link is used for recordkeeping of securities with the following ISIN codes – RU and KZ.

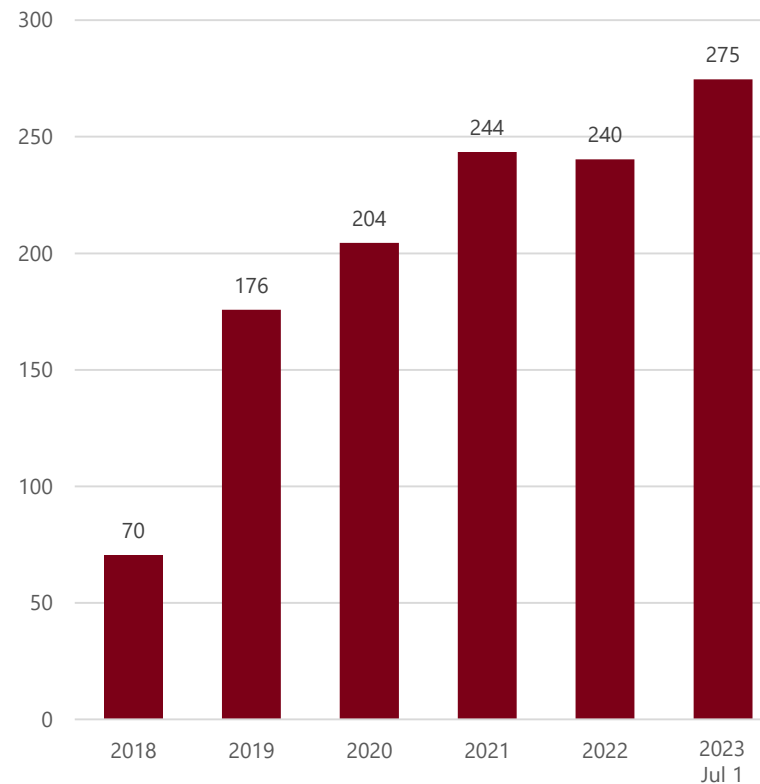


Steady and stable growth rates of performance indicators are observed in most of the activities of KCSD over the past 5 years.

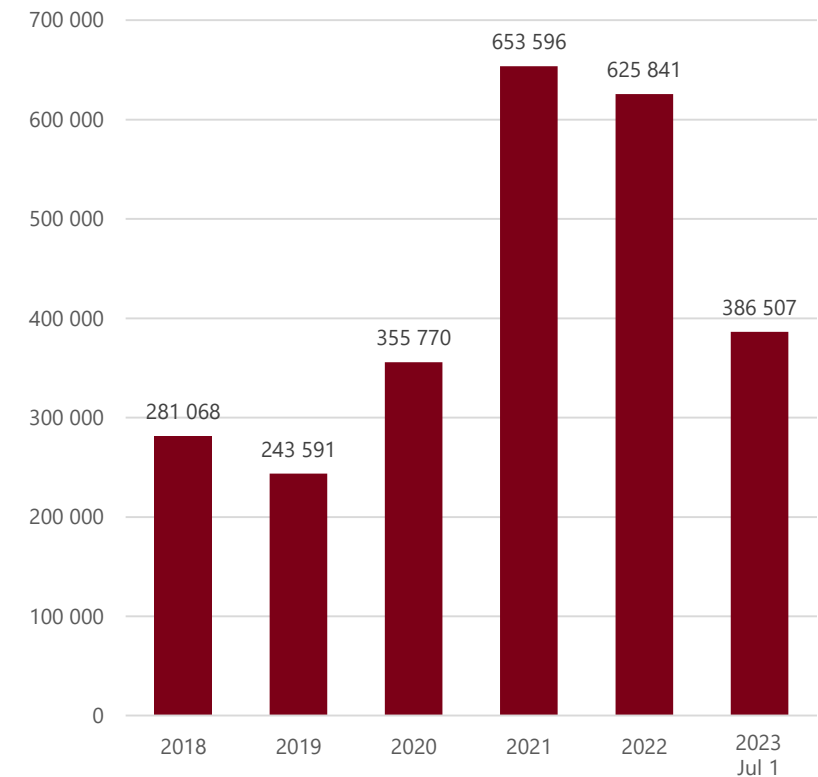
Number of subaccounts



Value of financial instruments in nominal holding, USD billion



Number of registered securities transactions



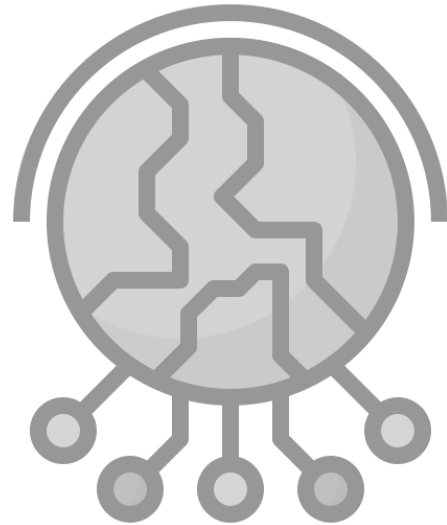
Note: data presented as of the end of the period, unless otherwise indicated.

Priorities



ARCHITECTURE

development of IT architecture
for scaling operations in the
settlement and depository systems



GLOBALIZATION

expansion of interdepository
and correspondent relations
with international depositories
and global custodians



GROWTH

ensuring the growth of
foreign portfolio investments,
retail investors base and
introduction of new
financial instruments



OPTIMIZATION

reduction of time spent
on transaction settlements



Formation on the basis of KCSD of a **flexible ecosystem in the securities market**, servicing a wide range of financial assets and providing investors with a wide range of services:



Post-trade infrastructure enhancement



Settlements for organized market and over-the-counter (OTC) transactions



Processing of over-the-counter (OTC) transactions



Processing of corporate actions



Venue for securities-based lending transactions



Client identity services

Areas of Development Strategy for 2022-2024 years

Depository activities

- Implementation of the omnibus account system
- Improvement of transaction registration and securities settlement technologies
- Launch of stock lending platform
- Correspondent links with international depositories and global custodians
- Enhancement of the settlement system for foreign securities traded on KASE

Maintaining a system of security holders registers

- Expansion of safekeeping services of assets of "lost" security holders
- Implementation of the registry and recordkeeping of bills
- Reduction of transaction registration time
- Facilitating online access to registry services

Certain types of banking operations

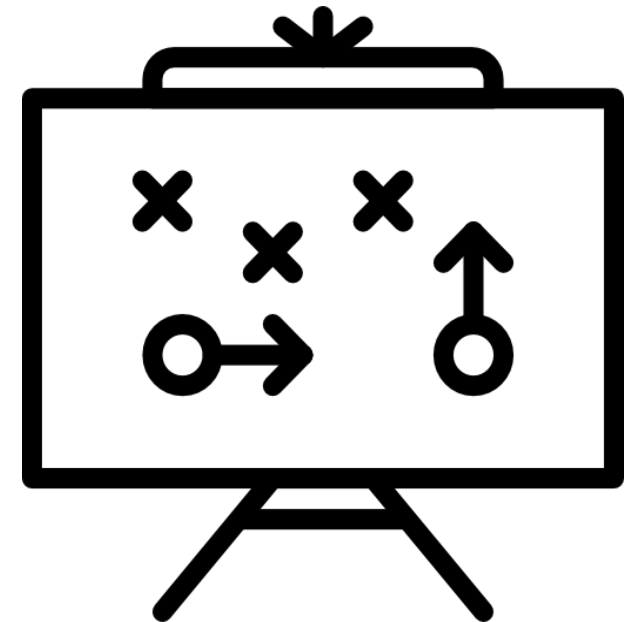
- Implementation of a foreign currency exchange service
- Implementation of a service for opening bank accounts to securities holders in registrar system

Trading in OTC market

- Implementation of DVP model for OTC
- Development of stock lending service
- Realization of securities holders' direct access to OTC
- Implementation of dark pool into centralized service on OTC trading

Corporate actions hub

- Integration of the registration system of KCSD with the system of information disclosure on corporate actions
- Launch of Corporate Actions Portal
- Implementation of electronic voting system for general shareholders meetings



Key projects

In line with CSD's Development Strategy KCSD is actively working on or recently completed the following initiatives:



Foreign Currency Exchange service



Development of OTC market



Development of Securities Lending platform



Introduction of Biometric Identification for KCSD clients



Automatisation of the process of registering securities issuances



Expansion of access to new markets



Obtaining a license to open and maintain bank accounts for entities

KCSD clients in the test format were provided an opportunity to **convert foreign currency** with the aim to buy certain securities

Currently testing is underway for KCSD OTC platform to organize the **trading of financial instruments in the OTC market** as well as to provide opportunity to **lend certain securities to KCSD clients**

An option of **biometric identification** for clients who wish to establish business relationships with KCSD, has been introduced recently

KCSD introduced **automated process of securities issuances registration** through its web portal which helped to eliminate limitations associated with manual paperwork & physical presence

Custody agreement has been concluded recently with the American custodian, thus, it is planned to provide **direct access for KCSD clients to the US market**

As part of expanding its banking services KCSD was given opportunity to **open and maintain bank accounts** for the brokers, banks, other entities and individuals

Thank you!



Contacts

Address: 050040, Almaty,
Satpaev St., 30/8,
non-residential premises 163

Tel.: +7 (727) 262 08 46
+7 (727) 355 47 60

E-mail: ccmail@kacd.kz
of@kacd.kz

Website: www.kcsd.kz