

Appendix No. 3
to the minutes of the Board of Directors
JSC «EIC «KazakhExport»
dated September 25, 2023 No. 13

«Approved»
by the decision of the Board of Directors
JSC «EIC «KazakhExport»
dated September 25, 2023 No. 13

Development plan of the joint stock company «Export Insurance Company «KazakhExport» for 2024-2033

Astana, 2023

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INTRODUCTION

KazakhExport Export Insurance Company JSC (hereinafter referred to as KazakhExport, the Company) is a Single operator for the promotion of non-primary exports, performing the functions of an export credit agency (hereinafter referred to as ECA).

The Development Plan (formerly the Development Strategy) of KazakhExport is a long-term strategic document that defines the mission of KazakhExport to achieve the goals set by the Sole Shareholder and the Government of the Republic of Kazakhstan.

On August 12, 2014, the first Development Strategy of KazExportGarant Export Credit Insurance Corporation JSC for 2014-2023 was approved, which was aimed at performing the functions of an export credit agency through insurance and reinsurance activities aimed at implementing state initiatives and state programs. Initially, the export support functions of KazakhExport were fixed in the State Program for Accelerated Industrial and Innovative Development of the Republic of Kazakhstan for 2010-2014 and then transferred to the State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2015-2019 in order to create effective financial mechanisms to support the entry of Kazakh products of the manufacturing sector to foreign markets.

In December 2015 Kazakhstan joined the World Trade Organization (hereinafter referred to as the WTO), which set the task for Kazakhstani entrepreneurs to compete with manufacturers from all over the world in terms of reducing barriers protecting national markets.

By the Head of State in the Address to the People of Kazakhstan dated January 31, 2017, «The third modernization of Kazakhstan: global competitiveness» has identified a priority direction of industrialization policy with an emphasis on the development of competitive export industries. In this regard, in August 2017, the Government Program «National Export Strategy of the Republic of Kazakhstan» for 2018-2022 (hereinafter - NES RK) was approved, aimed at creating conditions for increasing the volume of non-primary exports by one and a half times by 2022 and twice by 2025, as well as diversifying markets and exports of goods and services (to the level of 2015).

Also on March 10, 2017, KazakhExport received the status of a national company. This step, coupled with the transformation, allowed the Company to expand its opportunities to support Kazakhstani exporters.

As a result of Kazakhstan's accession to the WTO, the approval of the National Economic Commission of the Republic of Kazakhstan, updating the strategy of the Sole Shareholder and obtaining the status of a national company in 2017, it became necessary to develop a new version of the KazakhExport strategy. In addition, the need to update the Strategy is dictated by a decrease in the volume of non-primary exports and its weak diversification against the background of the completion of the cycle of high commodity prices. In this connection, on December 25, 2017, the updated KazakhExport Development Strategy for 2014-2023 was approved.

The next update of the KazakhExport Development Strategy for 2014-2023, carried out in 2022, was associated with the approval of the updated Development Plan of JSC «National Managing Holding «Baiterek» (hereinafter – Holding, Holding «Baiterek») and included the renaming of the Development Strategy to the KazakhExport Development Plan for 2014-2023, in accordance with the changes made in the documents of the state planning system.

The key prerequisites for the development of the KazakhExport Development Plan for 2024-2033 (hereinafter referred to as the Development Plan) are the completion of the terms of implementation of the Development Plan for 2014-2023 and the entry into a new cycle of medium- and long-term strategic planning, taking into account the current trends of the country's economy and foreign trade, as well as the need to follow the updated goals and objectives contained in the National Development Plan of the Republic Kazakhstan until 2025.

The KazakhExport development Plan will be aimed at providing the necessary contribution to achieving the goals and objectives of the National Development Plan of the Republic of Kazakhstan until 2025 with a perspective until 2033 in terms of supporting non-primary exports.

This Development Plan of the Company reflects two strategic directions of development, including assistance in increasing export potential and improving operational activities, as well as goals and objectives aimed at resolving current problematic issues, strengthening efficiency and financial stability.

1. ANALYSIS OF THE CURRENT SITUATION

1.1 Analysis of the external environment

1.1.1 Macroeconomic trends

Geopolitics and Economics

The medium-term prospects for the development of the global economy will be constrained by geopolitical tensions in the world. The ongoing unfavorable situation in Ukraine and the Middle East increases the risks and tensions in relations between Russia and the United States, which, in turn, may lead to a tightening of the US sanctions policy against the Russian economy.

Events in Ukraine turn out to be a strong factor determining the forecast of Kazakhstan's economy for the coming years, since Russia has always been a key partner of Kazakhstan in the economic sphere. The prospects for the development of Kazakhstan's economy are no less influenced by the economic situation of China and the EU, which are also the country's main trading partners. In general, the events in Ukraine and anti-Russian economic sanctions have led to disruptions in supply chains and exacerbated the global food crisis. At the same time, food prices are rising rapidly all over the world, which can lead to a global hunger problem. Climate change also poses an equally serious threat to food security in the world (*abnormal heat, prolonged drought, fires and floods*).

Inflation

The main problem for most countries of the world will be inflation. The events in Ukraine affected global economic growth and led to an increase in energy and food prices, which caused an increase in inflation, according to IMF experts. It is inflation that will influence the decisions of central banks regarding monetary policy and consumer sentiment. The root cause of inflation in recent years has been an imbalance of supply and demand for many types of goods and raw materials, resulting in a shortage, and prices have been steadily rising. It seemed that the governments of the largest countries managed to gradually curb the rise in prices, but a new «black swan» in the form of Russian aggression created a new turbulence in the markets.

Against the background of the global trend of rising prices for food and raw materials, reinforced by imbalances in domestic markets against the background of changes in logistics and production chains, inflation has also increased in Kazakhstan. It should be noted that inflation in Kazakhstan is tied to labor productivity and as long as the productivity growth rates differ from the growth rates of importing countries, Kazakhstan will receive permanent inflation and depreciation of the national currency.

Disruption of supply chains

The introduction of Western economic sanctions against the Russian Federation (RF), and then retaliatory ones against developed countries, led to the disruption of supply chains. Restrictive measures against the Russian Federation – the termination of air traffic, the closure of ports for Russian ships by a number of countries, the refusal of global container lines to work with cargo from the Russian Federation and other sanctions – greatly complicate global logistics. At the same time, in all sectors of the economy of Kazakhstan, there is also an increase in delivery times.

Climate change

Climate change also poses a serious threat to the global economy: it affects the well-being of society, affects the availability of resources, increases energy prices and reduces the value of assets of private companies. At the same time, the need to restructure the global energy sector opens up limitless opportunities for economic development and improving the well-being of the population. Governments of many countries are beginning to take political steps to address the causes of global climate change and mitigate the consequences of these changes. This policy is mainly aimed at limiting greenhouse gas emissions and directly affects many sectors of the economy.

In order to respond to the growing impact of climate change, Kazakhstan conducts its policy in accordance with global environmental needs, setting an ambitious goal to achieve carbon neutrality by

2060 with 80% share of renewable and alternative energy sources in the total energy balance of the country. The Government of the Republic of Kazakhstan also plans to reduce greenhouse gas emissions by 15% in 2030 compared to 1990.

In general, geopolitical and trade tensions around the world have affected many key markets of Kazakhstani exporters. These geopolitical events can undermine consumer and business sentiment and negatively affect external demand. Nevertheless, such geopolitical shifts can also create opportunities for Kazakhstani business by diversifying the economy based on increased investment in the non-resource sector, as well as integration into global and regional value chains.

1.1.2 The main directions of the state export policy

Changes in socio-economic trends on the world stage lead to the need to constantly review the management process and, in particular, the attitude to public administration. The development of exports in many countries is primarily related to the effectiveness of state support for the export policy of the state.

KazakhExport in its activities is guided by the main directions of state policy in the field of promotion of exports of national products, reflected in the state strategic documents:

1. In the Message of the President of the Republic of Kazakhstan N.A. Nazarbayev to the people of Kazakhstan «Strategy «Kazakhstan-2050»: a new political course of the established state» reflects the goal of expanding the export-oriented non-resource sector, as well as state export promotion, according to which the share of non-resource exports in total exports should double by 2025 and triple by 2040.

2. In the Message of the President of the Republic of Kazakhstan K.K. Tokayev instructed the people of Kazakhstan «Kazakhstan in a new reality: time for action» to launch an export acceleration program aimed at medium-sized non-resource enterprises, voiced the need for companies to focus on foreign markets, strengthen export support and promote Kazakh goods and services for export.

3. In the National priorities of the Republic of Kazakhstan until 2025, within the framework of the National Priority «Active development of economic and trade diplomacy», the goal of bringing the volume of non-primary exports of goods and services to more than 41 billion US dollars by 2025 is noted.

4. The National Development Plan of the Republic of Kazakhstan until 2025 reflects the need to create favorable conditions for the promotion of Kazakh products and the development of non-primary exports; increase non-primary exports by 2 times (up to \$ 41 billion). and the volume of exports of agricultural products; taking measures to provide financial support through compensation, insurance and guarantee.

5. The National project «Sustainable economic growth aimed at improving the welfare of Kazakhstanis» within the framework of the direction «Promotion of non-primary exports» reflects the expected economic effect by 2025: «An increase in exports of non-primary goods and services to 41 billion US dollars, including non-primary goods - 29.5 billion US dollars, services - 11.5 billion US dollars».

6. The National Project for the development of the agro-industrial complex of the Republic of Kazakhstan for 2021-2025 reflects the goal of increasing exports of agro-industrial complex products.

7. In order to ensure the development of the economy on the basis of the export strategy, state programs (hereinafter referred to as SOEs) were approved, which address the topic of export policy:

- SOE for accelerated industrial and innovative development of the Republic of Kazakhstan for 2010-2014, the purpose of which was to ensure sustainable and balanced economic growth through diversification and increasing its competitiveness with the target indicator «Increase in the value of non-primary (processed) exports - by at least 30% to the level of 2008»;

- The State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2015-2019, the purpose of which was to focus on stimulating the competitiveness of the manufacturing industry, aimed at increasing the volume of exports of processed goods with the target indicator «Growth in the value volume of exports of manufacturing products»;

- SE «National Export Strategy» for the period of implementation 2018-2022, the purpose of which is to create conditions for an increase in the volume of non-primary exports by 1.5 times by 2022, as well as the diversification of markets and exports of goods and services;

- The State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2020-2025, the purpose of which was a competitive manufacturing industry of the Republic of Kazakhstan in the domestic and foreign markets with the target indicator «Growth in the volume of exports of manufacturing industry»;

- The State Program for the development of the agro-industrial complex for 2017-2021, the purpose of which was to increase the export of processed agricultural products.

8. The Concept of development of the agro-industrial complex of the Republic of Kazakhstan for 2021-2030 includes a target indicator for increasing exports of agro-industrial complex products by 3 times compared to 2020 (up to 9.9 billion US dollars in 2030).

9. The Development Plan of the Ministry of Trade and Integration of the Republic of Kazakhstan for 2020-2024 reflects the goal of developing and promoting exports of non-primary goods and services with the macro indicator «Volume of non-primary exports of goods and services in the republic».

10. In the Development Plan of JSC «NUH «Baiterek» for 2014-2023, the strategic direction of activity «Increasing export potential» is included with the task «Supporting the export of non-primary products» and the indicator «Volume of export revenue of enterprises supported by JSC «NUH «Baiterek»».

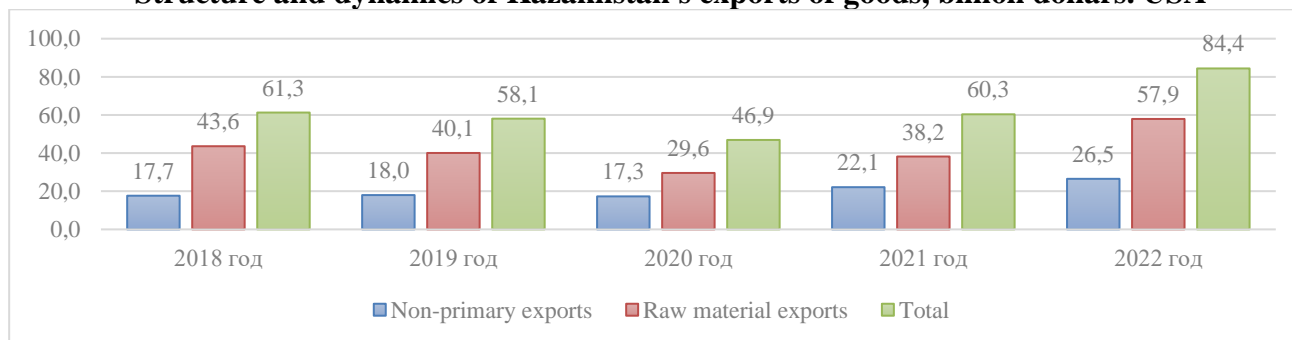
According to the above strategic documents, a fundamental change for Kazakhstan by 2025 is the transition from the raw nature of Kazakhstan's exports to the creation of favorable conditions for the promotion of Kazakh products and the development of non-commodity exports.

Today, exports have a great impact on the Kazakh economy. Thus, by the end of 2021, the share of exports of goods and services in Kazakhstan's GDP was 27.8%, by the end of 2022 - 37.9%. (*Kazakhstan's exports by the end of 2022 reached \$ 84.4 billion. USA. The volume of gross domestic product (GDP) for 2022 according to the reporting data amounted to 102,891.846 billion tenge, the exchange rate as of 31.12.2022 was 462.65, which amounted to 222.4 billion dollars. USA*).

This indicator is higher compared to similar indicators of most large developed and developing countries, which confirms the high degree of openness of the Kazakh economy and, at the same time, indicates a significant sensitivity to risks associated with the structure of exports. A poorly diversified export basket creates prerequisites for significant price shocks that can negatively affect the Kazakh economy. The structure of Kazakhstan's exports is dominated by raw materials, so by the end of 2022, the volume of exports of raw materials in total exports amounted to 68.6%, while the share of processed goods by the end of 2021 was 36.7%, by the end of 2022 – 31.4%.

The crisis of 2020 related to the Covid-19 pandemic led to a significant decrease in Kazakhstan's exports in 2020-2021, but in 2022 the export figure increased by 40% and amounted to \$84.4 billion. At the same time, exports of processed goods increased by 33.8% to \$26.5 billion. USA.

Structure and dynamics of Kazakhstan's exports of goods, billion dollars. USA



Source: data from the Bureau of National Statistics ASPRRK

The main goal of the state policy in the field of exports is to diversify the export basket and ensure the growth of non-primary exports at a faster pace. Within the framework of stimulating the export potential of Kazakhstan, as well as export diversification with a focus on high added value, strengthening financial support for exporters will be a strategically important area of activity of KazakhExport.

1.1.3 Overview of international experience and main trends in the activities of export credit agencies

In world practice, the classical understanding of the promotion of non-resource exports includes activities outside the country (*trade agreements, organization of foreign representative offices, various events abroad, etc.*), at the same time, for the growth of non-resource exports, more and more attention is paid to domestic issues, which imply the creation of conditions for the promotion of non-resource exports, as well as the construction of the necessary supporting infrastructure and competencies within the country.

Based on the results of the analysis of the practice of foreign countries in the field of state export support and its financing system, the following main conclusions were formed:

1. Export support is provided through the use of state support tools (*grants, subsidies, insurance, lending, information support, transaction support, etc.*);

2. State support in the field of exports is carried out within the framework of creating conditions for the development of small and medium-sized businesses (hereinafter referred to as SMEs). Free informational and consulting services are provided. Targeted funds are provided for the provision of financial (tax and credit) support;

3. Export support in many countries is an integral part of economic development. In this regard, the state ensures the safety and priority of domestic brands, protects them from foreign competitors and actively protects the interests of its companies at all stages of the implementation of projects abroad.;

4. The state's export support is mainly directed to processing industries and the agro-industrial complex;

5. In order to implement state support for exports and protect private investment, specialized export credit agencies (ECA) operate in many countries.

ECAs provide a wide range of services, which include lending to foreign trade operations, provision of state guarantees for export loans, insurance of export loans and transactions against political and other types of risks. In addition, ECAs provide organizational and informational and analytical support to exporters.

When developing a Development Plan, KazakhExport uses foreign experience of state support for exports, implemented by leading ECAs of the world, taking into account the specifics of the local market and the effectiveness of applying this experience in Kazakhstan.

The analysis of international experience in the activities of export credit agencies (ECA) revealed the following key trends.

Special status of export credit agencies

To date, much attention is paid to national ECAs by endowing them with functions for the development and promotion of non-commodity exports through financial and non-financial measures to support domestic exporters, which include the use of insurance (reinsurance) mechanisms, guarantees, export trade financing, lending, as well as non-financial support.

When exporting goods, exporters face high requirements of foreign buyers (customers) to the financial conditions of foreign trade transactions. Also, when exporting to certain countries, the level of political and commercial risks may be high. In this regard, second-tier banks and insurance organizations may not always have a sufficient funding limit and take on risks for insurance (reinsurance), guarantees and loans to exporters. Thus, in order to promote and develop non-primary exports, countries create ECAs with functions for preferential insurance, guaranteeing and crediting exports, in such countries the share of non-primary exports makes up a significant part of the economy.

International practice has also developed such measures to support non-commodity exports as covering currency risks, direct lending (including lending to foreign buyers under export contracts), guaranteeing export credits and foreign investments, support through bond issuance, maintaining the

discount rate on loans, as well as information and consulting services. These and other measures are applied both individually and in combination.

National ECAs are intermediaries between the state and other exporters/investors in the implementation of measures to support non-primary exports. They carry out their activities in close cooperation with the government and provide financing, carry out risk insurance in cases when it is unprofitable or impossible for financial market participants to carry out insurance, financing on market conditions. For the purposes of carrying out their activities, national ECAs are financed directly by their Government on preferential terms.

National ECAs may establish subsidiaries to carry out ordinary insurance activities (that is, such activities are subject to licensing), or the legislation of countries may provide that the insurance activities of the national ECAs are not licensed and, therefore, in addition to insurance, the legislation of such countries allows for the functions of guaranteeing, lending, as well as non-financial support to exporters through a single ECA.

Eg:

- the insurance activity of the Russian Agency for export Credit and Investment insurance EXIAR is not licensed and is regulated by a separate decree of the Government of the Russian Federation. The provision of insurance and guarantee activities is carried out by a state guarantee;

- The Australian corporation EFA (Export Finance Australia) and the Canadian corporation EDC (Export Development Canada) are also endowed with a special status of ECA, are not insurance or financial/ banking organizations and the relevant licensing requirements do not apply to them. In this regard, EFA and EDC are not subject to the regulation and supervision of their central banks and other financial supervisory authorities. At the same time, EFA has the opportunity to receive a state guarantee when carrying out its activities, and EDC functions as a commercial self-financing organization that makes a profit for its services, and also borrows on the capital markets;

- In Hungary, the Hungarian Export-Import Bank (Eximbank) and the Hungarian Export Credit Insurer (MEHIB) are working closely on export insurance and crediting issues. MEHIB's range of services includes short-term and medium/long-term insurance products. Eximbank has been granted an operating license to carry out the activities of specialized financial institutions, such as the provision of loans and loans, the acceptance of guarantees, the purchase of instruments on the securities market, foreign exchange transactions, factoring operations, etc. The license states that the above activities can be carried out by Eximbank only for private enterprises and companies engaged in the export of Hungarian goods and services. MEHIB, in turn, carries out its activities on the basis of a mandatory license to provide insurance services to exporters not related to life insurance;

- There are also 2 export development institutes in India: the Indian corporation ECGC (Export Credit Guarantee Corporation of India), which operates in the field of insurance of exporters against commercial and political risks, as well as the Export-Import Bank of India Exim Bank of India, which operates both in the field of lending to exporters and in the provision of non-financial services (marketing and consulting), aiming to become the main institution or «single operator». The activities of ECGC and Exim Bank of India are not licensed and are not controlled by the Reserve Bank of India.

Development of cooperation with banks, other ECAs and insurance companies

Global ECAs participate in projects on financing and insurance of large projects in the field of export activities together with development banks and other ECAs. Considerable attention is also paid to the expansion of public-private partnerships with commercial credit insurers. Such forms of cooperation make it possible to combine the efforts of export development institutions and the commercial market to promote the export activities of national companies, create competitive products and stimulate international trade and cooperation.

Digitalization of products and service channels

ECA clients are paying more and more attention to the simplicity, accessibility and efficiency of providing insurance services. In order to meet these needs, global ECAs focus on improving the customer orientation and functionality of processes, including through the introduction of innovative technologies.

The growing share of the global population that is proficient in digital technologies is seriously increasing the spread of electronic interaction formats. ECAs are actively converting individual insurance products to an online format, confirming their readiness to integrate into new circumstances, and strive to automate the entire process from filing an application to obtaining a policy online, simplify the requirements for customers to receive support and switch to paperless document management. This allows you to significantly increase the speed of service delivery and improve the customer experience.

As part of the digitalization of services, banks and other financial institutions are developing single access points to financial and non-financial services provided by both the organization itself and its partners. The development of this trend simplifies the promotion and provision of support to exporters.

Focus on insurance support for SMEs

Examples of the development of support for the export activities of SME segment companies are widespread among foreign ECAs. Thus, the Australian agency EFA focuses mainly on providing products to the SME segment, providing them with export loans in a reduced time. A similar focus can be traced in the work of the Canadian EDC Agency, which also has priorities for the development of the SME segment and provides direct lending programs for small and medium-sized businesses. In 2019, the Italian agency SACE created a program for the development of this segment with plans to establish partnerships with 3,500 SMEs. This program includes both an extensive network of offices across the country and a new product line with a focus on online distribution.

Cooperating with SME exporters, ECA focuses on such aspects of its activities as the simplicity and speed of obtaining services, the availability of information about products and the reduction of document flow, the transition to remote service.

According to the Organization for Economic Cooperation and Development (OECD), today Kazakhstan's SMEs are less inclined to participate in export activities than larger enterprises and need help in overcoming export barriers. SMEs, whose activities are characterized by limited access to international markets, finance, technology, management skills and knowledge in comparison with larger companies, also have limited resources, negotiation capabilities and internal knowledge to overcome the problems inherent in the international business environment. Therefore, in order to ensure the growth and internationalization of SMEs, Kazakhstan needs to adapt to the needs of SMEs and improve its export promotion system and appropriate export policy.

Sustainable development

The trend towards sustainable development on a global scale is gaining momentum and creating new opportunities for exporters, opening up new niches in foreign markets. The developed countries of the world, through development institutions, strive to promote the sustainable development of their economies, increasingly paying attention not only to economic, but also environmental and social aspects when providing financial support, which are fundamental for achieving socially significant results.

KazakhExport will pay special attention to supporting sustainable development projects. Compliance with international standards in the field of sustainable development applicable to the ECA is important both from the point of view of positioning KazakhExport on international platforms as a progressive ECA that follows international trends and meets the needs of exporters, and within the framework of forming a positive image of Kazakhstani companies in foreign markets. For these purposes, KazakhExport will improve environmental expertise and assessment of environmental and social impacts of export projects, taking into account international standards enshrined in the OECD recommendations. The development of its own expertise in terms of the sustainable development agenda will allow the Company to expand international cooperation and participate in joint projects in the field of sustainable development with foreign ECAs and banks.

Another important activity of KazakhExport will be the development of insurance support for responsible exporters, expressed in the support of export projects related to reducing environmental impact and adaptation to climate change, by providing more optimal conditions for insurance of green

projects, as well as expanding support for investments and export transactions of companies with a high level of ESG responsibility for the development of «exports of the future».

1.1.4 PEST analysis

As a result of the analysis, political, legal, economic, social, and technological aspects of the external environment affecting the activities of KazakhExport are identified, which are presented below.

The analysis of the external environment shows the presence of a number of positive factors and opportunities to fulfill the goals and objectives set for KazakhExport.

Positive political factors include an active state policy to stimulate non-resource exports and the implementation of state programs in which KazakhExport participates as a development institution, which allows increasing the volume of financial services provided to exporters. Integration processes also involve the opening of markets for the export of Kazakh products, which creates opportunities for increasing Kazakhstan's exports. Among the positive legal factors of KazakhExport is the legal status of a Single operator for the promotion of non-primary exports, as well as the planned acquisition of ECA status, which allows expanding the number of export support tools.

At the same time, a significant political factor posing a threat may be an increase in trade barriers imposed by Kazakhstan's partner countries, which may negatively affect the development of exports. Measures taken by foreign governments to support exports may also reduce the competitiveness of Kazakhstani goods and services.

Among the economic factors, a positive impact on the activities of KazakhExport is the possibility of replenishing the authorized capital and obtaining a state guarantee for export support, a stable macroeconomic environment accompanied by an increase in the number of export-oriented non-resource enterprises as a result of the implementation of sectoral state programs, due to which the export potential of Kazakhstan increases, as well as the number of exporters - potential customers of KazakhExport increases.

A potential threat among economic factors is the weak level of competitiveness of Kazakhstani exporters of non-primary goods, works and services in foreign markets, as well as the deterioration of the global economy and the decline in foreign trade negatively affect the growth of exports of Kazakhstan. Low volumes of financing allocated for export promotion and high lending rates offered by the STB and development institutions to Kazakhstani exporters also reduce the competitiveness of Kazakhstani commodity producers in foreign markets.

Among the positive social factors, it can be noted that the growth of insurance culture and the level of risk management in companies, as well as an increase in the degree of confidence in development institutions on the part of exporters, have a positive impact on the development potential of KazakhExport, i.e. the potential involvement of Kazakhstan producers in export activities will contribute to an increase in the number of KazakhExport customers and the volume of state support measures support. At the same time, a significant social factor negatively affecting the growth of Kazakhstan's exports is the insufficient level of qualification and low interest of entrepreneurs in conducting export operations, as well as their underestimation of the importance of insurance.

Technological and technical factors include the development of information technologies, CRM and automated scoring systems, automation of business processes, digitalization of products and service channels, which can increase the operational efficiency of KazakhExport.

PEST analysis of KazakhExport

P – Political, political and legal factors	E – Economic, economic factors
<ul style="list-style-type: none"> • Support from the Government of the Republic of Kazakhstan in the field of export development and promotion • Integration processes involving the opening/closing of markets for the export of Kazakh products (example of the WTO and the EAEU) • Expansion of partnerships with banks, other ECAs and insurance companies • Membership in the Prague Club of the Berne Union of the International Association of Insurers is an opportunity to use the world experience and knowledge of the leading ECAs of the world 	<ul style="list-style-type: none"> • The state of the world economy • Dynamics of economic growth, diversification of the country's economy • The pace of development of the manufacturing industry and non-primary exports of the country • The possibility of expanding effective export support tools that meet the needs of the market • The possibility of recapitalization and obtaining a state guarantee for export support • The level of competitiveness of Kazakhstan's exporters of non-primary goods, works and services in foreign markets

<ul style="list-style-type: none"> • Adoption of legislative amendments eliminating regulatory restrictions on KazakhExport's activities • Legal status as an export insurance company, which is a national company authorized to implement measures of state stimulation of industry • Interaction with the Holding and government agencies • Trade barriers imposed by partner countries • Measures taken by foreign Governments to support exports • Legislation in the field of insurance regulation, in the field of export support, tax and banking legislation. 	<ul style="list-style-type: none"> • The increase in the number of export-oriented non-resource enterprises as a result of the implementation of sectoral state programs • Export revenue volumes of enterprises that received support • The level of involvement of STBs in providing financial support to exporters • The amount of financing allocated for export promotion and lending rates offered by STB and development institutions to Kazakhstani exporters
S – Social, social factors	T – Technological, technological factors
<ul style="list-style-type: none"> • Insurance culture and risk management level in exporting companies • The level of qualification of entrepreneurs in terms of conducting export operations • The degree of confidence in development institutions on the part of exporters • The degree of PR activity of KazakhExport in social networks 	<ul style="list-style-type: none"> • The level of development of information technology, CRM and automated scoring systems • The level of digitalization of products and service channels • The level of automation of business processes • Development of competence centers and «online» channels of interaction with clients

1.2 Analysis of the internal environment s

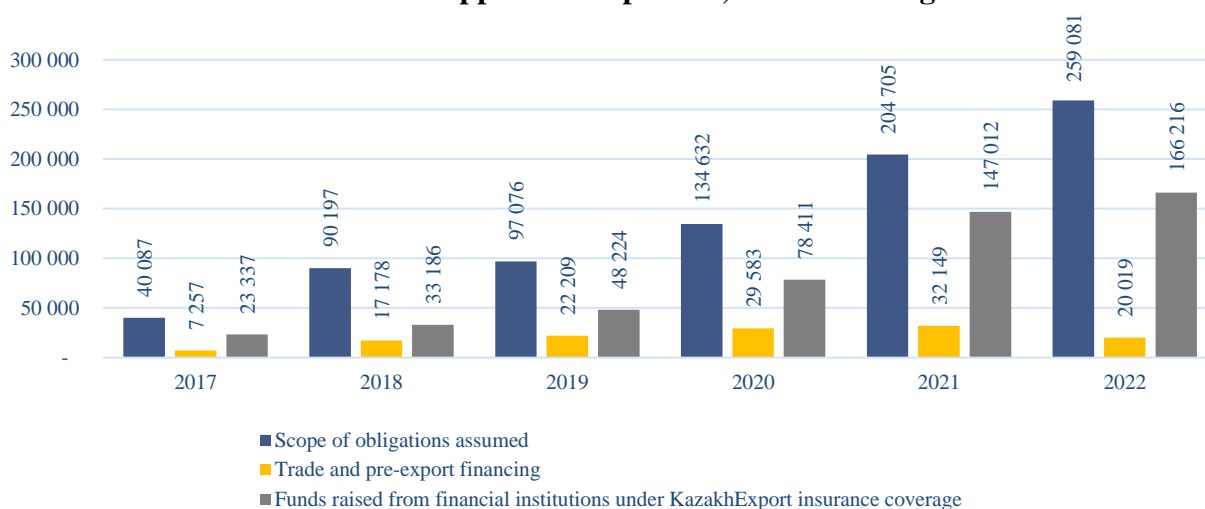
1.2.1 Results of KazakhExport activity for the previous period

As a result of the implementation of the KazakhExport Development Plan for 2014-2023, it was possible to significantly increase the volume of supported exports and increase the number of supported exporters. Active work over the past period has helped to deepen insurance and financial expertise in international projects, as well as expand the competence to support export transactions, taking into account the specifics of priority markets.

Based on the results of the performance of the efficiency for the period 2020-2022, it can be concluded that the performance of the efficiency showed mainly positive dynamics, so in the period 2020-2022. KazakhExport accepted insurance obligations totaling 598.8 billion tenge, i.e. the growth of the indicator was more than 1.9 times (*in 2020 - 135 billion tenge, in 2021 – 204.7 billion tenge, in 2022 – 259.1 billion tenge*). At the same time, non-fulfillment of the planned value of the indicator in 2020 is associated with a general decline in economic activity caused by the Covid-19 pandemic.

Also in the period 2020-2022 KazakhExport provided support to 252 exporters, including 87 who received support for the first time (new), provided trade and pre-export financing to exporters through conditional bank deposits totaling 81.8 billion tenge. The amount of export contracts concluded in the provision of support measures to KazakhExport has been increased by almost 2 times in the period from 2020-2022. (*from 588.6 to 1,135.8 billion tenge*). The volume of export revenue by enterprises using KazakhExport support tools for 2020-2022 amounted to more than 1.1 trillion tenge (*in 2020 – 360.1 billion tenge, in 2021 – 213.8 billion tenge, in 2022 – 591.5 billion tenge*). In addition, the number of employees in enterprises supported by KazakhExport by the end of 2021 amounted to more than 2 thousand jobs, and by the end of 2022 – more than 5.5 thousand jobs.

Insurance support for exporters, in million tenge



The corresponding high growth rate of support volumes (commitments made) will need to be maintained in the new strategic period to effectively contribute to the achievement of the indicator of the National Development Plan of the Republic of Kazakhstan until 2025, approved by Decree of the President of the Republic of Kazakhstan dated February 15, 2018 No. 636, to increase the volume of non-primary exports of goods and services to 41 billion US dollars by 2025.

1.2.2 Analysis of key financial and non-financial indicators

Analysis of financial indicators

The dynamics of the main performance indicators for the period 2020-2022 demonstrates the sustainable development and expansion of business volumes.

KazakhExport's insurance capacity increased almost 2.5 times during the period under review (*from 211.4 billion tenge (SK – 109.4 billion tenge, YY – 102 billion tenge) to 525.3 billion tenge (SK – 113.1 billion tenge, YY – 412.2 billion tenge)*). The key driver of capacity growth was a systematic increase in the

volume and coverage of support due to the receipt of a State guarantee to support exports of the Republic of Kazakhstan in the period 2020-2022 in the amount of 310.2 billion tenge. KazakhExport's capital increased by 3% (*from 109.6 billion tenge at the end of 2020 to 113.1 billion tenge by the end of 2022*).

Insurance premiums reached a value of 8.9 billion tenge at the end of 2022, while the size of the insurance premium in 2022 increased by more than 2 times compared to 2020 (4.3 billion tenge).

According to the results of its activities, KazakhExport showed net profit for all analyzed years. The value of net profit at the end of 2022 amounted to 2.27 billion tenge, while in 2020 – 3.9 billion tenge.

Analysis of the industry and geographical structure of support

The main share of supported exports in 2022, as in 2021, accounted for food products (41.9%), mechanical engineering (27.4%) and metallurgy (17.4%).

In addition to the industries represented in the current portfolio, KazakhExport will increase the volume of support for promising industries that currently do not occupy a significant share in the export structure.

Supported projects in priority sectors for 2022

Industries	The amount of support, in million tenge	Fraction, %
FOOD INDUSTRY	108 535	41,9%
<i>Fat and oil products</i>	61 509	23,7%
<i>Confectionery, beverages</i>	24 617	9,5%
<i>Flour, cereals, starch</i>	20 166	7,8%
<i>Sausage and meat products</i>	2 243	0,9%
MECHANICAL ENGINEERING	70 867	27,4%
METALLURGY	45 085	17,4%
EXPORT OF SERVICES / WORKS	13 659	5,3%
CHEMICAL INDUSTRY	8 769	3,4%
AGRICULTURAL PRODUCTS	6 292	2,4%
other	5 875	2,3%
total	259 081	100%

In accordance with the concluded export contracts, the products of Kazakhstani manufacturers were exported to the following countries: Uzbekistan (35.4%), Russia (19.3%), as well as Afghanistan (13.2%) and Kyrgyzstan (11.5%).

Geography of export contracts for 2022

A country	The amount of export contracts, in billion tenge	Fraction, %
Russia	323,23	28,5%
Uzbekistan	320,86	28,2%
Kyrgyzstan	144,55	12,7%
Tadjikistan	110,99	9,8%
Afghanistan	57,34	5,0%
China	47,54	4,2%
Azerbaijan	25,00	2,2%
Belarus	17,84	1,6%
Lithuania	16,10	1,4%
Italy	11,36	1,0%
Ukraine	10,31	0,9%
Poland	6,94	0,6%
Georgia	5,78	0,5%
Turkey	5,67	0,5%
Serbia	5,00	0,4%
Turkmenistan	4,49	0,4%
Latvia	4,28	0,4%
Estonia	3,97	0,3%
Mongolia	3,56	0,3%
UAE	2,50	0,22%
Netherlands	2,12	0,19%
Israel	1,85	0,16%

Armenia	1,39	0,12%
Czech	1,03	0,09%
Germany	0,89	0,08%
India	0,69	0,06%
Slovakia	0,49	0,04%
Oman	0,06	0,01%
Total	1 135,84	100%

1.2.3 Analysis of financial activities

Key Balance Indicators

thousand tenge

Name of indicators	2018 (fact)	2019 (fact)	2020 (fact)	2021 (fact)	2022 (fact)
Assets	48 646 256	88 198 641	122 872 897	139 397 883	149 846 288
Obligations	5 336 586	9 005 156	13 432 436	25 183 941	36 837 149
Capital	43 309 670	79 193 485	109 440 461	114 213 942	113 009 139

For the period from 2018 to 2022, there has been a significant increase in assets by 208%, due to an increase in the authorized capital of KazakhExport by 68 billion tenge in 2019-2021 through the repurchase of shares issued by KazakhExport in accordance with the requirements of legislation, as well as with the implementation of effective operating activities.

The Company's liabilities for the period 2018-2022 increased by 590%, which is due to the growth of the insurance portfolio due to the provision of great support to exporters of the manufacturing industry. An increase in the insurance portfolio entails a proportional increase in insurance reserves to ensure the financial stability of the Company. The Company conducts an individual analysis for each insurance/reinsurance contract and takes into account the following factors:

- negative trends in the industries of risk objects;
- deterioration of the financial condition of the insurance object;
- history of fulfillment of credit obligations to KazakhExport and other creditors;
- the existence of facts of restructuring related to the deterioration of the solvency of the risk object;
- the presence of other aggravating conditions/factors characterizing the potential of the insured event.

The increase in capital by 161% is associated with the capitalization of the Company from the republican budget, as well as with the growth of retained earnings in the structure of equity.

Key financial indicators

thousand tenge

Name of indicators	2018	2019	2020	2021	2022
Net profit	1 585 552	2 355 584	3 863 904	2 011 991	2 272 145
Income from core business	2 900 560	2 937 508	4 778 337	7 603 452	9 122 438
<i>income from insurance</i>	<i>2 119 505</i>	<i>2 390 138</i>	<i>4 254 673</i>	<i>7 158 500</i>	<i>8 716 494</i>
<i>reinsurance income</i>	<i>563 275</i>	<i>213 508</i>	<i>42 469</i>	<i>50 576</i>	<i>179 831</i>
<i>income on conditional deposits</i>	<i>217 780</i>	<i>333 861</i>	<i>481 196</i>	<i>394 376</i>	<i>226 112</i>
<i>Treasury portfolio income</i>	<i>2 855 543</i>	<i>4 625 679</i>	<i>7 343 545</i>	<i>8 630 009</i>	<i>12 645 682</i>
Total expenses	4 320 220	5 484 463	8 755 486	14 694 279	21 100 092
<i>expenses from the main activity</i>	<i>2 424 037</i>	<i>4 291 334</i>	<i>6 548 915</i>	<i>11 063 142</i>	<i>13 088 257</i>
<i>administrative expenses</i>	<i>1 162 595</i>	<i>1 647 296</i>	<i>1 757 809</i>	<i>2 150 084</i>	<i>2 633 892</i>
<i>financial expenses</i>	<i>733 588</i>	<i>- 454 167</i>	<i>448 763</i>	<i>388 808</i>	<i>5 377 943</i>

For the period 2018-2022, net profit increased by 43% due to an increase in income from core activities and income from treasury portfolio management.

Insurance revenues for 2018-2022 increased by 311% due to an increase in the volume of insurance support provided to exporters of the non-primary sector.

Income from reinsurance for 2018-2022 decreased by 68% due to the fact that in 2018 the Company had a license that accepts incoming reinsurance for all classes of general insurance: OSNS (*mandatory employee accident insurance*), also accepted property insurance contracts for incoming reinsurance, and other classes. After 2018, the Company stopped accepting these risks into incoming reinsurance.

For the period 2018-2022, the dynamics of income on conditional deposits without significant changes. For the period 2018-2022, total expenses increased significantly, due to an increase in core business expenses, administrative expenses and financial expenses. The expenses from the main activity have increased due to the increase in insurance reserves, the key aspect of the activity of the insurance company is the insurance risks that should be provided for when forming insurance reserves. The increase in administrative expenses is associated with an increase in the number of employees of the Company, the expansion of the staff was carried out within the framework of the strategic initiative «Expansion of the staff and development of human capital». Also, for the period 2018-2022, there is an increase in financial expenses in connection with the accrual of provisions for insurance and reinsurance.

1.2.4 Analysis of performance efficiency

The previous KazakhExport Development Plan for 2014-2023 defined 8 key performance indicators (hereinafter referred to as KPIs) for the purposes of evaluating the effectiveness of KazakhExport. According to the reports on the implementation of the KazakhExport Development Plan approved by the KazakhExport Board of Directors, for the period 2019-2022, most of the KPIs were met:

Execution of key performance indicators for the period 2019-2023

№	Indicator	Planned values	Actual values	Performance efficiency
STRATEGIC DIRECTION 1. IMPROVING EXPORT SUPPORT TOOLS				
1	The volume of insurance obligations assumed, billion tenge	2018 – 79.5 2019 – 95 2020 – 150 2021 – 200 2022 – 250 2023 – 302	2018 – 90.2 2019 – 97.1 2020 – 134.6 2021 – 204.7 2022 – 259.1 2023 – 302 (<i>estimate</i>)	2018 – 113.4% 2019 – 102.2% 2020 – 89.7% 2021 – 102.3% 2022 – 103.6%
2	<i>Increase in the volume of trade financing provided, in billion tenge</i>	2018 – 14 2019 – 14 2020 – 24 2021 – 31.1	2018 – 10.3 2019 – 10.4 2020 – 16.1 2021 – 17.7	2018 – 73.5% 2019 – 74.3% 2020 – 67% 2021 – 56.9%
	<i>The volume of pre-export financing provided, in billion tenge</i>	2018 – 9 2019 – 5 2020 – 5 2021 – 5	2018 – 6.9 2019 – 11.8 2020 – 13.5 2021 – 14.4	2018 – 76.6% 2019 – 236% 2020 – 270% 2021 – 288%
	<i>Efficiency within the framework of the Action Plan (previously the Development Plan) Companies for 2018-2022</i>			
	The volume of pre-export and export-trade financing provided, billion tenge	2022 – 14 2023 – 14	2022 – 20.02 2023 – 14 (<i>estimate</i>)	2022 – 143%
3	The amount of export contracts, billion tenge	2018 – 200 2019 – 325 2020 – 390 2021 – 455 2022 – 723 2023 – 873	2018 – 420 2019 – 544 2020 – 588.6 2021 – 326.5 2022 – 1,135.8 2023 – 873 (<i>estimate</i>)	2018 – 210% 2019 – 167% 2020 – 151% 2021 – 72% 2022 – 143%
4	Number of export contracts, quantity	2018 – 309 2019 – 343 2020 – 353 2021 – 363 2022 – 383 2023 – 403	2018 – 334 2019 – 368 2020 – 374 2021 – 212 2022 – 553 2023 – 403 (<i>estimate</i>)	2018 – 108% 2019 – 107% 2020 – 106% 2021 – 58% 2022 – 144%
5	The volume of export revenue by enterprises using the support tools of JSC «EIC «KazakhExport», billion tenge	2018 – 99.5 2019 – 164.2 2020 – 328.2 2021 – 131 2022 – 300 2023 – 364	2018 – 104.5 2019 – 182.6 2020 – 360.1 2021 – 213.8 2022 – 591.5 2023 – 364 (<i>estimate</i>)	2018 – 105% 2019 – 111% 2020 – 110% 2021 – 163% 2022 – 197%

STRATEGIC DIRECTION 2. CREATING CONDITIONS FOR INCREASING THE NUMBER OF EXPORTERS				
6	The number of exporters who for the first time received the support of JSC «EIC «KazakhExport», quantity	2018 – 20	2018 – 27	2018 – 135%
		2019 – 25	2019 – 42	2019 – 168%
		2020 – 25	2020 – 40	2020 – 160%
		2021 – 25	2021 – 26	2021 – 104%
		2022 – 25	2022 – 21	2022 – 84%
		2023 – 25	2023 – 25 (<i>estimate</i>)	
STRATEGIC DIRECTION 3. IMPROVING OPERATIONAL PERFORMANCE				
7	The number of employees in enterprises supported by JSC «EIC «KazakhExport», people	2021 – 2,700	2021 – 2,035	2021 – 75%
		2022 – 5,400	2022 – 5,563	2022 – 103%
		2023 – 8 101	2023 – 8 101 (<i>estimate</i>)	
8	ROA, %	2018 – 2.12	2018 – 3.3	2018 – 157%
		2019 – 2.21	2019 – 3.44	2019 – 156%
		2020 – 1.58	2020 – 3.66	2020 – 232%
		2021 – 1.28	2021 – 1.53	2021 – 120%
		2022 – 1.29	2022 – 1.57	2022 – 122%
		2023 – 1.34	2023 – 1.34 (<i>estimate</i>)	

The above-mentioned key performance indicators signal a significant increase in the efficiency of KazakhExport over the previous period and set ambitious goals for the next strategic period.

1.2.5 SWOT analysis

As a result of the analysis of the external and internal environment, the strengths and weaknesses of KazakhExport were identified, as well as existing opportunities and threats, which are presented below.

KazakhExport SWOT analysis

	POSITIVE IMPACT	NEGATIVE IMPACT
	Strengths	Weaknesses
INTERNAL ENVIRONMENT	<ul style="list-style-type: none"> ○ The status of a national company and a single operator for the promotion of non-primary exports ○ Availability and possibility of obtaining a State guarantee for export support ○ The possibility of replenishment of the authorized capital by the state ○ Experience in export support in insurance, reinsurance and provision of export-trade and pre-export financing ○ Membership in the Prague Club of the Berne Union of the International Association of Insurers is an opportunity to use the world experience and knowledge of the leading ECAs of the world ○ Presence of foreign representatives in priority countries: high and moderate export potential ○ High level of stakeholders' trust in KazakhExport's activities ○ The only company in the Republic of Kazakhstan that provides manufacturing and STB exporting enterprises with insurance protection against the risk of non-payments in foreign trade transactions and guarantees the security of export transactions. 	<ul style="list-style-type: none"> ○ Insufficient amount of equity required to control underwriting risk in large export transactions in the amount of USD 100 million or 25% of the amount of capital ○ Insufficient awareness of exporters about KazakhExport's activities, support tools and implemented KazakhExport projects ○ High cost of export-trade and pre-export financing services relative to foreign analog companies ○ A high level of staff turnover and a shortage of highly qualified personnel.
	Opportunities	THREATS
	<ul style="list-style-type: none"> ○ Active support from the Government of the Republic of Kazakhstan in the field of export development and promotion ○ Involvement of STBs in the provision of financial support measures to exporters ○ Improvement of the legislative framework that gives KazakhExport broad powers in the status of the ECA ○ The possibility of expanding effective export support tools that meet the needs of the market ○ Digitalization of products and service channels ○ Expansion of partnerships with banks, other ECAs and insurance companies ○ Improving the unified IT infrastructure to provide financial support measures for exporters ○ Development of PR activity in social networks 	<ul style="list-style-type: none"> ○ Limited opportunities for staff expansion and human capital development ○ Changes in the macroeconomic indicators of the Republic of Kazakhstan, as well as global uncertainty due to geopolitical risks and instability in the global financial markets ○ The risk of default of counterparties (financial partners, exporters and foreign buyers) ○ The slow pace of development of non-primary exports of the country ○ Disinformation and negative publications in the media and social networks about the activities of KazakhExport

2. MISSION AND VISION

KazakhExport has defined the following mission and vision for the period up to 2033.

MISSION

KazakhExport's mission is to support the growth of Kazakhstan's non-primary exports.

VISION

An advanced export credit agency that promotes the promotion of domestic goods and services in foreign markets.

3. STRATEGIC DIRECTIONS OF DEVELOPMENT

To achieve its vision, KazakhExport will carry out its activities within the framework of two interrelated strategic directions:

- 3.1. Assistance in increasing export potential;
- 3.2. Improving operational efficiency.

The table below shows the structure of the Development Plan, which includes strategic development directions, goals and objectives.

Strategic directions of development, goals and objectives

№	Strategic direction	Strategic objectives	Strategic objectives
1	ASSISTANCE IN INCREASING EXPORT POTENTIAL	Increased volume of supported exports	<ul style="list-style-type: none">Expanding the range of services provided to support exportersImproving export financial support tools
2	IMPROVING OPERATIONAL EFFICIENCY	Human capital development	<ul style="list-style-type: none">Creating conditions for attracting and retaining highly qualified personnel from the financial sector
		Digital transformation of services provided	<ul style="list-style-type: none">Reengineering of current business processesAutomation of business processesDigitalization of services
		Improving the level of corporate governance and sustainable development	<ul style="list-style-type: none">Improving the corporate governance systemImplementation and compliance with the principles of sustainable development
		Improving the quality of the insurance portfolio	<ul style="list-style-type: none">Improving approaches to assessing risk objectsMonitoring of risk objectsDiversification by risk objects in the insurance portfolio
		Expanding the representation of products of Kazakhstani companies in foreign markets	<ul style="list-style-type: none">Presence on the territory of countries of priority and high export interestIncreasing awareness and awareness about KazakhExport

3.1 Strategic direction - Assistance in increasing export potential

In 2021, the Law of the Republic of Kazakhstan «On Industrial Policy» (hereinafter referred to as the Law) was signed, aimed at diversifying the economy and switching to the production of higher-grade goods. Thus, according to the Law, assistance in promoting domestic goods and services to foreign markets will be carried out taking into account the focus on manufacturing enterprises producing goods of high and medium levels of processing, and measures of state stimulation of industry, including

insurance, are provided to subjects of industrial and innovative activity exclusively focused on the production of products included in the List of priority goods.

The list of priority goods includes goods of medium and high levels of redistribution, the production of which determines the long-term competitiveness of the national economy, while the level of redistribution of goods is determined in accordance with the methodology for assessing the level of redistribution of goods, which provides the following criteria: technological complexity of the goods produced; export potential; consumption potential in the domestic market.

As part of the strategic direction to assist in increasing the export potential, KazakhExport sets a goal to increase the volume of supported exports.

3.1.1 Strategic goal «Increasing the volume of supported exports»

The increase in the volume of supported exports will be carried out through the implementation of such tasks as: expanding the range of services provided to support exporters and improving existing instruments of financial support for exports.

Improving financial measures to support exports, as well as updating the product portfolio, will be carried out on the basis of constant monitoring of market needs, as well as taking into account international experience, based on customer needs, taking into account the place and role of KazakhExport in supporting Kazakhstan's exports.

3.1.1.1 Expanding the range of services provided to support exporters

To enhance the role of KazakhExport in supporting and promoting the country's non-primary exports in the status of ECA, measures will be implemented to increase the number of financial instruments to support exporters based on market needs.

According to the Law of the Republic of Kazakhstan dated December 27, 2021 «On Industrial Policy», the provision of measures of state stimulation of industry is carried out with the involvement of a single operator for the promotion of non-primary exports by:

1) reimbursement of part of the costs of subjects of industrial and innovative activity for the promotion of domestic goods and services of the manufacturing industry to foreign markets in accordance with the rules for reimbursement of part of the costs of subjects of industrial and innovative activity for the promotion of domestic goods and services of the manufacturing industry, as well as information and communication services to foreign markets within the framework of international obligations;

2) subsidizing the interest rate on loans issued and leasing transactions made by second-tier banks, the Development Bank of Kazakhstan, other legal entities engaged in leasing activities, to foreign buyers of domestic high-tech goods and services of the manufacturing industry, which are subject to insurance by a single operator for the promotion of non-primary exports;

3) the use of mechanisms for export trade financing, lending and insurance, reinsurance and guaranteeing transactions to promote non-commodity exports.

As part of the further growth in the volume of insurance of non-primary exports, it is proposed to focus development on creating favorable conditions for improving the competitiveness and attractiveness of insurance services for the population and business, introducing measures aimed at protecting the rights and interests of policyholders, ensuring the financial stability of stakeholders (financial development institutions, STB, etc.).

The status of the ECA in achieving the goals and objectives for the development and promotion of non-primary exports of goods (works, services) of domestic exporters of the manufacturing industry, including the growth of the volume of insurance provided and the customer base, as well as the volume of financing, in the new ten-year strategic cycle will allow KazakhExport to provide assistance in the form of the following support tools:

1. Voluntary insurance, is an insurance support that is provided to the exporter at all stages of the export cycle, includes:

- *insurance of export credits and receivables reduces the risk of non-payment under export contracts;*

- *insurance of letters of credit and financing of a foreign buyer allows you to increase the volume of exports to enter new markets;*
- *attraction of working capital under KazakhExport insurance coverage helps to reduce cash gaps;*
- *attraction of an investment loan under KazakhExport insurance coverage allows the exporter to modernize production, increase capacity and create an export-oriented enterprise;*
- 2. Reinsurance is carried out in order to transfer and accept insurance risks KazakhExport;
- 3. Placement of conditional deposits in the STB is carried out in order to provide exporters with trade and pre-export financing;
- 4. Guarantee of domestic exporters (export of services), guarantee of export credits and foreign investments, guarantees of proper fulfillment of obligations;
- 5. Subsidizing of interest rates on export trade financing is carried out on loans and leasing issued by financial and leasing organizations to finance export transactions under KazakhExport insurance coverage;
- 6. Reimbursement of part of the costs of exporters associated with the promotion of domestic goods to foreign markets.

3.1.1.2 Improving financial instruments to support exports

At the beginning of 2023, the support tools provided by KazakhExport to exporters are mainly represented by insurance services, export-trade financing and pre-export financing:

1. Export credit insurance;
2. Pre-export financing;
3. Insurance of civil liability of the exporter for the return of advance payments;
4. Insurance of export letters of credit;
5. Export trade finance;
6. Loan insurance;
7. Financial leasing insurance;
8. Loss insurance of financial organizations;
9. Insurance of bank guarantees issued by a foreign bank;
10. Investment insurance;
11. Insurance of a credit institution when financing a foreign counterparty;
12. International Factoring insurance;
13. Insurance of civil liability of the exporter on bonds;
14. Insurance of project financing;
15. Insurance of the Exporter's losses related to the performance of works and the provision of services;
16. Insurance of civil liability of the exporter to financial organizations;
17. Insurance of civil liability of the exporter for urgent currency transactions;
18. Insurance of short-term accounts receivable of the exporter.

When exporters address the need for support tools that are not in the line of financial and insurance products, KazakhExport, in the status of ECA, will improve existing financial and insurance tools or initiate the introduction of new ones.

In general, the above-mentioned support tools, inherent in many ECAs, will make it possible to provide effective and efficient assistance to exporters of domestic processed goods (works, services) to move away from the country's raw materials orientation and diversify the economy. In the future, the possibility of financing foreign buyers of processed goods of Kazakh origin through the ECA will increase their competitiveness in terms of the availability of affordable and preferential support measures for their purchase.

In order to further increase the risk insurance capacity, maximize the size of a supported transaction for large supplies and/or transactions, increase confidence on the part of international financial institutions and foreign export credit agencies, as well as maintain the financial stability of KazakhExport, it is necessary to increase the authorized capital of KazakhExport and the size of the State Guarantee for export Support.

Increase in the limit of the state guarantee for export support

The increase in the size of the authorized capital and the state guarantee for export support makes it possible to maintain financial stability and increase the degree of reliability of KazakhExport, respectively, trust in it from international financial institutions and foreign ECAs. These measures will strengthen cooperation between international financial institutions and foreign ECAs with KazakhExport.

In this regard, it is necessary to increase the level of KazakhExport's authorized capital to 400 million US dollars, which will allow controlling the risk of underwriting in large export transactions in the amount of 100 million US dollars or 25% of the capital.

In the period 2019-2022, the volume of the State guarantee provided by KazakhExport to support exports amounted to 412.2 billion tenge (*in 2019 in the amount of 102 billion tenge, in 2021 in the amount of 100.2 billion tenge, in 2022 in the amount of 210 billion tenge*).

At the same time, the Company will need to increase the limit of the state guarantee for export support to 541.4 billion tenge, which will increase the total amount of insurance obligations assumed to 902 billion tenge by 2025. In the future, until 2033, the need for an additional state guarantee to support exports will be provided as necessary.

The state guarantee of the Republic of Kazakhstan for export support will allow KazakhExport to increase the insurance capacity in order to further accept insurance and warranty obligations, which in turn will contribute to an increase in the volume of export revenue and manufactured products of exporters, and will also increase the growth of tax revenues to the budget.

Increase in capitalization

The capitalization of KazakhExport also contributes to an increase in the insurance capacity to increase the volume of insurance and warranty obligations, which in turn further increases the volume of export revenue, the volume of products produced, and will also contribute to the growth of tax revenues to the republican budget.

In the period 2016-2022, KazakhExport has already received state injections in the amount of 95.9 billion tenge to support exporters (*in 2016 – 14 billion tenge, in 2017 – 13.9 billion tenge, in 2019 – 34 billion tenge, in 2020 – 29 billion tenge, in 2021 – 5 billion tenge*).

The adequate size of KazakhExport's authorized capital and insurance capacity makes it possible to take insurance risks on export transactions, maintain the level of return on assets and increase the possibilities of financial and insurance support for large exporters in strategic sectors of the economy to achieve the goals of implementing state policy in promoting national exports.

To achieve its objectives, KazakhExport will pay special attention to products with a high multiplier effect and products that unlock the investments of exporters, financial institutions and investors, removing project risks and ensuring maximum growth of «new» exports, as well as expanding the geography of exports and the entry of new enterprises into the markets of countries of priority and high interest. The rapid growth of e-commerce also opens up new opportunities for KazakhExport to support export operations conducted through online platforms.

3.2 Strategic direction - Improving operational efficiency

KazakhExport will strive to achieve the indicators of the world's leading ECAs in terms of operational, production and financial efficiency, which, in turn, affects the level of profitability and the effective use of invested capital.

3.2.1 Strategic goal «Human capital development»

In order to achieve strategic goals and targets, it is planned to increase the volume of financial and non-financial support for exporters, expand the foreign presence. In this regard, the Company needs to expand its staff and develop human capital (including increasing competence) so that the shortage of labor resources does not become a deterrent to the development of KazakhExport in the status of ECA.

At the same time, in order to attract and retain highly qualified talents and specialists, KazakhExport needs to increase its attractiveness as the best employer by forming a single holistic offer

for existing and attracted employees, such as competitive remuneration tied to achieving goals, personal development plans and increasing staff involvement.

3.2.1.1 Creating conditions for attracting and retaining highly qualified personnel from the financial sector

In order to retain qualified employees, the employee motivation system should be improved, within which KazakhExport will pay special attention to the following tasks:

- increasing the involvement and interest of each employee in achieving the goals facing the Company;

- creation of an effective mechanism for the direct relationship of the level of remuneration received by an employee with his contribution to the results of the Company's work;

- creation of a competitive system for evaluating the results of each employee's work;

- creation of favorable working conditions for the Company's employees.

Also, within the framework of this task, it is necessary to develop internal competencies of personnel, which can be achieved, in particular, through systematic training of KazakhExport employees and the organization of international internships in the ECA of developed countries.

3.2.2 Strategic goal «Digital transformation of services provided»

One of the main strategic priorities is the digital transformation of the services provided through the development of the provision of services on the principle of a «single window».

As part of this task, work will be carried out on reengineering and automation of current business processes and digitalization of services for the services provided.

3.2.2.1 Reengineering of current business processes

In connection with the transformation of KazakhExport into ECA, reengineering of current business processes will be carried out by transforming the business processes of an insurance organization into business processes inherent in ECA, in order to improve the efficiency, quality and effectiveness of KazakhExport's activities.

The key indicators for improving business processes will be: improving efficiency, reducing cost, reducing duration, reducing operational risks, and transparency.

3.2.2.2 Automation of business processes

Automation of KazakhExport business processes is carried out based on the results of business process reengineering. Automation will help to reduce operating costs, as well as free up human resources for the implementation of core activities. The implementation of this task is planned through the introduction of process management and new technologies.

As part of the automation of business processes, the following activities will be carried out:

- modernization of KazakhExport's IT infrastructure. In particular, the process of preparing financial and management reports submitted to the supervisory authorities and the Sole Shareholder will be automated;

- integration of the 1C accounting system with other KazakhExport information systems.

Business processes such as HR, accounting, budget planning and procurement, correspondence with government agencies, etc. will also be optimized and automated.

3.2.2.3 Digitalization of services by services provided

As part of this task, work will continue on the development of the information system in terms of improving the evaluation of exporters' applications for KazakhExport services (scoring system), as well as the customer relationship management system (CRM system).

Improving the evaluation of exporters' applications for KazakhExport services

In order to increase the efficiency of its activities, KazakhExport plans to improve the scoring system for operational decision-making on the provision of services to potential customers. The improvement of the scoring system will be carried out on the basis of a single information platform.

As a result of the implementation of this initiative, the Company will receive the following benefits:

- acceleration of risk assessment procedures for transactions under consideration;
- minimizing the human factor in decision-making;
- reducing the burden on the company's employees in the process of assessing the risks of the transactions under consideration as a result of filtering carried out by the scoring system.

Improving the customer relationship management system (CRM system)

In order to ensure effective marketing, sales and customer service, KazakhExport needs to improve the CRM system. As part of this task, the collection, storage and analysis of information about customers (exporters) will be improved.

This task will be based on the following basic principles:

- a customer base will be created, that is, a single data warehouse will be formed, where information about interaction with customers will be accumulated;
- the main channels of interaction with clients will be an information platform for submitting applications, a corporate website and a single contact center;
- the results of the analysis of the collected information about customers will be used to make appropriate management decisions, for example, on expanding the presence in certain regions, on allocating funds for in-demand services, on expanding the product line, etc.

As a result of the implementation of this task, KazakhExport will receive benefits in the form of increased customer satisfaction and the possibility of early identification of risks and potential opportunities.

3.2.3 Strategic goal «Improving the level of corporate governance and sustainable development»

3.2.3.1 Improving the corporate governance system

KazakhExport strives to build a market-oriented corporate governance system and will continue to work on improving the corporate governance system in accordance with the best international practices and global trends in this area in accordance with the decisions of the Sole Shareholder and taking into account the recommendations of independent consultants.

The global trend in corporate governance shows that the demand for quality, efficiency and accountability of the board of directors to shareholders continues to grow in all global markets. In this regard, KazakhExport aims to improve the efficiency of the Board of Directors and the compliance of the corporate governance system in the Company with the principles of corporate governance of the OECD.

An independent evaluation of the effectiveness of the KazakhExport Board of Directors will be conducted on a regular basis in accordance with the best international practice in the field of corporate governance, which will allow identifying strengths and weaknesses in the activities of the Board of Directors, its committees and the members of the authorized body themselves individually. Taking into account independent consultants, KazakhExport will continuously improve its corporate governance system.

In general, in order to improve the quality of corporate governance in the Company, diagnostics of corporate governance will be carried out on the basis of best international practices. The purpose of this diagnostic will be to increase the level of corporate governance through a structured and consistent approach to the assessment and development of the corporate governance system.

3.2.3.2 Implementation and compliance with the principles of sustainable development

Following the Paris Climate Agreement and the UN Sustainable Development Goals, the world community is paying more and more attention to environmental, social and corporate risks. The global policy of decarbonization, social and gender equality, required regulators to take measures to implement environmental standards, increase corporate and social responsibility. As part of the fulfillment of the obligations of the Paris Agreement, on February 2, 2023, the Strategy for Achieving Carbon Neutrality

of the Republic of Kazakhstan until 2060 was approved by the Decree of the President of the Republic of Kazakhstan. The main goal of this Strategy is to achieve sustainable development of Kazakhstan's economy to climate change and carbon neutrality by 2060. The medium-term goal of the Strategy is to reduce greenhouse gas emissions by 15% by 2030 relative to the 1990 emissions level (an unconditional goal) and bring the reduction to 25%, subject to receiving international support for decarbonization of the economy (a conditional goal). The strategy takes into account the need to adapt Kazakhstan's economy to global climate trends, such as the dissemination of ESG principles, promotion and attraction of «green» investments, energy-efficient production, electrification and others.

Over the past decade, foreign regulators have carried out significant work to create a regulatory environment in the field of ESG. Documents have been developed in the field of corporate law, environment and social issues. In some countries, forms of «soft regulation» have been applied with the participation of various associations, as well as exchanges that actively develop and implement voluntary information disclosure initiatives in the field of ESG.

As part of the transformation of the region's economy and the achievement of the UN Sustainable Development Goals, the EU has adopted three ambitious goals aimed at redistributing capital flows to investments to achieve sustainable and inclusive growth, managing financial risks associated with climate change, resource depletion and social problems, as well as ensuring transparency and long-term orientation in financial and economic planning.

Insurance companies around the world are not only making changes to their programs to reduce greenhouse gas emissions, but also encouraging policyholders to reduce carbon dioxide emissions, as well as investing in renewable energy sources.

ESG principles are not something that is accepted by market participants and regulators as a fashion trend, it is a method that helps transform business relationships in a fairly short term. The introduction of new approaches requires a lot of awareness and preparation.

KazakhExport is aware of the importance of its influence on the economy, ecology and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of Society. KazakhExport strives for profitability, maintains a balance of interests of stakeholders and will ensure consistency of its economic, environmental and social goals to ensure sustainable development in the long term.

KazakhExport has defined for itself its long-term development goals to achieve carbon neutrality, such as:

- minimizing the environmental impact by developing a methodology for assessing the carbon footprint of the portfolio;
- creation of a system of preferences and discounts for enterprises with an active ESG strategy;
- integration of ESG factors into the risk assessment and management system.

Sustainable development in KazakhExport consists of three components: economic, environmental and social:

- the economic component directs the Company's activities to profitability, to ensure the interests of the Sole Shareholder, to increase the efficiency of processes, to increase investments in the creation and development of more advanced technologies and to increase labor productivity;

- the ecological component contributes to minimizing the impact on biological and physical natural systems, optimal use of limited resources, the use of environmentally friendly, energy- and material-saving technologies;

- the social component is focused on the principles of social responsibility, which, among other things, include ensuring occupational safety and preserving the health of employees, fair remuneration and respect for the rights of employees, individual staff development, the implementation of social programs for staff, the creation of new jobs, sponsorship and charity, as well as environmental and educational campaigns.

3.2.4 Strategic goal «Improving the quality of the insurance portfolio»

3.2.4.1 Improving approaches to assessing risk objects

The task of continuous improvement of approaches to assessing risk objects is aimed at improving the effectiveness of decisions made within the framework of KazakhExport activities. Risk assessment in insurance is a strategic task that directly affects the financial stability and profitability indicators of KazakhExport.

The risk object is assessed taking into account the level of political, commercial, credit, currency risks, concentration risk and other risks inherent in the transaction under consideration.

As part of the improvement of approaches, the requirement for primary information provided for the evaluation of counterparties will be strengthened, as well as evaluation approaches will take into account the industry specifics of the projects and enterprises under consideration.

3.2.4.2 Monitoring of risk objects

An important stage in risk management is high-quality and timely monitoring. It is planned to improve the process of monitoring accepted risks, the introduction of not only extended monitoring, but also operational monitoring of risk objects in order to control the development of the risk level and timely response.

3.2.4.3 Diversification by risk objects in the insurance portfolio

In addition to expanding the range of insurance services and financial support measures, an important direction of KazakhExport's strategic development is the diversification of the insurance portfolio in sync with export policy, customer needs and the need to ensure financial stability.

Diversification in the KazakhExport insurance portfolio will minimize the risks of concentration of counterparties, industries, and insurance products provided.

As part of the diversification by counterparties, it is planned to expand state support for small and medium-sized businesses in order to increase their industrial potential, launch them to new export markets, and improve the conditions of state support for them. Support for small and medium-sized businesses will reduce the concentration on large clients in the KazakhExport portfolio.

In addition, diversification involves the distribution of risk objects by location (countries, regions), industries and the nature of transactions (loan, trade loan, interbank obligations) to reduce the risk of concentration.

An additional tool to reduce the risk of concentration is outbound reinsurance in order to create a balanced insurance portfolio.

3.2.5 Strategic goal «Expanding the representation of products of Kazakhstani companies in foreign markets»

The expansion of the representation of products (*goods and services*) of Kazakhstani companies in foreign markets will be carried out by performing such tasks as: ensuring the presence of priority and high export interest on the territory of countries, as well as increasing awareness and awareness about the activities of KazakhExport.

3.2.5.1 Presence on the territory of countries of priority and high export interest

Against the background of expectations of growth of non-primary exports and an increase in financial support for exporters to the level of 1% of GDP, the promotion of exports of domestic processed goods and services in foreign markets through the appointment of regional directors, regional managers remains an urgent and important task of the Company.

Foreign presence in countries of export interest to Kazakhstan will be ensured by appointing its own regional directors/managers in countries of priority and high export interest. Regional directors/managers represent, promote and protect the interests of KazakhExport in relations with counterparties on increasing the volume of exports of non-primary goods, works and services of the Republic of Kazakhstan abroad on the basis of a corresponding power of attorney. The main tasks of regional directors/managers are:

- promotion of exports of non-primary goods, works and services in countries of priority, high and moderate export interest;
- ensuring operational interaction with counterparties;
- ensuring the collection of information on potential sales markets for Kazakh products, as well as assistance in verifying the accuracy of information about counterparties in the host country;
- study and evaluation of the markets of the presence of regional directors/managers, providing information and consulting support to exporters, as well as assistance in organizing business contacts and trade and economic missions;
- assistance in organizing and conducting work on the return of insurance payments upon the occurrence of an insured event, recovery of accounts receivable in the countries of residence of the regional director/manager in court and pre-trial.

To date, the Company has appointed seven regional directors/managers in five countries:

1. Russian Federation: Kazan (*Volga Federal District area of responsibility*); Yekaterinburg (*Ural Federal District area of responsibility*);
2. People's Republic of China, Shaanxi Province, Xi'an;
3. Republic of Uzbekistan, Tashkent;
4. Republic of Tajikistan, Dushanbe;
5. Kyrgyz Republic, Bishkek.

This number of regional directors (foreign representatives) is not comparable with the ECAs of other countries, which expand their presence abroad at the expense of their own representative offices and branches. Thus, the ECA of Germany (Euler Hermes) has representatives and branches in 54 countries, the ECA of France (COFACE) operates in 67 countries, has 120 branches, has its representatives in 224 cities, the ECA of Italy (SACE) covers political and commercial risks in 180 countries, the ECA of South Korea (K-SURE) has 18 branches with representatives in Korea, as well as 21 representative offices abroad, the ECA of the Russian Federation (EXIAR) as part of the Russian Export Center Group (REC) has divisions in 16 regions of Russia: territorial administrations, representatives and export support centers, as well as foreign representative offices in 11 countries.

As a result of the analysis of data on the volume of financial and insurance support provided by KazakhExport to Kazakhstani exporters and their counterparties, as well as in connection with the current geopolitical situation, the following export interest groups have been identified:

- Countries of priority export interest: Russia and China, Uzbekistan, Tajikistan;
- Countries of high export interest: UAE, Kyrgyzstan, Georgia, Azerbaijan;
- Countries of moderate export interest: Armenia, Mongolia, Germany, Turkey, Lithuania;
- Countries of export interest in the long term: Great Britain, Italy, Finland, France, Switzerland, South Korea, Japan.

In countries of priority and high export interest, KazakhExport's presence will be ensured through its own regional directors.

Within the framework of the new strategic cycle, the criteria for selecting sales markets will be revised, which will accordingly affect the export interest groups and the locations of the offices of KazakhExport regional directors/managers.

3.2.5.2 Increasing awareness and awareness about KazakhExport

Given the insufficient awareness of exporters about the services and support tools provided by KazakhExport, there remains an urgent need to increase awareness and awareness through systematic and active public relations (PR), including in the regions and abroad.

Work will continue to ensure maximum transparency and openness, to raise awareness about the activities and strengthen the business reputation of KazakhExport as an effective ECA, using a wide range of PR tools.

Regular information about the activities of KazakhExport will be provided through the media, such as television, the press, Internet media and radio, as well as social networks and the Company's website.

As part of ensuring transparency and openness, work will continue to improve the practice of interaction with KazakhExport stakeholders, which includes panel sessions of stakeholders, participation

in conferences, exhibitions, and other events, as well as discussion with direct target audiences of issues in the main areas of activity.

In order to strengthen public and customer confidence in KazakhExport, information about the tools and principles of operation, the achieved socio-economic effect, including disclosure of information about the impact of KazakhExport's activities on the growth of the country's manufacturing exports and the benefits of services for the Company's customers, the performance of key performance indicators will be disclosed on the KazakhExport Internet resource.

The tool for the implementation of this strategic task is the development and implementation of media plans, monitoring and control of their high-quality and timely execution, as well as daily monitoring of the media and social networks, taking into account the tone of information materials about the activities of KazakhExport (*positive, neutral, negative*), according to the results of which approaches to information work can be adjusted.

Also, in this area, the Company will improve the practice of preparing annual reports, in accordance with international reporting standards, such as the Global Reporting Initiative (GRI). In particular, the reports will reflect the issues of personnel management, environmental protection, occupational health and safety, sponsorship and charitable activities, contribution to the development of the regions of presence and interaction with stakeholders.

Appendix 1
to the Development Plan of JSC «EIC «KazakhExport»
for 2024 – 2033

For the purposes of evaluating the effectiveness of its activities, the Company will monitor and analyze the achievement of its goals on a regular basis by using the following performance indicators.

Key performance indicators

Key performance indicator	Unit of measurement	Target value		
		2024	2029	2033
STRATEGIC DIRECTION 1. ASSISTANCE IN INCREASING EXPORT POTENTIAL				
Strategic goal: To increase the volume of supported exports				
The volume of insurance obligations assumed	billion tenge	283,7	400,8	454,7
The scope of the accepted warranty obligations	billion tenge	31,5	100,2	194,9
The volume of pre-export and export-trade financing provided	billion tenge	14	14	14
Number of export contracts	stake.	421	525	627
Number of exporters who received support	stake.	96	131	160
The volume of export revenue of enterprises using support tools	billion tenge	443	818,3	1 118,8
STRATEGIC DIRECTION 2. IMPROVING OPERATIONAL EFFICIENCY				
Strategic Goal 1: Human capital development				
Strategic goal 2: Digital transformation of services provided				
Strategic Goal 3: Improving corporate governance and sustainable development				
Strategic goal 4: Improving the quality of the insurance portfolio				
Strategic goal 5: Expanding the representation of products of Kazakhstani companies in foreign markets				
Return on assets (ROA)	%	at least 1	at least 1	at least 1
The degree of performance of key performance indicators approved in the Information Technology Development Strategy	%	60	80	100
Diversification of the insurance portfolio with a decrease in concentration on loan insurance instruments	%	73	52	30

Methodology for calculating strategic efficiency

№	Key performance indicator	Unit of measurement	Calculation method
1	The volume of insurance obligations assumed	billion tenge	Calculated as the cumulative amount: <ul style="list-style-type: none"> insurance amounts within the framework of Insurance and incoming Reinsurance Contracts concluded in the reporting period, as well as additional agreements on prolongation of existing insurance and incoming reinsurance contracts; the amount of obligations assumed based on the results of the monitoring of trade turnover on the basis of the declarations provided for the product «Insurance of short-term receivables»; the amount of obligations assumed under additional agreements to existing insurance contracts when new foreign counterparties are included in the product «Insurance of short-term receivables»; the amount of obligations assumed under additional agreements to existing insurance contracts and incoming reinsurance with an increase in the insured amount under the insurance contract the amount of obligations under insurance contracts concluded earlier than the reporting period, accepted on the basis of shipping documents for shipments made in the reporting period.
2	The scope of the accepted warranty obligations	billion tenge	The amount of the guarantee under the concluded Guarantee Agreements in the reporting period, expressed in foreign or national currency
3	The volume of pre-export and export-trade financing provided	billion tenge	The amount of pre-export and export-trade financing provided through bank deposits.
4	Number of export contracts	stake.	The number of export contracts for exporters using the Company's support tools in the reporting period.
5	Number of exporters who received support	stake.	The number of exporters who received the Company's support in the reporting period.
6	The volume of export revenue of enterprises using support tools*	billion tenge	The amount of export revenue of enterprises in the reporting period that received export support in the form of insurance for two groups of instruments, for each of which a special approach to calculating export revenue is applied*
7	Return on assets (ROA)	%	Profit for the year (net) divided by the average value between the volumes of assets at the end of the previous period and at the end of the current period
8	The degree of performance of key performance indicators approved in the Information Technology Development Strategy	%	The average value of the actual (percentage) performance of key performance indicators (strategic metrics) approved in the Information Technology Development Strategy in the reporting period.
9	Diversification of the insurance portfolio with a decrease in concentration on loan insurance instruments	%	The total amount of insurance under the instruments «loan insurance», «project finance insurance», «leasing insurance», «GPO insurance to financial organizations», «loss insurance of financial organizations» in the portfolio of insurance and guarantee obligations, divided by the total volume of the portfolio of insurance and guarantee obligations

* for KazakhExport, the amount of export revenue is calculated separately for two groups of instruments, for each of which a special approach to calculating export revenue is applied:

1) For the first group of instruments, the approach of summing up the total export revenue of supported enterprises for the reporting year is applied: «Loan insurance», «Project finance insurance», «Leasing insurance», «Insurance of the exporter's GPO on bonds», «Insurance of the exporter's GPO on foreign exchange transactions», «Guarantee insurance», «Insurance of the exporter's GPO on the return of advance payments», «GPO insurance to financial organizations», «Loss insurance of financial organizations».

2) For the second group of instruments, the approach of summing up the export revenue of supported enterprises within the size of the insurance obligations assumed under insurance contracts for the reporting year is applied: «Export credit insurance», «Letter of credit insurance», «Insurance of short-term receivables», «Factoring insurance», «Insurance of Exporter losses related to the performance of work/provision of services», «Insurance of bank guarantees issued by a foreign bank», «Insurance of a credit institution with financing of a foreign counterparty».

Note: The list of tools listed in the above two groups may be supplemented as new KazakhExport tools are developed in the relevant internal regulatory document.

If the Exporter receives the Company's support for the First and Second group of instruments, the foreign exchange earnings are calculated for the First group of the Company's support instruments.

Note: explanation of abbreviations used in the text of the Development Plan

KazakhExport – Joint Stock Company «Export Insurance Company «KazakhExport»;
EIC - export insurance company;
ECA – Export Credit Agency;
Holding - JSC «National Managing Holding «Baiterek»;
WTO – World Trade Organization;
NES – National Export Strategy of the Republic of Kazakhstan for 2018-2022.;
USA – United States of America;
IMF – International Monetary Fund;
EU – European Union;
RF – Russian Federation;
China – People's Republic of China;
RK – Republic of Kazakhstan;
SP – state programs;
SMSB – small and medium-sized businesses;
Agro–industrial complex;
GDP – gross domestic product;
RAIECI – Russian Agency for Insurance of Export Credits and Investments;
REC – Russian Export Center;
EFA – Australian Corporation (Export Finance Australia);
EDC – Canadian Corporation (Export Development Canada);
MEHIB – Hungarian export credit insurer;
ECGC is an Indian corporation operating in the field of risk insurance for exporters (Export Credit Guarantee Corporation of India);
Exim Bank of India – Export-Import Bank of India;
SACE is the Italian state Export Credit Agency (from ital. Servizi Assicurativi del Commercio Estero);
COFACE is an international insurance company in France (from fr. Compagnie Française d'Assurance pour le Commerce Extérieur);
K-SURE – Korea Trade Insurance Corporation;
ESG – Environmental, Social and Corporate Governance (Environmental, Social, Corporate Governance);
OECD – Organization for Economic Cooperation and Development;
EAEU – Eurasian Economic Union;
UN – United Nations;
KIA - key indicator of activity;
CRM – Customer Relationship Management System;
ROA – return on assets;
STB – second-tier banks;
LEB – local executive bodies;
NCE – National Chamber of Entrepreneurs of the Republic of Kazakhstan «Atameken»;
SUR – risk management system;
Mass media – mass media;
PR – public relations;
GRI – Global Reporting Initiative.