

DEVELOPMENT STRATEGY

On March 20, 2020, the Company's Board of Directors approved a new Development Strategy for KazAgroFinance JSC for 2020-2029.

In accordance with the new Development Strategy, the Company will concentrate its activity on the growth of technical equipment of the fleet and labor productivity in the agricultural sector by providing agro-industrial complex (AIC) entities with agricultural machinery and equipment through leasing that will be a key contribution to the implementation of the priority tasks of the State AIC Development Program for 2017-2021.

The second important strategic direction will be to ensure the effectiveness of the Company's activities in both financial management and corporate governance.

Strategic direction No. 1

Promotion of AIC competitiveness through technical and technological equipment

GOAL 1: INCREASE TECHNICAL EQUIPMENT AND EXPORT CAPACITY IN AGRICULTURE

Task 1. Increase investment in leasing of agricultural machinery and equipment.

Task 2. Assistance to the development of export capacity and labor productivity in the AIC sector.

GOAL 2: IMPROVEMENT AND DEVELOPMENT OF LEASING SERVICES

Task 1. Improving the quality and availability of leasing services.

Task 2. Development of the product line of KazAgroFinance JSC, including through the introduction of new areas of financing.

Task 3. Automation of the Company's business processes.

Strategic direction No. 2

Company Performance

GOAL 1: INCREASE THE COMPANY'S PROFITABILITY

Task 1. Improving the efficiency of equity and asset management.

Task 2. Improving the quality of the loan portfolio.

Task 3. Improving the system for monitoring funded projects.

GOAL 2: CORPORATE DEVELOPMENT OF KAZAGROFINANCE JSC IN ACCORDANCE WITH BEST PRACTICES

Task 1. Improving the corporate governance system and increasing the Company's transparency.

Task 2. Improving the risk management and internal control system.

Task 3. Increasing the capacity of human resources, developing a corporate culture focused on results.

Expected results from implementation of the new Strategy by 2029

Implementation of the new Strategy provides for formation of KazAgroFinance as an effective institution for support and development of the agro-industrial complex by providing leasing services. By 2029, KazAgroFinance:

- a stable break-even company with a strong position in the rating of Kazakhstani leasing companies;
- the leader in the leasing market in terms of the client service quality;
- a powerful financial instrument for development of the agro-industrial complex that maximizes the industry needs for high-quality and competitive leasing services.

Following the implementation of the Development Strategy, the following performance indicators of the Company will be achieved:

- the volume of leasing of agricultural machinery and equipment for a ten-year period will be at least 1,046 billion KZT;
- return on assets will be at least 1.65%, equity capital will be at least 5.01%;
- maintaining the level of formed reserves (provisions) for the loan portfolio at the level of no more than 12%;
- automation of all major financing processes;
- improvement of the corporate governance system in accordance with the best world practices.

Thus, the comprehensive implementation of the set goals and tasks will make it possible to continue strengthening the position as one of the leading and stable financial institutions for the Kazakhstan agro-industrial complex development.

The activity of the Company in 2019 has been directed to achieving the goals and tasks of the Development Strategy of KazAgroFinance JSC for 2017-2026, for which the key performance indicators have been fully implemented.

Detailed information about the work on the strategic directions is disclosed in the "Strategy Implementation" section.

1,046

billion KZT

leasing volume of agricultural equipment for 10 years