



KAZAKHSTAN: A Rising Star

Kazakhstan has emerged as a surprising success story in recent years. Strategically located on the historic Silk Road and home to a wealth of natural resources, the Central Asian country is positioning itself to become a key player in the global economy. Its impressive recent economic growth has been fueled by a combination of factors, including a strong focus on technology, innovation, and trade. One of the most remarkable developments in Kazakhstan has been its rapid technological advancement. The government has made significant investments in information and communication technology (ICT) infrastructure, resulting in a surge in innovation and entrepreneurship.

This digital transformation has paved the way for the development of a thriving fintech sector, with numerous startups and established companies offering a wide range of financial services and innovative solutions for payments, lending, remittances, and wealth management. Companies like Halyk Bank are leading the way, and their products and services are helping to improve access to financial services by individuals and businesses, particularly in rural areas.

Kazakhstan's strategic location has made it a crucial hub for trade and connectivity between Europe and Asia. The Belt and Road Initiative (BRI), a massive infrastructure development project launched by China, has

further solidified Kazakhstan's position as a key transit point for goods and investments. The national logistics company Qazpost has played a crucial role in boosting economic activity and creating opportunities for businesses.

Agriculture remains a vital part of Kazakhstan's economy. Despite the arid terrain and harsh climate, the country has made significant strides in increasing agricultural productivity and diversifying its crop base.

Thanks to the efforts of innovative enterprises like KazFoodProducts and Atameken-Agro, it has become a major exporter of wheat, barley, and other grains, while also expanding production of high-value crops like fruits and vegetables.

As a major producer of minerals and metals, including uranium, manganese, copper, and zinc, Kazakhstan has embraced modern mining technologies to improve efficiency, safety, and environmental sustainability. Local companies like AG Tech and Total Capital are setting global standards in advanced mining equipment, automation systems, and data analytics tools to optimize mining operations. The country also has significant oil and natural gas reserves.

As Kazakhstan continues to modernize and diversify its economy -- and its private sector thrives -- the country is well-positioned to play an increasingly important role on the world stage.

QAZPOST: Pioneering Logistics and Digital Growth in Central Asia

In a land where vast steppes meet thriving urban centers, Qazpost, Kazakhstan's national postal service, is transforming how people and goods traverse one of the largest yet most sparsely populated countries in the world. More than just a mail delivery service, Qazpost has become the lifeblood that connects remote villages, bustling cities, and international markets, playing a crucial role in Kazakhstan's economy.



Assel Zhanassova Qazpost CEO

Directing this transformation is Assel Zhanassova, a digital visionary, appointed as CEO in 2022. Zhanassova's record of driving Kazakhstan's digital banking and trade departments speaks to her ability to overhaul outdated systems, turning them into streamlined operations. Under her leadership, Qazpost is evolving far beyond its traditional role of delivering letters and pensions. "We see ourselves as providers of a wider community service," she says, pointing to initiatives like the Keruen project, an e-commerce platform

simplifying cross-border shopping for Kazakh consumers by seamlessly connecting them with international markets. Beyond its logistical functions, Qazpost also serves as a catalyst for economic growth by facilitating the movement of goods and documents, thereby supporting businesses, entrepreneurs, and individuals in their economic activities. "Qazpost strives to be a reliable partner for representatives of small and medium-sized

enterprises throughout Kazakhstan," says Zhanassova.

Kazakhstan's geography presents unique challenges, but with over 2,700 branches, Qazpost's reach is up to the task. "With the help of overseas investors and outside IT expertise, we have the potential to provide importers and exporters with the robotics, state-of-the-art distribution centers and warehouses that are the future of logistics," says Zhanassova. But Qazpost's ambitions go further, namely, to position Kazakhstan as a key hub in global

logistics. By focusing on digital solutions, such as reducing customs paperwork and investing in modern technology, Qazpost is putting itself at the forefront of the logistics revolution along the Silk Road in Central Asia.

In 2023, for the first time since the pandemic, Qazpost turned a profit, earning 2.4 billion tenge, a remarkable turnaround from the previous year's losses. This success, driven by a 38% revenue increase, is testament to the company's resilience and Zhanassova's leadership. Through strategic partnerships with global giants like YTO Express, Cainiao, YM Trans, and Omniva, Qazpost is expanding its reach and connecting Kazakh customers to international online retailers like Pinduoduo, Temu, and Aliexpress, while strengthening the country's position on the global stage.

As Kazakhstan takes on a more prominent role in global commerce, Zhanassova's zest and Qazpost's forward-thinking vision ensure that this sprawling country remains connected—one package, one letter, one click at a time.



HALYK BANK – Leading by Example

By the end of 2023, foreign direct investment in Kazakhstan had reached \$173 billion, clear proof of the country's growing attractiveness since gaining independence in 1991. The numbers also demonstrate Kazakhstan's resilience in the face of recent economic and regional geopolitical crises.

While Kazakhstan's large reserves of hydrocarbon and rare minerals have been a major draw for overseas businesses and investors, the enthusiasm of these international entities would have been dampened if Kazakhstan's economy was not underpinned by a robust banking sector. In terms of longevity, probity, customer-centric approach, and long-term vision, the leading light of that sector is undoubtedly Halyk Bank.

Established in 1923 and active in every segment -- from retail, SME, corporate banking and insurance to leasing, brokerage and asset management -- Halyk has grown into Kazakhstan's leading financial services group. The bank has been listed on the Kazakhstan Stock Exchange since 1998, on the London Stock Exchange since 2006, and on the Astana International Exchange since 2019. With total assets of \$32 billion, it is the country's leading lender, with the largest customer base and broadest branch and outlet network. It also operates in Georgia and Uzbekistan.

"We are the largest bank in Kazakhstan in terms of our market share," says its CEO Mrs. Umur Shayakhmetova. "The main edge we have over our competitors is the reputation we have earned over the years. International investors as well as our corporate, SME, and consumer clients have come to trust us. We intend to continue to build on that."

As an internationally listed company for the past 18 years, Halyk Bank has been subject to an intense level of examination into its finances. The result is the bank is a known quantity, which has undoubtedly given it an edge over



Umur Shayakhmetova CEO of Halyk Bank

most of its competitors. "Ever since we listed on the LSE, we have had to comply with rules on transparency, and we are obliged to issue quarterly performance updates and hold conference calls with investors and brokers," says Mrs. Shayakhmetova. "Our entire management team attend these meetings and are used to answering any questions. We all know how corporate governance works."

The bank has joined the fintech revolution with enthusiasm and created a digital ecosystem that is accessible through its mobile app. The Halyk Super-App provides both standard banking products like payment services, transfers, and cards, as well as lifestyle services like cinema, weather, commerce, and travel.

Halyk upgrades its mobile banking every year, expanding the service package, improving the application functionality, and facilitating the operational processes for retail and business clients. Compared with the first half of 2023, the volume of digital payments and transfers made in the Halyk Super-App increased by 43.1% in the first half of 2024.

In the first half of this year, the number of Kazakhstan tenge (KZT) payments -- which are made by business clients in the special app for business, Onlinebank -- increased by 19.1%, compared with the first half of 2023. Halyk's mobile business app enables entrepreneurs to quickly and efficiently issue loans, obtain

digital loans for business development, accept payments and invoices, participate in tenders, pay salaries to their workers, and more. All this is contained in the functionality of the Onlinebank application for affordable tariff packages.

Digitizing banking operations helps Halyk maintain its prominent position in the financial market, provide affordable services to clients, and be a leading bank in lending to the Kazakhstani economy. As of July, Halyk's market share by loans to legal entities is dominant at 50.2%. At the same time, total gross loans increased by 20.9% to KZT 10,434 billion (or \$22 billion), compared with a year earlier.

Halyk Bank does not, however, limit itself to banking operations in terms only of consistent development. It also leads the Kazakh banking sector in its commitment to achieving the United Nations' Sustainable Development Goals and ESG initiatives. It has adopted a sustainability policy and drafted an action plan for its implementation. Prepared in conjunction with an international consultancy, this road map includes an extensive range of objectives and tasks aimed at reducing emissions and using natural resources carefully. It also stipulates that sustainability principles should be incorporated into key corporate documents and policies. Halyk backs this up by providing for the education of employees regarding ethical standards and their involvement in various events dedicated to gender equality and environmental protection.

"We have always been mindful of our responsibility to future generations and have sought to play an active role in Kazakhstan's national and social development," says Mrs. Shayakhmetova. "Now, we are working hard to enhance the entire financial sector's corporate culture, to protect Kazakhstan's biodiversity and to improve every citizen's quality of life."



AG TECH: Leading the Charge in Digital Mining Solutions



Aleksandr Podvalov CEO of AG Tech

Recent advances in digital technology have revolutionized the extraction processes across various sectors, from uranium and rare earth minerals to gold and hydrocarbons. At the forefront of these innovations is Kazakhstan's AG Tech, which is spearheading developments in the fully automated "digital mine" through its cutting-edge Digital Monitoring and Management System (DMMS).

AG Tech has established itself as a proficient provider of innovative software and technical solutions in IT, production automation systems, business analytics, and IT infrastructure support services. Moreover, it stands out as a premier supplier of radio navigation equipment. AG Tech's collaboration with global leaders like Mine Radio Systems, representing the American PBE Group—renowned for its expertise in automation,

safety, and communication in the mining sector—marks a significant step towards developing and implementing dispatch and management systems that align with Industry 4.0 standards.

DMMS: A BREAKTHROUGH IN INDUSTRIAL MANAGEMENT

DMMS is a one-of-a-kind industrial management system, entirely conceptualized and developed by Kazakh experts. This tool is designed for the efficient and safe monitoring, accurate analytics, and effective management of all industrial production cycles. The solutions provided by DMMS increase the efficiency of business processes, ensuring transparency in resource management across enterprises. The core mission of DMMS is to foster productivity, discipline, and workplace safety.

AG Tech has successfully integrated DMMS and its components within major Kazakh mining companies, including Kazzinc (Glencore) and Kazakhmys. The system is also operational in the dispatch and analytics centers of KazMunayGas and Qarmet, enhancing their operational efficiency.

Regarding export potential, DMMS is being deployed in enterprises such as Solidcore

Resources and the Aktobe Copper Company. Additionally, it is being implemented at KAZ Minerals' Bozymchak site in Kyrgyzstan. Prospective projects include collaboration with global mining giants like Norilsk Nickel, Ural Mining and Metallurgical Company, and other major resource extraction enterprises.

"DMMS is helping us pull away from our competitors both at home and on the global stage," says Aleksandr Podvalov, a key figure in AG Tech's digital business division. "We are one of the largest IT companies currently focusing on mine optimization, and we continuously invest to bolster our competitive edge."

Podvalov sees AG Tech's partnership agreements with entities like Mine Radio Systems and PBE as pivotal in the company's journey toward global recognition. "My goal is to position us as the unicorn of industrial optimization, not only in Kazakhstan but globally," he says. "We aim to be renowned as the company that empowers local enterprises to tackle global challenges."



TOTAL CAPITAL – Setting New Standards

While Kazakhstan continues to diversify its economy, the country's GDP remains dominated by heavy industries, particularly oil and gas and mining. These are industries that have traditionally posed a threat to the environment, but if Dauren Nurov, founder and CEO of Total Capital Asia, has his way, Kazakhstan will soon be recognized as a world leader in the adoption of health and safety practices and environmental protections.

Following the success of his Robotron engineering start-up, which specializes in the manufacture of all-purpose robotics systems, Nurov is now using Total Capital Asia to raise the bar in terms of health and safety practices and pollution controls. With a focus on oil and gas, mining and metallurgy, power, transportation, and chemicals as well as municipal



Dauren Nurov, Founder and CEO of Total Capital Asia

government, the company has made a name for itself by importing high-tech solutions and state of the art equipment and then adapting them to its clients' needs.

Thanks to its use of sensors and video analytics, Total Capital Asia's health, safety, and environment (HSE) system provides site managers with color-coded 3D maps of their underground operations, which enables them to identify

dangerous "red" zones. In a factory environment, its cameras also help management spot instances of hazardous practices and control access to restricted areas. "Our ultimate mission is to save lives," Nurov says. The company already counts many of Kazakhstan's leading industrial and mining companies among its clients, including KazMunayGas, Kazzinc, Qarmet, and QazaqGaz.

Nurov and his team are also at the cutting edge in their use of machine learning and environmental accounting to reduce the impact of Kazakhstan's heavy industries on the environment. "We have developed software that can analyse all types of air, waste, water, gas and metal pollution," says Nurov, "and its algorithms allow any manager in the oil and gas or mining industries to calculate how much pollution the

extraction of, say, 100,000 barrels of oil will produce. The whole purpose of our system is to eliminate the possibility of human error when companies are calculating the ecological impact of their production plans."

Despite the company's success in software development, Nurov insists that Total Capital Asia's competitive advantage lies in its focus on methodology rather than in its technology. "We believe in identifying the problem and then suggesting the technological solution," he says. "Everything stems from observation."

Given the company's trajectory, Nurov's strategic goal of working with Saudi Aramco, Exxon Mobil, and Chevron looks ever more attainable.

