

BRIDGING
PEOPLE AND MARKETS:
**AN OVERVIEW OF
RETAIL INVESTING IN
KAZAKHSTAN**



BRIDGING PEOPLE AND MARKETS: AN OVERVIEW OF RETAIL INVESTING IN KAZAKHSTAN

55/18 Mangilik El, C3.3, Astana, Kazakhstan

Website: www.aifc.kz / For registration and licensing: bcsc@aifc.kz
For analytics and publications: industry.analysis@aifc.kz

01. Introduction

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GOVERNOR'S FOREWORD

Rapid financial innovation and episodes of volatility have underscored the importance of investor protection, transparency and trust.



Dear Colleagues,

I am pleased to present the report “Bridging People and Markets: An Overview of Retail Investing in Kazakhstan”, prepared by the Astana International Financial Centre (AIFC).

Over the past decade, Kazakhstan’s capital markets have opened more widely to households and first-time investors. Landmark public offerings, the rise of online brokerage platforms and broader product availability have all helped bring markets closer to citizens. At the same time, advances in financial technology and the expansion of modern investment platforms have created new avenues for individuals to participate confidently and meaningfully in capital markets.

This Report provides an integrated overview of the current state of retail investing in Kazakhstan. It examines how individuals engage with local capital markets through major exchanges and intermediaries, and how landmark IPOs and new products have shaped this engagement. It also outlines how continued improvements in access, financial education, and product diversity can further strengthen long-term participation. By combining quantitative data with case studies and international comparisons, the Report offers

a clear picture of both the progress achieved and the areas where further development is needed.

At the AIFC, we regard a broad, informed, and confident retail investor base as a cornerstone of a modern financial system. Our efforts focus on building an environment in which individuals can access markets easily, understand the risks involved, and invest through transparent and wellgoverned instruments. Through AIX’s market infrastructure, AFSA’s regulatory standards, and ongoing initiatives to enhance access, disclosure, and investor protection, we aim to ensure that more citizens can participate safely in capital markets and share in the benefits of Kazakhstan’s economic growth.

We are confident that this Report contributes to a deeper understanding of how Kazakhstan’s capital markets can continue to evolve and grow. By highlighting both opportunities and challenges, it is intended to support informed, evidence-based decisions on the future development of retail investing in Kazakhstan.

Sincerely,
Renat Bekturov
Governor of AIFC

AUTHORS AND DISCLAIMER



**Ayan
Tuleshev**

Director,
AIFC Insights



**Diana
Assaubayeva**

Senior Manager,
AIFC Insights



**Ulan
Kaiyrbay**

Senior Manager,
AIFC Insights



**Aruzhan
Kenenbayeva**

Manager,
AIFC Insights

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In the event of any discrepancies in the Kazakh and Russian translations with the text in English language, the latter takes precedence. We reserve the right to modify or update this Review at any time without prior notice.

LIST OF ABBREVIATIONS

AFSA	Astana Financial Services Authority	IRA / IRAs	Individual Retirement Account(s) (US)
AIX	Astana International Exchange	ITSS	ITS Shari'ah ETF ticker (Shari'ah - compliant index ETF on AIX)
AIX CSD	Astana International Exchange Central Securities Depository	KASE	Kazakhstan Stock Exchange
AksjeNorge	Norwegian foundation promoting equity ownership and financial literacy	KCSD	Kazakhstan Central Securities Depository (Central Securities Depository JSC)
API	Application Programming Interface	KMG	KazMunayGas
ARDFM	Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market	KSEI	Kustodian Sentral Efek Indonesia (Indonesia Central Securities Depository)
ASK	Aksjesparekonto (Norwegian share savings account scheme)	LLC	Limited Liability Company
AUM	Assets under management	MCI	Monthly Calculation Index (Kazakhstan tax/social benchmark)
BBH	Brown Brothers Harriman (Global ETF Investor Survey)	MEKAMs	Short-term government treasury bills of the Republic of Kazakhstan
C-BEST / C-Best	Central depository settlement system of KSEI (Indonesia)	MFO / MFOs	Microfinance organisation(s)
CPI	Consumer Price Index	NBK	National Bank of Kazakhstan
EBRD	(if you mention later; if not, omit)	OECD	Organisation for Economic Cooperation and Development
ESG	Environmental, Social and Governance	OJK	Otoritas Jasa Keuangan (Financial Services Authority of Indonesia)
ETF / ETFs	Exchange-Traded Fund(s)	PIF / PIFs	Mutual investment fund(s) under the 2005 Investment Funds Law (Kazakhstan)
ETN / ETNs	Exchange-Traded Note(s)	PIT	Personal income tax
EU	European Union	SEC	Securities and Exchange Commission (United States)
FX	Foreign exchange (foreign currency)	SID / SIDs	Single Investor Identification(s) (Indonesia)
GDP	Gross Domestic Product	SIPC	Securities Investor Protection Corporation (United States)
GDR	Global Depository Receipt	SOE / SOEs	State-owned enterprise(s)
GS	Government securities	UAPF	Unified Accumulative Pension Fund (Kazakhstan)
ICI	Investment Company Institute (US)	US / U.S.	United States of America
IDX	Indonesia Stock Exchange	WEF	World Economic Forum
IMF	International Monetary Fund		
IOSCO	International Organization of Securities Commissions		

AND KEY TERMS

Retail investor – An individual (household) investing their own funds in securities or other financial instruments, as opposed to institutional investors such as funds, banks or corporations.

Omnibus account – A pooled securities account held in the name of a broker or platform, which aggregates the holdings and trades of many end-investors behind it.

Segregated account / sub-account / personal account – An individual client account at the central securities depository, where securities are recorded in the name of a specific investor rather than pooled.

Brokerage account – An investment account opened with a broker or bank through which an investor can buy and sell securities. **IPO (Initial Public Offering)** – The first public sale of a company's shares on a stock exchange.

People's IPO – Kazakhstan's programme of offering stakes in major state-owned enterprises to the population through public share offerings.

Privatisation IPO / flagship listings – Largescale public offerings of shares in national companies (often SOEs) as part of privatisation or state share-sale programmes.

Blue-chip – A large, established, liquid company with a stable earnings and dividend record, usually forming part of the main stock index.

Government securities (GS) – Bonds and other debt instruments issued by the Ministry of Finance or other public authorities.

GDR (Global Depository Receipts) – A negotiable certificate issued by a depository bank that represents shares in a foreign company and is traded on an international stock exchange, allowing investors to hold and trade foreign equities in their home markets without directly buying the underlying local shares.

Corporate bond / corporate obligations – Debt securities issued by companies (including banks, MFOs, leasing companies, etc.) to raise funding from investors.

Microfinance organisation (MFO) bond – A corporate bond issued by a microfinance organisation, typically with higher nominal yields reflecting credit and liquidity risk.

Retail sukuk – Shari'ah-compliant bondlike certificates structured for sale in small denominations directly to individual investors.

ETF / mutual fund / pooled product – Collective investment vehicles that pool money from many investors and invest in a diversified portfolio of securities.

AUM (Assets under management) – The total market value of assets that an investment manager or institution manages on behalf of clients.

Market capitalisation – The total value of a company's equity on the stock market, calculated as share price multiplied by the number of shares outstanding.

AUM "retail share" – The share of total assets under management that belong to individual (retail) investors rather than institutions. **Liquidity** – The ease with which an asset can be bought or sold in the market without significantly affecting its price.

Yield – The income return on a security (e.g., coupon interest on bonds or dividend yield on shares), typically expressed as a percentage of the price.

De-dollarisation – A reduction in the share of foreign-currency assets (e.g., FX deposits) in the financial system in favour of national-currency instruments.

Deposit insurance – A scheme that guarantees bank deposits up to a specified limit if a bank fails.

Financial literacy – The ability of individuals to understand financial concepts, assess risks and returns, and make informed decisions about saving and investing.

EXECUTIVE

1.1

EXECUTIVE SUMMARY

Internationally, retail investors now play a larger role in market turnover, supported by mobile platforms, fractional investing and low-cost access to diversified products such as mutual funds and ETFs. Experience from the United States, Nordic countries and Indonesia shows that broad, lasting retail participation typically rests on stable rules for long-term saving, convenient digital access, and strong confidence in investor protection.

Kazakhstan is in an earlier phase of this transition. Deposits remain the main financial asset for most households, housing is the key non-financial asset, and foreign currency is still used as a hedge against macroeconomic risk. However, the growth in brokerage accounts, broader product offerings and greater visibility of IPOs

indicate that investing is becoming more accessible and familiar to a wider share of the population.

During the first two decades of Kazakhstan's independence, the market's evolution was largely shaped by the development of KASE and the People's IPO programme. The establishment of the AIFC and the launch of AIX provided a strong impetus for the next phase of capital-market development by modernising infrastructure, expanding the range of instruments, and increasing digital access for retail investors. Together, these stages helped channel domestic savings into the country's largest national companies and broadened public participation in landmark market transactions.

One of the key drivers of recent growth – digitalization. Smartphones, remote identification and e-government infrastructure allow banks and brokers to offer fully online onboarding and trading. New app-based platforms provide low minimum access to local and international securities, also via fractional investing. The product offering for individuals is diversifying to include domestic and foreign equities, government and corporate bonds, hard-currency issues, and emerging Islamic and exchange-traded products such as retail sukuk and Sharia-compliant ETFs, supporting more diversified portfolios.

Despite the ongoing progress, there are constraints that limit deeper and more stable participation. Financial literacy is uneven, many households have limited

disposable income, and participation frequently peaks around major offerings or strong market performance. Episodes of fraud, aggressive promotion of complex products and online misinformation affect trust. Against this background, the analysis highlights three areas where the ecosystem is evolving: long-term savings and investor protection frameworks, the supply of simple low-minimum products, and initiatives in financial education and digital safety.

Overall, Kazakhstan has moved from a narrow, institution-led market toward a more inclusive system with mass digital access, and the next phase of development relates to embedding this access in durable, long-term investing behaviour.

1.2

ABOUT THIS REPORT



The **purpose** of this report is to make a snapshot of the state of retail investing on this journey and to frame a forward-looking conversation about what kind of retail investor base Kazakhstan wants to have in the short- and longer-term future. Rather than focusing on individual products or market cycles, the report looks at how ordinary citizens encounter capital markets, what shapes their behaviour, and which frictions keep many households on the sidelines.



The **scope** covers the main channels through which individuals invest in financial instruments: listed equities and bonds, mutual funds and ETFs, Islamic products, and retail participation in large public offerings on AIX, KASE and related platforms. Where possible, it connects quantitative trends with institutional and behavioural explanations – for example, how regulation, taxation, digitalisation or financial literacy influence the way people save and invest. The report does not aim to be exhaustive or prescriptive; instead, it highlights patterns, trade-offs and open questions that are most relevant for policy and market design.



The **intended audience** includes policymakers and regulators, exchanges and intermediaries, product providers, and individual investors themselves. For authorities, the findings are meant to inform decisions on investor protection, market structure and inclusion. For market participants, they offer a clearer view of who today's retail investors are – and who is still missing. For academics and analysts, the report provides a structured evidence base and a set of hypotheses for further study. It is descriptive and analytical in nature and does not constitute investment advice or a recommendation to buy or sell any financial instruments.

The analysis is based on desktop research using publicly available statistics and disclosures, data and materials provided by market institutions where available, interviews with industry experts and practitioners.

Unless otherwise indicated, quantitative data reflect the latest information available at the time of writing. Historical values expressed in foreign currency have been converted using historical exchange rates published by the National Bank of Kazakhstan. Due to rounding, some totals and percentages presented in figures and tables may not sum exactly to the stated aggregates.

1.3 WHY IT MATTERS

Retail investing is one of the main ways in which households connect their savings to the real economy. In Kazakhstan, as in many other countries, it affects not only individual financial security, but also how the state finances itself and how deep and resilient domestic capital markets can become. When households take part in the market, they are not just buying assets – they are sharing in the risks and rewards of the country’s development.



For most Kazakh households, bank deposits remain the dominant form of financial saving. Deposits offer safety and simplicity, but they often do not keep pace with inflation or currency fluctuations. A survey conducted by the National Bank of Kazakhstan found that nearly 50% of citizens hold their money in bank deposits¹. This means a large share of savings stays in relatively low-yield instruments and does not benefit from the higher return potential of capital markets. In a context where inflation has been in double digits in recent years, the opportunity cost of such “safe but lowyield” storage becomes significant.



From a public-policy perspective, a stronger retail investor base gives the state an additional source of longterm domestic funding. When more households hold tenge-denominated bonds and shares, a larger share of government borrowing and infrastructure finance can be covered by local savings rather than external debt. The share of foreign-currency deposits and loans in Kazakhstan has been declining, so the question of how these tenge savings are channelled becomes more relevant for policymakers. Recent IPOs and public offerings of national companies such as KazMunayGas and Kazatomprom have shown that individual investors can provide a significant part of the demand for large transactions, supporting privatisation revenues and broadening citizen ownership in key sectors. Retail investing is not only a household-finance topic, but also a component of the country’s agenda on funding, financial stability and inclusive participation in state assets.



For financial institutions, a deeper retail market means a broader and more diversified client base, more stable fee income from brokerage and asset-management services, and better liquidity in listed instruments. International evidence shows that in some developed markets, individual investors can account for around 30–40% of daily equity trading^{2,3} during periods of increased volatility, helping to absorb order imbalances and support price discovery. In Kazakhstan, detailed turnover data by investor type are more limited, but the rapid growth in brokerage accounts and the wider use of omnibus structures indicate that retail clients are becoming a more important driver of trading activity and demand for new products.



At the **macroeconomic level,** these dynamics affect how savings are allocated within the economy. Globally, assets under management (AUM) belonging to retail investors are expected to grow over the next decade, supported by lower transaction costs, the spread of digital platforms, and gradual improvements in financial literacy. If Kazakhstan can capture even a modest part of this within its own financial system, more household savings could be channelled into domestic priorities such as energy transition, infrastructure and human capital. **If, instead, markets remain dominated by a small number of large domestic or foreign players, they are more exposed to shifts in institutional flows and less reflective of household preferences.**

Retail investing matters for Kazakhstan’s broader development agenda. **It shapes how households protect and grow their savings; it influences the state’s ability to finance in local currency; it supports liquidity and innovation in capital markets; and it can narrow gaps in wealth and opportunity over time.** From a policy and supervisory standpoint, it is important to have a clear picture of participation: how many people invest, which channels they use, what products they hold and what risks they face. Such visibility helps regulators and market institutions design rules and infrastructure that support both economic growth and social inclusion.

² Retail Trading Insights

³ How will 24/7 trading impact retail investors and the economy?

¹ Kazakh National Bank Survey Shows Rising Use of Deposit Accounts

2. GLOBAL CONTEXT: HOW RETAIL INVESTING WORKS IN LEADING MARKETS

SECTION SUMMARY:

Global experience shows that high and resilient retail participation emerges where digital access, pooled investment products and predictable policy frameworks work together, offering useful benchmarks for Kazakhstan's own market development.

KEY INSIGHTS:

- Retail investors now represent a structurally important share of equity trading in many advanced markets, especially during periods of heightened volatility.
- Mobile-first brokers, fractional investing and low or zero commissions have sharply reduced entry barriers for firsttime investors.
- ETFs and mutual funds have become the dominant way households obtain diversification, gradually replacing concentrated single-stock holdings.
- Sustainability and ESG preferences are shaping product design and regulation, channelling savings into longterm priorities.

KEY NUMBERS:

77%

share of U.S. individual investors interested in sustainable investing in 2024 (Morgan Stanley)

60%

share of the world's listed companies now located in Asia, with about 31% of global market capitalisation

3.2 \$trillion

global sustainable fund assets at end-2024, with Europe accounting for about 84% of the total (Morningstar)

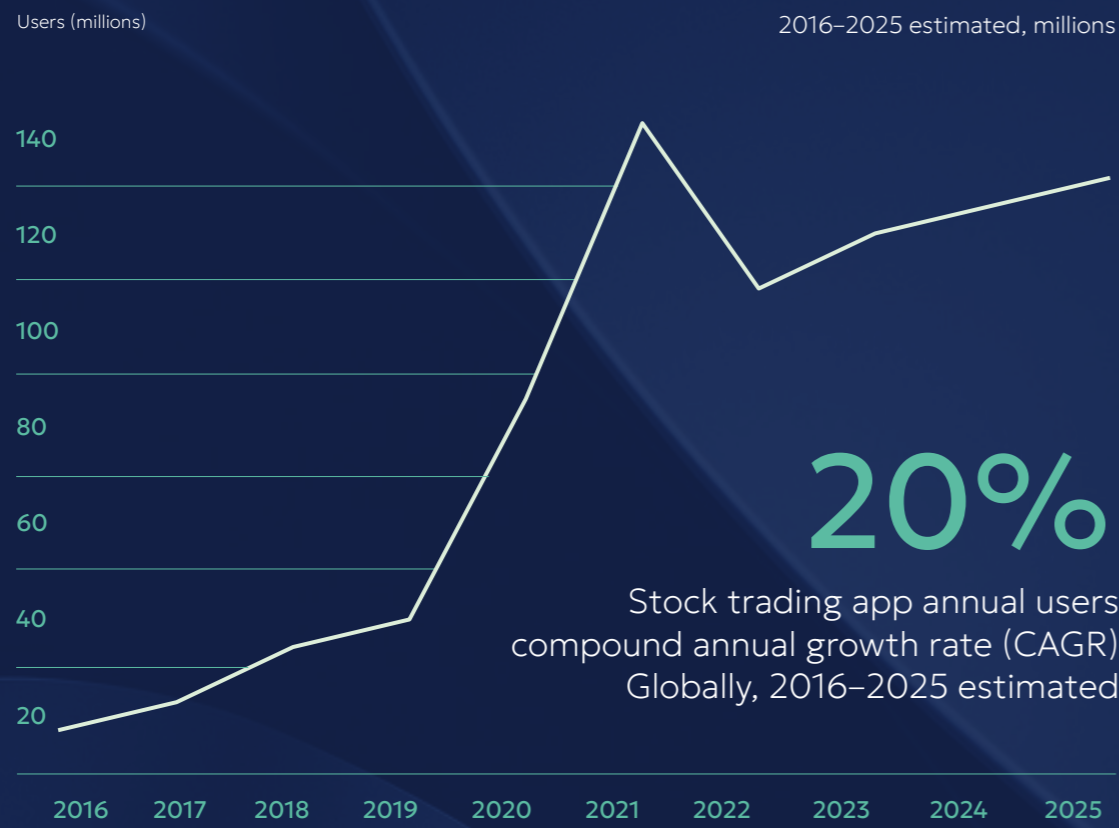
30–40%

approximate share of daily equity trading that retail investors account for in some advanced markets during volatile periods

Figure 1.

Source: World Economic Forum – 2024 Global Retail Investor Outlook

Stock trading app users globally



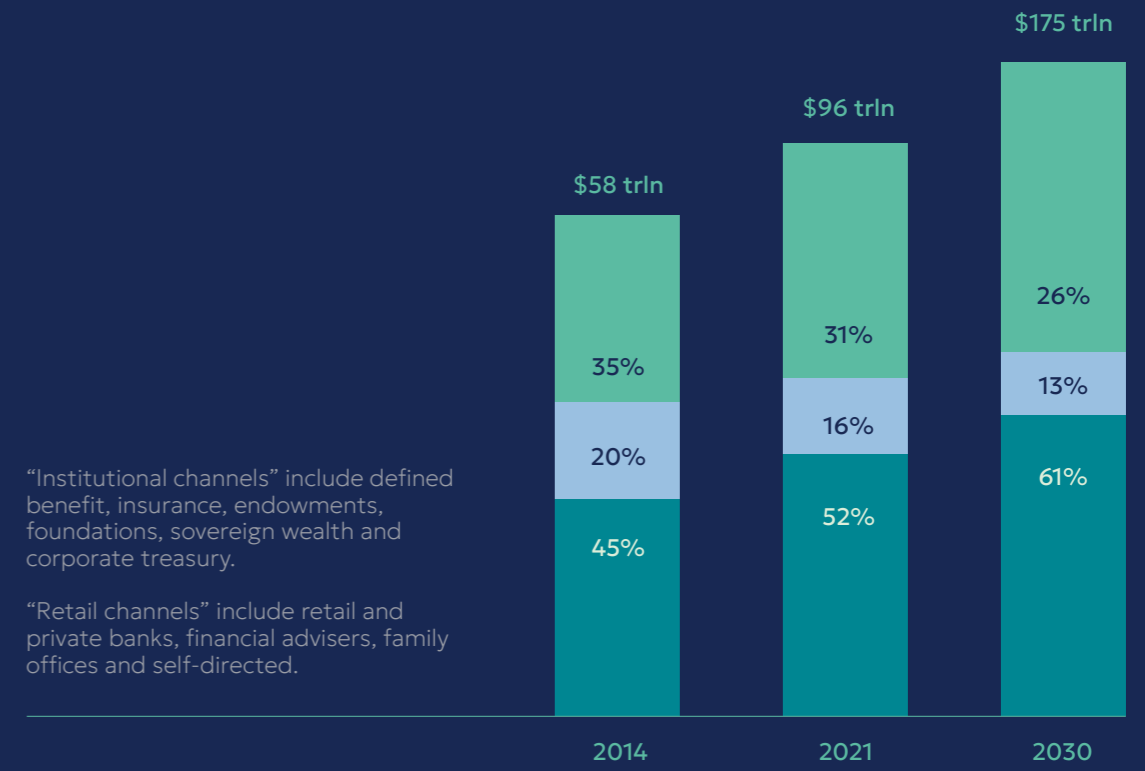
Lockdowns and the meme-stock movement sparked a sharp rise in retail investing during the pandemic. Recent global brokerage platform growth projections suggest that levels will not return to pre-COVID-19 norms. Retail investing has become a lasting trend that is here to stay.

Figure 2.

Source: World Economic Forum – 2024 Global Retail Investor Outlook

Global asset under management by channel

2014–2021–2030 estimated, \$ trillions



Global assets under management attributable to retail investment channels are expected to reach 61% of total by 2030 (and generate 67% of sector revenue). The wealth management industry is shifting from its institution-centred nature to an individual investor-driven market.

GLOBAL RETAIL INVESTING TRENDS

1 ESG ALIGNMENT.

Across advanced and emerging markets alike, more households are factoring environmental, social, and governance criteria into their portfolio decisions, reflecting broader societal shifts toward sustainability. Surveys by Morgan Stanley (2024) indicate that **77% of U.S. individual investors** are interested in sustainable investing, up from 71% in 2019⁴, with Millennials showing the strongest enthusiasm.

In Europe, Morningstar estimates that global sustainable fund assets reached an all-time high of \$3.2 trillion at the end of 2024 with Europe accounting for 84% of the assets⁵, driven by both regulatory incentives and heightened climate awareness. In Asia, where retail penetration is generally lower, jurisdictions such as Japan and Singapore report rising demand for ESG-themed ETFs and mutual funds⁶.

2 MOBILE PLATFORMS, FRACTIONAL SHARES AND ZERO-COMMISSION TRADING HAVE MATERIALLY LOWERED ENTRY BARRIERS.

The spread of mobile-first brokers and the introduction of fractionalshare trading have transformed retail behaviour by enabling small, dollar-based investing (investors can purchase portions of high-price names and think in cash terms rather than “whole share” units).

⁴ Morgan Stanley Sustainable Signals: New Survey Shows High and Rising Individual Investor Interest in Sustainability

⁵ Global ESG Fund Flows Increase in Q4

⁶ Global ESG Fund Flows Increase in Q4

Market intermediaries report substantial use of fractional trading and the central role of neo-brokers in onboarding new retail cohorts; operating metrics from major retail platforms also confirm rapid user growth and deposit inflows, underscoring how product design and cost reduction are the principal enablers of new retail participation⁷.

3 POOLED-PRODUCT (ETFs, MUTUAL FUNDS, ETC.) ADOPTION IS THE DOMINANT CHANNEL FOR RETAIL DIVERSIFICATION.

Retail investors are gradually shifting from concentrated single-stock positions toward pooled vehicles, primarily ETFs and mutual funds, which provide instant diversification, liquidity and typically lower fees than actively managed alternatives⁸. Global ETF flows and AUM illustrate this structural shift: the ETF industry captured record net inflows and continued AUM expansion in 2024–2025 (global ETF inflows were exceptionally strong and U.S. ETF AUM reached multi-trillion dollar scale), and investor surveys **show many retail clients plan to raise ETF exposure over the next 12 months**⁹. These dynamics indicate that ETFs are the preferred vector through which retail savings are being channeled into capital markets.

⁷ Retail Investing Trends – Shaping the Future of Corporate Stewardship - Proximity

⁸ 2025 Global ETF Outlook: The expansion accelerates

⁹ 2025 Global ETF Investor Survey - BBH

4 RETAIL FLOWS NOW MATERIALLY INFLUENCE INTRADAY VOLUMES AND, IN SOME MARKETS, PRICE DYNAMICS – BUT IMPACT VARIES BY MARKET STRUCTURE.

In many developed markets, retail investors now account for roughly a fifth or more of daily equity trading¹⁰. This is enough to influence liquidity and short-term price moves, especially in smaller or more volatile stocks. For example, SIFMA estimates that retail trades made up around 18% of U.S. equity volume in recent years, compared with about 10% historically¹¹. Estimates for other markets vary by methodology and time period, but generally place retail shares of equity trading volume in a range of approximately 15–30%. This indicates that retail trading has become a stable component of market structure rather than a purely temporary phenomenon associated with the COVID-19 period as described in following sections.

5 RETAIL DEMAND IS BROADENING INTO NEW ASSET CLASSES (DIGITAL ASSETS, PRIVATE MARKETS ACCESS, STRUCTURED ETFS), THOUGH ADOPTION IS UNEVEN AND OFTEN CYCLE-SENSITIVE.

Retail demand has extended beyond traditional listed equities into digital assets, tokenised products, retailfacing private-market and alternative strategies, and more complex ETF structures. Industry surveys report rising interest in crypto-assets and alternative investments, and product providers have launched offerings aimed at widening access to strategies that were previously limited to institutional investors¹².

¹⁰ US Equity Market Structure Compendium – SIFMA (2024)

¹¹ SIFMA - Equity Market Structure Compendium

¹² 2025 Global ETF Investor Survey - BBH

2.1 UNITED STATES - A MATURE MASS-MARKET MODEL

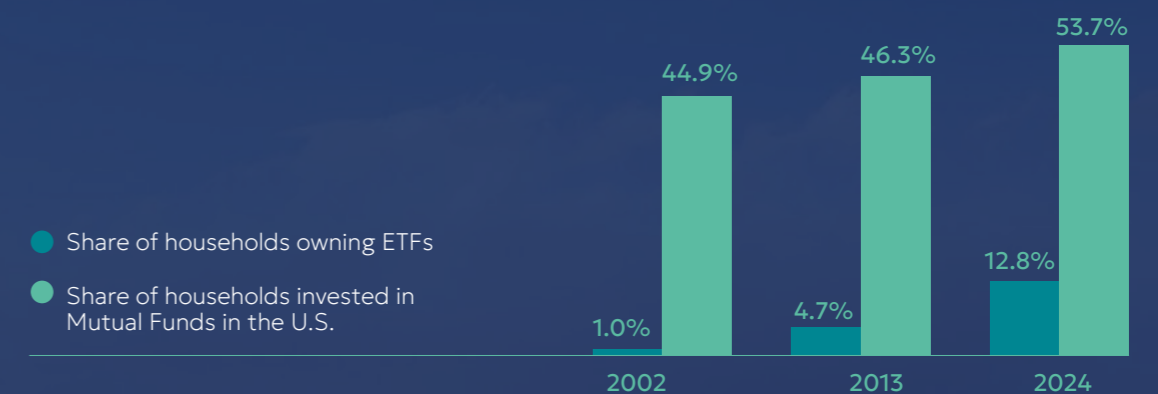
The United States stands as the most mature and influential retail investor market globally. According to the Federal Reserve's 2022 Survey of Consumer Finances (most recent), 58% of U.S. households own stocks¹³, either directly or through retirement accounts. This relatively high participation reflects several decades of gradual development in retirement arrangements, market infrastructure and digital access.

The roots of U.S. retail investing lie in the employer-based retirement system established in the late 20th century. The introduction of tax-advantaged retirement savings vehicles such as 401(k) plans and IRAs created a powerful link between household savings and capital markets. Over time, mutual funds and exchange-traded funds (ETFs) became the preferred channels for households to build diversified exposure. According to the Investment Company Institute (ICI), the share of households owning mutual funds grew from 44% in 1998 to 56% in 2024¹⁴. While the share of households owning ETFs grew from 1% in 2002 to 13% in 2024¹⁵.

Figure 3.

Source: Investment Company Institute

Share of households owning ETFs / Mutual Funds in the U.S.



One of the central reasons for this success is the design of the American retirement system. Employer-sponsored 401(k) plans and tax-advantaged Individual Retirement Accounts (IRAs) channel household savings directly into capital markets. By offering tax deferrals or exemptions, these schemes incentivize individuals to hold equities over long horizons rather than keeping assets in deposits or low-yield savings. As of 2022, retirement accounts represented **roughly one-third of total U.S. household financial assets**, underscoring the link between pensions and equity ownership¹⁶.

Confidence in markets is supported by a well-defined investor-protection framework. The Securities and Exchange Commission (SEC) oversees disclosure and transparency requirements for listed companies and intermediaries and the Securities Investor Protection Corporation (SIPC) provides protection for customer securities and cash up to \$500,000 in the event of broker failure¹⁷. These safeguards create a perception of fairness and stability, which is essential for encouraging mass participation.

The U.S. has also developed a wide range of access channels for individual investors. In the 1970s and 1980s, discount brokerages transformed the market by lowering commissions and opening accounts to middle-class households. The digital era amplified this effect. Platforms like Robinhood, Fidelity, and Webull introduced **zero-commission trading, fractional share ownership, and mobile-first experiences**, which radically lowered entry barriers. By making investing "as easy as a swipe," these innovations attracted a younger and more diverse investor base, particularly during the COVID-19 pandemic.

However, it should be noted that participation is uneven in terms of wealth distribution. According to USAFacts, the top 10% of households own over 89% of all corporate equities and mutual fund shares¹⁸. Retail investing is widespread in terms of household count, the concentration of wealth remains skewed. Nonetheless, the breadth of participation remains unmatched globally, giving the U.S. retail market unrivaled depth and liquidity.

¹³ Changes in U.S. Family Finances from 2019 to 2022

¹⁴ Ownership of Mutual Funds and Shareholder Sentiment, 2024
¹⁵ Profile of ETF-Owning Households, 2025

¹⁶ Majority of American Households Rely on Mutual Funds to Save and Invest

¹⁷ SIPC - For Investors

¹⁸ What percentage of Americans own stock?

2.2 NORDIC COUNTRIES WITH NORWAY IN FOCUS

alignment between regulation, technology and social attitudes can make retail investing a normal part of household financial management

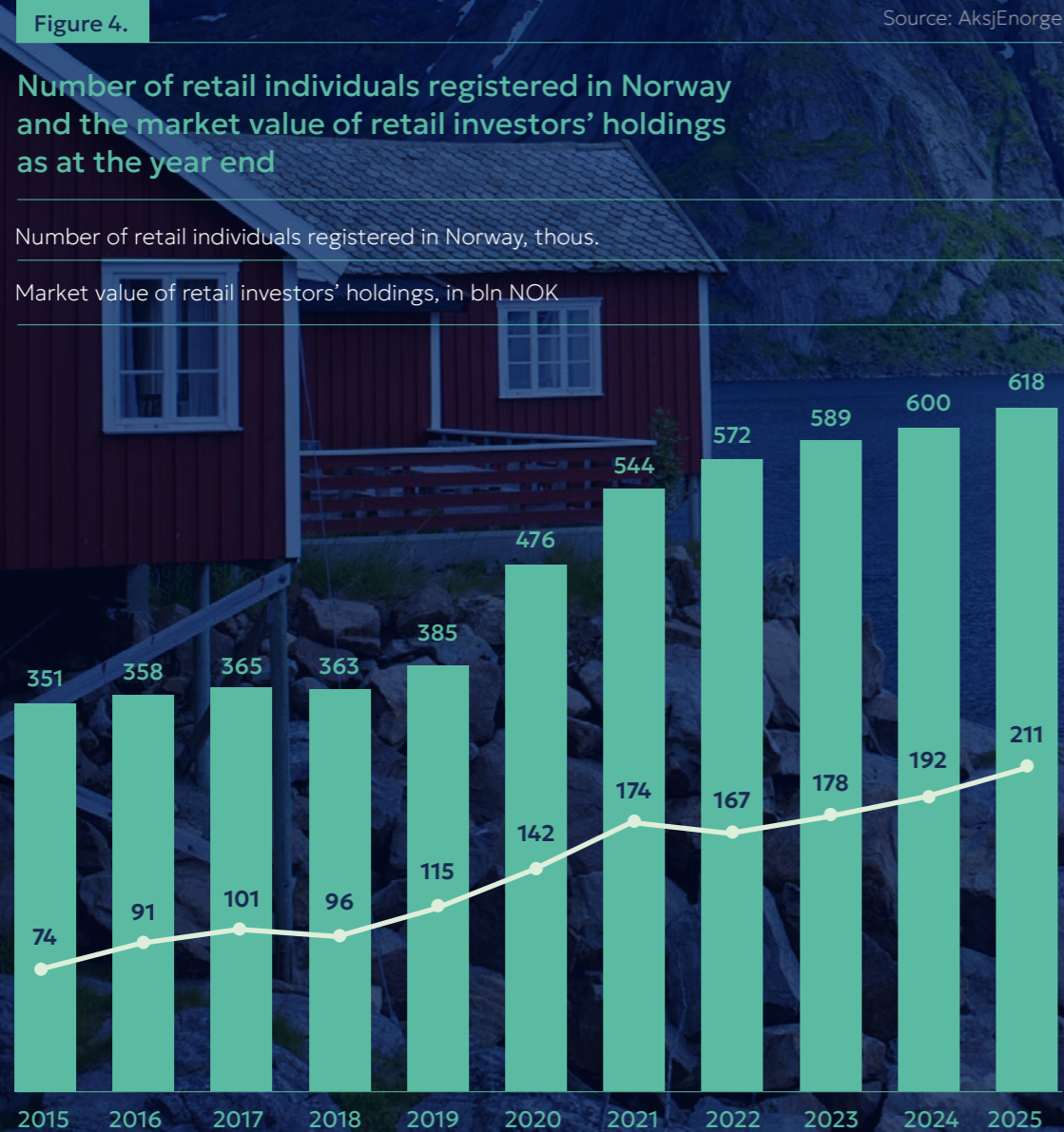
Across the region, equity ownership and fund participation rates are among the highest in Europe, with widespread household engagement in capital markets. According to BlackRock's People & Money: Themes in the Nordics, roughly **66% of Nordic retail investors own stocks, around 50% invest in mutual funds, and nearly one in five** hold exchange-traded funds (ETFs), with ETF adoption alone rising by 18% compared to 2022¹⁹. These figures place the Nordics significantly above the European average, reflecting a long-established investment culture, strong trust in financial institutions, and a supportive regulatory environment.

This level of participation is supported by robust digital infrastructure, relatively high financial literacy and cultural norms that favour saving and long-term planning. The widespread use of online and mobile investment platforms has widened access, including for younger investors, while policy frameworks emphasise investor protection, transparency and moderate costs. Taken together, these elements show how alignment between regulation, technology and social attitudes can make retail investing a normal part of household financial management rather than a specialised activity.

2.2.1 NORWAY - HIGH TRUST AND LONG-TERM SAVING

Norway today stands out as one of the most developed retail investment markets in Europe. According to the AksjE Norge, Norwegian non-profit promoting equity ownership and financial literacy, **617,604 individual investors are registered in the Oslo Stock Exchange as of 30 June 2025²⁰. Around 50% of the adult population is engaged in investing activities²¹.**

²⁰ AksjE Norge statistics
²¹ People & Money - BlackRock



As AksjE Norge provides, the market value of retail holdings exceeds **NOK 211.3 billion**, and participation continues to expand year after year.

Only a decade ago, the scale of individual participation was notably smaller, with roughly 351 thousand retail shareholders in 2015 holding assets worth around NOK 110 billion. The strong increase since then can be linked to several structural features.

- 1 First, Norway's economic model,** characterised by relatively high levels of social trust, transparency and prudent fiscal policy, has created an environment in which households are more willing to allocate part of their savings beyond bank deposits. The presence of the Government Pension Fund Global, one of the world's largest sovereign wealth funds, has also contributed to familiarising the public with equity investing as a tool for long-term wealth accumulation.
- 2 A second key factor has been digitalization and access.** The rapid adoption of user-friendly brokerage platforms and mobile banking applications has significantly lowered the barriers to participation. In the early 2000s, opening a brokerage account required paperwork, in-person verification, and relatively high costs. **Today, a retail investor in Norway can open an account within minutes through integrated digital platforms, with trading fees at historically low levels. This has made investing more accessible to a wider range of households, including younger and first-time investors.**
- 3** The COVID-19 accelerated these trends²². Between 2020 and 2021, Norway experienced the highest increase in new retail shareholders in its history, as lockdowns, volatile markets, and rising savings drove households toward capital markets. Digital brokers such as Nordnet, the largest pan-Nordic online broker, reported record-breaking growth in new
- 4** The surge was also reinforced by education and incentives. The AksjE Norge Foundation, a non-profit supported by Oslo Børs and market participants, scaled up its digital activities during the pandemic, offering online investor days, webinars, and YouTube explainers that attracted thousands of first-time investors²⁴. Meanwhile, the government's Aksjesparekonto (ASK – Share savings account) scheme²⁵, introduced in 2017 but popularized during COVID, provided a tax-efficient way to invest in equities and mutual funds, encouraging Norwegians to shift from bank deposits into long-term savings instruments.
- 5** Finally, the resilience of Norway's equity market, including the Oslo Børs – Oslo Stock Exchange, has reassured investors through periods of volatility. Even during the COVID-19 pandemic, retail participation increased rather than declined, as many households saw the downturn as an opportunity to buy equities at lower prices. This behavior reflects a mature investor base that has internalized long-term market dynamics.

In summary, Norway's current level of retail investment penetration is the result of historical trust-building, technological progress, deliberate financial education, and strong institutional foundations. For countries where there are still prospects for development of the retail participation, the Norwegian example illustrates how a combination of structural stability, accessible platforms, and sustained financial literacy efforts can shift household behavior toward deeper integration with capital markets.

²² New record in number of Norwegians owning shares
²³ NordNet Annual Sustainability report - 2021

²⁴ AksjE Norge
²⁵ The Norwegian Tax Authority

2.3 ASIA WITH INDONESIA IN FOCUS

Retail investor participation across Asia has expanded rapidly since 2020, driven by three structural forces: rapid digital adoption (mobile trading apps and e-KYC), a wave of fintech platforms offering low-cost access to equities and funds, and a surge of first-time investors during the COVID period who were drawn in by remote onboarding and positive equity market performance. The OECD's 2025 review of Asian capital markets notes that retail participation and financial inclusion have improved in many jurisdictions but remain uneven, with

markets that combined digital access, investor education, and supportive regulation showing the largest gains.

The recent increase in Asia's retail investor base is best viewed as an acceleration of longer-term trends rather than a wholly new phenomenon. Capital markets in the region have been developing for several decades, but the scale of the recent growth and **the digital-native profile of many new investors distinguish the current phase.**

Figure 5.

Source: World Bank, AIFC Analysis

Number of listed domestic companies in North America, EU, and Asia



The transformation of Asian capital markets is visible in both the number of listed companies and their share of global capitalisation. The number of listed companies in Asia has nearly doubled over the past 25 years, reaching almost 29,000 by 2024. During this same period, both Europe and the United States saw a decline in public listings. Asia now accounts for 60% of the world's listed companies and 31% of global market capitalization²⁶. A 2025 OECD report on Asia's capital markets highlights the vital role of retail investment in making markets more inclusive, with countries like South Korea and Taiwan where retail investors make up over half of daily stock trading. In other markets, such as India and Vietnam, millions of new investors have come online through mobile brokers and microinvestment tools.

The demographic shift is also significant. Younger generations are entering capital markets earlier than ever before²⁷. This trend is particularly pronounced in Asia, where a large, digitally native youth population is engaging with financial products in new

ways. The advancement of mobile technology and fintech platforms is a primary driver of this trend. **These platforms have democratized access to investing by offering low-cost or zero-commission trading, simplified interfaces, and fractional share ownership. This has lowered the barrier to entry for millions of first-time investors.**

The COVID-19 pandemic accelerated these trends by creating a unique environment for digital adoption. Lockdowns and remote work provided more time for individuals to explore new financial activities, while stimulus measures and market volatility spurred interest in trading. The result was an unprecedented influx of retail investors, many of whom were new to the market. While some studies on the Chinese market have suggested "panic trading" among some retail investors during the crisis, the overall trend has been a sustained expansion of the investor base across the region. This has prompted regulators to enhance investor education and market stability tools to protect this new, often less-experienced, cohort of participants.

²⁶ World Bank Group – Data bank

²⁷ World Economic Forum – Global Retail Investor Outlook 2024

2.3.1

INDONESIA - DIGITAL PLATFORMS AND FIRST-TIME INVESTORS

The architecture underpinning today's retail boom was put in place well before 2020: the Indonesian Central Securities Depository (KSEI) introduced the **Single Investor Identification (SID)** regime to standardize and simplify investor identification (SID became mandatory for trading in the early 2010s, with implementation milestones around 2011–2012), creating the institutional foundation for mass retail onboarding and later digital integration.

For several years, however, overall investor numbers remained relatively modest. The turning point came around the COVID period, when lockdowns, faster digital adoption, a favourable equity-market cycle and active user-acquisition campaigns by fintech brokers and robo-advisers led to a marked increase in new investors from 2020 onward. KSEI and Indonesia Stock Exchange (IDX) data record a multifold jump in SIDs: the number of capital-market investor identifications rose substantially between 2021–2024, with KSEI reporting around **2.5 million SIDs** in late-2019²⁸ alone and subsequent data showing sustained expansion through 2020–2022 as mutual-fund and brokerage apps onboarded millions of users.

²⁸ KSEI Press release – December 2019

Figure 6.

Source: Indonesia Central Securities Depository via CEIC Data

Number of investors (registered SIDs) in Indonesia, in millions



This figure illustrates the explosive growth of unique investors in the Indonesian Capital Market, as measured by the number of registered Single Investor Identifications (SIDs) maintained by the Indonesia Central Securities Depository (KSEI). The divergence between the two data series since 2019 reveals a key shift in how investors are participating.

- 1 Exponential Growth:** The total number of unique SIDs (Capital Market line) has risen from under one million in 2016 to nearly 15 million in 2024. This reflects a substantial broadening of participation over less than a decade. **Retail-Driven Expansion:** The widening gap between the Capital Market total and the C-Best total indicates that most new investors are entering via less complex instruments, primarily mutual funds (Reksa Dana), rather than directly through individual stock and bond holdings. **Conclusion:** The data suggests that while
- 2**
- 3** direct stock and bond ownership (C-Best) is growing, the overall market expansion is driven by retail participants accessing investments via accessible instruments, thereby deepening the market's reach into the general public.

Industry data and platform disclosures show how the fintech layer accelerated the trend. App-first brokers and robo-advisors such as **Ajaib**, **Bibit** and **Stockbit** scaled rapidly by offering simple interfaces, educational content, fractional/low-ticket access, and marketing targeted at younger cohorts. Ajaib reported millions of users by 2022–2023 and Bibit and Stockbit similarly reported multi-million user bases for their investment and community products; these platforms claim to have brought a large share of first-time investors into the capital market ecosystem.

Regulators and market operators have provided an enabling framework. The Financial Services Authority (OJK) launched a Digital Finance Innovation Roadmap and a national financial literacy program, increasing both outreach and the regulatory framework for e-KYC* and fintech integration. The IDX accelerated its own digital initiatives – simplifying onboarding, running investor education campaigns, and creating outreach programs aimed at students and young professionals – while KSEI rolled out systems (AKSes / S-INVEST and SID modules) to facilitate retail-friendly access to mutual funds and custodial services.

These coordinated interventions reduced friction for new investors and increased trust in digital channels.

The outcome is visible in official statistics. By the end of 2022 Indonesia reported roughly **10.3 million** capital-market investors across instruments (stocks, bonds, mutual funds), up from about 3.88 million at end-2020; by the end of 2024 and into 2025 IDX and KSEI reported investor counts in the multiple millions range, with press releases citing **over 6.3 million stock SIDs at end-2024** and crossing **7 million stock investors in mid2025**; broader capital-market SID totals reached double-digit millions when mutual fund and bond investors are included (IDX reports show continued monthly additions surpassing millions of SIDs year-to-date in 2025). These numbers make Indonesia one of the fastest growing retail markets in Asia in absolute terms.

The profile of new investors is also notable: the majority are younger and digitally oriented. IDX reported that in 2024–2025 roughly **~79% of new SIDs were held by individuals under 40**, indicating the demographic base for future market participation. Mutual-fund platforms report similar patterns, with most new retail mutualfund investors in 2020–2021 being millennials and Gen-Z users recruited via app interfaces and

*KYC – Know Your Client

“Digital platforms are the most widely used means by investors to invest in the capital market.”

KSEI Annual Report 2024

social-media channels²⁹. This shift affects not only the breadth of participation but also behaviour: younger cohorts tend to trade more frequently, favour app-based strategies and make greater use of wrappers such as ETFs and automated portfolios.

At the same time, the speed of growth has highlighted several challenges. Rapid onboarding has, in some cases, outpaced financial-literacy efforts, increasing the risk that less-experienced investors may

be exposed to speculative behaviour. In response, regulators have expanded financial-literacy programmes (including OJK’s national survey and outreach initiatives and IDX’s education campaigns) and strengthened disclosure and market-stability tools, such as trading-halt procedures and liquidity-provider frameworks³⁰, to help protect retail participants and moderate excessive volatility.

²⁹ KSEI Annual report 2024

³⁰ IDX – Press Release from 11 August 2025

Indonesia’s move towards a more retail-centred investor base is best understood as the result of several interacting factors rather than a single policy decision:

(a) pre-existing infrastructure (SID and KSEI systems) that made scale possible;

(b) regulatory and exchange digitalization that lowered onboarding friction;

(c) fintech platforms that made investing intuitive and inexpensive; and

(d) a pandemic period that accelerated digital adoption and created a large cohort of first-time investors.

The official SID figures and platform disclosures show the scale of the change – millions of new retail investors in just a few years – and IDX/KSEI/OJK documentation provides the policy and operational trail that explains how it happened.



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3. KAZAKHSTAN'S RETAIL INVESTING LANDSCAPE: CURRENT STATE AND MARKET STRUCTURE

SECTION SUMMARY:

Kazakhstan's retail investing landscape combines rapid growth in account numbers and landmark IPOs with household balance sheets still dominated by deposits, housing and foreign currency, leaving substantial room for deeper diversification.

KEY INSIGHTS:

- Retail investing has evolved from early post-privatisation campaigns and People's IPOs into a more digital, institutionally anchored market.
- Recent years brought a sharp rise in brokerage accounts and strong household demand for flagship IPOs such as KazMunayGas and Air Astana.
- Despite wider access, most household wealth remains in bank deposits, real estate and FX, while mutual funds, ETFs and other pooled vehicles are still niche.
- Digital brokers, mobile apps and new bond offerings – notably from microfinance organisations and ESG issuers – are broadening the product shelf but also raise consumer protection questions.

KEY INSIGHTS:

4.62 million

retail accounts on KCSD (as at end-September 2025)

3.6 million

retail accounts in AIX CSD (as at end-September 2025)

21.8%

Kazakhstan's stock-market capitalisation as a share of GDP at end-2024, compared with 150–170% in many developed markets

3.6 million

number of stock-market trades by individuals on KASE in 2024

62.1%

retail share of gross turnover on KASE's secondary equity market in 2024; **55.2%** – retail share in 9M 2025

4.5 million

trades in just the first nine months of 2025

8x

approximate increase in the number of mutual-fund unit holders since 2020

206.1 \$million

approximate AUM of 28 mutual funds as at end-September 2025

3.1

EVOLUTION OF RETAIL INVESTING IN KAZAKHSTAN

The evolution of retail investing in Kazakhstan has gone hand in hand with broader changes in the national financial system – from fragmented post-Soviet privatization to a more technology-driven and internationally connected capital market. Retail participation started from a very low base and has gradually become one of the most dynamic parts of the investor community. This trajectory has been shaped by institutional reforms, digital innovation and the gradual growth of household financial capacity.

1991-2000

Early Foundations: Privatization and Market Emergence

The origins of retail investing lie in the mass privatization campaigns of the early 1990s, when citizens received shares in newly corporatized state enterprises. This created the first generation of retail shareholders, but the supporting infrastructure was still fragmented and much trading took place outside regulated exchanges.

The establishment and transformation of the Kazakhstan Interbank Currency Exchange (1993) into the Kazakhstan Stock Exchange (KASE, 1997) provided the first institutional foundation for securities trading. Nevertheless, for nearly a decade, retail participation remained minimal.

2000-2008

Market Formation and Early Growth

The early 2000s brought economic expansion, improved corporate governance, and gradual development of capitalmarket infrastructure. Retail interest increased as the KASE index grew more than thirteenfold between 2005 and 2007, supported by strong dividend performance from leading resource companies.

The 2005 Investment Funds Law enabled the creation of mutual funds (PIFs), introducing collective-investment products to households. However, despite these innovations, deposits and real estate continued to dominate personal savings. Limited product availability and the global financial crisis in 2008 stalled market progress and increased risk aversion among households.

2012-2014

Reactivation through People's IPOs

Retail participation increased significantly with the launch of the People's IPO programme.

2012: October – Formal launch of the People's IPO program.

IPO 2012: KazTransOil IPO

IPO 2014: KEGOC IPO

During this period the number of brokerage accounts grew from around 10,000³¹ to over 100,000³², signalling the first large-scale return of households to the capital market. These offerings helped to build trust, demonstrate the potential value of listed securities and familiarize citizens with a more modern investor experience.

2014-2020

Institutional Deepening and Global Integration

The period from 2014 to 2020 established the structural foundation for today's retail investment landscape:

2013: Consolidation of all pension assets into the Unified Accumulative Pension Fund (UAPF) strengthened the domestic institutional investor base.

2017–2018: The establishment of the Astana International Financial Centre (AIFC) and the launch of the Astana International Exchange (AIX) created a venue operating under English common law and using Nasdaq technology, designed to meet international standards.

IPO 2018: KazAtomProm IPO

2021: The introduction of KASE Global opened the way for direct retail access to foreign equities, further broadening the opportunity set for individual investors. These reforms brought Kazakhstan's framework closer to international practice and increased the openness of the market to global capital flows, creating a more supportive environment for future retail participation.

³¹ Zakon.kz

³² Kursiv

2021-2023

Digital Breakthrough and Mass-Market Adoption

IPO 2022: KazMunayGas IPO

Digitalisation has been the defining factor in the most recent phase of retail-market growth. More than 90% of all active retail accounts in the country were opened within a two-year window*.

Key growth drivers include:

- Instant mobile onboarding via biometric verification and e-ID, reducing account opening to minutes;
- Smartphone-based investing platforms integrating payments, trading, analytics, and tax reporting;
- Zero capital-gains tax on securities listed on KASE and AIX

*According to KCS D, the number of brokerage accounts in its nominee holding system increased from around 0.2 million to just over 2.4 million (see Figure 15), implying that roughly 91% of the accounts active at that time had been opened during that two-year period.

2024-2025

Retail Market Maturity and Expansion

Momentum continued into 2024–2025, supported by earlier investments in digital infrastructure and sustained interest from individual investors.

IPO 2024: Air Astana IPO

The total number of brokerage accounts reached 4.6 million at the Central Securities Depository (KCS D) as of 1 October 2025.

Stock-market transactions increased by 62% in the first eight months of 2025 compared to the same period in 2024.

3.2 INSTITUTIONAL AND REGULATORY ENVIRONMENT

The ecosystem that supports retail investing in Kazakhstan has gradually developed into a multi-layered system with a dualjurisdiction framework, a high degree of digital access, and a core of large, recently privatised (partly) national companies.

To understand how this system works in practice, it is useful to look at five key elements: the **regulators** who set and enforce the rules, the **market infrastructure** that enables trading and settlement, the **intermediaries** who provide investor access, **the listed companies** that form the publicequity market, and the **investors** themselves.

Figure 7.

Capital market structure and frameworks

KAZAKHSTAN MARKET INFRASTRUCTURE



	NATIONAL FRAMEWORK	AIFC FRAMEWORK
TRADING Matching buy/sell orders on an exchange to execute trades and form prices	KASE	AIX
CLEARING Confirms trades and calculates/net obligations before settlement	KACC KASE Clearing Centre	AIX CSD
SETTLEMENT Final transfer of securities and cash; ownership records are updated	KCSD	AIX CSD
REGULATION	ARDFM under NBRK	AFSA

REGULATORS: THE RULE-MAKERS

Kazakhstan's capital market operates under two regulatory frameworks. This dual structure shapes the legal environment, investor protection tools and approaches to dispute resolution.

AGENCY FOR REGULATION AND DEVELOPMENT OF THE FINANCIAL MARKET (ARDFM):

Jurisdiction:

The primary state regulator for the entire Republic of Kazakhstan, excluding the AIFC.

Mandate: The ARDFM's key responsibilities include ensuring the stability of the entire financial system, licensing domestic financial organizations (banks, brokers, insurance), and, crucially, protecting the rights of financial service consumers, including retail investors.

Investor Protection:

ARDFM's requirements are embedded in national legislation. Brokers are obliged to provide clients with sufficient information, to act in the interests of their clients and to keep client funds and assets segregated from their own balance sheet, which reduces the risk that a broker's difficulties affect retail investors.

ASTANA INTERNATIONAL FINANCIAL CENTRE (AIFC) AND THE AFSA:

Jurisdiction:

The AIFC is a special economic zone in Astana with its own constitutionally separate legal system based on the principles of **English common law**. This framework was explicitly designed to be familiar and trusted by international investors.

Astana Financial Services Authority (AFSA): The AFSA is the independent regulator within the AIFC. It regulates all financial activities, firms, and market institutions within the centre, including the Astana International Exchange (AIX).

Investor Protection: The AFSA's approach is modeled on top-tier global standards.

Legal Basis: Investor protection is based on principles of fairness, transparency, and accountability derived from common law.

Recent Initiatives: The AFSA is actively addressing modern retail risks. It has joined the International Organization of Securities Commissions (IOSCO) global roadmap to combat online fraud and is developing policies to manage the risks associated with "finfluencers" (financial influencers) and online misselling of complex products. This demonstrates a proactive, modern regulatory stance.

MARKET INFRASTRUCTURE: THE "PLUMBING"

This component consists of the exchanges where assets are traded and the depositories that record and settle ownership.

Stock Exchanges (The Marketplaces)

KAZAKHSTAN STOCK EXCHANGE (KASE):

Located in Almaty, KASE is the legacy exchange, established in 1993.

PRIMARY MARKET:

It is the main platform for government securities (T-bills), domestic corporate bonds, and the shares of major established Kazakhstani companies (e.g., Halyk Bank, Kazakhtelecom).

FRAMEWORK:

Operates under the national legislation of Kazakhstan, regulated by the ARDFM.

ASTANA INTERNATIONAL EXCHANGE (AIX):

Launched in 2018 within the AIFC.

PRIMARY MARKET:

Designed to be the platform for privatization, international listings, and the government's National IPO Program. It was the primary venue for the landmark IPOs of KazMunayGas and Air Astana.

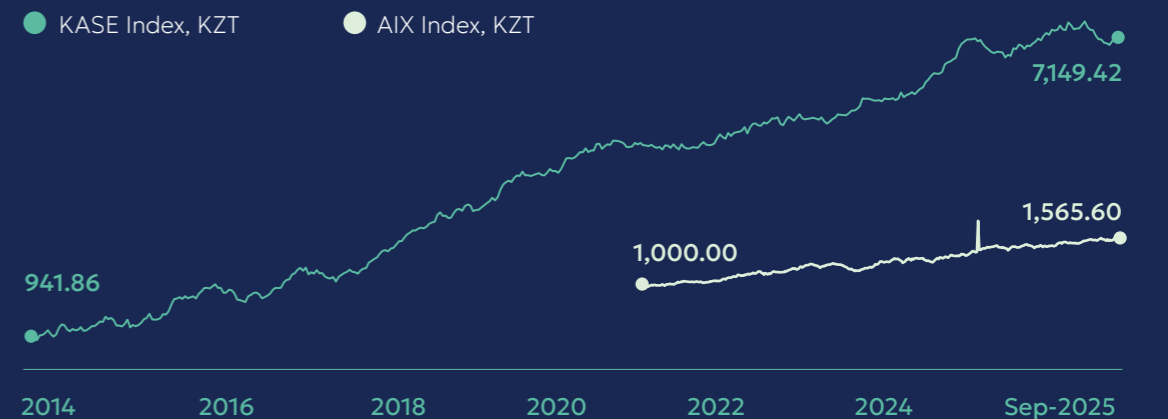
FRAMEWORK:

Operates under AIFC's common law framework, regulated by the AFSA.

Figure 8.

Source: Official websites of KASE and AIX

KASE and AIX Qazaq Indices performance over the last 10 years



3.3 HOUSEHOLD ASSET STRUCTURE

Household balance sheets in Kazakhstan have been shaped by decades of economic transitions, global financial shocks, and cultural preferences that value liquidity and security. As a result, the majority of household wealth is still concentrated in a small set of familiar assets – **bank deposits, real estate, and foreign currency.**

These choices reflect understandable considerations around safety, accessibility, and inflation protection. At the same time, they highlight the potential for gradual diversification into capital-market instruments as confidence, financial knowledge, and product availability continue to improve.

BANK DEPOSITS

3.3.1

REAL ESTATE

3.3.2

FOREIGN CURRENCY

3.3.3

3.3.1 BANK DEPOSITS AS THE CORE SAVINGS INSTRUMENT

Bank deposits remain the primary financial asset for Kazakh households. The total deposit base in the banking system reached around \$78 billion in 2024, equivalent to roughly 31% of GDP, with deposits making up more than 80% of banks' liabilities³³. Figure 9 shows that since 2015 both retail and corporate deposit volumes have grown

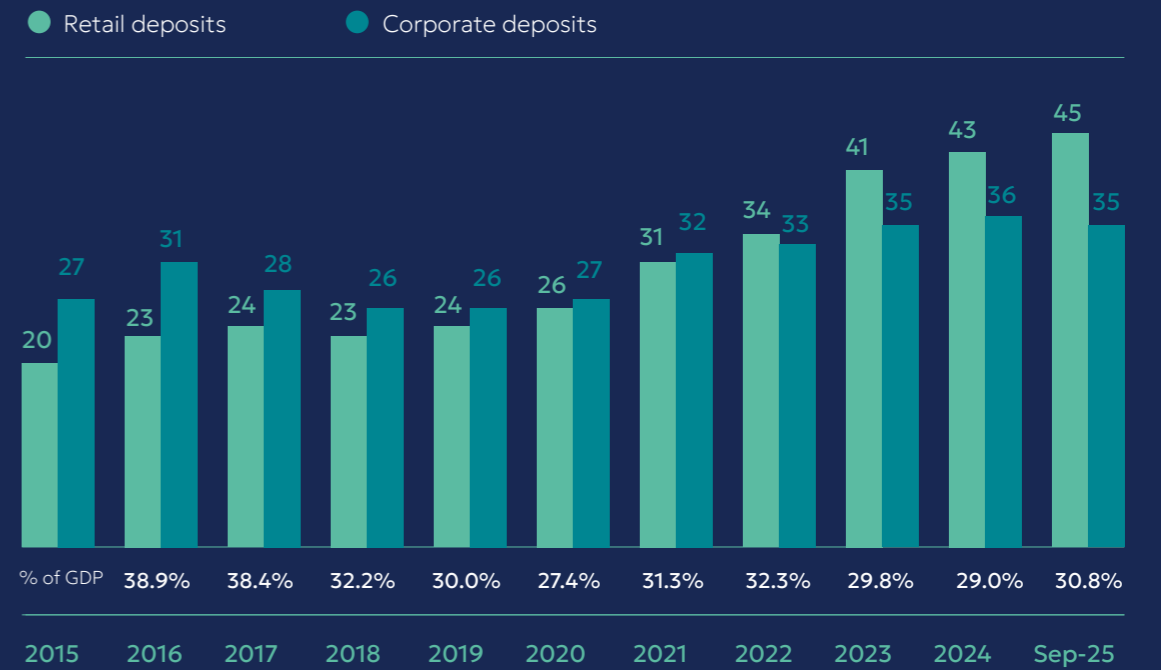
in absolute terms, while the ratio of total deposits to GDP has hovered around the 30–40% range, underscoring the central role of banks in financial intermediation. Retail deposits account for a substantial share of this funding base and have been relatively stable even during periods of macroeconomic volatility.

³³ The National Bank of Kazakhstan – Financial performance of the banking sector

Figure 9.

Source: National Bank of Kazakhstan

Structure of the deposits, as at the end of the period, in \$bln



One important structural feature of household deposits is their currency and maturity profile. Following the sharp devaluations of 2009, 2014 and 2015, high degree of “dollarization” developed as households sought protection in foreign-currency deposits. Since then, gradual de-dollarization has taken place, but foreign-currency deposits still represent a material share of funding – 18.1% as at the end of 3Q 2025, down

from significantly higher levels in 2015 (see Figure 10). Within tenge deposits, demand accounts dominate: as of 30th September of 2025, 54.4% of national-currency deposits were in on-call accounts, while savings tenge deposits represented only about 14.3%³⁴. This structure suggests that households value liquidity and optionality, keeping a large portion of their balances immediately accessible rather than locked in longer-term savings products.

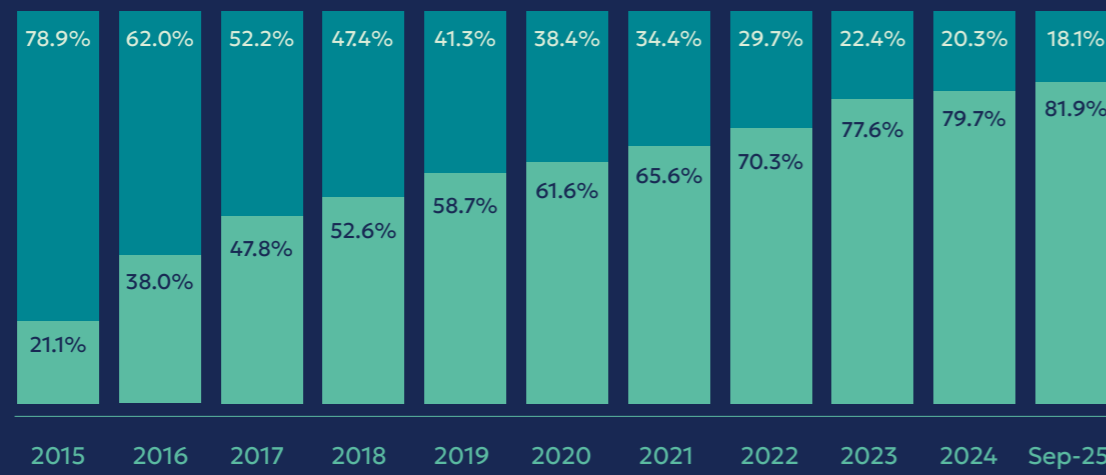
³⁴ The National Bank of Kazakhstan - Deposits of individuals in the banks of Kazakhstan

Figure 10.

Source: National Bank of Kazakhstan

Retail deposits breakdown by currency, in %

● in National currency ● in Foreign currency



Bank deposits remain the primary financial instrument for Kazakhstani households. This reflects long-standing preferences for low-risk savings*, the accessibility of deposits through the banking system, and the role of deposit insurance³⁵ in providing reassurance during periods of market uncertainty. Deposits offer liquidity and nominal yield, features that are highly valued in an environment where income volatility and unplanned expenses can be significant considerations for many families.

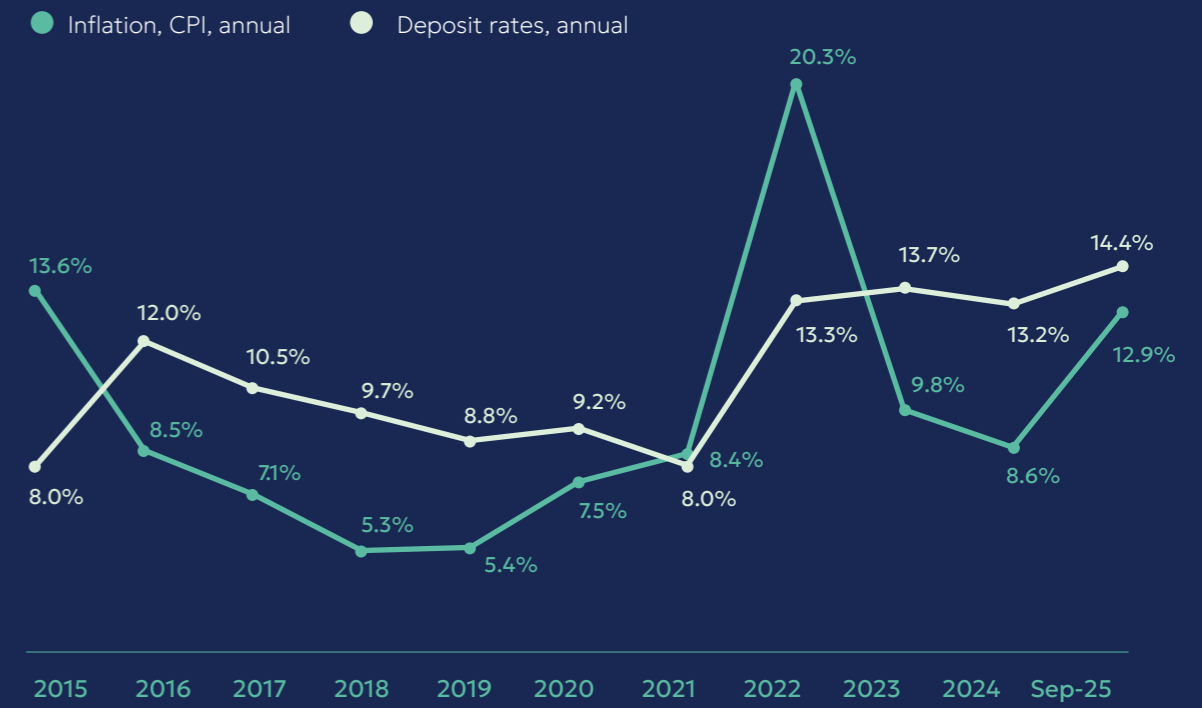
³⁵ Electronic government (eGov) of the Republic of Kazakhstan - Deposit guarantee system in Kazakhstan

*Note: “Low-risk savings” refers to international usage where insured bank deposits are treated as safe or low-risk, but low-return, assets for households (see e.g. European Commission 2025; Austrian FMA 2023; IMF and related research on safe assets).

Figure 11.

Source: National Bank of Kazakhstan, Bureau of National Statistics

Historical bank deposit rates vs Inflation (CPI), 2015 - 9M 2025



However, deposits typically provide limited real returns during periods of elevated inflation. In recent years, inflation in Kazakhstan has at times exceeded deposit rates (see Figure 11), which reduces the long-term purchasing power of savings. **While this does not diminish the role of deposits as a safe and convenient tool, it explains why deposits alone may not fully meet the long-term financial needs of households seeking to preserve and grow their wealth.**

3.3.2 HOUSING: THE DOMINANT NON-FINANCIAL STORE OF VALUE

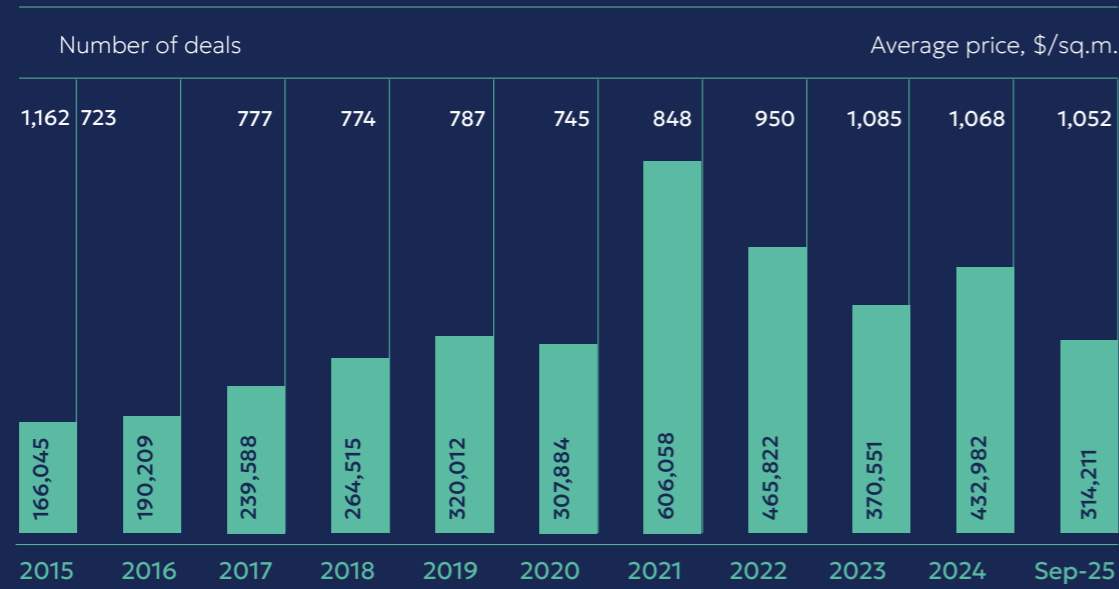
If deposits dominate household financial assets, residential real estate is the principal non-financial asset. Figure 12 shows that the number of residential real-estate transactions has gradually increased throughout 2015-2021, despite macroeconomic and geopolitical shocks with further corrections in 2022-2024. Official housing statistics confirm the centrality of real estate: by 2024, Kazakhstan’s housing stock exceeded 2.5 million residential buildings, with per-capita housing provision rising to 24.5 square metres (26.9 in urban areas)³⁶.

³⁶ The Bureau of National Statistics – Housing stock statistics (2024)

Figure 12.

Source: Bureau of National Statistics

Number of deals in residential real estate and average price



Price dynamics further underline households’ reliance on property as a store of value. Various data sources show that house prices experienced very rapid growth in 2021–2022 – with year-on-year increases peaking above 70% at one point – before moderating to mid-single-digit growth rates by 2024–2025 as the market adjusted and new supply came on stream³⁷. Academic analysis of Kazakhstan’s real-estate market suggests that housing demand is closely linked to macroeconomic policy and credit conditions, but that housing markets across regions are weakly integrated, leading to localized booms and a strong perception of real estate as the safest long-term asset³⁸.

Several structural drivers push households toward property. Government housing programmes and subsidised mortgage schemes (such as “7-20-25” and its successors) have reduced the effective cost of borrowing for qualifying buyers, encouraging households to channel savings and credit into home

ownership and investment apartments. Rapid urbanization, demographic pressures and inflows of migrants in 2022–2023 further intensified demand in major cities, particularly Astana and Almaty, where record volumes of new housing have been commissioned³⁹. For many families, owning one or more apartments functions simultaneously as consumption (housing services), precautionary savings, and an informal pension strategy.

These factors mean that a large share of household wealth is concentrated in a single, illiquid asset class whose valuation is sensitive to interest-rate policy, construction cycles and local economic conditions. While this is not unique to Kazakhstan – real estate dominates household balance sheets in many emerging markets – it does limit portfolio diversification and can amplify financial-stability risks when housing cycles turn.

³⁷ Global Property Guide - Kazakhstan’s Residential Property Market Analysis 2025

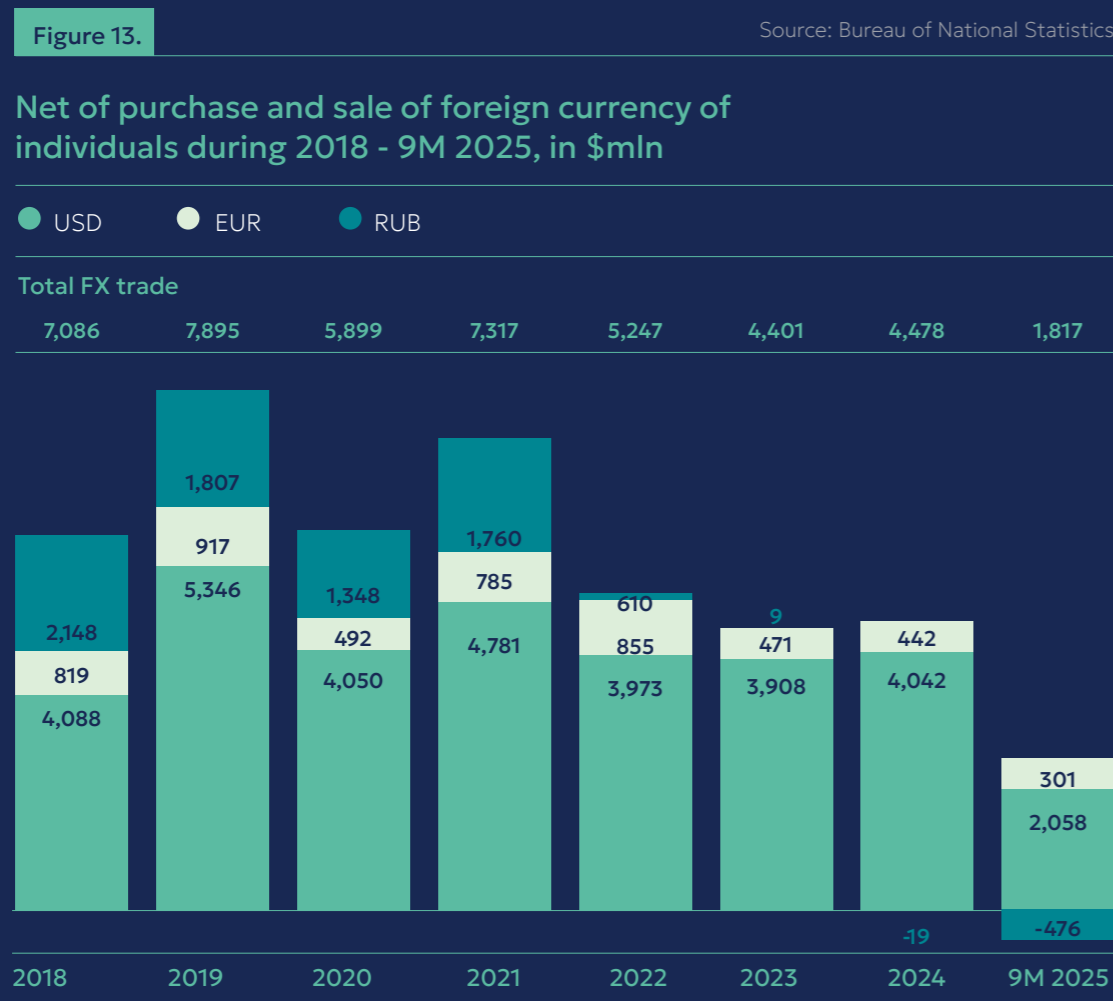
³⁹ Scot Holland, National Bank of Kazakhstan, Bureau of National Statistics

³⁸ University of Central Asia – Real Estate Market Evolution and Monetary Policy in Kazakhstan

3.3.3 FOREIGN CURRENCY: LEGACY OF PAST SHOCKS AND CONTINUING HEDGE

Despite gradual de-dollarization of bank deposits, foreign-currency holdings remain a key component of household portfolios, both in the form of FX deposits and cash purchased through exchange offices. Figure 13, based on National Bank statistics, illustrates net purchases of foreign currency by individuals between 2018 and the first nine months of 2025. Total net FX purchases fluctuated between roughly \$5–8 billion per year in

2018–2019, dipped during the COVID-19 pandemic in 2020, rebounded in 2021 amid heightened uncertainty, and have since moderated, with 9M 2025 figures significantly below the earlier peaks. Throughout the period, USD dominates the currency mix, while EUR has a modest and declining role; the share of RUB transactions increased notably around 2022–2023, reflecting regional trade and migration patterns, and then partially normalized.



households continue to view foreign currency as a hedge against exchange rate risk and domestic inflation

The underlying motivations are straightforward. Repeated episodes of sharp tenge depreciation have left a deep behavioural imprint: households continue to view foreign currency – especially USD – as a hedge against exchange-rate risk and domestic inflation. While official statistics show that the share of FX deposits in total deposits has fallen compared to mid-2010s highs, the persistence of sizeable net FX purchases indicates that many households still convert surplus tenge income into cash dollars or euros rather than channeling it into local financial instruments⁴⁰.

Several factors contribute to this preference, including the ease and familiarity of purchasing cash FX at exchanges, the frequent use of foreign currency in large transactions, and periods of elevated geopolitical uncertainty. At the same time, tighter regulation of exchange offices and a more credible monetary policy framework have cumulatively reduced extreme dollarization compared to the past, opening some room for tengedenominated savings products and capital-market instruments to compete.

⁴⁰ World Bank – Financial Sector Assessment (Kazakhstan), IMF Country Report No. 24/46

3.3.4 IMPLICATIONS FOR RETAIL INVESTING AND CAPITAL-MARKET DEVELOPMENT

The current composition of household assets has several important implications for the development of retail investing in Kazakhstan.

01

First, the sizeable volume of savings already held in deposits, real estate and foreign currency suggests that households have a meaningful base of financial resources. However, these resources are concentrated in instruments that prioritise liquidity and perceived safety. Any shift toward greater use of capitalmarket instruments will therefore depend on the availability of products that address these same needs – such as low-risk bond funds, diversified ETFs, and transparent savingsinvestment hybrids.

02

Second, the concentration of wealth in a narrow set of assets leaves households exposed to specific domestic risks, such as movements in housing prices, interest-rate adjustments or sudden changes in the exchange rate. Diversifying across a broader mix of instruments – including equities, bonds, ETFs, mutual funds and pension products – could help spread risk more evenly and improve longterm resilience.

03

Third, trust and institutional reliability play a central role in shaping household behaviour. Deposit insurance, stable property rights and easy access to currency exchange have contributed to today's savings patterns. Expanding retail participation in capital markets might likely require a similar degree of clarity and confidence: transparent regulation, strong investor protection, straightforward digital access, and consistent macroeconomic communication.

In this context, ongoing work by the Astana International Financial Centre, domestic exchanges and regulatory authorities aims to create an environment in which households can gradually complement traditional savings tools with more diversified investment strategies. Experience in other markets suggests that such a transition tends to be incremental, evolving with improvements in financial literacy, product availability and trust in financial institutions.

3.4 RETAIL PARTICIPATION IN KAZAKHSTAN'S CAPITAL MARKETS

Kazakhstan's retail investing landscape today is characterised by rapid market development alongside relatively conservative household balance sheets. On the one hand, the country has seen a sharp increase in the number of brokerage accounts, a successful track record of large privatisation IPOs with strong household participation, and rapid digitalisation of access through mobile brokers and superapps. On the other hand, the majority of household wealth still sits in bank deposits, housing and foreign currency, while collective investment schemes and capital-market instruments remain a relatively small part of the average family's balance sheet.

3.4.1 KAZAKHSTAN IN THE GLOBAL RETAIL INVESTING LANDSCAPE

In many advanced economies, a substantial share of households participates in capital markets either directly or through funds. In many of these markets, equities, debt instruments, and investment funds now complement bank deposits as standard elements of household savings (see Section 2).

Kazakhstan is at an earlier stage of this transition. Retail participation has grown rapidly since the late 2010s, driven by mobile access, new investment platforms and a series of high-profile IPOs. Yet financial wealth remains concentrated in bank deposits and real estate. These preferences

reflect a long-standing emphasis on liquidity, stability and inflation protection – features that traditional investment instruments may not fully replicate.

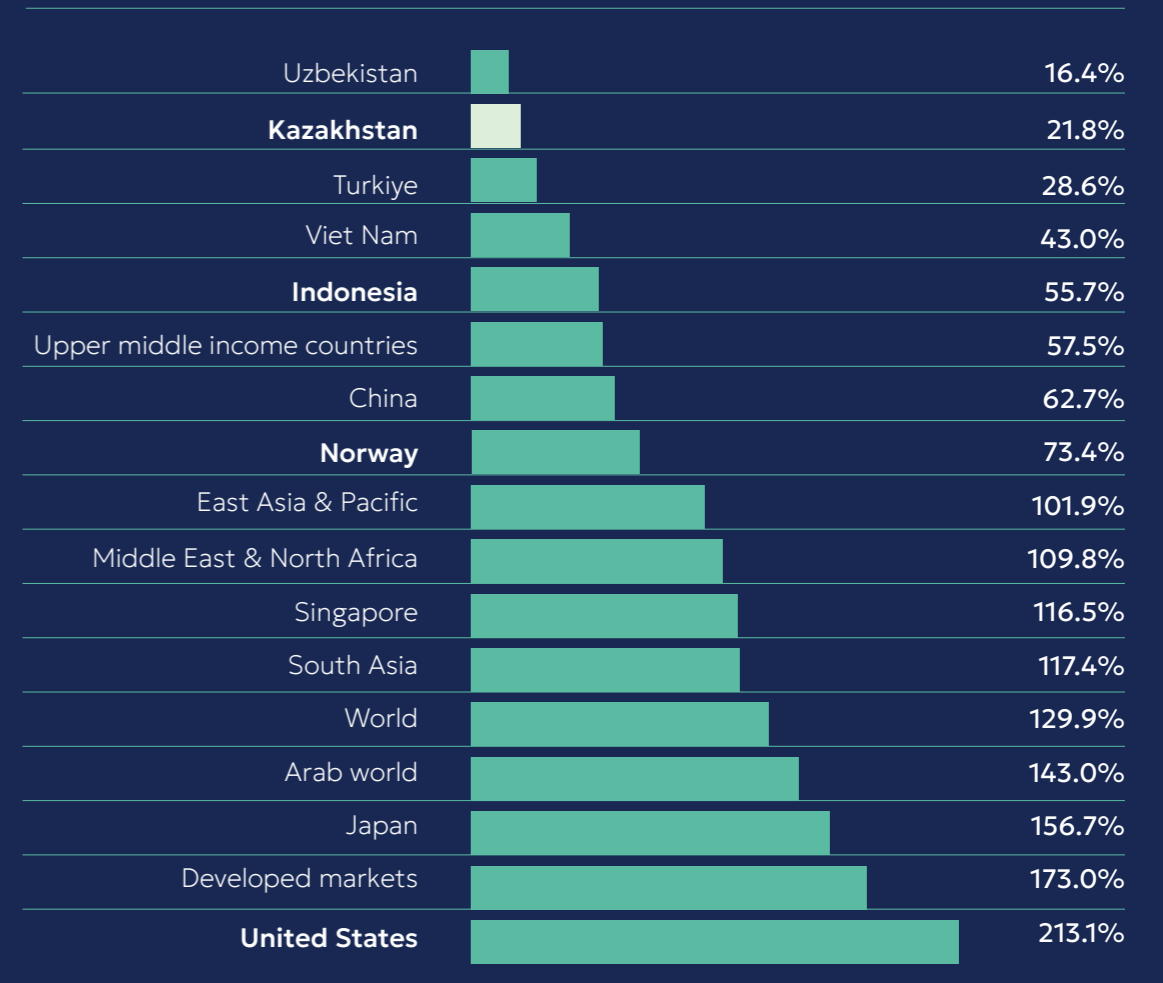
The size of Kazakhstan's capital market also shapes this dynamic. **Stock-market capitalization was 21.8% of GDP at end-2024, well below the levels observed in developed markets**, where the figure often exceeds 150–170% of GDP⁴¹ (see Figure 14).

⁴¹ Анализ МФЦА по базе данных Всемирного банка (рыночная капитализация отечественных компаний, котирующихся на бирже (% от ВВП))

Figure 14.

Source: World Bank DataBank, CEIC, AIFC Analysis

Stock market capitalization to GDP for selected countries and markets, and for Kazakhstan as at end-2024, %



At the same time, the rapid increase in brokerage accounts signals rising interest and a broader base of potential investors. The challenge – and opportunity – lies in translating this initial engagement into sustained participation supported by accessible products, clear communication and confidence in market institutions.

3.4.2

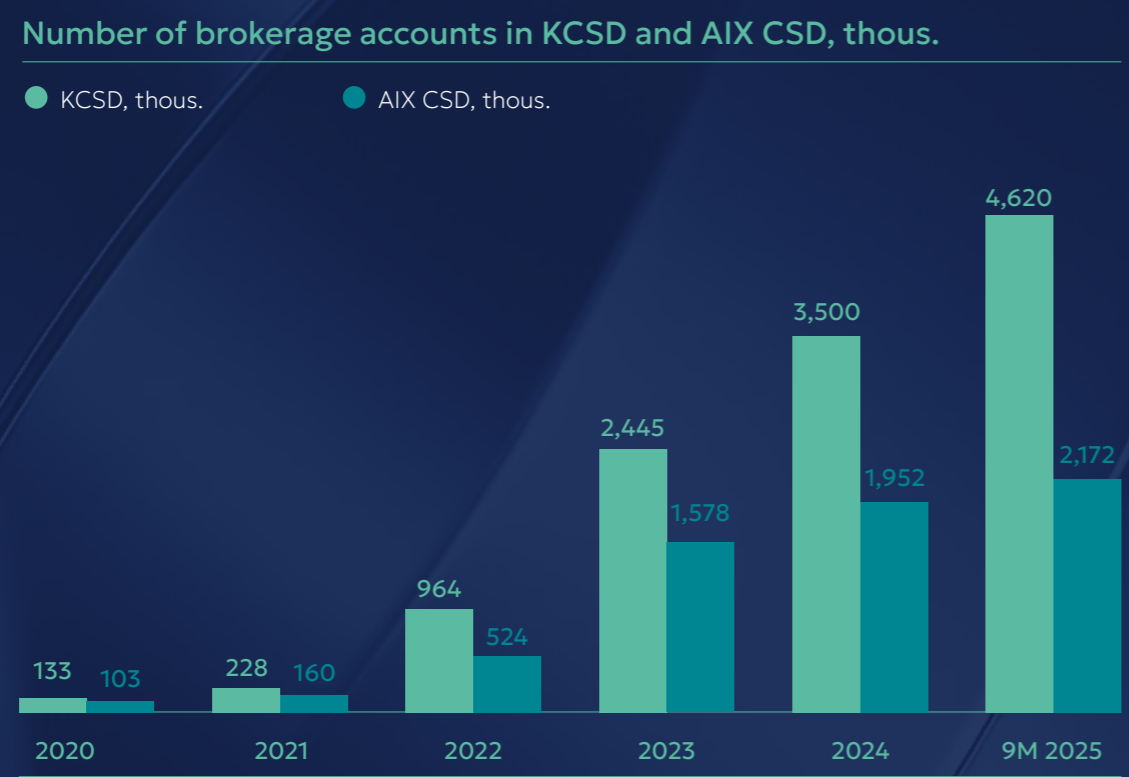
THE RETAIL SOVEREIGN: A STRUCTURAL ANALYSIS OF THE KAZAKHSTANI CAPITAL MARKET AND RETAIL PARTICIPATION

The evolution of Kazakhstan’s capital market in 2024–2025 reflects a period of notable activity and growing retail presence. While the market has expanded before, the recent phase is characterised less by isolated events and more by ongoing shifts in how households and institutions allocate capital.

As at end-September 2025, the number of retail accounts reached **4.62 million accounts on KCSD*** and **2.17 million accounts on AIX****. These figures indicate that participation has expanded well beyond early adopters and now reaches a broad segment of the population.

! Note: KCSD and AIX CSD figures reflect the number of brokerage accounts recorded within their respective depository systems and are compiled under different accounting and classification rules, including differences in the use of omnibus structures versus personal account recording. Accordingly, the metrics are not intended for direct cross-venue comparison and should not be aggregated: simple addition does not represent the total number of accounts in Kazakhstan’s market and may result in double counting. These figures are also not a direct measure of the number of retail investors.

Figure 15. Source: KCSD, AIX CSD



THE MECHANICS OF MASS ADOPTION: OMNIBUS VS. SUB-ACCOUNTS

The recent growth in investor numbers reflects two different participation structures.

OMNIBUS ACCOUNTS – the dominant category, representing more than 80% of all accounts, are used by fintech-based brokerages and mobile-first platforms. They offer simple onboarding and low minimum investment thresholds.

SEGREGATED SUB-ACCOUNTS, numbering **695,311**, are typically associated with more experienced and active investors. While smaller in absolute terms, this segment has demonstrated resilience and steady accumulation, growing from just 133 thousand accounts in 2020.

This indicates that access to capital markets has become significantly easier, with many individuals entering the market through familiar banking or mobile applications. At the same time, more experienced and active investors are concentrated within the segregated sub-account segment.

Figure 16. Source: KCSD

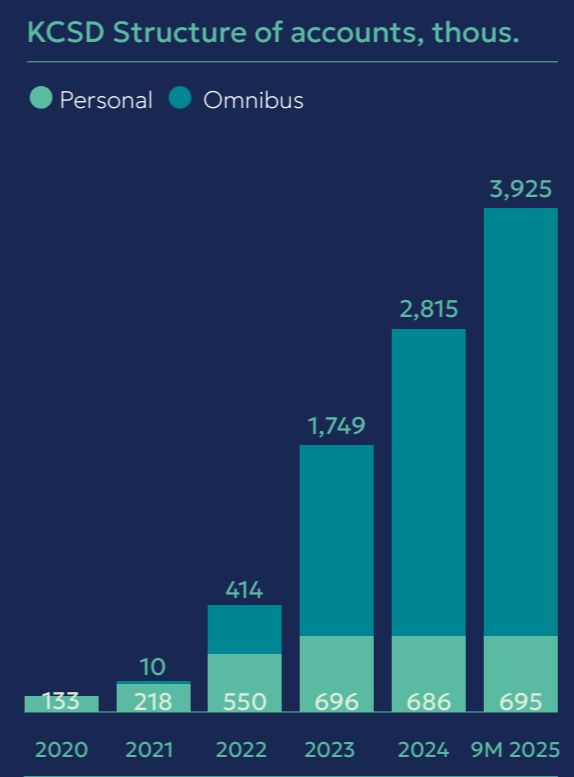
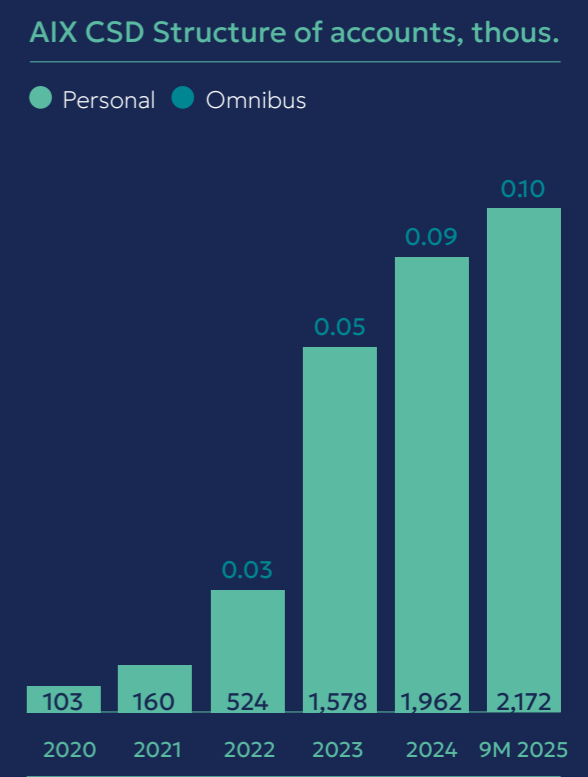


Figure 17. Source: AIX



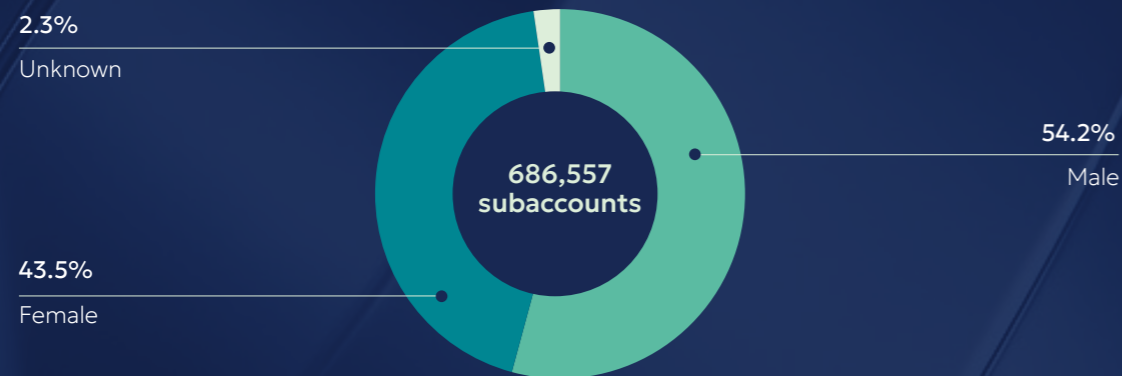
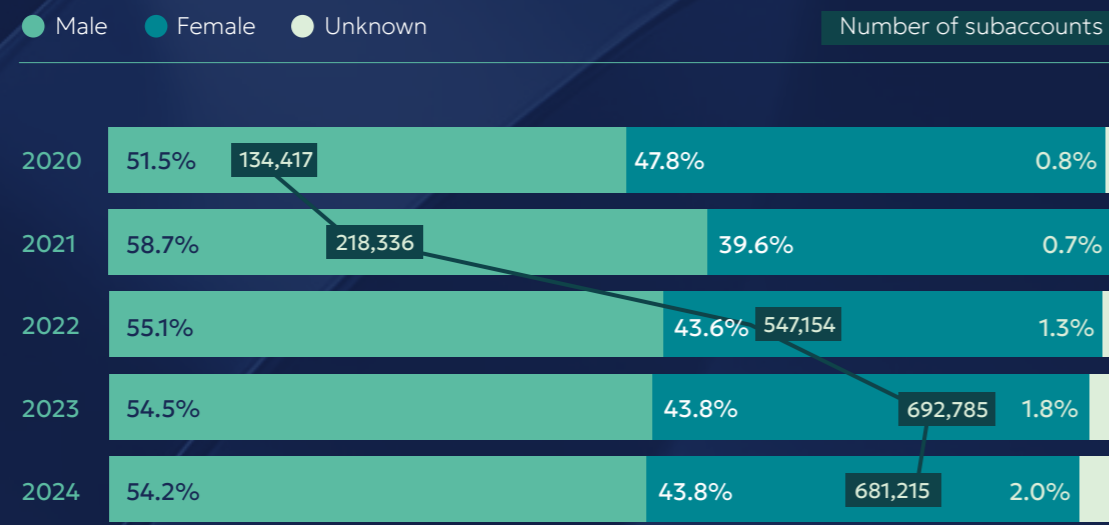
INVESTOR PORTRAIT: GENDER, AGE

The KCSD gender breakdown indicates that the retail investor base in Kazakhstan is almost balanced by number of accounts, but **remains asymmetric in terms of asset ownership**. Men consistently hold a slight majority of sub-accounts (around 54% in 1H 2025), while women account for about 44%. However, men’s portfolios account for a significantly larger share of the value of securities: their share of security holdings has increased to roughly two thirds of total assets by 2024 – 1H 2025, whereas women’s share fluctuates around 28–31%.

Figure 18.

Source: KCSD

Subaccounts breakdown by gender, %

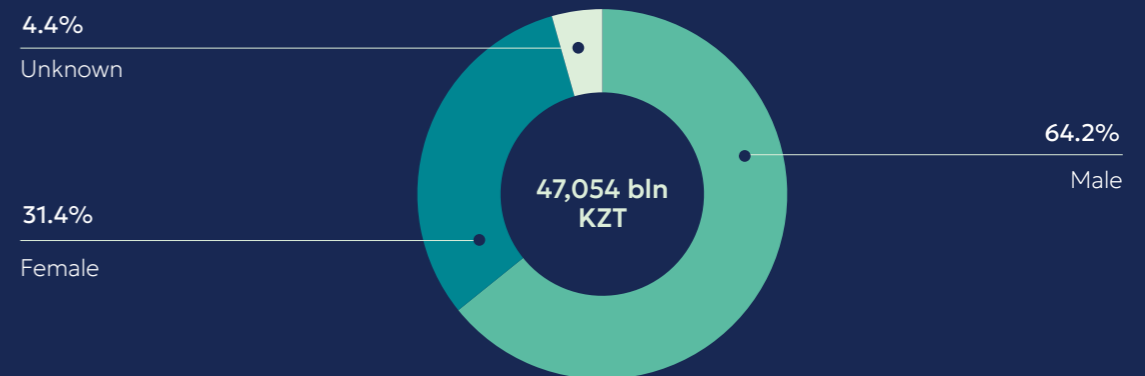
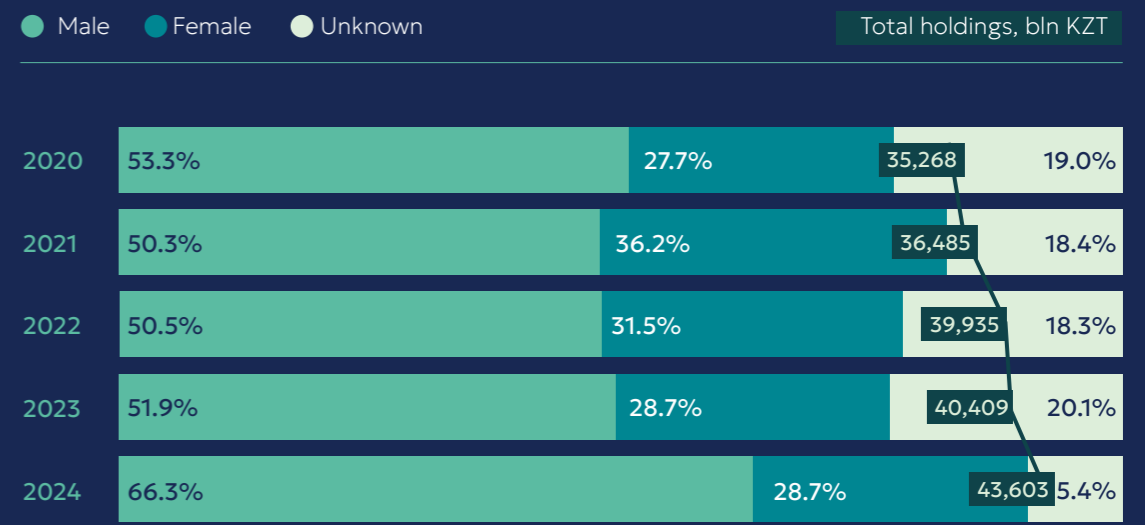


1H 2025

Figure 19.

Source: KCSD

Individuals' security holding breakdown by gender, %



1H 2025

Data on the age breakdown show that the recent expansion of the retail investor base is driven primarily by younger working-age cohorts. The 25–34 and 35–54 age groups together account for the majority of sub-accounts, with the 25–34 segment increasing its share to just over 32% and the 35–54 segment stabilising at around 39%. The 18–24 group has also expanded

and now represents roughly 15–17% of sub-accounts, which is consistent with the diffusion of mobile brokerage applications and low-ticket entry products. At the same time, the share of investors aged 55+ in the total number of accounts has declined from around 30% at the beginning of the period to 12–15% in recent years, suggesting limited inflow of new older investors.

Figure 20.

Source: KCSD

Subaccounts breakdown by age, 2020-2024, %

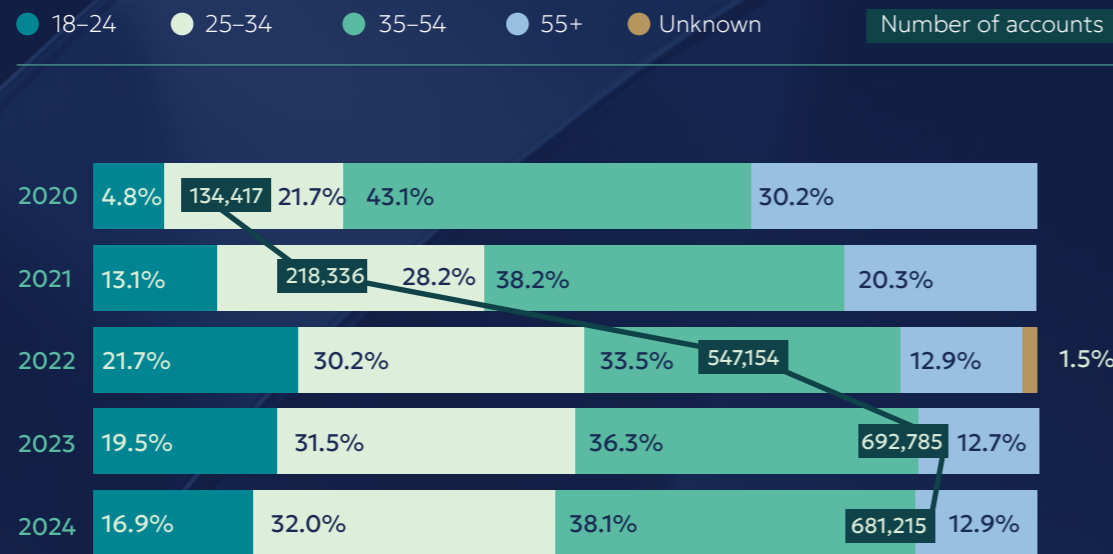
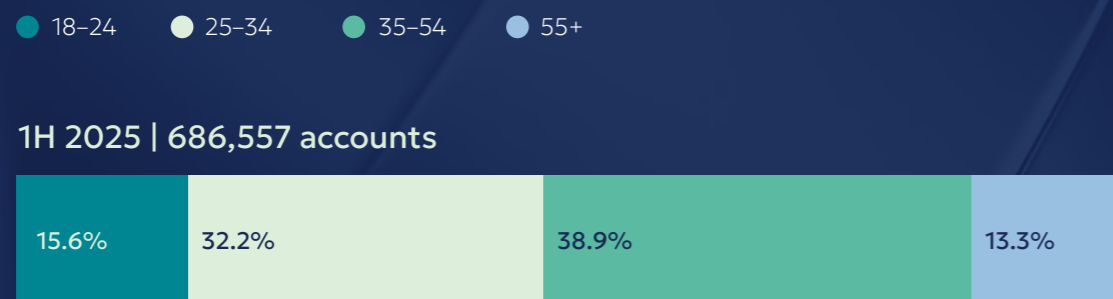


Figure 21.

Source: KCSD

Subaccounts breakdown by age, as of end-June 2025, %



When measured by the value of securities, however, capital remains concentrated among older age groups. Investors aged 35–54 and 55+ together hold the dominant share of assets – over 70% of total security holdings in 1H 2025 – while investors under 35, despite accounting for almost half of all sub-accounts, control less than 10% of the

portfolio value. This points to a pronounced generational gradient in wealth and market influence: younger investors are increasingly shaping trading activity and demand for digital, transaction-oriented products, whereas voting power and price-setting capacity remain largely with middle-aged and older cohorts.

Figure 22.

Source: KCSD

Individuals' security holding breakdown by age, 2020-2024, %

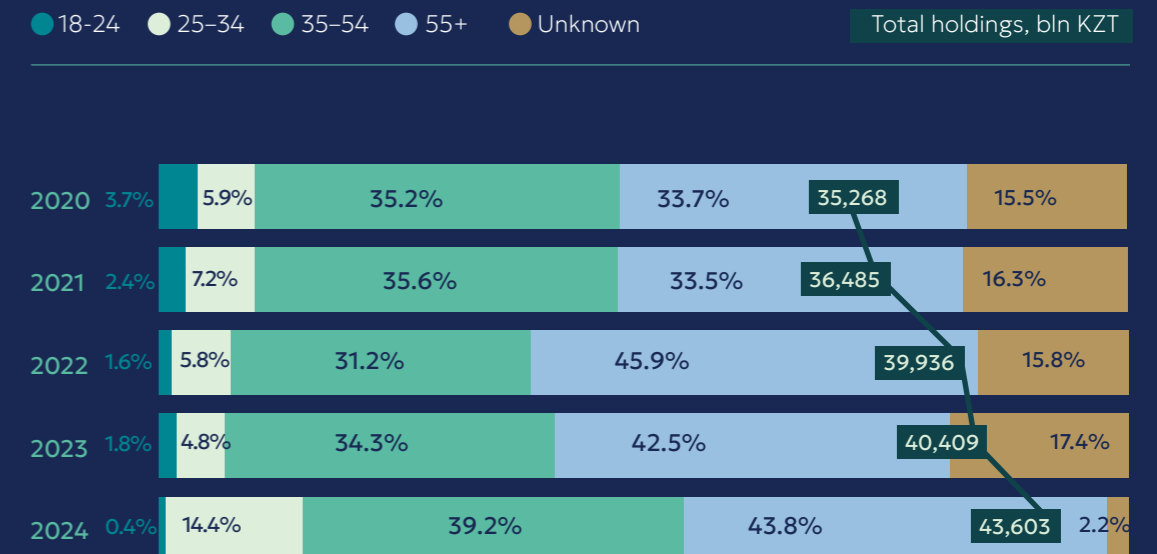
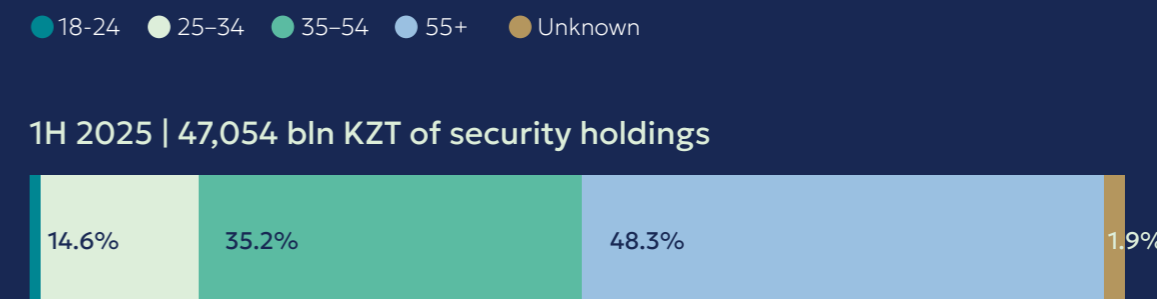


Figure 23.

Source: KCSD

Individuals' security holding breakdown by age, as of end-June 2025, %



3.5 RETAIL INVESTORS IN THE PUBLIC EQUITY MARKET

3.5.1

LIQUIDITY DOMINANCE AND THE RETREAT OF FOREIGN CAPITAL

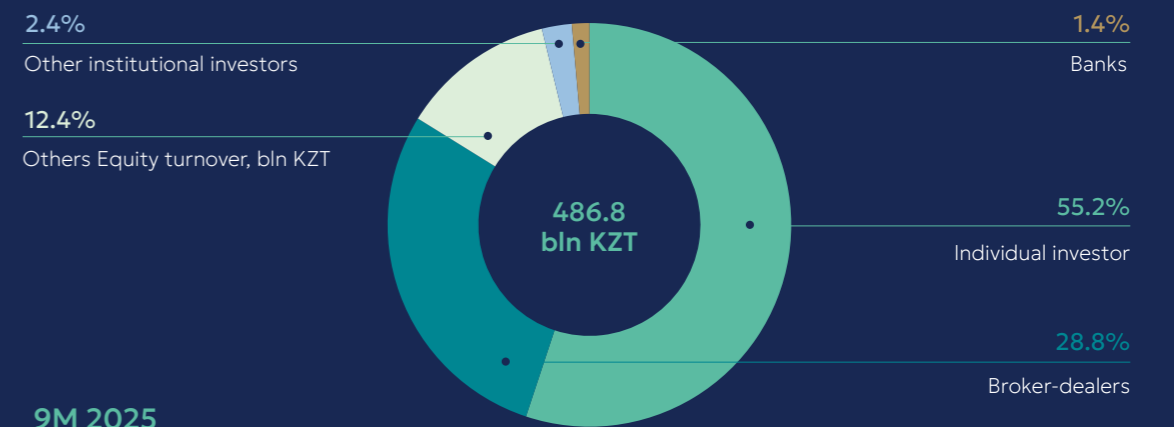
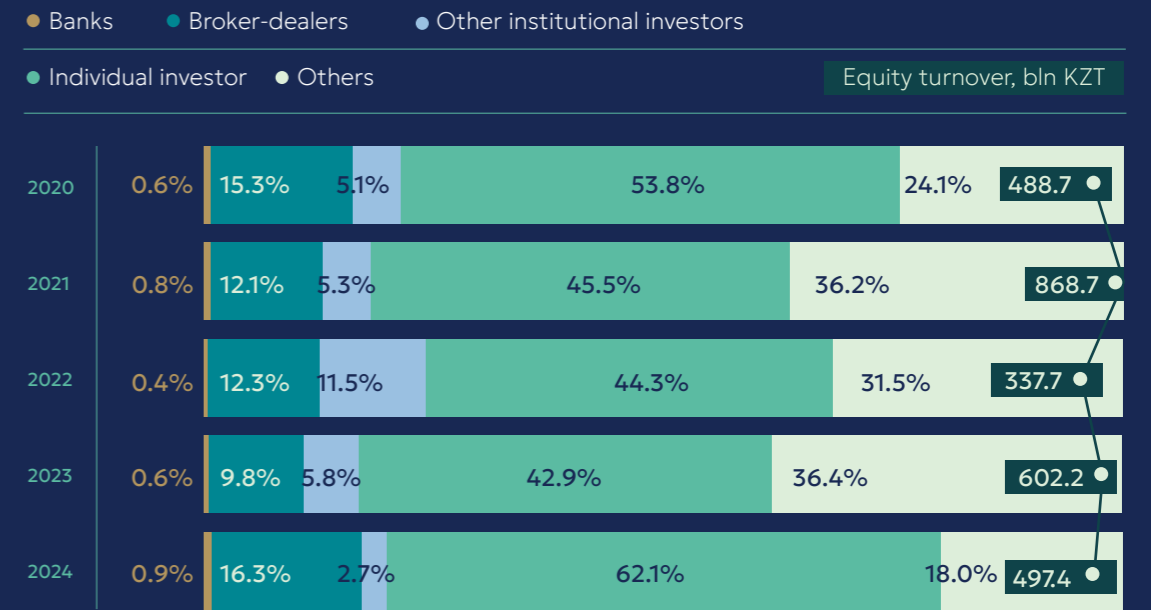
One of the most important trends is the change in who provides market liquidity. **Retail investors now account for the majority of trading activity in several on-exchange segments.** In 2024, individuals generated 62.1% of the gross turnover on the secondary equity market. Although this share moderated slightly to 55.2% in the first nine months of 2025, it remains very substantial. KASE data also show that **individuals executed about 3.6 million purchase and sale transactions on the stock market in 2024 and around 4.5 million trades in just the first nine months of 2025**, underscoring how frequently retail investors now use exchange-traded instruments.

KASE's equity-market statistics show that while aggregate trading volumes have fluctuated, **retail activity has intensified** and average ticket sizes have shrunk – a pattern consistent with broader “mass retailisation” seen in other markets.

Figure 24.

Source: KASE

Retail investor participation in the secondary equity market, in %, and total turnover, in bln KZT



9M 2025

This rise of the domestic retail investor coincides with a marked reduction in foreign capital participation in the secondary market. Foreign investor participation declined to 6.9% of gross turnover in 2024. As a result,

the pricing of national blue-chip assets is now driven mainly by domestic sentiment and household savings flows, which increases the importance of local investor behaviour for market dynamics.

3.5.2 RETAIL INVESTORS AND COLLECTIVE INVESTMENT VEHICLES

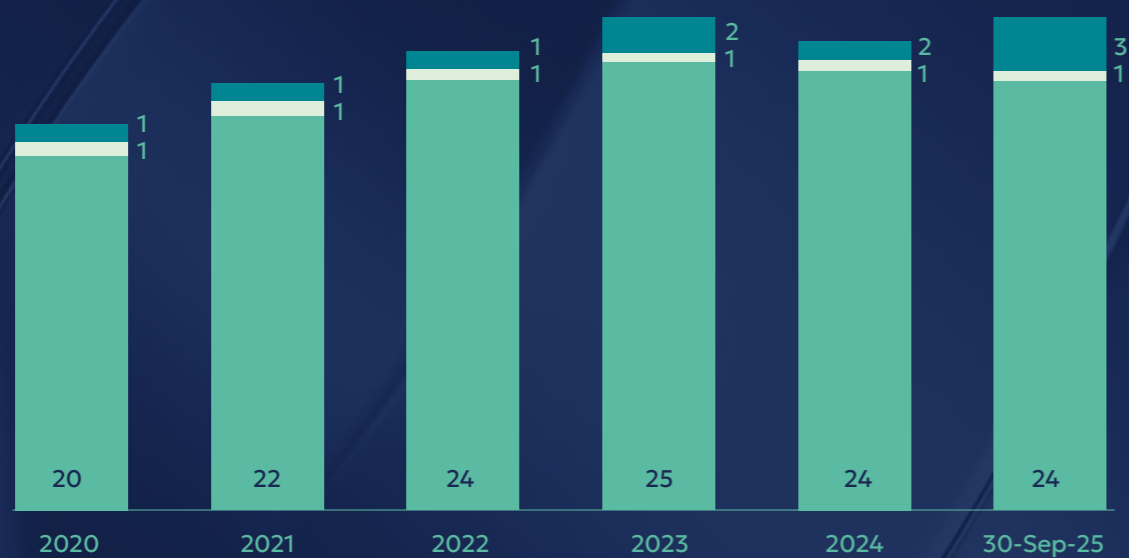
Collective investment vehicles are still a niche channel for Kazakhstani households, but one with a clearly widening base. Under national regulation, 28 mutual funds managed by 11 companies hold around \$206.1 million in assets as at endSeptember 2025, with the product range dominated by interval funds.

Figure 25.

Source: National Bank of Kazakhstan

Number of mutual funds

● Interval ● Open-ended ● Closed-ended



On the exchange side, trading in securities of investment funds and the single ETF listed on KASE remains modest and strongly institutional: banks and other legal entities generate most turnover, while households account for only a minor share.

Figure 26.

Source: National Bank of Kazakhstan

Assets under management (AUM) of mutual funds in Kazakhstan, \$mln

● Open-ended / Interval ● Closed-ended ● Number of unit holders

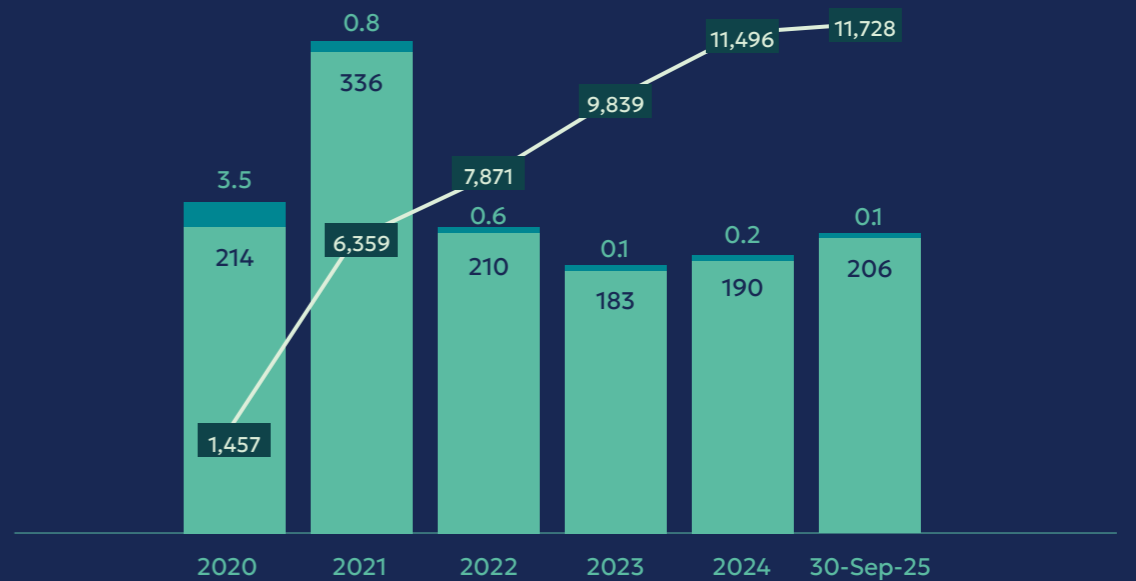


Figure 27.

Source: KASE

Trading volume of mutual funds on KASE, bln KZT

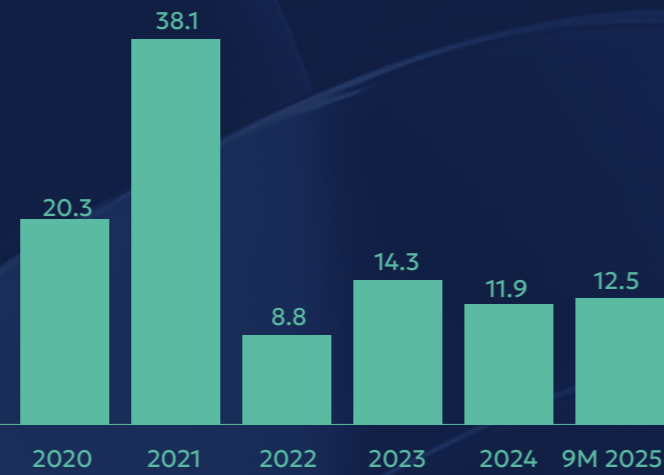
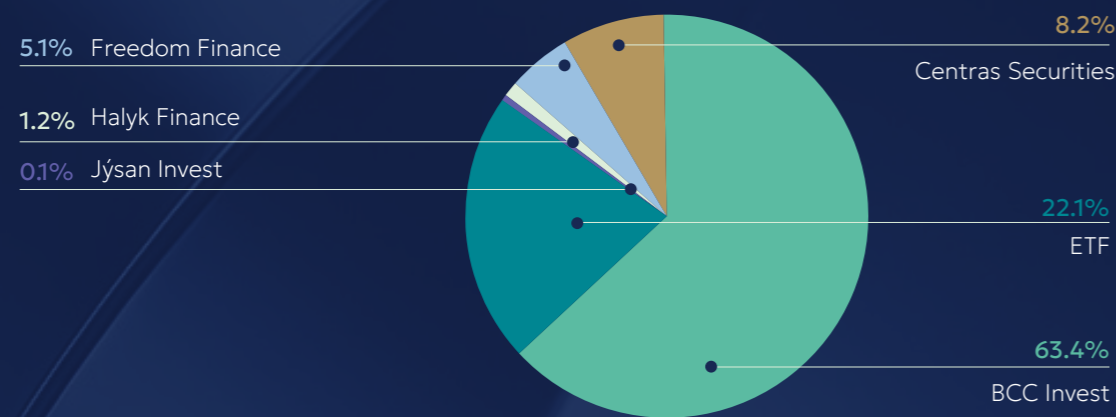


Figure 28.

Source: KASE

Breakdown of the trading volume for 9M 2025 by funds, %



Within this market, BCC Invest stands out as the leading provider, responsible for roughly one-third of total trading in fund securities over 9M 2025, well ahead of other managers and the ETF. The main development opportunity is to leverage

such leading platforms to offer simple open-ended funds and ETFs through mobile-broker channels, turning collective vehicles into practical diversification tools for mass retail investors.

IMPLICATIONS FOR MARKET DEVELOPMENT

01

RETAIL INVESTORS ARE ALREADY THE MAIN MARGINAL PLAYER in many on-exchange segments: they generate over 60% of secondary equity turnover, almost half of microlender bond trading, and more than half of investment fund securities turnover.

02

Brokerage accounts are widespread, but **MOST INVESTORS HOLD RELATIVELY SMALL PORTFOLIOS**, often focused on a limited number of blue-chip shares and higher-yield bonds.

03

TRADING PATTERNS HAVE SHIFTED: recent years have seen a move from infrequent, large trades to frequent, small trades, reflecting the rise of mobile brokerage apps and the entry of new investor cohorts.

04

Retail investment remains modest relative to household balance sheets: it still represents only a relatively thin layer on top of a deposit-, housing- and FX-dominated household balance sheet, suggesting substantial room for growth if trust, product diversity and investor protection continue to improve.

3.6 RETAIL PARTICIPATION IN PUBLIC EQUITY OFFERINGS

The Rise of the Retail Investor:

Participation in Kazakhstan's IPOs The growth of Kazakhstan's retail investor base has been one of the notable changes in its domestic financial system over the last decade. This process was deliberately initiated by the government's "People's IPO" privatization programme for stateowned assets held by the SamrukKazyna Sovereign Wealth Fund.

Over time, this initiative has evolved from domestic offerings into more complex, multi-exchange listings. In doing so, it has helped form a broad group of local investors who now play a visible role in key equity offerings.

GENESIS AND DESIGN OF THE PEOPLE'S IPO

The People's IPO was launched in 2011 as a flagship initiative of Samruk-Kazyna to:

01

give citizens direct access to "national champions",

02

deepen the domestic equity market, and

03

channel household savings into long-term tenge assets.

" Ordinary citizens of our country should be able to purchase shares of national companies and receive their dividends from investments. This is the way that the investment culture of the population is formed. Participation in the IPO should become available absolutely to all residents of Kazakhstan. For this purpose we need new digital solutions that eliminate paperwork and bureaucracy. "

**President of the Republic of Kazakhstan
Tokayev K.K.⁴²**

The programme foresaw a phased listing of major Samruk-Kazyna portfolio companies on KASE, giving priority in share allocation to Kazakh citizens and domestic institutional investors.

Kazakhstan's programme of listing national champions has so far produced several landmark IPOs that have gradually broadened the domestic equity base and created

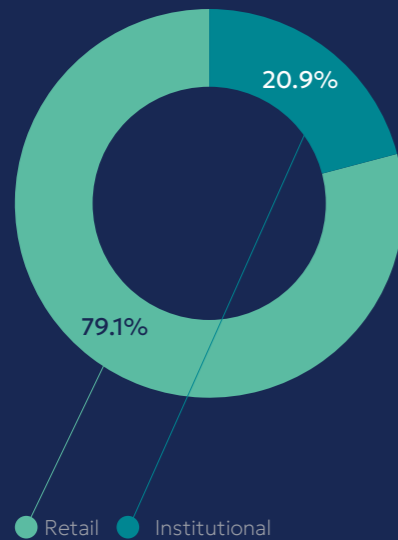
a track-record of participation by retail investors. The first wave under the People's IPO programme focused on KazTransOil and KEGOC, while a second wave under the Comprehensive Privatization Plan⁴³ brought Kazatomprom, KazMunayGas and later Air Astana to the market. Earlier listings of Kazakhtelecom and Kcell can be viewed as precursors of this policy.

⁴² Official website of the President of the Republic of Kazakhstan

⁴³ adilet.zan.kz - On Certain Issues of Privatization for 2021-2025

KAZTRANSOIL (2012, KASE)

Offering: KZT 27.9 bln



KazTransOil was the pilot transaction of the People's IPO in 2012. The company offered 38,463,559 ordinary shares on KASE at an IPO price of KZT 725 per share, implying a free-float of about 10% of the company. Demand from the population and pension funds was very strong: during the subscription period (6th November – 5th December, 2012) 34,687 applications were received for KZT 59.4 billion, so total

demand exceeded supply by more than two times. As a result, 34,687 applications were satisfied for KZT 27.9 billion, with retail investors accounting for 79.1% of the placed volume⁴⁴.

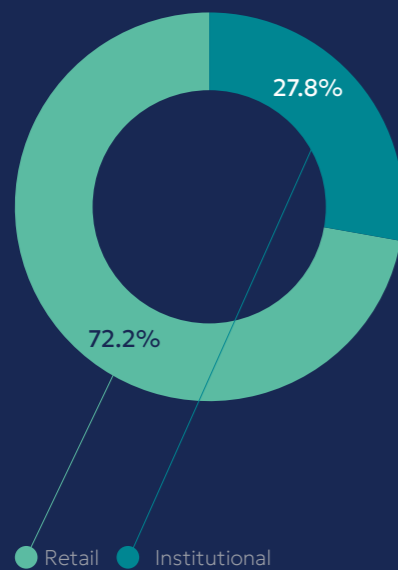
Since the IPO KazTransOil has positioned itself as a dividend story: by September 2025 total dividends paid reached KZT 508.8 billion⁴⁵.

⁴⁴ Samruk Kazyna IPO page

⁴⁵ KASE - KZTO ordinary share KZ1C00000744

KEGOC (2014, KASE)

Offering: KZT 13.1 bln



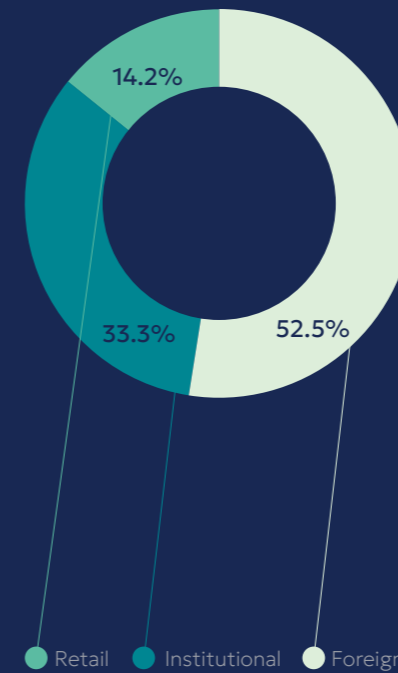
The second People's IPO was KEGOC in December 2014, also via a domestic subscription on KASE. The maximum offering volume was set at KZT 13.1 billion, while investors submitted 41,997 applications totalling KZT 16.67 billion, meaning demand exceeded supply by roughly 27%. Retail investors' applications were satisfied in full for KZT 9.5 billion, giving them 72.15% of the placed volume⁴⁶. The IPO price was set at KZT 505 per share; by

November-2025 KEGOC's share price was trading around three times that level and the company had paid out an estimated KZT 387.5 billion in dividends in total⁴⁶, underscoring the role of the security as a stable utility stock for domestic investors.

⁴⁶ KASE - KEGC ordinary share KZ1C00000959

KAZATOMPROM (2018, LSE & AIX)

Offering: \$451 mln



Kazatomprom's November 2018 IPO marked the first international listing of a Samruk-Kazyna portfolio company. The fund sold 14.92% of the company, or 38,694,708 shares/GDRs, through a dual listing on the London Stock Exchange (LSE) and Astana International Exchange (AIX). The offer price was set at \$11.6 per GDR and KZT 4,322.74 per share. Roughly 86% of the offered stake was placed on LSE and 14% on AIX, reflecting a predominantly international book but with a meaningful local tranche⁴⁷.

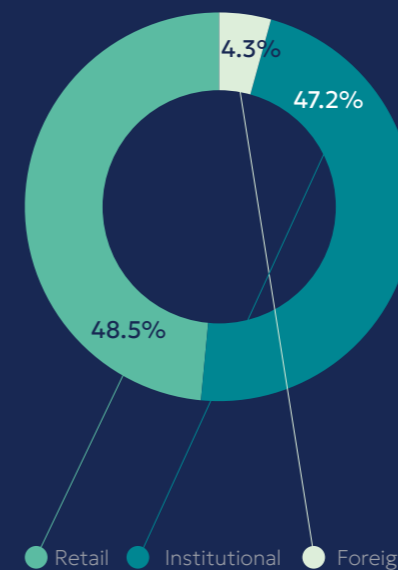
AIX later reported that local investors had purchased about \$63.8 million of securities in the IPO⁴⁷, and that local participation remained strong in subsequent secondary offerings, illustrating that Kazakhstani retail and domestic institutions are gradually becoming comfortable with crossborder blue-chip listings. By November 2025, the company had paid out around KZT 1.4 trillion dividends in total⁴⁸.

⁴⁷ AIX - Kazatomprom secondary offering

⁴⁸ KASE - KZAP ordinary share KZ1C00001619

KAZMUNAYGAS (2022, KASE & AIX)

Offering: KZT 153.9 bln



The 2022 IPO of KazMunayGas (KMG) represented the largest equity offering in Kazakhstan's history and the first major transaction of the 2021–2025 privatization plan. Samruk-Kazyna sold up to 3% of KMG's share capital (18,303,584 shares) to investors on KASE and AIX at an offer price of KZT 8,406 per share. The total IPO volume reached roughly KZT 153 billion, with over 129,000 individuals submitting applications⁴⁹.

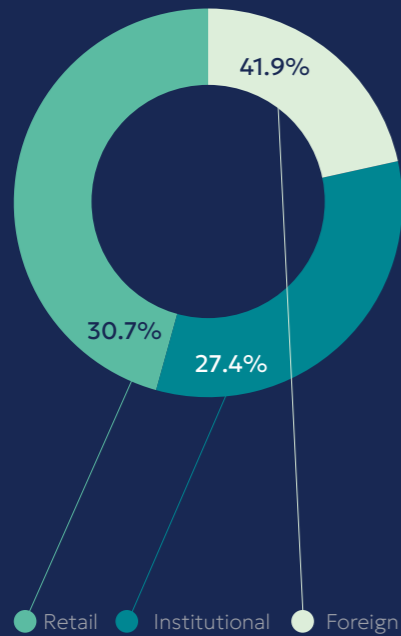
Citizens' applications were prioritised and satisfied in full, confirming strong domestic retail engagement. Post-listing performance has been robust: by November 2025 the KMG share price on KASE had risen to KZT 22,145.00, more than 2.5x the IPO price, corresponding to a market capitalisation of KZT 13.5 trillion. As of November 2025, the company's total dividends paid since the IPO amount to KZT 900 billion⁵⁰.

⁴⁹ KazMunayGas Official website - On IPO Results and Opening of Secondary Trading in JSC NC KazMunayGas Shares

⁵⁰ KASE - KMGZ ordinary share KZ1C00001122

AIR ASTANA (2024, LSE, AIX & KASE)

Offering: \$370 mln



Astana's February 2024 IPO extended the privatization story into the aviation sector and became another case study in broad retail participation. The company executed a triple listing on LSE, AIX and KASE, offering existing and new shares at \$9.50 per GDR and KZT 1,074 per local share, valuing the equity at around \$847–850 million and raising \$370 million⁵¹. Retail investors submitted nearly 60,000 orders totaling about \$216 million. Based on the final allocation, retail accounted

for 30.7% of the total offering, which is roughly \$114 million out of the \$370 offering meaning that individual investors received 53% of their total demand. It highlights how the local brokerage infrastructure developed since the People's IPOs now channels sizeable household savings into new issues. Air Astana Group has recently announced their first dividend payout to investors since the IPO in the amount KZT 19.1 billion.

⁵¹ Samruk Kazyna Official website - Air Astana Group to Announce the Successful Completion of the IPO

⁵² Air Astana Official website - Air Astana Group successfully completes its IPO

TABYS: AN AIFC ECOSYSTEM DIGITAL PRODUCT FOR RETAIL INVESTORS



To support broader public participation in capital markets, the AIFC ecosystem has been developing convenient digital solutions, including Tabys. Launched by AIX in December 2020, the app aims to improve financial and investment literacy and make securities-market instruments more accessible to the public. Tabys' core product offering is exchange-traded notes (ETNs) listed on AIX: over five years, 16 instruments were introduced, including exposures to U.S. technology equities and bonds, the Chinese market, Kazakhstan-linked assets, gold, oil, and a crypto ETN. Total trading volume has exceeded \$71 million.

In 2022, Tabys introduced a direct IPO subscription feature for Kazakhstan-listed offerings. The pilot was implemented during the KazMunayGas IPO in partnership with Kazpost, raising more than KZT 1 billion through this channel. The functionality was later used in other offerings, including KEGOC and Air Astana. During the Air Astana IPO, over 3,400 applications submitted via Tabys were satisfied for a total of more than KZT 500 million.

These offerings show an evolution in Kazakhstan's equity market. The early People's IPOs of KazTransOil and KEGOC focused on creating a mass retail shareholder base via KASE, with issue sizes measured in tens of billions of tenge and strong oversubscription from individual investors. Subsequent larger and more complex transactions – Kazatomprom, KazMunayGas and Air Astana – have combined international bookbuilding through LSE with substantial domestic tranches on AIX and KASE. Across this sequence, the number of retail accounts involved and the share of allocations going to households have grown steadily, illustrating both the maturation of local capital-market infrastructure and the gradual deepening of Kazakhstan's retail investment culture.

PRIOR IPoS WITH KAZAKHSTANI RETAIL PARTICIPATION

Beyond the Samruk-Kazyna portfolio, several large offerings have involved Kazakh retail investors to certain degrees:

KazMunayGas Exploration & Production (2006). The IPO of KMG EP on KASE and the LSE in 2006 – raising about \$2.0 billion – is generally regarded as Kazakhstan's first modern IPO⁵³. While most of the placement went to institutional investors, domestic individuals participated through the KASE leg.

Kazakhtelecom (listed since 1997, KASE). In 2006 the Government placed a 4.6% stake (497,597 ordinary shares) in Kazakhtelecom, with 90% of the package reserved for the population and 10% for institutions. Retail demand was strong: 6,477 accepted applications requested about 2.94 million shares, oversubscribing the "population" tranche by ~6.5x; after pro-rata allocation households acquired 399,187 shares worth KZT 12.2 billion at an average price of KZT 30,560, i.e. just over 80% of the offered stake and around 3.7% of the company's capital⁵⁴. Since then, the company has paid more than KZT 491 billion in dividends.

Kcell (2012, LSE & KASE). Kcell's December 2012 IPO offered 50 million shares (25% of capital) as GDRs on LSE and common shares on KASE at \$10.50 per GDR and KZT 1,578.7 per share, raising about \$525 million and valuing the company at roughly \$2.1 billion. The deal attracted both domestic (8%) and international (92%) investors and became an early benchmark dual listing for a Kazakh blue chip⁵⁵.

⁵³ KASE Market and Company News

⁵⁴ InBusiness - From the History of Kazakhtelecom stock

⁵⁵ KCELL IPO

3.7 RETAIL INVESTORS IN THE PUBLIC DEBT MARKET

Retail investors' footprint in Kazakhstan's debt listings remains modest compared to equities, but it has started to expand, particularly in higher-yield corporate segments. The bulk of local debt issuance still comes from sovereign and quasi-sovereign borrowers, with banks, development institutions and state-owned holdings dominating primary placements on KASE and, increasingly, on AIX. As of mid2025, corporate debt instruments listed on KASE amounted to about KZT 13.7 trillion in outstanding volume, while government securities reached around KZT 30 trillion at par, underlining the central role of fixed income in domestic capital markets.

In this environment, individuals are far more active in equities than in bonds. According to KASE's report for the first nine month of 2025 (Figure 24), retail investors

accounted for 55.2% of secondary equity trading volumes, whereas their share in the secondary corporate bond market was 23.1% over the same period. The contrast is even sharper on the primary market: individuals represented just 2.4% of demand in primary corporate bond placements for the nine months of 2025, where institutional investors continue to dominate⁵⁶.

The share of individuals participating in the corporate bonds market surged from 3.8% in 2021 to a substantial **23.1% by September 2025**. This capital is concentrated in the higher-yield Microfinance Organization (MFO) sector. In 2024, trading volume in MFO bonds increased by 84.2%, with individuals accounting for 46.8% of all secondary market volume.

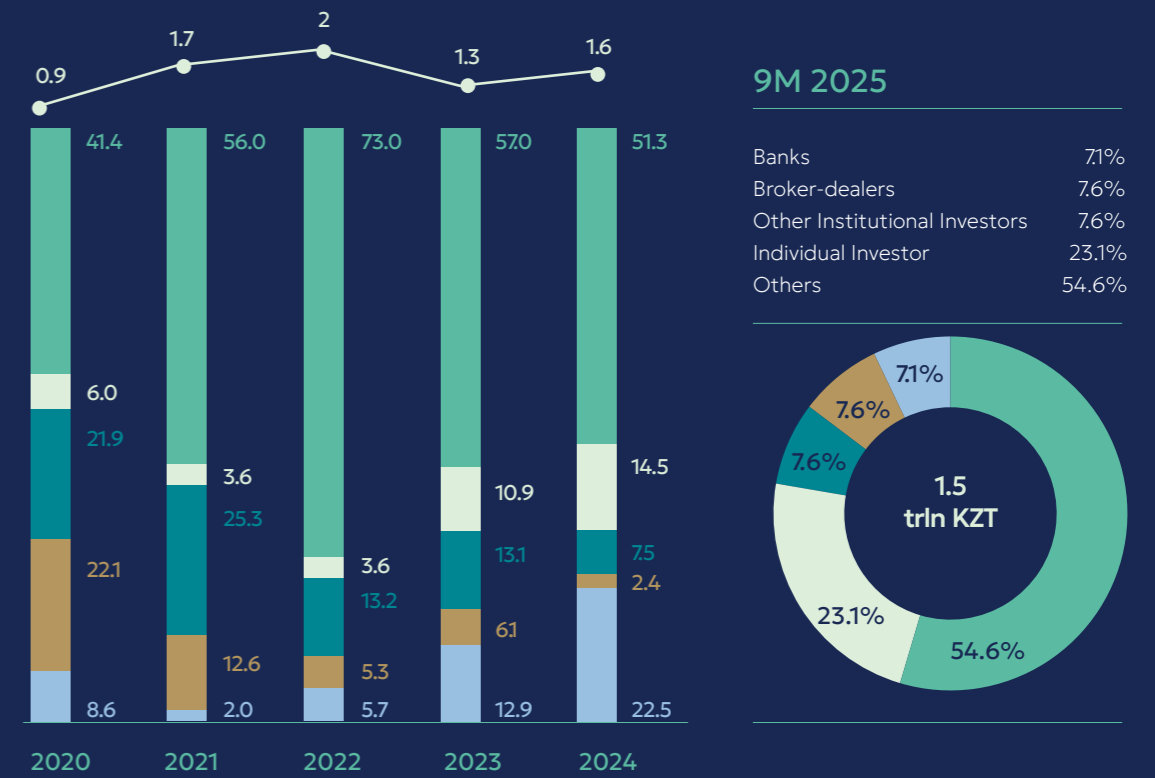
⁵⁶ KASE – Announcement of Q3 and nine months of 2025 exchange market performance

Figure 29.

Source: KCSD

Retail investors' participation in the secondary corporate bond market, 2020 - 9M 2025

● Banks ● Broker-dealers ● Other Institutional Investors ● Individual Investor ● Others



This behaviour is consistent with a risk-return calculation by households. Facing high inflation and elevated NBK base rates, investors are bypassing traditional bank deposits in favour of MFO bonds (such as the actively traded MFRFb16 and MFOk20 issues) that offer premiums over the risk-free rate. In this way, retail investors have become an important funding source for the non-bank lending sector.

Within corporate debt listings, retail demand is concentrated in a subset of higher-yielding instruments and consumer-facing issuers. KASE data show active primary and secondary trading in bonds of microfinance organizations, leasing companies, pawnshops and selected corporates, with coupons often in the 16–22% range in tenge (see Figure 28), reflecting the high rate domestic environment. Transactions such as BI Development's bond placements on AIX – explicitly described by the arranger as demonstrating the

“continued interest of Kazakh retail investors in high yield debt instruments” – illustrate how construction companies and non-bank lenders have started to use exchange-listed bonds as a funding channel for reaching household savings. At the same time, investor breakdowns suggest that even in this segment, legal entities (including corporates and professional investors) still account for around half of corporate bond trading volumes, with individuals forming a significant but minority group.

Figure 30.

Source: KASE

Corporate bond issuance in first nine months of 2025

ISSUER GROUP	MAIN ISSUERS SHOWN	VOLUME OF PLACEMENTS, 9M 2025 (BLN KZT)	YIELD, % P.A. (IN KZT)	YIELD, % P.A. (IN USD)	MATURITY OF PLACEMENTS (YEARS)	SHARE IN TOTAL VOLUME OF PLACEMENTS, %
QUASI-PUBLIC COMPANIES	Baiterek National Management Holding, Development Bank of Kazakhstan, Otbasny Bank, Samruk-Kazyna group entities, NITEC, Agrarian Credit Corporation, Kazakhstan Development Bank / Kazakhstan Housing & related entities	1,578.40	5.98–19.05	5.65	0.5–15.0	52.1
FINANCIAL SECTOR	Bank CenterCredit, Halyk Bank, Home Credit Bank, CL Group, BI Development	181.4	13.61–20.00	4.5	0.8–15.0	6
MICROFINANCE ORGANISATIONS	“AgroBusiness KZ” CP LLP, “Lombard GoldFinMarket” LLP, “MFO Robocash.kz” LLP, Birinshi Lombard, R-Finance, Solva, TAS Group, KMF, Toyota Financial Services	76.3	16.75–23.00	10	1.0–10.0	2.5
REAL SECTOR	Orbis Leasing, Jusan Mobile, TSSP, Marden Property, “Kazakhstan Aluminium Smelter” JSC, PRC-2 and other corporate issuers*	46	20.00–22.00	6.50–10.00	1.0–3.0	1.5

Retail participation in government bond listings is much more limited.

While the Ministry of Finance and regional akimats regularly list and place tenge-denominated notes on KASE, primary auctions are largely absorbed by banks, pension funds and other institutional investors; individuals contributed less than 0.1% of primary GS demand in the first nine months of 2025.

On the secondary market, households' share of trading in MEKAMs, National Bank notes and sovereign Eurobonds remains marginal – about 1.9% of total volume in 9M 2025 and around 0.7% in some monthly snapshots – with banks and large legal entities responsible for the bulk of turnover⁵⁴. This pattern reflects both the institutional nature of the government securities market and the fact that many retail investors still access government risk indirectly through pension funds and bank deposits rather than through listed bonds.

International and hard-currency debt listings provide an additional, though still niche, avenue for retail exposure. AIX has positioned itself

as the main venue for Eurobond and hardcurrency corporate and sovereign issues, with over 20 private and public bonds totalling about \$7.5 billion listed, including issues by the Ministry of Finance and Kazakhstan Temir Zholy⁵⁷.

Overall, debt listings currently play a secondary role in the retail investing landscape. Individuals are present and increasingly visible in parts of the corporate bond market, but their participation in government securities and hard-currency issues remains limited.

At the same time, the combination of growing retail account numbers on AIX and KASE, structurally high nominal yields and an expanding pipeline of corporate, ESG and social bond listings suggests that the fixed-income segment could become a more important destination for household portfolios over the medium term, provided that minimum lot sizes, disclosure standards and investor education continue to develop in a retailfriendly direction.

3.8 WHAT HAS CHANGED FOR RETAIL INVESTORS: POLICY, DIGITAL AND NEW PRODUCTS

Kazakhstan's retail investment market has changed noticeably over the past few years. What used to be a space for mainly professional or institutional players has gradually opened up a large number of individual investors. This shift has been driven by three main forces – **the rise of large-scale public offerings, high inflation and rapid digitalization of financial services**⁵⁸.

Flagship IPOs – especially **KazMunayGas (KMG) in 2022** – served as a turning point, demonstrating that the country's financial infrastructure was capable of supporting broad retail participation. Through banking and brokerage mobile apps, thousands of citizens subscribed online, many investing in equities for the first time. Following this success, commercial banks and investment firms accelerated the development of digital products, offering remote onboarding, biometric verification, and simplified trading tools.

In parallel, Kazakhstan companies, especially microfinance organisations (MFOs), have entered the capital

markets through high-yield bond issuances, offering returns that are noticeably higher than standard bank deposits (see Figure 24). While this has given investors new options beyond deposits, it has also heightened the importance of strong consumer protection and transparency.

These developments took place within a clear legal framework. The **Law “On the Securities Market” (No. 461-II, 2003)** guarantees that every investor has the **right to access full and accurate information** about the companies and instruments they invest in. It requires issuers and intermediaries to disclose all essential facts, financial data, and risks related to their securities. Regulators may fine or suspend market participants for misleading disclosures, and **investors can seek compensation through the courts if they suffer losses caused by false or incomplete information.** In this way, transparency and investor protection are positioned as core principles of the market rather than optional practices.

To safeguard retail participants and maintain market integrity, the **Agency for Regulation and Development of the Financial Market (ARDFM)** adopted significant **regulatory amendments effective 17 January 2025**⁵⁹. These changes restrict access of **non-qualified (inexperienced) investors** to complex and high-risk instruments. Under the new rules, non-qualified investors may not invest in:

- securities of foreign issuers not traded on regulated exchanges in Kazakhstan or abroad;
- shares and/or units of venture or risk investment funds;
- derivative securities and/or other derivative financial instruments;
- privately placed or perpetual bonds;
- investment bonds; and
- any instruments designated as “for qualified investors only.”

This framework aligns Kazakhstan with international standards that distinguish between qualified and retail investors, is intended to reduce the likelihood that complex products are offered to investors for whom they are not suitable, especially via mobile platforms. It indicates a gradual change in regulatory focus from simply expanding the number of participants towards supporting participation that is better informed, transparent and sustainable.

At the same time, tax policy has become an important incentive for long-term saving. Under Kazakhstan's Tax Code⁶⁰, income from certain categories of listed securities continues to receive preferential treatment. For resident individuals, dividends that meet the exchangetraded criteria, most coupon payments on bonds and capital gains realised through on-exchange trades are exempt from personal income tax. For dividends outside the exchange regime, the new

Tax Code (effective 1 January 2026) introduces a revised progressive structure⁶¹. Dividend income up to 230,000 MCI* will be taxed at 5%, while amounts above this threshold are subject to 15%, replacing the previous regime of a 0% exemption up to 30,000 MCI and a flat 10% rate thereafter. These measures preserve the relative tax advantage of listed securities over many alternative instruments and support the use of capital-market products for long-term household savings.

Combined with regulatory oversight and digital infrastructure, these changes have created the foundation for a safer and more inclusive retail-investment market. The main challenge ahead is to move beyond episodic retail participation – for example, during IPOs or short-term rallies – towards more stable, long-term investing built on trust, simplicity and education.

⁵⁹ A list of financial instruments permitted for acquisition only with funds from qualified investors has been established.

⁶⁰ Payment of dividends, what taxes are levied on dividends of LLCs

⁶¹ PIT under new tax code from 2026

*Примечание: МРП – Месячный Расчетный Показатель (3 932 тенге в 2025 году)

3.8.1 DIGITAL ACCESS TO INVESTING

Digitalisation has been one of the most important enablers of Kazakhstan's retail-investment expansion. Over the past few years, e-government services, national e-ID and open-banking systems have allowed investors to open accounts, verify identities and make transactions entirely online. Secure API connections between banks and brokers have made onboarding almost instantaneous: a process that previously required in-person documentation and physical signatures can now be completed within minutes, including by younger users and residents of remote regions.

A key turning point came in October 2020⁶², when regulatory amendments expanded the ability of second-tier banks to provide brokerage services and simplified how brokers work with individuals. The changes permitted remote onboarding through biometric identification, removed the requirement for an electronic digital signature (EDS) for brokerage contracts – allowing SMS confirmation instead – and eliminated the need to present a physical ID when biometric verification is used.

These changes lowered entry barriers at scale and allowed the brokerage sector to move quickly into mobile applications. As a result, a new cohort of investors has emerged – individuals who manage savings, portfolios, payments and, in some cases, tax reporting entirely via smartphones. Mobile platforms have effectively become investment terminals, integrating KYC, funding, order execution, analytics and customer service into a single user journey.

However, the rapid digitalization of access has also raised new challenges. Many first-time users lack financial experience, and easy mobile access can sometimes blur the perception of risk. In this context, the January 2025 ARDFM regulation⁶³ plays a central role: by defining which products non-qualified investors can and cannot buy, it adds a protective layer directly into digital platforms. Trading systems and apps must identify investor categories and block access to restricted instruments automatically. This integration of technology and regulation exemplifies a balanced model – open access with built-in safeguards.

⁶² Banks will be able to provide more brokerage services

⁶³ A list of financial instruments permitted for acquisition only with funds from qualified investors has been established.

3.8.2 ISLAMIC PRODUCTS: A QUIET BUT FAST-GROWING SEGMENT

Islamic finance is emerging as one of the visible growth niches within Kazakhstan's retail investing landscape. AIFC's nationwide survey⁶⁴ of over 12,000 individuals estimates the potential volume of new Islamic deposits alone at around KZT 2.8 trillion, indicating substantial unmet demand for Shari'ah-compliant products beyond the current offering. At the same time, an AIFC Islamic finance market analysis estimates that initial demand for sukuk and other Islamic instruments is around KZT 4.6 billion, even though the retail product shelf remains relatively narrow.

On the supply side, brokers and platforms linked to AIFC have begun to translate this demand into investable products. Astana International Exchange (AIX) lists iX Islamic ETNs, giving small investors access to a major global Shari'ah-compliant equity ETF through a simple listed note. In 2025, the ITS Shari'ah ETF (ITSS) became Central Asia's first Shari'ah-compliant index ETF, raising about \$5 million at launch and offering exposure to a diversified basket of 30 global halal stocks via ITS and AIX. On the fixed-income side, Tayyab Finance has registered a sukuk programme of up to KZT 20 billion on AIX, explicitly earmarked to fund Islamic auto-financing for retail clients, complementing earlier multilateral and corporate sukuk accessible to individuals.

⁶⁴ AIFC – Islamic Finance: Kazakhstan Market Analysis

FIRST-EVER RETAIL SUKUK

A notable recent milestone is the listing of the first retail sukuk in Kazakhstan on AIX – the sukuk of Asia Mineral Resource SPC Ltd. The \$10 million issuance comprises 1,000,000 certificates with a face value of \$10 each and a maturity date of 28 November 2028. Thanks to this very low minimum denomination, the instrument is directly accessible to a wide range of retail investors and effectively removes the high entry thresholds. This transaction not only expands the menu of Islamic instruments available to households but also serves as a live test of retail demand for sukuk as an alternative to conventional bonds and deposits.

Despite the promising demand indicators, Islamic investment products still represent a very small portion of the total retail investment market today.

4.

SECTION SUMMARY:

The next phase of retail-market development will depend on reducing structural barriers such as low literacy, episodic participation and limited simple products, while aligning regulation, taxation and digital infrastructure to support safe, long-term investing by households.

KEY INSIGHTS:

- Knowledge gaps, preference for very low-risk instruments and event-driven behaviour remain key obstacles to stable long-term participation.
- Regulatory changes effective from January 2025 restrict complex and high-risk products for non-qualified investors, embedding safeguards into digital channels.
- Trust in market institutions, clear disclosure and visible enforcement are central to attracting and retaining firsttime investors.
- Tax incentives and product innovation – including Islamic instruments and simple pooled products – can help shift savings gradually from cash and deposits into capital-market assets.

KEY NUMBERS:

● **40.5%**

share of adults in Kazakhstan who demonstrate basic financial literacy in 2023 (ARDFM survey)

WHAT STILL HOLDS RETAIL INVESTORS BACK: CHALLENGES

Despite notable progress in expanding access and regulation, Kazakhstan's retail investment market still faces several structural and behavioral challenges. These factors could potentially limit the depth and stability of participation and make it difficult to move from episodic investing – driven by major IPOs or short-term returns – to a culture of consistent, long-term wealth building.

1 FINANCIAL LITERACY AND RISK AWARENESS

The most fundamental constraint remains knowledge. Surveys conducted by Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market indicate that only around 40,5% of adults demonstrate basic financial literacy in 2023⁶⁵. Many households continue to prefer bank deposits, foreign currency savings, or real estate over capital-market instruments. Financial education programs exist, but they are fragmented and often theoretical. For digital investors, this gap can be even more pronounced – mobile investing makes access effortless, but understanding still requires effort. Building literacy into the digital journey through embedded tutorials, plain-language explanations, and gamified learning remains an untapped opportunity.

2 SHORT-TERM AND EPISODIC PARTICIPATION

Retail investors tend to enter the market in waves, particularly during high-profile IPOs or bond placements, and then step back. This “event-driven” behaviour weakens liquidity in quieter periods and limits the accumulation of long-term savings. Converting one-time participants into regular investors might require ongoing engagement mechanisms such as recurring investment plans, autoreinvestment of coupons and dividends, and simple portfolio-building tools directly in mobile apps.

3 PRODUCT COMPLEXITY AND LIMITED SUPPLY OF SIMPLE INSTRUMENTS

Although digital platforms now offer wide access, a number of available products remain relatively complex or risky for beginner investors. Instruments such as structured and “investment” bonds, derivatives, privately placed and perpetual bonds, as well as certain foreign securities,

are classified by the Agency for Regulation and Development of the Financial Market (ARDFM) as risky assets that may be purchased only by qualified investors. Amendments to the securities-market regulations that took effect on 17 January 2025 limit non-qualified investors' access to these instruments with the stated aim of strengthening investor protection. On the supply side, there is scope to expand the range of simple, transparent products tailored to retail needs.

4 TRUST AND TRANSPARENCY

Public trust continues to influence the pace of retail-investment growth. Episodes of market volatility, earlier cases of misinformation and the persistence of online financial fraud – often outside regulated exchanges – make some citizens cautious about investing. While Kazakhstan's regulatory framework now requires full disclosure and standardised risk labelling, trust is also shaped by everyday digital practices. Realtime issuer data, verified in-app communication and visible risk warnings can help users distinguish regulated products from unregulated schemes, turning formal protections into practical confidence for retail investors.

5 RURAL AND DEMOGRAPHIC INCLUSION

Digital access is growing but remains uneven. Investors in rural areas or older demographics may lack stable internet, familiarity with digital tools, or confidence in online investing. Inclusive design – simplified user interfaces, phone-based support, and local language materials – will be critical to ensure that democratization does not create new divides.

6 LIMITED AVAILABILITY OF ASSETS DUE TO LOW LEVEL OF DISPOSABLE INCOME AND HIGH LEVEL INDEBTEDNESS OF THE POPULATION

A significant part of the population still has limited disposable income, and many households carry substantial consumer or mortgage debt. For these families, the immediate priority is often “debt servicing” and day-to-day expenses rather than long-term investment. Even where digital access and suitable products are available, the capacity to invest regularly remains constrained. Measures that support responsible borrowing, financial planning and gradual accumulation of small-ticket savings may therefore be just as important for broadening the retail-investor base as product innovation or technology.

⁶⁵ About Financial Literacy

FINPRO

As a longer-term response to low levels of financial literacy in the population, the AIFC has developed FinPro, a mobile application on personal finance aimed specifically at teenagers. The app is designed to introduce basic financial concepts before young people enter the labour market or start investing, with the expectation that early exposure will translate into more informed decisions later on. FinPro's curriculum covers everyday topics – personal budgeting, planning expenses, saving, basic investing and financial risks – through short video and text lessons structured into thematic modules. Each module is followed by quizzes and final tests, and the app displays a completion and progress indicator so that users can see how much of the material they have mastered.

FinPro deliberately uses game-like mechanics to keep the teenage audience engaged. For completing lessons, assignments and tests, users earn experience points, move up through “ranks”, maintain daily learning streaks and see their position on a leaderboard relative to other participants. This simple system of rewards and visible progress is intended to make regular learning more attractive than traditional classroom-style instruction.



Scan the QR code to download.
Available on Google Play and
the App Store

A distinctive feature of the app is its investment module, which is integrated with real market data from AIX. Teenagers can buy and sell demo-shares using virtual money, build a practice portfolio and observe how its value changes with actual market movements. This simulator allows them to experiment with volatility, diversification and risk–return trade-offs in a safe environment, without risking real funds.



4.2 IMPLICATIONS FOR KAZAKHSTAN

International experience offers no single blueprint for developing retail investing, but several patterns appear consistently across markets with strong household participation. These patterns can serve as reference points for Kazakhstan as it continues expanding and modernising its own retail-investor base.

1 THE IMPORTANCE OF PREDICTABLE AND SUPPORTIVE POLICY FRAMEWORKS.

In the United States and the Nordics, long-standing retirement systems, stable regulation and clear tax treatment helped households view investing as part of their long-term financial planning. The objective is not to replicate specific foreign schemes, but to recognise that stable and well-communicated rules can make investing more accessible and less intimidating for the general population.

2 DIGITAL ACCESS IS CENTRAL TO BROAD-BASED PARTICIPATION.

Both Indonesia and the Nordic countries show how user-friendly digital platforms, straightforward onboarding and low transaction costs can attract younger and first-time investors. Kazakhstan has already made progress in this direction through app-based brokerage services and simplified account opening.

The next stage globally has been the integration of educational content, behavioural nudges and tools that help investors build diversified portfolios.

3 TRUST AND TRANSPARENCY ARE ESSENTIAL.

Countries with high retail engagement – Norway, Singapore and others – tend to have strong disclosure standards and clear investor-protection mechanisms. These help households feel more confident when moving savings from deposits into capitalmarket instruments. As Kazakhstan expands the use of omnibus accounts and digital brokers, international experience highlights the importance of keeping end-investor positions clearly identifiable, ensuring that clients can easily see which securities they own and on what terms. This in turn requires strong conduct-of-business standards for intermediaries – on suitability, conflict-of-interest management and order execution – and timely, plain-language communication so that retail clients understand both product features and associated risks.

4 INVESTOR EDUCATION HAS PROVEN TO BE A POWERFUL LONG-TERM LEVER.

In Norway and Indonesia, public-private initiatives played a central role in explaining investment concepts, risks and long-term saving strategies to new entrants. Kazakhstan's own literacy programmes, media efforts and integration of financial skills into broader education could play a similar role in gradually widening participation.

5 CONSISTENT INCREMENTAL PROGRESS MATTERS MORE THAN ONE-OFF MEASURES.

Countries that achieved high retail participation did so through gradual, cumulative improvements in regulation, digital infrastructure, product availability and public trust. Kazakhstan is already moving along several of these dimensions. Aligning them over time – rather than introducing isolated interventions – has been the main success factor internationally.

Overall, Kazakhstan's retail-investing ecosystem can continue to grow by combining technological innovation with transparent rules, robust disclosure practices, and a long-term commitment to investor development. These elements, taken together, can help broaden participation, strengthen domestic capital markets and support more diversified household financial behaviour.

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AN OVERVIEW OF RETAIL INVESTING IN KAZAKHSTAN



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55/18 Mangilik El, C3.3, Astana, Kazakhstan

Website: www.aifc.kz

For registration and licensing: client@aifc.kz

For analytics and publications: industry.analysis@aifc.kz