

Development Bank of Kazakhstan – Sustainable Bonds

Principle 5: Utilizing green financial instruments

1. Transaction Summary

- **Deal size:** 100 billion tenge
 - **Product type:** Sustainable Bonds
 - **Date of issuance:** April 15, 2024
 - **Tenor:** 3 years
 - **Coupon:** 13%
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2. Background

Projects for financing: “green” and social projects of the Bank.

The following categories of projects are considered **Eligible Green Projects** and **Eligible Social Projects** under the Green and Sustainable Financing Framework.

Eligible Green Projects

- Renewable energy sources
- Energy efficiency
- Pollution prevention and control
- Clean transportation
- Climate change adaptation
- Eco-efficient and circular economy–adapted products, production technologies, and processes
- Environmentally sustainable management of living natural resources and land use
- Sustainable water and wastewater management
- Green buildings

Eligible Social Projects

- Access to essential services
 - Affordable basic infrastructure
 - Employment generation
 - Food security and sustainable food systems
 - Socioeconomic advancement and empowerment
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3. Deal Highlights

This transaction marked the **first-ever issuance of sustainable bonds on the international capital markets by a Central Asian issuer**. In preparation, the Bank developed its own Green and Sustainable Financing Framework, which received Second Party Opinions from Sustainable Fitch and the AIFC Green Finance Center.

The issuance attracted strong interest from global investors, with demand exceeding supply by more than twofold. As a result, DBK received outstanding market support, and the bonds were purchased by leading global investors.

Investor breakdown by type:

- Asset managers: 88%
 - Banks: 7%
 - Hedge funds: 4%
 - Pension and insurance funds: 1%
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4. Analysis

As per DBK's Green and Sustainable Financing Framework, DBK committed to annual reporting—until bond maturity—on both proceeds allocation and the impacts generated by the financed projects.

As of **April 15, 2025** (one year after issuance), **69 billion tenge** had been allocated to finance **five projects**, namely:

- 2 hydropower projects (HPP)
- 1 solar power project (SPP)
- 1 wind power project (WPP)
- 1 waste prevention project

The report is available on the **Kazakhstan Stock Exchange** and DBK's corporate website. It was also externally reviewed by **Sustainable Fitch**.