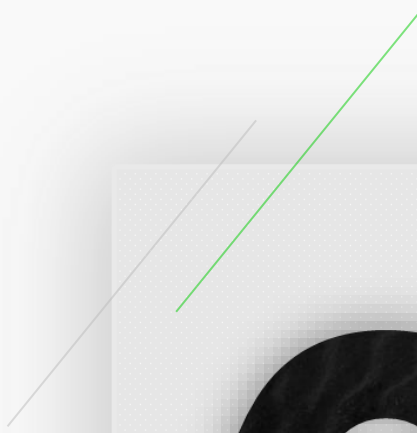


# PERFORMANCE OVERVIEW

# 2019



**01**

**KASE Markets  
Overview**



# Key figures

**+9%**

amount of trading on the securities market

**+18%**

amount of trading on the corporate bond market

**125**

share issuers

**>6 thous.**

new accounts, opened by individuals

**x5**

amount of trading in the IFI sector

**+12%**

amount of corporate debt

**+30**

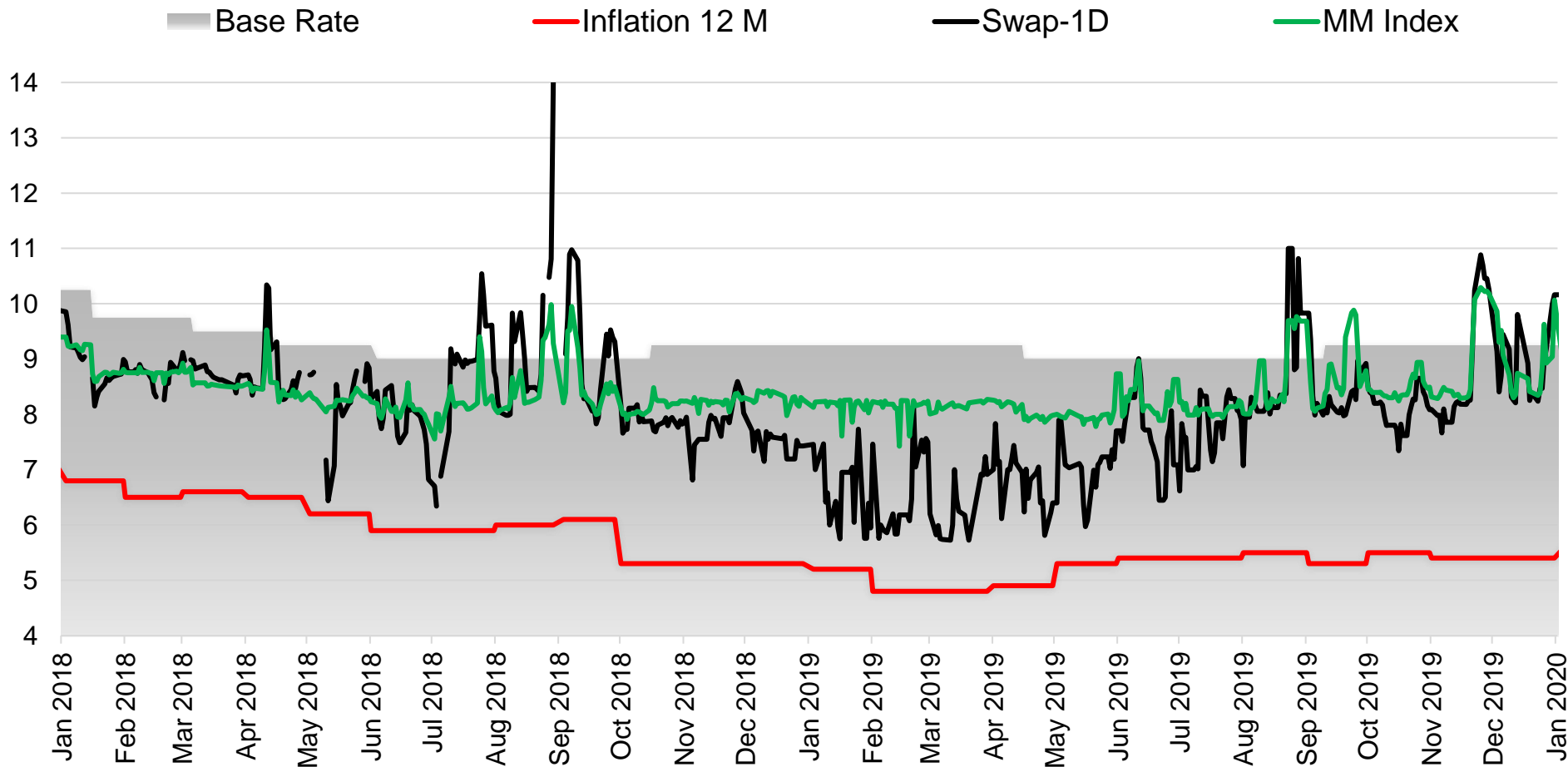
new issuers

**+3%**

growth of KASE Index

# Interest Rate Channel

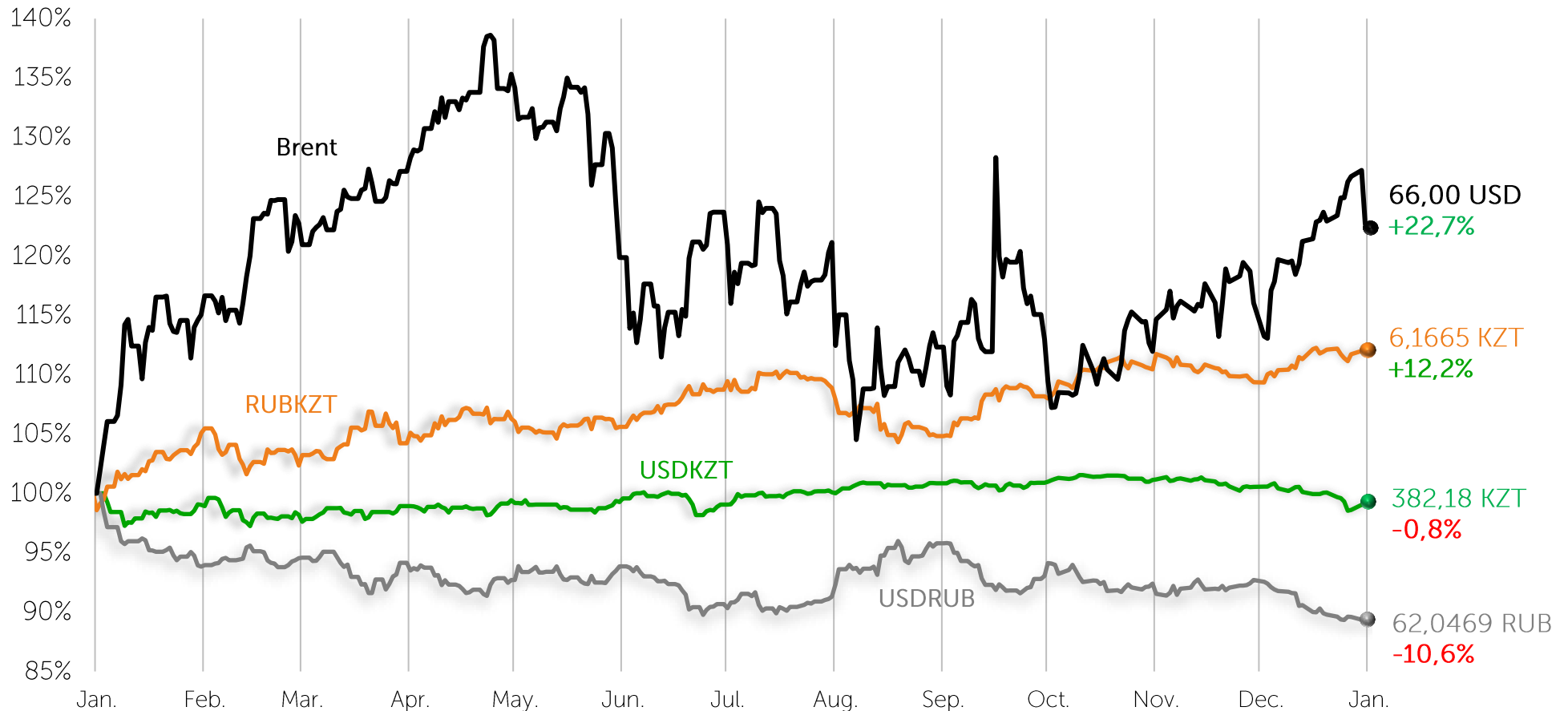
## Inflation and interest rates in Kazakhstan, % per annum



Source: NBRK, KASE

# The tenge's exchange rate dynamics

The national currency finished the year 2019 with a slight deviation on the beginning of the year



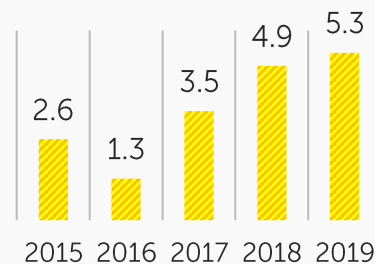
The trends are calculated on the last trading day of the reporting quarter of this year to the last trading day of the preceding reporting year.

Source: National Bank of RK (USDKZT), Bloomberg (RUBKZT, USDRUB, Brent)

# Dynamics of trading volume

In 2019, most markets show downward trend

	2019 bn KZT	2018 bn KZT	trend
Securities Market	5 286.8	4 872,8	+ 8%
Equities	203.6	539,8	- 62%
Corporate bonds	2 715.6	2 309,4	+ 18%
State securities	1 823.7	1 644,8	+ 11%
IFO bonds	540.2	101,0	x 5,3
Investment funds securities	0.9	0,4	x 2,1
GDR	3.0	277,3	- 99%
Foreign currency (spot)	11 145.0	13 445,5	- 17%
Money market	101 706.0	109 525,3	- 7%
Repo transactions	72 707.8	75 861,9	- 4%
Foreign currency swap	28 998.2	33 663,4	- 14%
Derivatives	0.4	0	X
<b>TOTAL</b>	<b>118 138.2</b>	<b>127 843,7</b>	<b>- 7,6%</b>



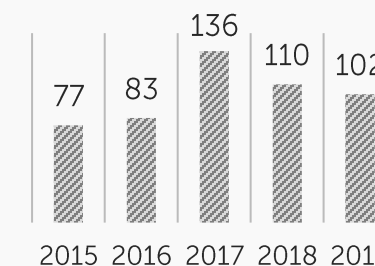
## Securities market

2019	+8,5%
2018	+41%
2017	+163%
2016	-49%
2015	+51%



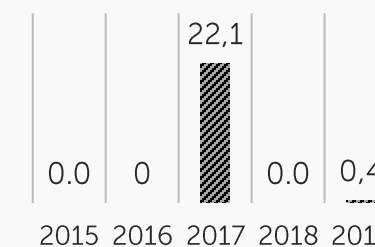
## Forex market

2019	-17%
2018	+9%
2017	+18%
2016	-16%
2015	-22%



## Money market

2019	-7%
2018	-19%
2017	+64%
2016	+8%
2015	x 3

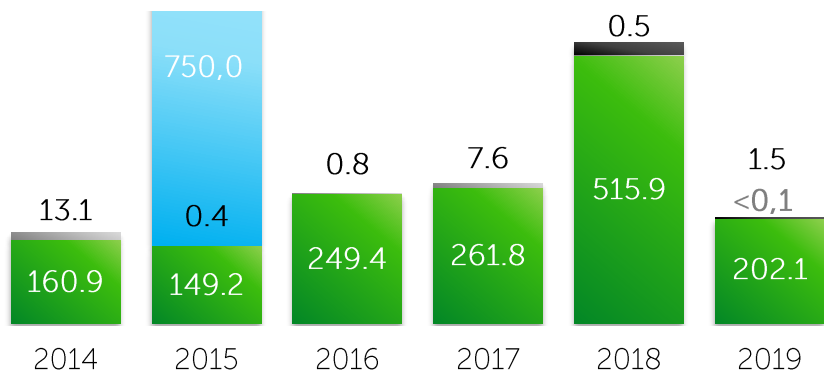


## Derivatives market

2019	+100%
2018	-100%
2017	>+100%
2016	-49%
2015	-100%

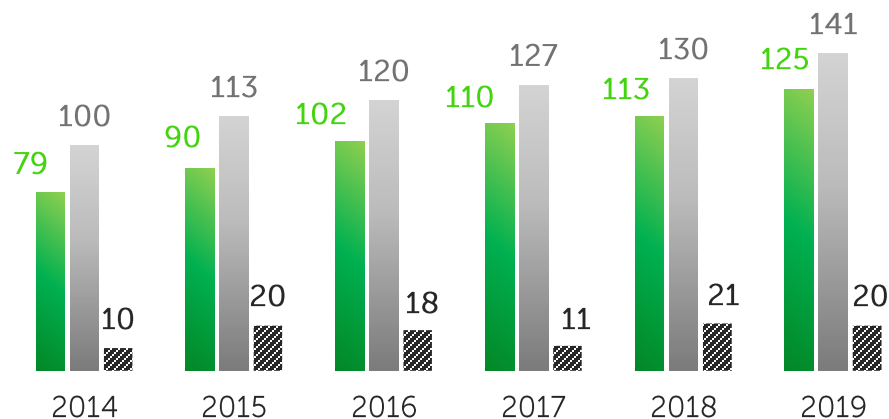
## Transactions volume, KZT bn

■ KazMunaiGas EP (repurchase)    ■ KazMunaiGas  
■ Primary market    ■ Secondary market

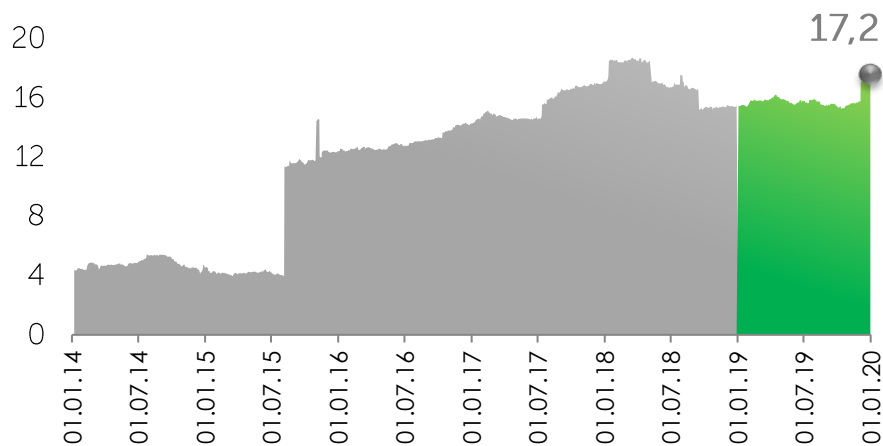


## New listings

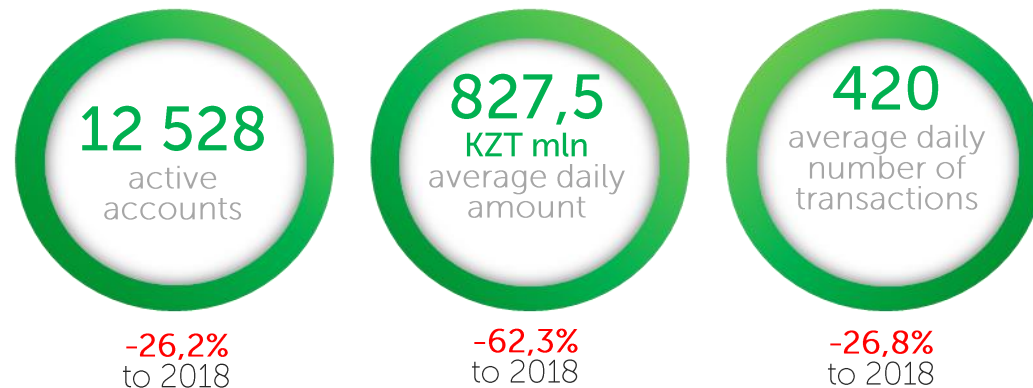
■ Issuers    ■ Issuances    ■ Listings



## Equities Market Capitalization, KZT bn

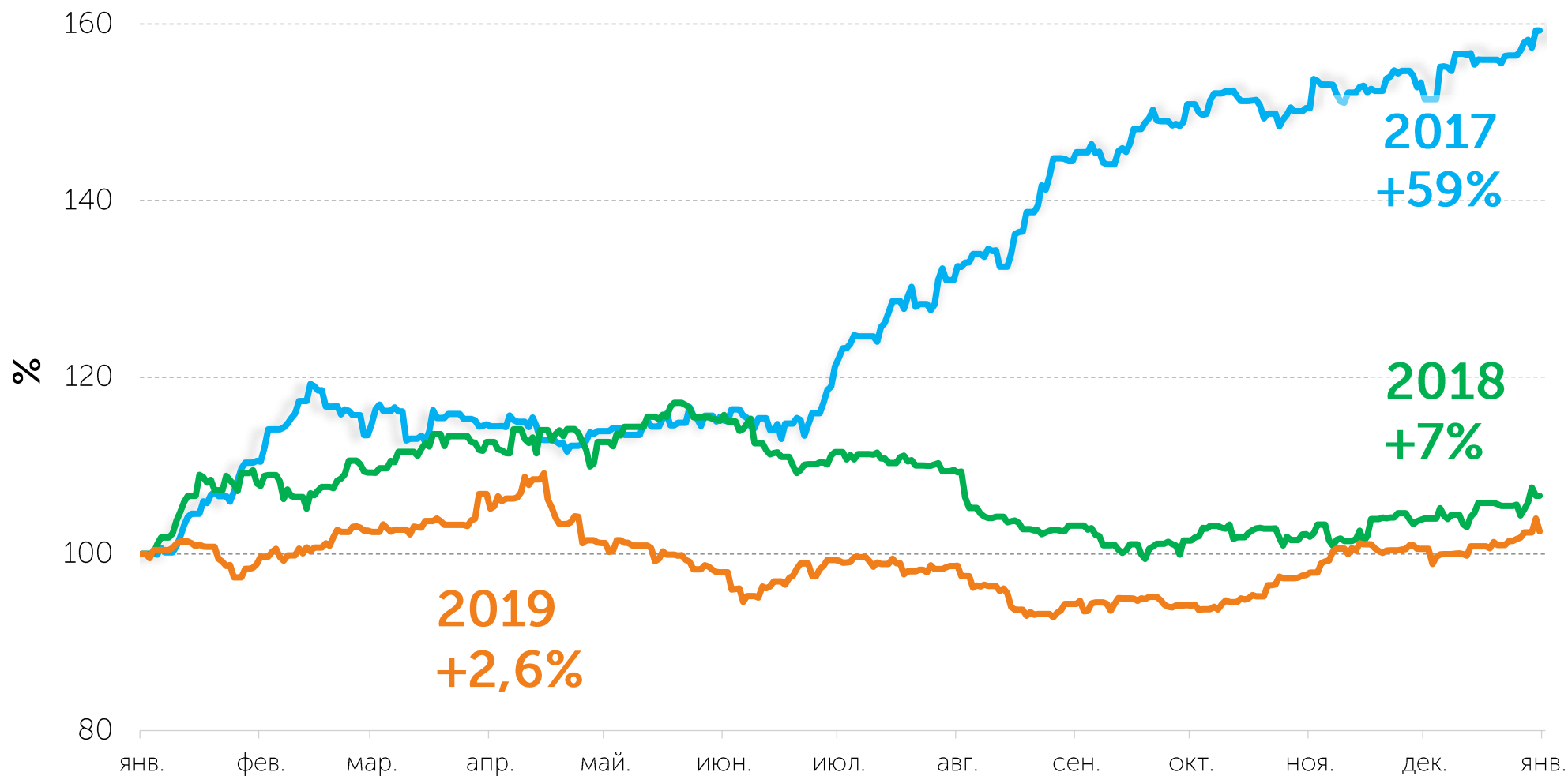


## Main indicators in 2019



Source: KASE

# KASE Index dynamics



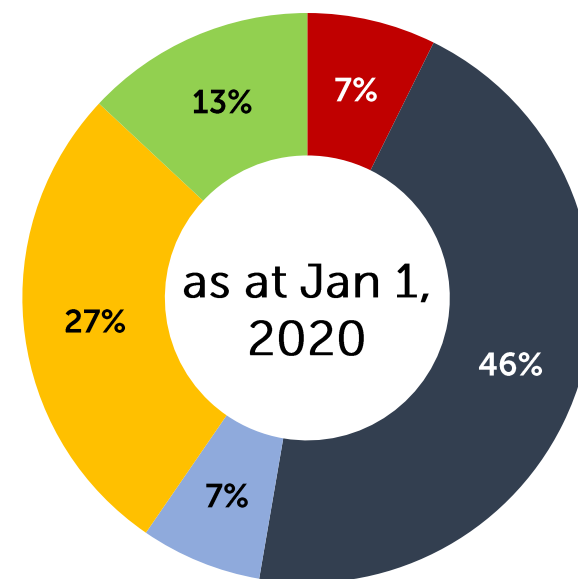


# KASE Index Representative List

Share code	Issuer	Fi	Ri	Share
CCBN	Bank CenterCredit	41.7	1.0000	3.8
GB_KZMS	KAZ Minerals	61.3	0.0884	16.7
HSBK	Halyk Bank	35.5	0.1106	14.7
KCEL	Kcell	25.0	0.5397	15.3
KEGC	KEGOC	10.0	1.0000	10.3
KZAP	Kazatomprom	18.7	0.2257	13.9
KZTK	Kazakhtelecom	23.0	0.9651	15.7
KZTO	KazTransOil	10.0	1.0000	9.7

Sectoral structure of KASE Index representative list by capitalization, %

- Energy
- Materials
- Industry
- Finance
- Providing telecommunications services



The shares of Kazatomprom National Atomic Company were included in the KASE Index representative list in 2019.

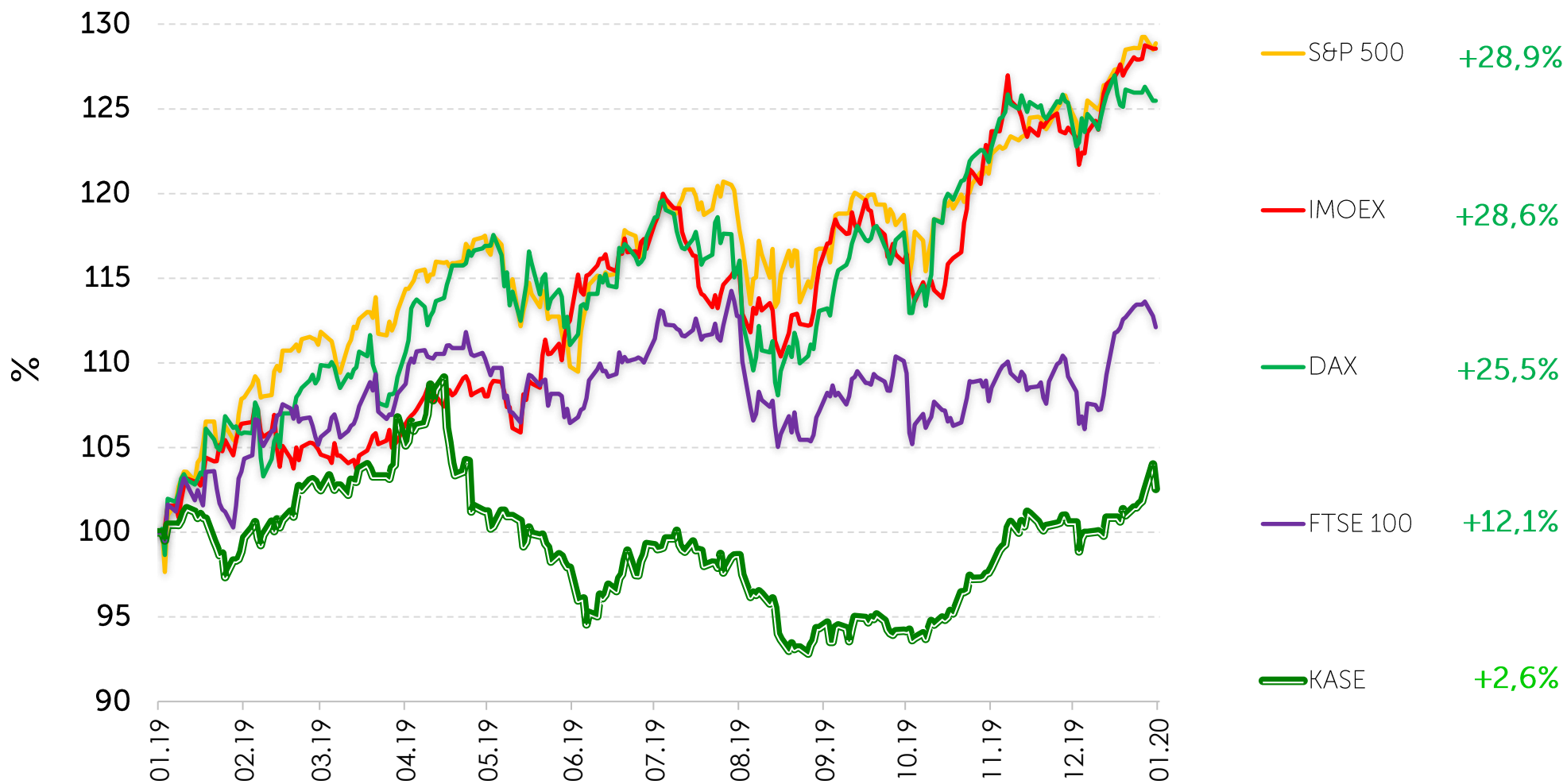
## KZAP

Number of outstanding shares 259,356,608

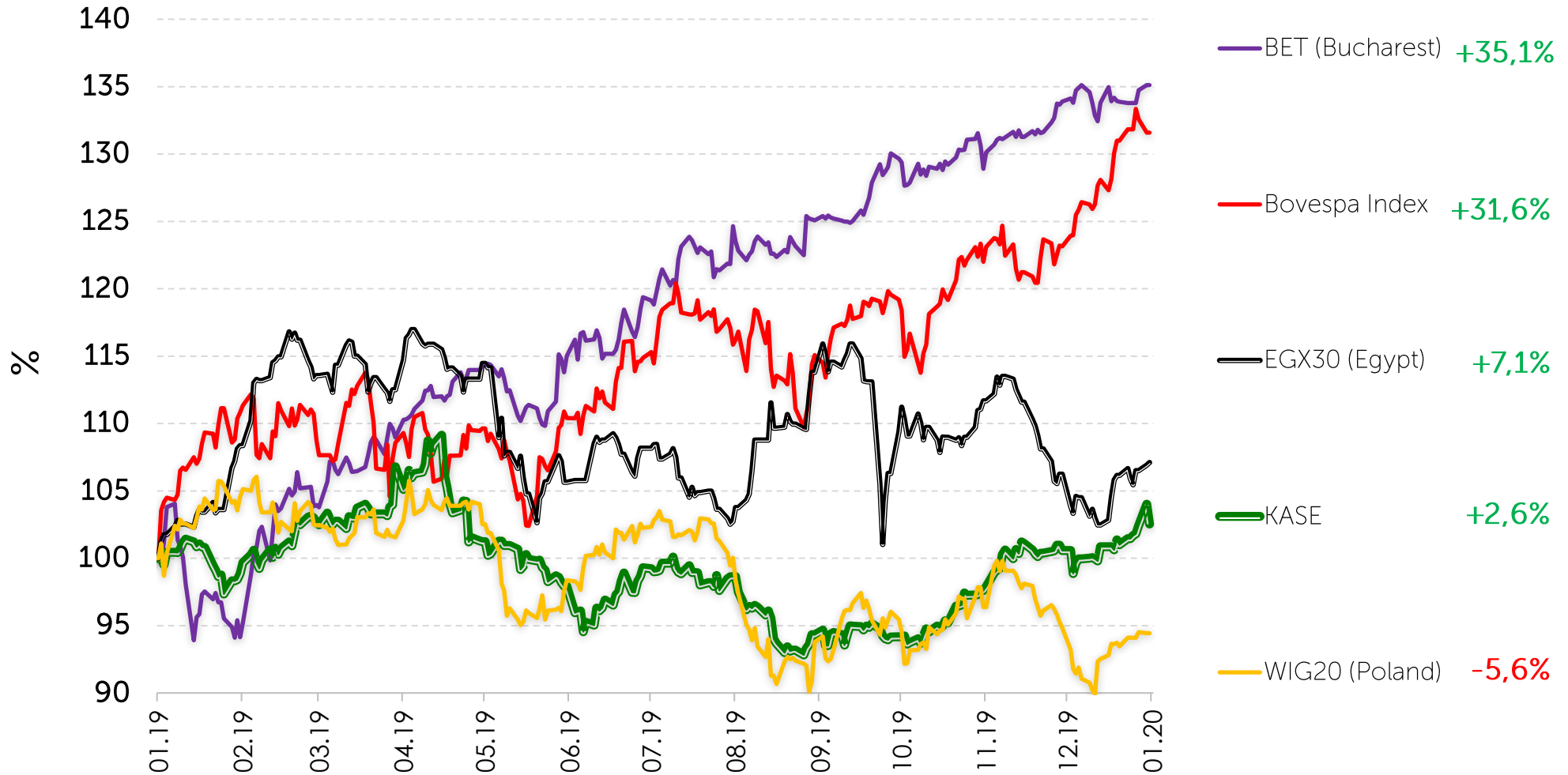
Free float 14.9%

Capitalization KZT1,353.4 bn

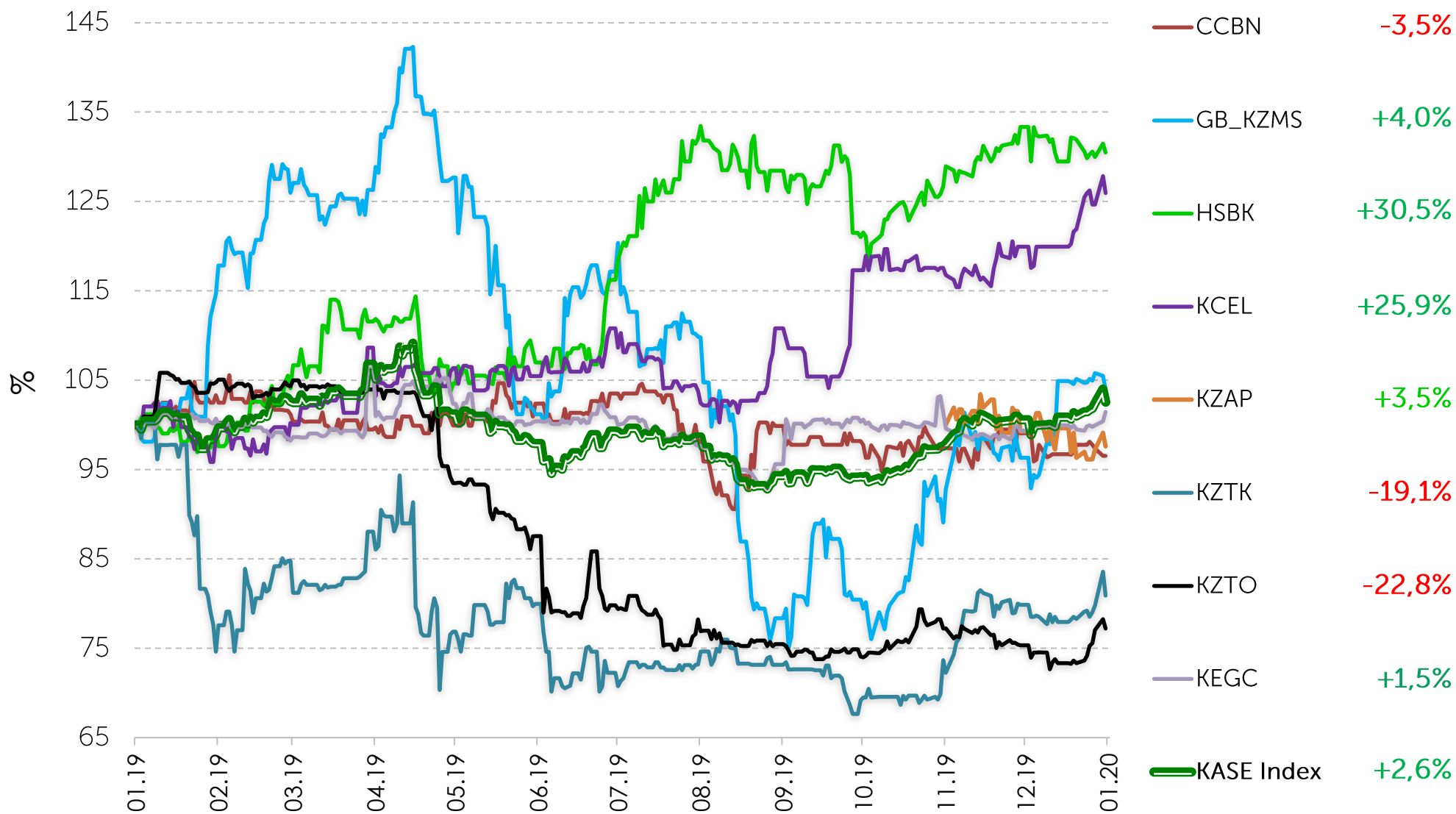
# KASE Index and international stock indexes



# KASE Index and indexes of frontier markets

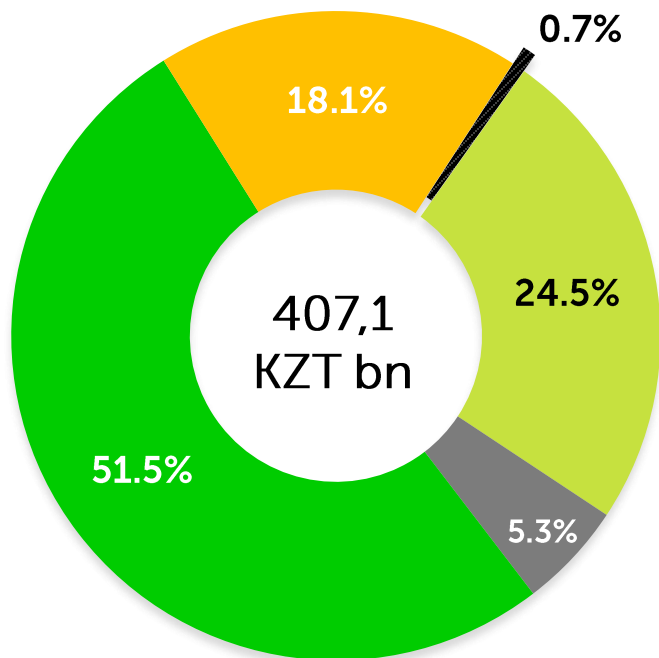


# KASE Index components



# Shares: investor base

Main investor categories on the secondary market in 2019\*

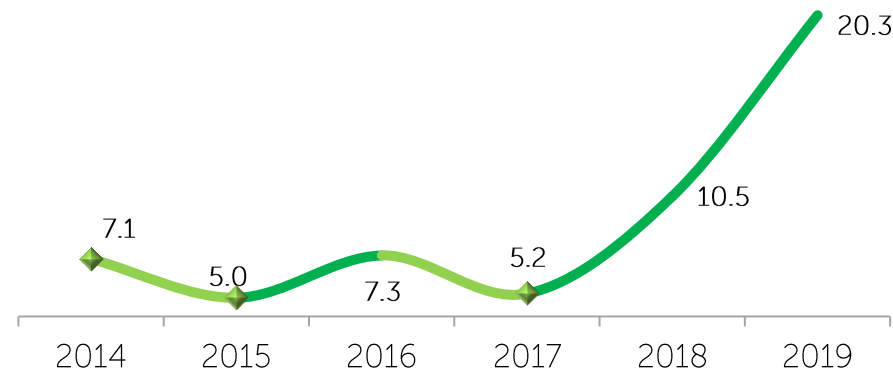


- Banks
- Broker-dealers
- Other institutional investors
- Individuals
- Other legal entities

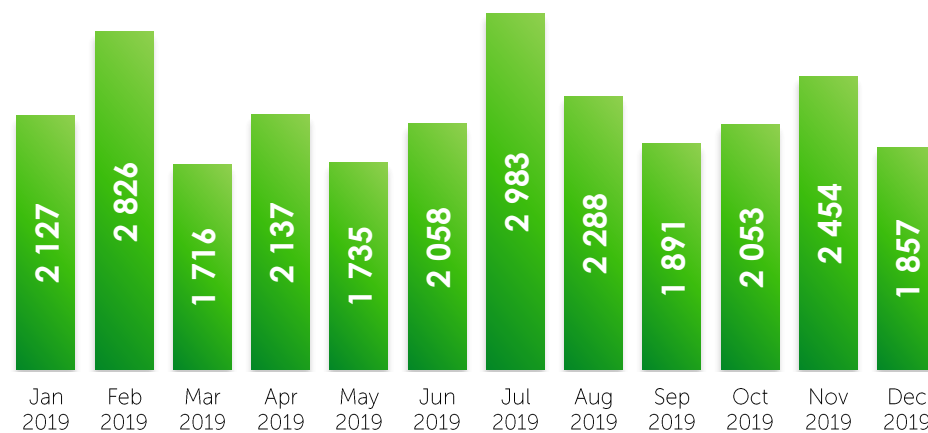
\* of the total gross turnover of trading in shares on the secondary market

Source: KASE

Non-residents in the gross turnover, %



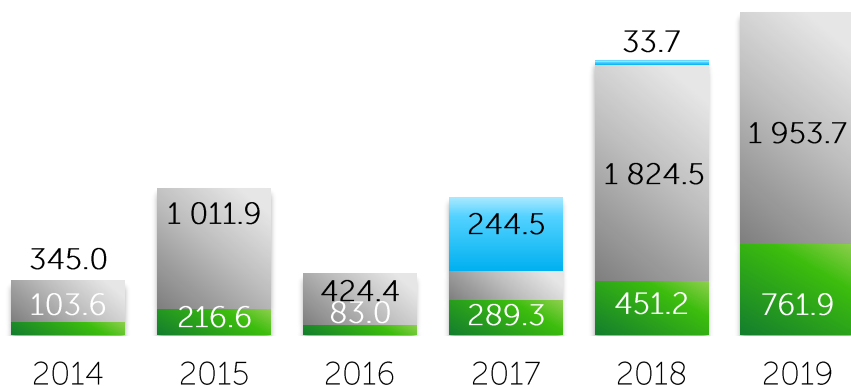
Dynamics of active accounts of retail investors on the equity market



# Corporate bonds

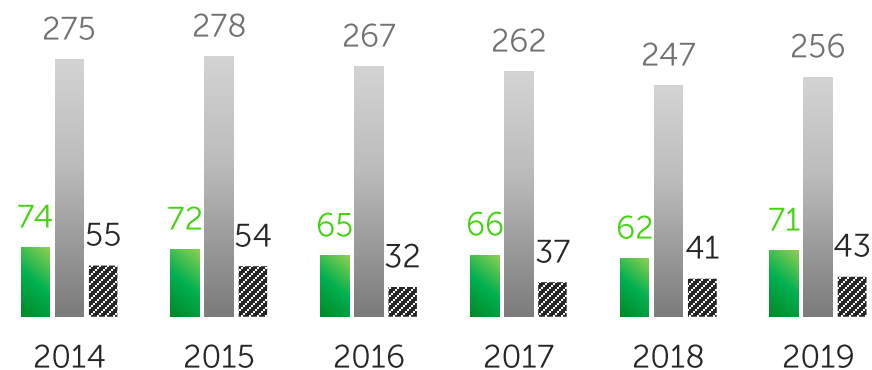
## Transactions volume, KZT bn

- Banking sector financial support programme
- Primary market
- Secondary market

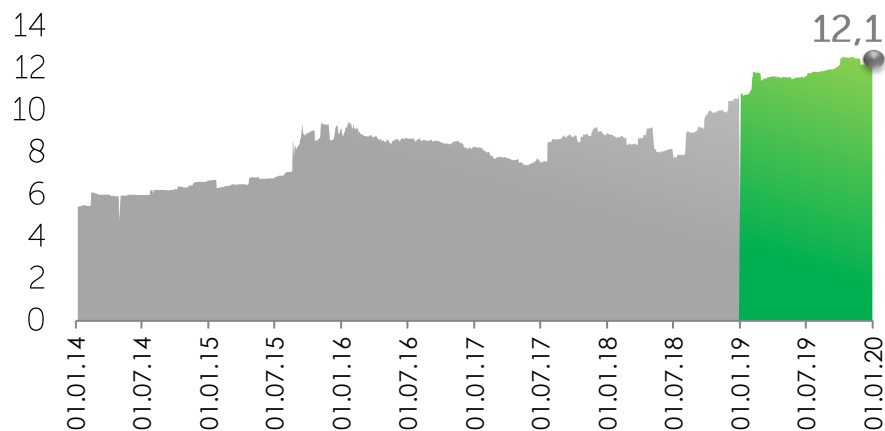


## New listings

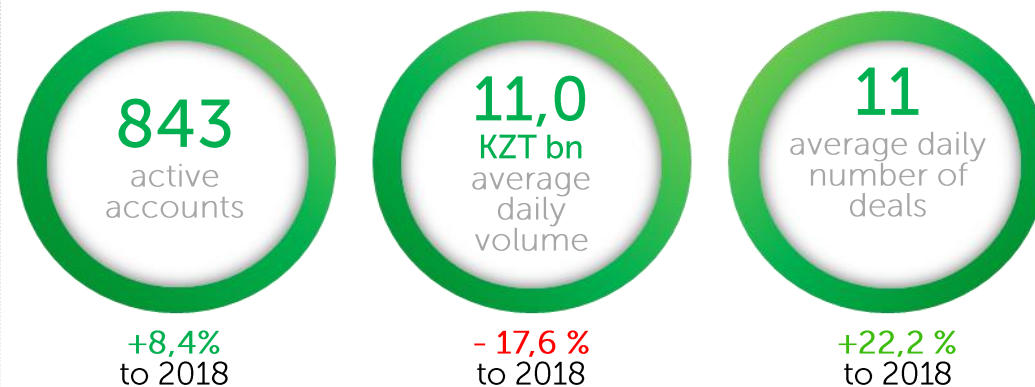
- Issuers
- Issuances
- Listings



## Volume of outstanding corporate debt, USD trln



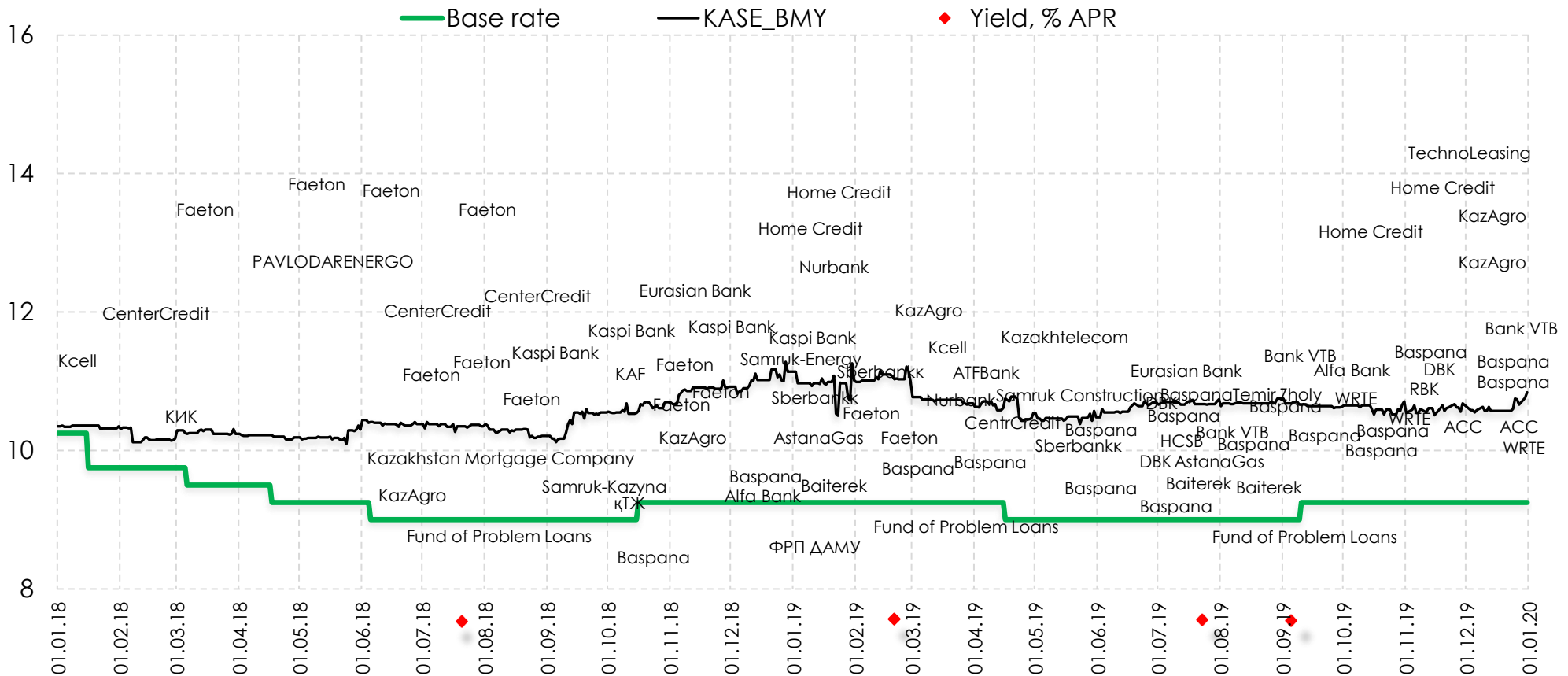
## Main indicators in 2019



Source: KASE

# Yield of corporate bonds at offering

## Market offerings 2018 – 2019\*



\* without taking into account the offerings conducted as part of the Program of increasing the financial stability of the banking sector of the Republic of Kazakhstan

# Placement of corporate bonds in 2019 (1/4)



**Term:**  
2,9 / 2,5 лет  
**Volume:**  
0,8 / 4,4 млрд KZT  
**Yield to maturity :**  
11,00% / 10,47% per annum  
**Demand:**  
80 % / 165,1%



**Term:**  
0,8 / 0,6 лет  
**Volume:**  
10,0 / 100,7 млрд KZT  
**Yield to maturity:**  
9,75% / 10,31 % per annum  
**Demand:**  
120,9 % / 247,0%



**Term:**  
6,5 / 7,0 лет  
**Volume:**  
0,1 / 1,7 млрд KZT  
**Yield to maturity:**  
10,9991% / 10,5 % per annum  
**Demand:**  
100 % / 100%



**Term:**  
15,0 / 10,0 лет  
**Volume:**  
604,0 / 10,1 млрд KZT  
**Yield to maturity :**  
9,0% / 9,0% per annum  
**Demand:**  
100 % / 57,6%



**Term:**  
4,8 / 5,0 лет  
**Volume:**  
4,2 млрд KZT /  
6,2 млн KZT  
**Yield to maturity:**  
12 % / 13 % per annum  
**Demand:**  
100 % / 104 %



**Term:**  
7,0 лет  
**Volume:**  
10,0 млрд KZT  
**Yield to maturity:**  
10,95% per annum  
**Demand:**  
100 %



**Term:**  
1,9 лет  
**Volume:**  
17,0 млрд KZT  
**Yield to maturity:**  
11,5% per annum  
**Demand:**  
112 %



**Term:**  
7,0 лет  
**Volume:**  
60,0 млрд KZT  
**Yield to maturity:**  
10,95% per annum  
**Demand:**  
100 %



# Placement of corporate bonds in 2019 (2/4)



**CENTERCREDIT**  
БАНК ТРАДИЦИОННЫХ ЦЕННОСТЕЙ

**Term:**  
6,8 лет  
**Volume:**  
27,7 млрд KZT  
**Yield to maturity:**  
10,95% per annum  
**Demand:**  
100 %



Банк развития  
Казахстана

**Term:**  
7,0 / 5,0 / 22,0 / 10,0 лет  
**Volume:**  
27,5 / 41,0 / 20,0 /  
30,0 млрд KZT  
**Yield to maturity:**  
10% / 10,27 / 0,15% /  
11,0 % per annum  
**Demand:**  
112 % / 59 / 100 %



**Term:**  
7,0 лет  
**Volume:**  
80,0 млрд KZT  
**Yield to maturity:**  
11,5% per annum  
**Demand:**  
103 %



**Term:**  
8,4 / 20,0 лет  
**Volume:**  
10,8 / 0,6 млрд KZT  
**Yield to maturity:**  
10,27% / 2,99% per  
annum  
**Demand:**  
100 % / 100 %



SAMBEL GROUP  
CONSTRUCTION

**Term:**  
1,0 лет  
**Volume:**  
0,2 млрд KZT  
**Yield to maturity:**  
10,5% per annum  
**Demand:**  
2 %



**BAITEREK**

**Term:**  
10,0 / 10,0 лет  
**Volume:**  
40,0 / 25,0 млрд KZT  
**Yield to maturity:**  
9,5% / 9,75% per annum  
**Demand:**  
100 % / 100 %



Astana Gas  
KMG

**Term:**  
10 лет  
**Volume:**  
100,2 млрд KZT  
**Yield to maturity:**  
10,0% per annum  
**Demand:**  
100 %



ТҰРҒЫН ҮЙ  
ҚҰРЫЛЫС  
ЖИНАҚ  
БАНКІ

**Term:**  
7,0 лет  
**Volume:**  
20,0 млрд KZT  
**Yield to maturity:**  
10,27% per annum  
**Demand:**  
102 %

# Placement of corporate bonds in 2019 (3/4)

ОРИТ

**Term:**

7,0 / 7,0 / 6,9 / 6,8 лет

**Volume:**

0,9 / 0,5 / 0,4 / 0,3 млрд  
KZT

**Yield to maturity:**

10,5% / 10,4975%  
/ 10,4941% / 10,4930%

**per annum**

**Demand:**

100 %



**Eurasian Bank**

**Term:**

7,0 лет

**Volume:**

2,0 млрд KZT

**Yield to maturity:**

10,95% per annum

**Demand:**

100 %



**Term:**

2,0 / 2,0 / 2,0 лет

**Volume:**

4,9 / 1,1 / 2,3 млрд KZT

**Yield to maturity:**

10,42% / 10,42 / 10,75%  
per annum

**Demand:**

116 % / 22 % / 61,3 %



**Term:**

15,0 лет / 15,0 / 15,0  
лет

**Volume:**

40,0 / 40,0 / 300,0  
млрд KZT

**Yield to maturity:**

2,0% / 11,5% / 11,5%

**ГОДОВЫХ**

**Demand:**

100% / 133% / 100 %



**BANKRKB**

**Term:**

7,0 лет

**Volume:**

30,0 млрд KZT

**Yield to maturity:**

10,95% per annum

**Demand:**

100 %



**Term:**

5,1 лет

**Volume:**

70,0 млрд KZT

**Yield to maturity:**

—

**Demand:**

100 %

**AGROCREDIT**  
АГРАРЛЫҚ НЕСИЕ КОРПОРАЦИЯСЫ

**Term:**

7,0 / 6,8 лет

**Volume:**

3,3 / 7,8 / 17,6 млрд KZT

**Yield to maturity:**

10,75 % per annum

**Demand:**

100 % / 98,0 %



**Term:**

7,0 лет

**Volume:**

15,0 млрд KZT

**Yield to maturity:**

10,75 % per annum

**Demand:**

100 %

# Placement of corporate bonds in 2019 (4/4)



**Term:**

1,9 / 2,0 / 3,0 года

**Volume:**

67,6 / 47,6 / 1,3 млрд KZT

**Yield to maturity:**

10,94% / 10,83% /  
10,75 % per annum

**Demand:**

128,9 % / 116,5% / 70.6%



**Term:**

2,1 лет

**Volume:**

2,5 / 2,5 млрд KZT

**Yield to maturity:**

13,50% % per annum

**Demand:**

100 / 110,5 %



**Term:**

4,0 года

**Volume:**

620,6 млн KZT

**Yield to maturity:**

14,00% per annum

**Demand:**

41,4 %

## TOO "QS Holding"

**Term:**

10 лет

**Volume:**

18,4 млн KZT

**Yield to maturity:**

23 % per annum

**Demand:**

100 %



**Term:**

6,6 лет

**Volume:**

230,2 млн KZT

**Yield to maturity:**

10,4952% per annum

**Demand:**

100 %



**Term:**

1,7 / 1,8 лет

**Volume:**

1,8 / 4,4 млрд KZT

**Yield to maturity:**

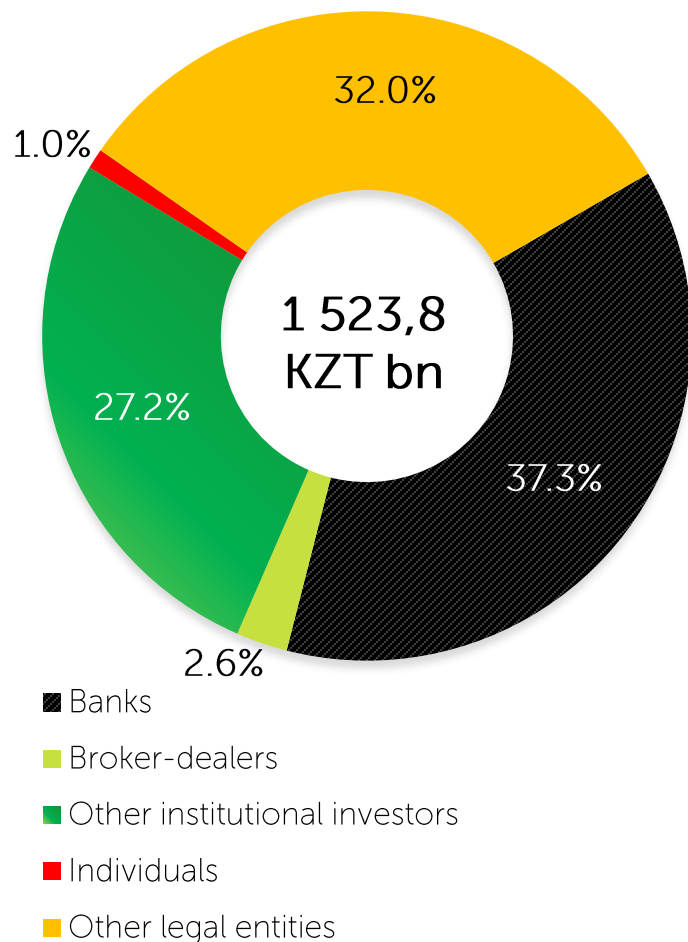
11,50% % per annum

**Demand:**

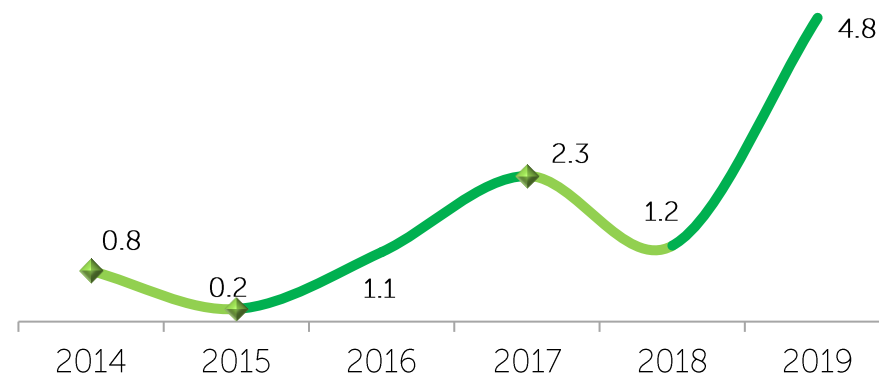
47 / 60,3 %

# Corporate bonds: investor base

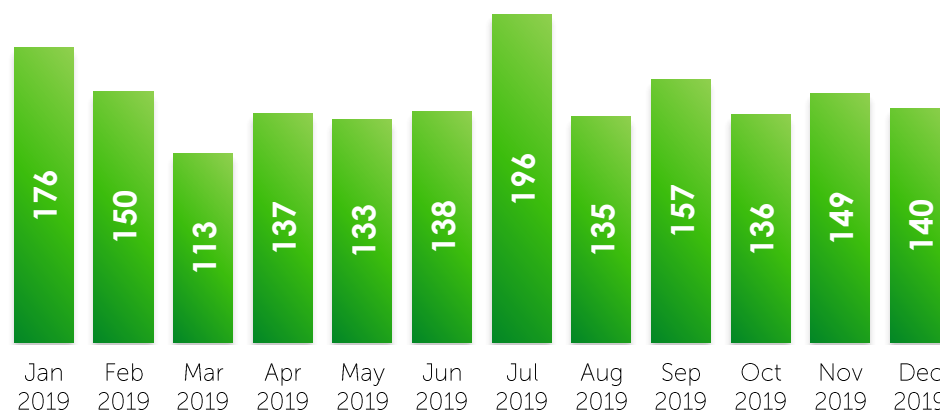
Main categories of investors on the secondary market in 2019\*



Non-residents' share in the gross turnover, %



Dynamics of active accounts on the corporate bond market

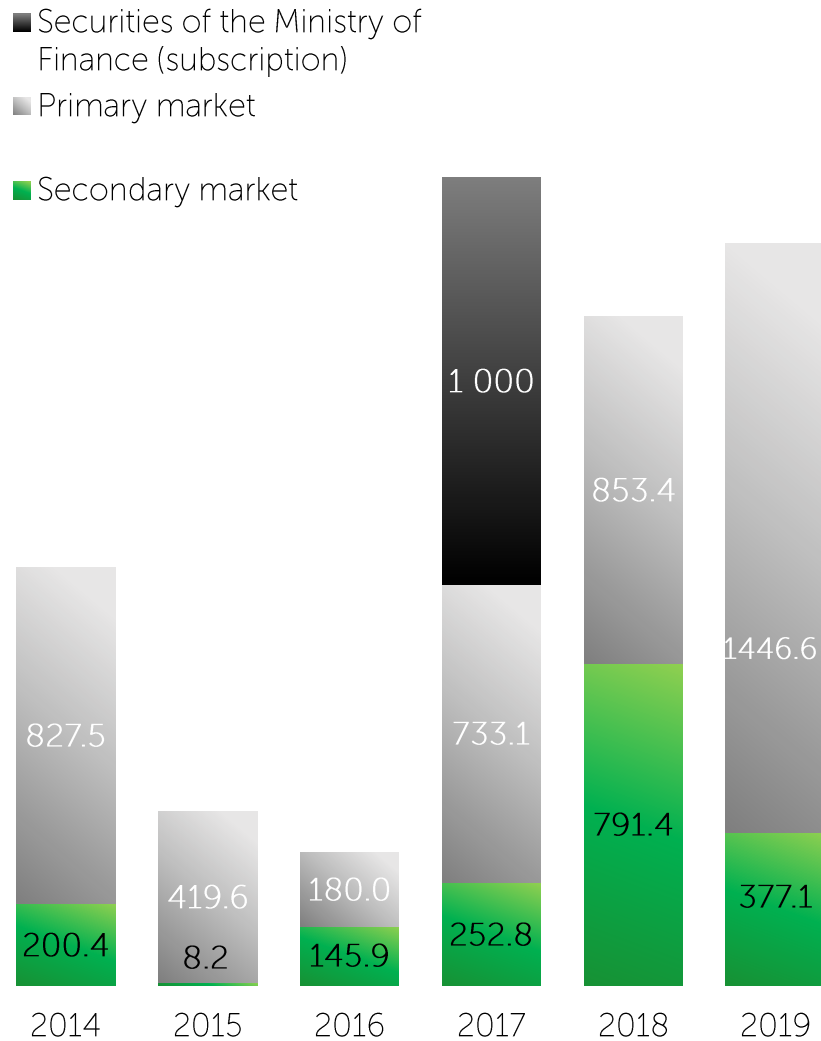


\* of the total gross turnover of trading in shares on the secondary market

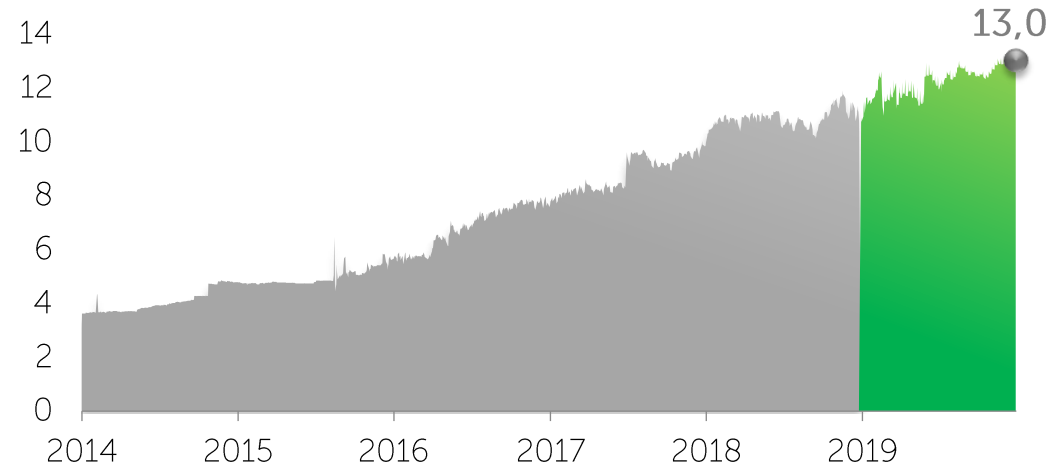
Source: KASE

# State Securities Market

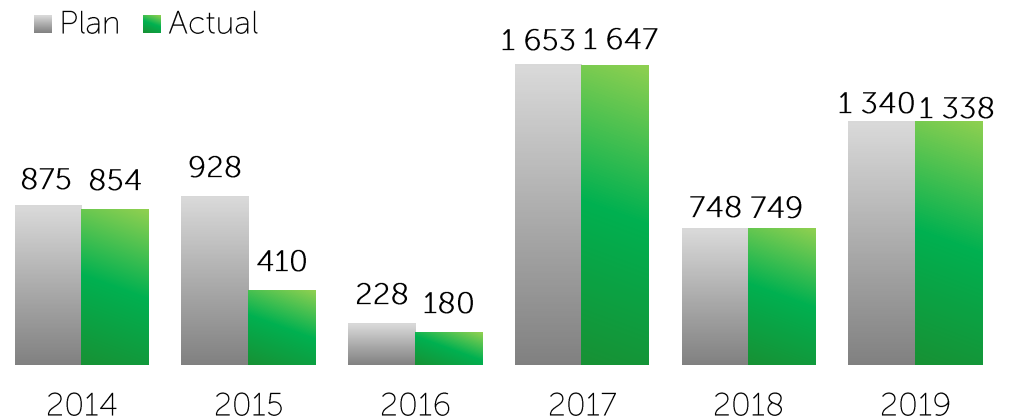
Trading volume dynamics, KZT bn



Amount of government debt (at face value), traded on KASE, KZT trln



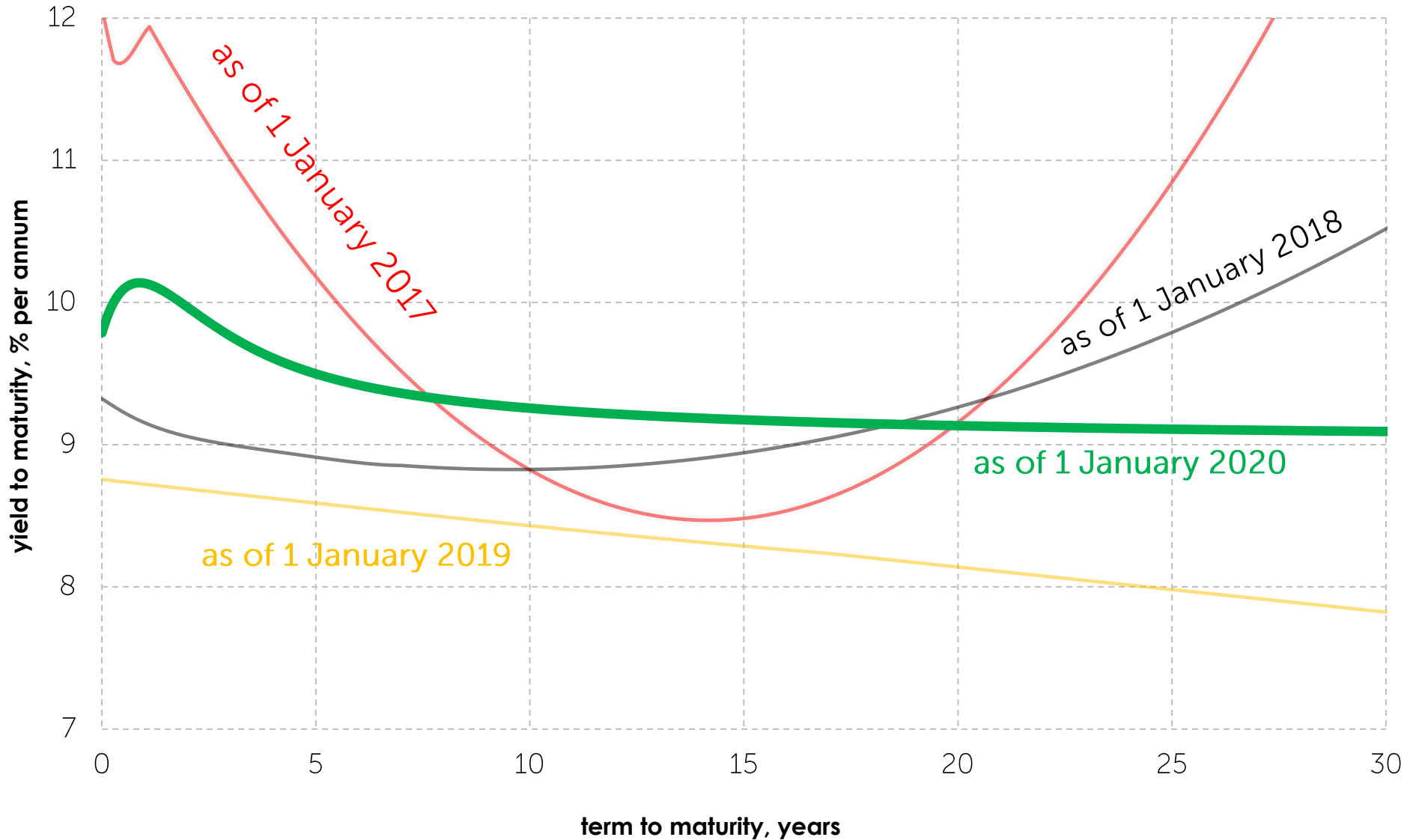
Volume of proposed and actual offerings of the Ministry of Finance, KZT bn\*



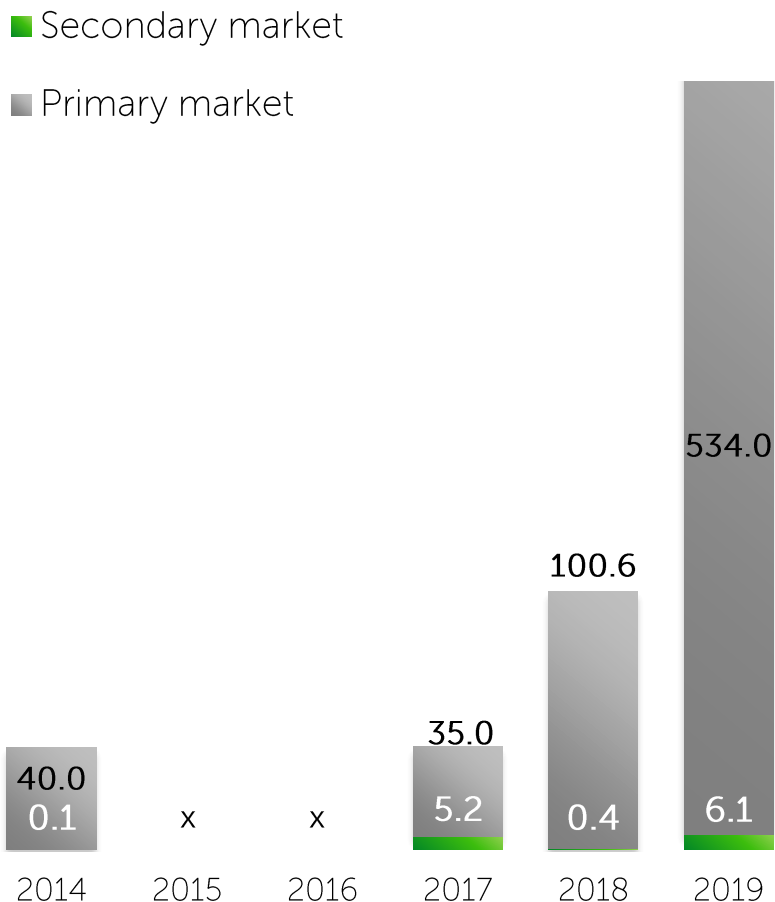
Source: KASE

\* offering amounts are indicated in nominal terms

# Kazakhstan Government Bonds Yield Curve



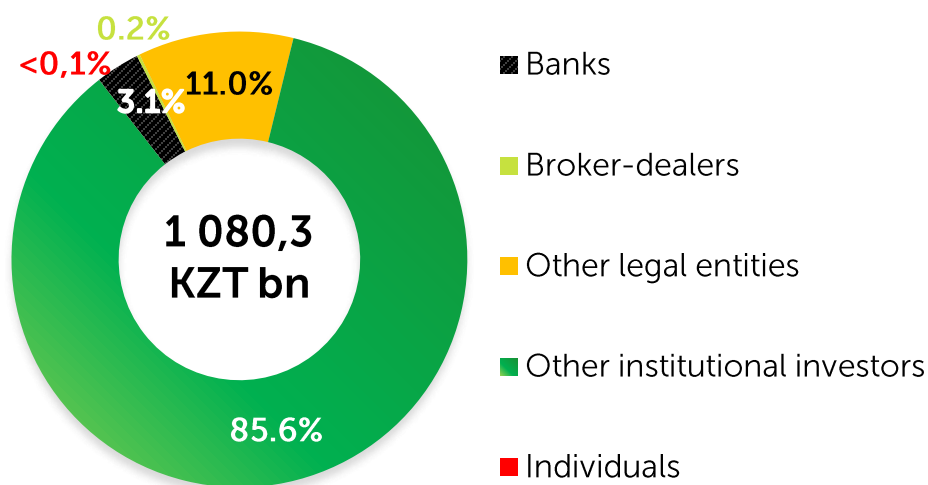
## Trading volume, KZT bn



**As of January 1, 2020** KASE official list featured **30 bond issuances of 5 organizations:**

- 12 issuances of Eurasian Development Bank
- 10 issuances of European Bank for Reconstruction and Development
- 4 issuances of International Finance Corporation
- 1 issuance of European Investment Bank
- 3 issuances of Asian Development Bank

## Shares of main types of investors in 2019\*



\* of the total gross turnover of trading in IFI bonds

# Placements of IFO bonds in 2019

Issuer	Code	Date	Volume, bn KZT	Yield to maturity, % per annum	Term to maturity, years
Asian Development Bank	ASDBK300124	22.01.19	15,2	1,0*	5
	ASDBK300126	22.01.19	15,2	1,3*	7
	ASDBK300724	18.07.19	15,4	0,375***	5
International Financial Corporation	IFC_K070221	01.02.19	22,9	8,95	2
	IFC_K281021	22.10.19	9,5	9,5	2
Eurasian Development Bank	EABRK220222	22.02.19	20,0	9,7	3
	EABRK050619	05.03.19	9,8	9,2	0,3
	EABRK270524_1	27.05.19	20,0	9,5	5
	EABRK270524_2	27.05.19	20,0	9,5	5
	EABRK270524_3	27.05.19	10,0	9,5	5
European Bank for Reconstruction and Development	EBRDK280226	26.02.19	20,0	1,0*	7
	EBRDK250424	25.04.19	60,0	0,5**	5
	EBRDK150525	13.05.19	60,0	0,5**	6
	EBRDK210626	19.06.19	60,0	0,5**	7
	EBRDK180727	16.07.19	60,0	0,5**	8
	EBRDK191226	13.12.19	58,0	0,75**	7
	EBRDK191227	13.12.19	58,0	0,75**	8
			534,0		

**Note:**

\* the value of the fixed margin to the annual coupon

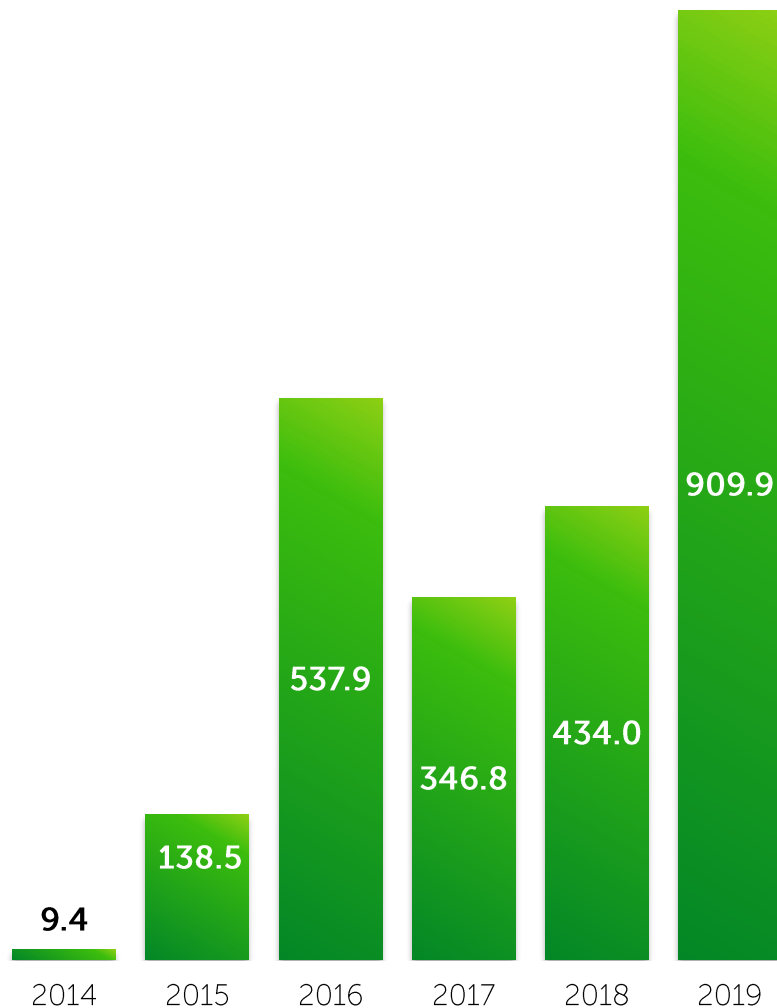
\*\* the value of the fixed margin to the semiannual coupon

\*\*\* the value of the fixed margin to the quarterly coupon



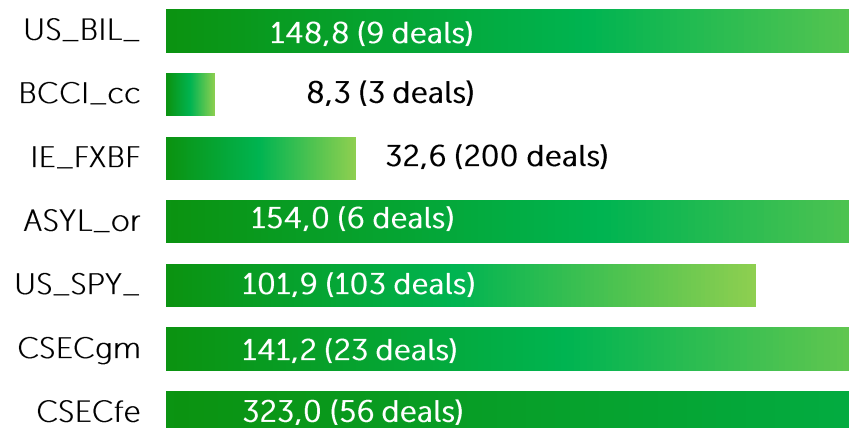
# Securities of Investment Funds

Volume of transactions, KZT mln

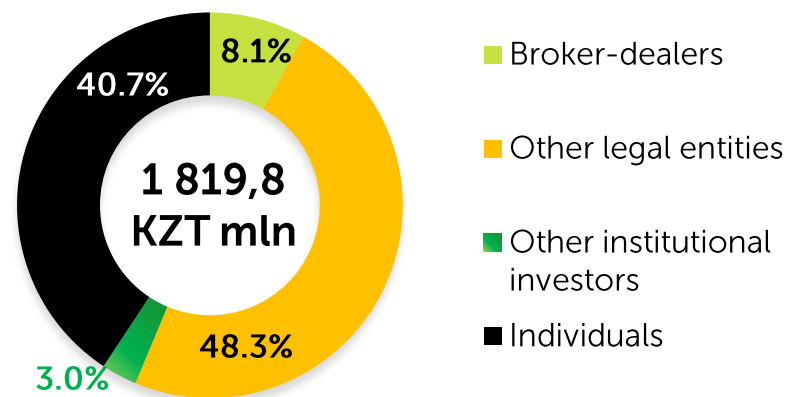


Source: KASE

Trading volume in 2019 by instruments, KZT mln

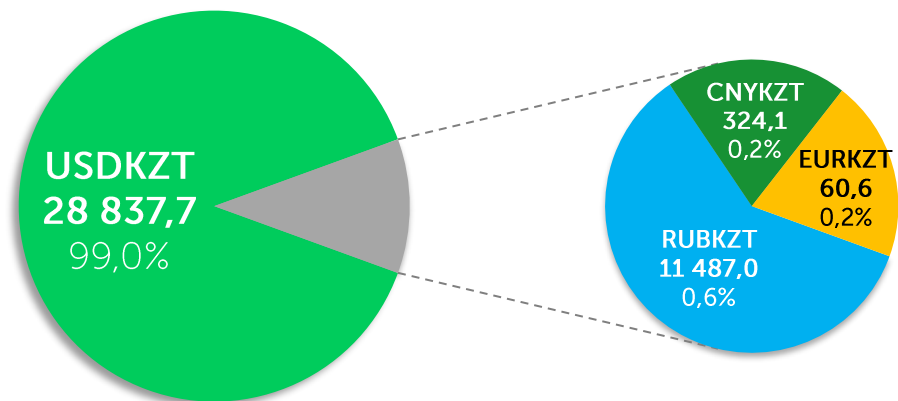


Shares of main types of investors in 2019\*



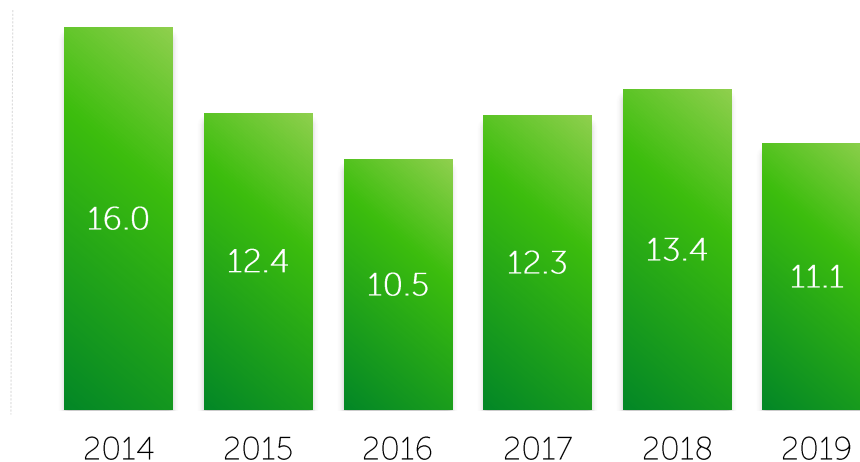
\* of the total gross turnover of trading in securities of investment funds

Exchange market structure in 2019, by trading volume.  
Volume in mln units of currency



Note: shares are calculated using trading volume in KZT

Trading volume on spot market, KZT trln

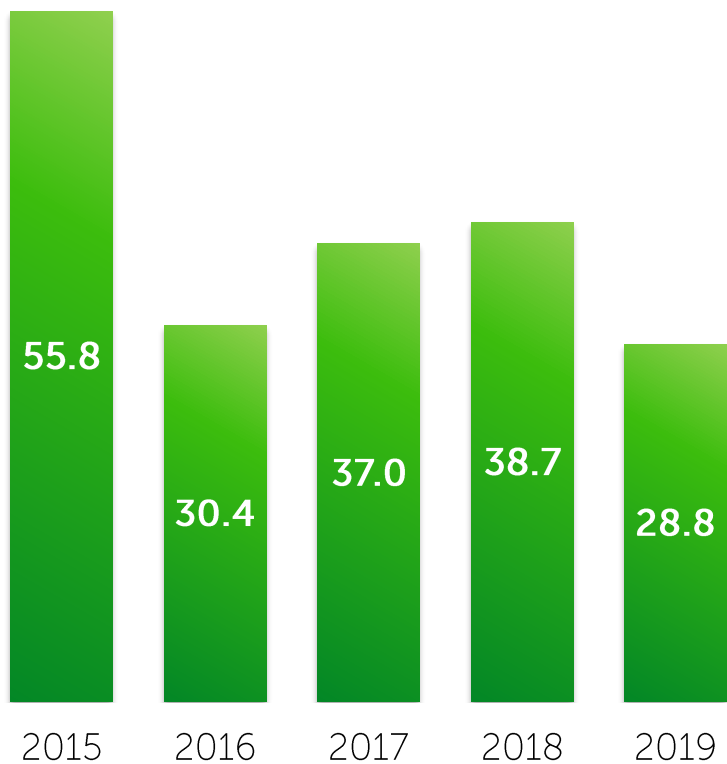


Dynamics of USD/KZT exchange rate,  
KZT per unit of currency

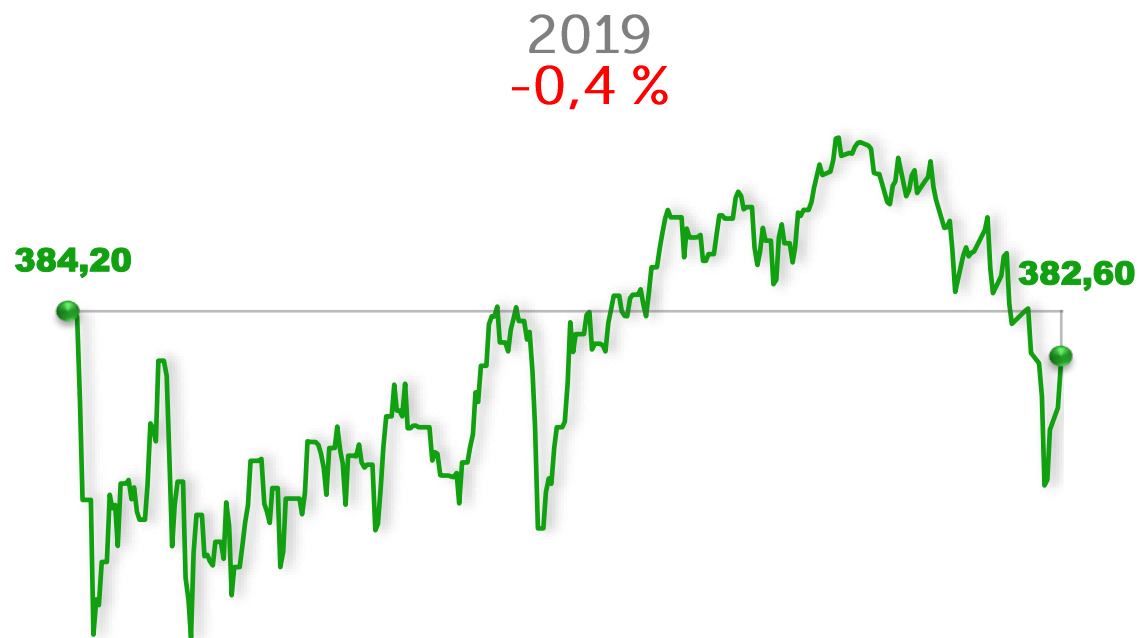


Note: USD/KZT exchange rate is based on weighted average exchange rate on results of morning and day sessions

Trading amount, bn USD



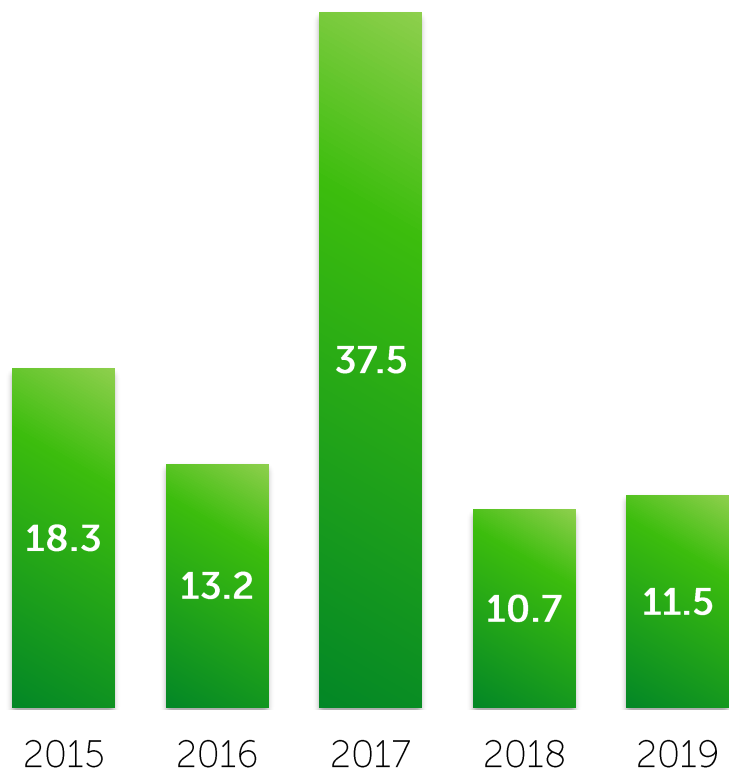
USD/KZT exchange rate dynamics, KZT per currency unit



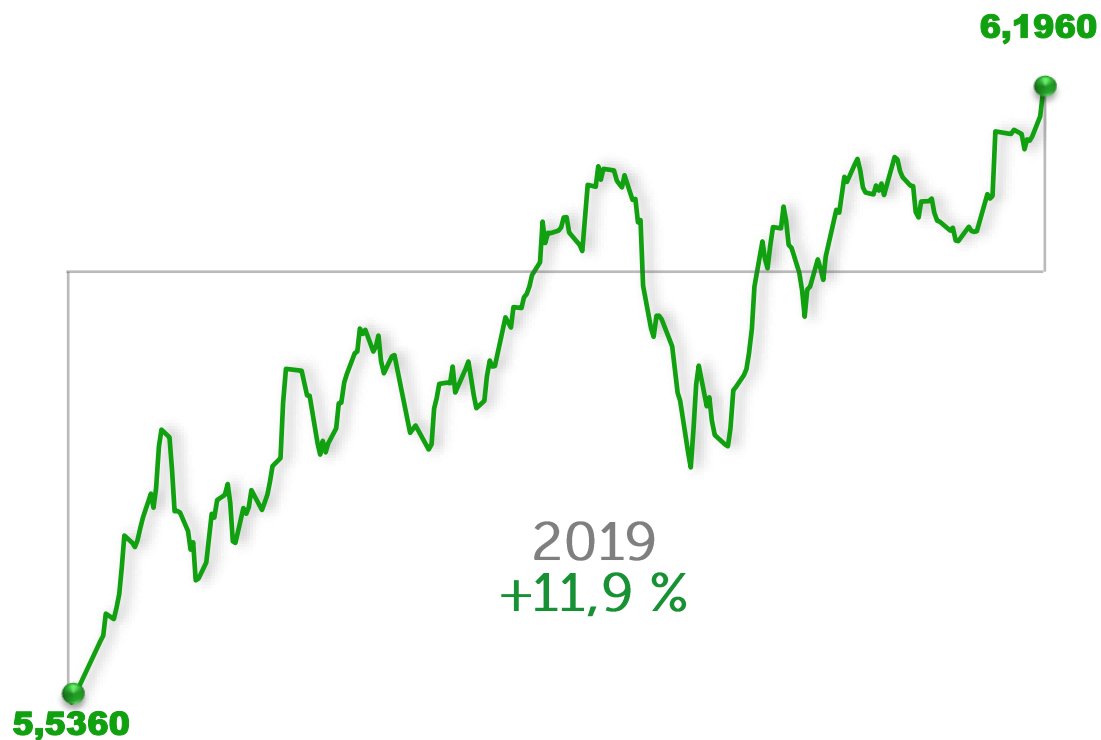
Note: USD/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

# Russian ruble

Trading amount, bn RUB



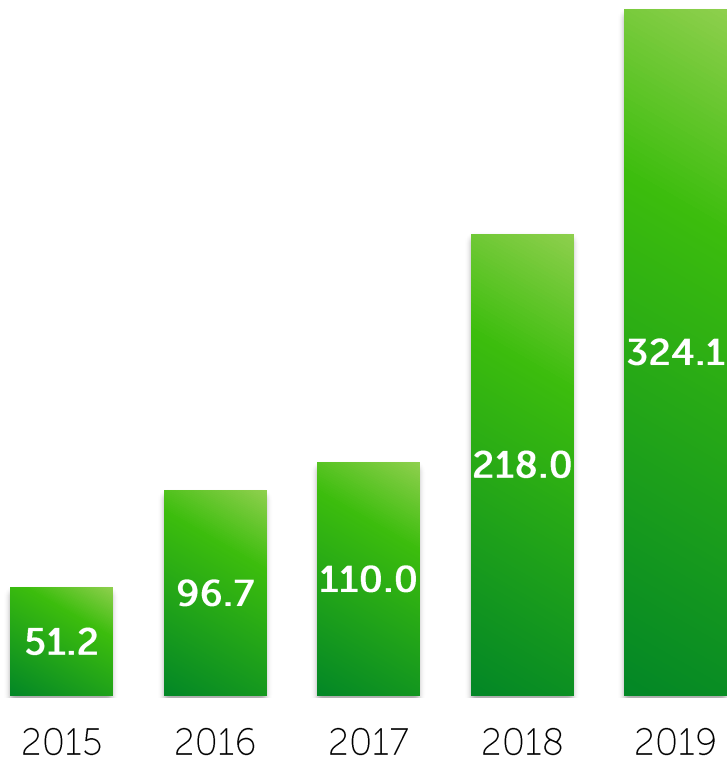
RUB/KZT exchange rate dynamics, KZT per currency unit



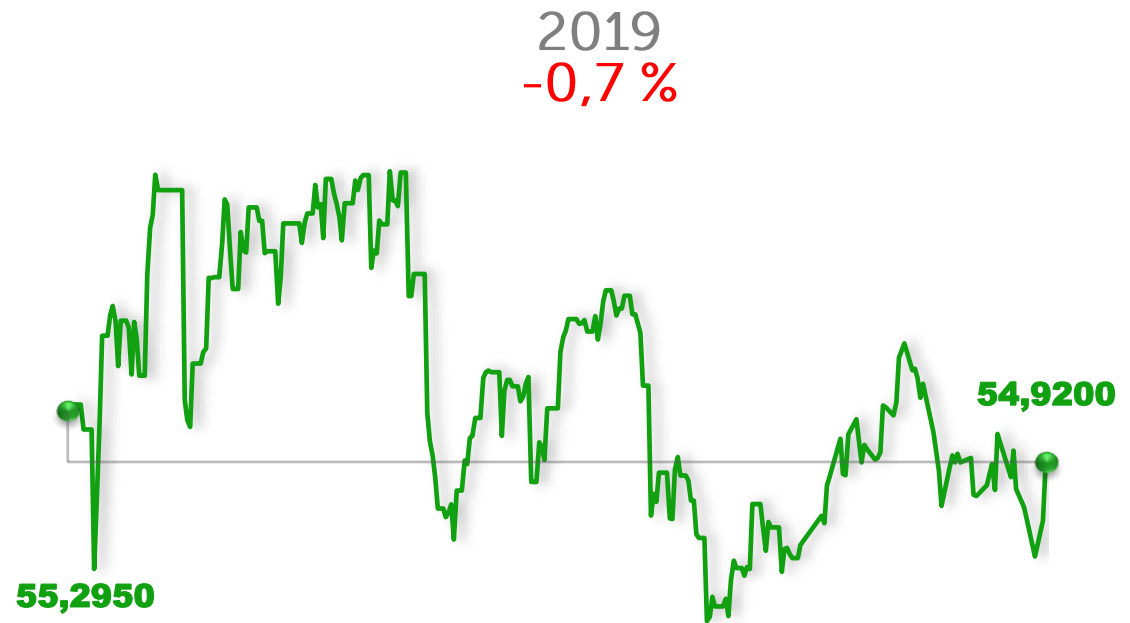
Note: RUB/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

# Chinese yuan

Trading amount, mln CNY



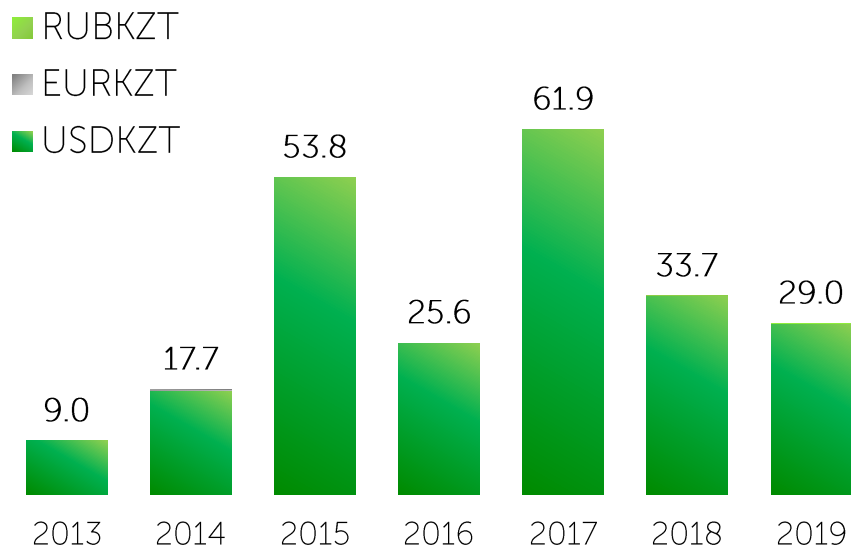
CNY/KZT exchange rate dynamics, KZT per currency unit



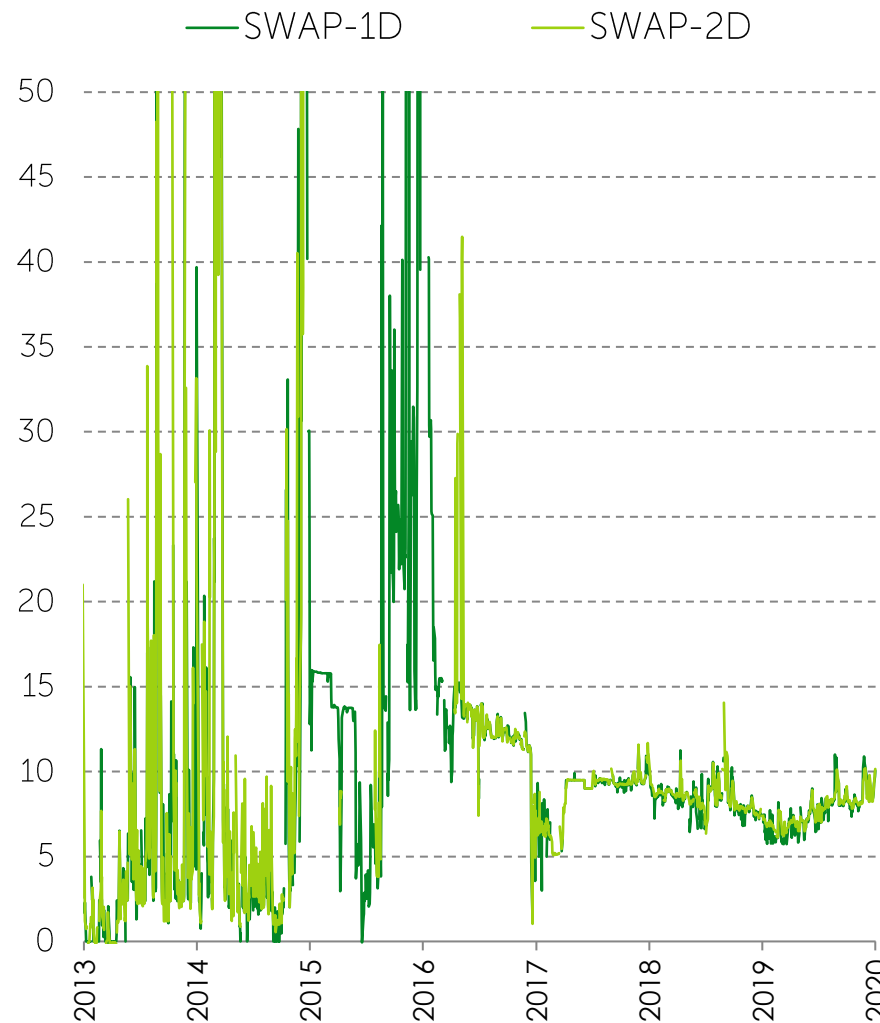
Note: CNY/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

# Currency Swap Transactions

Trading volume, KZT bn



Swap market indicators, %

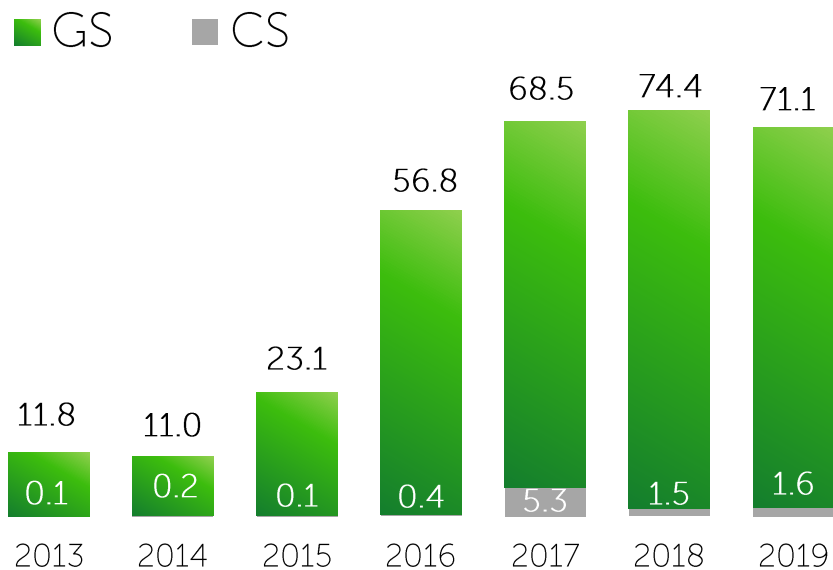


Swap market instruments (volume in 2019 / share):

- USDKZT\_0\_001 (6 000,1 KZT bn / 20,7 %)
- **USDKZT\_0\_002 (22 613,5 KZT bn / 78,0 %)**
- USDKZT\_0\_01W (272,5 KZT bn / 0,9 %)
- USDKZT\_0\_01M (111,8 KZT bn / 0,4 %)
- RUBKZT\_0\_001 (0,2 KZT bn / 0,001 %)
- EURKZT\_0\_001 (0,1 KZT bn / 0,0004 %)

# Repo Transactions Market

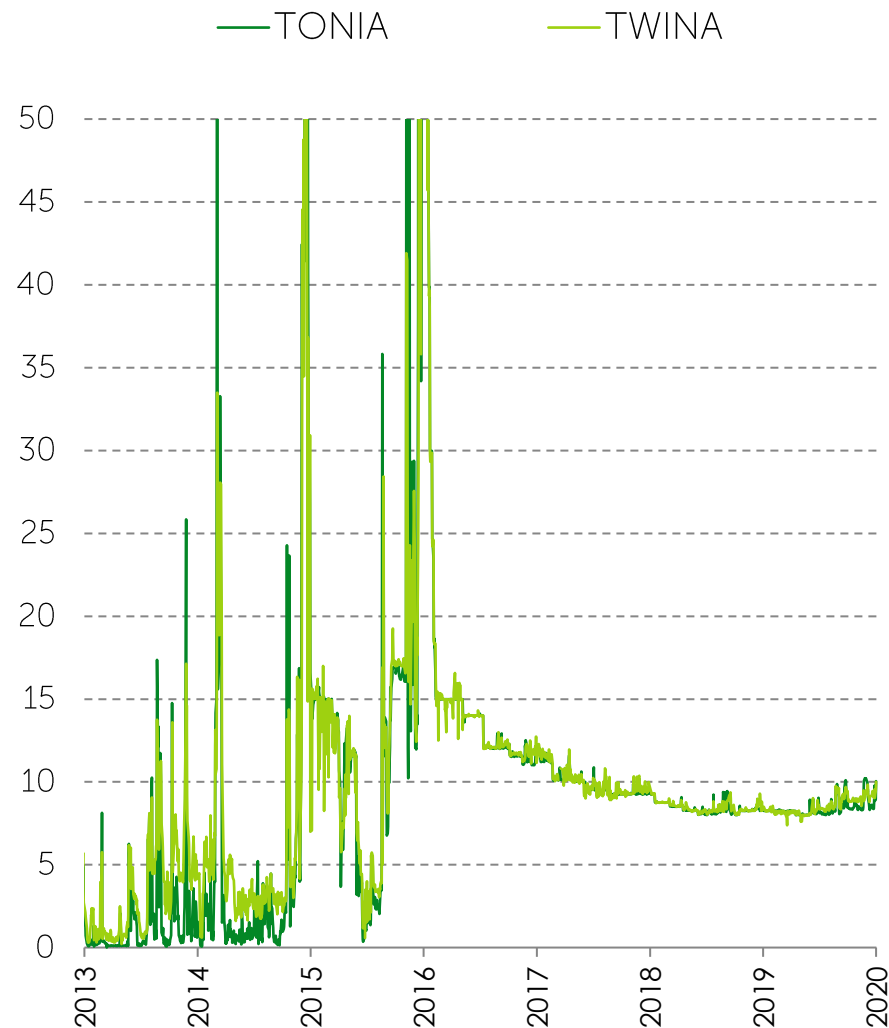
Trading volume, KZT trln



Repo market instruments (volume in 2019 / share):

- **auto repo with GS basket** (71 074,5 KZT bn / 97,75 %)
- auto repo with CS basket (152,6 KZT bn / 0,21 %)
- CS auto repo (1 059,5 KZT bn / 1,46 %)
- auto repo with foreign GS (239,0 KZT bn / 0,0003 %)
- auto repo with CCP (12,1 KZT bn / 0,02 %)
- nego" repo on CS (28,1 KZT bn / 0,04 %)
- nego" repo with CCP (3,3 KZT bn / 0,005 %)
- repo with netting (377,4 KZT bn / 0,52 %)

Repo market indicators, %





**02**

**market  
development  
projects**





# Development strategy for 2019-2021

## IT modernization



- step-by-step IT modernization of the trading and clearing systems
- certified protocols of market data exchange
- new trading modes on exchange markets

## Launch of central counterpart services



- Consecutive implementation of the CCP for the following classes of financial instruments:
- foreign currencies SPOT / SWAP
  - equity instruments T+2/T+0
  - corporate bonds T+0
  - GS
  - repo transactions
  - municipal bonds
  - corporate bonds in issuance currency T+2

## Increasing the liquidity and depth of exchange market



- growth of liquidity on the equity market
- developing the bond market as an alternative to bank loans
- stimulating the involvement of population in the process of investing on the stock market
- extension of investment opportunities for institutional investors
- extending the investor base on account of increasing the number of foreign participants
- increasing the trading amount and extending the instrument range on the currency, money and derivatives market

## Implementing sustainable development principles



- growth of KASE's investment value
- improvement of the quality of risk management, internal control and audit
- higher transparency of KASE's operations
- implementing ESG standards
- increasing the social responsibility

# Implemented in 2019

## Products and services

### Stock market

- launch of the CCP
- introduction of new trading modes
- transition to certified FAST-protocols

### Currency market

- admission of brokers
- launch of long swaps
- extending the trading session (continuous session)
- attracting liquidity providers

### Money market

- introduction of an additional session

### Derivatives market

- extending the range of instruments: futures USD/KZT with the term of 1 week / 1 month

## IT modernization

- introduction of new certified market data exchange protocols
- modernization of the server and telecommunications equipment as part of the upcoming implementation of the trading and clearing system ASTS+
- commissioning of the trading and clearing system ASTS+
- updating the NEXT trading session due to the launch of the continuous session

# New participants of the currency market

A total of **98 transactions** in the amount of **5.7 bn tenge**, or **15 mln US dollars**, were concluded during the year



Kazpost JSC  
(17 September)



CAIFC INVESTMENT GROUP JSC  
(28 May)



Freedom Finance JSC  
(29 January)

# New terms of swap execution

## Purpose:

provision of participants with access to an additional liquidity management instrument

Trading in instruments **USDKZT\_0\_01W**, **USDKZT\_0\_01M** and **USDKZT\_0\_03M** was launched on February 18, 2019.

On September 30, 2019 – **USDKZT\_0\_06M** and **USDKZT\_0\_01Y**.

The Exchange as the Central Counterpart developed a risk management system according to the international practice and standard approaches for their evaluation by the Central Counterpart.

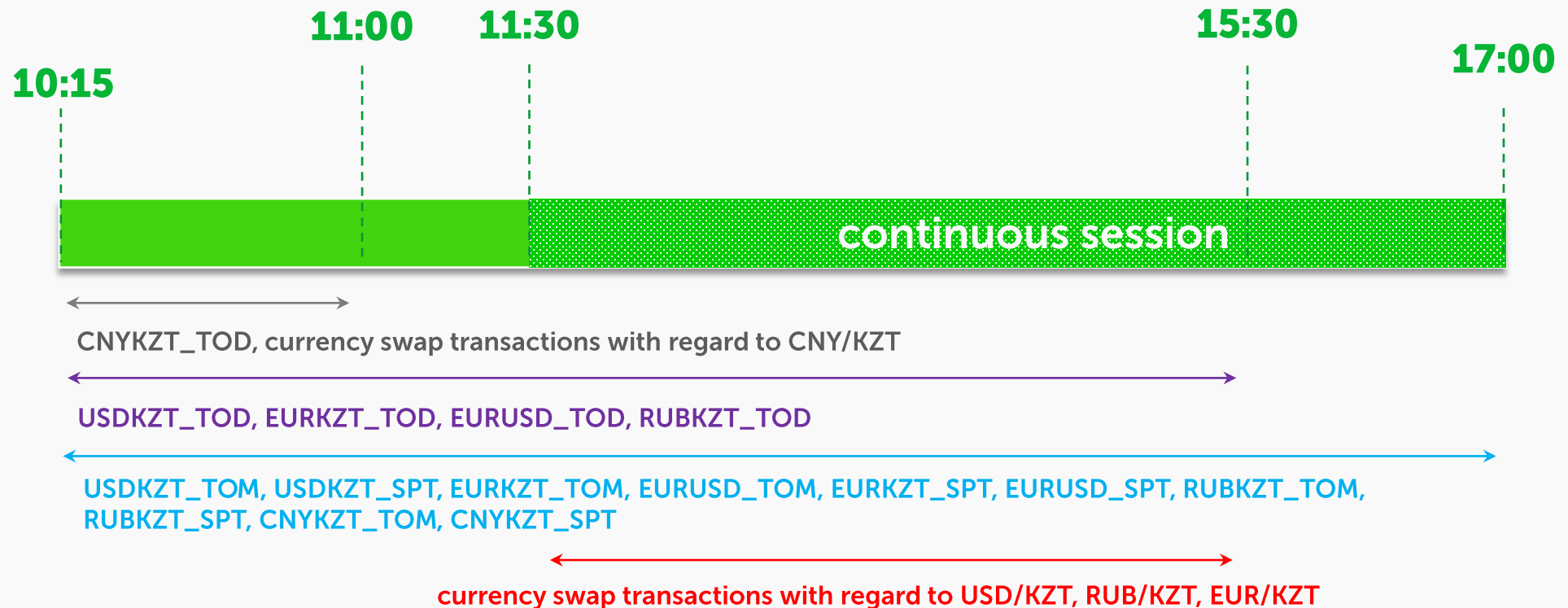
Based on the year's results more than **100 transactions** in the total amount of **KZT384.3 bn** or **USD998 mln** were concluded.

Transaction term	launched 1D, 2D, 1W, 1M, 3M, 6M, 1Y
Instrument of the first part of the swap transaction	USDKZT_TOM
Lot, currency units	10 000,00

# New schedule of currency trading

**Purpose:** extending the possibility of settlement in the Kazakh tenge for foreign and international participants

**Launch of the continuous session** from 10:15 to 17:00 on currency instruments, fixing of the weighted average rate on instrument USDKZT\_TOM as at 11:00, 15:30, 17:00 o'clock.



# Amendments to indicators of the securities market

## KASE Index

- on November 1 KASE Index universe was supplemented with shares of NC Kazatomprom (ticker KZAP);
- on December 3 the calculation algorithm for KASE Index as changed due to the launch of TCS and Index server from MOEX.

## Equity market capitalization

- on December 3 the approach to forming the representative list of the equity market capitalization was changed: from now on it also includes shares of resident issuers who underwent KASE's simplified procedure;
- on December 3 KZAP shares were included in the calculation of the equity market capitalization.

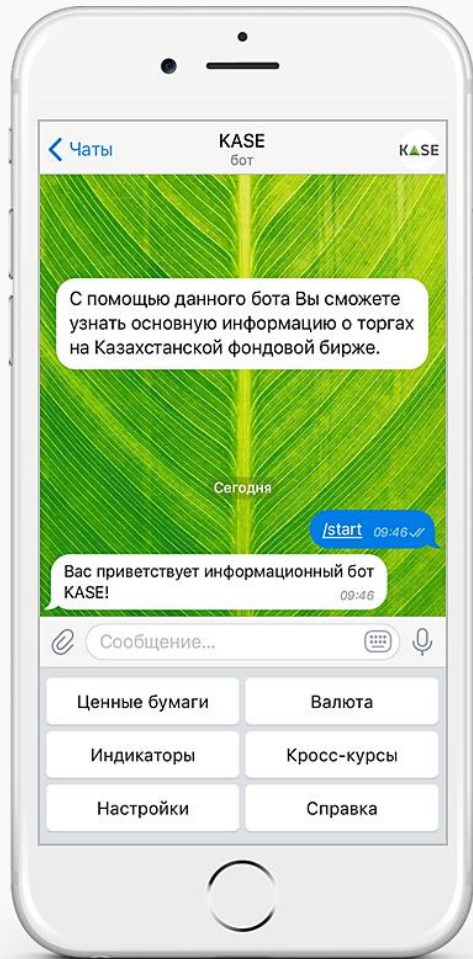
## Assessment of equity instruments' liquidity

- on November 1 the revised document was put into effect, which determines the liquidity indicators of equity securities using absolute values instead of relative providing objective information about the liquidity of each particular security.

## Market valuation

- on November 28 a new document was put into effect, which specifies the procedure of determining indicative figures GG-spread as values for the valuation of settlement prices for swap currency transactions;
- on September 30 a new document was put into effect, which specifies the procedure of determining the yield function of GS for purposes of determining the yield (based on the Nelson-Siegel model) and market prices of GS;
- from September 30 to October 31 a new method was adopted for determining GS market prices, using amortization of yields determined according to both the old methodology and the new one;
- on November 1 a new document was put into effect, which determines the calculation of indicative figures on the CCP repo market.

# Market data



Launch of new section of the website "Disclosure by companies"

Development of @KASEInfoBot: update of content

Regular release of information and analytical reviews

Launching the Personal Area for fee-paying subscribers

Issue of industry reports

## Total

**Products**

**13**

**Vendors**

**15**

**Clients**

**29**

**Website subscribers**

**201**



## KASE Weekly

Key market developments over the past week  
Current market trends

[Published every Monday](#)



## Broadcasts on the Atameken Business Channel

An up-to-date overview of the latest trends in the stock and FX markets of KASE

[Comes out daily](#)



## Newsletter

Macroeconomic indicators  
Assets of participants  
Base rates

[Published once a month](#)

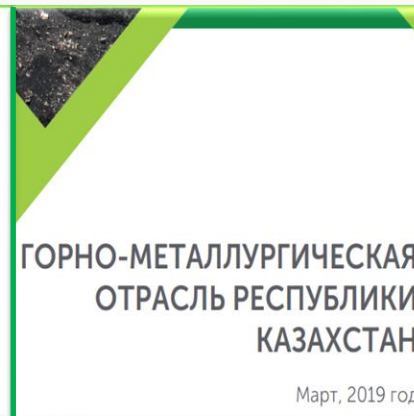
Раскрытие информации компаниями

Компания	Название документа	Дата предоставления
Банк Развития Казахстана	Информация об увеличении в 2018 году кредитного портфеля банка на 8,7%	11.04.19
Банк ВТБ Казахстан	Справка о государственной регистрации юридического лица	10.04.19
ДБ Сбербанк	Сбербанк Онлайн - лучший мобильный банк по версии "Mobile Banking Bank 2019 Казахстан"	10.04.19
ДБ Сбербанк	О финансировании проекта опеченочного производителя мыла, чистящих и полирующих средств "ООО 'Славер'"	10.04.19
Усть-Кам Птицефабрика	Информация о решении единственного акционера от 28 марта 2019 года	10.04.19
Банк Развития Казахстана	Информация об изменении состава органа эмитента от 28 марта 2019 года	10.04.19
AsiaCredit Bank	Информация об изменении состава органа эмитента от 08 апреля 2019 года	10.04.19

## Section "Disclosure by companies"

Notice of receipt of documents by listed company as part of compliance with legal requirements

[Updated daily](#)



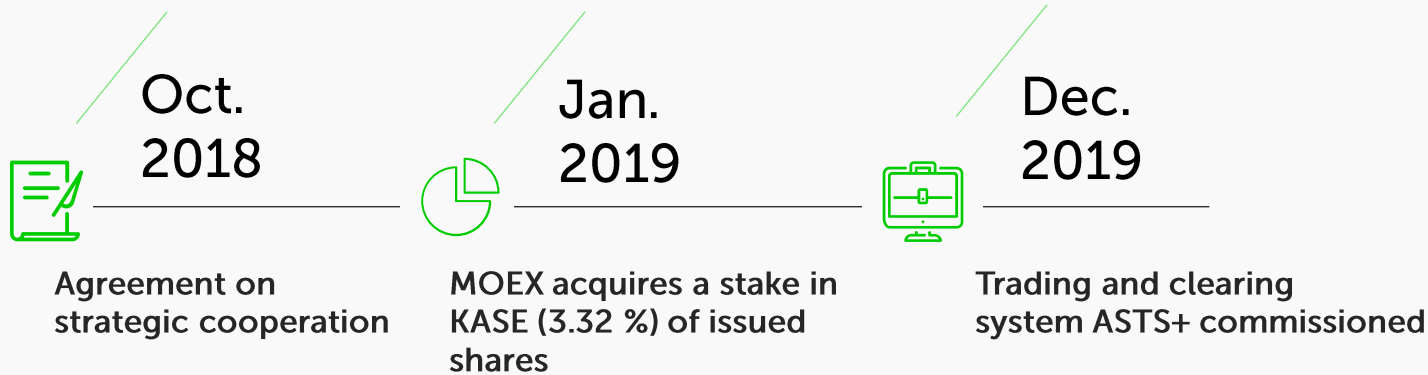
## Industry reports

Overview of Kazakhstan's economy and their stock market representation

[Released quarterly](#)



# Cooperation with MOEX (1 / 2)



## As part of the project on implementing the ASTS+ the following was done:

- bringing internal regulatory documents in line with the new trading modes in the new system;
- CCP services was launched;
- software improved to meet KASE requirements for the stock market was installed;
- training events aimed at introducing market participants to upcoming legal, technological and technical changes were conducted;
- Improvements were made to information systems of the Exchange for integration with the ASTS+, systems of external receivers of market data: CD, back-office of the Exchange, website.

# Cooperation with MOEX (2 / 2)

## Financial instruments

of the stock market moved to the ASTS+:

- stocks / **137**
- GDR and bonds, denominated in US dollars / **21**
- securities of investment funds / **8**
- international securities of the Republic of Kazakhstan / **3**

**Total as of January 1, 2020 – 169 instruments**

**As of January 1, 2020 8 465 transactions were made in the ASTS+:**

- 7 018 transactions in the main mode (purchase/sale);
- 1 447 transactions on the repo transactions market.

**Total amount – KZT 30.1 bn**

**Participants – 20**

# New trading modes

Markets	Trading mode	Settlement cycles	Collateral	CCP services
<b>Securities</b>	In the "Order book" mode Nego deals	T+2 T+0	Full/partial	Launch IVQ 2019 Launch IQ 2020
<b>CCP book building</b>	Auction, subscription	T+0 T+n	According to operator terms	
<b>Currencies</b>	"Order book" mode	T+0 T+1 T+2	Full/partial	✓
<b>Derivatives</b>	"Order book" mode	T+1W T+1M T+3M T+6M	Partial	✓
<b>Money market (repo)</b>	"Order book" mode Nego deals	T+0 – T+90	Partial	✓
<b>Money market (swaps)</b>	"Order book" mode	T+1 T+2 T+1W T+1M T+3M T+6M T+1Y	Partial	✓

# Instruments available for trading with deferred settlement

Instruments	ListT+	Collateral list T+	Company name
Shares	GB_KZMS	GB_KZMS	KAZ Minerals PLC
	HSBK	HSBK	Halyk Savings Bank of Kazakhstan JSC
	KCEL	KCEL	Kcell JSC
	KEGC	KEGC	KEGOC JSC
	KZAP	KZAP	NAC Kazatomprom JSC
	KZTK	KZTK	Kazakhtelecom JSC
	KZTO	KZTO	KazTransOil JSC
Bonds	US_FRHC	US_FRHC	Freedom Holding Corp.
	BRKZe3, BRKZe4, BRKZe7	-	Development Bank of Kazakhstan JSC
	HSBKe5	HSBKe5	Halyk Savings Bank of Kazakhstan JSC
	KMGZe10, KMGZe11, KMGZe12, KMGZe13, KMGZe14, KMGZe15, KMGZe6	KMGZe11, KMGZe13, KMGZe14, KMGZe15, KMGZe6	National company "KazMunayGaz" JSC
	KZTGe1	-	KazTransGas JSC
	TMJLe1	-	NC Kazakhstan Temir Zholy JSC
IFI bonds	EBRDe1	EBRDe1	European Bank for Reconstruction and Development
GS	KZ_05_2410, KZ_06_4410, KZ_07_2507	KZ_05_2410, KZ_06_4410, KZ_07_2507	Ministry of Finance of RK
	OM_01_2908	OM_01_2908	Sultanate Oman
	RU_01_2806	RU_01_2806	Ministry of Finance of the Russian Federation

# Central Counterpart on KASE

*guarantees execution of transactions on the exchange market*

## **KASE acts as the Central Counterpart since:**

2012 – on the derivatives market;

2018 – on the forex market;

2019 – on the stock market.

## **As part of developing the CCP on KASE the following was implemented:**

- updating of the regulatory bases and statutory acts;
- amendments to 24 internal documents of the Exchange;
- updating of the risk management system, including assessment of credit risks of participants and market risks (risks of change of rates of financial instruments);
- implementation of the modules SettleCCP and International RiskMonitoring of the trading and clearing system ASTS+ of the stock market for purposes of automation of the clearing and risk management processes;
- agreements with providers of liquidity in foreign currency;
- list of financial instruments admitted to conclusion of deals on conditions of partial collateral on the currency and stock markets – "ListT+";
- list of financial instruments, accepted as collateral on deals carried out on conditions of partial collateral – "Collateral list T+".

	Stock market	
	Stage 1	Stage 2
<b>Clearing activities with the performance of the CCP functions (on a net basis)</b>	<p>Buy/Sell transactions+REPO in ASTS+ with</p> <ul style="list-style-type: none"> <li>○ shares, securities of investment funds settled in tenge</li> <li>○ Eurobonds and GDR in USD with settled in USD</li> </ul>	<p>Buy/Sell transactions+REPO in ASTS+ with</p> <ul style="list-style-type: none"> <li>○ all securities</li> <li>○ baskets</li> </ul>
	<p>Settlement organization: for securities is Central Depository, for money is KASE</p>	
<b>Clearing activities without performing CCP functions (on a gross basis)</b>	<p>Buy/Sell transactions +REPO in ACT with</p> <ul style="list-style-type: none"> <li>○ K/P+REPO with bonds, baskets settled in tenge</li> <li>○ REPO with equity securities settled in tenge</li> </ul>	<p>Repo transactions:</p> <ul style="list-style-type: none"> <li>○ direct REPO transactions with all securities settled in tenge</li> <li>○ continuous counter-driven auction with a basket settled in tenge</li> </ul>
	<p>Settlement organization: for securities and money is Central Depository</p>	

## Status of clearing members:

- clearing member of FX market
- clearing market of derivatives market
- clearing member of the stock market

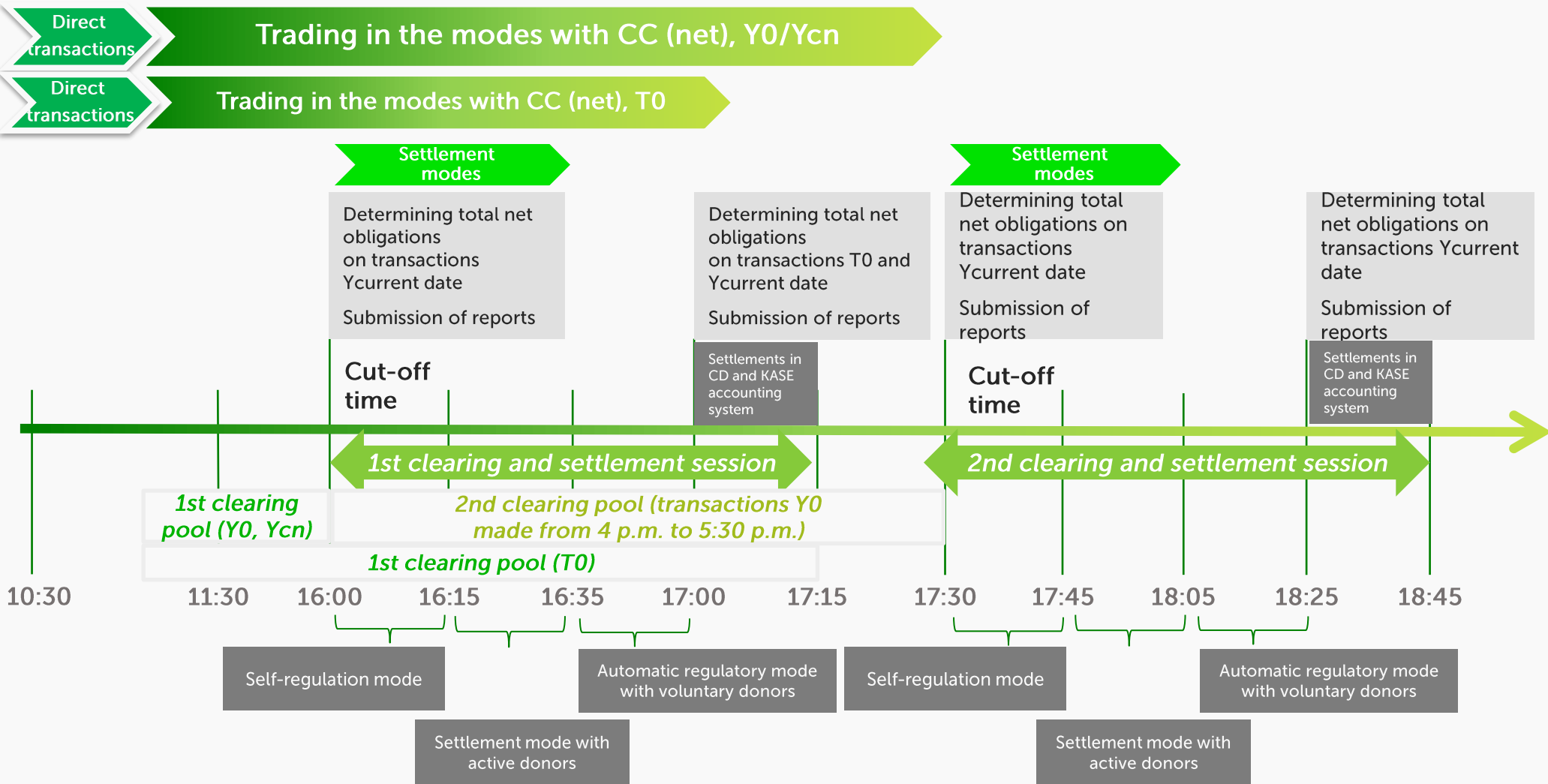
## Categories of clearing members:

- "without collateral" - only for the NBRK
- "with partial collateral"
- "with full coverage"

## To obtain clearing services on the exchange markets of KASE, a clearing member must:

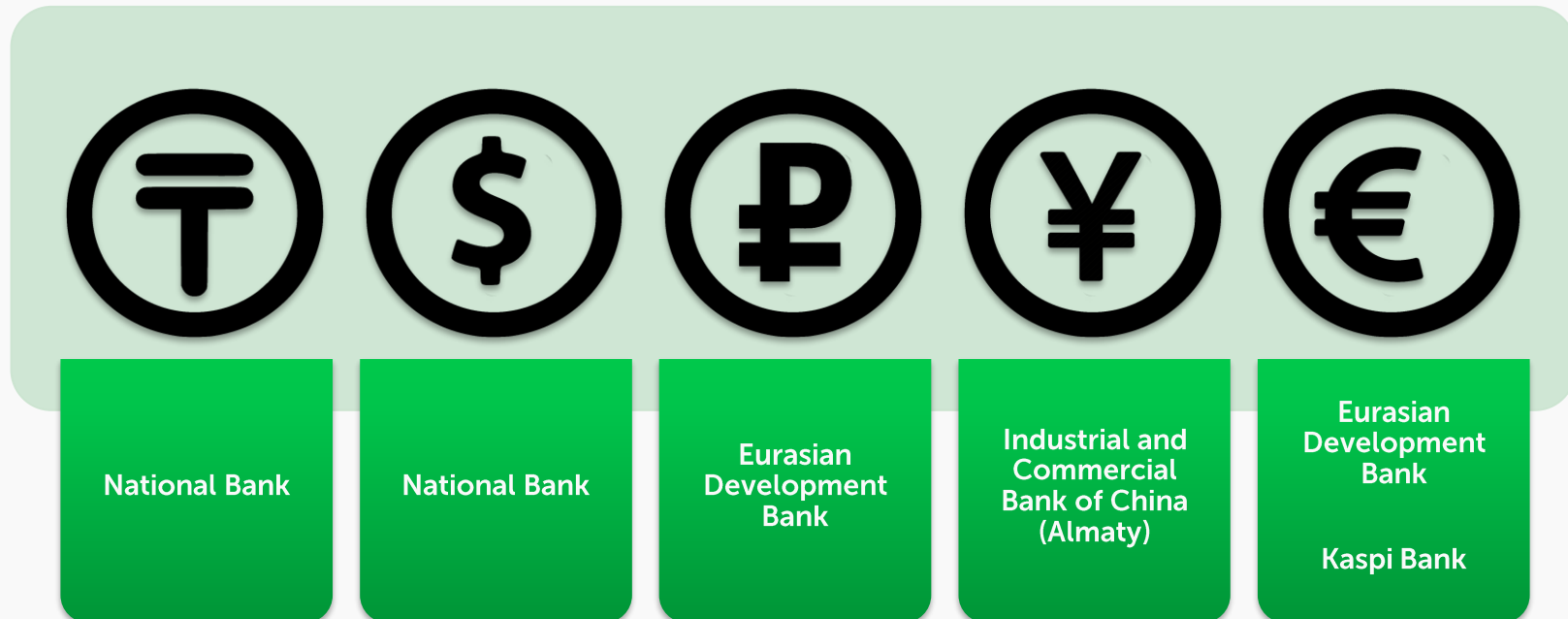
- 1) obtain the status of a member of the Exchange in a particular exchange market and pay a membership fee
- 2) submit an application on accession to the remittance services contract
- 3) submit an application for obtaining status of a clearing member of the relevant exchange market
- 4) pay a guarantee fee for the category "with partial collateral"

# Schedule of Trading, Clearing and Settlements



# Liquidity Providers

KASE has signed agreements to provide liquidity services in foreign currencies traded on the exchange market as part of the development of the Central counterparty's activities in the foreign exchange market:



The procedures adopted for resolving defaults with the involvement of liquidity providers will help KASE perform its obligations to all trading participants in a timely manner.





## Events in other regions

- 10 meetings in the "round table" format on issues of use of stock market instruments. 7 regions of Kazakhstan were involved: Atyray region, East Kazakhstan region, Kostanay region, Pavlodar region, Akmola region, West Kazakhstan region, Mangystau region and the cities of Almaty and Nur-Sultan
- 4 business lunches for entrepreneurs in Shymkent, Aktobe, Almaty and Nur-Sultan



## Training workshops

- 3 training workshops on "Essentials of the stock market" for owners and executives of businesses, officers of development institutions and local executive bodies
- 1 workshop on the basics of investor relations "Investor Relations: efficient communication with investors"
- round table "Refinitiv Day on KASE: Investors and issuer relations"



## Business forums

- Participation in 5 business forums in Kazakhstan's regions for increasing Kazakh entrepreneurs' awareness of the local stock market and opportunities thereon: in the cities of Atyrau, Karagandy, Taldykmorgan, Almaty and Nur-Sultan



## Events for listed companies

- organization of four events "Issuer Day" for three listed companies : KEGOC JSC (2 events), for executives of the treasury of the head-quarters of the "IFC" in London and "Turǵyn úi qurylys jınaq banki"



## Meetings with businesses

- individual consultancy meetings with representatives of 80 companies
- 9 new Kazakh companies included in the list of the Exchange's issuers, with 7 of them – issuers of debt securities and 2 – equity issuers.

## Seminars

Two training seminars on the subject "How to trade on the securities market" were organized for local retail investors

## Lectures

Thirty five guest lectures were conducted for students and lecturers of Kazakh universities

## Competitions

### *Exchange simulator*

Training trading, organized for students of economic and finance faculties

Participants– 1,167

Total transactions amount – 5,989.9 mln tenge

Number of transactions –13,898

### *Competition among retail investors*

Individuals, clients of members of KASE stock market are admitted

Participants – 454

Total transactions amount – 137 mln tenge

Number of transactions – 2,800

**Events for  
investors**

# International activities



- IOMA: WFE's 36th Clearing & Derivatives Conference 2019 (02-04.04.2019)
- participation in the meeting of the Work committee of the WFE (11.06.2019)
- 59th general assembly and annual meeting of the WFE (08-10.10.2019)

- FEAS Capacity Building Program for UZSE (08-09.04.2019)
- extraordinary meeting of the General assembly, meeting of the Work committee, meeting of the Board of Directors
- conference ConFEAS 2019 (15.06.2019)
- FEAS Onsite Training (24-29.08.2019)
- events FEAS, including meetings of the general assembly, auditing committee and work committee. (21.10.2019)

- Joint conference of AECSD/IAE: "Integration processes on financial markets: Eurasia and the global economy" (04-08.08.2019)



Participation in the World congress of exchanges and a speech on the topic "Methods of diversification of exchanges' revenues" (25-27.02.2019).

# International events

- Organization and conducting of **4 international conferences** about Kazakhstan's stock market
- Participation in **8 international conferences**
- Organization and conducting of **a round table with members of the exchange and consultants of Asian Development Bank**
- **Ring the Bell for Gender Equality** and the conference on **Principles of extending rights and opportunities for women** jointly with the "UN Women" in Kazakhstan
- **Ring the Bell for Financial Literacy** as part of the World Investor Week



# KASE Days in

## Tashkent, Minsk, Moscow, London

### Purposes:

- *introduction of participants to the current situation and development outlooks of the Kazakh exchange market*
- *promoting financial instruments and services of KASE*
- *acquaintance with investment opportunities on KASE's exchange markets*
- *informing foreign investors on the potential of the Kazakh stock market*

### • Tashkent – 11 September 2019

Presentations were conducted and possibilities of cooperation between professional participants of the two countries, including mutual admission to exchange markets, were discussed.

The event saw participation of financial organizations and issuer companies from Uzbekistan, as well as representatives of Kazakh brokerage firms. There were 61 participants.

### • Minsk – 05 November 2019

Presentations were conducted on the current status and outlooks of the Exchange's development, on exchange markets and KASE instruments, possibilities of cooperation between professional participants of the two countries were discussed

The event saw participation of representatives of 64 organizations – financial companies and issue companies of Belarusian stock market

### • Moscow – 06 November 2019

Presentations for potential distant members of KASE on available information products of the Exchange, trading schedule and Central counterpart services were conducted.

The event saw participation of representatives of financial organizations, representatives of the financial market regulator, infrastructural organizations of the stock market and Kazakh brokerage firms. The number of participants was 42

### • London – 05 December 2019

Presentations on the investment potential of the economy's real sector, changes in the infrastructure of Kazakhstan's capital market were conducted. Amongst topics of discussions were the issues of foreign participants' obtaining access to the Kazakh market.

The event saw participation of representatives of major foreign institutional investors and other professional market participants. The number of participants was 24.

# KASE continues its work on promoting the principles of sustainable development

KASE has joined global initiative "The Women's Empowerment Principles – Equality Means Business"



KASE held a conference on The Women's Empowerment Principles (WEPs) together with UN Women in Kazakhstan on September 19, 2019.



Representatives of **30 organizations** attended the event including:

- Ministry of Foreign Affairs
- Representatives of foreign embassies in Kazakhstan
- Private companies
- Financial institutions
- Media representatives
- Signatories to WEPs



KASE has joined the UN Sustainable Stock Exchanges Initiative (SSE) in 2015

# Participation in Integration Processes

## Integration of financial markets within the framework of the EAEU common economic area

Participation in the creation of The Agreement on Admission of Brokers and Dealers of the EAEU Member State to Participate in Organized Trading on the Exchanges of Other Member States" and The Agreement on Mutual Admission to the Placement and Circulation of Securities in Organized Trading in the EAEU Member States.

**Apr 3 - Apr 4, 2019**

- Participation in the 10th Anniversary Exchange Forum 2019
- Organizing a roundtable of professional participants of Kazakhstan and Russia

**May 23 - May 25, 2019**

- Participation in the Fifth International FX & MM Forum SOCHI 2019
- Organizing a roundtable with the Moscow Exchange, the Astana International Financial Center (AIX), the Eurasian Development Bank and the Belarusian Currency and Stock Exchange

**Nov 28- Nov 30, 2019**

Participation in the 14th Annual International Conference "Eurasian Economic Integration"

## Development of cross-border settlements between Kazakhstan and China

**May 21- May 23, 2019**

- The conference "Successful future in close cooperation: cross-border settlements in the national currencies of Kazakhstan and China"
- Organizing meetings and discussions with the People's Bank of China on the increase of trading volume of KZT-CNY currency pair.

**May 26, 2019**

Participation in the workshop "International Financial Cooperation"

**Aug 5 - Aug 8, 2019**

Participation in the 10th meeting of the Subcommittee on Financial Cooperation of Kazakhstan-China Cooperation Committee

**Oct 20 - Oct 26, 2019**

Exploring the Chinese securities market and participating in the workshop of the Shanghai Stock Exchange (SSE) "Capital Market Seminar"

## Work plan for 2020

- implementing the **ASTS+** for the stock and money markets (second stage)
- implementing the **ASTS+** for the currency market
- optimization of own information and trading systems
- development of new instruments (KSU, REPO with the CCP)
- automation of securities listing, grating of membership, accreditation of auditing firms
- implementing the sustainable development policy



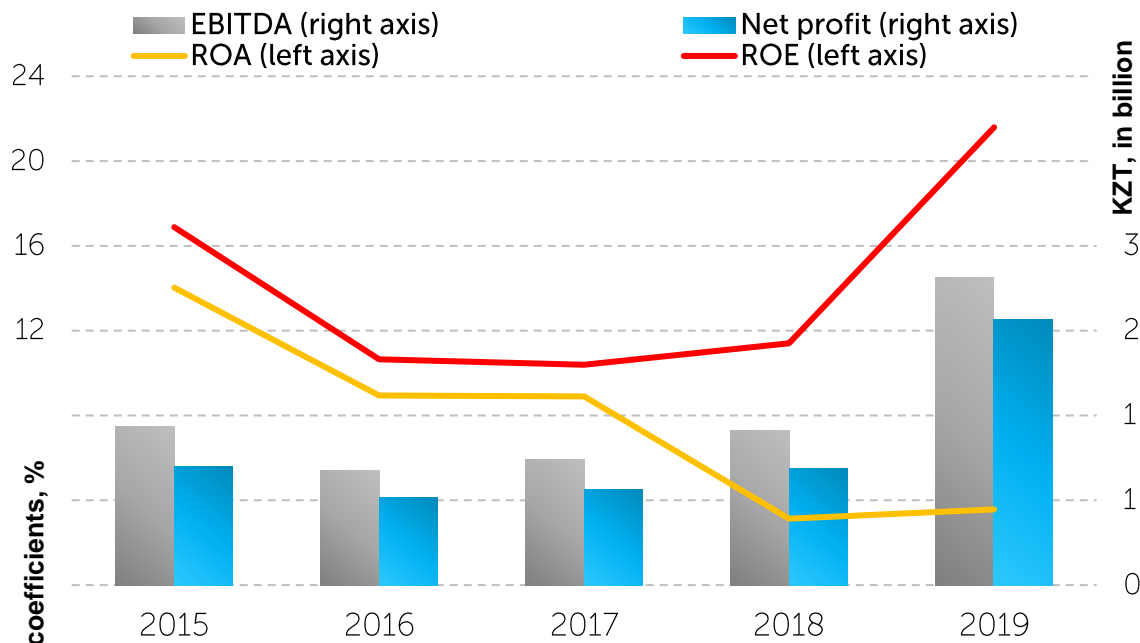


**03**

**financial  
results**



# Key Indicators



KASE's net profit for 2019 amounted to KZT2,192.7 mln, which is by 127.1% higher than the last year results.

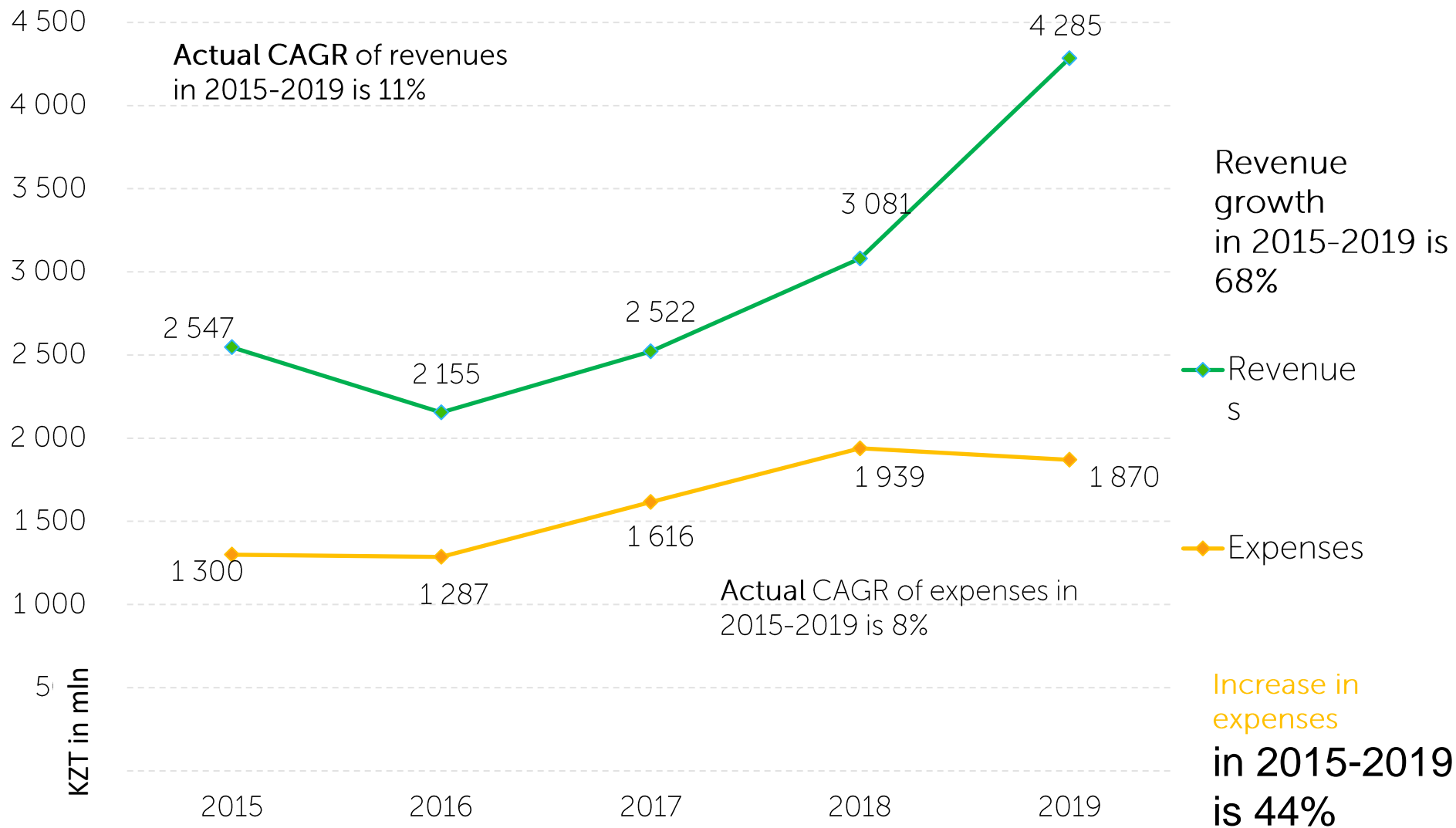
The Exchange's assets amounted to KZT 71.0 bn, an increase of 37.7% (KZT19,457.3 mln) compared to the last year indicator.

Significant growth of assets is due to the expansion of the Exchange's activities as a central counterparty.

KASE performs the functions of a central counterparty from October 1, 2018 in the foreign exchange market and from December 3, 2019 in the stock market.

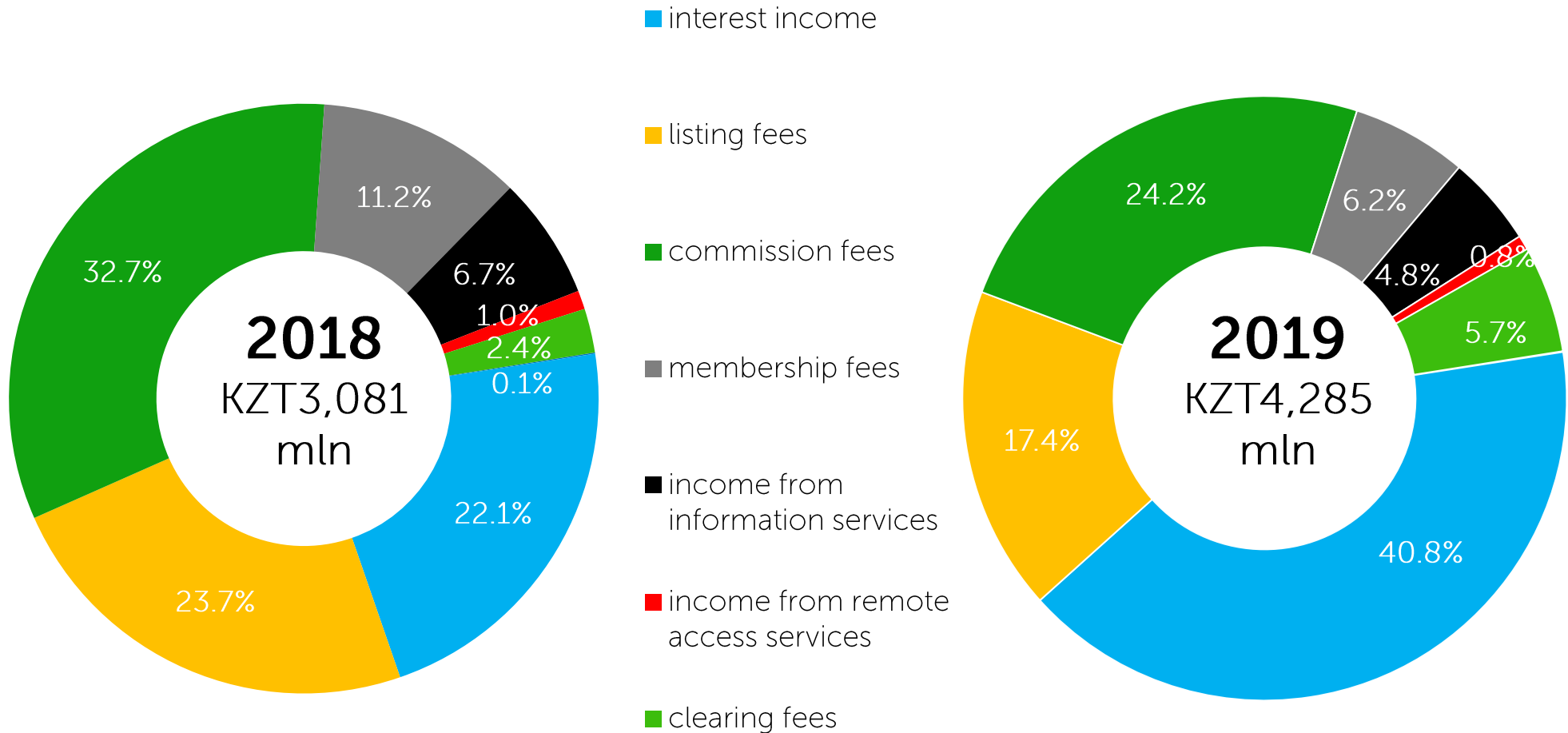
Note: ROA, ROE calculated based on the annual average indicators of assets and capital

# Revenue and Expenditure Dynamics



CAGR (Compound Annual Growth Rate) - average annual growth rate

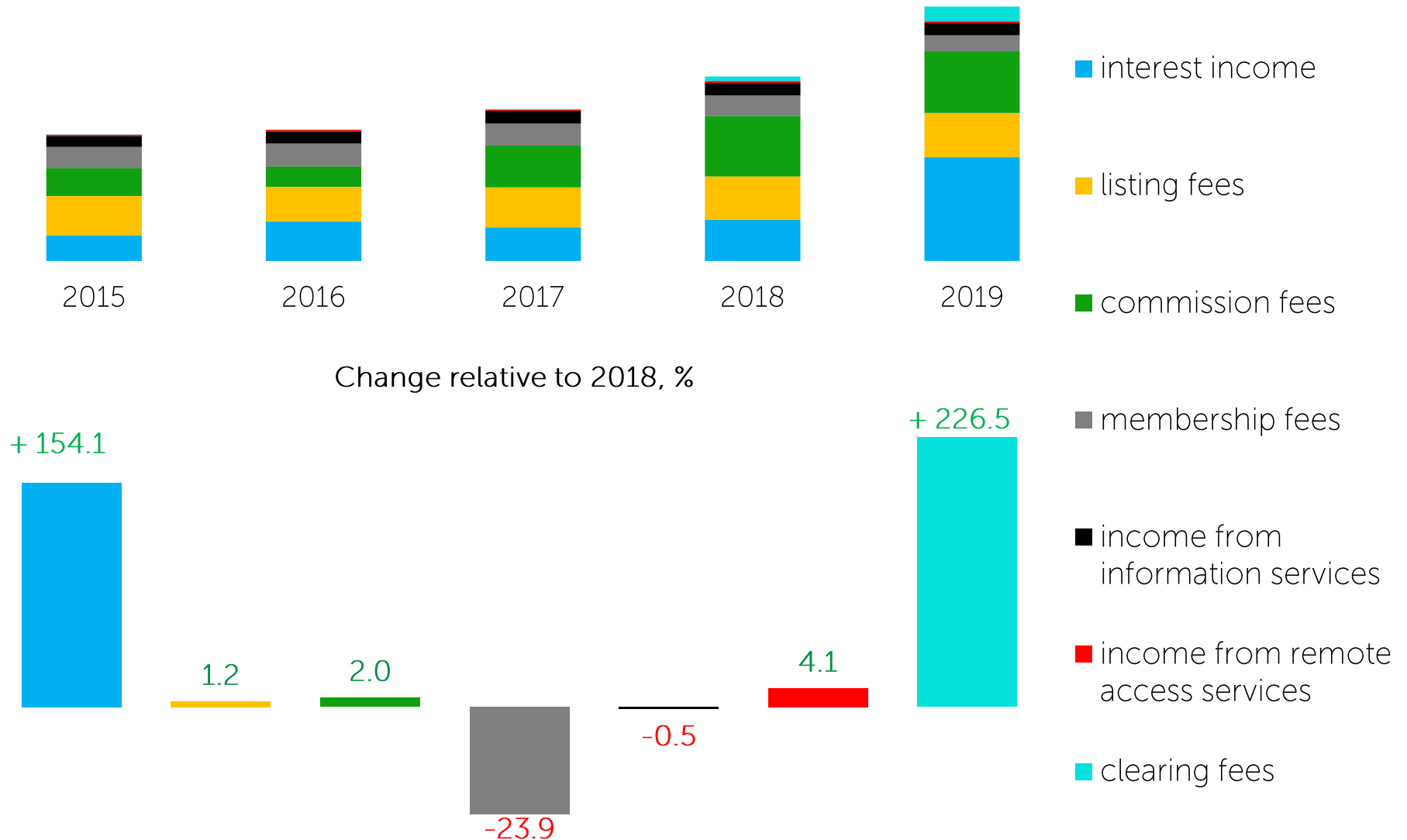
# Exchange Group Revenue Structure (1/1)



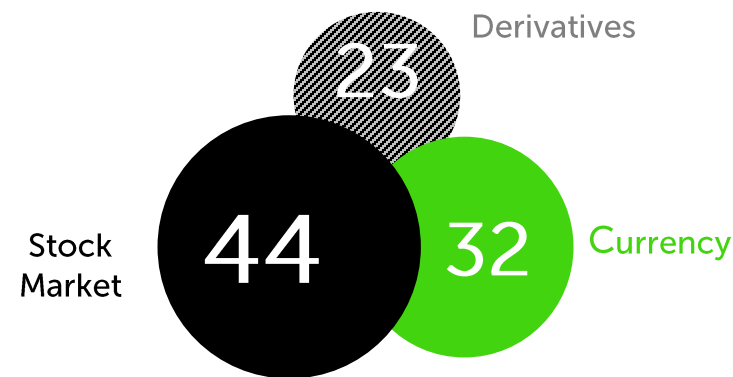
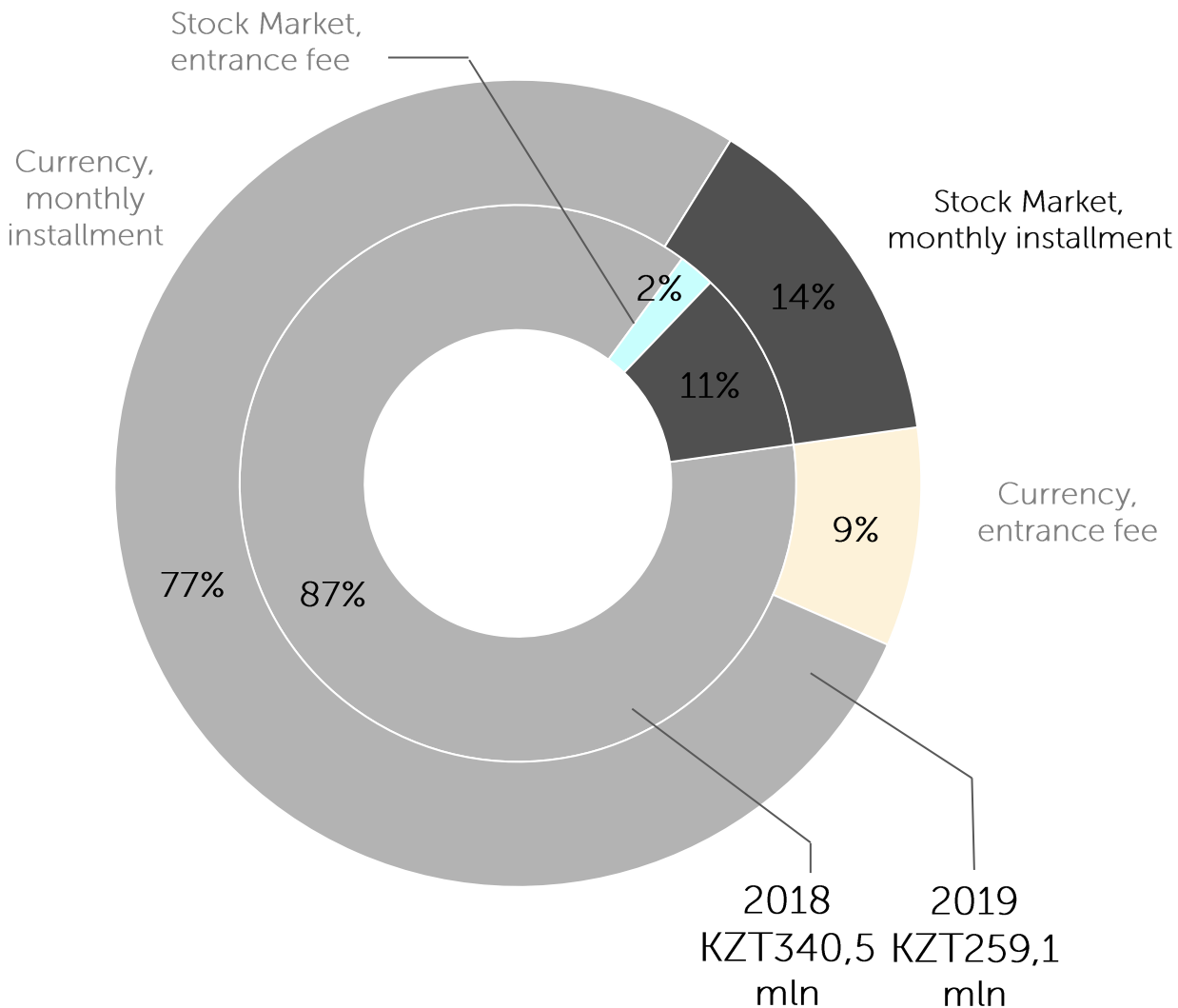
Note: only income from services and commission fees, as well as interest income of KASE recorded in the revenue structure.

# Exchange Group Revenue Structure (1/2)

KASE group revenue dynamics, KZT in billions



# Membership fee: KZT 259,1 mln (-23,9 %)



Total market participants – 52

## KASE's new participants:

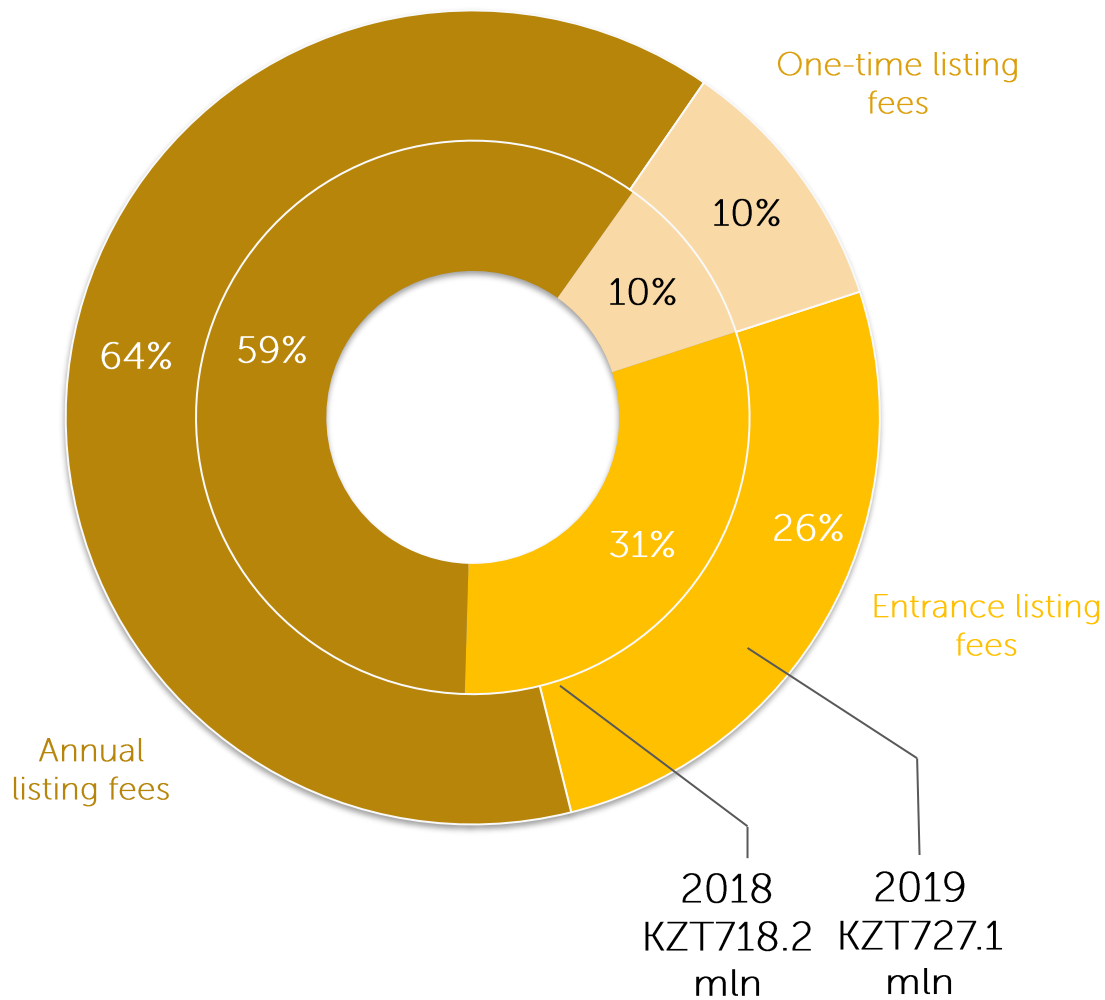
### 2019

- CAIFC INVESTMENT GROUP JSC / currency
- Freedom Finance JSC / currency
- Bank RBK JSC / derivatives
- JSC "Shinhan Bank Kazakhstan" / currency
- Kazpost JSC / currency

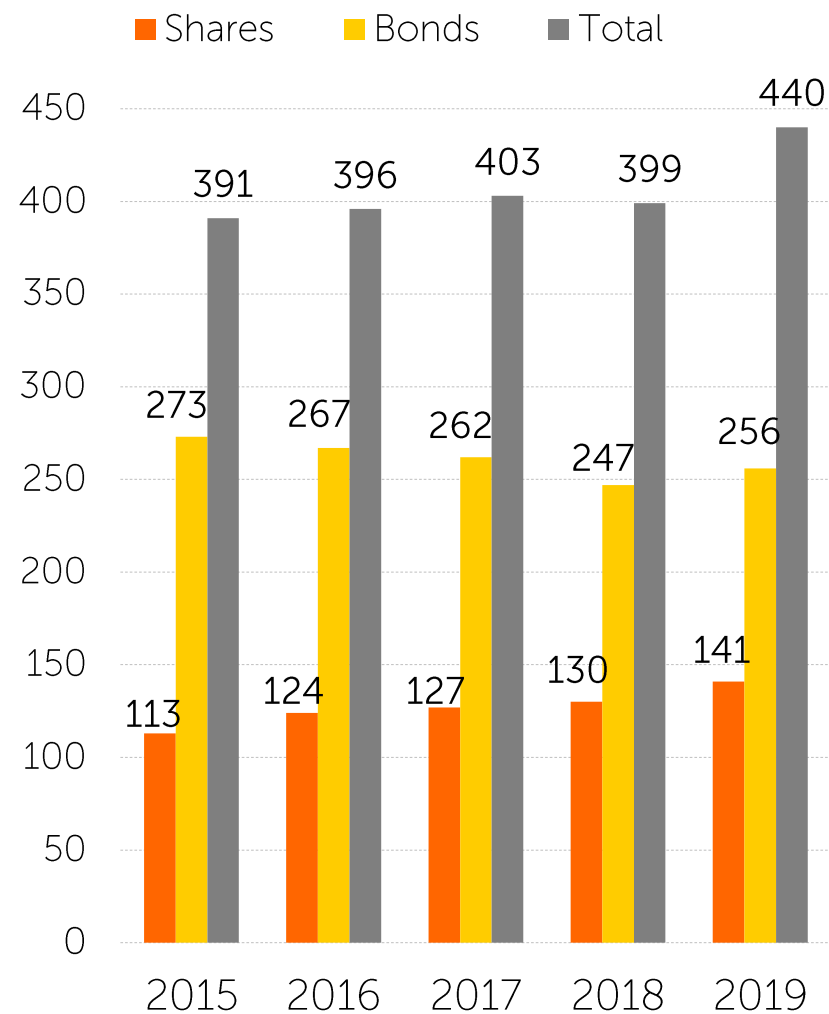
### 2018

- IC "Freedom Finance" LLC / stock market
- Tsesna Capital JSC / derivatives
- Tengri Bank JSC / stock market

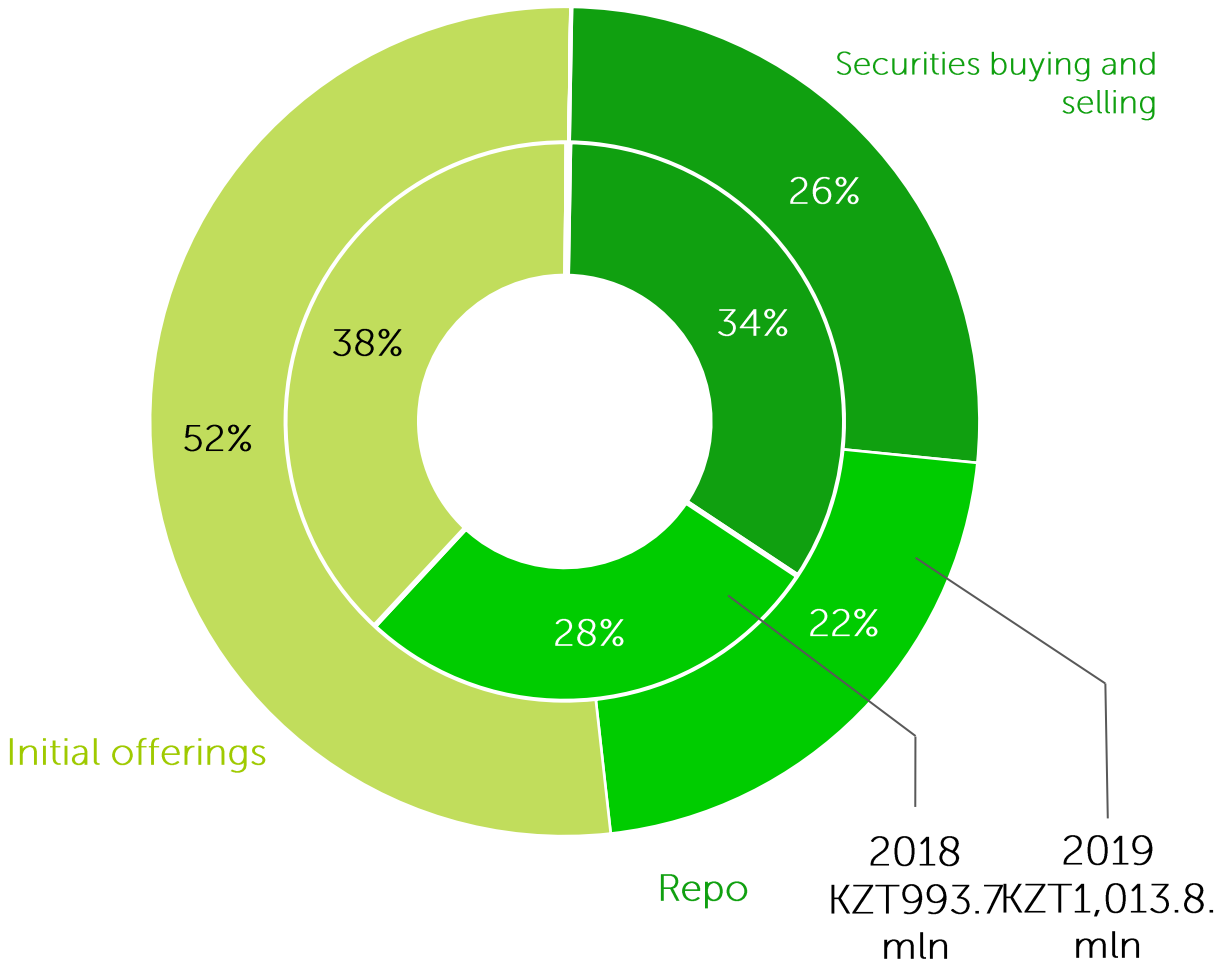
# Listing Fees: KZT727.1 mln (+12%)



Number of securities on the Exchange's lists



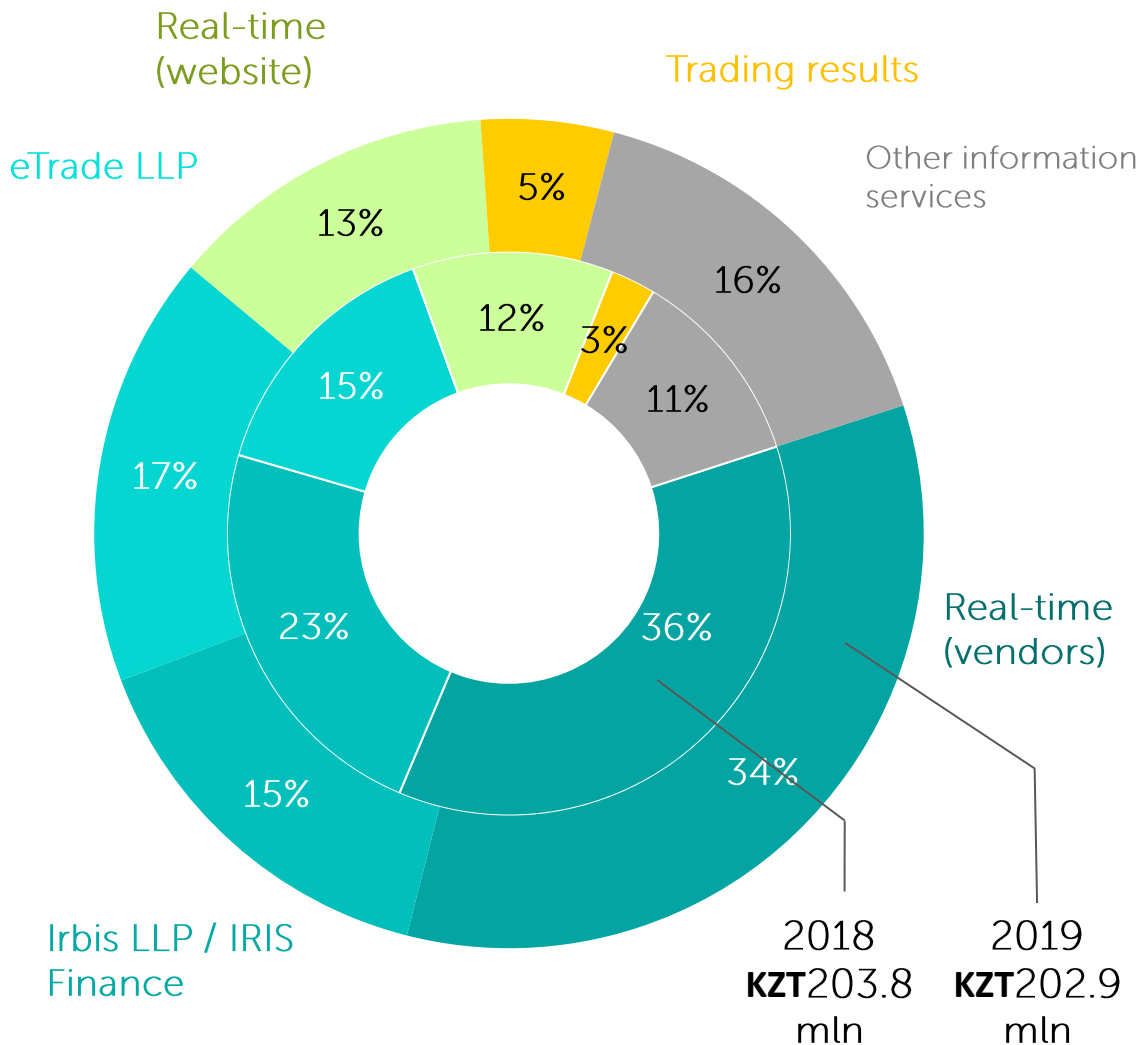
# Commission Fees: KZT1,013.8 KZT mln (+2.0%)



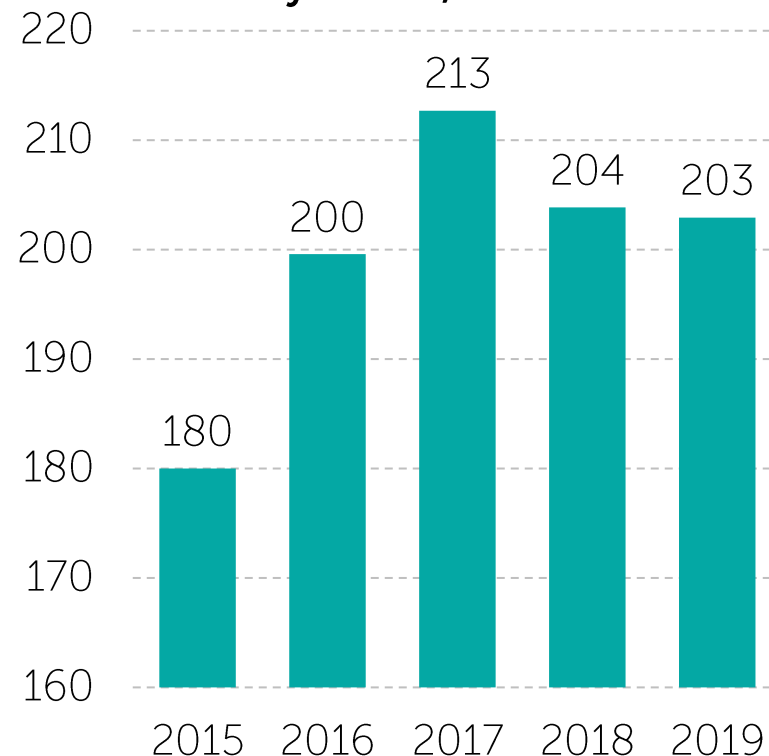
The increase in commission fees was due to the increased transactions with GS and CS, as well as the entry into the IFI market for borrowing purposes.



# Market Data: KZT202.9 mln (-0.5 %)



**Revenue and expenditure dynamics, KZT in mln**

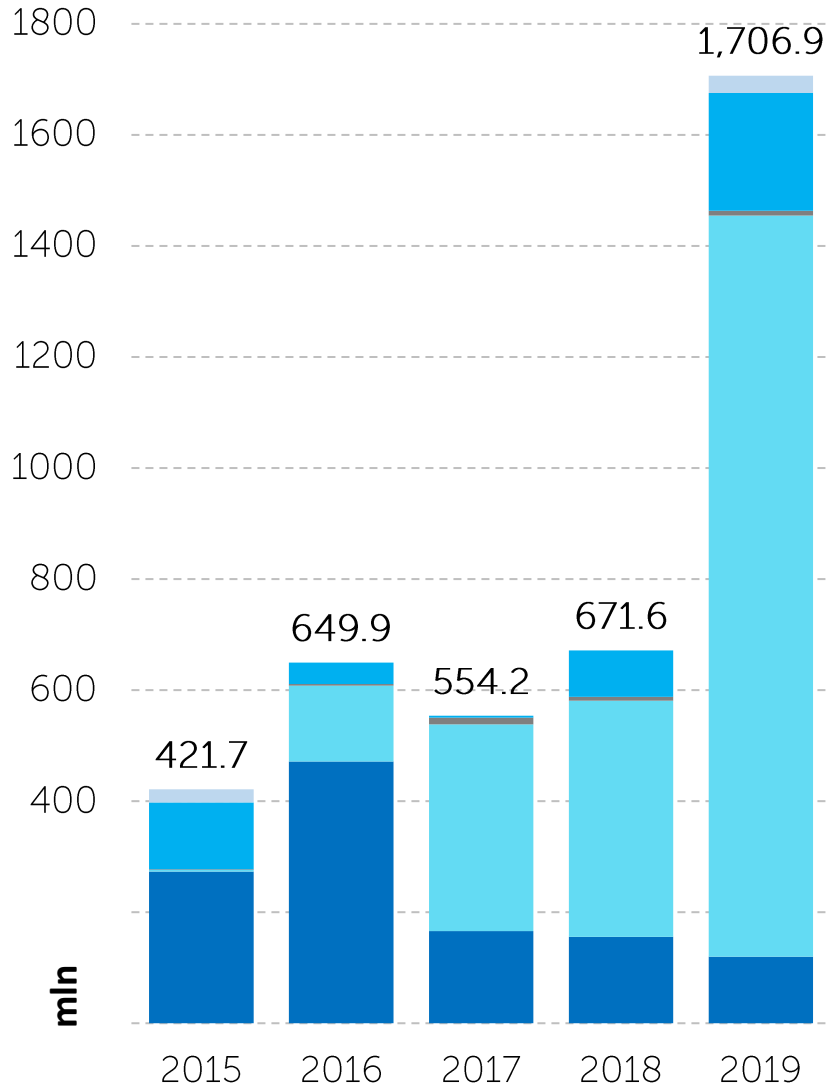


Other information services include:

- Reference information
- Delayed data
- Non-Display/Derived information
- IRIS Finance
- KASE News
- Information on orders and transactions

# Interest Income: KZT1,706.9 mln (+154.1%)

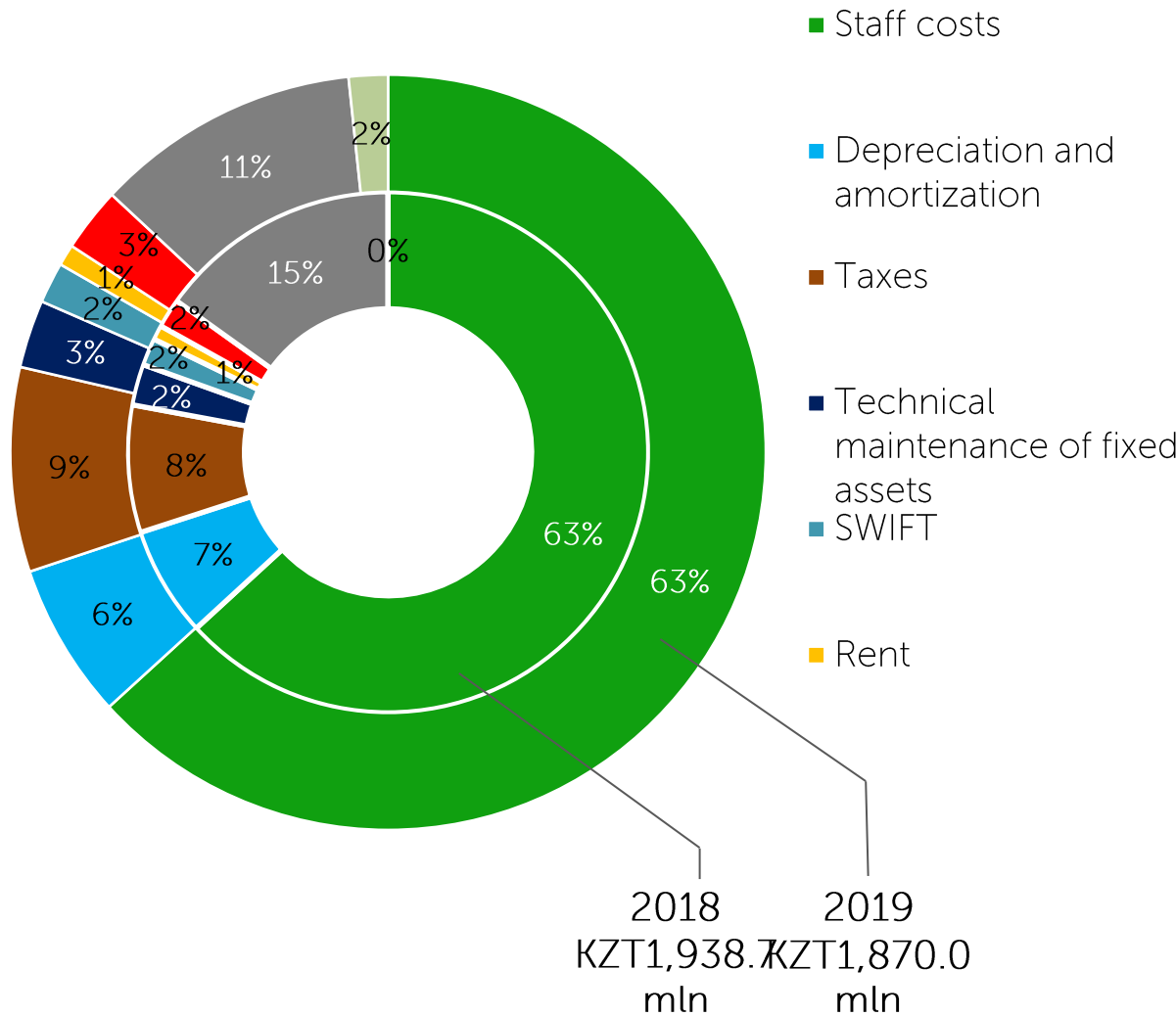
Interest income structure



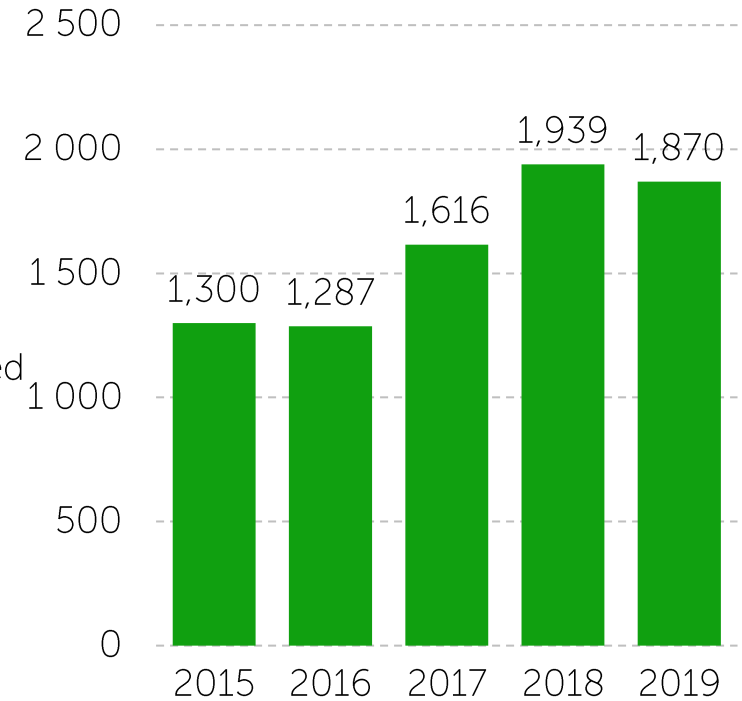
The volume of interest income includes **income from the investment of margin contributions and money from the guarantee or reserve funds of the Exchange** and other collateral of clearing members, which amounted to KZT958.7 mln. The income has risen due to the **increased volume of invested funds**.

- income from available for sale investments
- income from repo transactions
- income in the item "Cash and cash equivalents"
- income from held-to-maturity investments
- income in the item "Amounts due from banks"

# Expenses: KZT1,870.0 mln (-3.5%)



Expenditure dynamics, KZT in mln



The decrease is mainly due to lower staff costs, marketing costs and related taxes.

# Thank you for your attention!

Republic of Kazakhstan, A15G7M6  
Almaty, Baizakov str., 280  
North Tower  
Multifunctional complex  
"Almaty Towers", 8th floor  
Тел.: +7 (727) 237 5300  
e-mail: info@kase.kz  
[www.kase.kz](http://www.kase.kz)

FAQ

