

Review of the securities market of the Republic of Kazakhstan

The 1st half of 2021



Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange

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- 02 | About KASE
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- 04 | Execution of GS transactions by non-residents

Kazakhstan: Facts and Figures

- ✓ Sovereign Credit Ratings/ Investment Grade:
 - Standard & Poor’s – BBB-/stable/A-3 (03/2021)
 - Fitch – BBB/stable/F2 (02/2021)
 - Moody’s – Baa3/positive (07/2021)

- ✓ According to the World Bank's classification by income level in 2020 Kazakhstan is among the **upper-middle-income countries**, it means gross national income per capita from \$4.046 to \$12.535 (gross national income per capita in Kazakhstan in 2020 year - \$9.055,8)

- ✓ Territory – **2,7 m sq. km:**
 - worldwide – the **9th place**
 - amongst the CIS countries – the **2nd place**

- ✓ Population – **18.4 m**

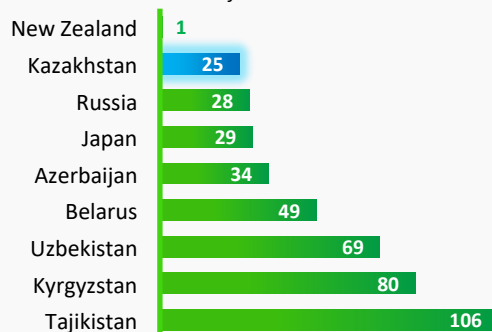
- ✓ Natural resources mainly comprised of mineral resources, oil and gas



Indicator	2015	2016	2017	2018	2019	2020
GDP, USD bn	184.4	137.3	162.9	170.5	181.7	171.2
Change in GDP, % (YoY)	+1.2	+1.1	+4.1	+4.1	+4.5	-2.5
Inflation, % (YoY)	13.6	8.5	7.1	5.3	5.4	7.5
Unemployment, %	5.1	5.0	4.9	4.9	4.8	4.9
Average USD/KZT rate	221.73	342.16	326.00	344.71	382.75	417.42
Money supply (M3), USD bn	15,368	21,367	20,960	24,271	24,327	17,071
National Fund Assets, USD bn	63.4	61.2	58.3	57.7	61.8	58.7

Ease of Doing Business 2020 Ranking

Kazakhstan ranks 25th out of 190 countries



Kazakhstan in the World Ranking of Explored Resources

- **the world's largest** uranium producer
- **2nd place** in the world in reserves of chromium, lead and zinc
- **3rd place** in the world in manganese reserves
- **5th place** in the world in copper reserves
- **TOP 10** in the world for coal, iron and gold reserves

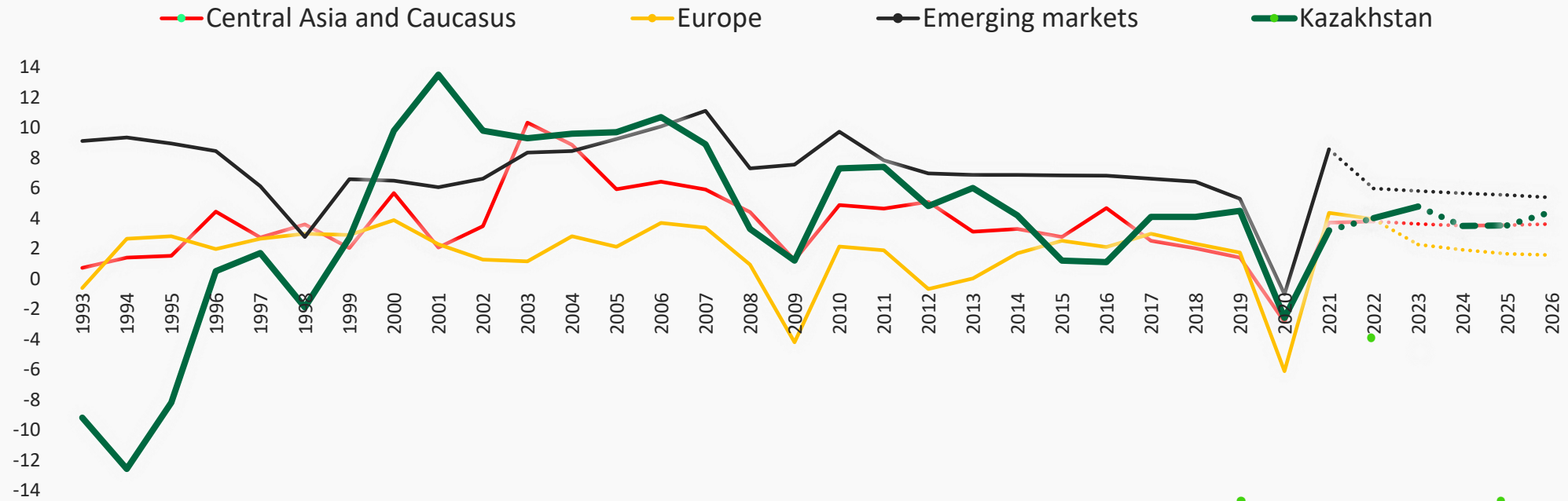


70 types of resources have been explored



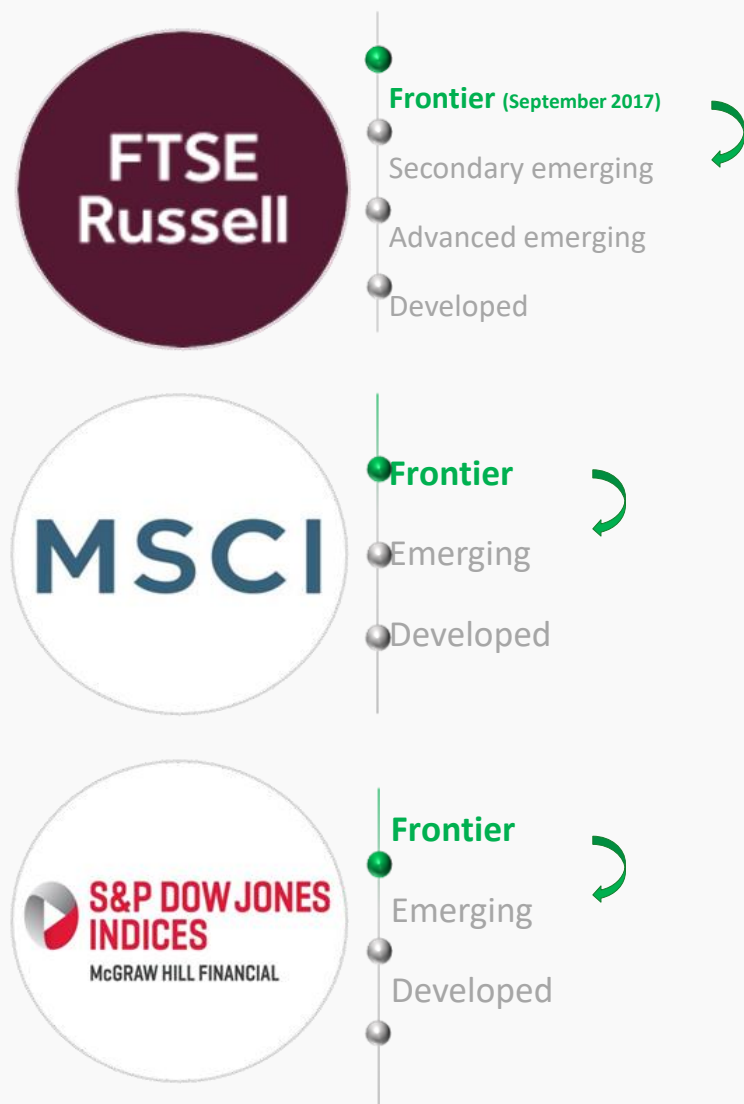
60 elements are currently being produced

Real GDP Growth (% change)



According to the IMF, the real GDP growth in **Kazakhstan is expected this year at the level of 3.2%**

Kazakhstan's stock market: position on the world markets map



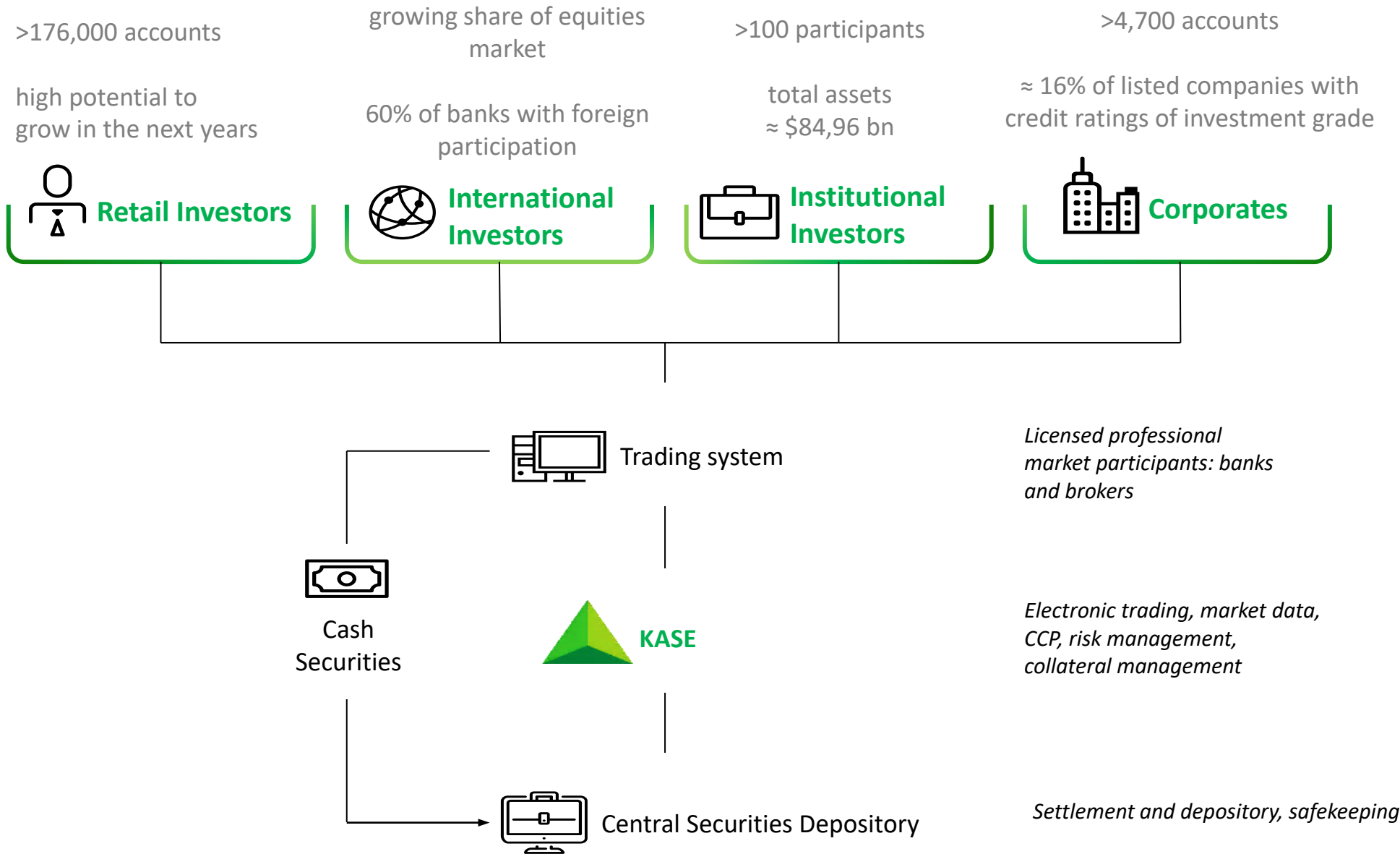
To further improve Kazakhstan's position of, it is necessary:

- **substantial increase in the market liquidity**
- **presence of three companies, each meeting the following criteria:**
 - total market value over \$1,551 million
 - free float market value exceeds \$776 million
 - ATVR* liquidity ratio of more than 15%
- **liberalization of the foreign exchange market and stability of the institutional structure**
- **fulfillment of one of 3 conditions:**
 - settlement system T+3 or higher
 - no significant bans on foreign ownership
 - free currency trading in the country

Contents

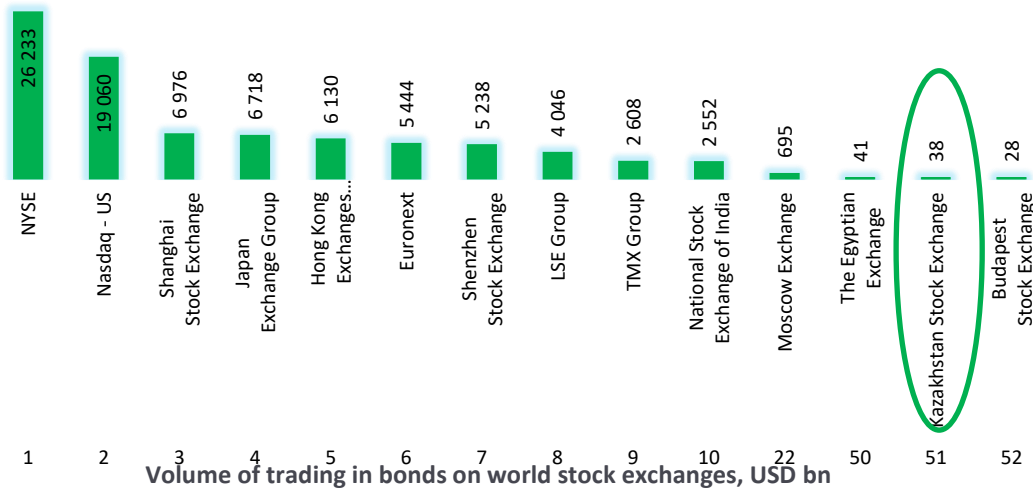
- 01 | Kazakhstan in figures
- ▶ 02 | **About KASE**
- 03 | Review of KASE's GS market
- 04 | Execution of GS transactions by non-residents

Local Markets Infrastructure



KASE 's positions in the global exchange community

Capitalization of world stock exchanges, USD bn



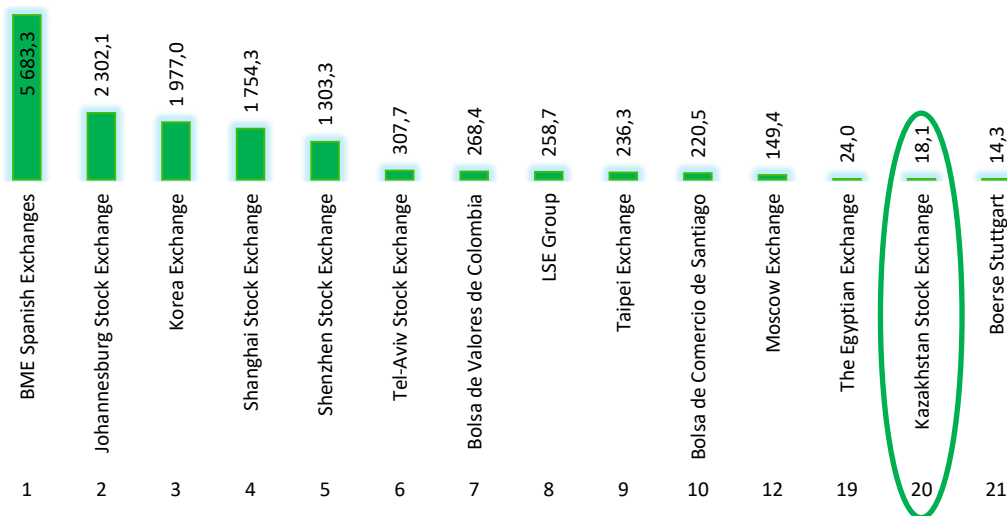
2nd place
out of 12

- by volume of equity trading
- by volume of outstanding corporate debt and volume of bond trading
- by volume of the equity market capitalization



5th place
out of 17

- by volume of the equity market capitalization
- by volume of equity trading



51st place
out of 70

58 place

20 place

- by volume of the equity market capitalization
- by volume of equity trading
- by volume of bond trading

Source: World Federation of Exchanges (WFE)

Structure of the trading lists as of July 1, 2021

1,136 instruments, including 795 securities issues, 198 instruments in T+ list

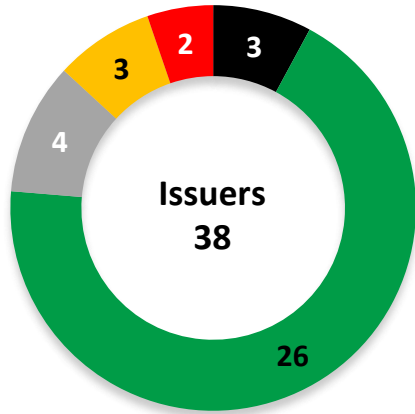
Stock Market			Money Market	FX	Derivatives
Equities	Fixed Income	Structured Products	Swap	Spot	Stock
IPO / Auctions	Auctions	Secondary Markets	RUBKZT	RUBKZT	KASE Index
Redemption	Secondary Markets	Investment Funds	USDKZT	USDKZT	USDKZT
Secondary Markets	Government Bonds	ETFs	CNYKZT	CNYKZT	Since the 7 th July 2021 KZAP HSBK
Large cap			EURKZT	EURKZT	
Small cap	Municipal bonds		Repo	EURUSD	
Dual listings	NBRK Notes		government and corporate securities		
GDRs	Corporate Bonds		equities and bonds		
	IFI Bonds				
14	157				
128	474	22	319	16	6
Terms					
T+2	T+2	T+0	from T+1 to T+1Y	T+0	T+1W
T+0 – illiquid securities	T+0 - illiquid securities		from T+0 to T+90	T+1	T+1M
				T+2	T+3M
					T+6M

*bonds of international financial organizations

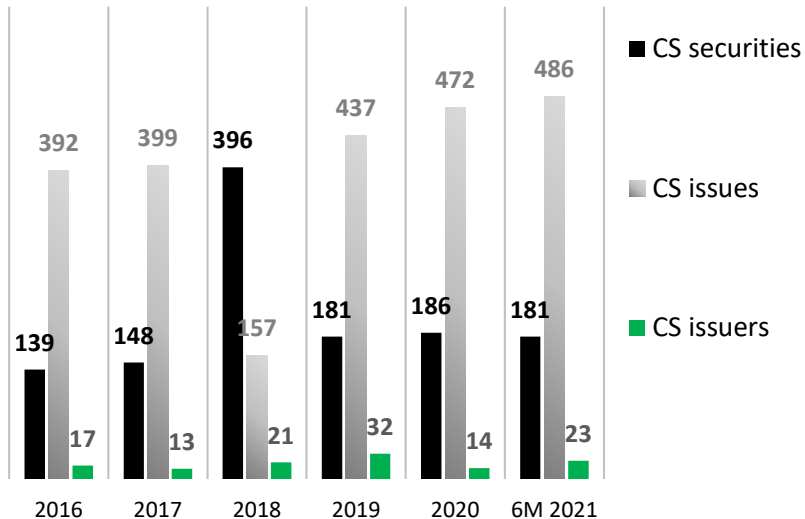
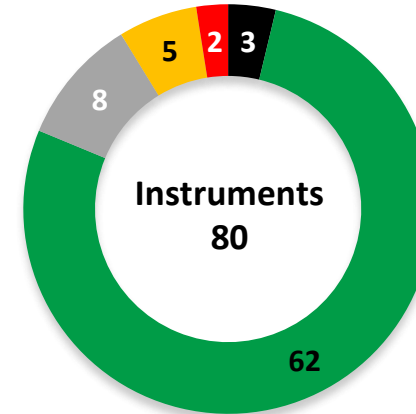
Source: KASE

Structure of KASE official list

Structure of issuers and instruments included in the official list in 2020



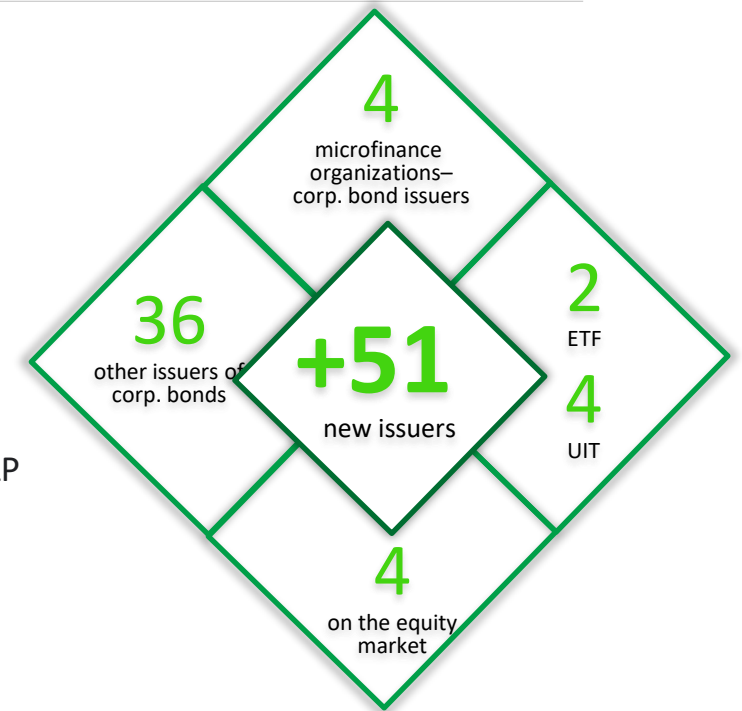
- stocks
- debt securities
- IFO securities
- investment fund securities
- derivatives



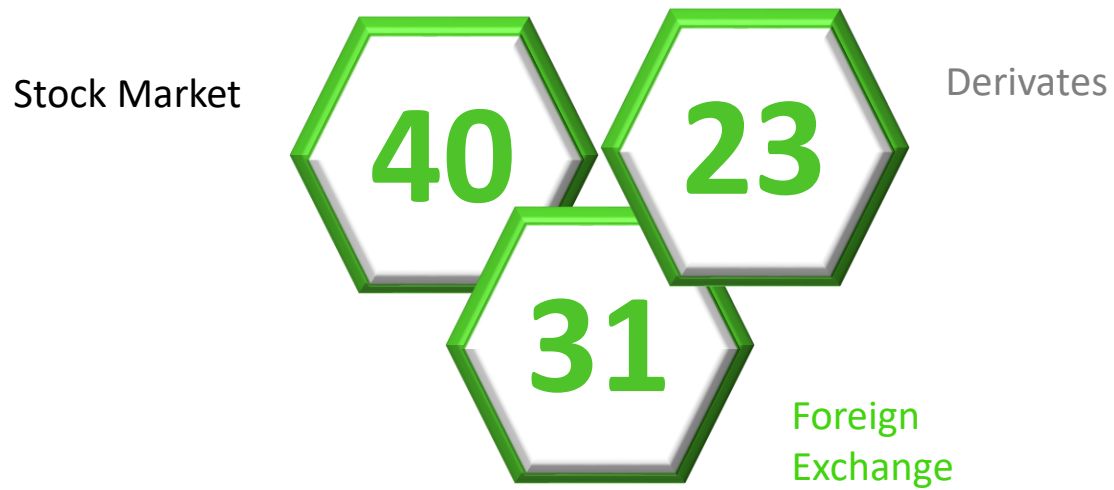
In 2021, **51 instruments** of **23 issuers** were included in the official list, including

6 instruments of **6 new issuers**:

- "Zhaltyrbulak" JSC
- "First Heartland Securities" JSC
- "Microfinance Organization aFinance" LLP
- "Microfinance organization" Niet Credit" LLP
- iShares Global Clean Energy
- Invesco Exchange-Traded Fund Trust



KASE Members



- 50** total KASE members
- 24** second-tier banks (out of 28) *Kazakh residents*
- 20** brokerage firms (out of 22) *Kazakh residents*
- 47** local participants
- 3** foreign participants
- 2** international financial institutions
- 12** participants providing direct market access services

For 6 months of 2021, KASE members were accepted:



admitted to KASE membership in category "Foreign currency"



admitted to KASE membership in category "Derivatives"



Corporates that have concluded agreements on the trust management of pension assets



Source: NBRK, UAPF, KASE
Note: as of 29 July 2021



LISTING

- admission of securities to the official list
 - information disclosure



MEMBERSHIP

- stock market
 - FX market
- derivatives market



MARKET DATA

- end-of-day data
- real time and delayed data
 - historical data



FINANCIAL INSTRUMENTS

- securities
- currency pairs
 - futures
 - repo



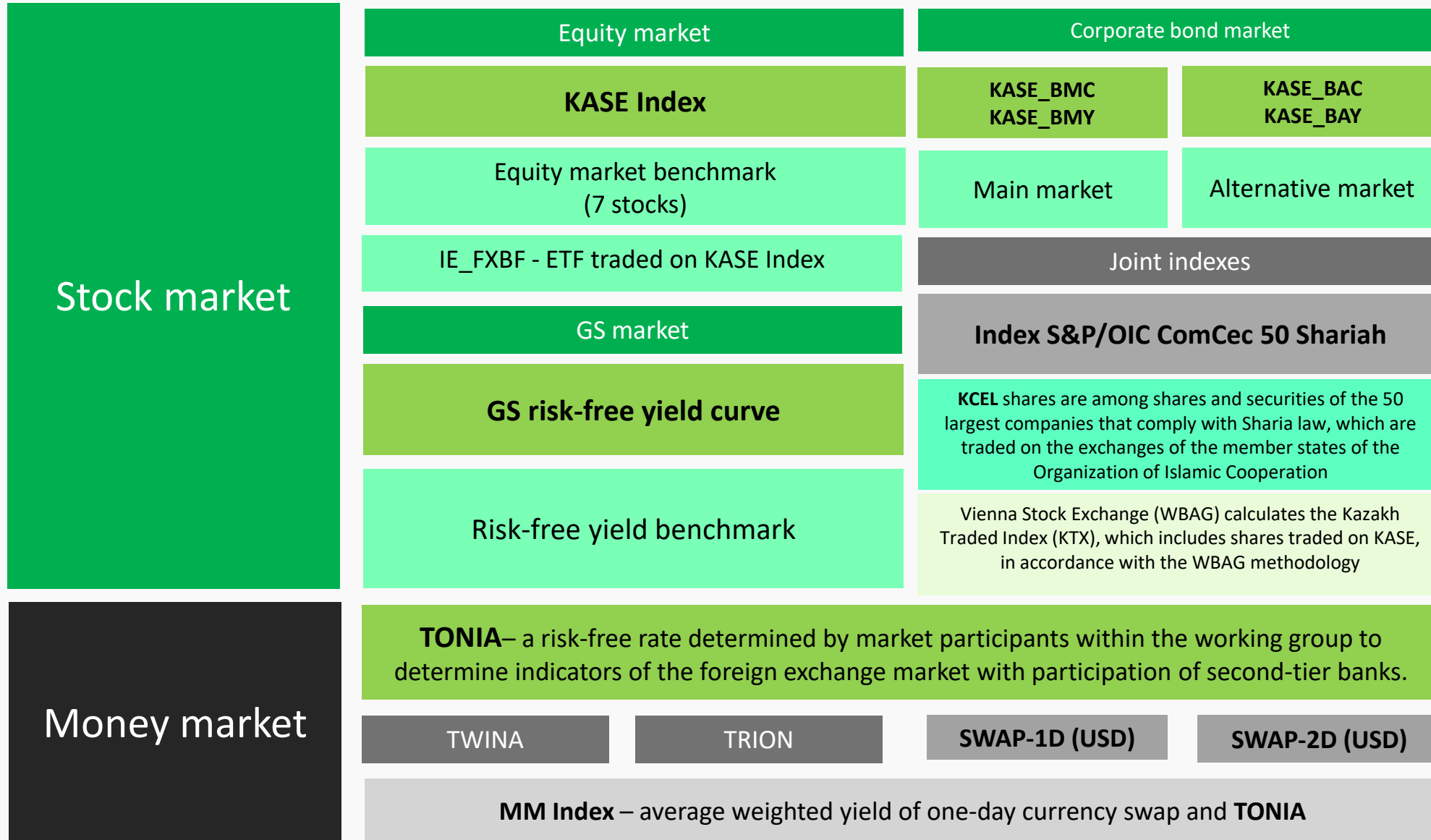
POST-TRADING SERVICES

- clearing
 - settlements
- Central Counterparty



TECHNOLOGICAL SOLUTIONS

- three trading systems
- settlement and clearing systems
 - FIX-gateways
- website and online services



KASE information products (1/2)



Real time market data

Continuous flow of up-to-date KASE market data



Delayed market data

Continuous delivery of a stream of up-to-date KASE market data with a 15-minute delay



Information about trading results

Information on the results (including interim) of trading in financial instruments



IRIS Finance Software

Information terminal containing exchange information presented in the form of separate modules for each of KASE markets



Corporate events

Information about events that have significant impact on activities of KASE members and KASE-listed issuers, affecting interests of shareholders and investors of particular joint-stock company

KASE information products (2/2)



KASE news

News feed received by KASE from issuers and KASE members as part of the trade organizer's activities, as well as news prepared by KASE independently as a result of processing exchange information



Real time Web-Quotes

Viewing up-to-date information on the course of trading in financial instruments via KASE's website www.kase.kz



Archive market data

Historical information on trades in financial instruments conducted by KASE



Reference information

Information on characteristics of financial instruments, as well as issuers of securities on KASE



Non-display/Derivative information

Use of KASE market data in Non-Display systems to create and/or distribute Derivative information in order to automate operating activities



Non-regular requests

Providing information on the market value of securities, a list of securities and issuers, information on the prices of deals with financial instruments

Role of KASE in Kazakhstan's financial system



Offers a range of exchange services and technological solutions:

- listing
- subscription
- pre-trading
- trading
- post-trading (clearing, settlement)
- dissemination of market data



Provides a wide range of instruments on convenient terms:

- securities, currency pairs and futures
- repo transactions and currency swaps
- possibility of multicurrency payments
- support for popular settlement terms (T + 0, T + 1, T + 2) to get quick liquidity
- relatively low trading fees



Provides effective interaction within the financial system:

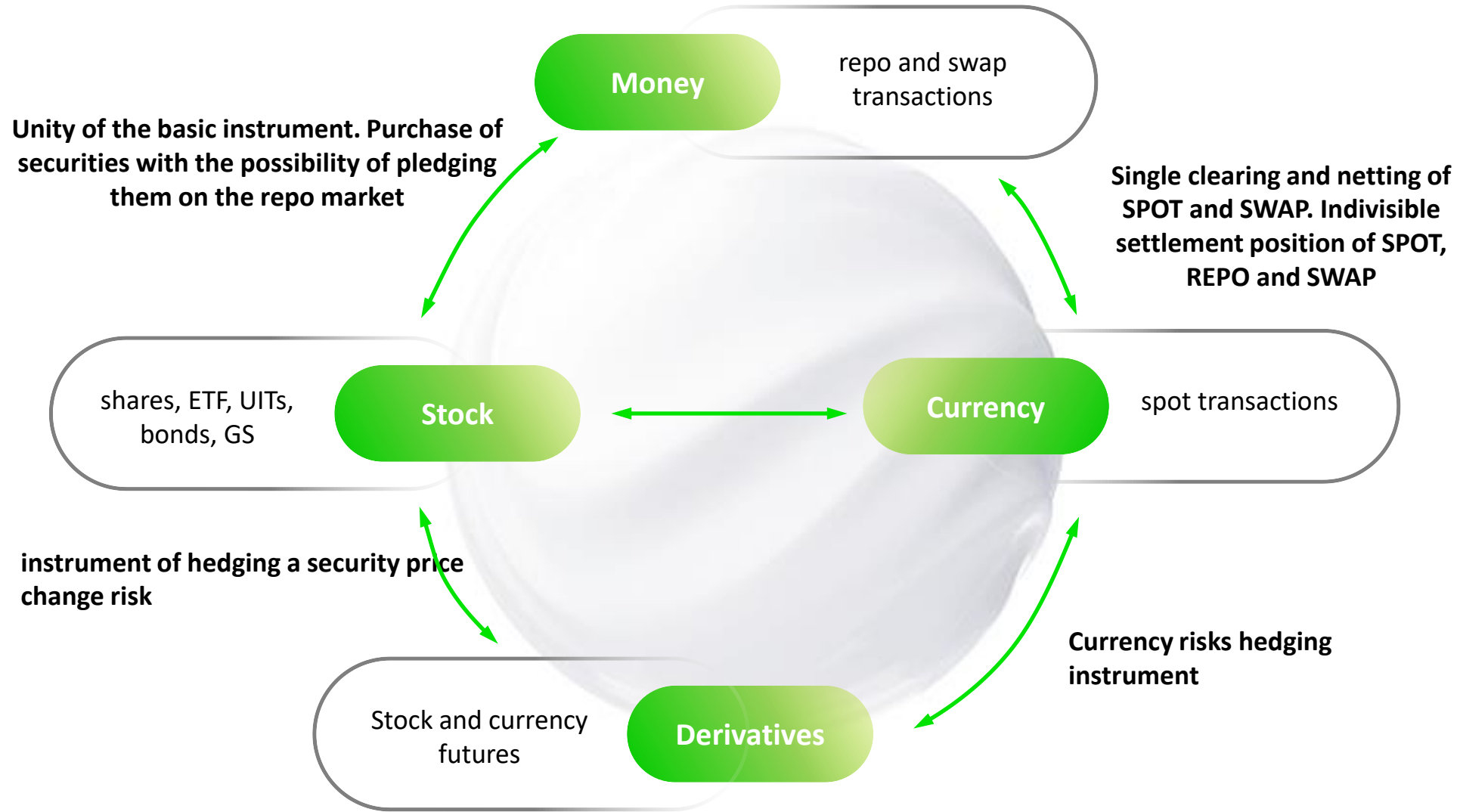
- raising of capital by companies
- saving and increasing of capital by investors
- cross-trading in different classes of financial instruments
- risk hedging
- flexible tariff policy
- market pricing
- maintaining liquidity through market-makers



Guarantees the fulfillment of the financial obligations of the participants:

- services of the Central Counterparty in the foreign exchange market and the derivatives market
- modern risk management model
- high speed of settlements

Interdependence of KASE markets



Launch of the functionality

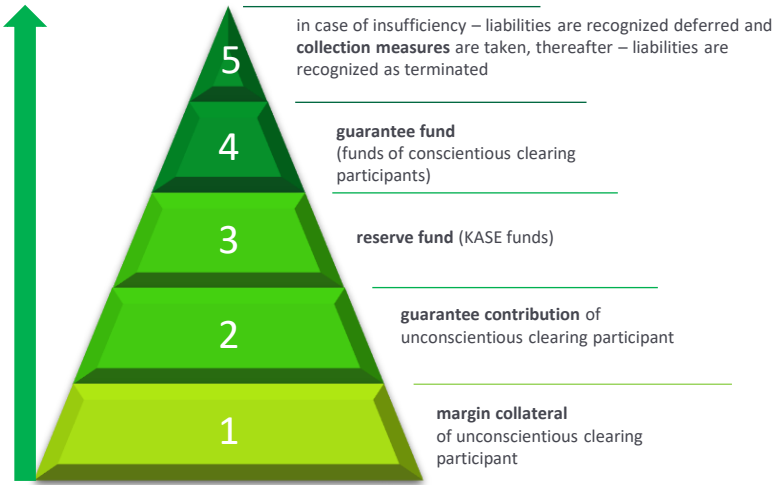
- 1 Derivatives market**
Introduced in 2012
- 2 Currency market**
Introduced in October 2018
- 3 Stock market: liquid securities**
Introduced in December 2019
- 4 Stock market: all financial instruments of the stock market, including repo**
Introduced in August 2020



Transition to new trading systems

- 1 Derivatives market**
Introduced in July 2021
- 2 Currency market**
Introduced in November 2020
- 3 Stock market: liquid securities**
Introduced in December 2019
- 4 Stock market: all financial instruments of the stock market, including repo**
Introduced in August 2020

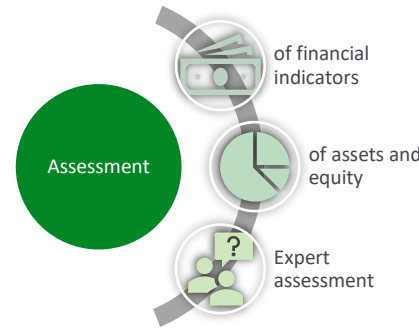
Clearing funds and CCP's protection levels



Requirements for the financial condition of clearing participants

The CCP regularly analyzes the financial condition of clearing participants by assigning internal ratings

Based on the results of the analysis of the financial condition, the clearing participants are assigned the categories "with partial collateral" or "with full coverage"



Admission of financial instruments to deals with partial collateral

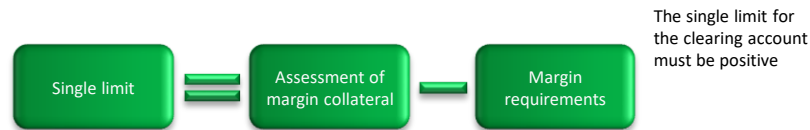
The CCP monitors the quality and liquidity of FIs admitted to deals with partial collateral (List T+) and accepted as collateral for deals with partial collateral (List of collateral T+), based on the results of which FIs can be included or excluded from the List T+ and/or the Collateral List T+

FI risk-parameters system

- Price boundaries are set for instruments on a daily basis.
- Orders that do not fall within the boundaries are automatically rejected
- Price boundaries depend on the collateral rate calculated by the CCP for each asset
- If orders approach the price boundary, the boundaries move in the direction from the center and in the direction of the market movement
- After the boundaries shift online, the collateral rate changes
- Based on the results of the shift of boundaries, the risk of participants and positions is reassessed at a single limit

Control of the collateral sufficiency

Market	Margin collateral	Method of measuring the collateral sufficiency	Guarantee contributions
Currency	• Money (KZT, USD)	Single limit	✓
Stock	• Financial instruments, included in the Collateral List T+ • Money (KZT, USD)	Single limit	✓
Derivatives	• Money (KZT)	Supported margin	✓



As a security for the fulfillment of obligations of clearing participants with full coverage, the CCP establishes requirements for full coverage of net obligations on all clearing accounts of such a CP.

Revaluation of collateral value for CP with partial collateral

Revaluation of collateral is performed daily both during the clearing session and during trading (if the price boundaries were changed)

For calculation of collateral, risk limits have been established.

The volume of market/interest rate risk, taking into account revaluation, is calculated as the distance to the corresponding border.

In the case of a covered sale (the participant has an obligation to deliver securities and the security is in the participant's account), the market risk is considered covered.

The amount of collateral of the clearing participant depends on the volume of the position.

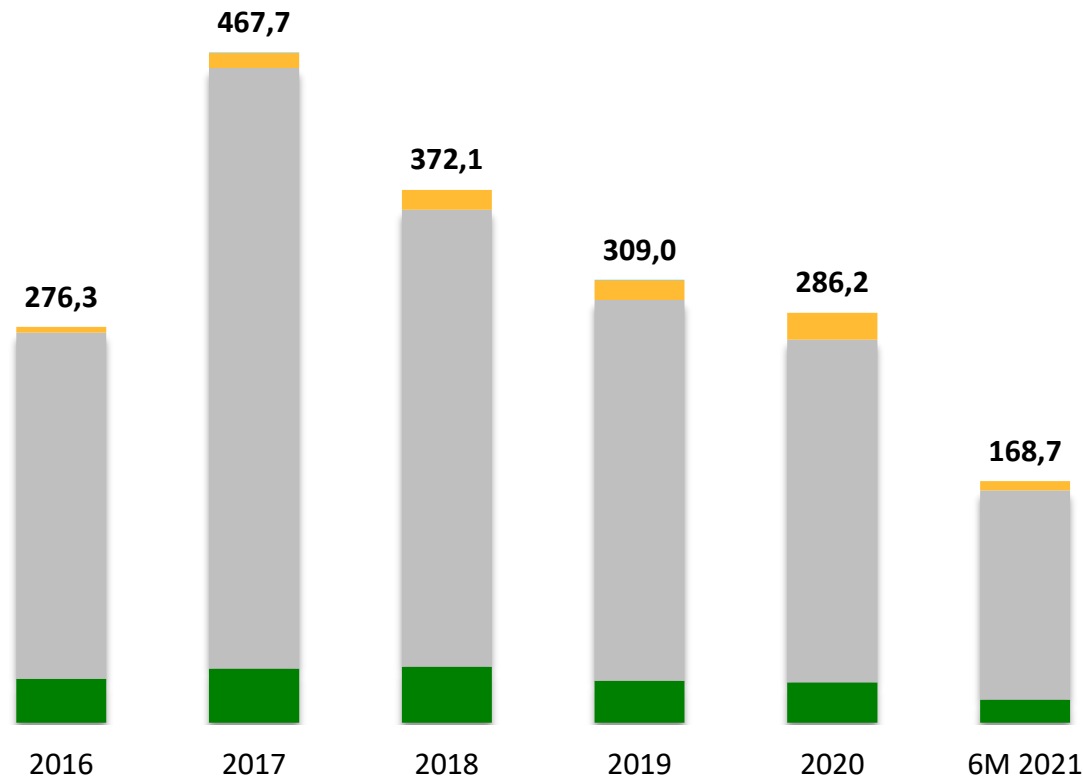
If the volume of the position (deposited collateral) is less than the concentration limit, then the initial margin rate is applied.

If the position volume has exceeded the concentration limit, then the initial margin rate is applied to the volume equal to the concentration limit, the concentration rate is applied to the volume in excess of the amount of the concentration limit.

Volume and structure of the market



Trading volume dynamics by sector, billion USD

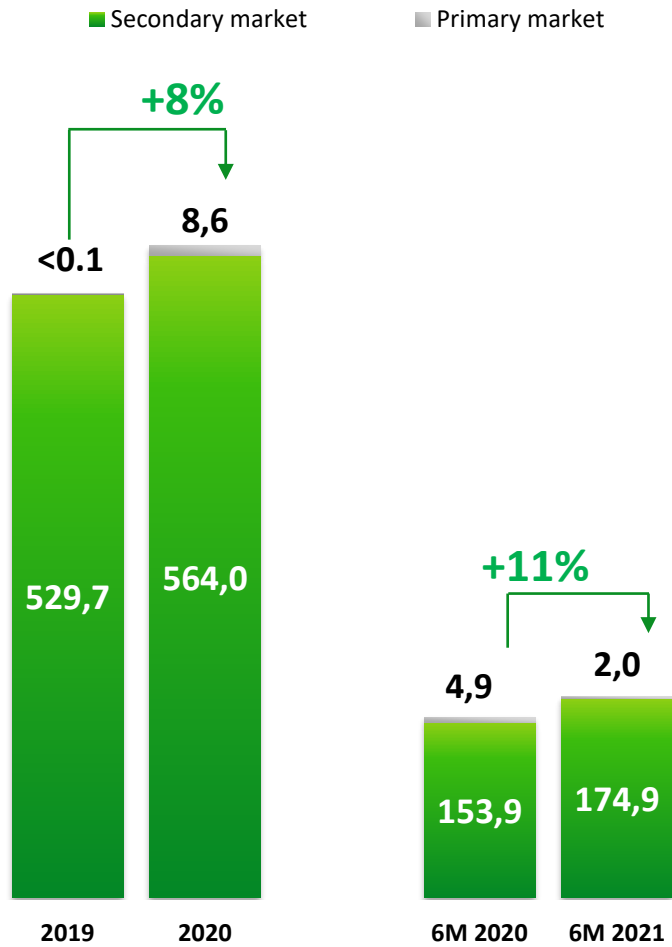


6M'2021 to 6M'2020

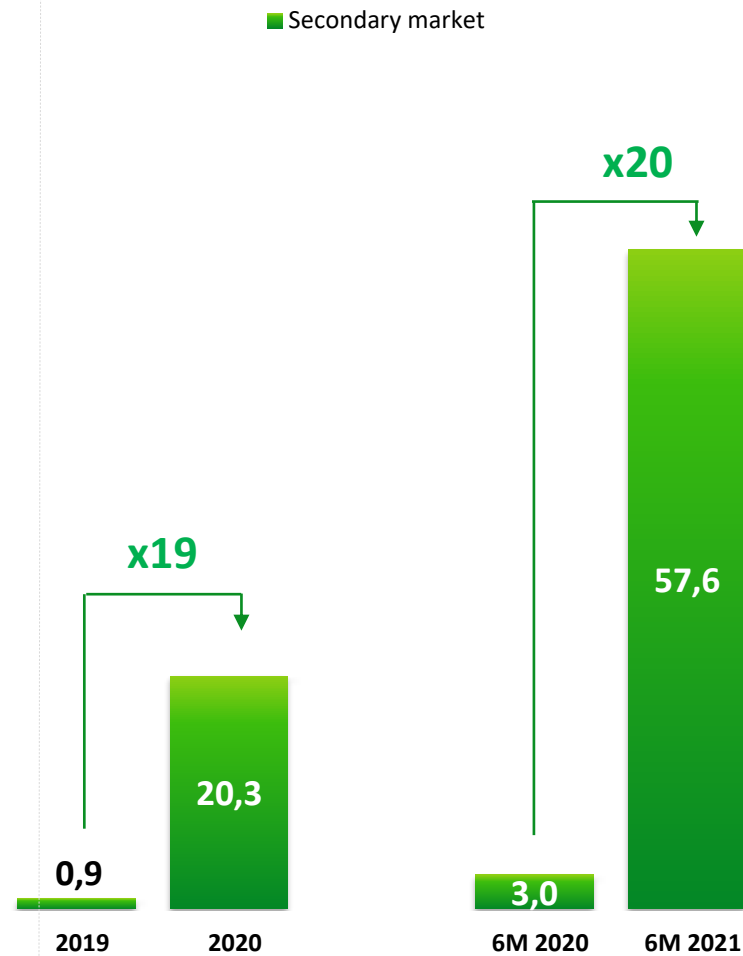


Equity market trends

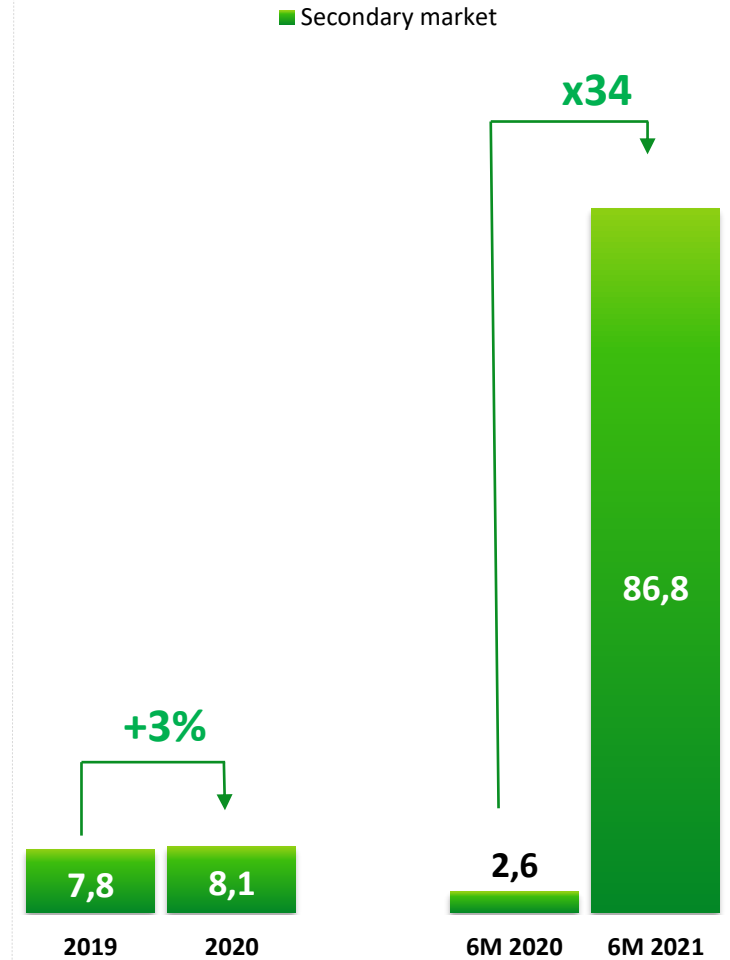
Volume of deals on the stock market, million USD



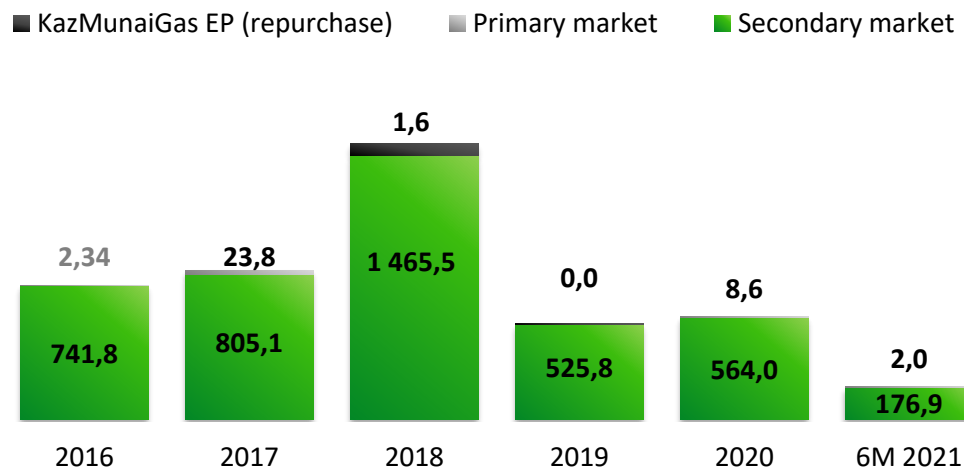
Volume of deals in investment funds' securities, million USD



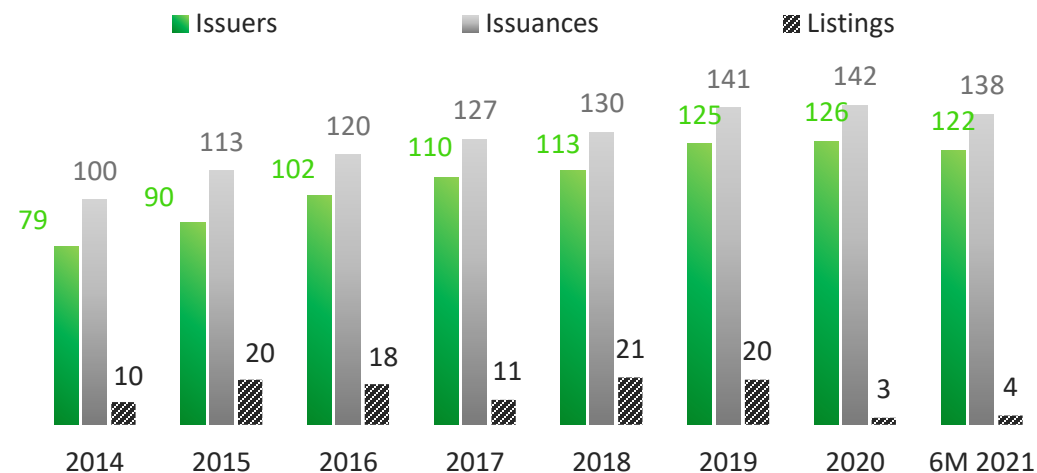
Volume of deals in derivative securities, million USD



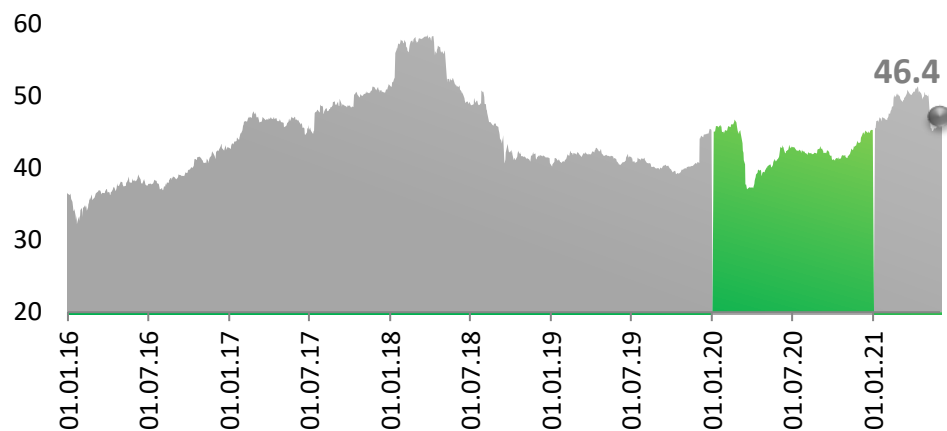
Transactions volume, million USD



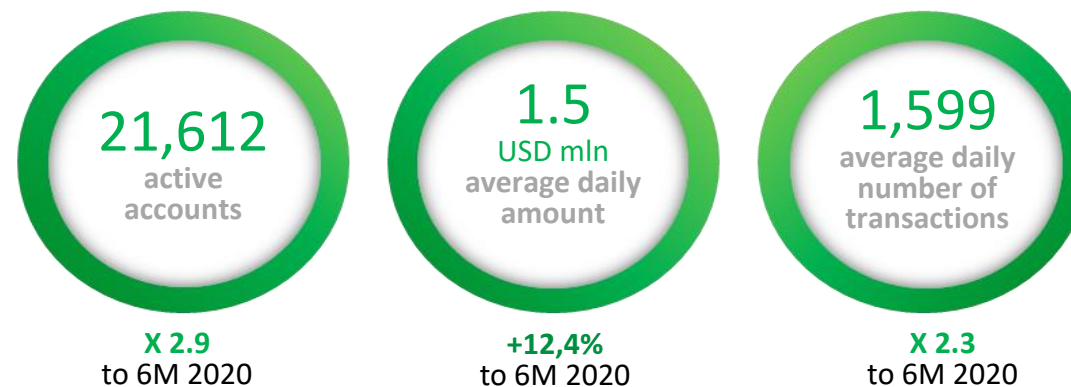
New listings



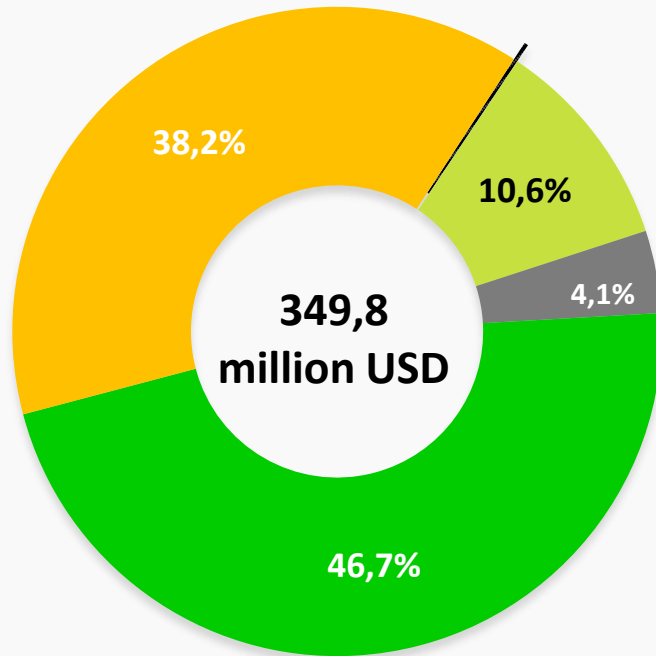
Equities Market Capitalization, billion USD



Main indicators for 6M 2021

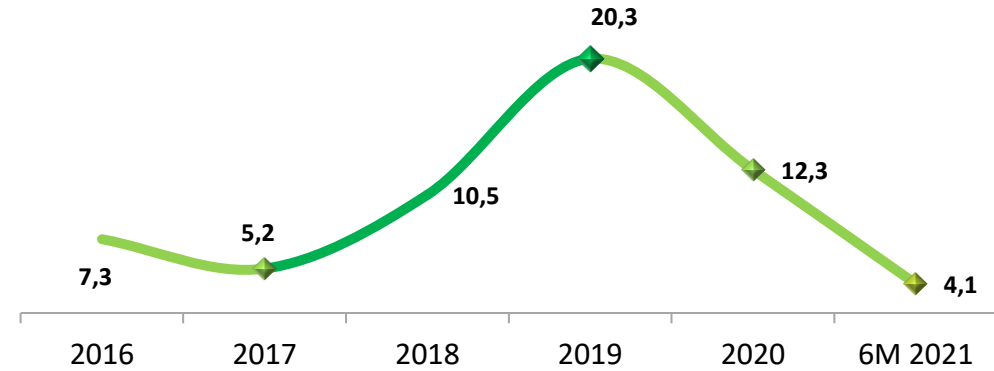


Main investor categories on the secondary market in 6M 2021*

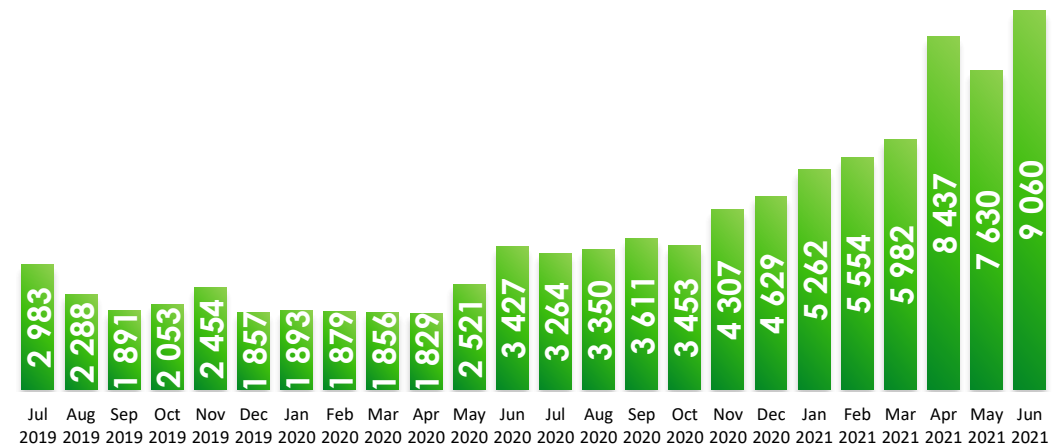


- Banks
- Broker-dealers
- Other institutional investors
- Individuals
- Other legal entities

Non-residents in the gross turnover, %



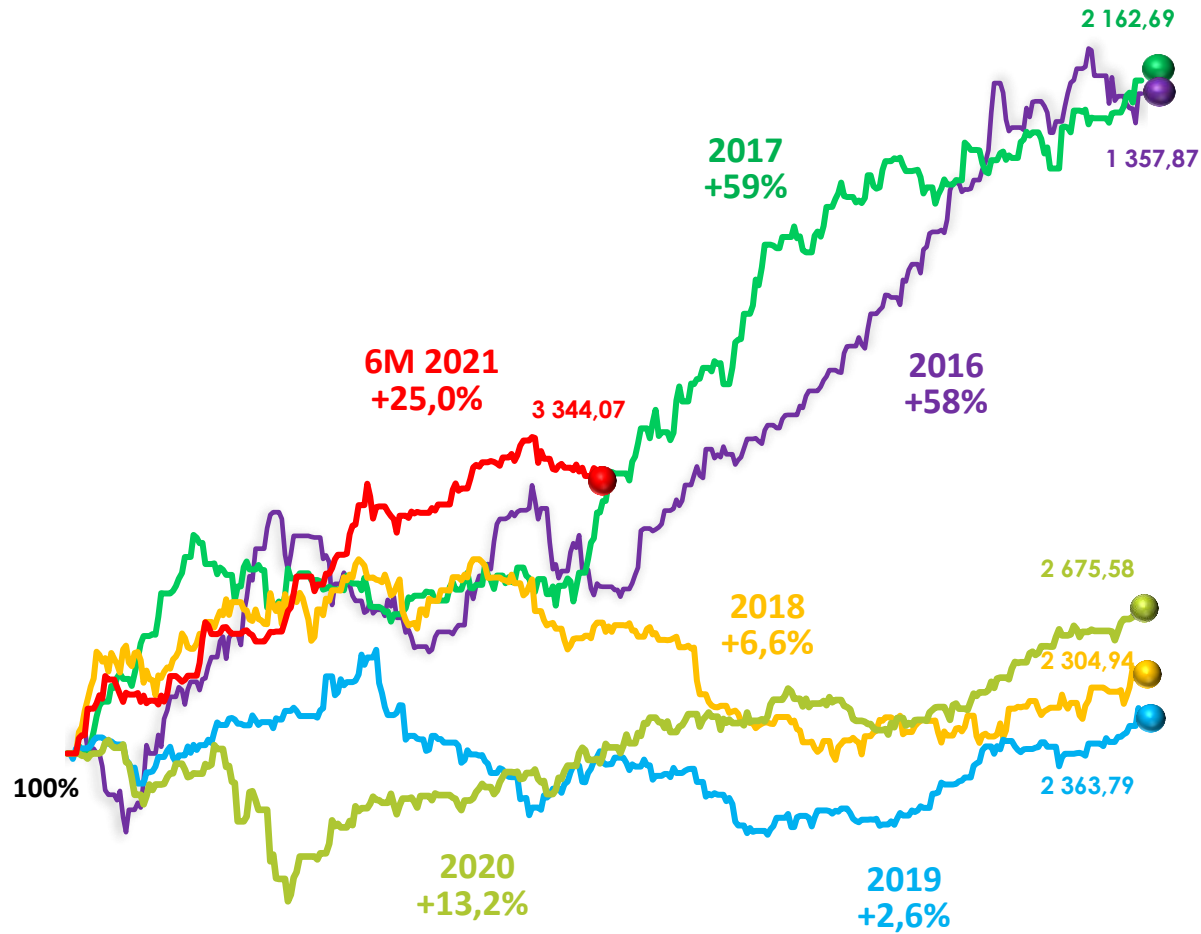
Dynamics of active accounts of retail investors on the equity market



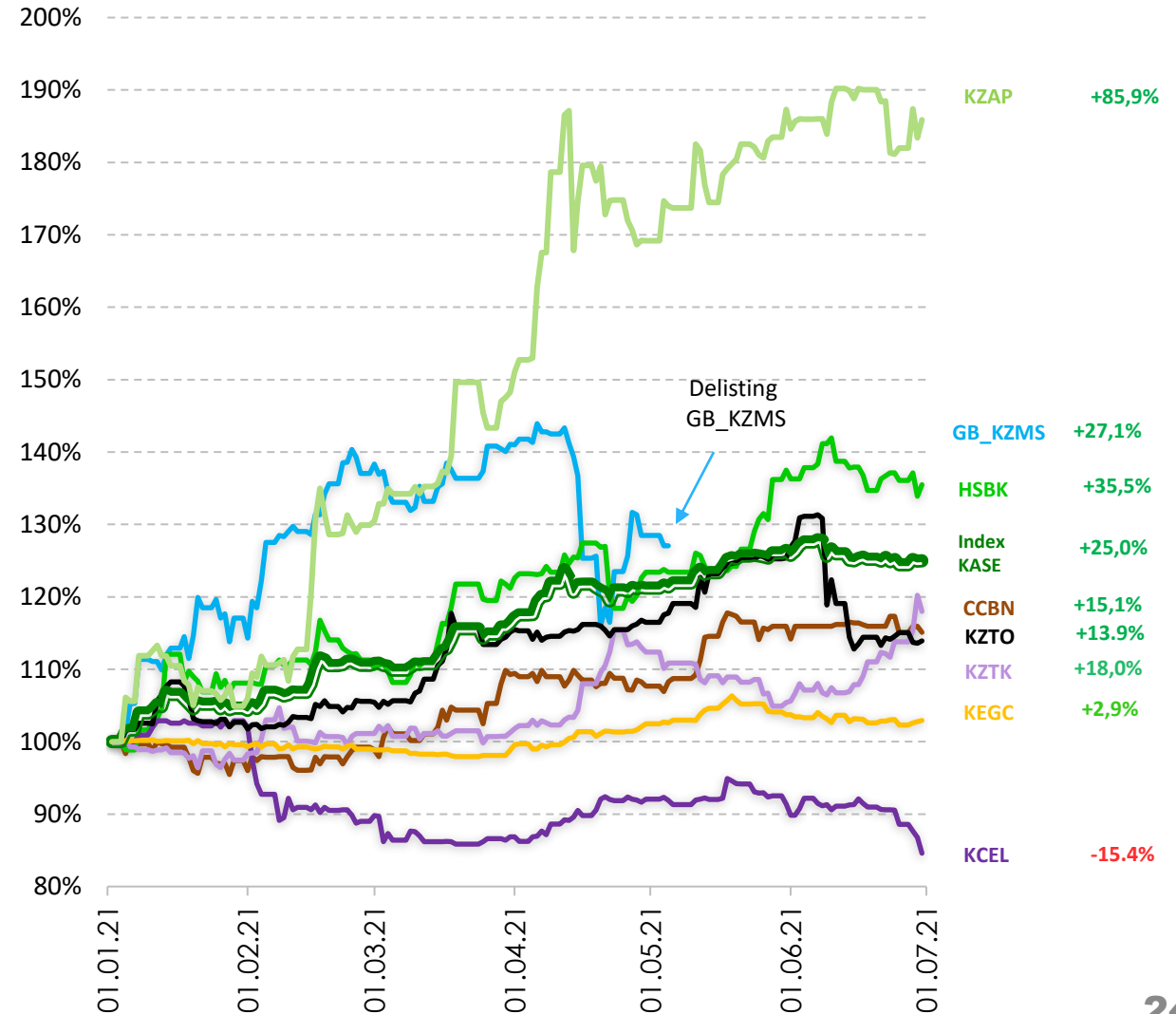
*of the total gross turnover of trading in shares on the secondary market

Source: KASE

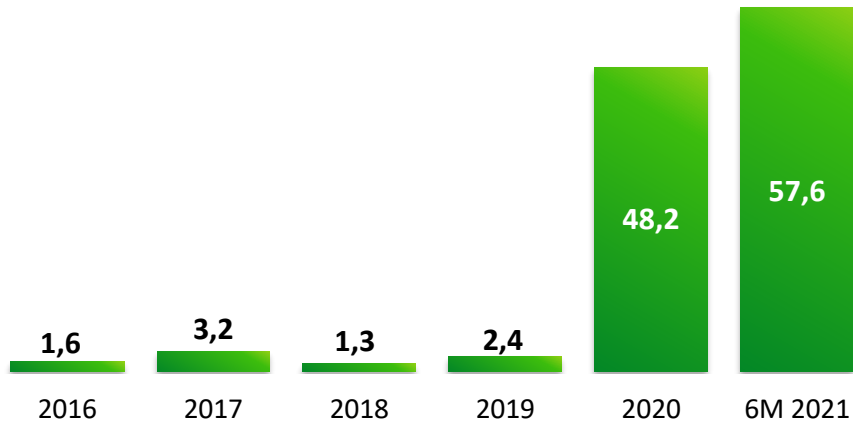
KASE Index 2016 – 6M 2021



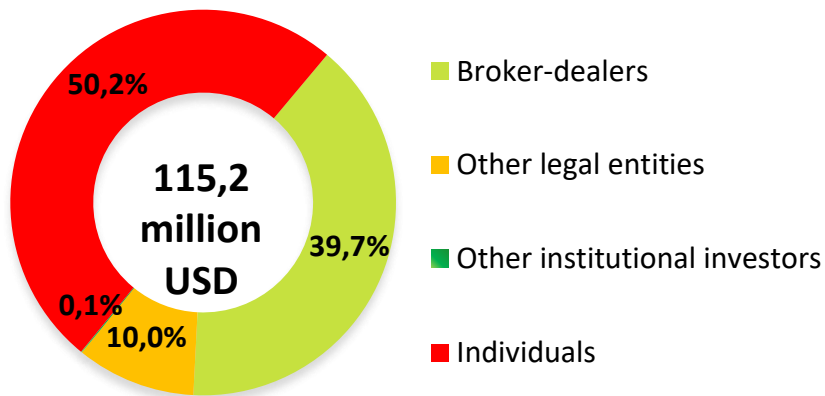
KASE Index components



Volume of transactions, million USD

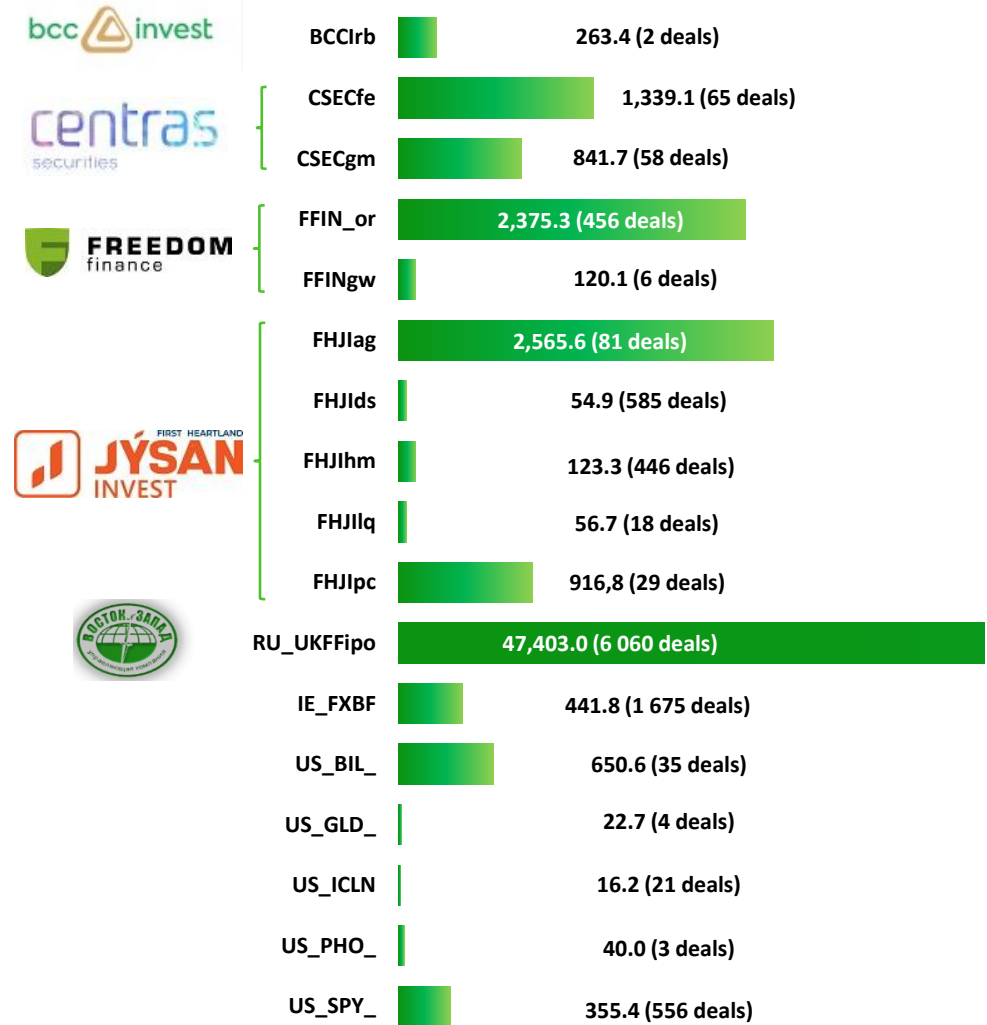


Shares of main types of investors for 6M 2021*



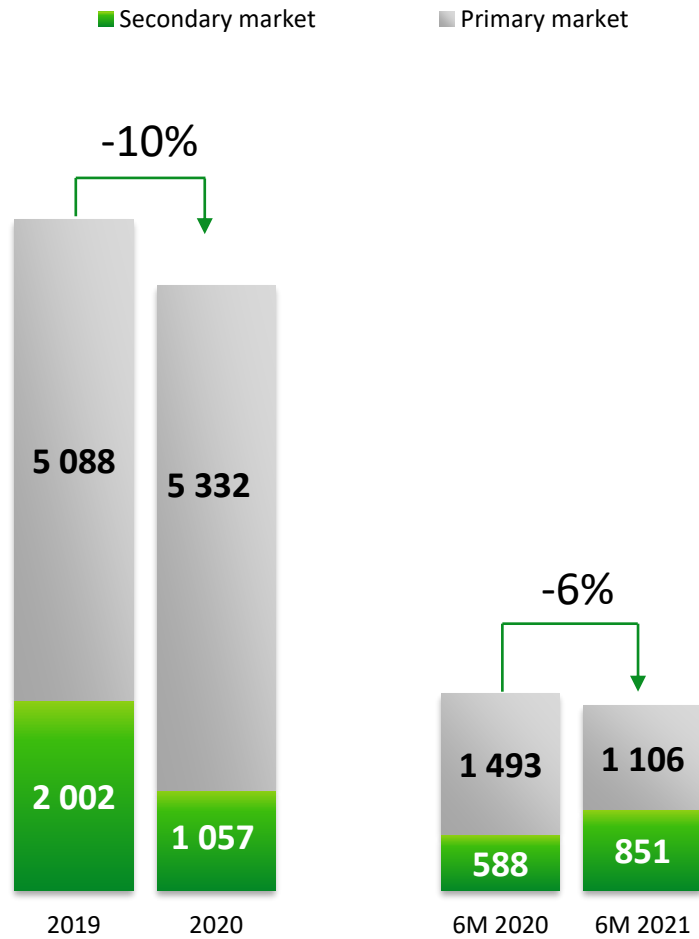
*of the total gross turnover of trading in securities of investment funds

Trading volume for 6M 2021 by instruments, th. USD

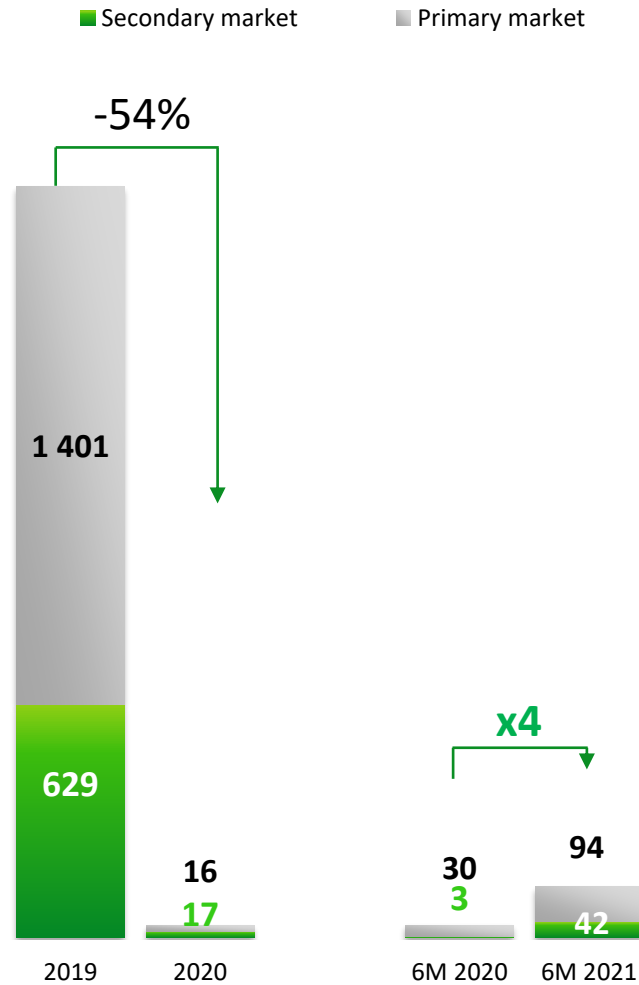


Debt market trends

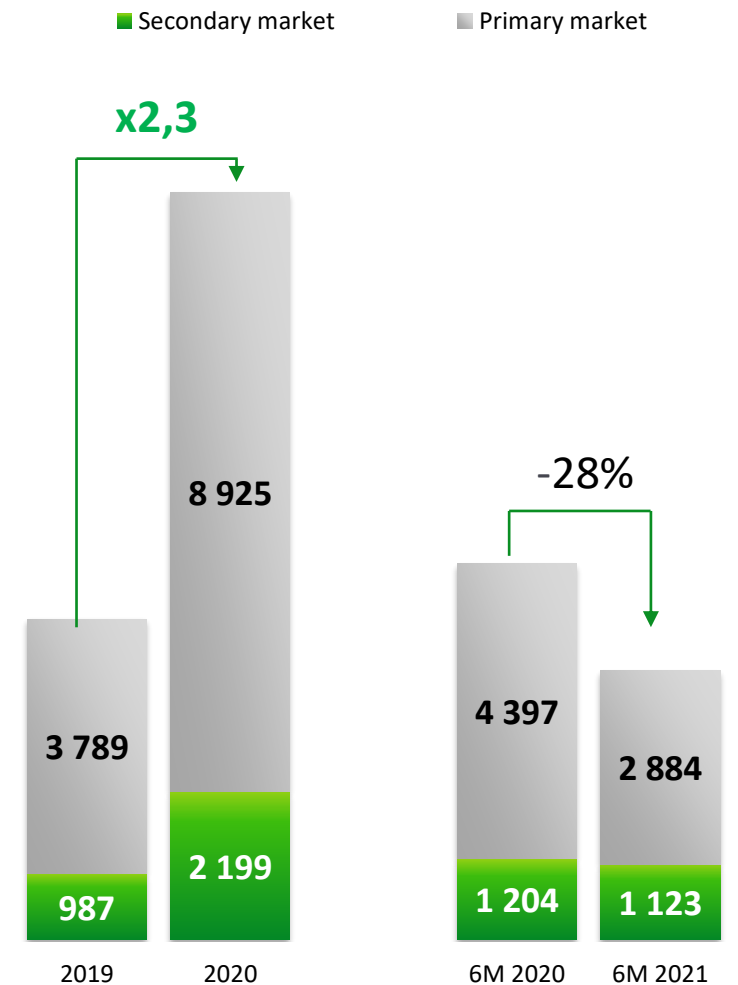
Volume of deals in the corporate bonds market, million USD



Volume of deals in the IFI market, million USD

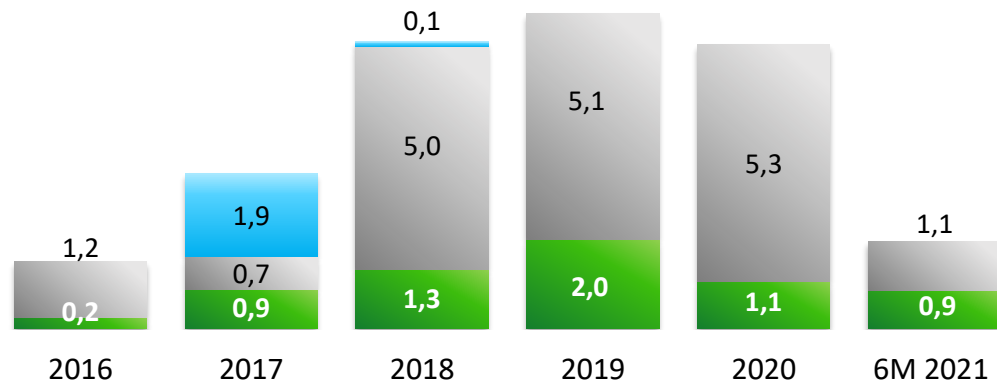


Volume of deals in the GS market, million USD

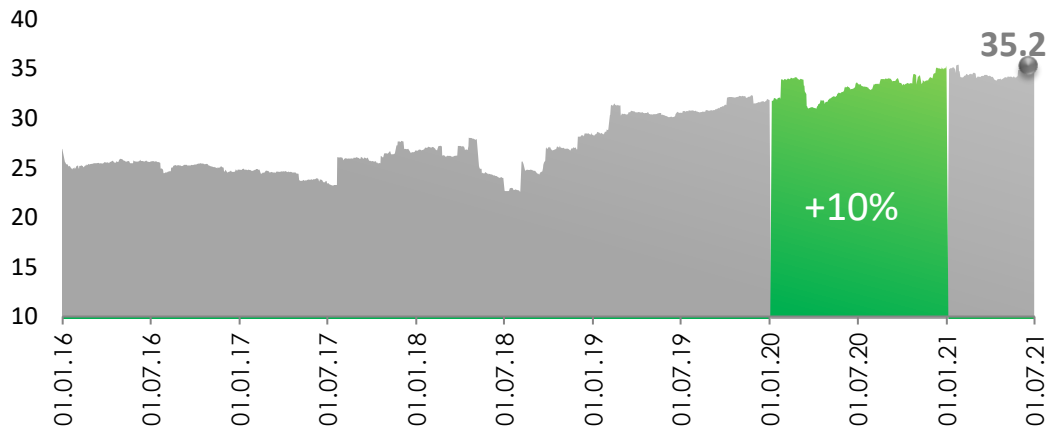


Transactions volume, billion USD

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

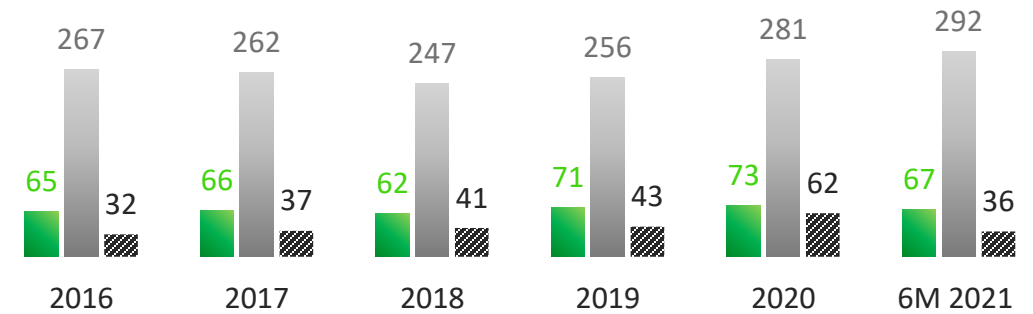


Volume of outstanding corporate debt, billion USD



New listings

■ Issuers ■ Issuances ■ Listings



Main indicators for 6M 2021



X 2,3
to 6M 2020

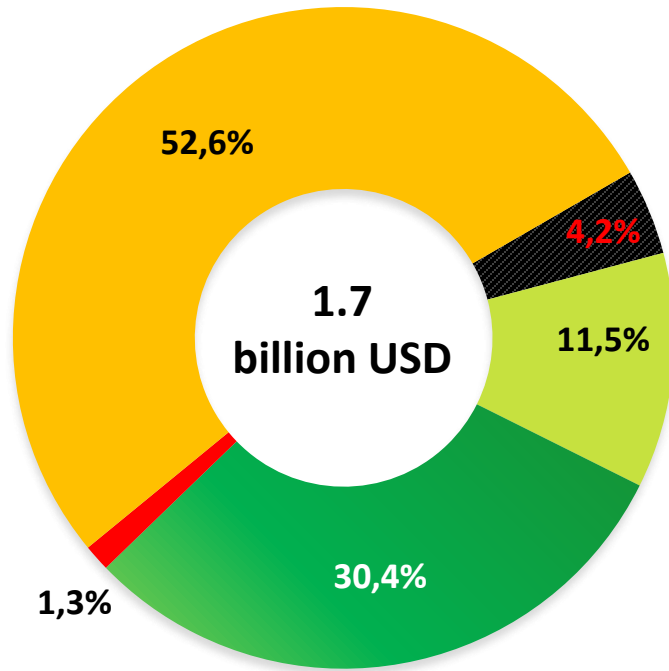


-5.2%
to 6M 2020



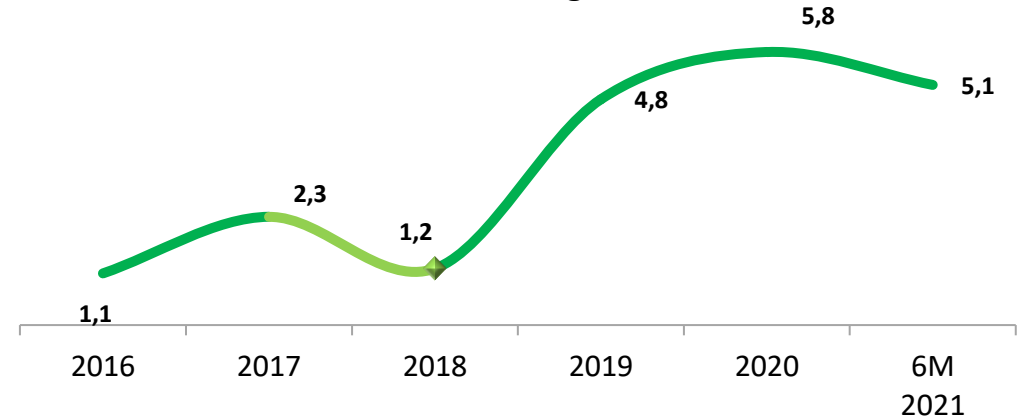
X 3,0
to 6M 2020

Main categories of investors on the secondary market in 6M 2021*

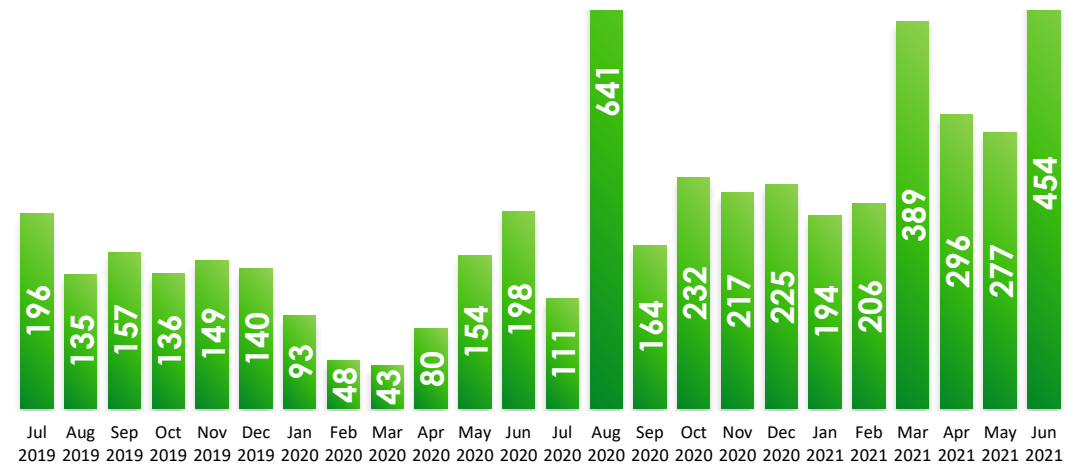


- Banks
- Broker-dealers
- Other institutional investors
- Individuals
- Other legal entities

Non-residents' share in the gross turnover, %



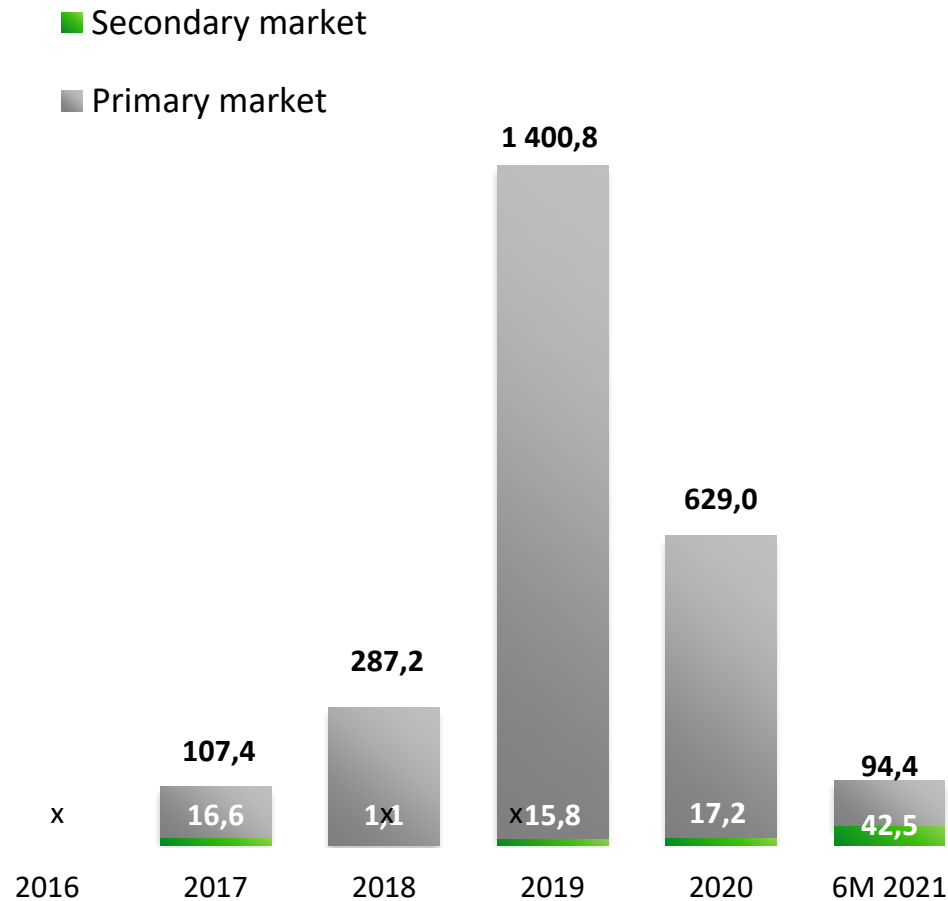
Dynamics of active accounts on the corporate bond market



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

Source: KASE

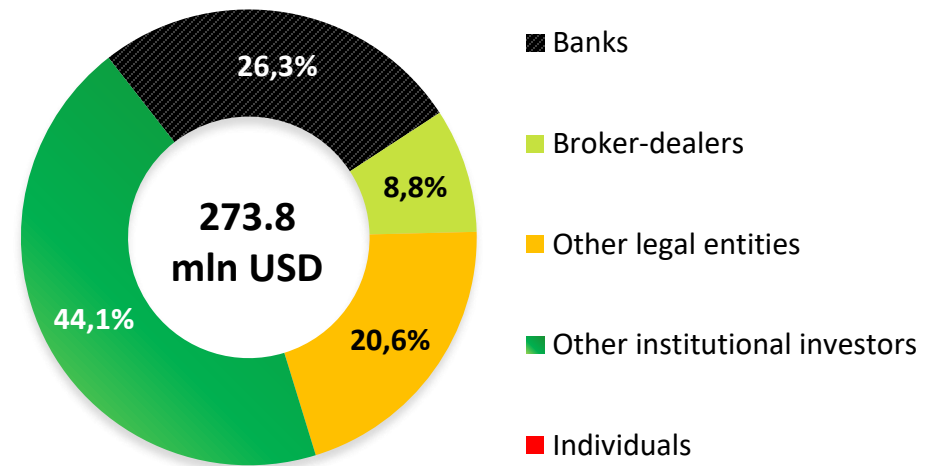
Trading volume, million USD



There were **34 issues of 4 institutions** in KASE Official List as at **July 1, 2021**:

- 10 issues of the Eurasian Development Bank
- 12 issues of the European Bank for Reconstruction and Development
- 4 issues of the International Finance Corporation
- 8 issues of the Asian Development Bank

Shares of main types of investors for 6M 2021*



*of the total gross turnover of trading in IFI bonds
the position of the initiator of specialized trades is excluded from the calculation

Launched:

December 28, 2020

TONIA

**new risk-free
benchmark in the money
market**

**based on the principles of
reliability of indicators
compliant with the best
international practices**

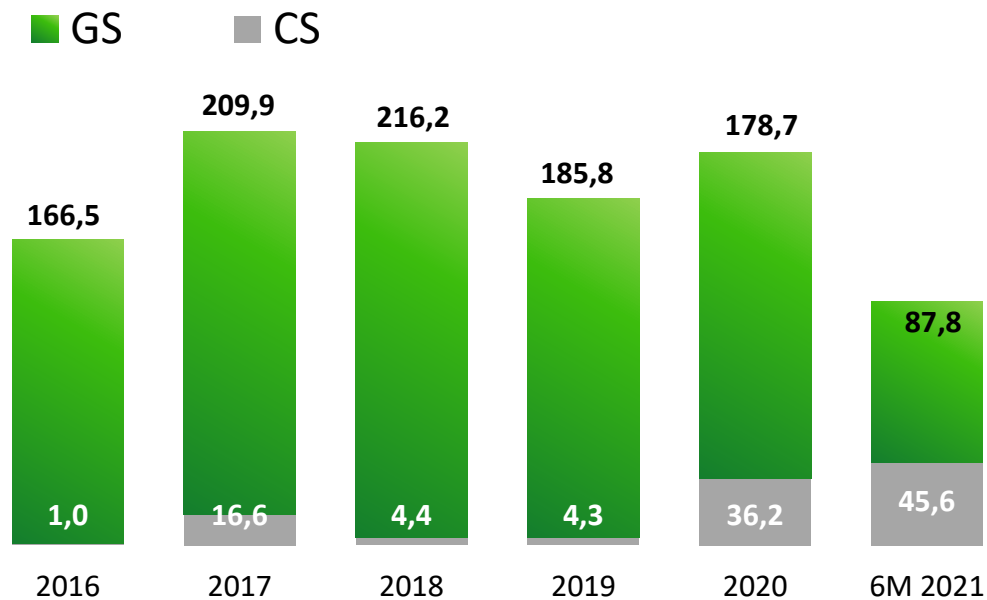
TONIA – main money market indicator

- the calculation uses one-day GS Basket repo transactions' opening deals, as a volume-weighted average of the central 90 % of the said deals
- deals with 5 % of deals with the lowest and highest yield, concluded on the day of indicator calculation, are cut off
- if the total volume of deals after the cut-off is less than 100 billion tenge, then TONIA is determined as the sum of the values of the base rate of the National Bank of the Republic of Kazakhstan and the average spread of the TONIA indicator to the mentioned rate, prevailing over the previous five days

TRION – up-to-date indicator of the money market

up-to-date (current intraday) value of the weighted average rate of "overnight" repo only for the GS Basket, made using KASE services as the CCP

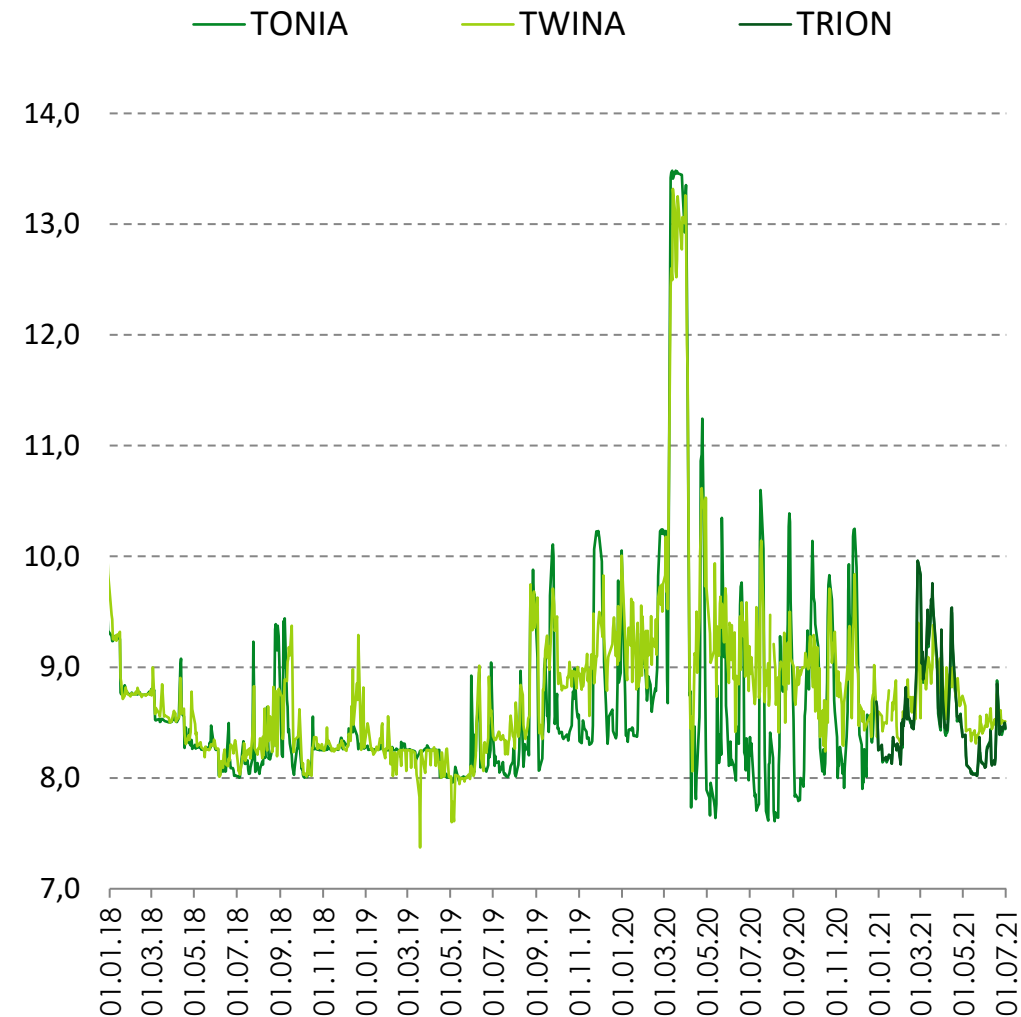
Trading volume, billion USD



Repo market instruments (volume for 6M 2021 / share):

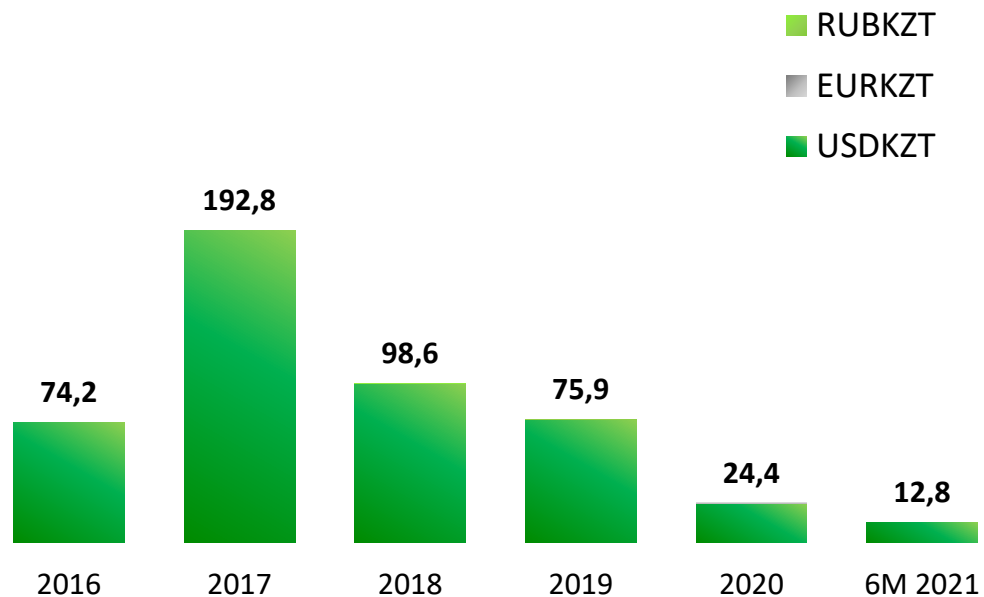
- auto repo with GS basket (120,365.7 USD mln / 90.26%)
- auto repo with BSP basket (2,979.1 USD mln / 2.23 %)
- auto repo on CS (6,260.3 USD mln / 4.69 %)
- "nego" repo on CS (96.7 USD mln / 0.07 %)
- "nego" repo on GS (0.04 USD mln / <0.01 %)

Repo market indicators, %



Currency Swap Transactions

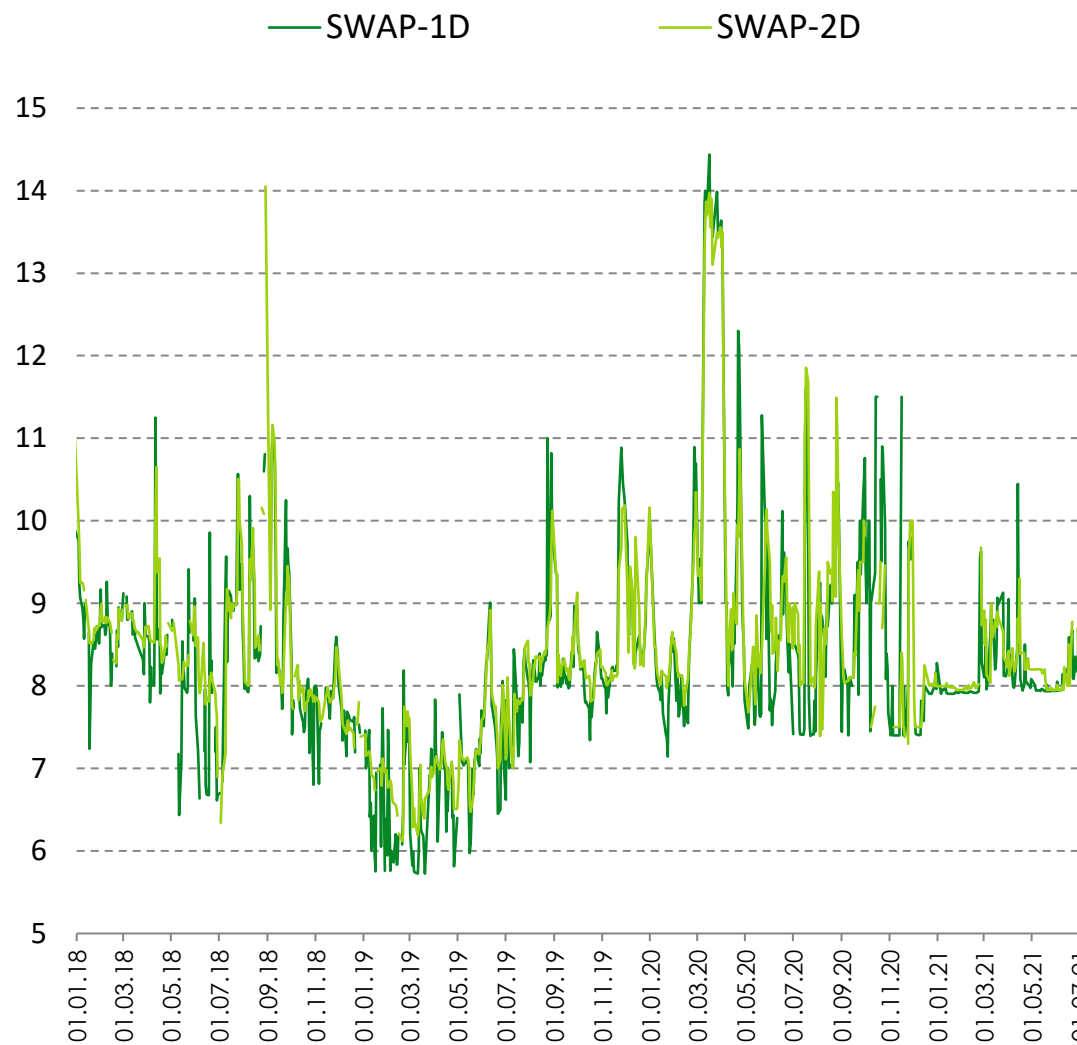
Trading volume, billion USD



Swap market instruments (volume for 3M 2021 / share):

- **USDKZT_0_001** (7,023.6 USD mln / 54.83%)
- USDKZT_0_002 (5,140.1 USD mln / 40.13 %)
- USDKZT_0_01W (30.0 USD mln / 0.23 %)
- USDKZT_0_01M (615.0 USD mln / 4.80 %)

Swap market indicators, %

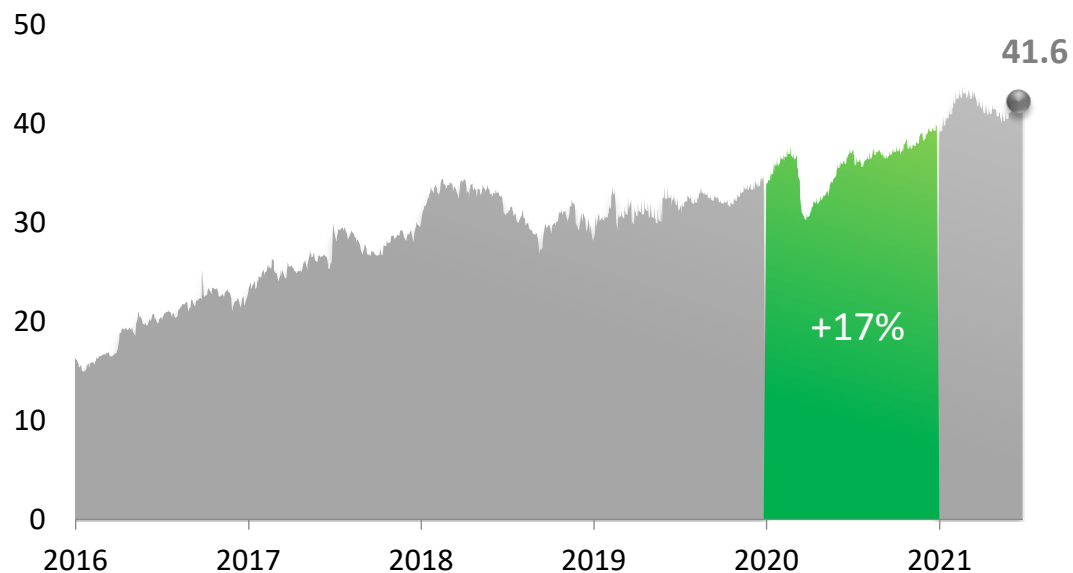


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State Securities Market

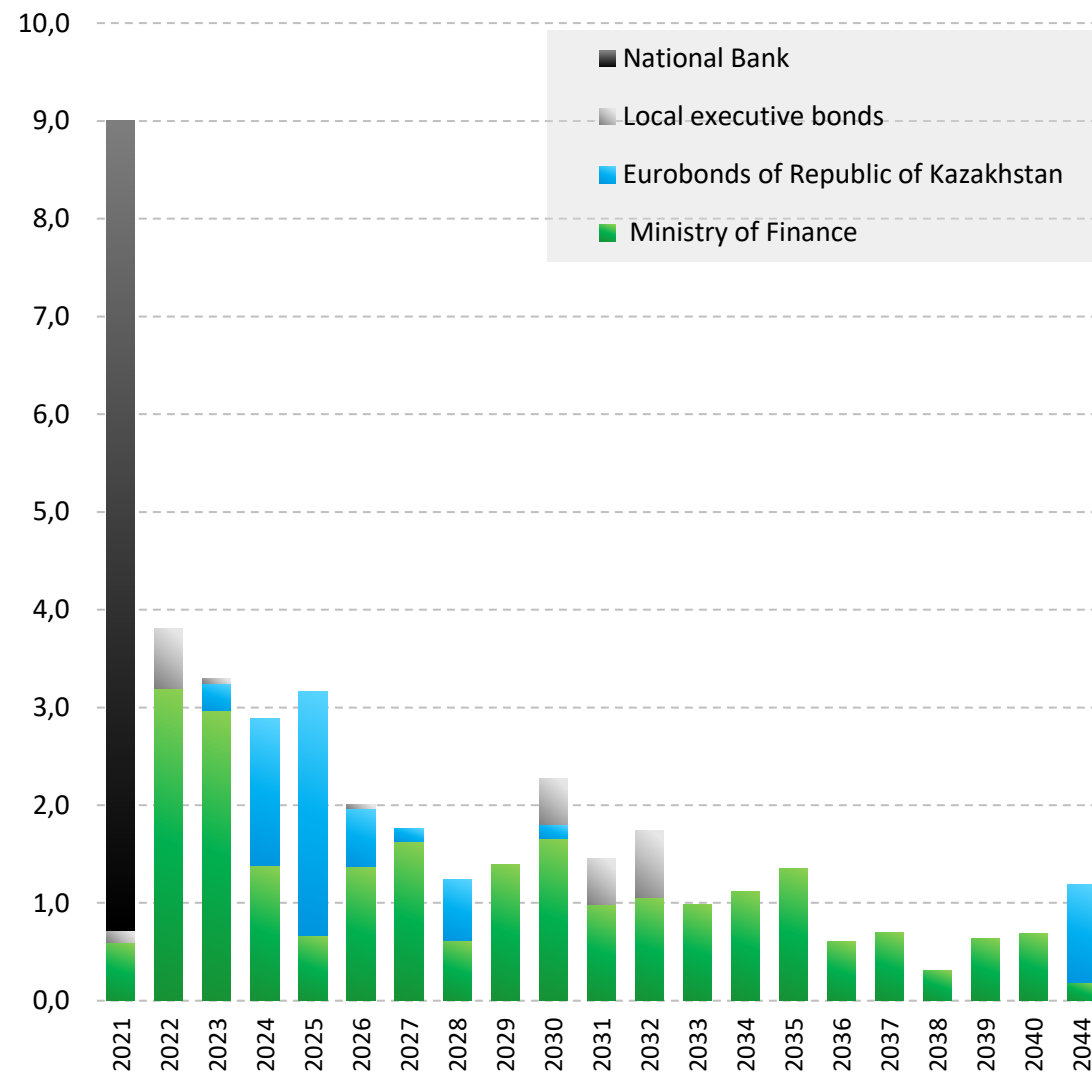
Amount of government debt (at face value),
traded on KASE, billion USD



Amount of government debt, traded on KASE:

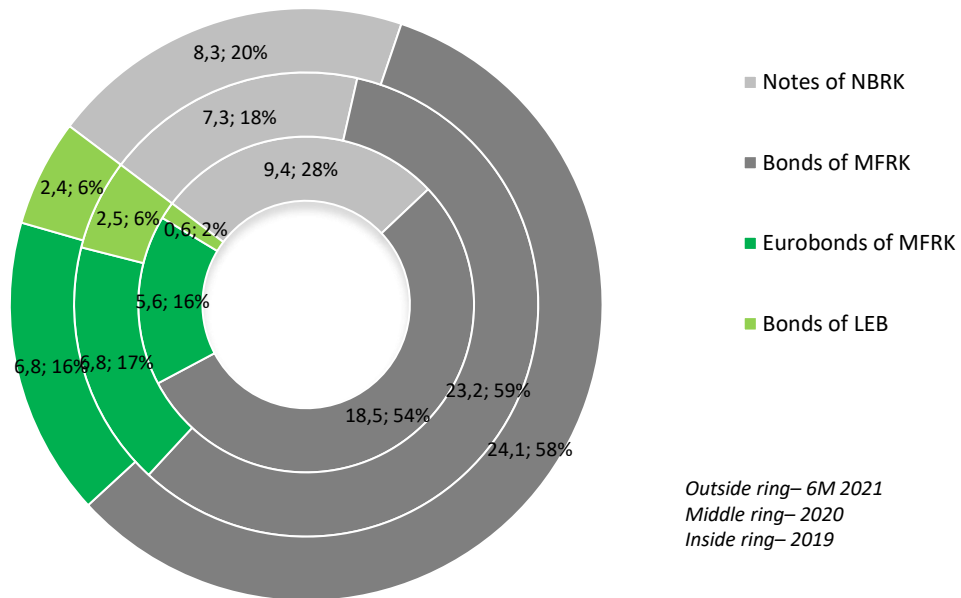
01.01.2021	39,8 billion usd	↑	+16,8% growth for 2020
01.07.2021	41,6 billion usd	↑	+5% growth for 6 months of 2021

Public Debt Redemption, billion USD

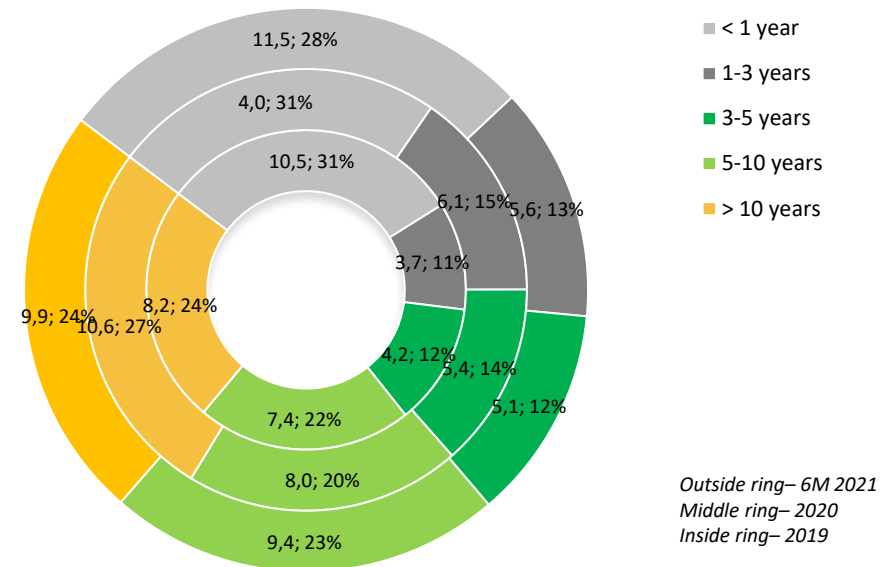


Structure of the government debt of Kazakhstan traded on KASE

Structure of the government debt of Kazakhstan by type of securities, billion USD



Structure of the government debt of Kazakhstan by maturity date, billion USD



GS type:

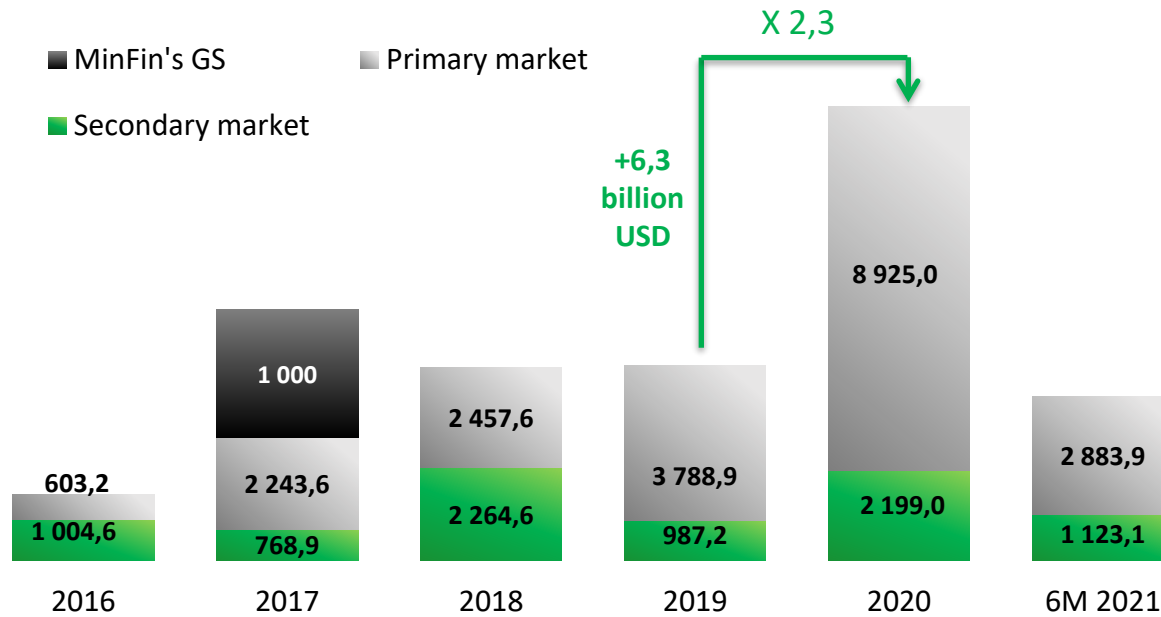
NBRK notes	20% 6M 2021	←	18% 01.01.21	←	28% 01.01.2020
MEKAM	58% 6M 2021	←	58% 01.01.21	←	54% 01.01.2020

Current maturity:

< 1 year	28% 6M 2021	←	24% 01.01.21	←	31% 01.01.2020
1-3 years	13% 6M 2021	←	15% 01.01.21	←	11% 01.01.2020
> 10 years	24% 6M 2021	←	27% 01.01.21	←	24% 01.01.2020

Trading volume dynamics on Government Securities Market

Trading volume dynamics, billion USD



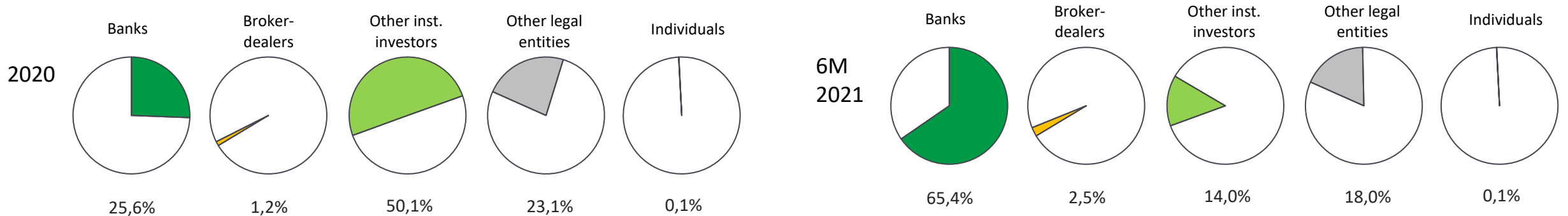
2020 Y

4.7 billion USD ↑ X 2,3

6M'2021

4.0 billion USD ↓ -28,5%

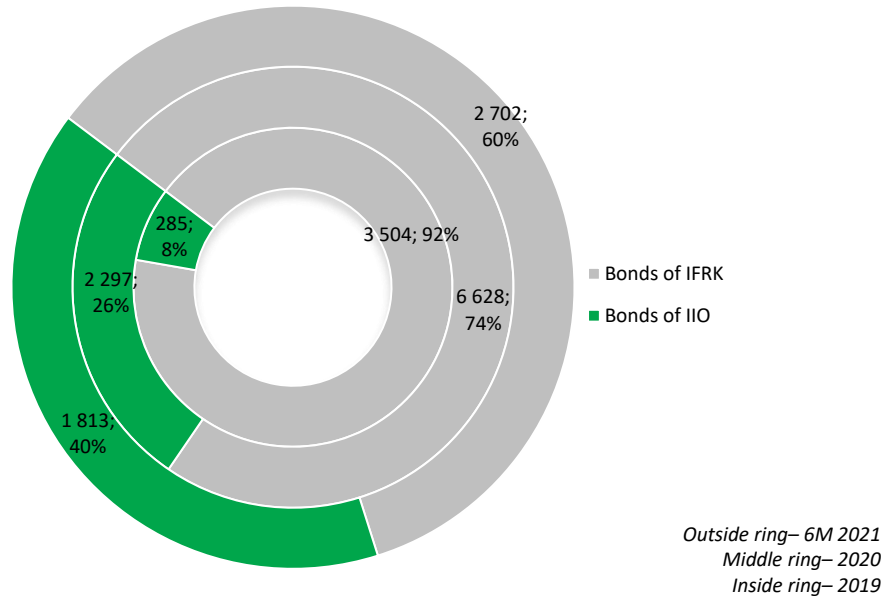
Investor structure in the primary and secondary GS market



Source: KASE *of the total gross turnover of trading in IFI bonds; the position of the initiator of specialized trades is excluded from the calculation

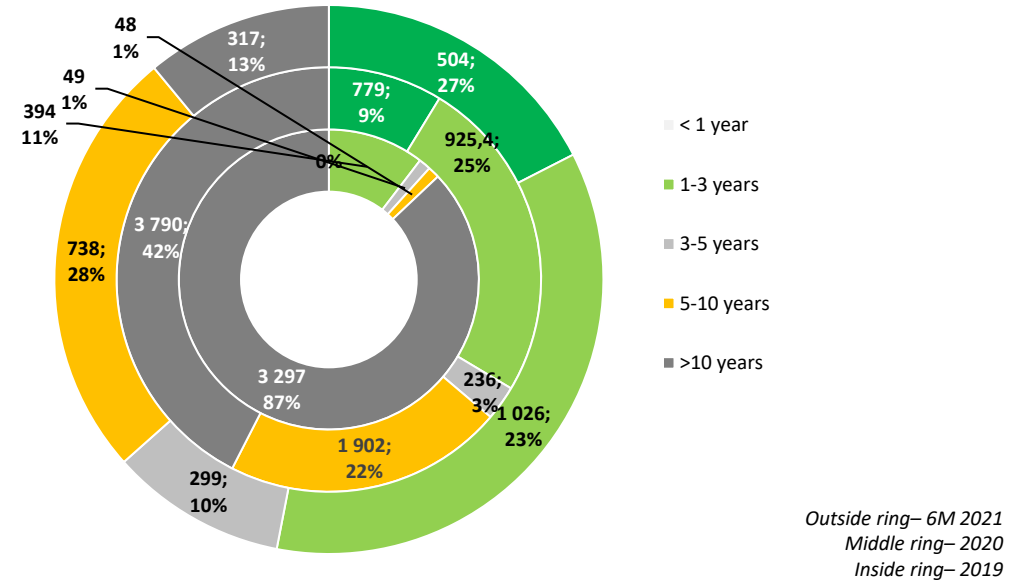
Trading Volume on Primary Market

Structure of trading volume on primary market by type of securities, million USD



GS type:	6M'2021	2020	2019
municipal	6 %	26 %	8 %
MEKAM	94 %	74 %	92 %

Structure of trading volume on primary market by maturity date, million USD

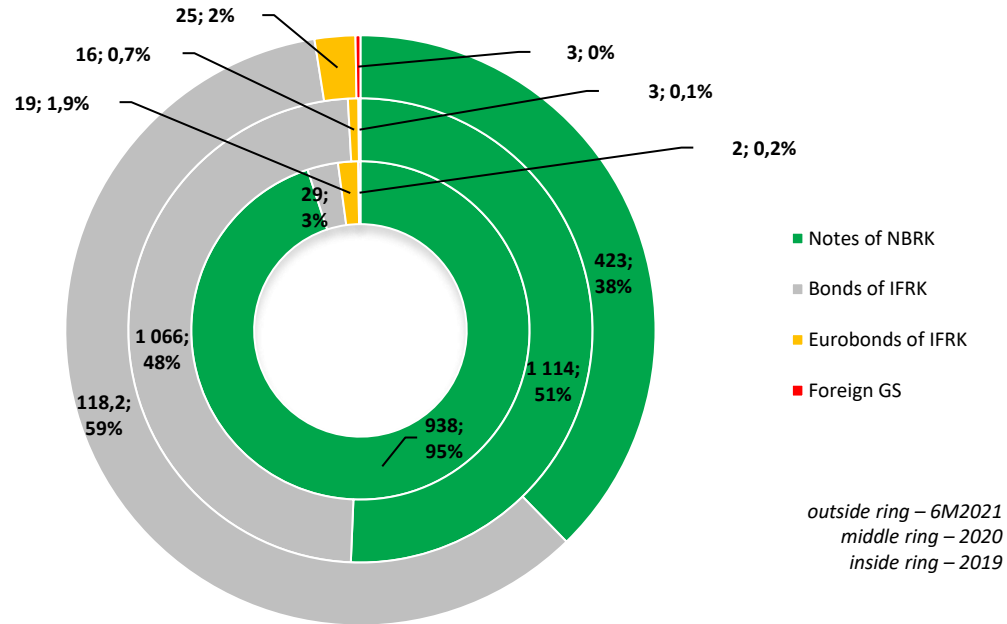


Current maturity:

< 1 year	17 % 6M'2021	←	9% 2020	←	0 % 2019
1-3 years	36% 6M'2021	←	25 % 2020	←	11 % 2019
> 10 years	11 % 6M'2021	←	42 % 2020	←	87 % 2019

Trading Volume on Secondary Market

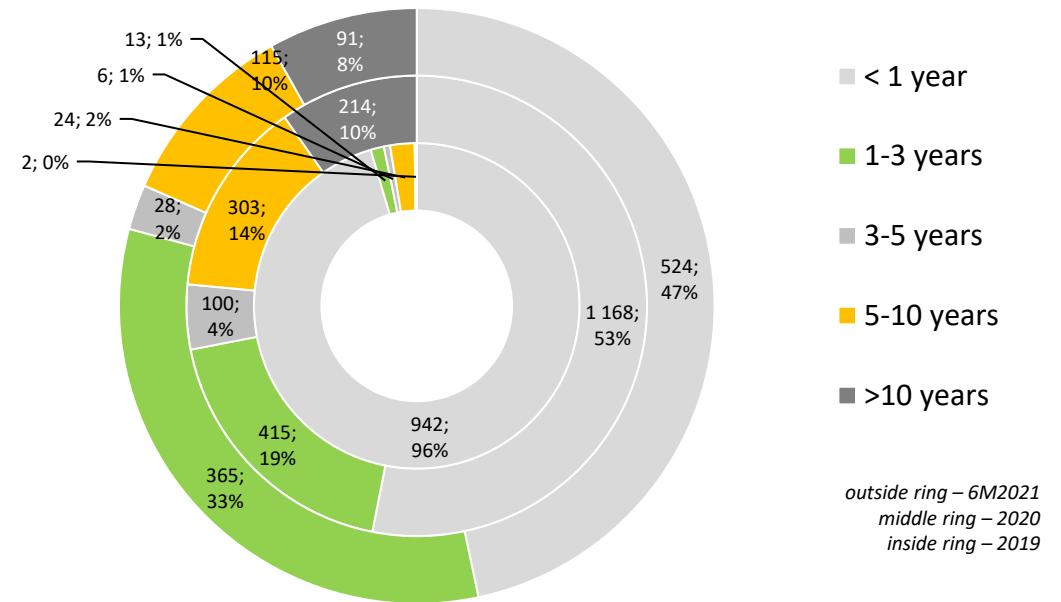
Instrumental structure of the GS secondary market, million USD



GS type:

notes	38 % 6M'2021	←	51 % 2020	←	95 % 2019
MEKAM	60 % 6M'2021	←	49 % 2020	←	3 % 2019
Eurobonds	2 % 6M'2021	←	1 % 2020	←	2 % 2019

Structure of GS offerings in the secondary market by maturity, million USD



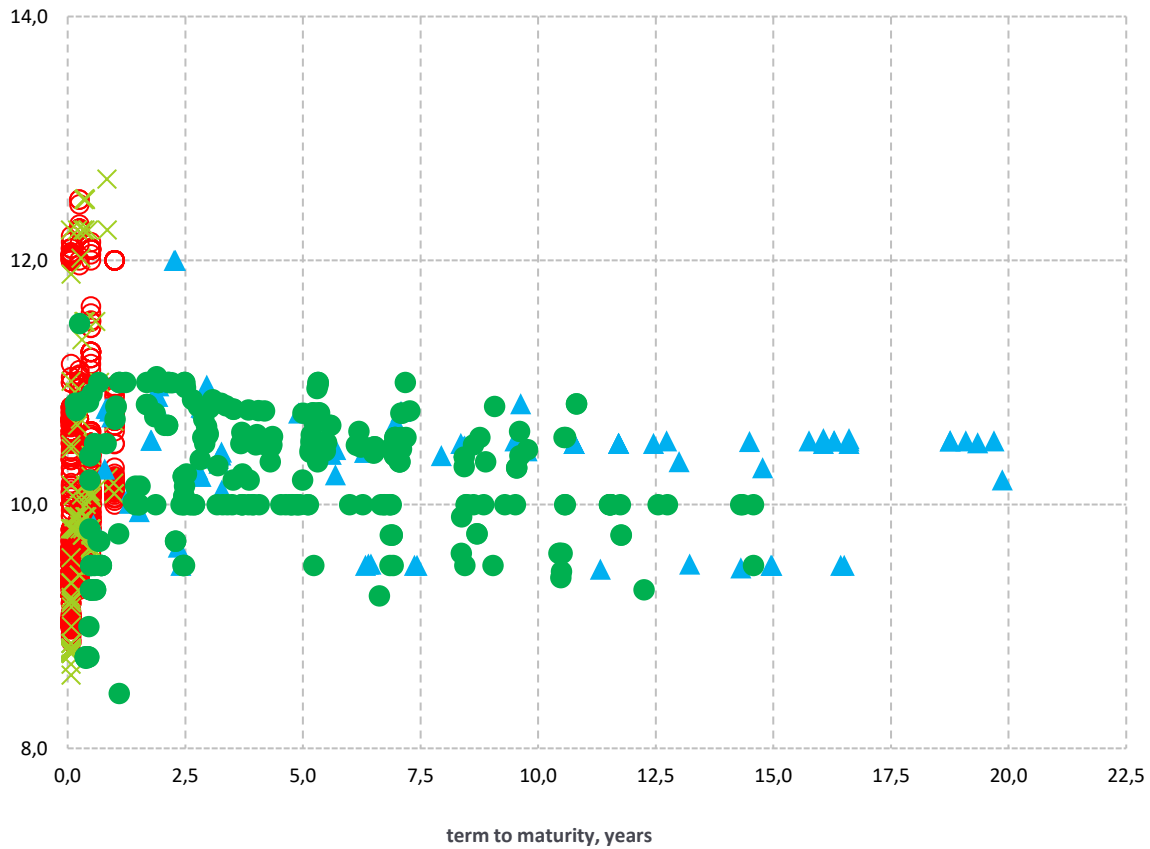
Current maturity:

< 1 year	47 % 6M'2021	←	53 % 2020	←	98 % 2019
1-3 years	32 % 6M'2021	←	19 % 2020	←	1 % 2019
> 10 years	8 % 6M'2021	←	10 % 2020	←	0 % 2019

Yield of transactions on the government securities market

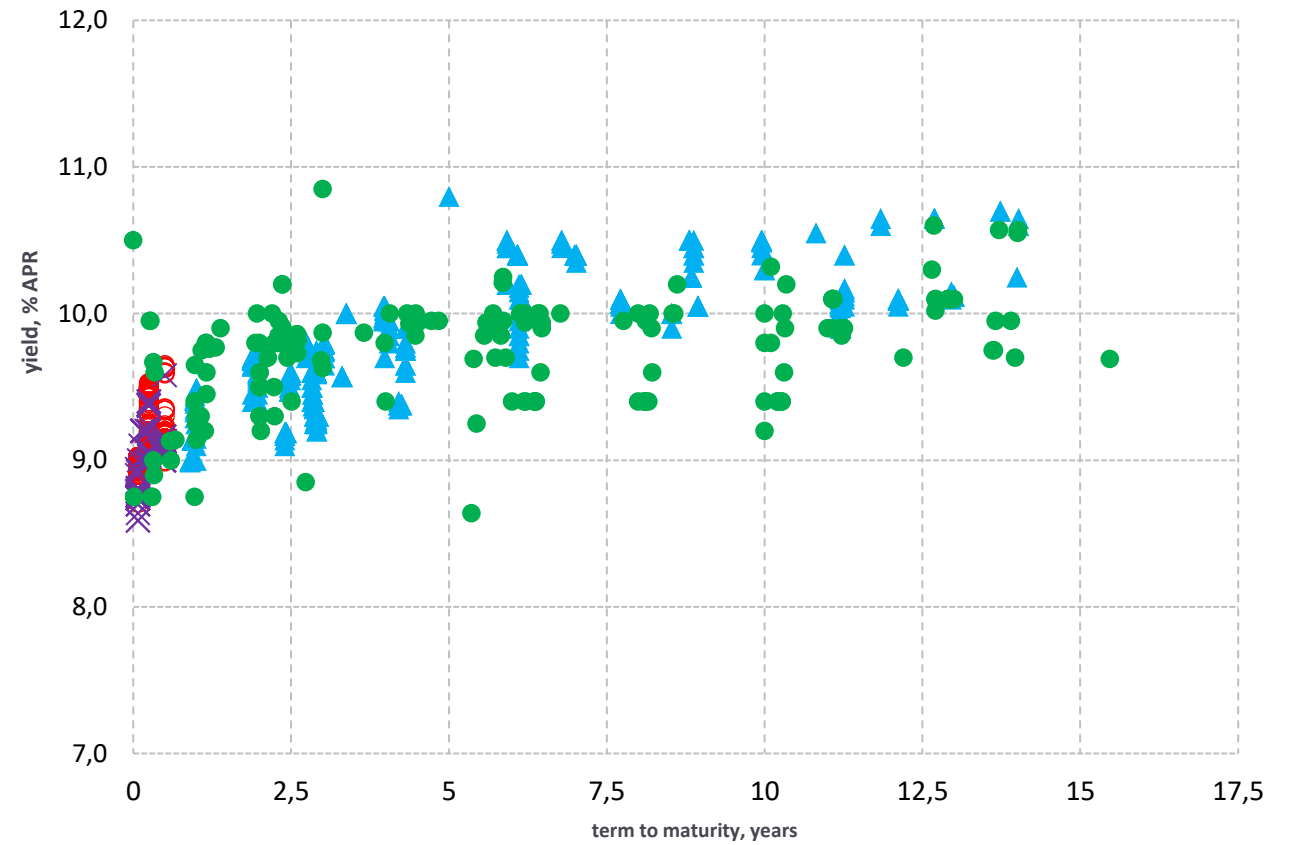
Yield of transactions in 2020

- NBRK Notes_primary market
- × NBRK_secondary market
- ▲ Minfin GS_primary market
- Minfin GS_secondary market



Yield of transactions for 6M'2021

- NBRK Notes_primary market
- × NBRK Notes_secondary market
- ▲ Minfin GS_primary market
- Minfin GS_secondary market

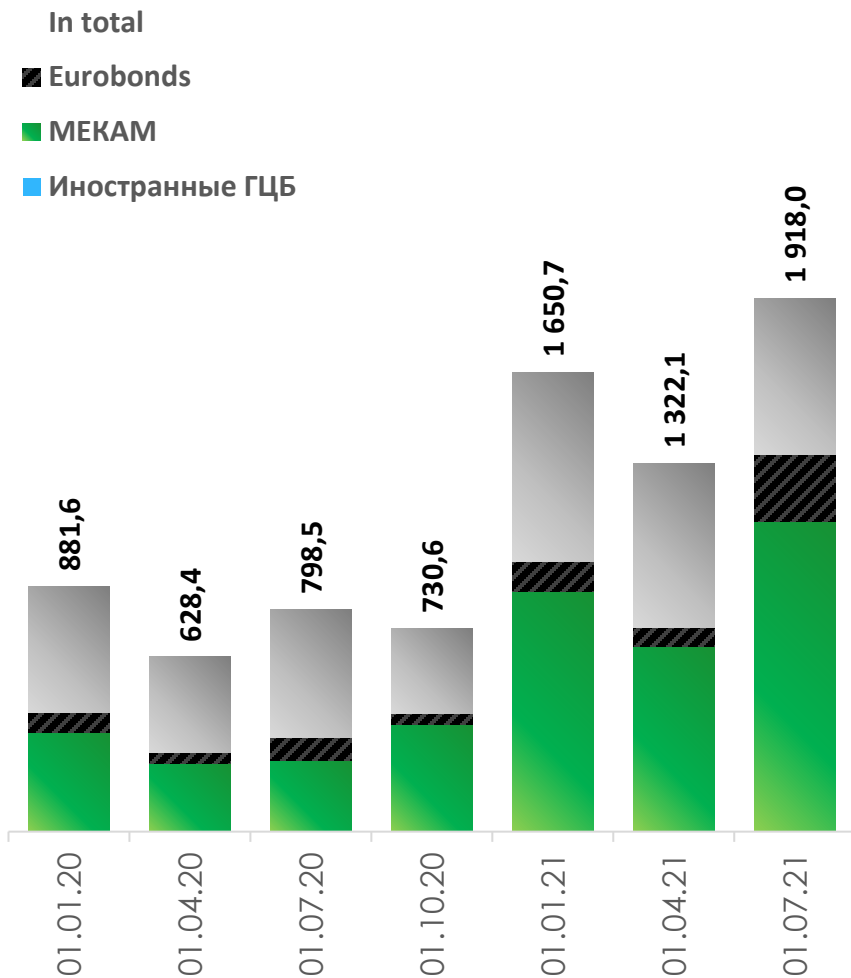


Yield of deals by GS type

Type	Description	2020		IH'2021	
		primary	secondary	primary	secondary
NBRK notes	Short-term notes with a maturity of 7 to 360 days. The terms of the auctions and the volumes of issues are regulated by the National Bank of the Republic of Kazakhstan and are announced in the conditions of the auctions	8,9%-12,5%	8,6%-12,7%	8,7%-9,6%	8,7%-9,6%
MEKKAM of MF of RK	Discount short-term treasury bonds	9,8%-10,8%	8,74%-10,5%	9,0%-9,5%	8,8%-10,5%
MEOKAM of MF of RK	Medium-term treasury bonds with a maturity of 2-3 years	9,5%-12,0%	8,45%-11,0%	-	-
MEUKAM of MF RK	Long-term treasury bonds with maturities of up to 10 years	9,5%-11,0%	9,3%-11,5%	9,0%-10,4%	8,6%-10,9%
MEUJKAM of MF RK	Long-term savings treasury bonds with a maturity of more than 10 years. Indexed to inflation for the past coupon period	-	-	-	-
Eurobonds of MF RK	Treasury bills with different maturities issued in foreign currencies in accordance with foreign legislation	-	-	-	-
Municipal bonds of akimdiks of RK	Obligations of local akami's executive bodies (akimdiks)	0,35%-6,09%	-	6,1%-10,8%	-

Participants' obligations in the GS repo sector

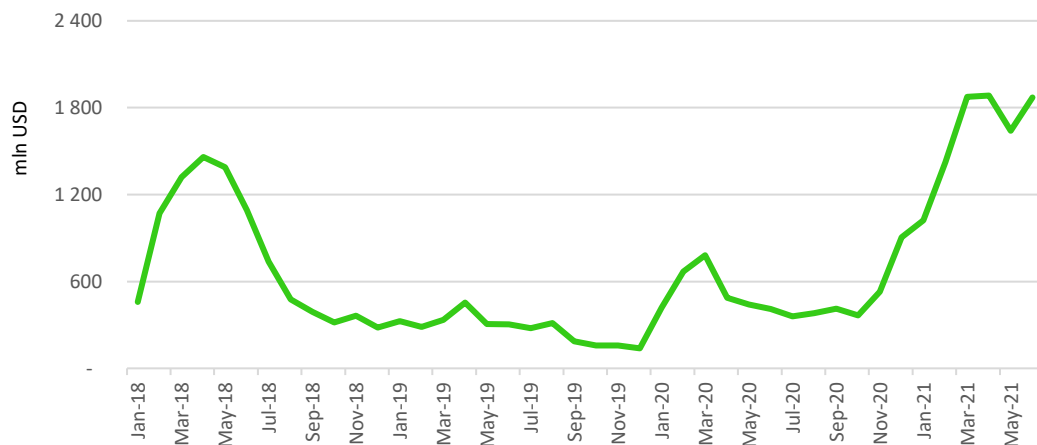
Participants' open positions in the GS auto repo sector on KASE by security, USD million



	1D, 2D, 3D, 7D, 14D, 30D on some securities and repo transactions without CCP in tenge
Auto repo transactions' term	1D, 2D, 3D, 7D, 14D, 30D, 90D with a particular GS basket and BISP with CCP in tenge
	1D, 7D repo with CCP in US dollars
	1 D with GS basket with CCP at additional session
Nego repo transactions' term	up to 30D with CCP in tenge
	up to 90D without CCP in tenge
	up to 7D with CCP in US dollars
Underlying asset of auto repo transactions with CCP	securities included in the List T+, GS basket, BISP basket, NBRK basket
Underlying asset of nego repo transactions with CCP	securities included in the List T+
Underlying asset of automatic repo transactions without CCP	shares included in the List T+, GS basket
Underlying asset of nego repo transactions without CCP	are determined by the participants of these transactions independently from the number of securities admitted to circulation on the Exchange

Measures for development of the GS market

Volume of public debt owned by non-residents of the Republic of Kazakhstan, million USD



Market-makers on the GS market:



- ✓ currently there are three market-makers
- ✓ the volume of mandatory quotations is 500 million tenge at par value
- ✓ the spread is 1% of the price of the mandatory purchase quotation
- ✓ timeout for a market-maker is 150 minutes during the trading day

*USD equivalent of 500 million tenge as per 01.07.21

I. Building a risk-free yield curve

- ✓ In 2021, the MoF plans to issue government securities in the amount of about **4,5 billion USD** with maturities from 1 to 15 years, incl. in the short sector – **up to 5 years** for up to **2.4 billion USD**.

II. Improving the Public Debt Management Policy

- ✓ Active work is conducted with the MoF to improve the public debt management policies

III. Increasing the liquidity of the secondary GS market

- ✓ An incentive **program for market-makers** on government securities launched at KASE
- ✓ UAPF and funds managed by the NB from time to time participate in the secondary market

IV. Infrastructure development and globalization of GS of the Republic of Kazakhstan

- ✓ Work is underway to include GS in the international index of developing countries **JP Morgan GBI-EM**
- ✓ The settlement process within the international line with Clearstream was converted from FoP to DvP. Settlements are in tenge.
- ✓ Negotiations are underway to create a **settlement infrastructure with Euroclear** (at the stage of defining a project implementation model)

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Schedule of trading on the GS market

Method of concluding nego deals	10:30 – 17:30
Continuous counter auction method with securities not included in the List T+	11:20 – 17:00
Continuous counter auction method with securities included in the List T+	11:20 – 17:30
First clearing session	15:30 – 17:00
Second clearing session	17:30 – 18:45
Instruments of repo transactions carried out by the "nego" method; "auto" repo market instruments	10:30 – 17:00

Trading methods:

- ▲ continuous counter auction (Order-Driven Market)
- ▲ negotiated deals mode
- ▲ primary offering auctions (special trading sessions)

Modes:

- ▲ T+ GS (deals are settled on the second business day)
- ▲ T0 GS (deals are settled on the conclusion day)

Repo transactions with GS:

- ▲ auto repo (in the basket) with CCP and without CCP
- ▲ negotiated repo with CCP and without CCP

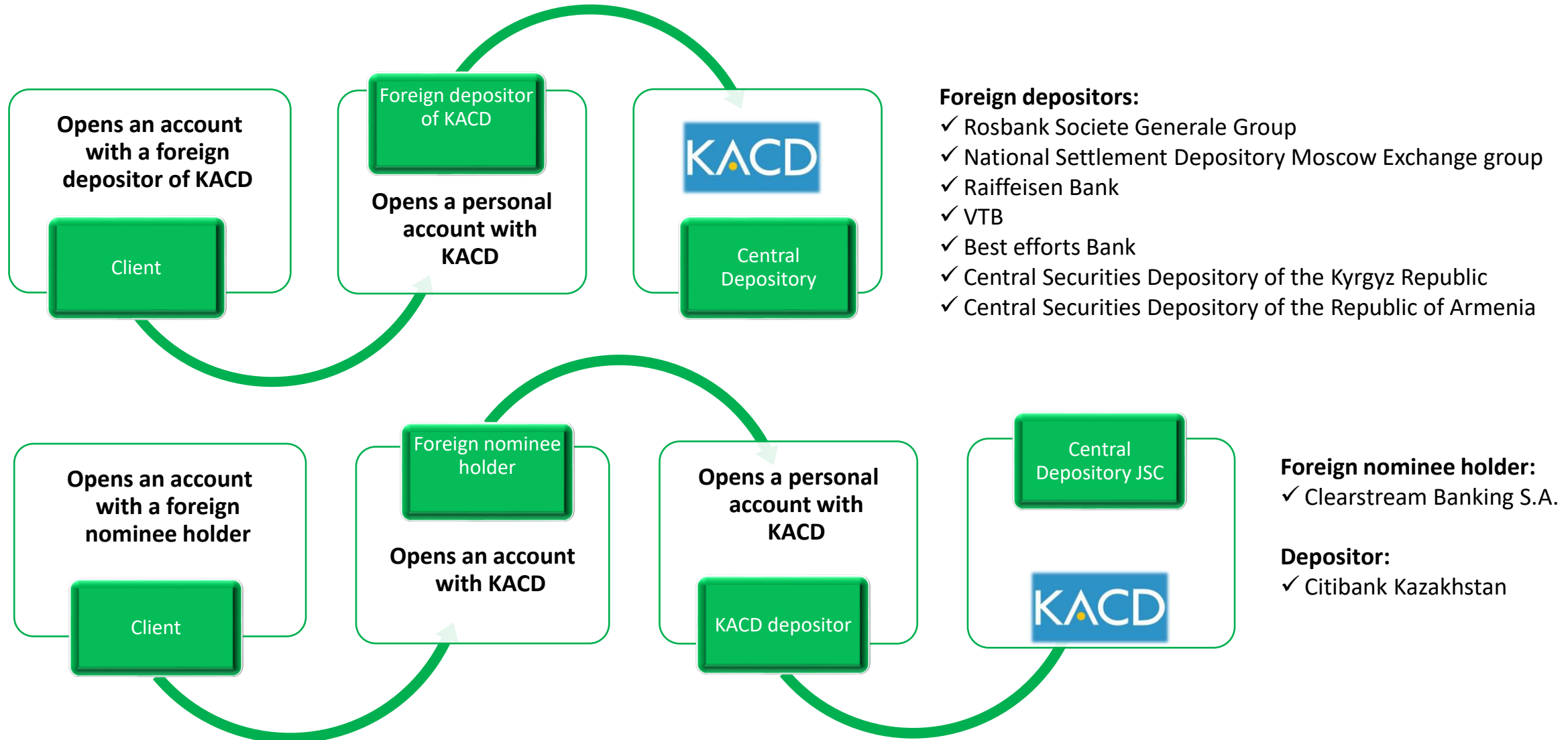
Collateral on the GS market:

In the ASTS+ trading and clearing system, there are two categories of clearing participants in the stock market, taking into account a single limit:

- ▲ with full coverage
- ▲ with partial coverage

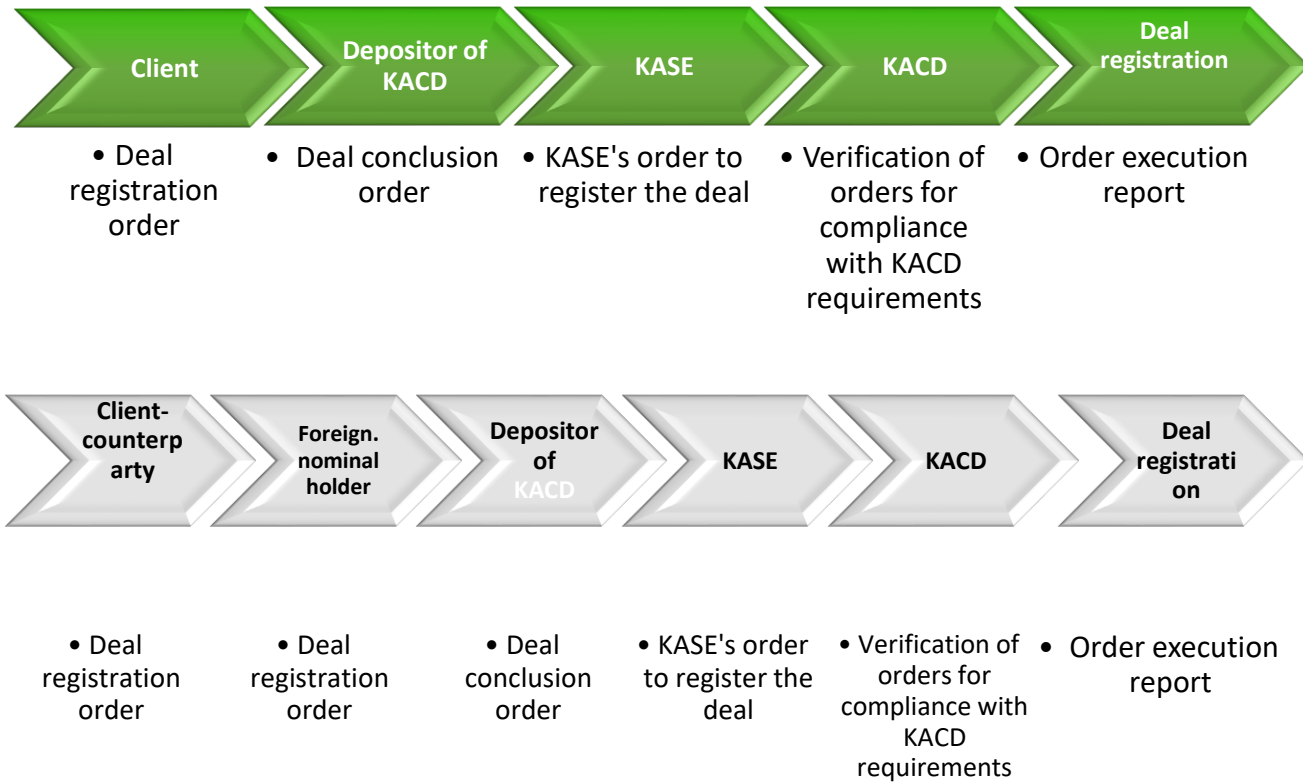
The admission of securities accepted as collateral for deals with partial collateral on the government securities market is established for securities included in **the Collateral List T+**. The current list is provided in the section of the main menu "Evaluation and Parameters", subsection "Risk parameters of financial instruments".

Access of non-residents to services of the Central Securities Depository

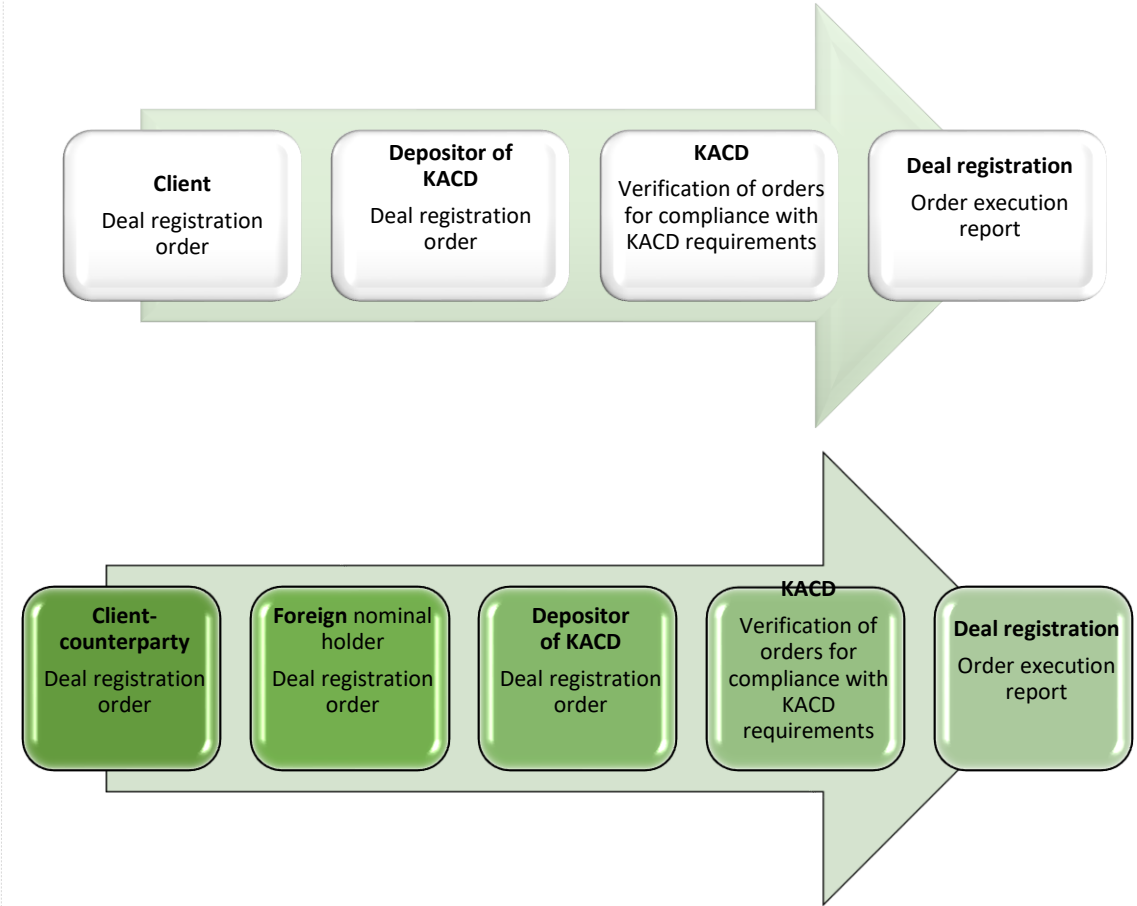


Registration of deals with GS of the Republic of Kazakhstan

On the regulated market



On the OTC market



Modes of settlement of deals with GS of the Republic of Kazakhstan



T+0

Market:
regulated

Settlement method:
gross-settlements (DVP-1)

Settlement bank:
National Bank of the RK
Central Depository

Collateral:
full pre-deposit of assets

Instruments:
any financial instruments, except
for those traded under the T+2
scheme



T+2

Market:
regulated

Settlement method:
net-settlements (DVP-3)

Settlement bank:
Central Depository

Collateral:
margin requirements

Instruments:
financial instruments included in
the list, on deals with which KASE
carries out clearing activities



T+n

Market:
regulated

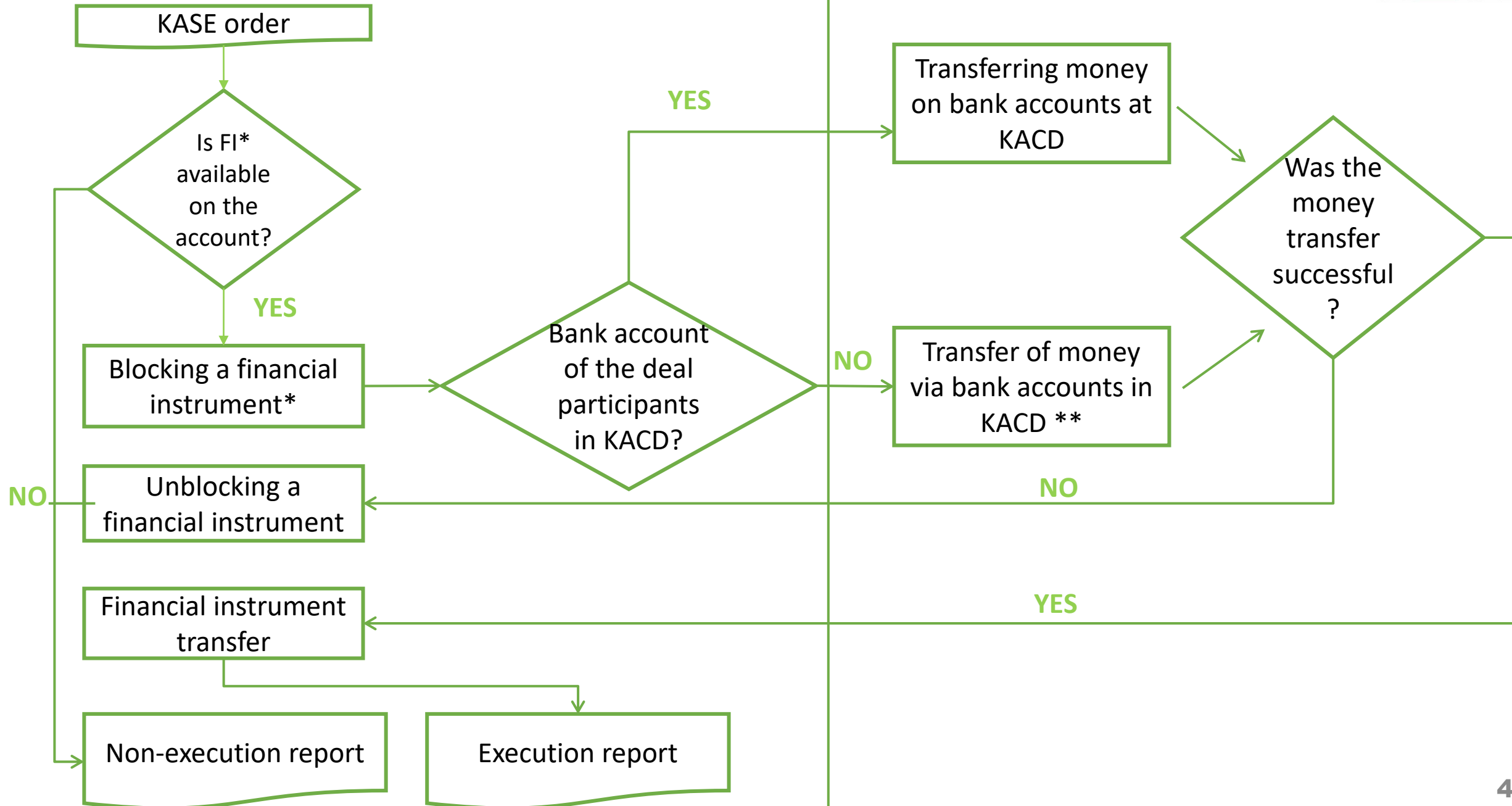
Settlement method:
gross-settlements (DVP-1, FOP)

Settlement bank:
National Bank of the RK
Central Depository

Collateral:
there is no preliminary deposit of
assets (the availability of assets is
checked immediately at the time
of registration of the deal)

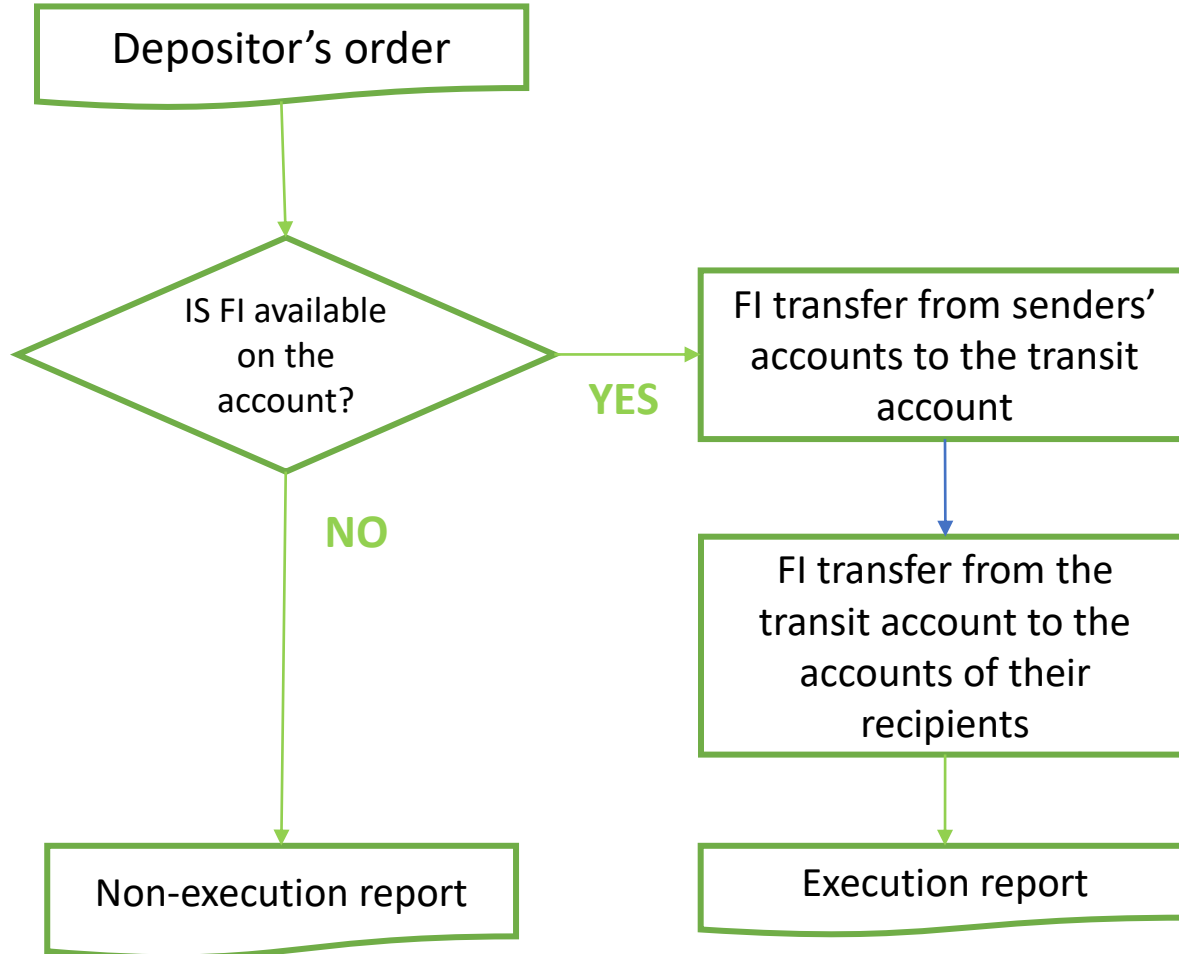
Instruments:
any financial instruments

T+0 settlement scheme



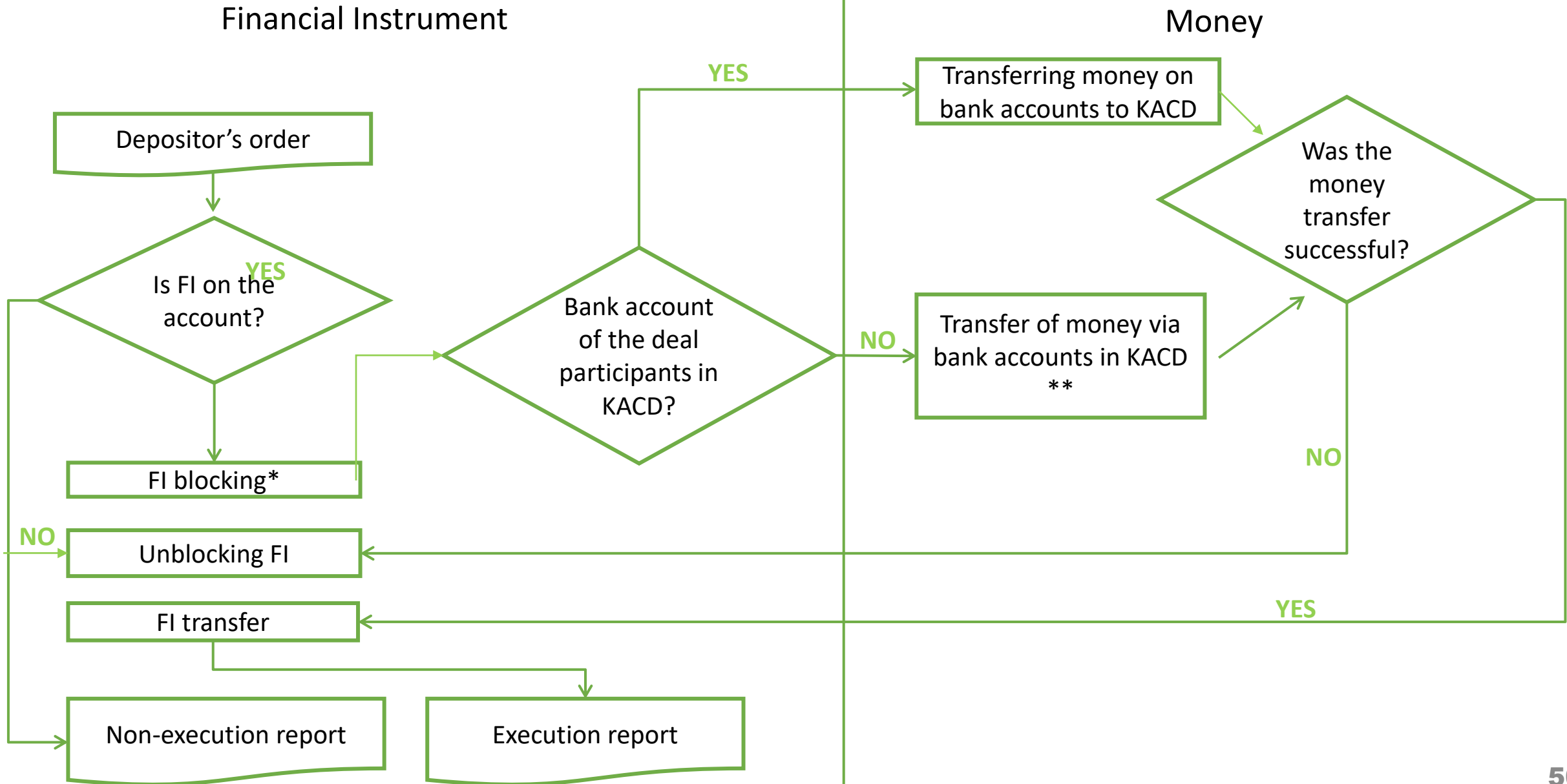
Financial Instrument

Money



Money transfer is carried out within the accounts of the clearing organization

T+n settlement scheme (delivery against payment)



Access of non-residents to Kazakhstan's capital markets via Clearstream (CBL)

Since 2018, settlements on government securities have been carried out through the international system Clearstream (CBL), which provides mechanisms for clearing, settlement and servicing of assets for the Eurobond market, as well as for securities issued in more than 50 countries.

Settlements can be made through the national central depository (local settlement) or directly between counterparties CBL (internal settlement), as well as Free of Payment (FoP delivery without payment) or Delivery versus Payment (DvP delivery versus payment). Trades are conducted with CBL approved asset class:

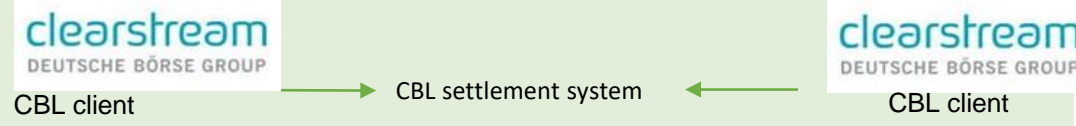
- ✓ Government bonds issued by the Ministry of Finance
 - MEOKAM State medium-term treasury bond
 - MEUKAM State long-term treasury obligations
- ✓ Bonds issued by the National Bank of Kazakhstan. Short-term discounted bonds and bonds with maturities of 7, 14, 28, 91, 182, 270 or 364 days
 - Bonds on KASE: notes of the National Bank of Kazakhstan

Local settlements



- ✓ Conducted through the custodian bank Citi Bank Almaty to the Clearstream's account with the central depository. Trades can also be conducted with any authorized broker/dealer/custodian bank
- ✓ Conducted on the basis of FOP or DVP in tenge
- ✓ Trading is carried out in T0 or as agreed by the parties
- ✓ Deadline for CBL clients: 15:00 o'clock (Almaty) or 10:00 o'clock (CET)
- ✓ Account of Clearstream Banking S.A. at the Central Securities Depository: 1024701240MT54X Settlement Instruction (link <file:///C:/Users/anna.nazarenko/Downloads/mt54x-swift-guide.pdf>)

Internal settlements



- ✓ Conducted only for parties with an account in CBL and unavailable for local custodians or brokers/dealers
- ✓ Conducted on a FOP or DVP basis in any currency available in the CBL
- ✓ Trading is carried out in T0 or as agreed by the parties
- ✓ Deadline for CBL client 19:00 o'clock (CET)
- ✓ Clearstream Banking S.A Account: 5-digit CBL Account
- ✓ MT54X Settlement Instruction (link <file:///C:/Users/anna.nazarenko/Downloads/mt54x-swift-guide.pdf>)

Thank you for attention !

280 Baizakov St.
Northern Tower of
Multifunctional complex
"Almaty Towers", 8th floor
city of Almaty 050040,
Republic of Kazakhstan,
tel.: +7 (727) 237 5300
e-mail: info@kase.kz
www.kase.kz

FAQ



KASE

Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange