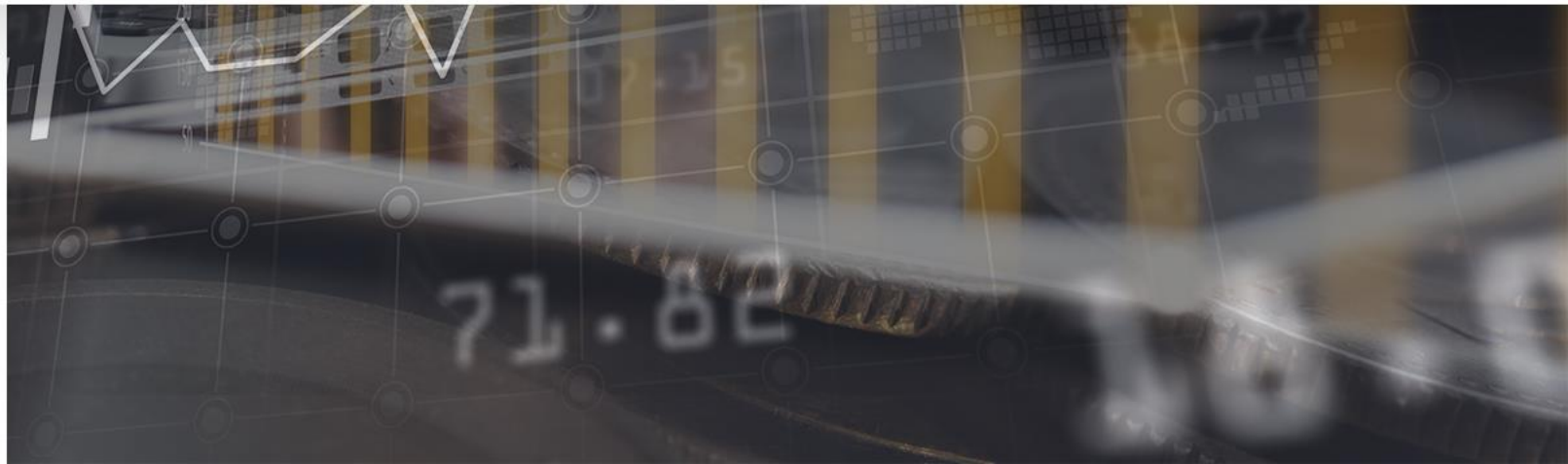




PERFORMANCE OVERVIEW 2022

January 2023



Summary of results

KASE key projects and events

Market trends

2022 by
2021

+50%

trading
volume
from 174.4 to
261.6 trln tenge

x2.1

trading volume
on the secondary
market of GS
from 874.4 to
1,858.7 bn tenge

+19%

trading volume on
the secondary market
of corporate bonds
from 837.0 to
996.7 bn tenge

+34%

trading volume on
the foreign exchange
market
from 15.6 to
20.8 trln tenge

since the
beginning
of 2022

-11.5%

KASE Index
from 3,675.28
to 3,251.64 points

-26%

capitalization of
the stock market
from 28.8 to
21.2 trln tenge

+341 th.

new accounts opened
by individuals
on 01.01.23 547 thousand
accounts to the CSD

+96_{new}

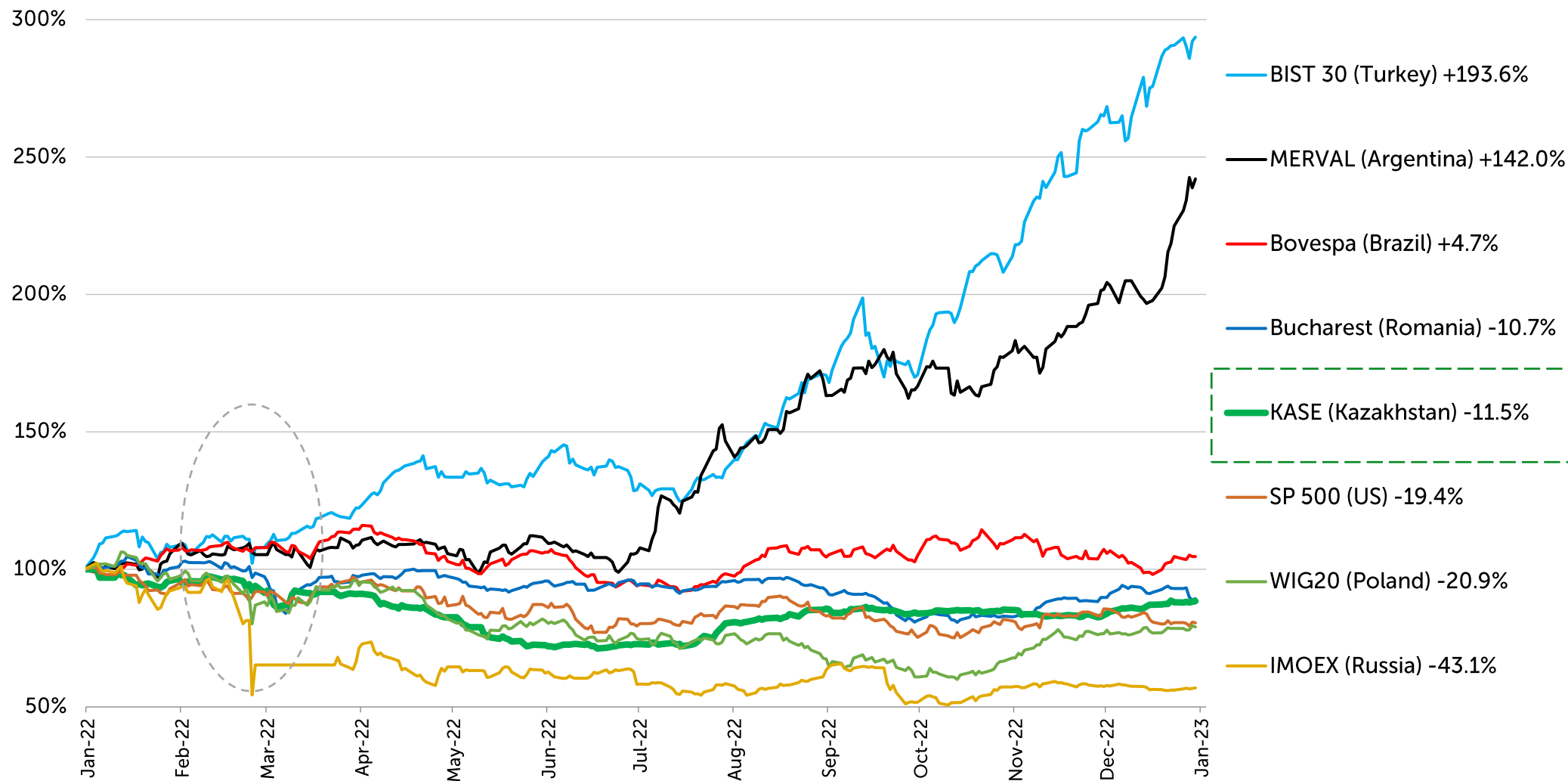
instruments
in the official list

KASE Index and world stock indexes

KASE index decreased by 11.5 %



data from January 01 to December 31, 2022





KASE Index

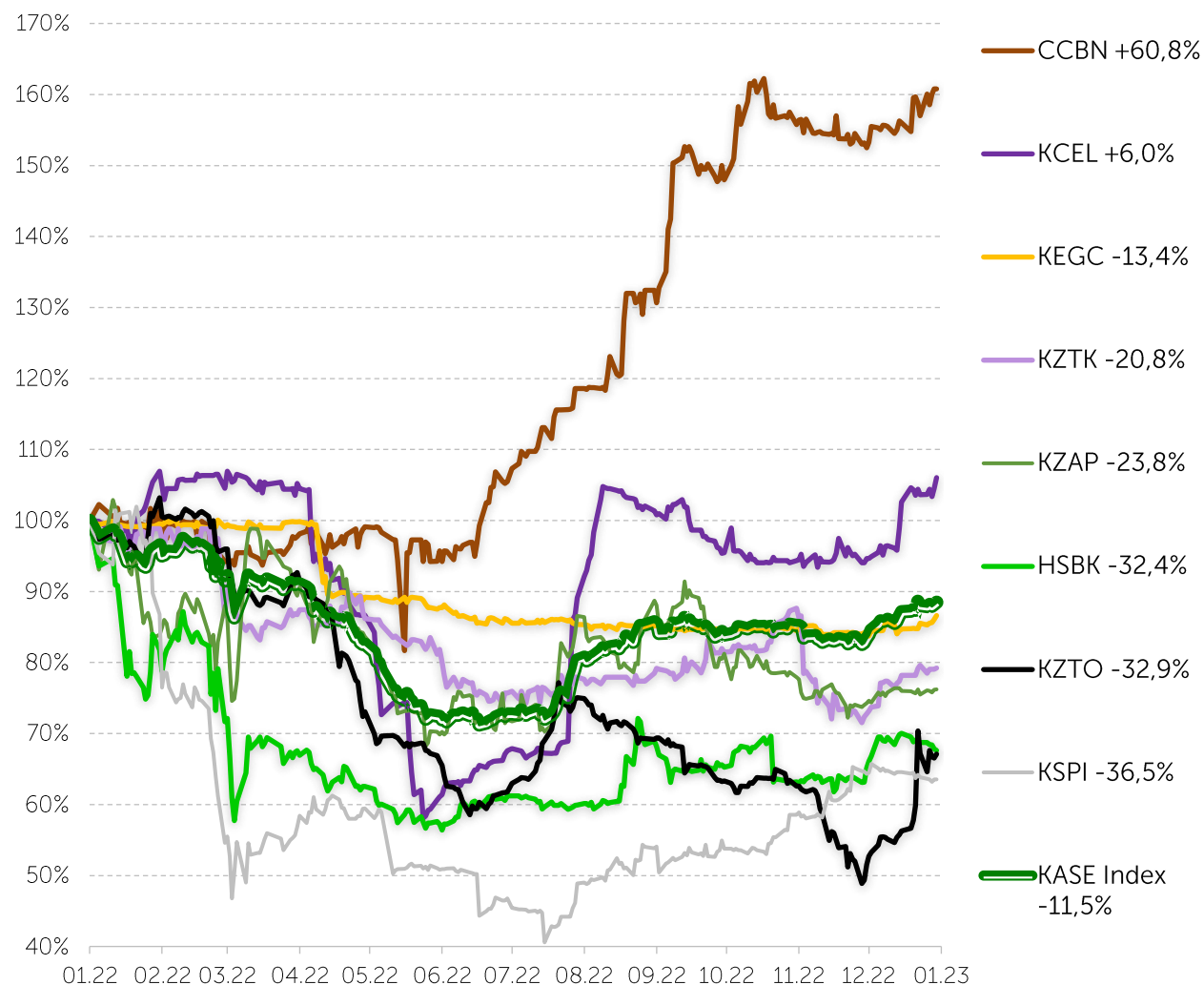
From February 03, shares of JSC NC KazMunayGas will be included in the KASE Index



| KASE Index* | | | |
|--------------------|---------------|-----------------------|-----------------------------|
| Company | Free float, % | Share in the index, % | Capitalization, KZT billion |
| Bank CenterCredit | 40,4 | 11,2 | 120,1 |
| Halyk Savings Bank | 30,5 | 15,5 | 1 383,8 |
| Kcell | 34,1 | 16,3 | 341,1 |
| KEGOC | 10,0 | 9,7 | 421,3 |
| Kaspi.kz | 23,7 | 15,7 | 6 340,2 |
| Kazatomprom | 25,0 | 14,1 | 3 338,9 |
| Kazakhtelecom | 16,3 | 11,0 | 299,9 |
| KazTransOil | 10,0 | 6,5 | 282,3 |
| Total | | | 12 527,7 |

- From May 05, 2022, the representative list of the KASE Index includes ordinary shares of JSC "Kaspi.kz"
- From February 03, 2023, ordinary shares of JSC NC KazMunayGas will be included in the representative list of the KASE Index

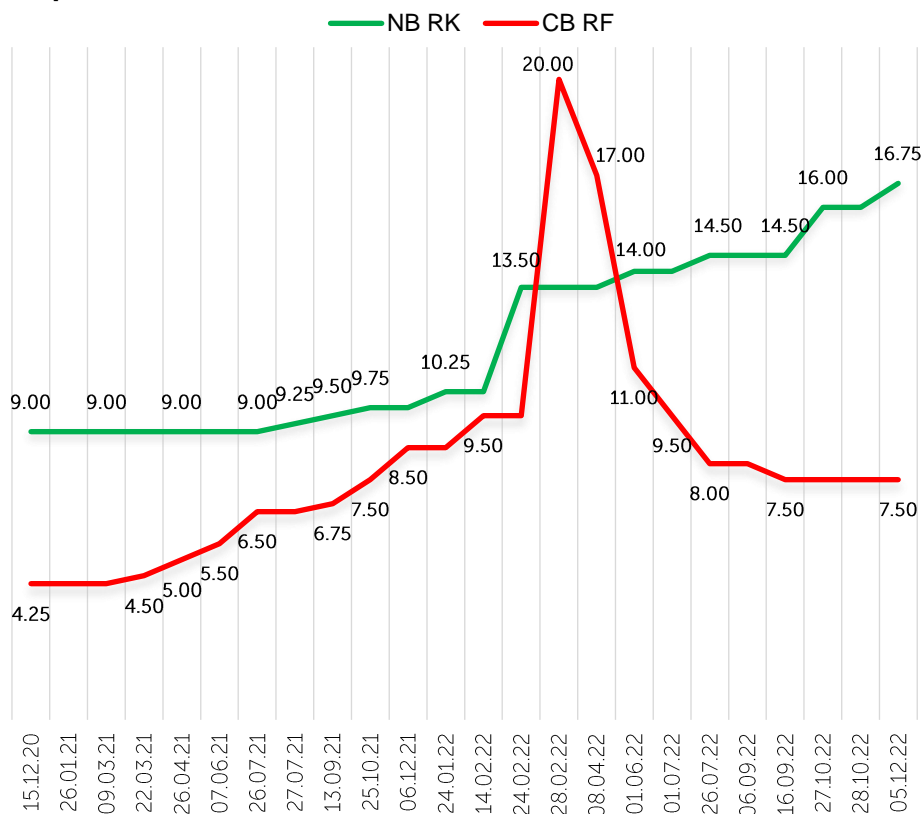
Dynamics of the components of the KASE Index for 2022



• data as of January 01, 2023
Source: KASE

Dynamics of changes in the base rate and CPI

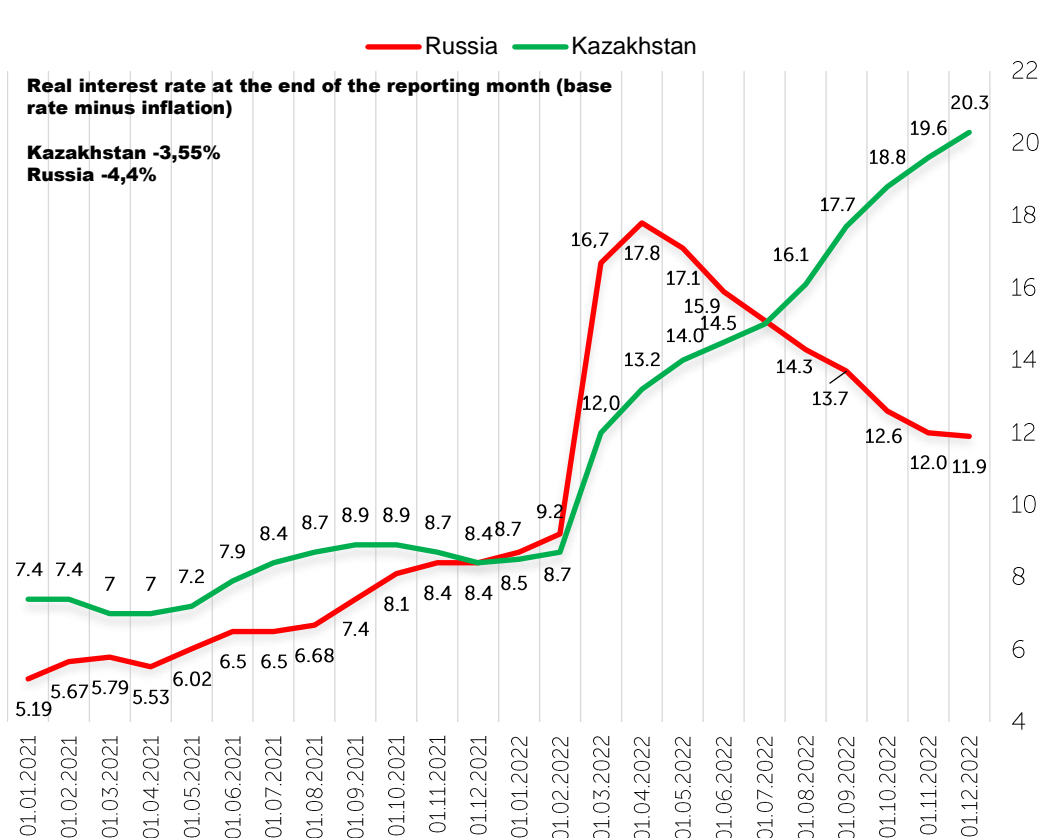
Dynamics of changes in the base rate in Kazakhstan (here is the base rate of the Central Bank of the Russian Federation at the time of the change in the base rate in Kazakhstan), in % per annum



Interest rates and inflation rates of other countries of the world

| | % | CPI |
|------|--------|-------|
| CBR | 7.50% | 11,9% |
| FED | 4.50% | 6,5% |
| ECB | 2.50% | 9,2% |
| BOE | 3.50% | 10,7% |
| RBA | 3.10% | 7,3% |
| BOJ | -0.10% | 3,8% |
| RBI | 6.25% | 5,7% |
| PBOC | 3.65% | 1,8% |
| BCB | 13.75% | 5,8% |

Dynamics of changes in annual inflation in Kazakhstan (annual inflation in the Russian Federation is indicated below), in %



Real interest rate at the end of the reporting month (base rate minus inflation)

Kazakhstan -3,55%
Russia -4,4%

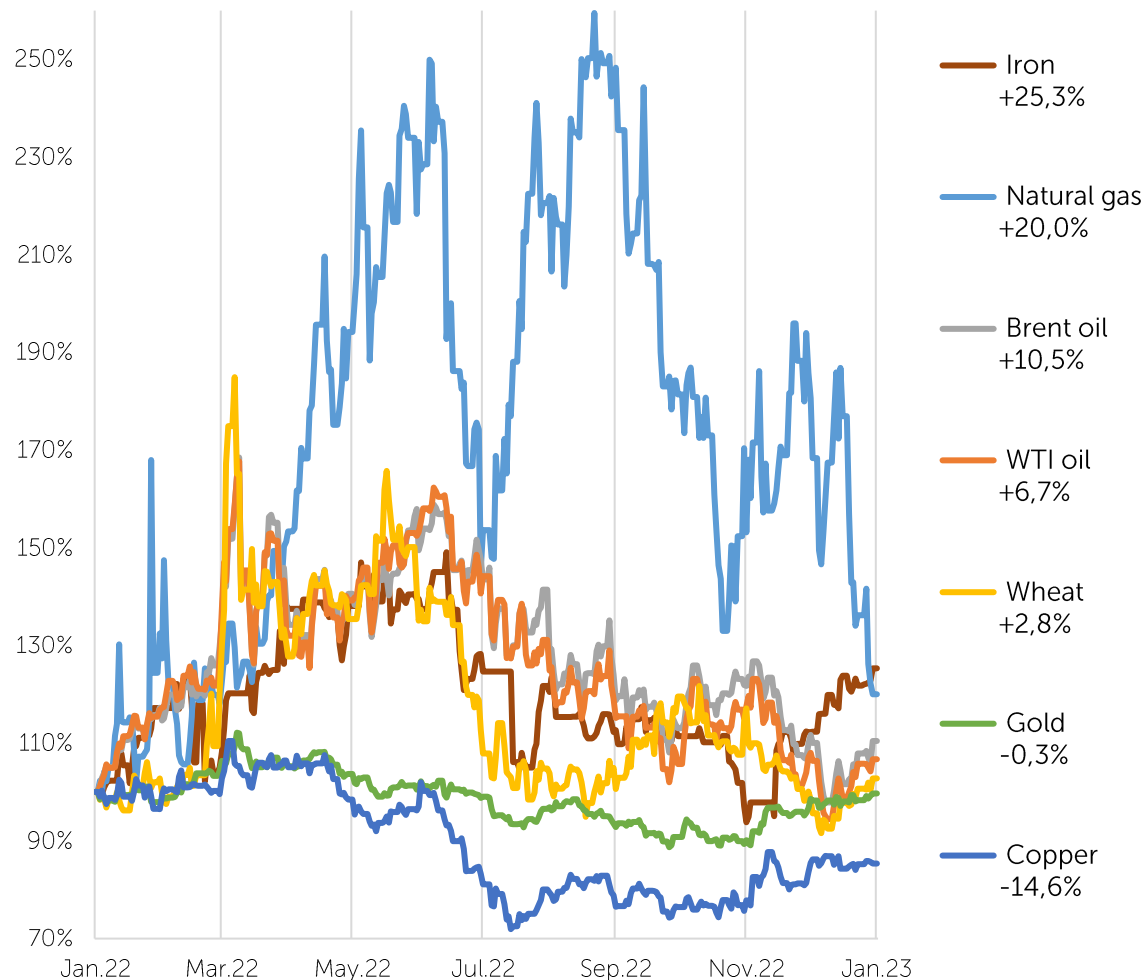
- On March 16, the **US Federal Reserve** raised the rate by 25 bp, on May 4 – by 50 bp, on June 15, July 27, September 21 and November 2 – by 75 bp, on December 14 – by 50 bp to 4.5%;
- The **ECB** completed the PEPP asset purchase program by July 2022, raised the rate for the first time in July by 50 bp, in September and November – by 75 bp, in December – by 50 bp to 2.5%;
- The **Central Bank of China** cut the rate by 5 bp in December, 10 bp in January and 5 bp in August to 3.65%;
- On **February 28**, the **Central Bank of the Russian Federation** decided to raise the key rate to 20%, on April 11 it moved to a decrease to 17%, on May 4 – to 14%, on May 27 – to 11%, on June 14 – to 9.5%, on July 25 – to 8%, on September 19 – to 7.5%, in I left the rate unchanged in the 4th quarter.



Dynamics of the value of underlying assets and exchange rates



Dynamics of changes in the value of underlying assets*



Dynamics of changes in the exchange rate of RUB/KZT, USD/KZT, USD/RUB in comparison with the dynamics of the cost of oil*, %



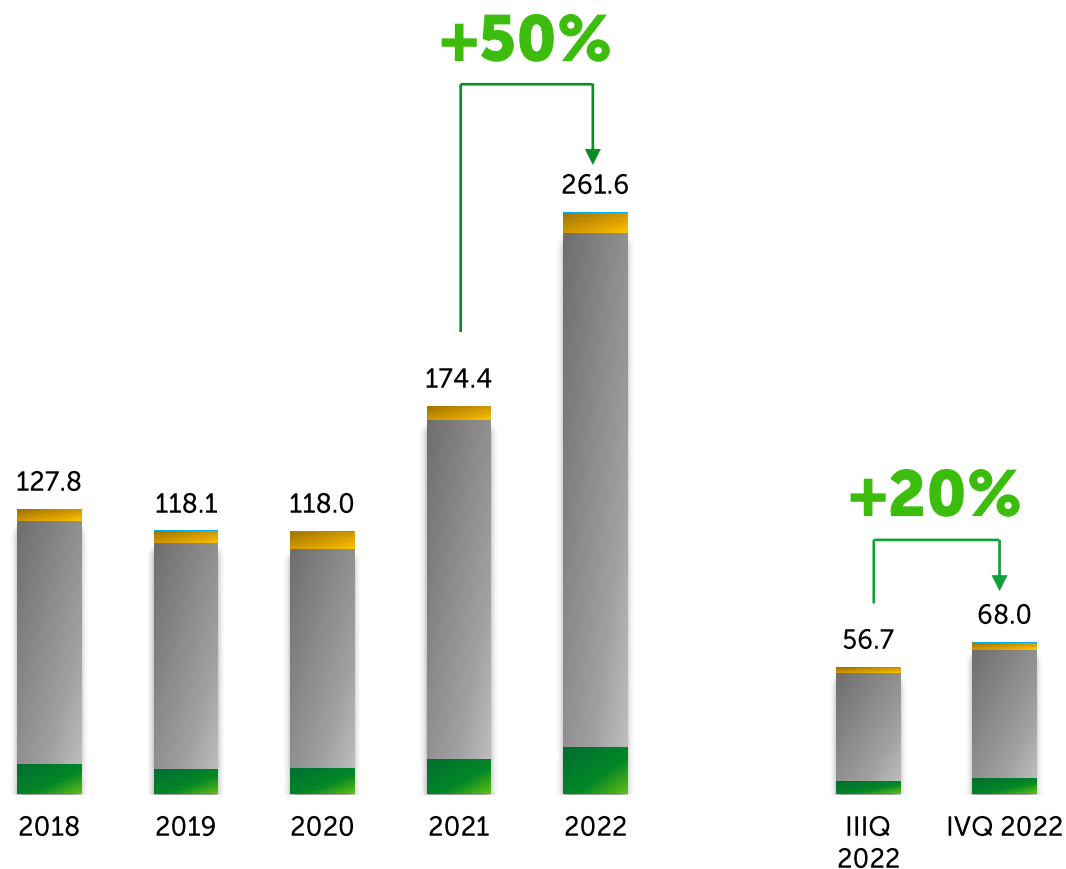
• data from January 01 to December 31, 2022
Source: Bloomberg



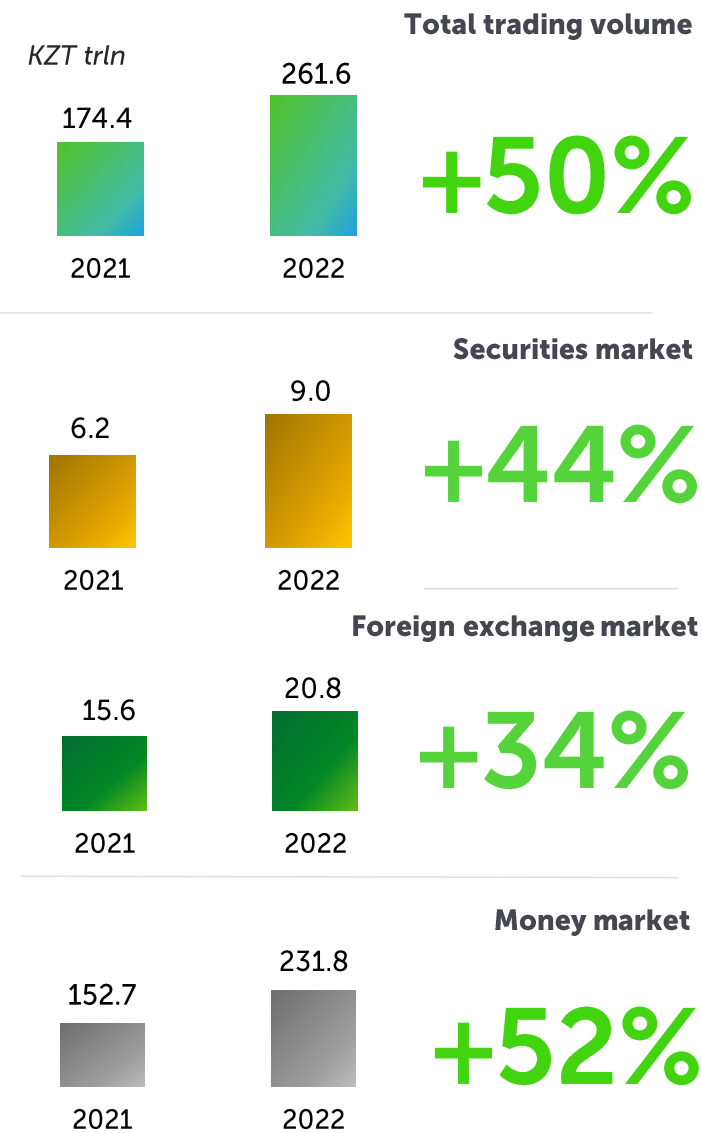
KASE Market: trading volume growth by 50%



Dynamics of trading volume by sector,
KZT trln



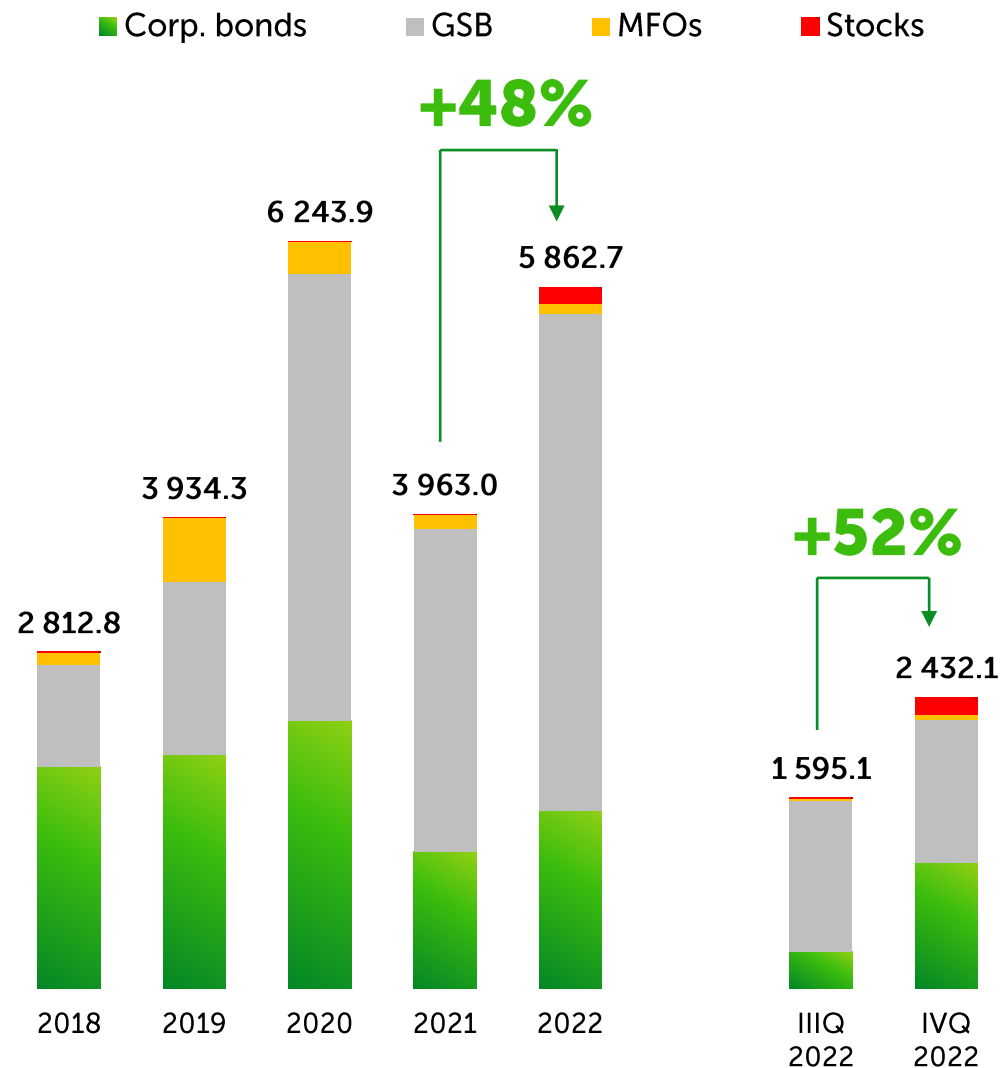
2022 by 2021



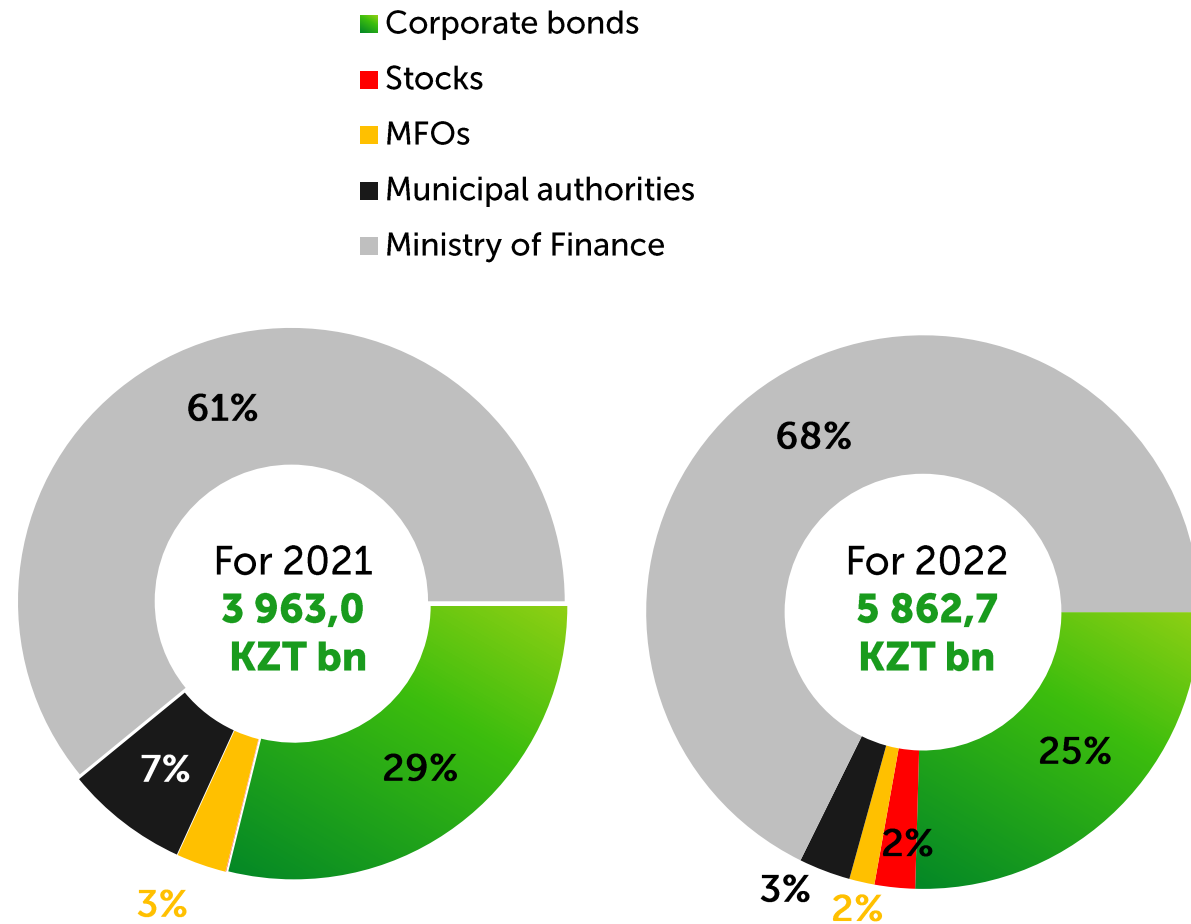
Source: KASE

Capital raising market: the increase in the volume of attraction by 48%

Volume of initial placements, KZT bn



Structure of the primary market, KZT bn





In trading lists

1,433 instruments, including 927 securities, 241 instruments in the T+ list for 2022 +23 securities, -27 instruments in the T+ list

as of January 01, 2023

| Stock market | | | Money market | Foreign exchange market | Derivatives |
|---------------------------|---------------------------|--------------------------------|-----------------|-------------------------|------------------|
| Stocks | Bonds | Other securities | Swap operations | Spot | Futures |
| IPO / Auctions | Auctions | Secondary market | RUBKZT | RUBKZT | KASE Index |
| Repurchase | Secondary market | Securities of Investment Funds | USDKZT | USDKZT | USDKZT RUBKZT |
| Secondary market | GSB MF RK | ETF | CNYKZT | CNYKZT | |
| Large companies | Municipal bonds | | EURKZT | EURKZT | KZAP HSBK |
| SMEs | NB RK Notes | | Autorepo | EURUSD | |
| Double listing | Foreign GS | | Stocks | | |
| GDR | Corporate bonds | | Bonds | | |
| | MFI bonds* | | GCB Basket | | |
| | | | KSU | | |
| 57 | 173 | 11 | | | |
| 108 | 556 | 22 | 459 | 16 | 31 |
| Calculations | | | | | |
| T+2 | T+2 | T+2 | от T+1 до T+1Y | T+0 | T+1W |
| T+0 – illiquid securities | T+0 – illiquid securities | T+0 | от T+0 до T+90 | T+1 | T+1M |
| | | | | T+2 | T+3M |
| | | | | | T+6M |

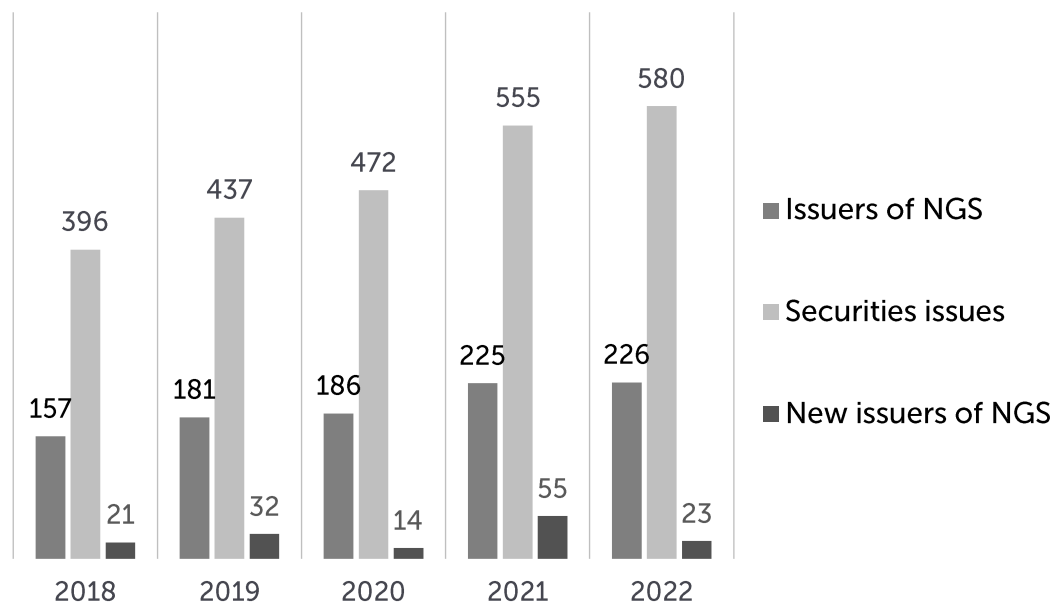
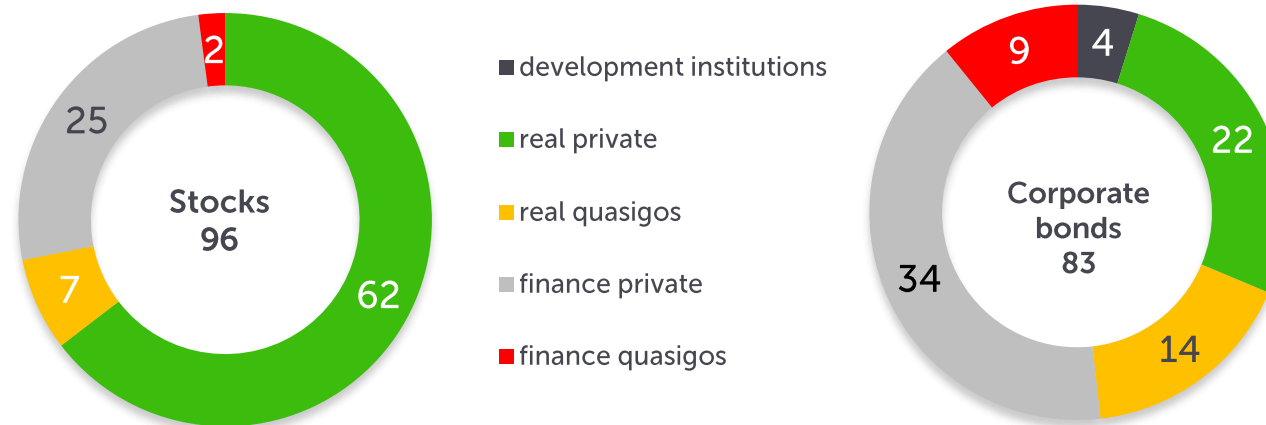
* securities of international financial organizations
Source: KASE



Official list of KASE: 23 new issuers



Structure of listed companies by field of activity



In 2022, **96 instruments of 50 issuers** were included in the official list, including **26 instruments of 23 new issuers**.

In the fourth quarter of 2022, **21 instruments of 15 issuers** were included in the official list, including **3 instruments of 3 new issuers**:

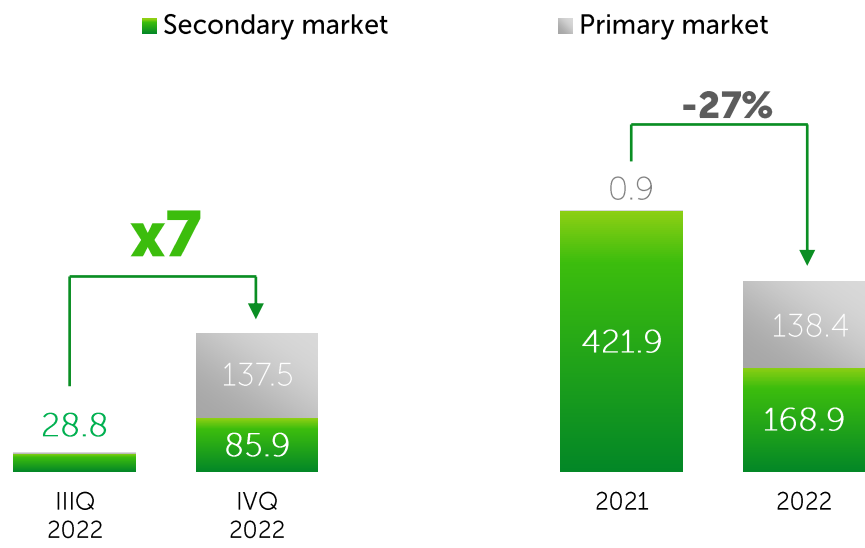
- "Mobilnyi Mir" LLP " (the real sector)
- LLP "ASIA PARK" (the real sector)
- "Finaccord Limited" Private company (finance)

Stock Market: trading volume growth in the fourth quarter

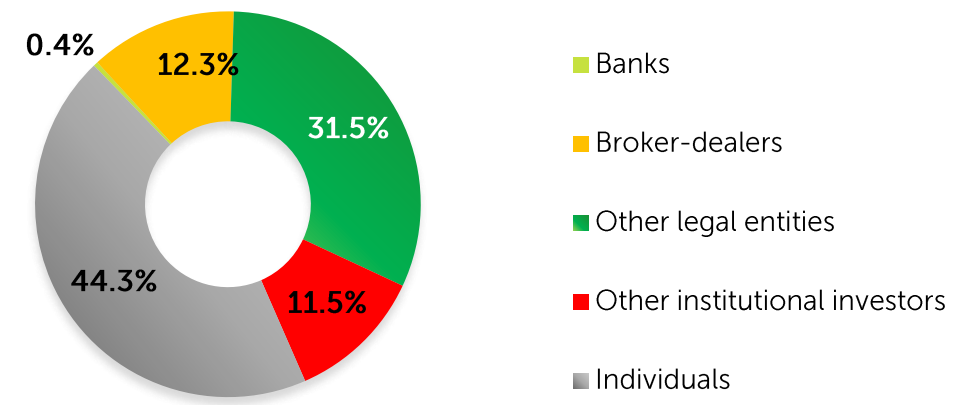
Key facts and figures

- + market capitalization as of January 01, 2023 ~ **KZT 21,2 trln** (-26% by 2021)
- + average daily trading volume for 2022 ~ **KZT 1 254 mln** (-27% by 2021)
- + average daily trading volume of KASE Index shares for 2022 ~ **KZT 316 mln**
- + average daily number of transactions for 2022 ~ **2 107 transactions** (+14% by 2021)
- + average volume of one transaction for 2022 ~ **KZT 595 th.** (-36% by 2021)

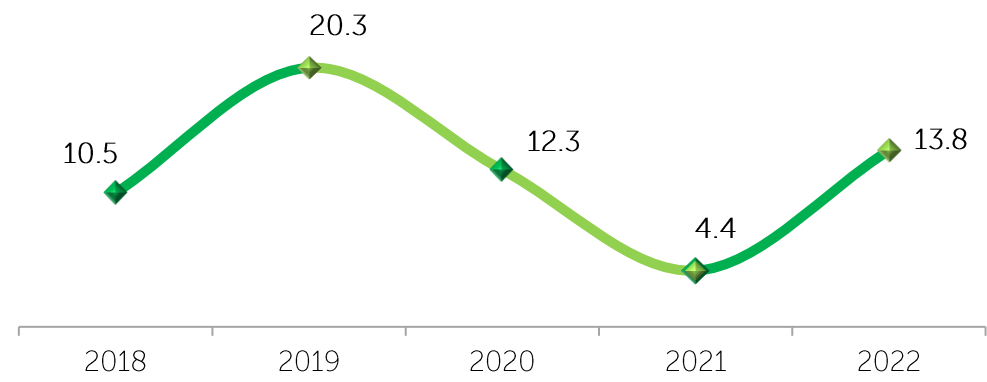
Volume of transactions on the stock market, KZT bn



Investor structure for 2022*



The share of non-residents in the total gross turnover*, %

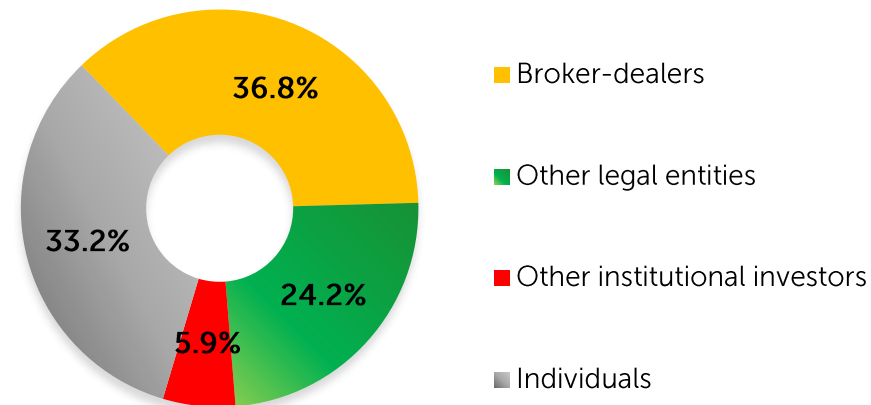


* of the total gross turnover of stock trading on the secondary market, excluding large transactions and transactions of an irregular nature

Key facts and figures

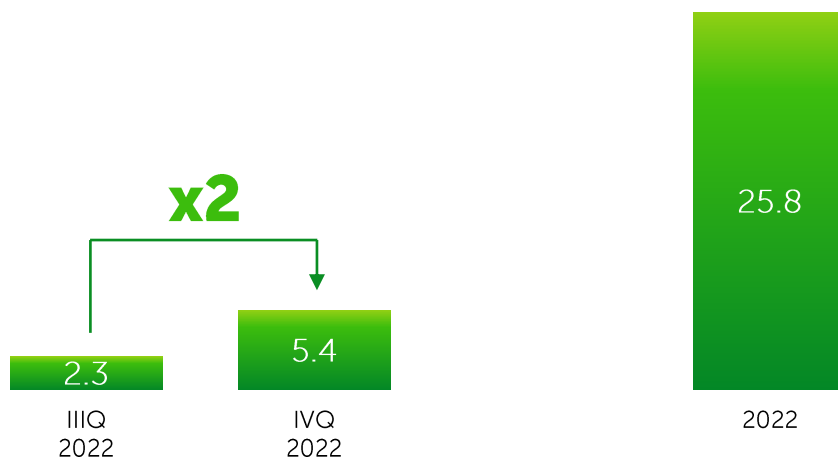
- + 46 names of shares and 6 ETFs are available for trading
- + average daily trading volume for 2022 ~ KZT 105 mln
- + average daily number of transactions for 2022 ~ 116
- + the average volume of one transaction for 2022 ~ KZT 908 th.
- + settlement schemes T+0, T+2, trades in USD, KZT
- + trading rules: 11:20 – 22:00

Investor structure for 2022

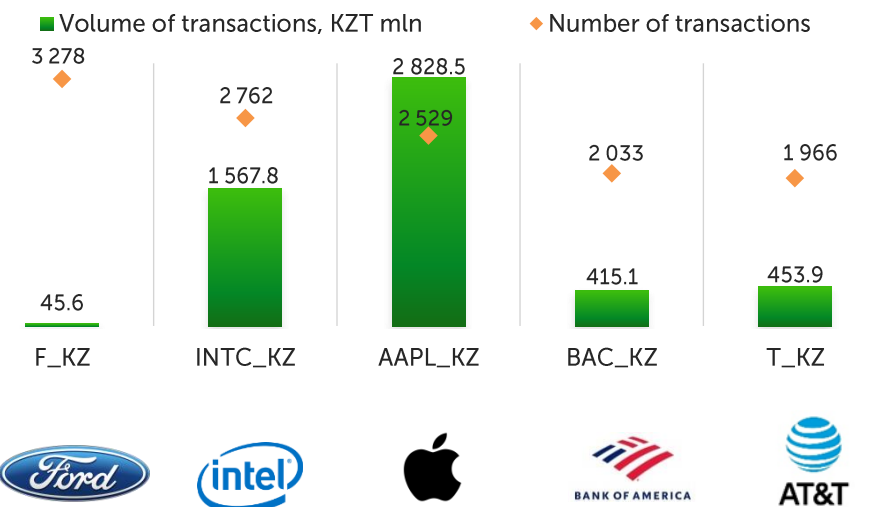


Trading volume, KZT bn

■ Secondary market ■ Primary market



Top 5 most popular shares of the KASE Global sector by the end of 2022

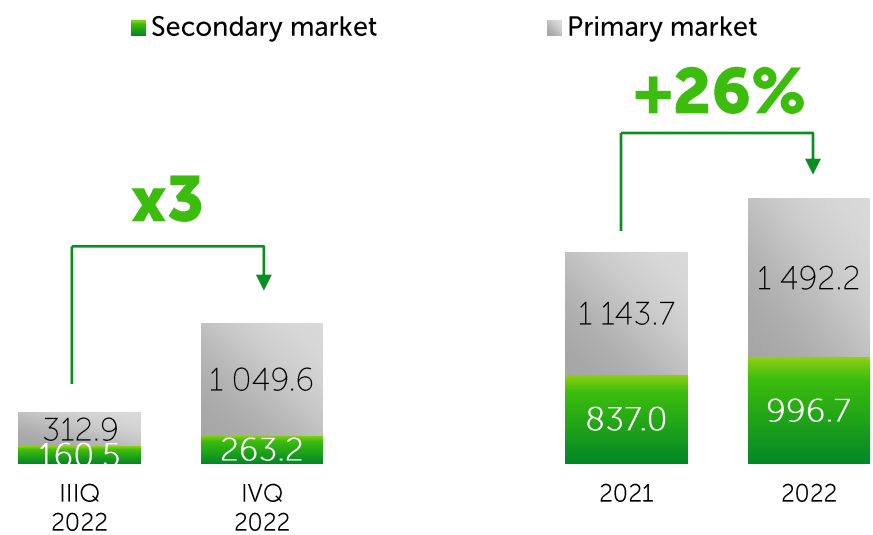


Corporate bond market: increase in trading volume in the secondary market by 19%

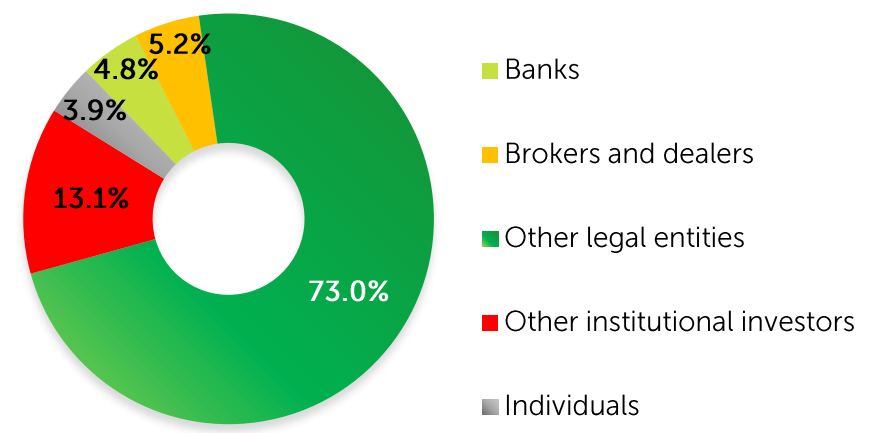
Key facts and figures

- + volume of outstanding corporate debt as of January 1, 2023 – **KZT 14,4 trln** (from the beginning of the year -6,3%)
- + average daily trading volume in 2022 ~ **KZT 10,2 bn** (+26% vs 2021)
- + average volume of one deal in 2022 ~ **KZT 134,7 mln** (-40% vs 2021)
- + share of Eurobonds in total corporate debt ~ **39 %**
- + share of quasi-state in total corporate debt ~ **69 %**

Volume of transactions in the corporate bond market, KZT bn

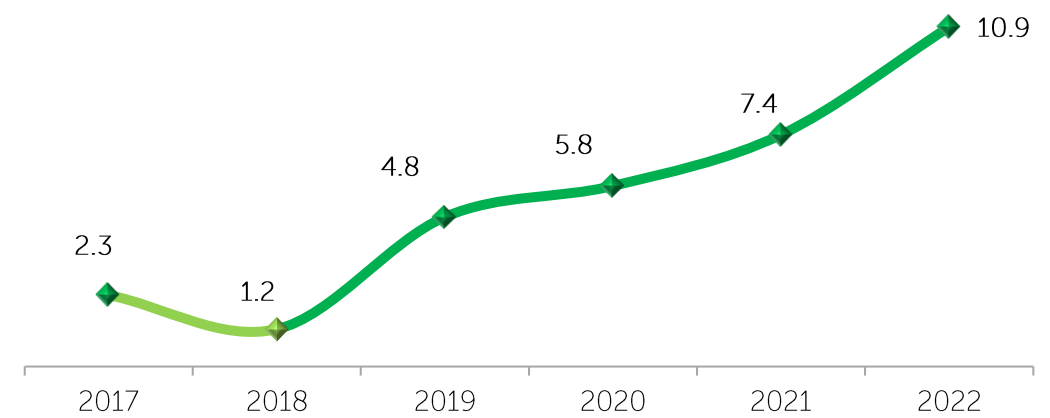


Investor structure in 2022*



* of the total gross turnover of trading in corporate bonds on the secondary market

Share of non-residents in gross turnover**, %

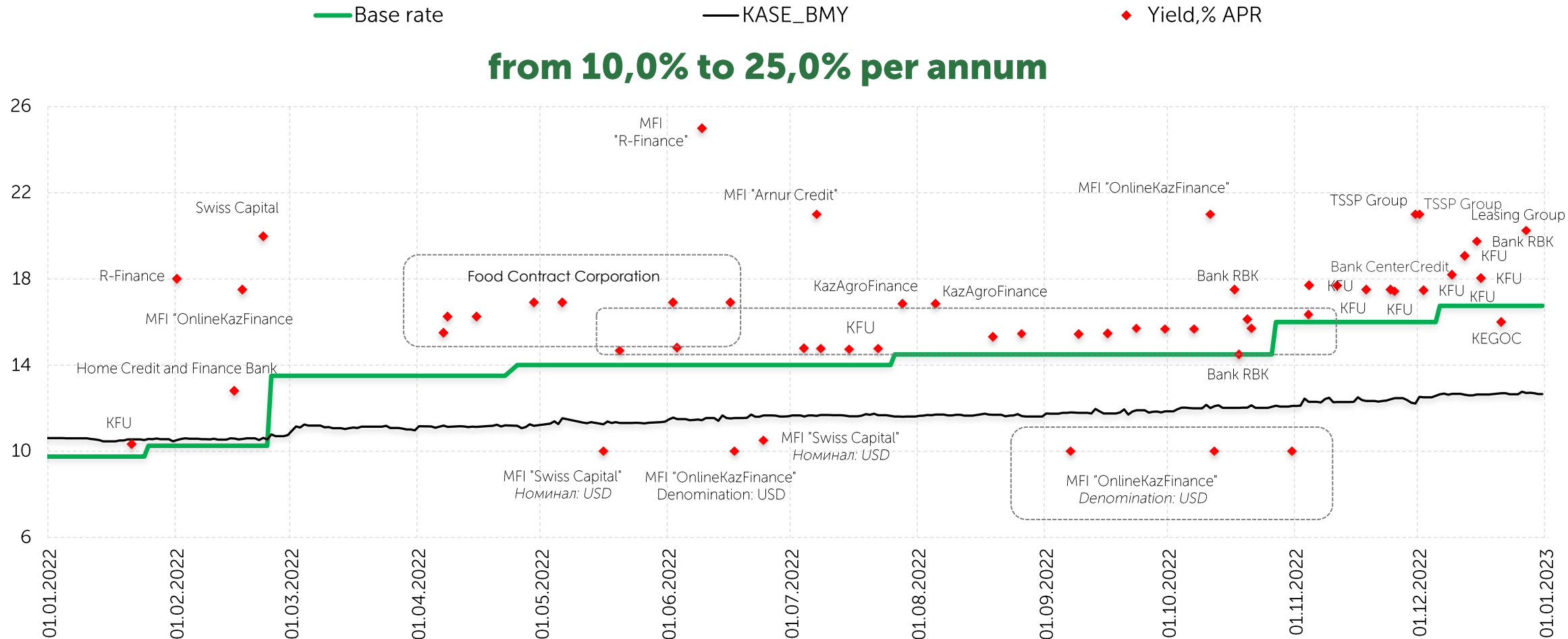


**of the total gross turnover of trades in corporate bonds, the position of the initiator of specialized trades is excluded from the calculation

Primary corporate bond market: yield from 10.0% to 25.0% per annum



Market placements in 2022



Corporate bond offerings in 2022 (1/2)



Kazakhstan Sustainability Fund JSC

19 issues
Maturity
 0,7-7,0 year
Volume:
 KZT 535,0 bn
Yield to maturity:
 10,30-19,08 % per annum



Kazakhstan Housing Company JSC

3 issues
Maturity
 26,7-30,0 year
Volume :
 KZT 3,4 bn
Yield to maturity:
 0,10-2,99 % per annum



National Company Food Contract Corporation JSC

Maturity
 3,0 year
Volume :
 KZT 39,4 bn
Yield to maturity:
 15,15-16,90 % per annum



KazAgroFinance JSC

Maturity
 7,0 year
Volume :
 KZT 40,2 bn
Yield to maturity:
 16,85 % per annum



NC Kazakhstan temir zholy JSC

Maturity
 2,0 year
Volume :
 KZT 118,9 bn
Yield to maturity:
 TONIA+3,00%



KEGOC JSC

Maturity
 15,0 year
Volume :
 KZT 16,1 bn
Yield to maturity:
 TONIA+3,00%



JSC "NAC Kazatomprom"

Maturity
 30,0 days
Volume :
 KZT 23,3 mln
Yield to maturity:
 4,60 % per annum



"TSSP Group" LLP

Maturity
 1,0 year
Volume:
 KZT 150,3 mln
Yield to maturity:
 21,00 % per annum



Development Bank of Kazakhstan JSC

Maturity
 11,45 year
Volume:
 KZT 30,0 bn
Yield to maturity:
 0,50 % per annum



"Leasing Group" JSC

Maturity
 1 year
Volume:
 KZT 2,0 bn
Yield to maturity:
 20,25% per annum

Corporate bond offerings in 2022 (2/2)




BANKRBK
Bank Bank RBK JSC

2 issues
Maturity
10,0 year
Volume:
KZT 40,0 bn
Yield to maturity:
14,50-19,75 % per annum



CENTERCREDIT
Bank CenterCredit JSC

Maturity
3,1 year
Volume :
KZT 13,1 bn
Yield to maturity:
16,00 % per annum



HOME CREDIT BANK
Дәл оңашы қорық

2 issues
Maturity
2,0-3,0 issues
Maturity
KZT 6,2 bn
Yield to maturity
12,80 % per annum / –



R-FINANCE
МИКРОФИНАНСОВАЯ
ОРГАНИЗАЦИЯ

Microfinance organization
R-Finance LLP

3 issues
Maturity
1,0-3,0 year
Volume :
KZT 120,4 mln
Yield to maturity:
18,00-25,00 % per annum



SWISScapital
Microfinance organization
Swiss Capital LLP

2 issues
Maturity
3 year / 2 year
Volume :
KZT 1,2 bn
Yield to maturity:
20,00% / 10,00% (in USD)
per annum



SOLVA
Microfinance
Organization
OnlineKazFinance

5 issues
Maturity
0,9-3,0 year
Volume :
KZT 7,7 bn
Yield to maturity:
17,50-21,00% /
10,00% (in USD) per annum



ARNUR CREDIT
ТОО "МФО "Арнур
Кредит"

Maturity
2,0 year
Volume :
KZT 105,0 mln
Yield to maturity:
21,00% per annum

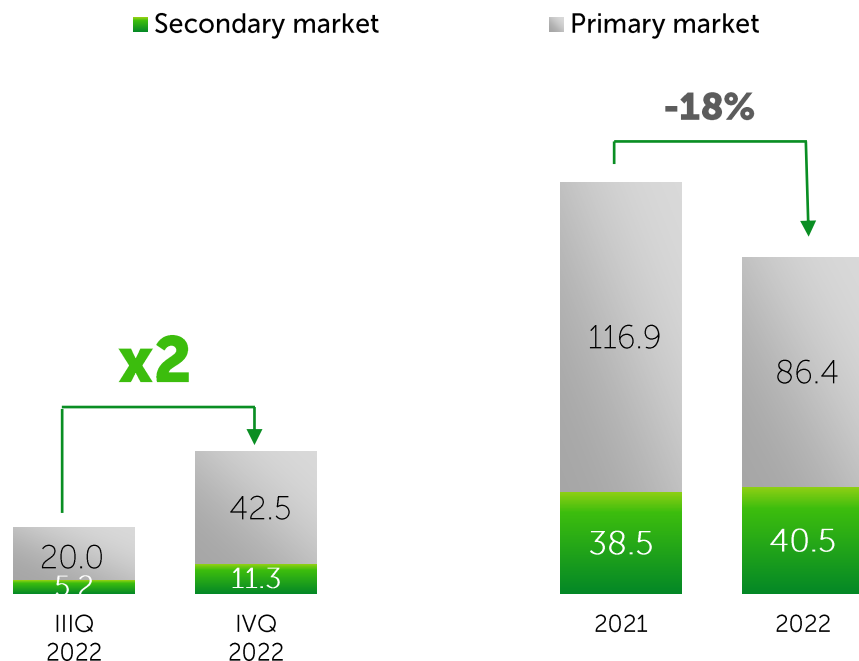


Bonds of international financial organizations (IFOs)

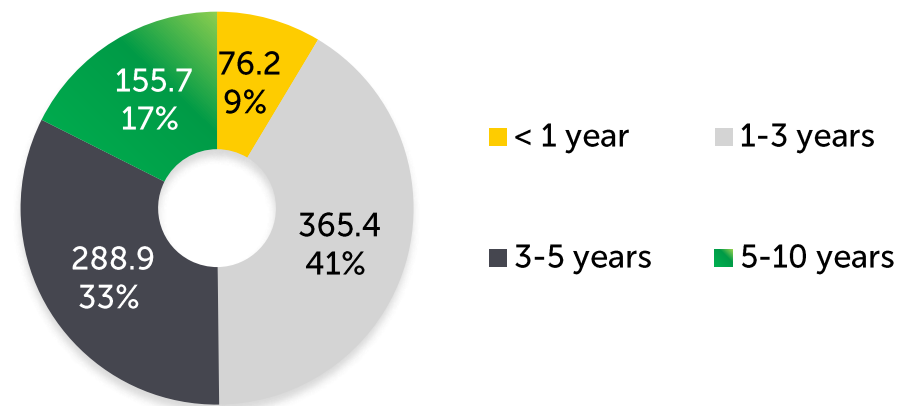
Key facts and figures

- + As of January 1, 2023 **40 bond issues of 4 organizations** were in KASE official list
- + average daily trading volume in 2022 ~ **KZT 518 mln** (-18% vs 2021)
- + average volume of one transaction in 2022 ~ **KZT 352 mln** (-62% vs 2021)
- + Settlement schemes **T+0, T+2**
- + Trading in **KZT** and **USD**

Volume of transactions, KZT bn

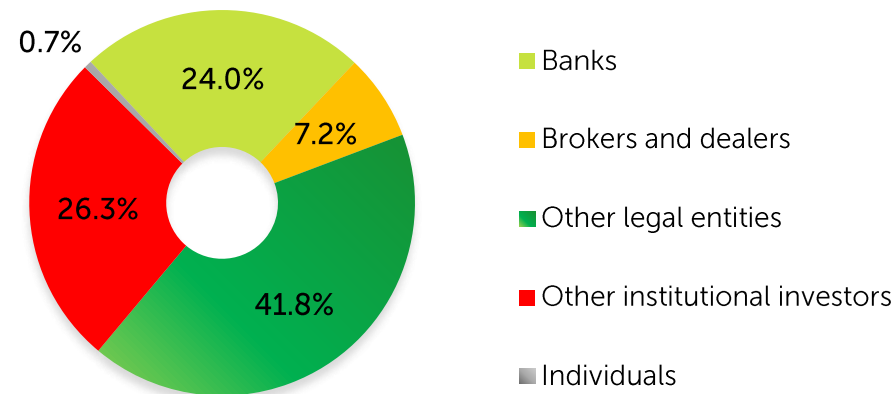


Debt structure of IFO bonds in circulation by maturity, KZT bn*



* data are presented as of January 1, 2023 at face value

Investor structure in 2022**



** of the total gross turnover of trades of MFIs, the position of the initiator of specialized trades is excluded from the calculation



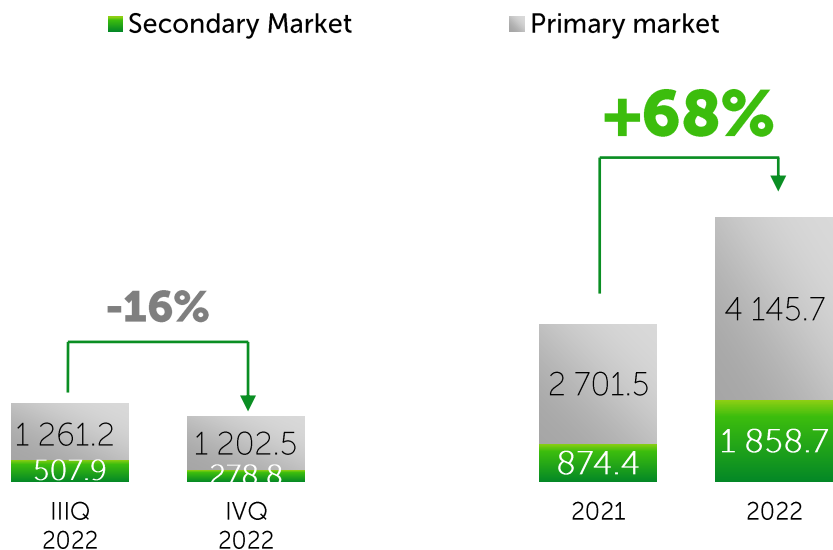
GS market:

growth in trading volume in the primary and secondary markets

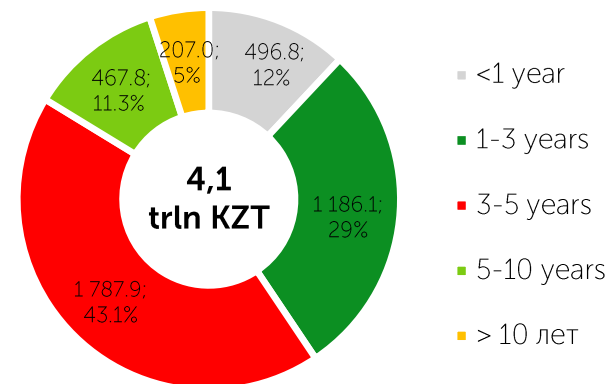
Key facts and figures

- + as of January 1, 2023, the amount of public debt traded on KASE, ~ **KZT 21,5 trln** (~ 80% of total government debt)
- + the largest share (~26%) of the outstanding tenge debt of the Ministry of Finance falls on long-term bonds (more than 10 years)
- + average daily trading volume in 2022 ~ **KZT 25 bn** (+68% vs 2021)
- + average volume of one deal for 2022 ~ **KZT 1,8 bn** (+26% vs 2021)
- + yield on placements of tenge-denominated bonds of the Ministry of Finance in 2022 **8,90-16,70% per annum**

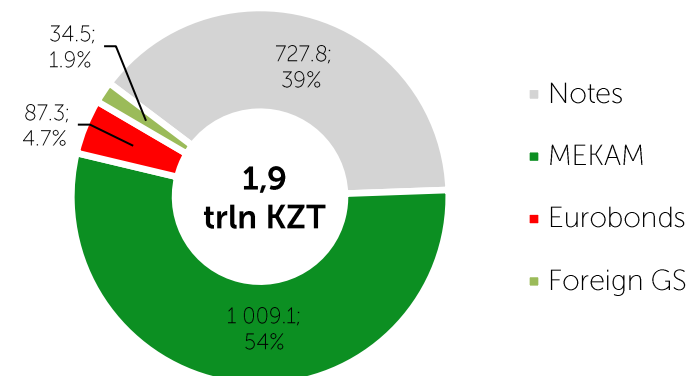
Volume of transactions in the GS market, KZT bn



Structure of GS offerings in the primary market by maturity, KZT bn*



Volume of the secondary GS market on KASE by instrument, KZT bn*

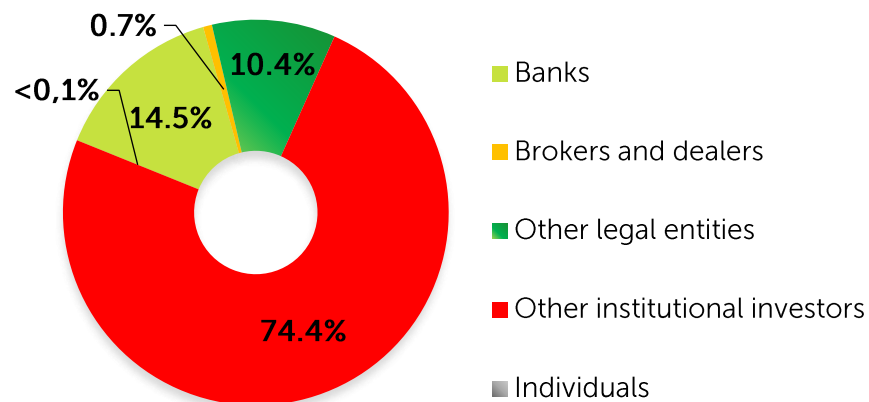




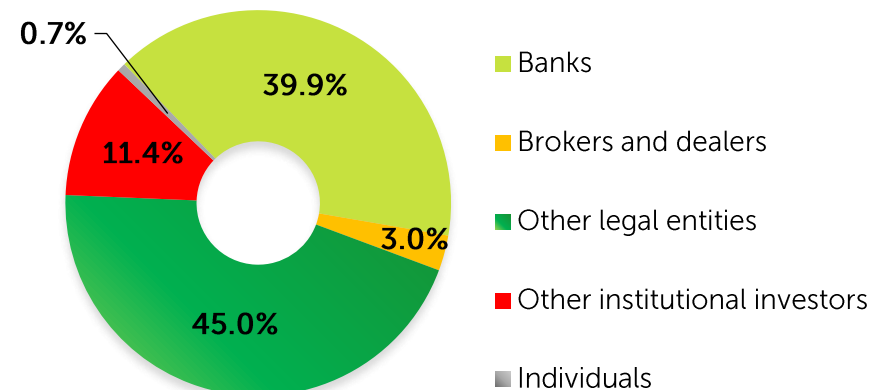
Investor base of the government securities market:

~ 6,9% - the share of non-residents in the secondary trading

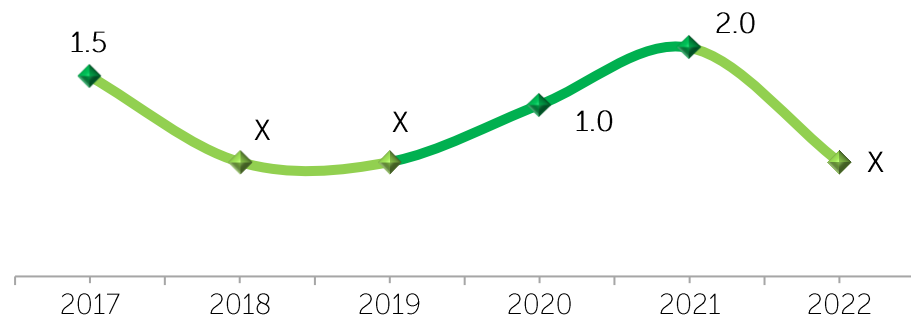
Structure of investors in the primary market in 2022



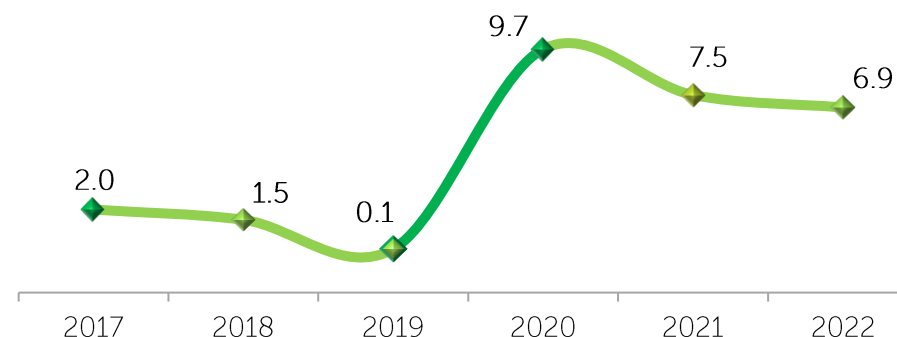
Structure of investors in the secondary market in 2022



Share of non-residents in the gross turnover of the primary market, %

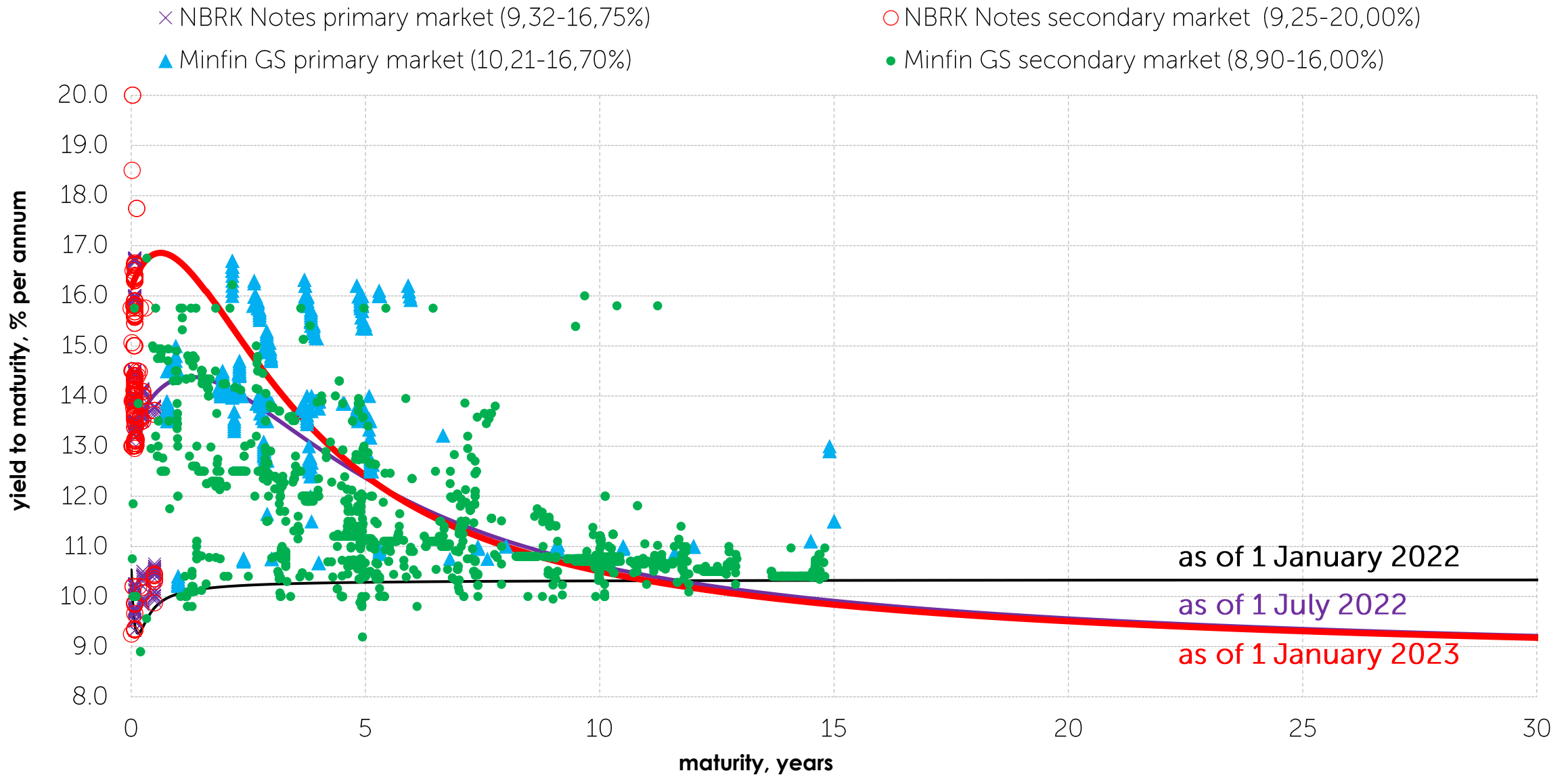


Share of non-residents in the gross turnover of the secondary market, %





GS yield in 2022 and GS yield curve for MEKAM offerings from 10,21% to 16,70% per annum



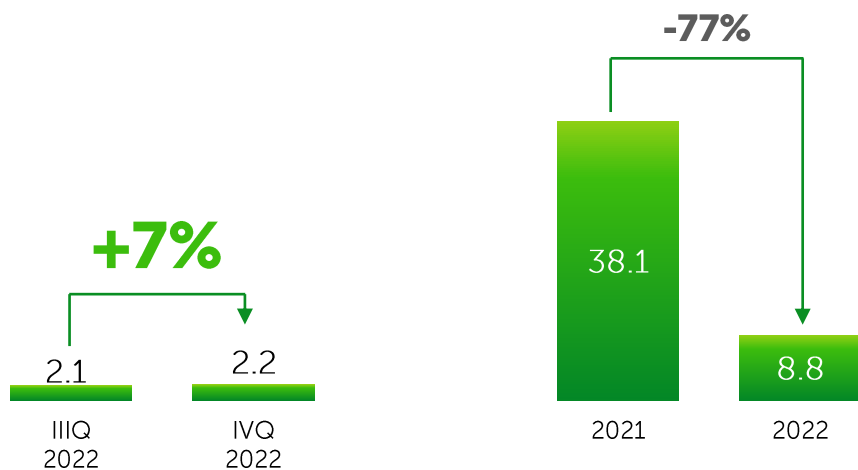
Investment funds' securities market



Key facts and figures

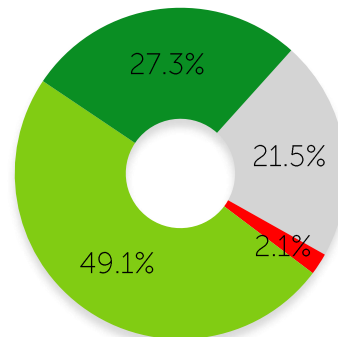
- As of January 1, 2023 **21 mutual investment funds managed by 6 management companies and 6 ETFs** were on KASE official list
- in 2022, the shares of JSC "BCC Invest" and JSC "Halyk Finance" (the former management company of JSC "Halyk Global Markets") are included
- average daily trading volume in 2022 ~ **KZT 36 mln** (-77% vs 2021)
- average daily number of transactions in 2022 ~ **63** (-38% vs 2021)
- average volume of one transaction in 2022 ~ **KZT 570 th** (-63% vs 2021)
- trades in USD (12 instruments), KZT (15 instruments)

Volume of transactions in securities of investment funds, KZT bn



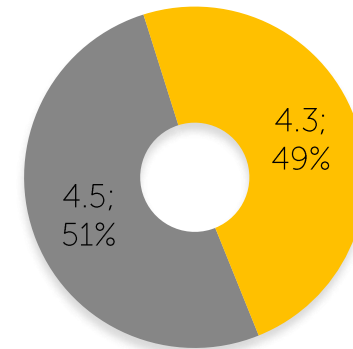
Source: KASE

Investor structure in 2022*



- Brokers and dealers
- Other institutional investors
- Other legal entities
- Individuals

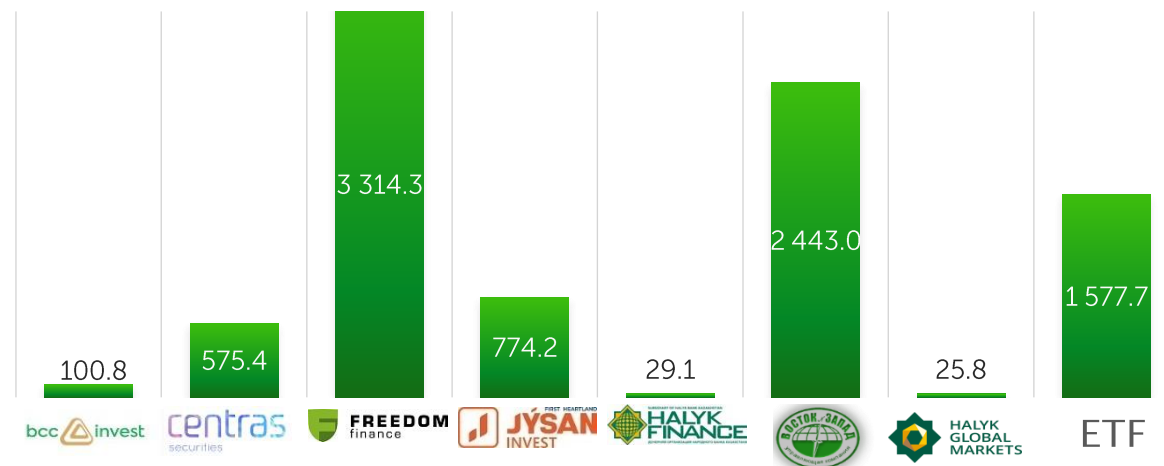
Trading volume in the context of the trading currency for 2022, KZT bn



- Kazakhstan Tenge
- US Dollar

* of the total gross turnover of trading in investment funds

Trading volume by management company, KZT mln



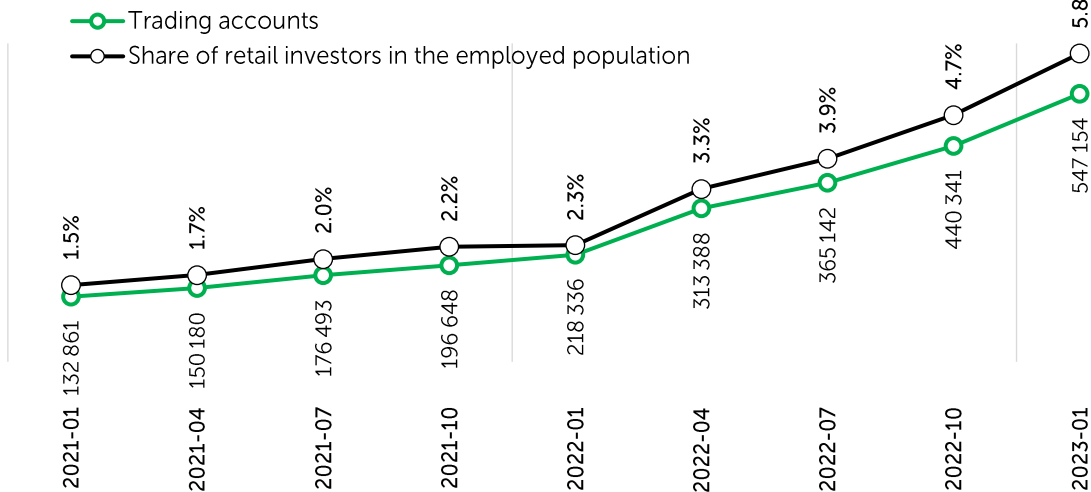


Growth in the number of retail investors

547 th. accounts ~ 513 th. individuals



Number of trading accounts of individuals in the CSD



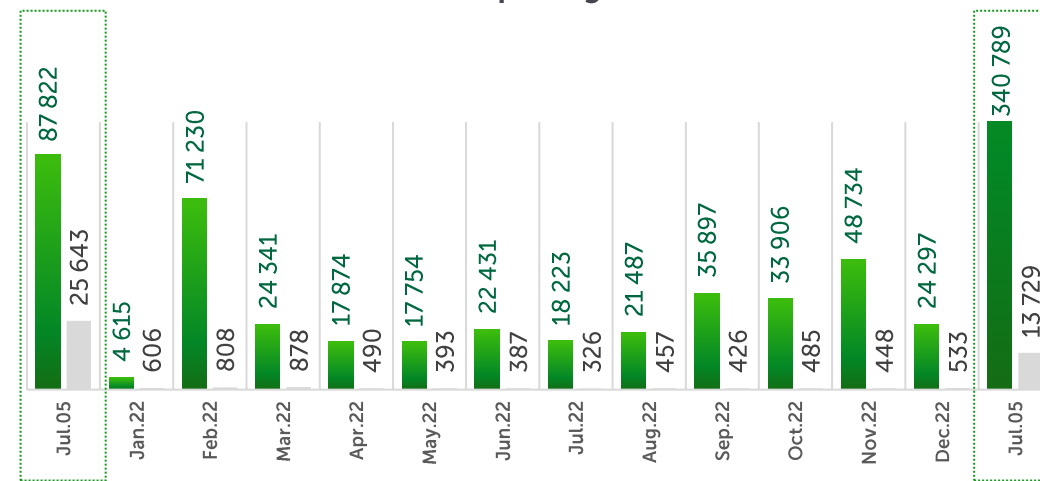
+340 789

new accounts in 2022

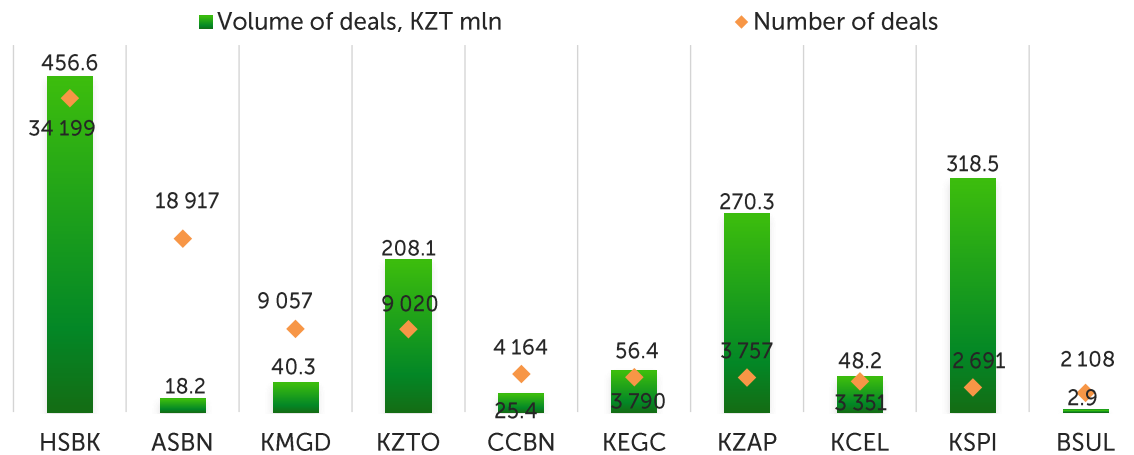
+328 818

increase in accounts in 2022

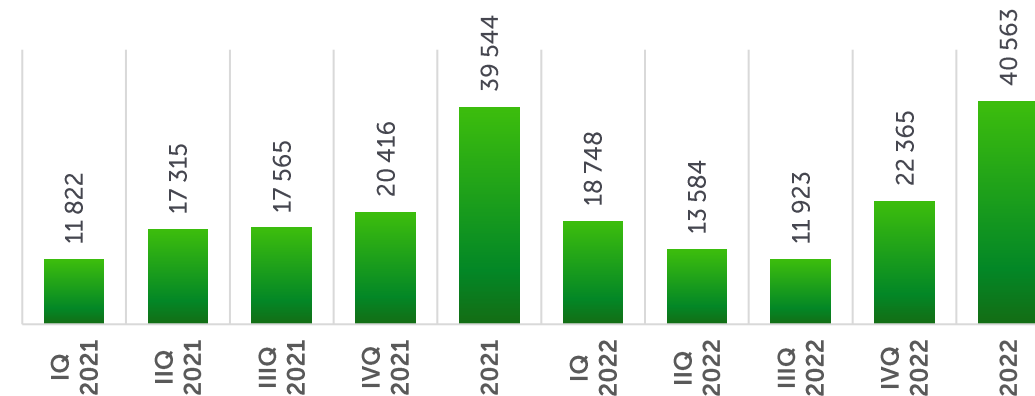
Individuals who have made at least one deal since the opening



Top 10 most popular assets to buy among new retail investors following the results of 2022

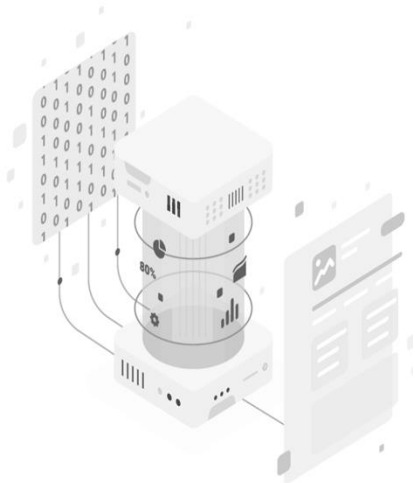


Active accounts of individuals in the securities market



Source: KASE, Central Securities Depository of Kazakhstan, Statistics Committee of the Ministry of National

Launching trades using omnibus accounts



As of January 01, 2023

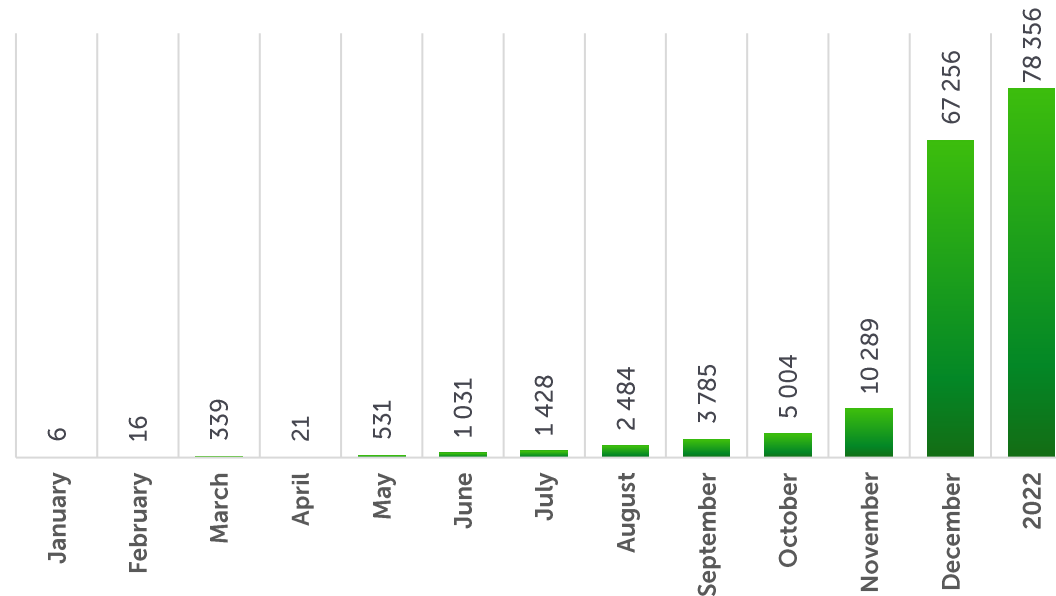
413 th.

individual participant codes accounted for via omnibus accounts



When accounting for securities on omnibus accounts, the broker will store the client's securities on a common client account in the Central Bank, with the reflection of the number of securities on the client's personal account in its accounting system

Active unique codes of individuals accounted for through omnibus accounts on the stock market



Advantages

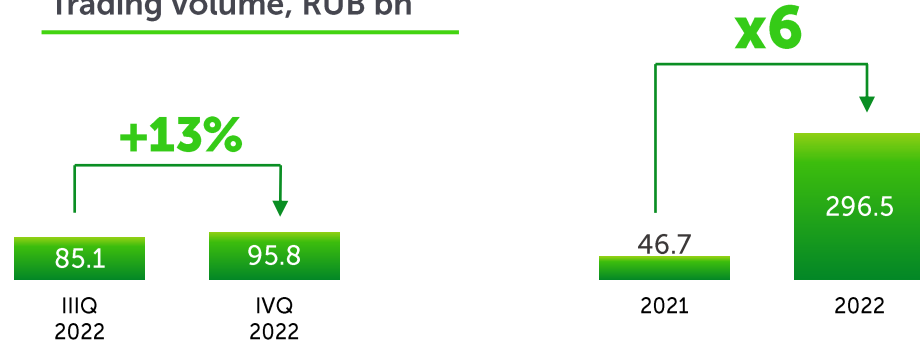
- reducing and optimizing accounting procedures for securities
- increasing the efficiency of brokerage services
- reducing the cost of customer service

Foreign currencies: volume of RUB/KZT X6, CNY/KZT X5

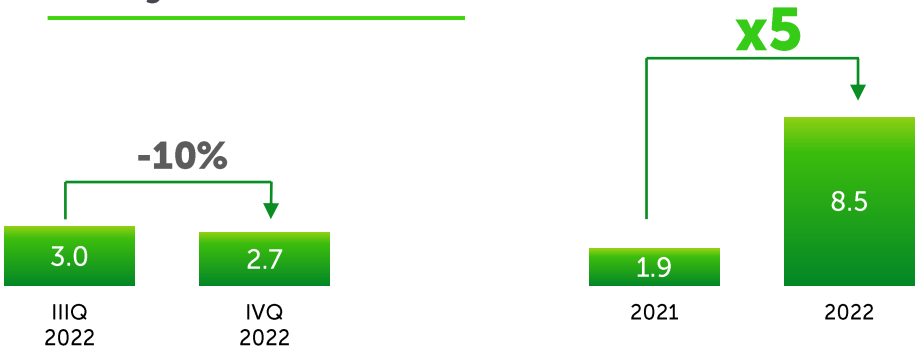
Trading volume, USD bn



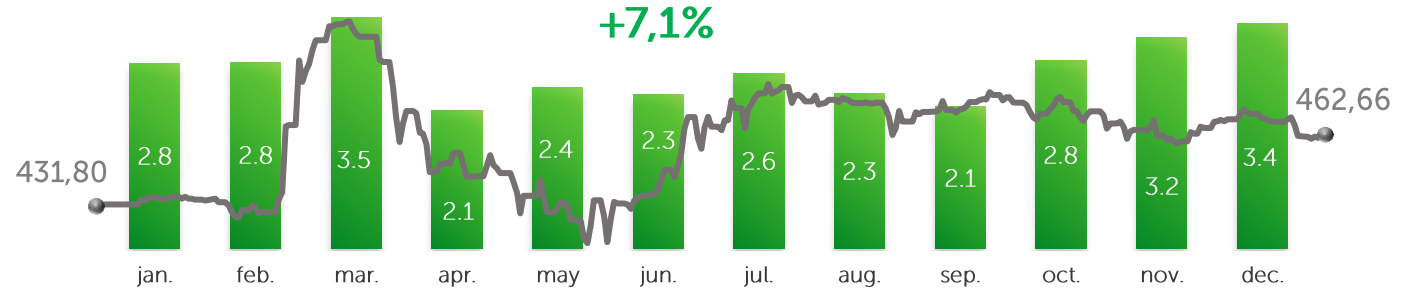
Trading volume, RUB bn



Trading volume, CNY bn

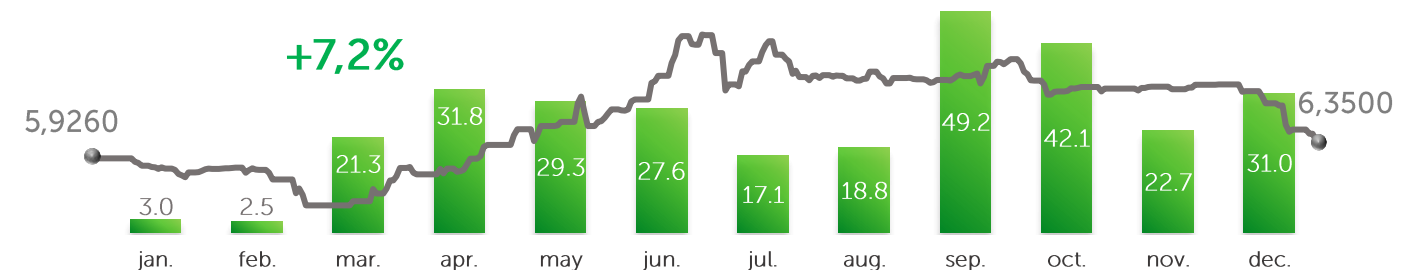


Dynamics of the USD/KZT exchange rate and monthly trading volume in 2022, USD bn



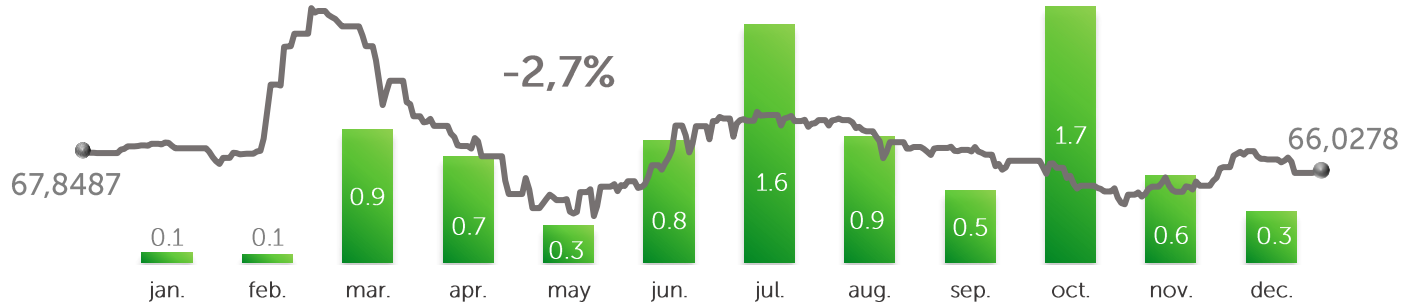
Note: USD/KZT exchange rate dynamics based on the weighted average exchange rate at the end of the trading day

Dynamics of the RUB/KZT exchange rate and monthly trading volume in 2022, RUB bn



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

Dynamics of the CNY/KZT exchange rate and monthly trading volume in 2022, CNY bn

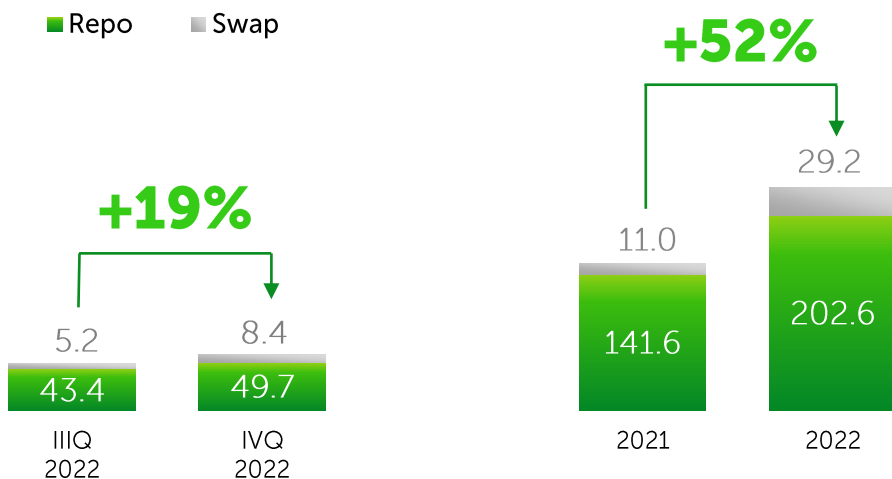


Note: CNY/KZT rate dynamics based on weighted average rate at the end of the trading day

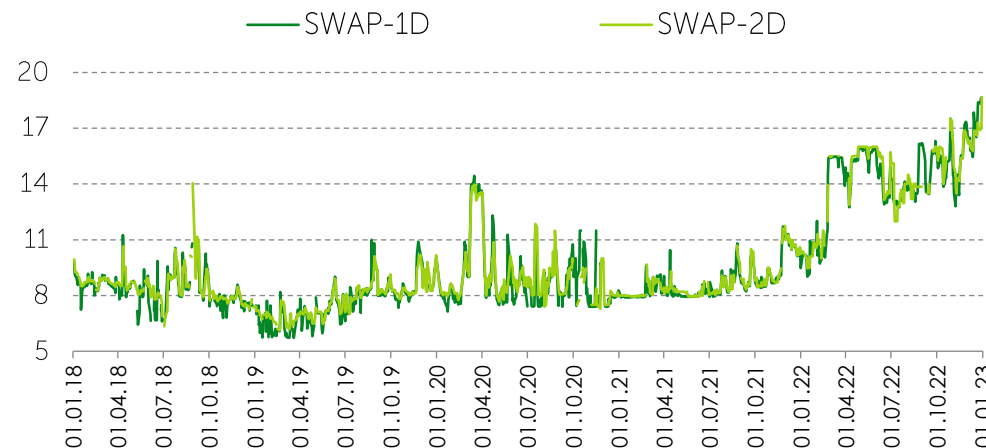


Money market: increase in trading volume by 52 %

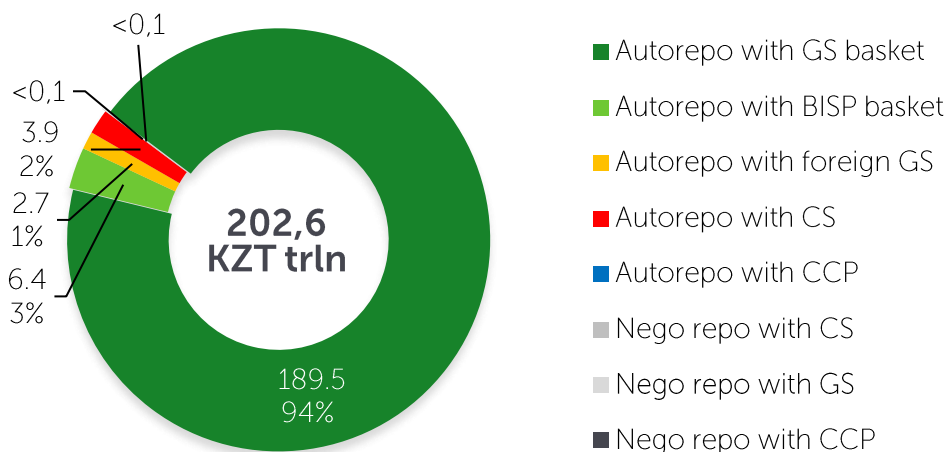
Trading volume, KZT trln



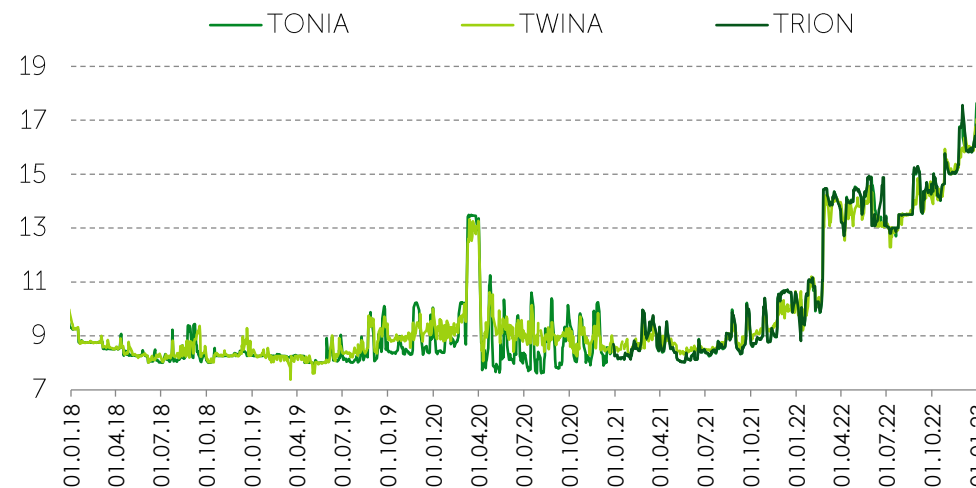
Swap market indicators, % per annum



Repo market instruments, KZT trln



Repo indicators, % per annum





KASE Members



| | |
|-----------|-------------------------|
| 43 | Stock Market |
| 33 | Foreign Exchange |
| 27 | Derivatives |

- 52** total market participants
- 21** second-tier banks (out of 21)
Kazakh residents
- 22** brokerage firms (out of 22)
Kazakh residents
- 46** local participants
 - 4** foreign participants
 - 2** international financial institutions
- 12** participants providing direct market access services

KASE's new participants:

IV quarter

- o Freedom Finance Global PLC / **stock market**
- o JSC "Standard Investment Company" / **currency**

III quarter

- o JSC "NGDEM Finance" / **derivatives**

II quarter

- o EuroCentrAstana JSC / **stock and derivatives**
- o UD Capital JSC / **stock and derivatives**

I quarter

- o JSC "Standard Investment Company" / **stock market**
- o Subsidiary organization of Halyk Bank of Kazakhstan "Halyk Finance" JSC / **currency**

Summary of results

Key projects of KASE and events

Increasing liquidity on the KASE exchange markets

- ▲ Implementation of new instruments
- ▲ Establishment of trading and clearing links
- ▲ Development of the derivatives market
- ▲ Introduction of additional incentives for SMEs to enter the stock market
- ▲ Expansion of the investor base

Development of the CCP as a key infrastructure element

- ▲ Separation of the CCP into a separate subsidiary organization
- ▲ Improvement of activities in accordance with the IOSCO PFMI
- ▲ Alignment with ESMA/EMIR standards
- ▲ Establishing links with international CCPs and depositories
- ▲ Obtaining a credit and/or operational rating
- ▲ Launch of clearing certificates of participation





Implementation of innovation and technological modernization

- ▲ Ensuring high fault tolerance of IT infrastructure
- ▲ Pilot projects for the introduction of digital financial instruments
- ▲ Implementation of technology for detecting suspicious behavior of trading participants
- ▲ Expansion of the list of services for subscribers
- ▲ Promotion of the new version of IRIS Finance

Increasing KASE investment value for stakeholders

- ▲ Increasing the level of corporate governance
- ▲ Implementation of new approaches to dividend policy
- ▲ Improving management reporting
- ▲ Application of new approaches to project evaluation taking into account their marginality







Инструменты и продукты

-  introduction of indices and indicators of the government securities market
-  launch of an updated browser-based version of the IRIS Finance information product
-  transfer of trading by subscription to TCS ASTS+
-  implementation of clearing participation certificates

Инфраструктура

-  implementation of the surveillance system Scila Surveillance
-  development of the central counterparty
-  implementation of a new back office system

Развитие рынка

-  participation in the IPO
-  development of the KASE Global sector
-  increasing the liquidity of exchange markets
-  attraction of retail investors
-  development of ESG financing
-  attracting SMEs to the securities market



Development of the government securities market



2018

Inclusion of **GS** in the list of securities settled in the **Clearstream system**
Enlargement of existing **MEKAM** issues and reducing their number
Transition of the GS market to the **T+2 settlement system**

2019

KASE implements a **new methodology** for building the **GS yield curve** that meets international standards
KASE introduces an **incentive program for market-makers** on the GS market

2020

Transition to **DVP** in the **Clearstream system**

2021

Kazakhstan's debt market put on the **"watchlist"** of J.P. Morgan global index
Transition of **MEKAM** initial offerings to the **T+2 settlement scheme**

2022

Implementation of GS indexes: **"clean prices"** index **KZGB_CP**, **"dirty prices"** index **_ KZGB_DP** and yield index **KZGB_Y**
Updating the GS page on the Exchange's website in a view convenient for investors

The Exchange's role in the GS market

Primary/secondary circulation of **MEKAM** and bonds of **akimdiks**

Secondary circulation of **NBRK** notes

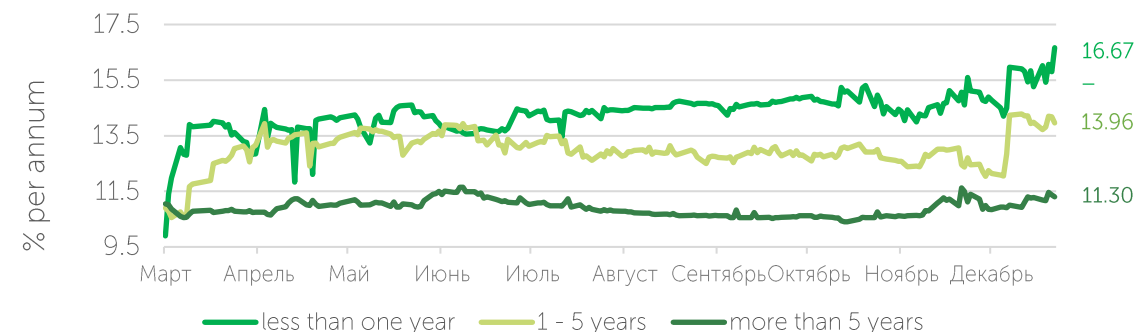
Repo with GS baskets with and without the **CCP**

Building the **GS curve**

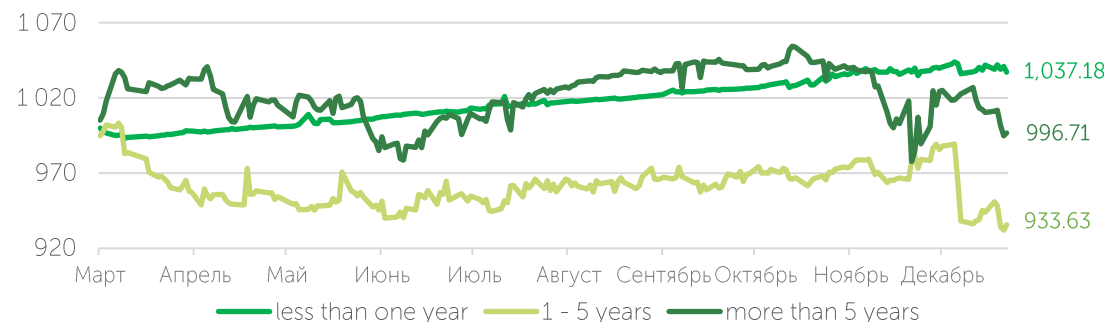
Calculation and maintenance of GS indices

Provision by the **NBRK** of **extra liquidity** to **STBs** on the repo market under the monetary policy

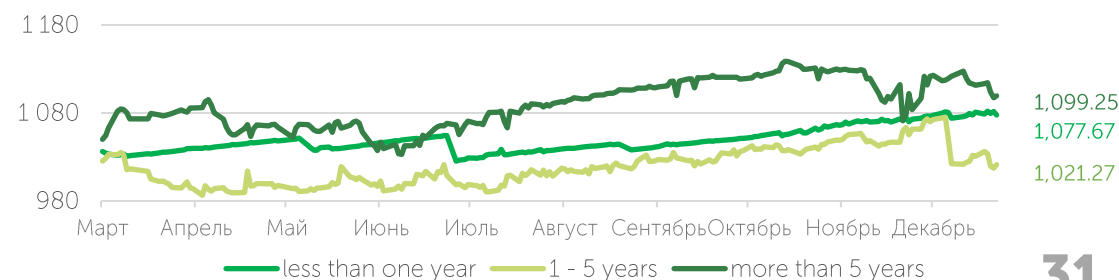
GS yield indicators, %



"Clean" GS price indicators



GS comprehensive income indicators





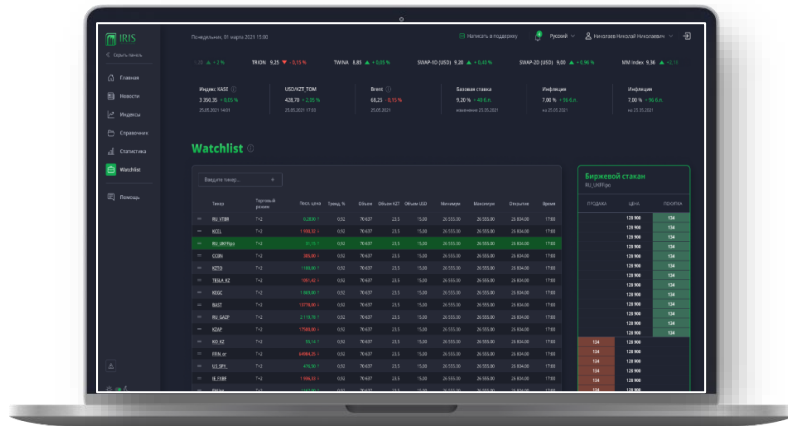
In the first half of 2022, the Exchange launched an updated browser-based version of the IRIS Finance information product

Benefits of IRIS Finance

- ▲ Unique content including market data, news and financial markets and more
- ▲ Real time broadcasting of market data
- ▲ Order book in real time
- ▲ Watchlist for convenient viewing of financial instruments of interest
- ▲ Updated responsive interface in light and dark versions with concise widgets with the most important information

Features of IRIS Finance

- ▲ Stock indices and indicators with convenient visualization
- ▲ Tracking quotes of relevant financial instruments in real time in Watchlist
- ▲ Tracking current and historical information about transactions and orders for all exchange markets
- ▲ Saving the desired news in a separate feed of favorite news

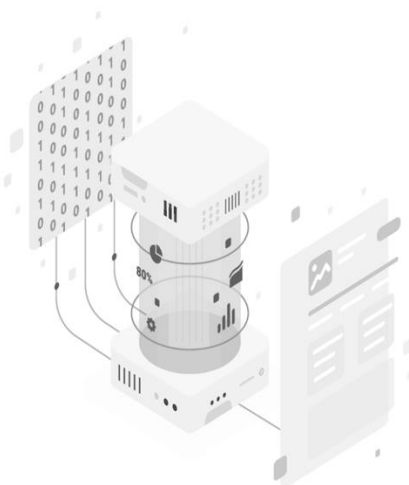




Transfer of trading by subscription to TCS ASTS+

Since June 20, 2022, updates have been introduced to the ASTS+ TCS, allowing trading by subscription

From July 1, 2022, amendments to the internal documents have been put into effect, allowing trading by subscription in the ASTS+ TCS



Advantages

a single terminal for trading in all financial instruments

the ability to choose to conduct a subscription

with or without using the services of the CCP with settlements in tenge or US dollars

in the case of a subscription with the CCP, trades are added to the general clearing and settled on a single position with other trades

the possibility of submitting orders through the trading system and own systems of the trading participant using the standard protocol for connecting to the TS of the Exchange ASTS Bridge

batch entry of orders into the trading system

flexible configuration of the parameters of the subscription by the initiator of the auction, the ability to establish:

- upper and lower price limits
- lot size
- maximum and minimum order volume

Implementation of general collateral certificates (GCC)

in August 2022 introduce
General collateral certificates

Goal: increase the money
market liquidity

A **General collateral certificate (GCC)** is a non-issued collateralized security that is a universal collateral for repo transactions with the CCP with settlements in tenge for a period of 1, 2, 3, 7, 14, 30, 60, 90 days

Issue of GCC



GCC is issued in exchange for contributed assets to the property pool

** 1 GCC = 1 tenge*

Collateral pool "GC Global"



Cash (tenge and
US dollars)



Securities accepted by the Central Counterparty as collateral for transactions with partial collateral, with the exception of government securities

Benefits

- Сохранение права собственности на активы, внесенные в имущественный пул: право на получение доходов и право голоса
- Эффективное управление обеспечением по сделке с ЦК:
- online замена обеспечения в имущественном пуле
- возможность включения в имущественный пул широкого набора ценных бумаг
- возможность исполнения обязательств по репо с ЦК и Т+ за счет активов, внесенных в пул
- Неттирование разнонаправленных позиций в разных сроках, а также возможность размещения свободной ликвидности без риска нарушения лимитов инвестирования

Setting the central counterparty up as a separate legal entity

Objective of the project

Assignment of clearing and CCP functions to a separate legal entity will allow providing the CCP services on various financial instruments traded not only on KASE, but also on other exchange and over-the-counter markets



Project Status

Implemented

- In 2022, eTrade.kz LLP was re-registered as KASE Clearing Center JSC (KCC)
- The first GSM of KCC was held, at which the Board of Directors was appointed (A. Aldambergen, Zh. Sarzhakov and M. Tashmetov – an independent member of the Board of Directors)
- The first meeting of the Board of Directors of the KCC was held, at which the Management Board was appointed (I. Sabitov – Chairman of the Management Board; A. Li and Y. Syzdykov – Deputy Chairmen of the Management Board)

Work in progress in 2023

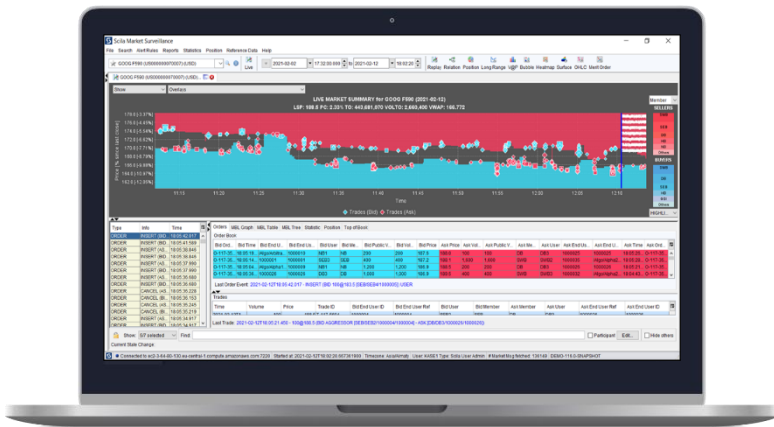
- Development of the business plan, development of internal documents, hiring staff
- Obtaining licenses for clearing activities and implementation of certain types of banking operations
- Admission of market participants to the KCC clearing membership
- Formation of guarantee funds
- Transfer of obligations and claims of market participants to the KCC
- Start of the KCC's operation



Implementation of the surveillance system Scila Surveillance

In July 2022 the surveillance system Scila Surveillance was introduced

SCILA



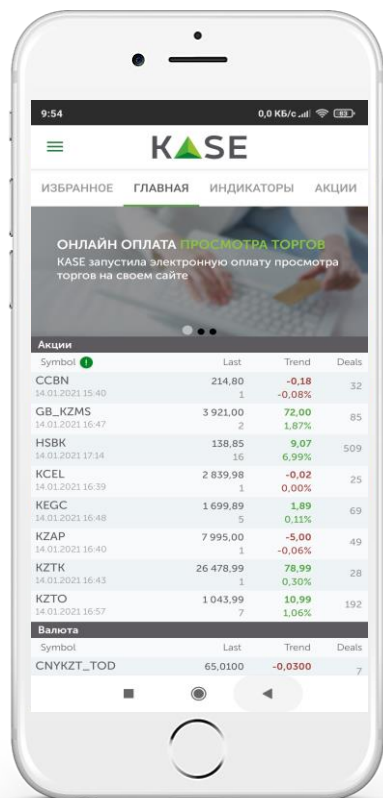
Advantages

- Advanced functionality for calibrating alerts (signals), their management system, compiling statistics and data visualization
- Extensive library of built-in alerts (14 blocks with 100+ built-in alerts) with the ability to copy, modify, calibrate and test them
- Simple interface and navigation system inside the supervisory system
- The alert calibration module allows you to identify AML/CFT transactions
- Scila system Surveillance is in use on: NYSE, Deutsche Börse, Athens Stock Exchange, Dubai Gold Commodities Exchange, LSE, Oslo Børs, Qatar Exchange, Stock Exchange of Thailand, Bulgarian Stock Exchange, Nodal Exchange (North America), Bulgarian Exchange, Wiener Börse

Mobile app

The service is provided **free of charge and without authorization** in Kazakh, Russian and English

The application is available on **Android and IOS platforms**



At the moment, KASE Mobile has the following functional

- ▲ Market Data (stocks, currencies, government securities, bonds, indicators), search by instruments. Displaying the rules and status of trading
- ▲ News of the Exchange and companies
- ▲ Exchange simulator – a special mode, educational trading for individuals. Functional "Competitions" allowing conducting several sessions of training trading at a time has been added
- ▲ Polls – collecting information about wishes of users on various issues
- ▲ Feedback – an opportunity for users to ask questions about the operation of the stock market, mobile application or other issues related to activities of the Exchange, or report an error
- ▲ Brokers – this section contains information about brokerage companies. The user can send an application to the broker to open an account through the mobile application using a special form

IPO of NC "KazMunayGas" JSC (1/2)



- 7 broadcasts of KASE Talks with brokerage organizations were conducted
- 2 webinars were held: "PRO IPO: what you need to know and how to participate" in Kazakh and Russian languages
- A comprehensive training program "My Portfolio" at KASE, including 6 topics was conducted
- Open doors days were held for retail investors in the cities of Almaty and Astana on the basis of universities
- KASE FESTs were attended by more than 2,000 people

- From June 20, 2022, updates have been introduced to the TCS ASTS+, allowing trading by subscription
- From July 1, 2022, changes to internal documents were put into effect, allowing trading by subscription in the TCS ASTS+

MEDIA COVERAGE

TRADING SYSTEM

MARKETING SUPPORT DURING IPO

ROADSHOW



- A promo website of KASE dedicated to IPO was created
- A consulting Call-center was created on the basis of the Exchange
- Explanatory brochures (electronic and handouts) were distributed as part of a non-deal roadshow and posted on the Exchange's website
- KASE launched IPO information podcasts in Kazakh and Russian languages

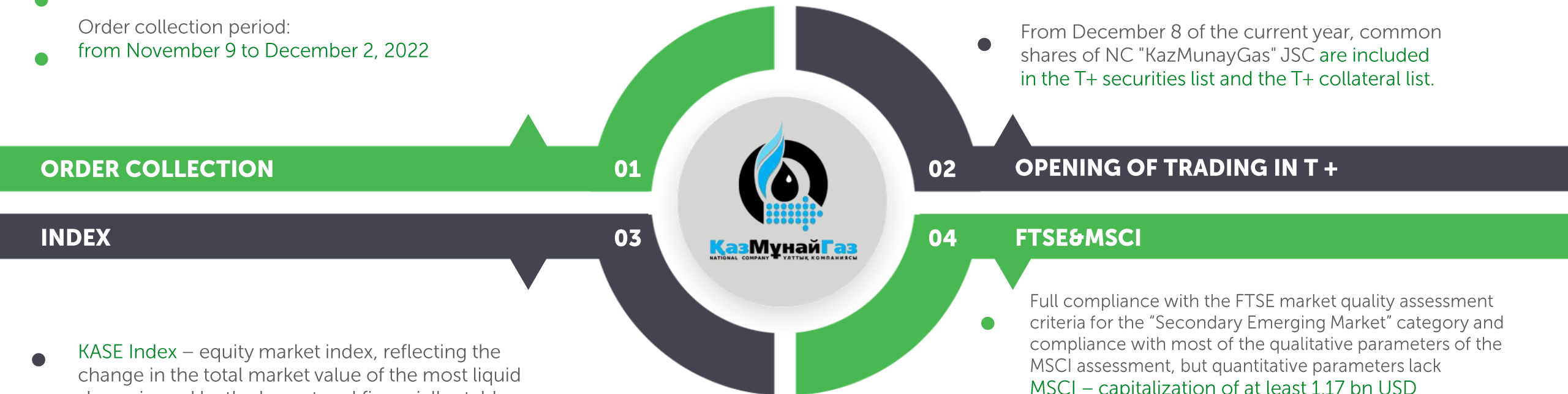
- Representatives of the "Samruk-Kazyna" Fund , NC KazMunayGas JSC, Kazpost JSC, Kazakhstan's stock exchanges KASE and AIX, as well as brokerage organizations held a Non-deal roadshow – an information and explanatory campaign on IPO about the mechanisms and risks of investing in the securities market
- They visited:
 - 17 cities, 3 cities of republican significance
 - 38 single-industry towns and settlements
- Participated:
 - more than 100 thousand participants

IPO of NC "KazMunayGas" JSC (2/2)



- Number of offered shares – 30.5 million shares
- Issue volume – 256,433.2 mln tenge
- Offering price – 8,406 tenge
- Order collection period: from November 9 to December 2, 2022

- On December 8, 2022, the solemn opening of secondary trading in ordinary shares of NC "KazMunayGas" JSC took place at the Exchange in the format of a teleconference with Representatives of the "Samruk-Kazyna" Fund, NC "KazMunayGas" JSC, AIX and brokerage organizations.
- From December 8 of the current year, common shares of NC "KazMunayGas" JSC are included in the T+ securities list and the T+ collateral list.



ORDER COLLECTION

01

OPENING OF TRADING IN T +

02

INDEX

03

FTSE&MSCI

04



- **KASE Index** – equity market index, reflecting the change in the total market value of the most liquid shares issued by the largest and financially stable resident companies of the Republic of Kazakhstan.
- Currently, **KASE Index consists of 8 shares** (BCC, Halyk Bank, Kcell, KEGOK, Kaspi.kz, Kazatomprom, Kazakhtelecom and KazTransOil).
- It is planned to include common shares of NC "KazMunayGas" JSC in KASE Index

- Full compliance with the FTSE market quality assessment criteria for the "Secondary Emerging Market" category and compliance with most of the qualitative parameters of the MSCI assessment, but quantitative parameters lack **MSCI – capitalization of at least 1.17 bn USD**
 - KMGZ: USD0.36 bn*
 - KSPI: USD3.3 bn
 - KZAP: USD1.8 bn
 - HSBK: USD0.9 bn
- **FTSE – capitalization of at least 6.74 bn USD**
 - KMGZ: USD0.36 bn*
 - KSPI: USD3.3 bn
 - KZAP: USD1.8 bn
 - HSBK: USD0.9 bn
 - Total: USD6.36 bn

Results of IPO of NC "KazMunayGas" JSC



Price during the IPO
8,406 tenge
(more than 40 % discount)



Number of shares offered
30,505,974 shares
(5% of the total number of issued shares of the company)

Volume to be issued
256,433.2 mln tenge

Capitalization of the company
(as of 12.01.2023)
5,748.9 bn tenge

Bookrunners



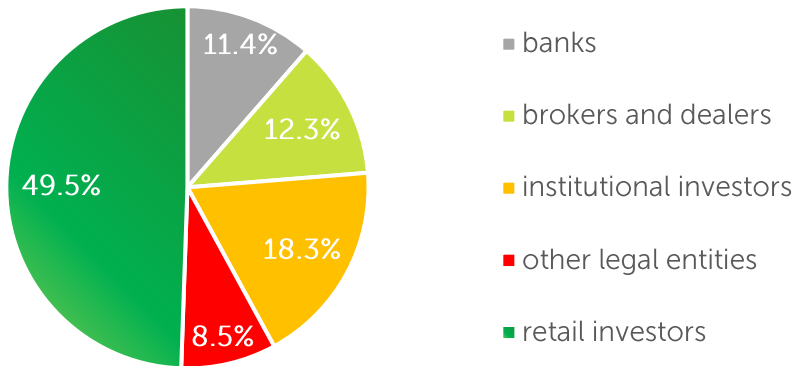
| | Total |  |  |
|--------------------------------------|--|---|---|
| Number of deals | 129,948 | 121,770 | 8,178 |
| Number of issued shares | 18,303,584 <i>(3% of the total number of issued shares)</i> | 16,353,049 | 1,950,535 |
| Volume of issued shares | 153.9 bn tenge | 137.5 bn tenge (89 % of the volume) | 16.4 bn tenge (11 % of the volume) |
| Share of executed orders from demand | 84.8 % | 96.9 % | 41.3 % |
| Share of executed orders from supply | 60.0 % | 53.6 % | 6.4 % |

Demand parameters on KASE

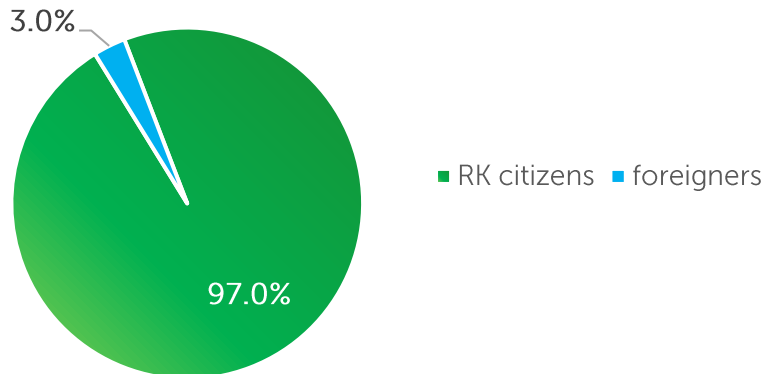


Number of orders **121,770** Volume **141.8** mln tenge Demand to supply **55.3 %**

Structure of investors



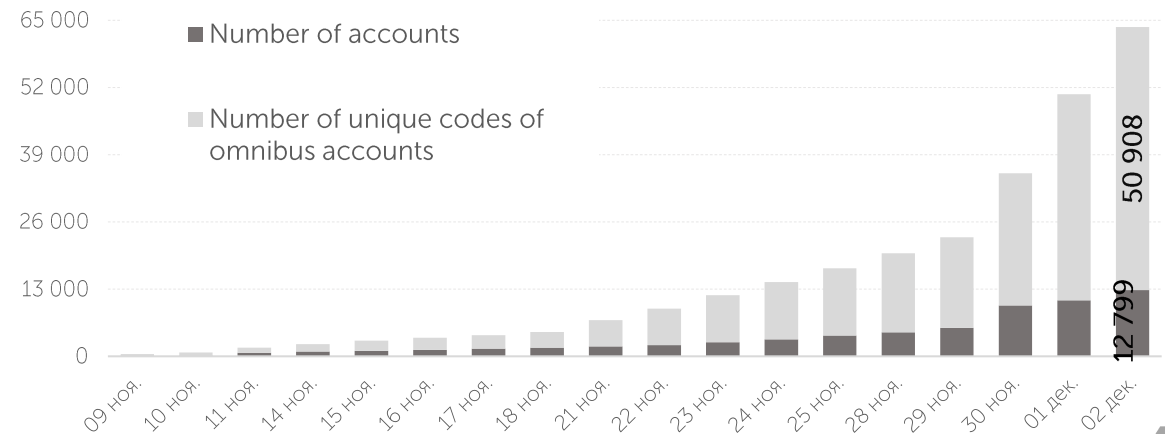
Citizenship of investors



Volume and quantity of active orders by day



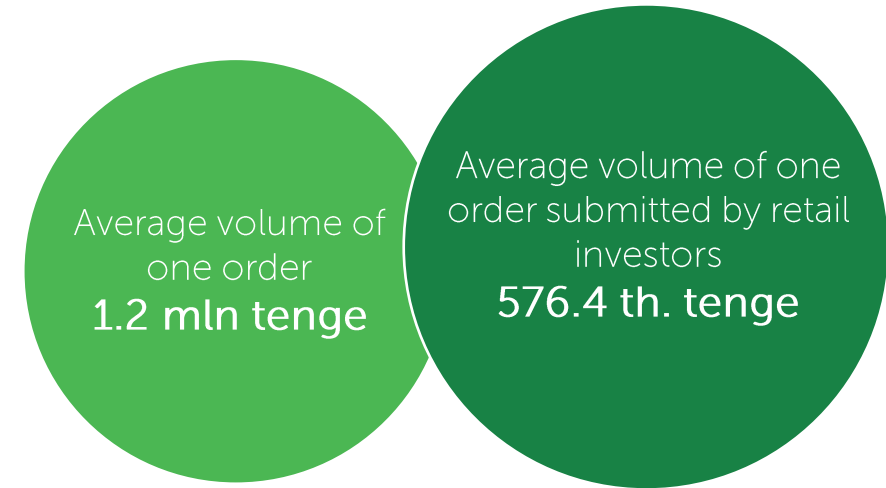
Number of accounts and unique codes of omnibus accounts participating in IPO on KASE



Demand parameters on KASE: participants

Total number of participants:
20 – KASE members

Top 5 most active participants by
number of orders



| Number of shares at order submission, pcs. | Number of orders | Number of orders from retail investors |
|--|------------------|--|
| 1 - 20 | 105,194 | 105,193 |
| 20 - 50 | 5,915 | 5,914 |
| 50 - 500 | 8,048 | 8,040 |
| 500 – 1,000 | 1,120 | 1,117 |
| over 1,000 | 1,493 | 1,439 |
| Total | 121,770 | 121,703 |

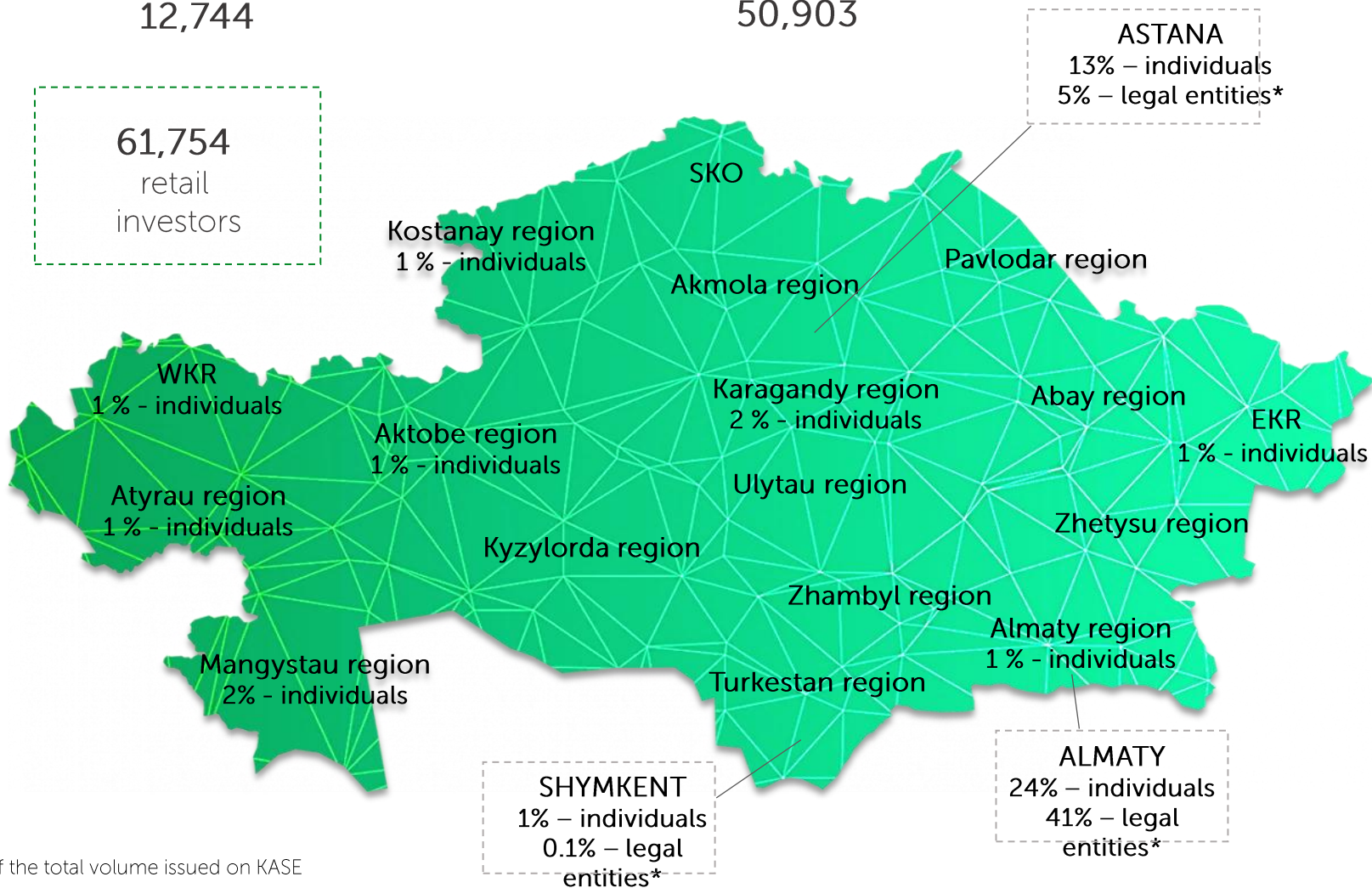
Results of the IPO at KASE: regional breakdown



Number of accounts
12,799
of which individuals:
12,744

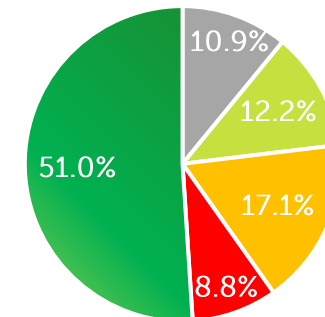
Number of unique codes of omnibus accounts
50,908
of which individuals:
50,903

61,754
retail investors



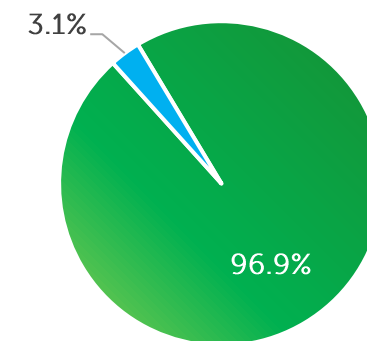
Investor structure

- banks
- brokers and dealers
- institutional investors
- other legal entities
- retail investors



Citizenship of investors

- RK citizens
- foreigners



Investors breakdown by gender



≈ 70 %



≈ 30 %

*of the total volume issued on KASE



Trading volumes in the secondary market after the IPO

8

December

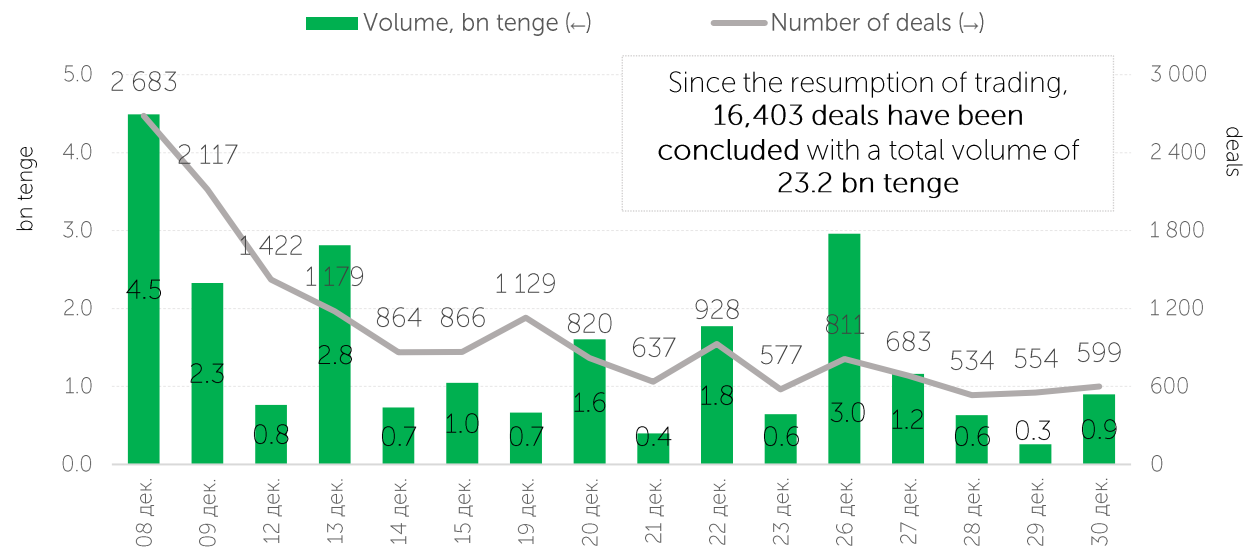


trading resumed on the secondary market in the Kazakh tenge under the T+2 scheme

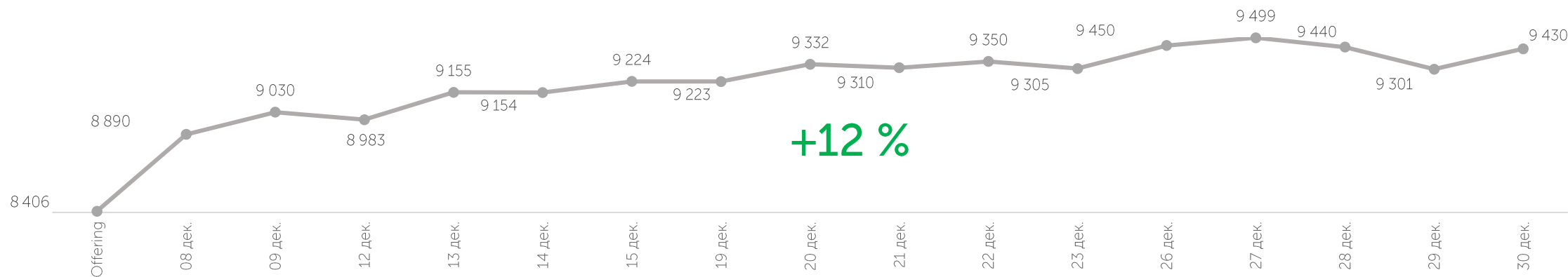
Market makers



The volume and number of transactions in the secondary market since the trading resumption date



The price over time, tenge



Launch of the project:

January 1, 2022

Objective of the project

SME funding through stock market instruments

Financing of the support measure in the form of subsidizing part of the coupon interest rate, as well as guarantees is carried out at the expense of the republican and (or) local budget

Project Status

- SME Funding Program has been developed
- With the support of the Ministry of National Economy of the Republic of Kazakhstan, amendments were made to the National Project for Entrepreneurship Development for 2021-2025, which provides for the provision of subsidies on the coupon rate and guarantees on bonds (optional)
- Meetings were held with 71 potential issuers

Project parameters

Issue of bonds with the subsidized coupon rate:

- Bond issue amount: up to 3 bn tenge, maturity – up to 5 years
- Bond currency: tenge
- To receive a coupon interest subsidy, liquid collateral for SMEs is not required
- Final rate for the issuer – 6 % (rate for placement up to BR + 5%)
- General classifier of types of economic activity: priority sectors of the economy

Issuance of bonds with a guarantee:

- Instrument type – secured debt bonds (50% liquid collateral + up to 50% Damu Fund guarantee)
- Maturity – up to 5 years
- The cost of issuing bonds – up to 5 bn tenge
- Guarantee amount – up to 2.5 bn tenge (up to 50% of the amount of bonds)

Legislation

Doctrine (strategy) of achieving carbon neutrality of the Republic of Kazakhstan until 2060

The new Environmental Code, effective from July 1, 2021

Green taxonomy to classify green projects to be financed through green bonds and green loans

Business Roadmap 2025: subsidizing ESG Bonds

Rules of the Financial Regulator on the issue, circulation and redemption of ESG bonds

Recommended

Methodology for assessing ESG risks in the financial market (the ARDFM together with the IFC)

Methodology for compiling an ESG report (KASE together with the IFC)

Rules for disclosing information on sustainable development in the annual report (KASE)

Projects of International Organizations in Kazakhstan

Project to create the "SDG Platform in Central Asia" of the United Nations Environment Program (UNEP)

IFC Corporate Governance Project in Europe and Central Asia

Supporting Kazakhstan's Green Development Path to Carbon Neutrality and Climate Resilience (EBRD)

Supporting the Development of Innovative Green Housing Finance (ADB)

Renewable energy



134 operating renewable energy facilities with a total capacity of 2010 MW

2021 – renewable energy generation of 4.2 bn kWh.

2022 – 10 new renewable energy sources for 290.6 MW

The Exchange

- ▲ KASE has been a partner of the UN Initiative "Sustainable Stock Exchanges" since 2016
- ▲ Market for ESG bond placements
- ▲ Sustainability Disclosure of listed companies
- ▲ Trainings for investors and businesses
- ▲ Promoting responsible investing principles

Issue of ESG bonds on KASE

The listing includes 9 issues of ESG bonds in the amount of 126.9 bn tenge

ESG events



International conference "ESG – a new paradigm for the development of the financial market"

as part of the X Congress of Financiers of Kazakhstan (November 2022)

40+ speakers
from 9 countries

300+ members

1,000+ listeners
online

- ✓ Annual training webinars on responsible investing and ESG compliance
- ✓ Annual Opening of Trades Ceremony **Ring the Bell for Gender Equality** and Conference "Gender Inclusion and Sustainable Development"
- ✓ Yearly Annual Report competition "**Best Sustainable Development Disclosure**"

International conference "ESG – a new paradigm for the development of the financial market" as part of the X Congress of Financiers of Kazakhstan

More than 1,300 people took part

offline – 337 people
online – 1,000 people

41 speakers from 9 countries

Kazakhstan, Switzerland, Türkiye, Ireland, France, Belgium, Philippines, Kyrgyzstan and USA



Conference Topics

Development of regulation of ESG financing in the Republic of Kazakhstan, creation of standards for information disclosure and assessment of ESG risks in the financial sector

Experience and prospects for the implementation of ESG principles and green finance within the EEC

Issuance of "Green" and "Social" bonds, implementation of responsible investing

Corporate ESG strategies and business transformation

Global trends in financing sustainable development projects, the role of responsible investing funds in arranging financing

Boosting the SME segment as part of the SDG implementation, "green finance" instruments for SMEs

Key take-aways from the conference

- ▲ Creation of a set of incentive measures to increase the attractiveness of ESG bonds for investors.
- ▲ Development of the ESG rating system for assessing companies.
- ▲ Introduction of PPP mechanisms to attract SMEs to the implementation of ESG projects.
- ▲ Embedding the ESG agenda in the educational programs of educational institutions.
- ▲ Consider joining the NBK to the PRI principles.
- ▲ KASE to continue promoting the PRI principles.



International cooperation

In order to study international experience and increase the awareness of foreign market participants and investors of the domestic stock market, the Exchange continues its activities in the international arena

Meeting of the General Assembly, Council and Working Committee of FEAS

At the event, FEAS members discussed the implementation of plans and achievements of 2022, plans for 2023, development of the capital markets of FEAS member countries



FEAS on-site training

KASE held a "FEAS on-site training" for members of the Federation of Euro-Asian Stock Exchanges (FEAS), during which KASE employees introduced colleagues to activities of the Exchange and its services

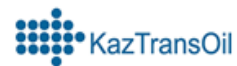


KASE's working visit to the stock exchanges of the UAE, Qatar and Türkiye

KASE made a working visit to the DFM/Nasdaq Dubai, Qatar Stock Exchange and Borsa Istanbul in order to get acquainted with the capital market and exchange experience in the development of the exchange market



Issuer Day



ҚАЗАҚТЕЛЕКОМ



ROAD SHOW

KASE jointly with NC Kazakhstan temir zholy JSC (KTZh) as part of the "Road Show" project held an online presentation for potential investors before the placement of tenge-denominated bonds

KASE talks

Freedom Broker about IPO, the present and the future

Kazpost – more than just mail

All about Securities: Expertise of the **Halyk Group**

Expertise of SkyBridge Invest JSC on bringing shares of NC "KazMunayGas" to the market as part of the planned IPO

New opportunities for retail clients of banks with **Bank CenterCredit JSC**

Opening new opportunities with **Jusan Invest JSC**

On the eve of the IPOs of companies of **Samruk-Kazyna JSC**

Trainings for investors

Training webinar for listed companies on "ESG in Corporate Governance"

Webinar "The practice of preparing annual reports taking into account ESG disclosure"

Webinar "Instruments for raising funds in the stock market and their advantages"

Educational program "Fundraising at KASE".

Webinar "Management of the company capital and ways to raise funds depending on the company development stage"

Webinar "Deep Dive into the Green/Social/Sustainable Bond Issuance Process"

Webinar "Stages of preparation for the securities placement on the stock market"

Webinar for listed companies on "ESG in Corporate Governance"

Educational events for issuers

Webinar "Fundamentals of Investment Literacy" for novice retail investors

Webinar for novice and experienced investors "Pro IPO: what you need to know and how to participate"

Training program "My portfolio on KASE":

- introduction to the securities market
- selecting stocks
- bond selection
- choosing investment funds
- building your investment portfolio
- buying your first securities

Webinar "Reporting Securities on Your Tax Return"

Webinar "Listing on KASE"





Results of the competition "Stock exchange simulator"

from October 7 to November 30, 2022

Objective of the project

Improving the financial literacy of students who want to expand their professional knowledge within the curriculum, as well as gaining skills in operating in the stock market

10

**winners
prizes awarded**



Students who concluded at least twenty transactions, as well as teachers who contributed to attracting students to the Project, were awarded certificates and diplomas

Took part

over 100 different educational institutions
over 4,700 students

Trading volumes

| | |
|--|-----------------|
| Overall volume of transactions | 2.5 bn KZT |
| Number of transactions | 6,686 |
| Average daily number of transactions | 176 |
| Average daily amount of transactions mln tenge | 66.1 |
| Maximum number transactions per participant | 362 |
| Maximum volume of transactions per participant | 201.5 mln tenge |



Green bond competition

The ARDFM and the International Finance Corporation, operating as part of the World Bank Group, and KASE invite companies and local executive bodies to take part in the first competition of the Green Bond Framework Program

Applications accepted:
from January 10 to January 25, 2023



As part of the framework program "Green Bonds", the International Finance Corporation offers free of charge to two organizations, companies and local executive bodies

Building a portfolio of projects that can be financed or refinanced with funds raised through green bonds

Assistance in obtaining an Independent External Evaluation (Second party opinion)

Conducting individual trainings for the working group of the Company

Assistance in the preparation of relevant non-financial reporting

Key projects for 2023

- ▲ **Increasing the liquidity of exchange markets for** Kazakh shares, foreign securities, government securities, derivatives by attracting market-makers under sponsored market-making programs
- ▲ **Expanding the retail investor base** – modernization and filling the content of the training portal on KASE website
- ▲ **Formation of an SME funding channel on the regulated market**
 - improving the financial literacy of companies – issuers, including SMEs
 - development of the Concept of raising venture capital and development of the Startup platform
 - Equalization of financing conditions between the banking system and the stock market in terms of funding sources and borrowing costs
- ▲ **Development of the ESG financing line**
 - improvement of ESG disclosure requirements for listed companies
 - development of the segment of "green", social and other bonds of sustainable development, attraction of issuers
 - proposals for developing a methodology for calculating ESG indices
- ▲ **Opening of trading on new currency pairs and new instruments on the derivatives market**
- ▲ **Creation of an infrastructure for trading in digital instruments**
- ▲ **Development of the institution of the central counterparty as a subsidiary of KASE**
obtaining licenses, establishing correspondent relations, developing internal documents and other activities
- ▲ **Development of the KASE Global sector**
increasing the number of traded instruments, considering the possibility of establishing a link with another exchange market, as well as improving the conditions for trading foreign shares (the possibility of switching to T+3, extending the trading time)



Thank you for attention!

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