



KASE: HISTORY OF DEVELOPMENT AND FUTURE VISION

Kazakhstan Exchange Forum
Almaty, November 16, 2018

START



- 1993 CURRENCY
- 1995 TREASURY BILLS
- 1996 FUTURES
- 1997 EQUITIES
- 1998 EUROBONDS
- 1999 DIRECT REPO
- 2000 BONDS
- 2001 AUTO REPO
- 2004 FOREIGN SECURITIES
- 2006 FIRST IPOs
- 2008 CURRENCY SWAPS
- 2012 PEOPLES'S IPO
- 2016 COMMERCIAL BONDS

Markets

IT-solutions

- 1993 VOICE TRADING
- 1995 JOINING SWIFT
- COMPUTERISED ORDER ENTRY SYSTEM
- 1996 QUOTES DISPLAYING
- 1997 LAUNCH OF KASE TRADING SYSTEM
- 1998 FIRST CORPORATE WEBSITE
KASE.KAZECON.KZ
- 2012 MODULE OF TS "SUBSCRIPTION"
LAUNCH OF IS2IN ISSUERS' SERVICES
LAUNCH OF CLEARING PROCEDURES
- 2014 TRANSITION TO T+2
SETTLEMENT CYCLE
- 2018 CCP FUNCTIONS

1991

FIRST KAZAKHSTANI BANKS

1993

FOUNDING OF NATIONAL BANK
OF KAZAKHSTAN
FIRST KAZAKHSTANI INSURANCE
COMPANIES

1996

FIRST KAZAKHSTANI BROKERS

1997

PENSION REFORM AND
CREATION OF PENSION FUNDS
CENTRAL DEPOSITOR
SECURITIES REGISTRARS

2011

INTEGRATED REGISTRAR

2013

ESTABLISHMENT OF UNIFIED
ACCUMULATIVE PENSION FUND

Infrastructure

25 years of Kazakhstan Financial Market: our achievements

25 years KASE



DEVELOPED
MARKET
INFRASTRUCTURE



UNIVERSAL
TRADING
PLATFORM



TOOL OF THE
NBK MONETARY POLICY
IMPLEMENTATION



LIQUIDITY CONCENTRATION
ON ORGANIZED
EXCHANGE MARKET



DIFFERENT
OPPORTUNITIES FOR
CORPORATE FUNDING



STABLE INSTITUTIONAL
INVESTOR BASE



HIGH GROWTH
POTENTIAL OF RETAIL
INVESTOR BASE



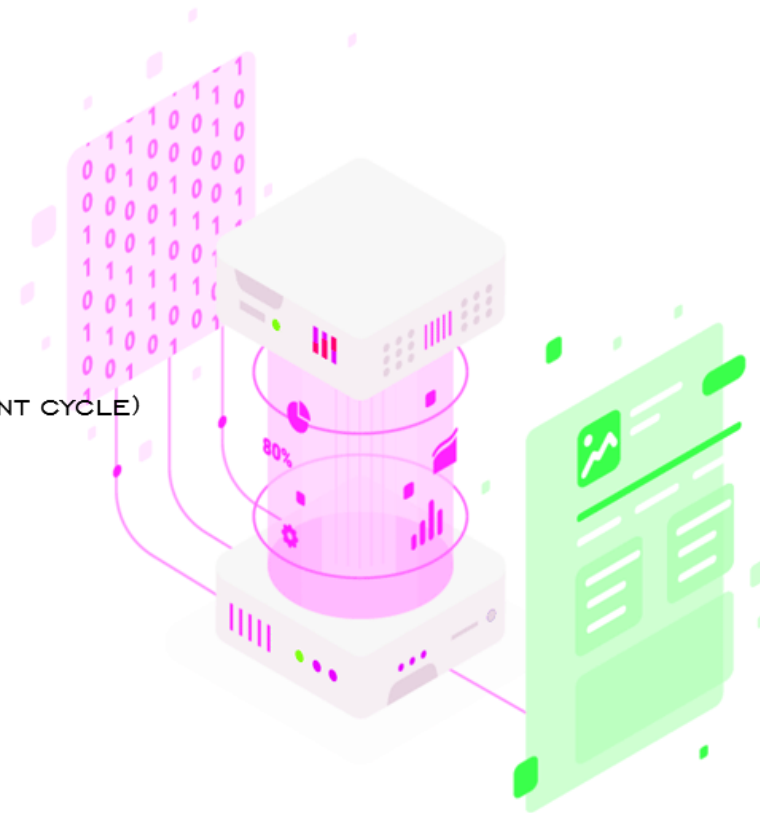
PROMOTION OF CORPORATE
GOVERNANCE AND
RETAIL INVESTORS' PROTECTION

KASE Provides Comprehensive Range of Services:

- LISTING
- MEMBERSHIP
- BOOK RUNNING
- PRE-TRADING
- TRADING
- POST-TRADING
- TECHNOLOGY SERVICES
- INFORMATION PRODUCTS

Diversified Range of Financial Instruments:

- CURRENCIES
- CORPORATE SECURITIES
(SOME AVAILABLE FOR TRADING IN USD AND WITH T+2 SETTLEMENT CYCLE)
- STATE SECURITIES
- CURRENCY SWAPS
- CURRENCY AND SECURITIES FUTURES
- NEGO-, AUTO REPO, REPO WITH NETTING



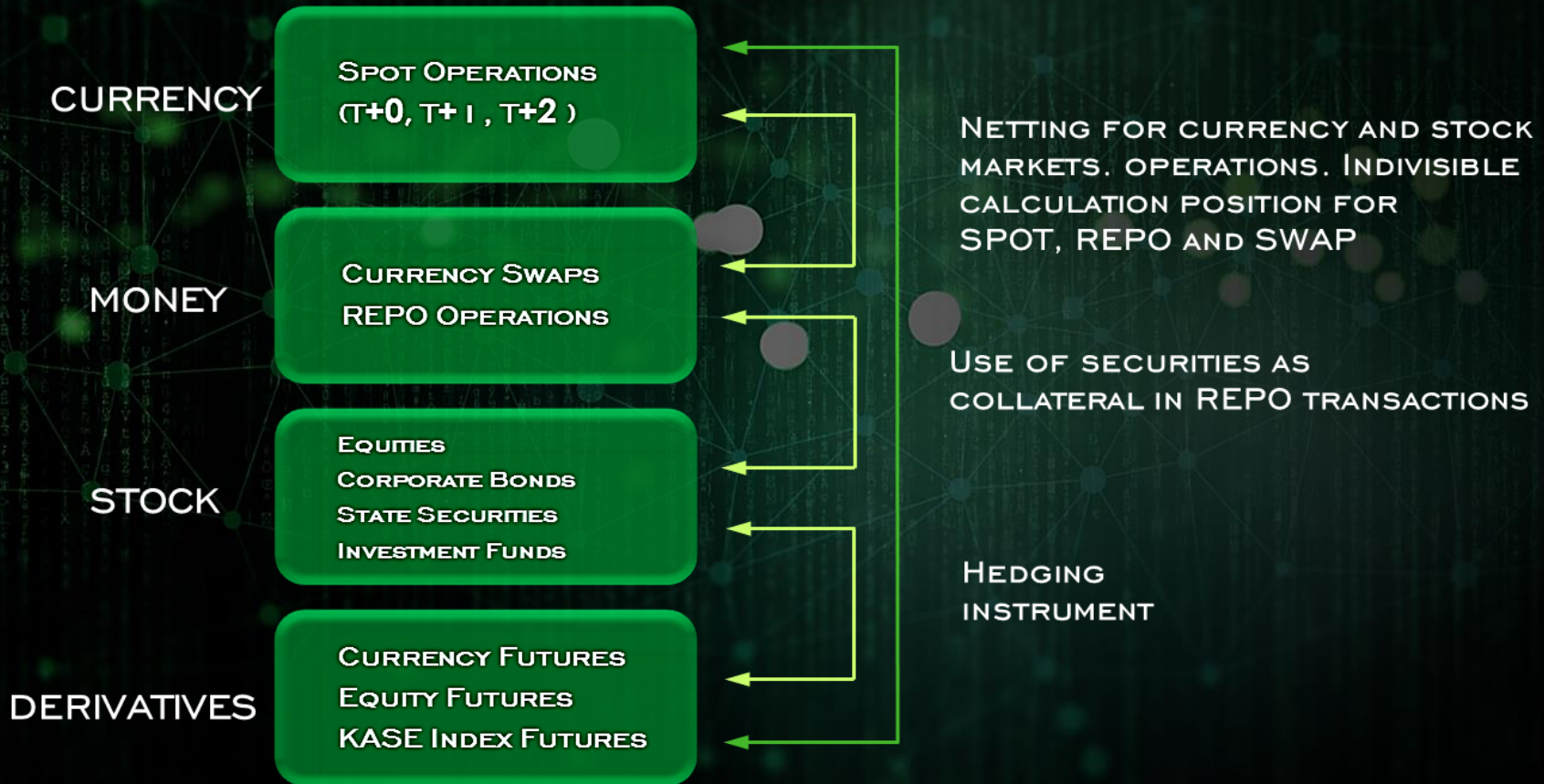
Variety of Listing Options:

- MAIN MARKET
- ALTERNATIVE MARKET
- STARTUP
- PRIVATE MARKET

KASE.KZ

STARTUP.KASE.KZ

KASE Integrated Market





52
MEMBERS
(BROKERS-DEALERS)



120+
EQUITIES
IN TRADING LIST

150+
ISSUERS

5
CURRENCY
PAIRS



Frontier
GLOBAL MARKET
CLASSIFICATION

110 000+
ACCOUNTS OF
RETAIL INVESTORS

25
YEARS IN THE
CAPITAL MARKET



230+
CORPORATE BONDS
IN TRADING LIST

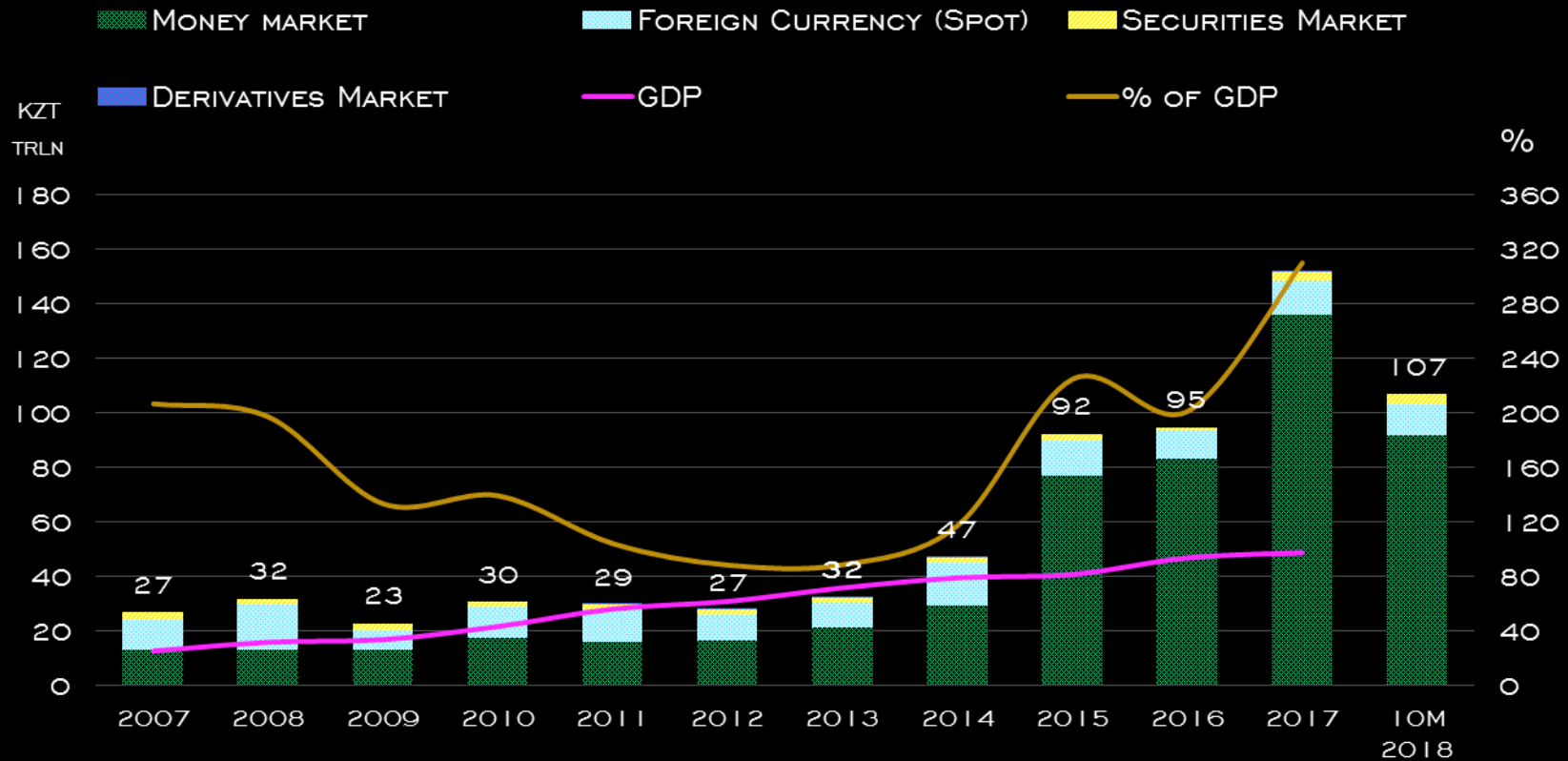


Stable Growth of KASE Markets

ANNUALISED CAGR :

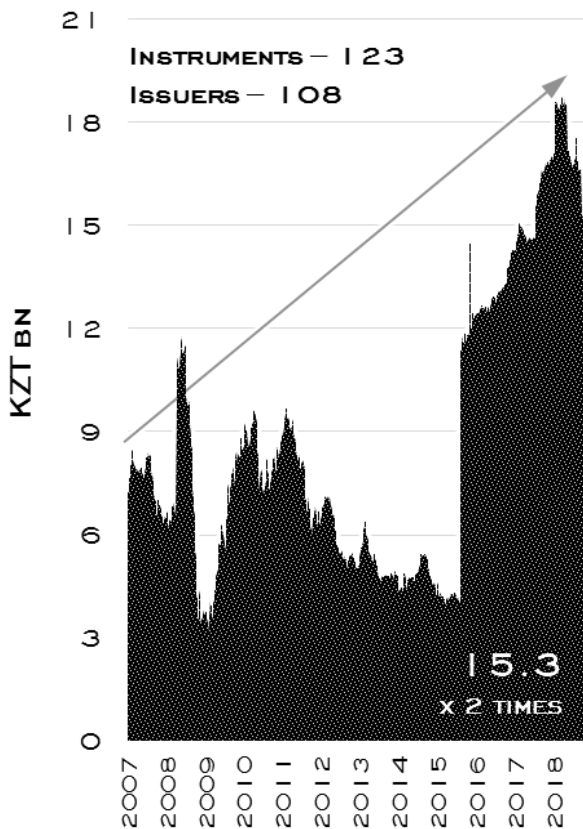
TOTAL TRADED VOLUMES – 14.0%

SECURITIES MARKET TRADED VOLUMES – 4.9%

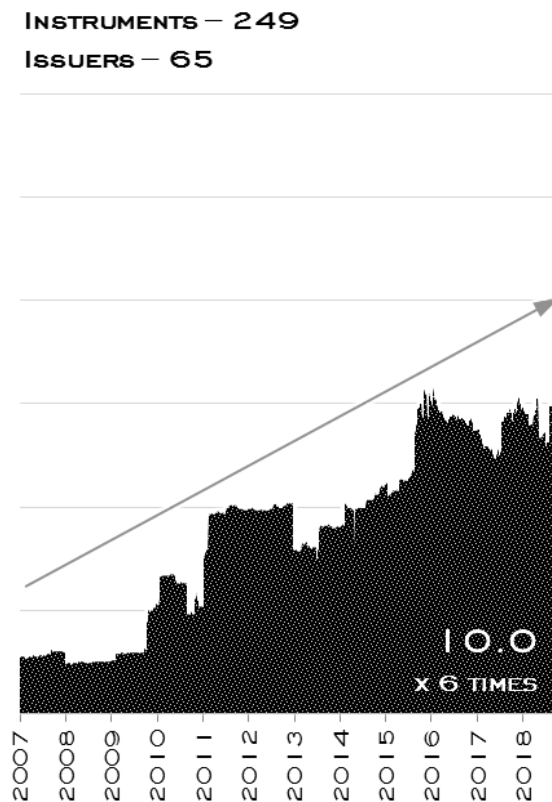


Dynamics of Capitalisation (1/2)

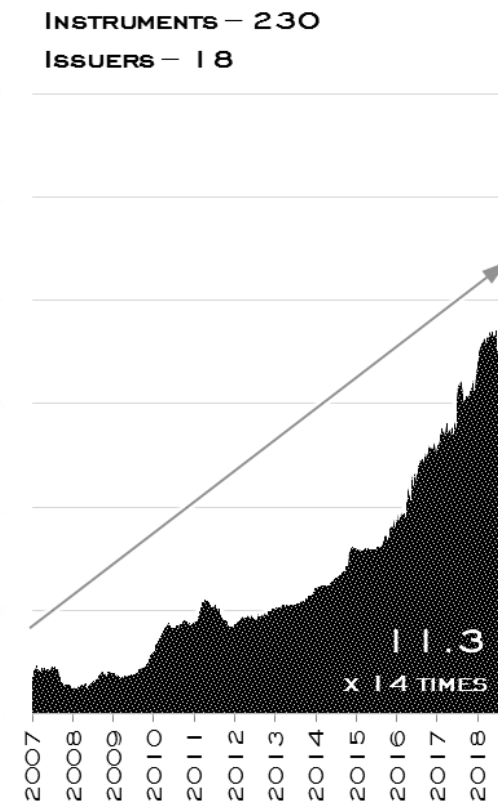
EQUITY MARKET CAPITALISATION



OUTSTANDING CORPORATE DEBT

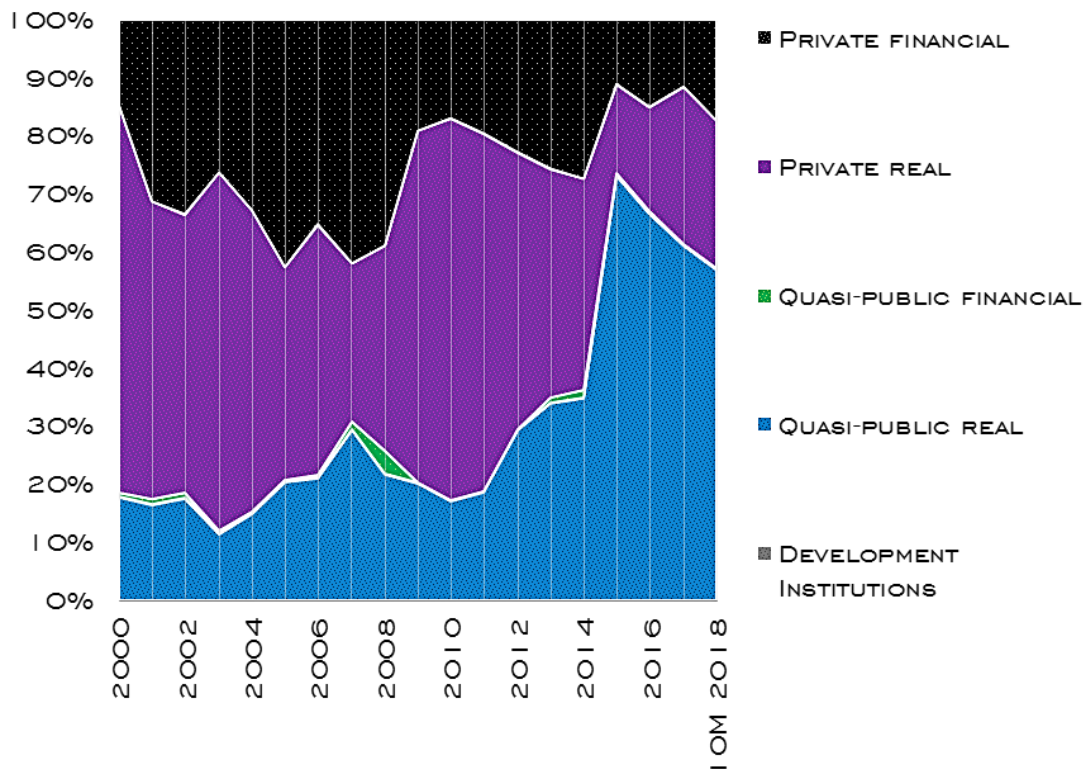


VOLUME OF PUBLIC SECTOR DEBT

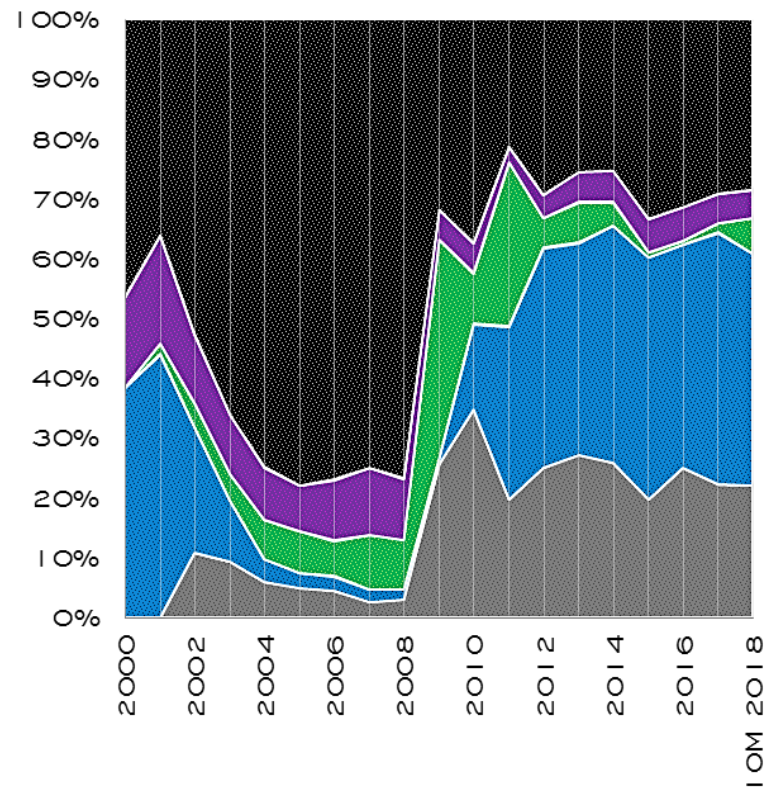


Dynamics of Capitalisation (2/2)

VOLUME OF EQUITIES MARKET CAPITALISATION BY ECONOMY SECTORS, %



VOLUME OF CORPORATE DEBT IN CIRCULATION BY ECONOMY SECTORS, %

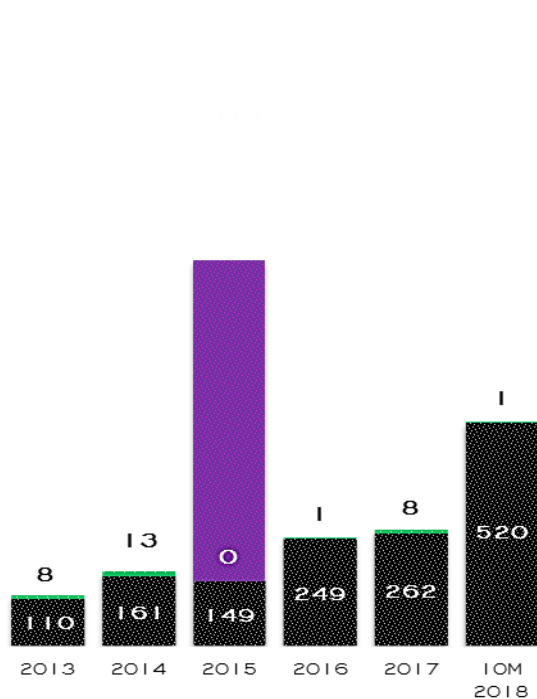


KASE Market (1/2)

EQUITY MARKET

TRADING VOLUME, KZT BN

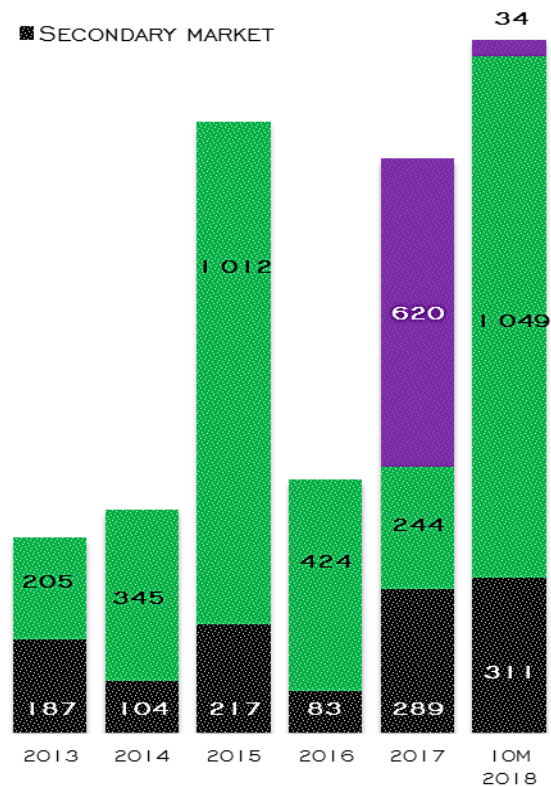
- KAZMUNAYGAZ DEAL
- PRIMARY MARKET
- SECONDARY MARKET



CORPORATE BONDS MARKET

TRADING VOLUME, KZT BN

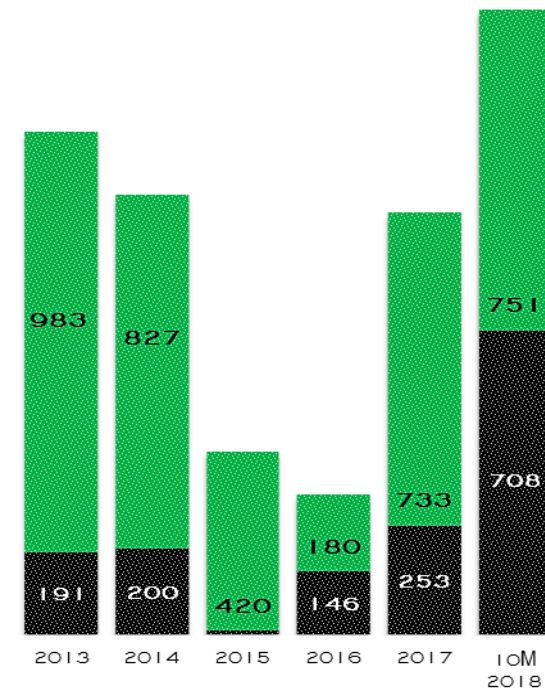
- NBRK'S FINANCIAL SUSTAINABILITY PROGRAM
- PRIMARY MARKET
- SECONDARY MARKET



STATE SECURITIES MARKET

TRADING VOLUME, KZT BN

- PRIMARY MARKET
- SECONDARY MARKET

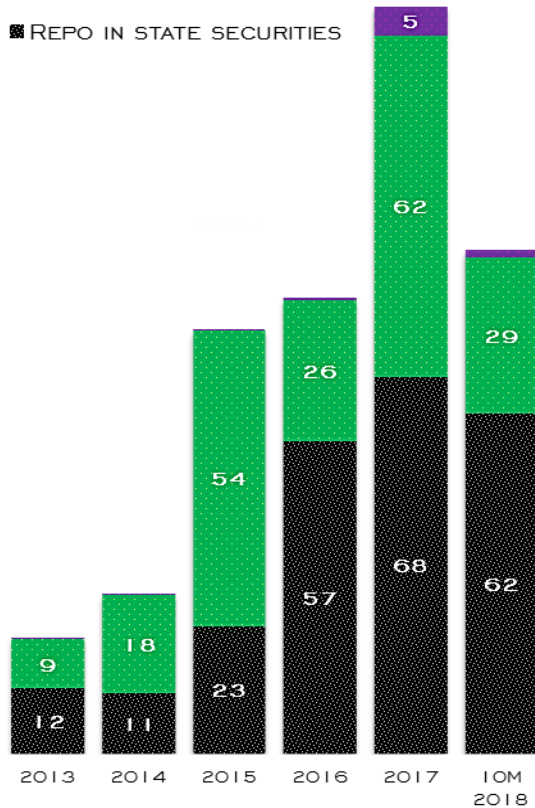


KASE Market (1/2)

MONEY MARKET

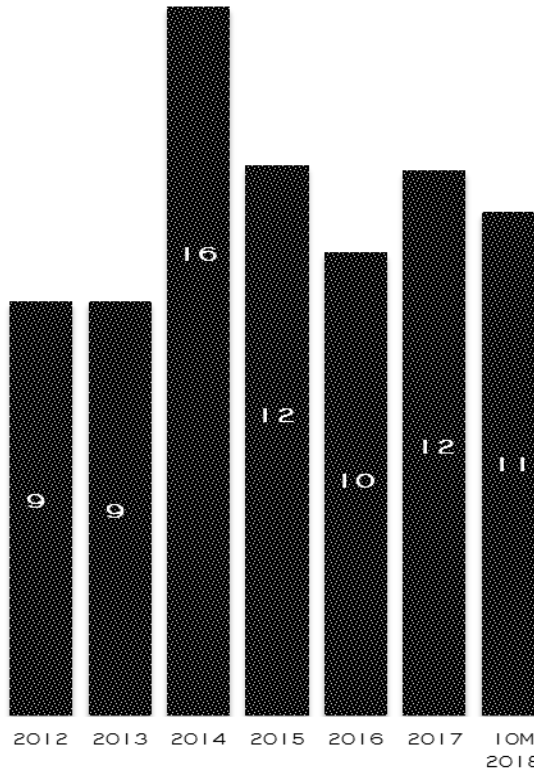
TRADING VOLUME, KZT TRLN

- REPO IN CORPORATE SECURITIES
- FOREIGN CURRENCY SWAP
- REPO IN STATE SECURITIES



CURRENCY (SPOT MARKET)

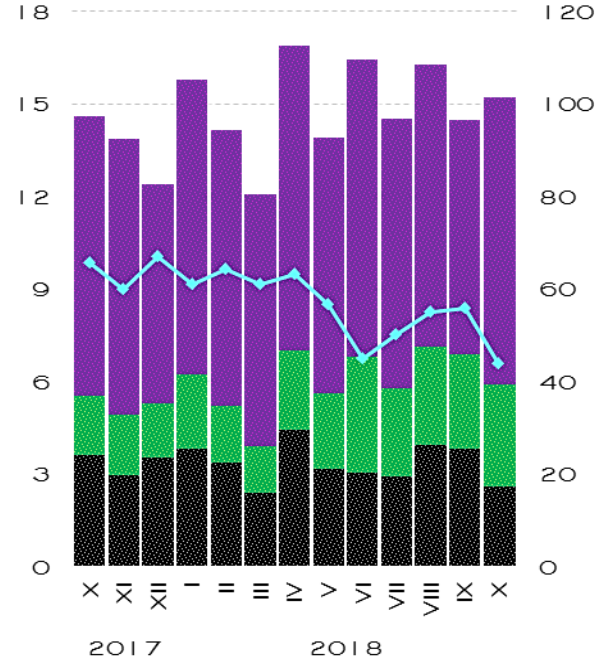
TRADING VOLUME, KZT BN



OTC AND KASE MARKET CURRENCY TRANSACTIONS

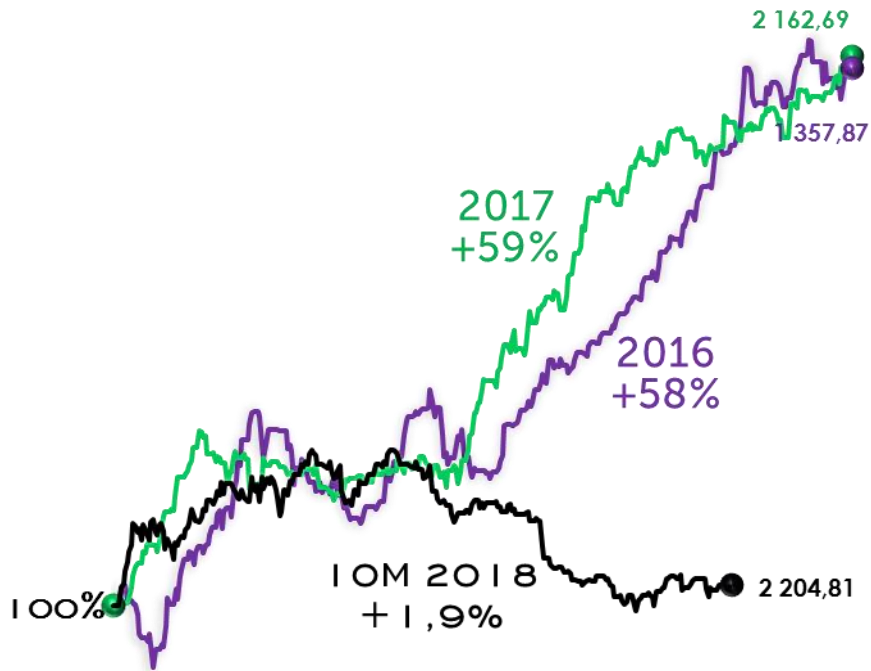
- OTC TRANSACTIONS BETWEEN RESIDENT BANKS AND NON-RESIDENT BANKS (L)
- OTC TRANSACTIONS BETWEEN RESIDENT BANKS (L)
- KASE TRANSACTIONS (L)

— SHARE OF KASE TRANSACTIONS IN ALL CURRENCY PURCHASE TRANSACTIONS BETWEEN RESIDENT BANKS (R)

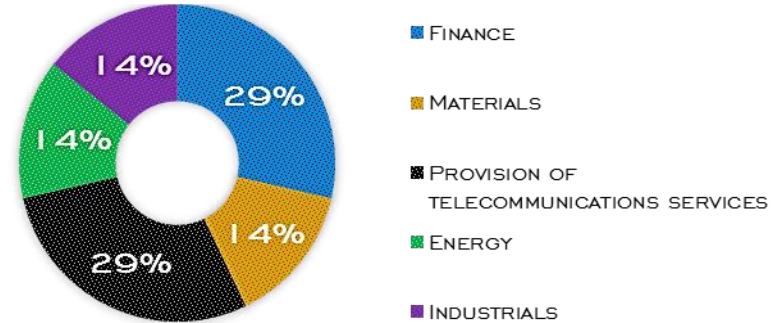


KASE Index

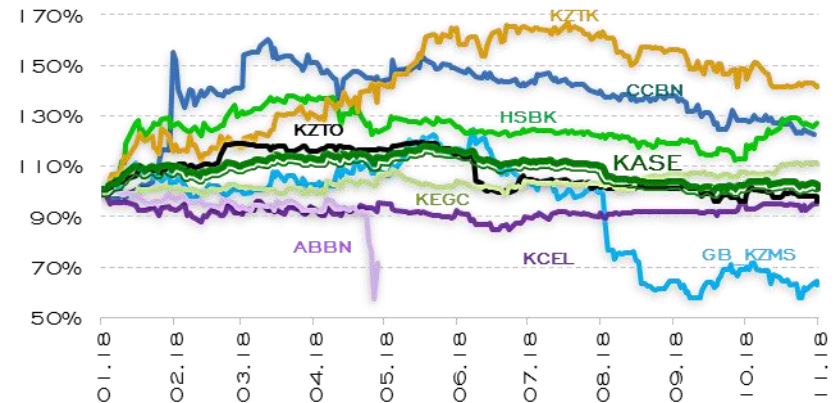
KASE INDEX IN 2016-2018

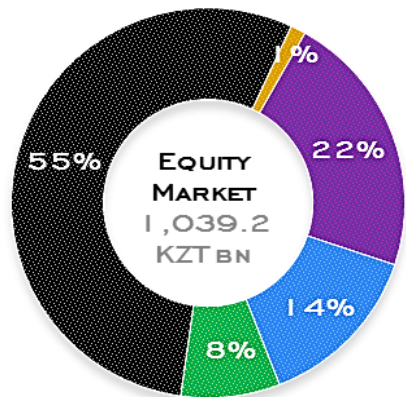


KASE INDEX BY SECTOR BREAKDOWN

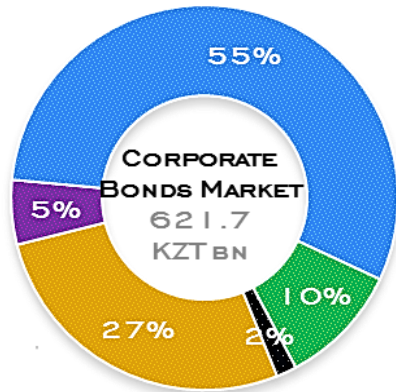


COMPONENTS OF KASE INDEX

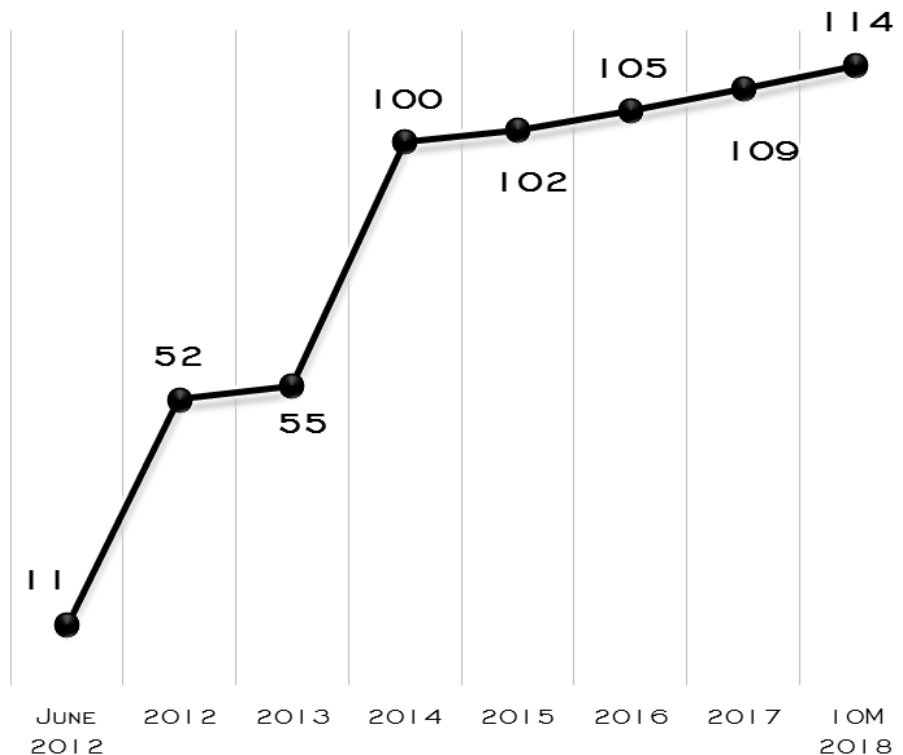




- BANKS
- BROKERS-DEALERS
- LEGAL ENTITIES
- OTHER INSTITUTIONAL INVESTORS
- INDIVIDUALS



NUMBER OF INDIVIDUALS' ACCOUNTS OPENED AT THE CSD, THOUSANDS



KASE Today

KASE Future

FX MARKET

CCP

ALL MARKETS

KASE STARTUP MARKET

KASE PRIVATE MARKET

ALTERNATIVE MARKET

MAIN BOARD

FUNDRAISING

ENCOURAGING COMPANIES TO GO PUBLIC: TAX HOLIDAYS IN CASE OF IPO

CROWD FUNDING OPPORTUNITIES

ACCESS TO FX MARKET

MEMBERS

SHORT SELLING

REMOTE MEMBERSHIP

MARGIN TRADING

NATIONAL IPOs

INCOMES GAINED ON SECURITIES TRADED ON KASE ARE CHARGED AT 0 %

LOCAL RETAIL INVESTORS

BANK DEPOSIT CERTIFICATES

GOVERNMENT SECURITIES – RETAIL BONDS

ETFs

PARTICIPATION IN NATIONAL COMPANIES' IPOs

INVESTMENT OPPORTUNITIES FOR ALL LOCAL INSTITUTIONAL INVESTORS

LOCAL INSTITUTIONAL INVESTORS

TRANSFER PART OF ASSETS TO PRIVATE ASSET MANAGERS

DIVERSIFIED INVESTMENT PORTFOLIOS

INCOMES GAINED ON SECURITIES TRADED ON KASE ARE CHARGED AT 0 %

SOFTENING REQUIREMENTS (PRUDENTIAL REGULATION)

FRONTIER MARKET STATUS

CLEARSTREAM-CITI BANK LINK FOR KAZAKHSTANI STATE SECURITIES

FOREIGN INVESTORS

DEVELOPED MARKET STATUS

IOSCO, ISDA

CLEARSTREAM-CENTRAL SECURITIES DEPOSITORY LINK FOR KAZAKHSTANI STATE SECURITIES

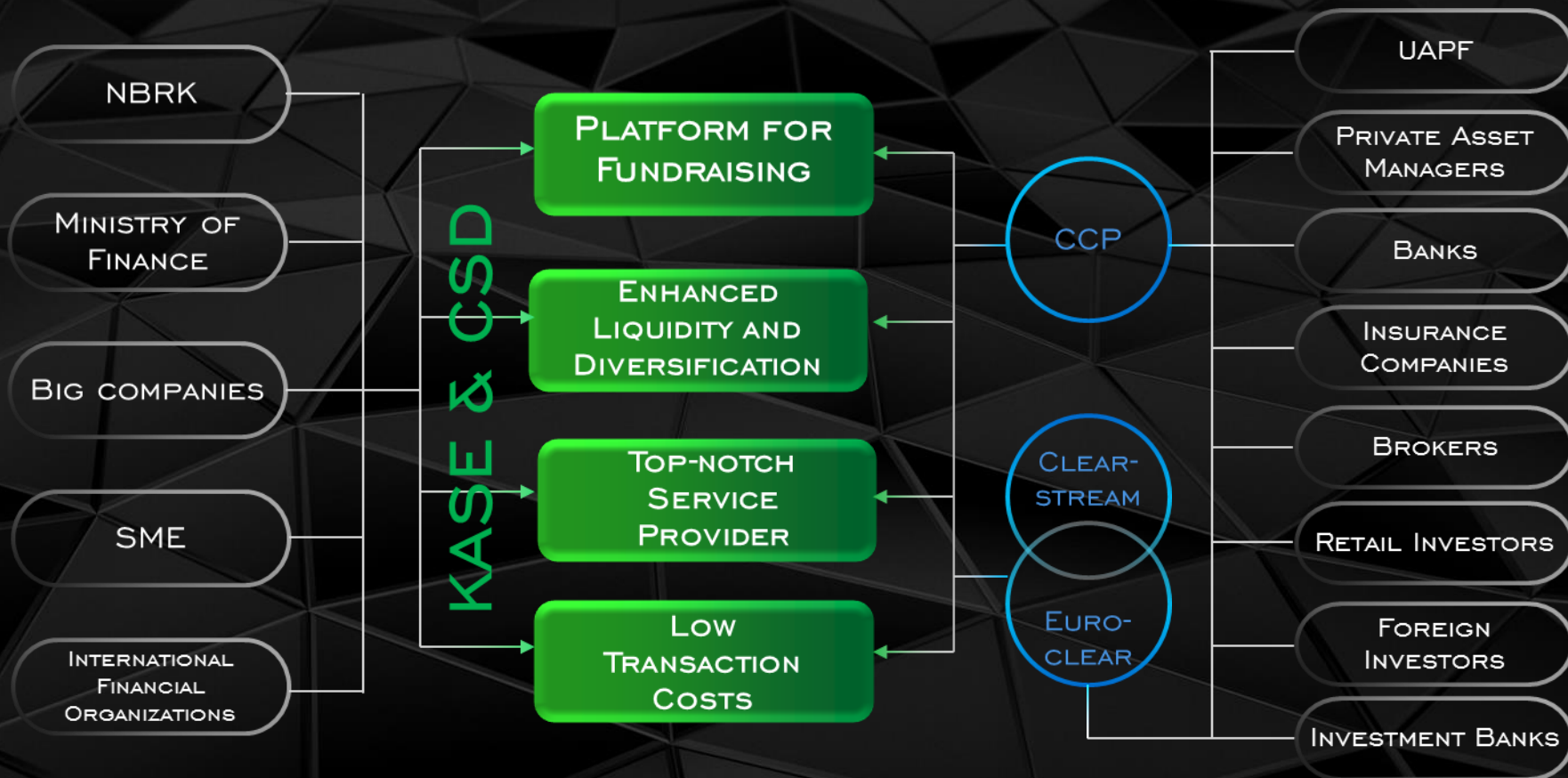
Advantages of Cooperation with MOEX

To do:	OBJECTIVES:	POSITIVE IMPACT:
MODERNISATION OF TRADING AND CLEARING SYSTEMS	<p>PHASED LAUNCH IN KASE MARKETS:</p> <ul style="list-style-type: none"> • STOCK AND MONEY • CURRENCY • DERIVATIVES 	<ul style="list-style-type: none"> • NEW FINANCIAL INSTRUMENTS AND SETTLEMENT CYCLES • IMPROVED RELIABILITY OF THE IT INFRASTRUCTURE, MITIGATING OPERATIONAL RISKS • NEW OPPORTUNITIES FOR HIGH FREQUENCY TRADING
LAUNCH OF CCP	<ul style="list-style-type: none"> • PHASED LAUNCH IN ALL MARKETS • COMPLIANCE OF CCP WITH EMIR/ESMA REQUIREMENTS 	<ul style="list-style-type: none"> • MEMBERS' CREDIT RISKS MITIGATION • IMPLEMENTING SECURITIES LENDING SYSTEM • UNIFIED COLLATERAL POOL
INTRODUCTION OF NEW FINANCIAL INSTRUMENTS	<p>IMPLEMENTATION OF NEW FINANCIAL INSTRUMENTS SUPPORTED BY MOEX TRADING AND CLEARING SYSTEMS:</p> <ul style="list-style-type: none"> • REPO WITH CCP • FX OPTIONS • ETF 	<p>EXPANSION OF KASE PRODUCT LINE:</p> <ul style="list-style-type: none"> • OPTIMIZATION OF LIQUIDITY MANAGEMENT • HEDGING INTEREST AND CURRENCY RISKS • DIVERSIFYING INVESTMENT OPPORTUNITIES FOR RETAIL INVESTORS
EXPANSION OF INVESTOR BASE	<ul style="list-style-type: none"> • T+2 SETTLEMENT CYCLE FOR LIQUID SECURITIES • CERTIFIED PROTOCOLS FOR INFORMATION EXCHANGE • IMPLEMENTATION OF STIMULATING PROGRAM FOR MARKET MAKERS 	<p>INCREASE OVER 5 YEARS*:</p> <ul style="list-style-type: none"> • TRADING VOLUME ON THE STOCK MARKET BY 50% • THE SHARE OF FOREIGN INVESTORS IN THE STOCK MARKET UP TO 25% • THE NUMBER OF ACTIVE RETAIL INVESTORS BY 125%*
KASE IPO	<ul style="list-style-type: none"> • IMPROVEMENT OF KASE CORPORATE GOVERNANCE • ADOPTION OF NEW DIVIDEND POLICY • PREPARATION FOR AN IPO 	<ul style="list-style-type: none"> • THE EXCHANGE WILL BECOME A "REFERENCE ISSUER" FOR DOMESTIC ISSUERS • OPPORTUNITY FOR A WIDE RANGE OF INVESTORS TO PARTICIPATE IN THE IPO OF THE INFRASTRUCTURE ORGANIZATION

* FORECASTS

KASE: Target Model

comprehensive infrastructure



25 жыл
лет
years

KASE

Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange



KAZAKHSTAN.STOCK.EXCHANGE



KASE_KZ



KAZAKHSTAN STOCK EXCHANGE



KAZAKHSTAN STOCK EXCHANGE KASE

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