

PERFORMANCE OVERVIEW 2021

January 21, 2022
Almaty



CONTENTS

- **Brief review of results**
- **Key KASE projects and events**
- **KASE Development Strategy for 2022-2024**
- **Plans for 2022**

+ 48%

trading volume
from 118.0 to
174.4 trillion tenge

+ 80%

trading volume
on the equity market
from 238.4 to
429.2 billion tenge

+ 85%

volume of trading on the secondary
corporate bonds market
from 451.8 to
837.0 billion tenge

+ 88%

volume of trading
in the UIT market
from 20.3 to
38.1 billion tenge



+ 37%

increase in
KASE Index
from 2,675.6 to
3,675.28 points

+ 51%

equity
market capitalization
from 19.1 to
28.8 trillion tenge

+ 88 th.

new accounts
opened
by individuals
as of 01.01.22
218 thousand accounts in the
CSD

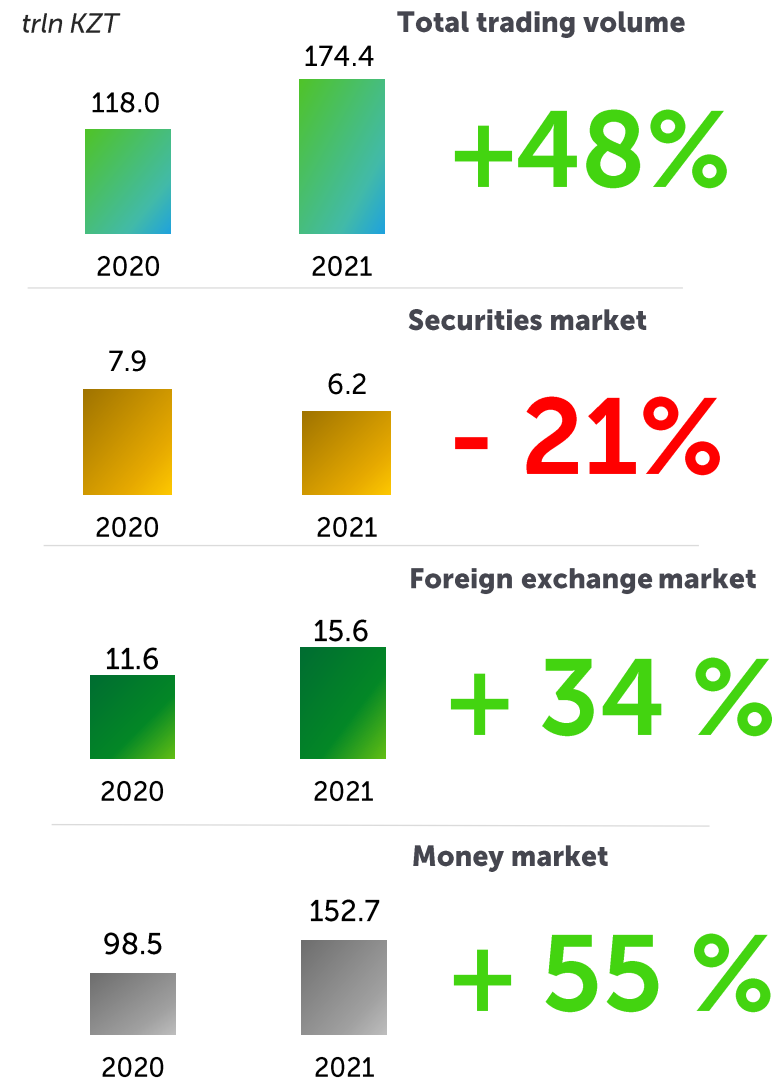
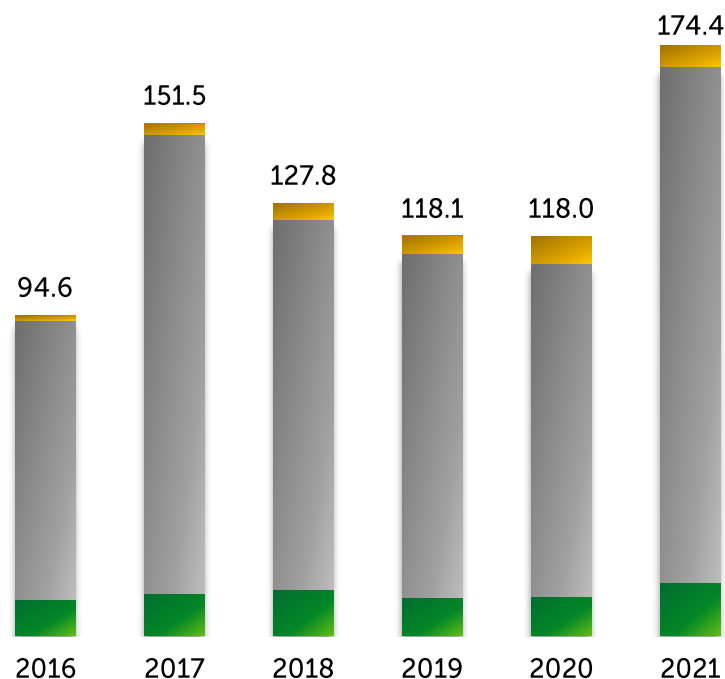
+ 156 new

instruments in the official list

KASE markets: Trading volume increased by 48 %



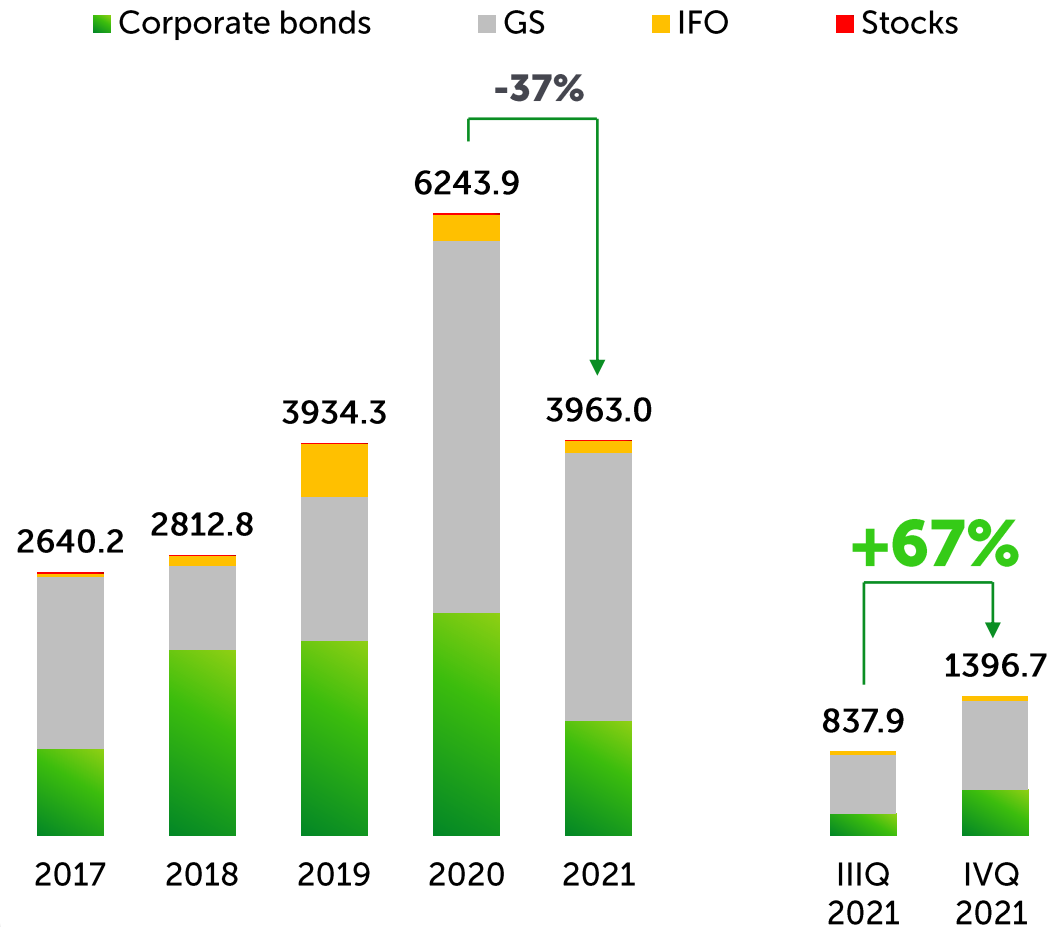
Dynamics of trading volume by sector, trillion tenge



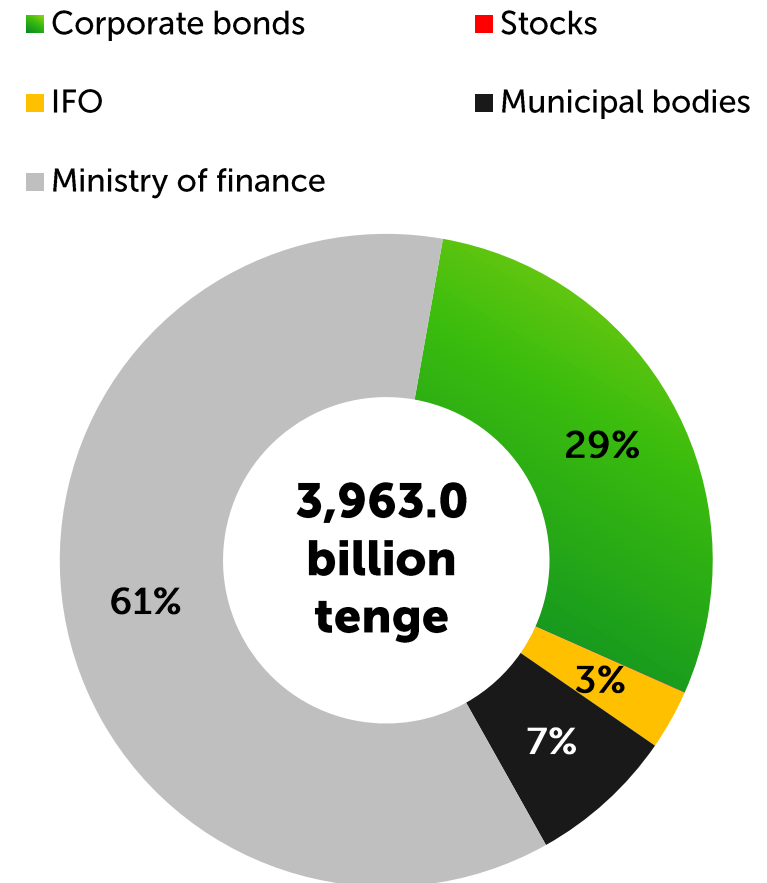
Source: KASE

Capital raising market in 2021

Volume of initial offerings, billion tenge



Structure of the primary market, billion tenge



On trading lists

there are 1,469 instruments, including 904 securities, 268 instruments on the T+ list for 2021 + 345 instruments, including +97 instruments in the T+ list

as of January 1, 2022

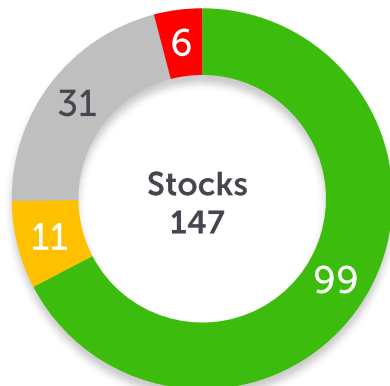
Stock market			Money market	Currency market	Derivatives
Stocks	Bonds	Other securities	Swap transactions	Spot	Futures
IPO / Auctions	Auctions	Secondary market	RUBKZT	RUBKZT	KASE Index
Repurchase	Secondary market	Securities of investment funds	USDKZT	USDKZT	USDKZT
Secondary market	GS of MF RK	ETF	CNYKZT	CNYKZT	From July 7, 2021: KZAP HSBK
Large companies	Municipal bonds		EURKZT	EURKZT	
SME	Notes of NB RK		auto repo	EURUSD	
Double listing	Foreign GS		Stocks		
GDR	Corporate bonds		Bonds		
	IFO bonds*		GS basket		
64	197	7			
105	513	18	529	16	20

Calculations					
T+2	T+2	T+2	from T+1 to T+1Y	T+0	T+1W
T+0 - illiquid securities	T+0 - illiquid securities	T+0	from T+0 to T+90	T+1	T+1M
				T+2	T+3M
					T+6M

*securities of international financial organizations
Source: KASE

KASE official list: + 156 securities of 85 issuers

Structure of listed companies by area of activity



- development institutions
- real private
- real quasi-public
- finance private
- finance quasi-public



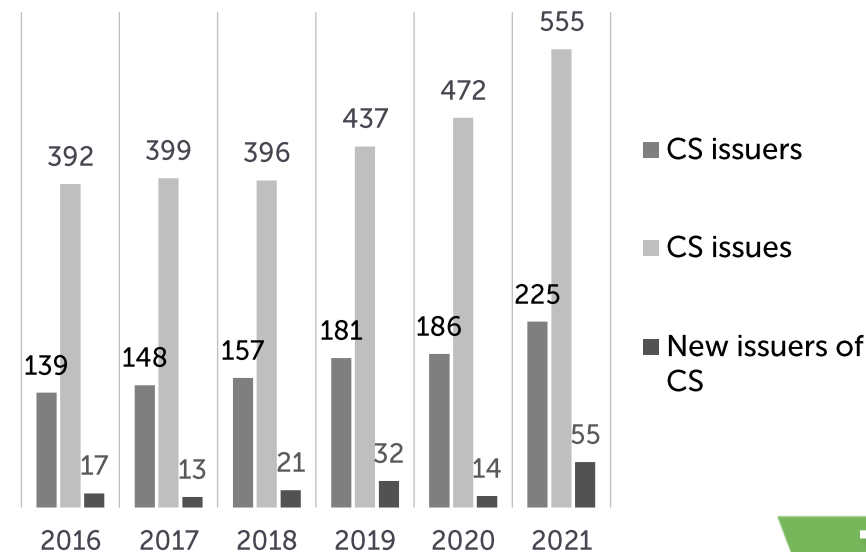
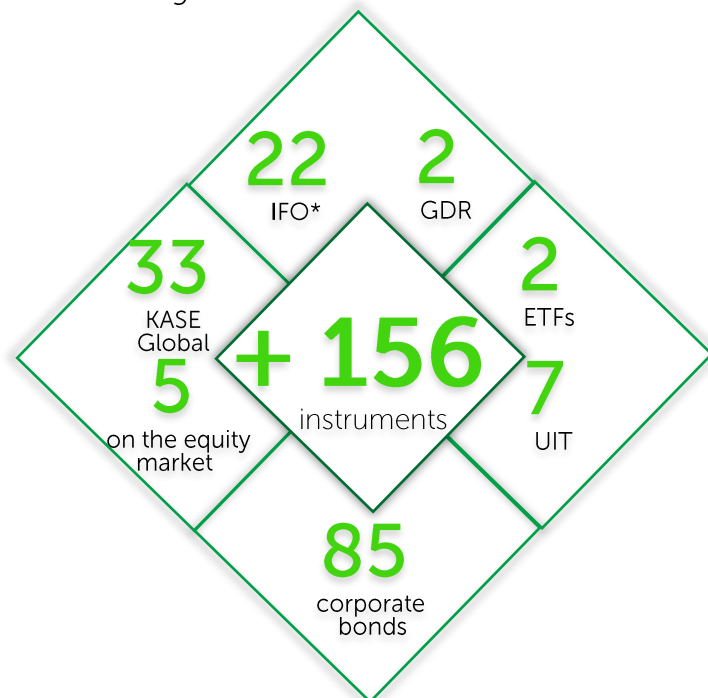
156 instruments of 85 issuers were included in the official list in 2021, including 60 instruments of 55 new issuers.

68 instruments of 57 issuers were included in the fourth quarter of 2021, of which 41 are new issuers

- Safe-Lombard LLP
- MFO "Mogo Kazakhstan" LLP
- Gaz Finance plc
- MFO "UNICREDO" LLP
- Baiterek Venture Fund JSC
- TSSP Group LLP
- MFO "Bravo Business" LLP
- MFO "Rangold Finance" LLP

• Shares admitted to trading in KASE Global sector

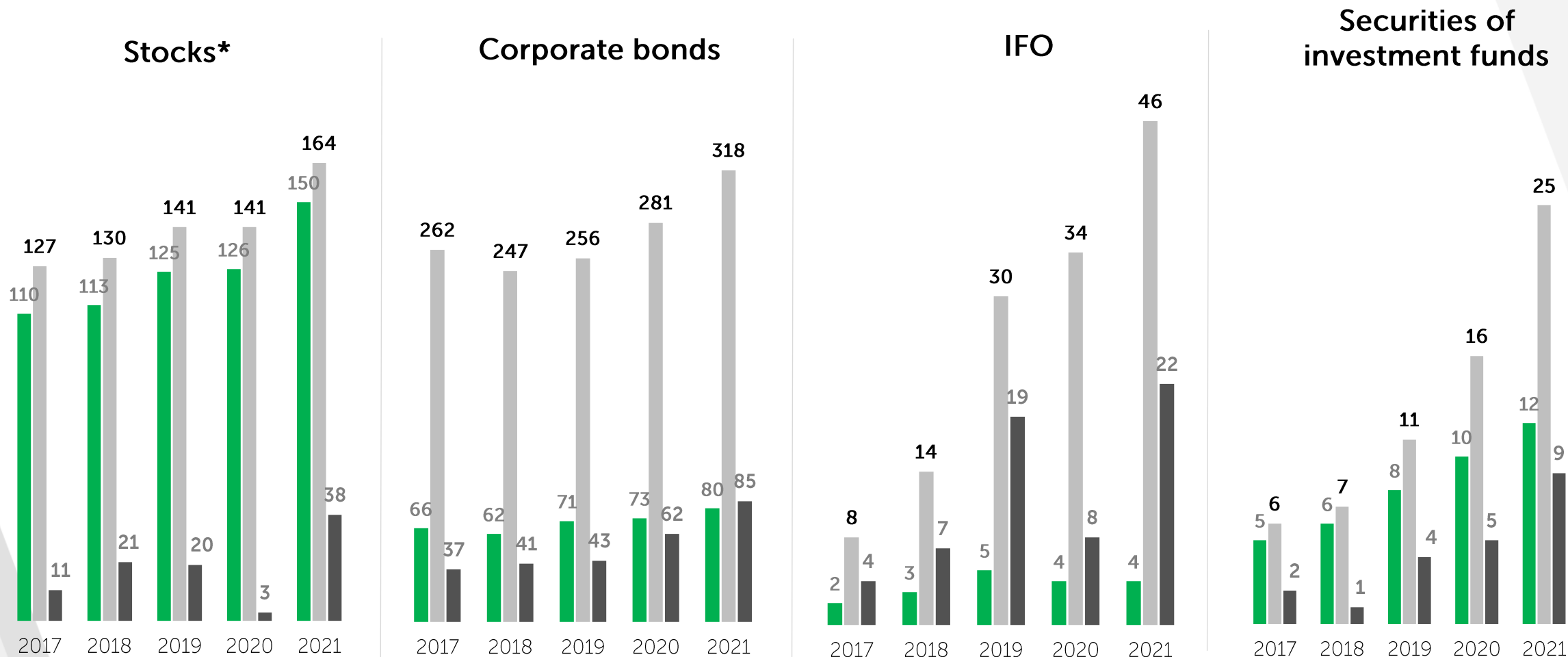
33 new issuers: American Airlines, Abbott Lab., Advanced Micro Devices, Amazon.com, The Boeing Company, Biogen, ConocoPhillips, SALESFORCE.COM, Citigroup, Enterprise Products Partners, Energy Transfer, Freeport-McMoRan, Fortinet, Johnson & Johnson, Mastercard, Moderna, Micron Technology, Macy's, Newmont Corp., Netflix, NVIDIA Corp., PayPal Holdings, QUALCOMM, Twitter, Texas Instruments, AT&T, Uber Technologies, American Electric Power Company, JPMorgan Chase & Co., M&T Bank Corporation, Verizon Communications Inc., Caterpillar, IBM



* securities of international financial organizations
Source: KASE

Dynamics of KASE lists by sector

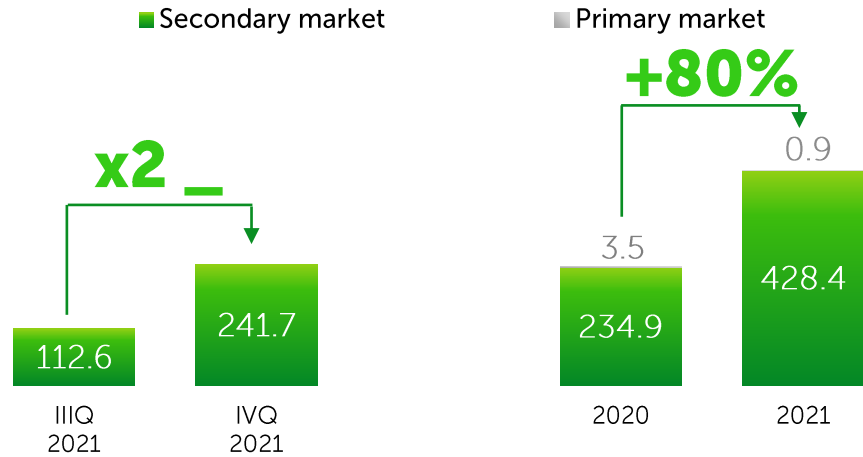
■ Issuers
 ■ Issues
 ■ New listings



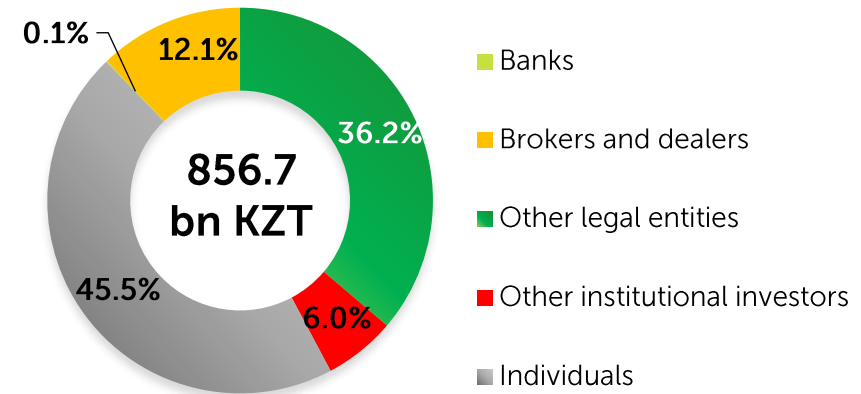
Note: including securities quoted in the "Unlisted securities" sector

Equity market: 51% capitalization growth amid rising stock prices

Volume of transactions on the equity market, bn tenge

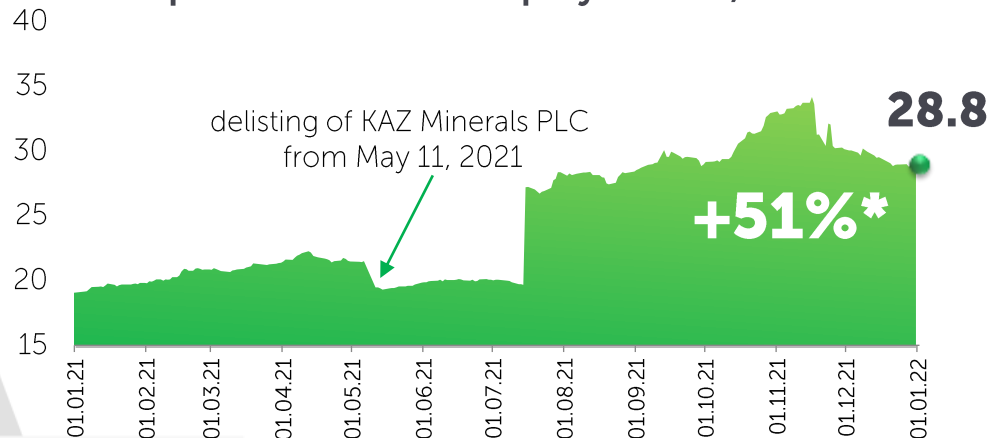


Investor structure in 2021*



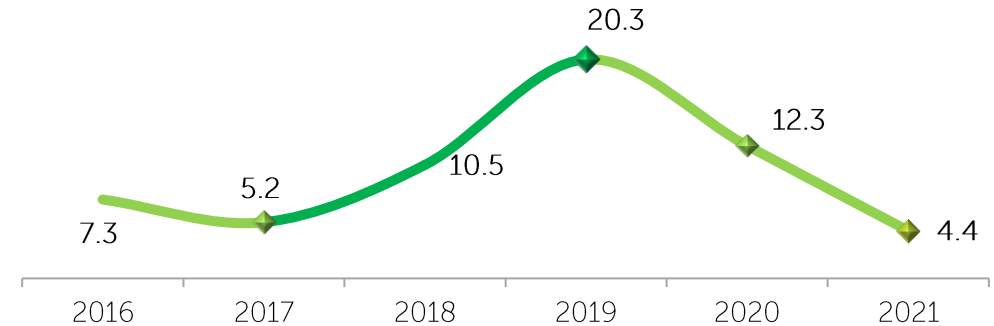
* of the total gross turnover of trading in shares in the secondary market, excluding major transactions and transactions of an irregular nature

Capitalization of the equity market, trln KZT



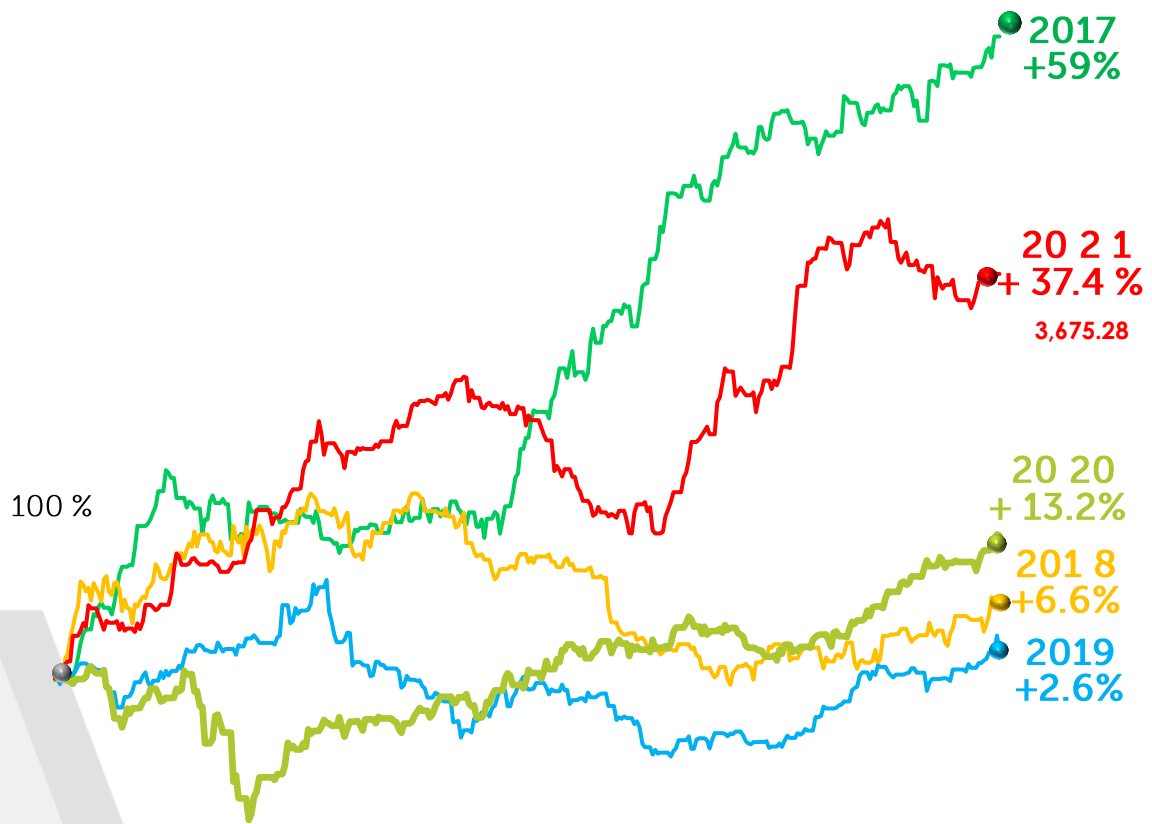
* resumption of deals on KASE with shares of Kaspi.kz JSC and growth of their price
Source: KASE

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

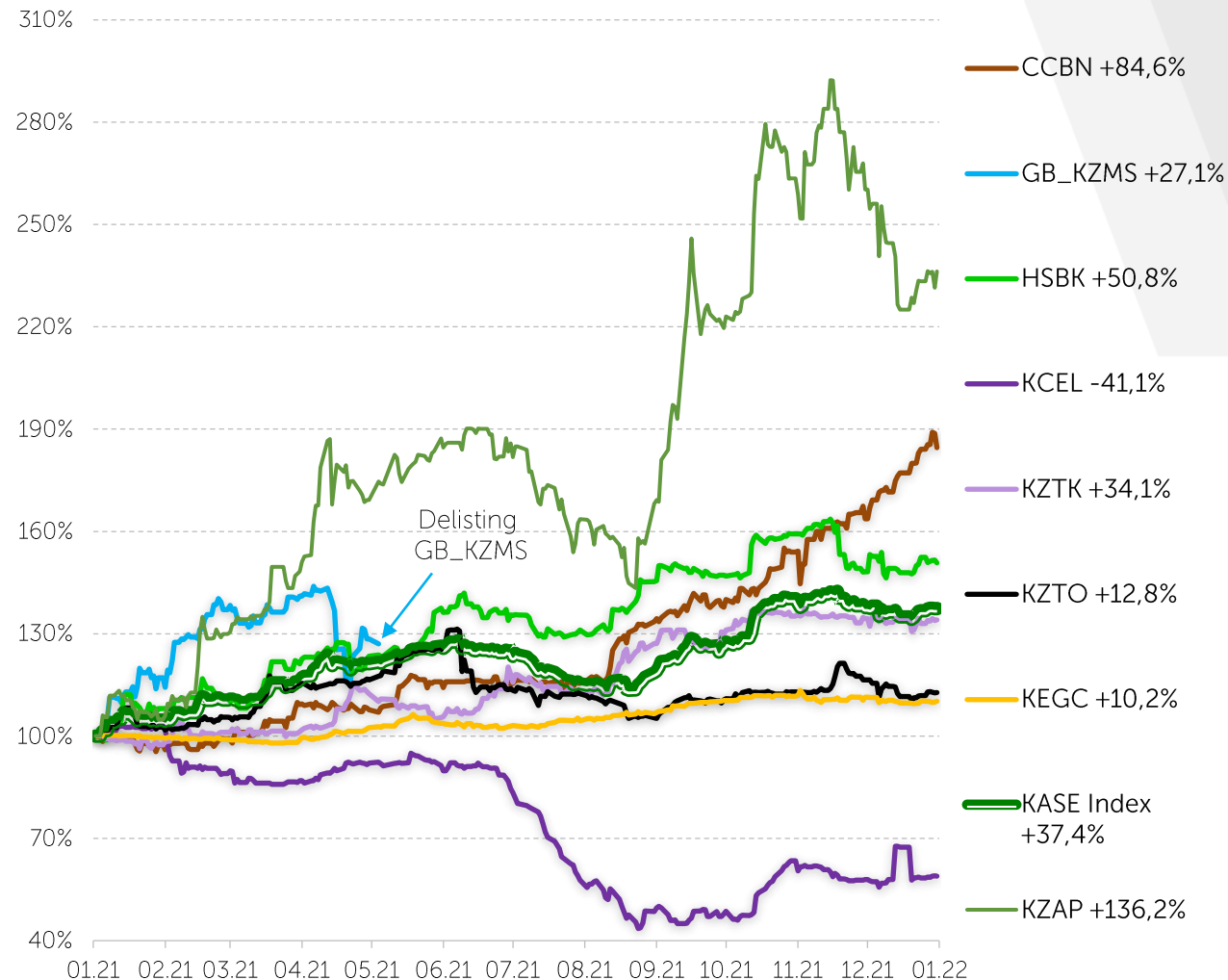


** of the total gross turnover of trades in shares, the position of the initiator of special trades and irregular transactions are excluded from the calculation

Dynamics of KASE Index



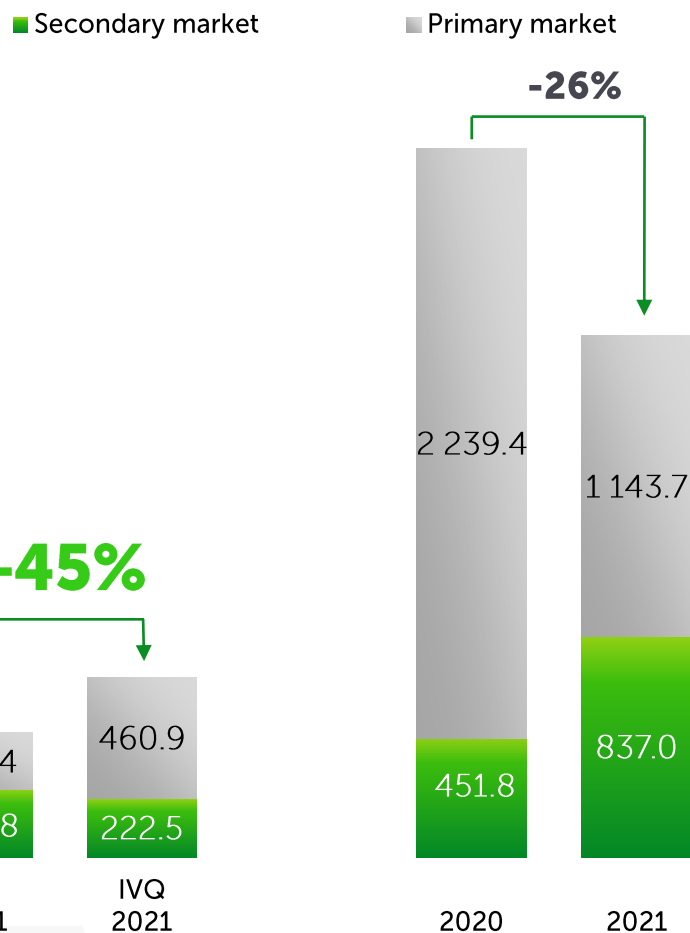
Components of KASE Index



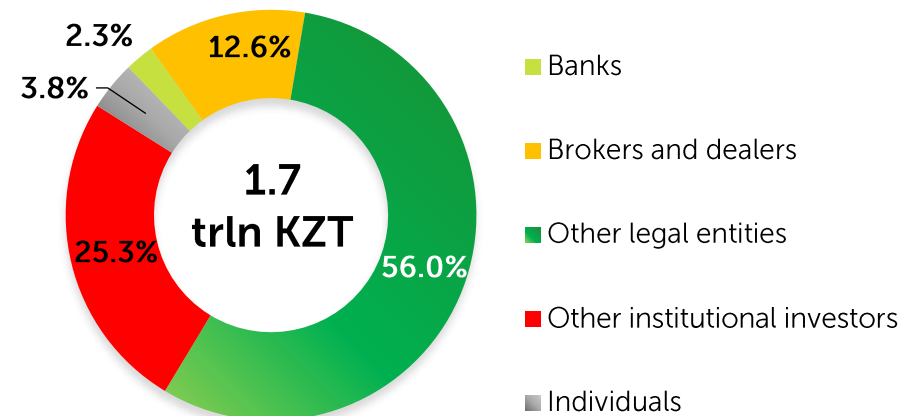
Source: KASE, Bloomberg

Corporate bond market: Secondary market growth by 85%

Volume of transactions in the corporate bond market, KZT bn

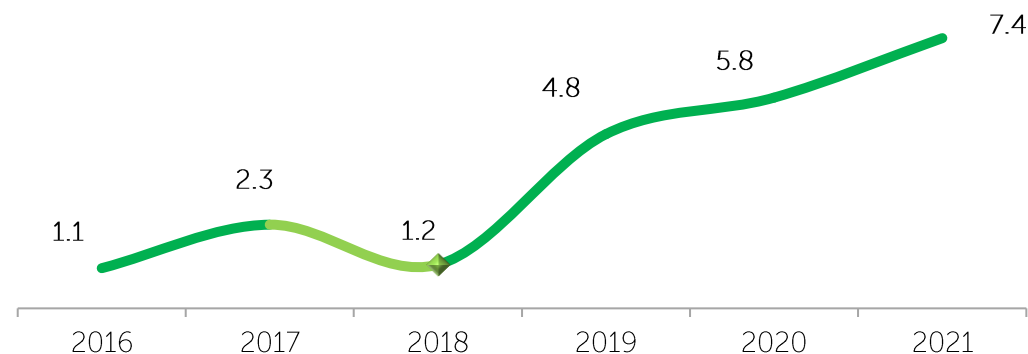


Investor structure in 2021*



* of the total gross turnover of trades in corporate bonds in the secondary market

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



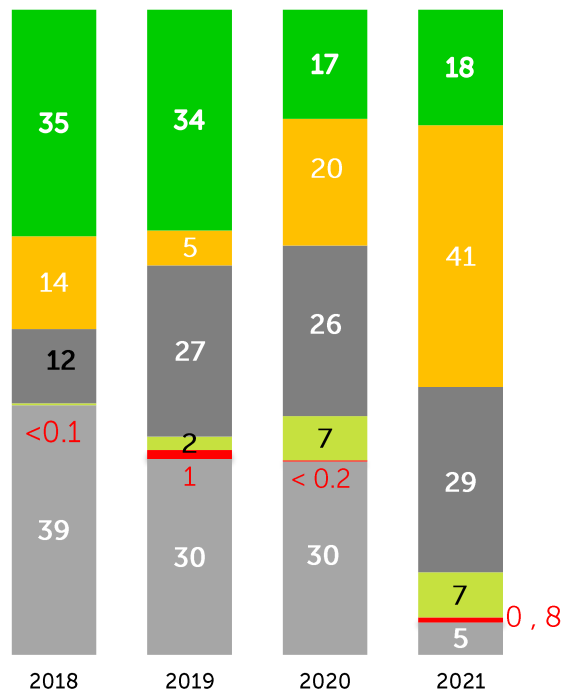
** of the total gross turnover of trades in corporate bonds, position of the initiator of specialized trades is excluded from the calculation

Primary corporate debt market

	2020*	2021*
Number of issuers	14	31
OF THEM:		
quasi-public companies and development institutions	9	13
private non-finance companies	2	3
private finance companies	3	15
Raised, bn KZT	1,348.1	1,042.4
OF THEM:		
quasi-public companies and development institutions	1,308.9	808.1
private non-financial companies	9.0	10.7
private financial companies	30.2	188.6

* excluding placements of non-market nature

Shares of the main categories of investors, %*

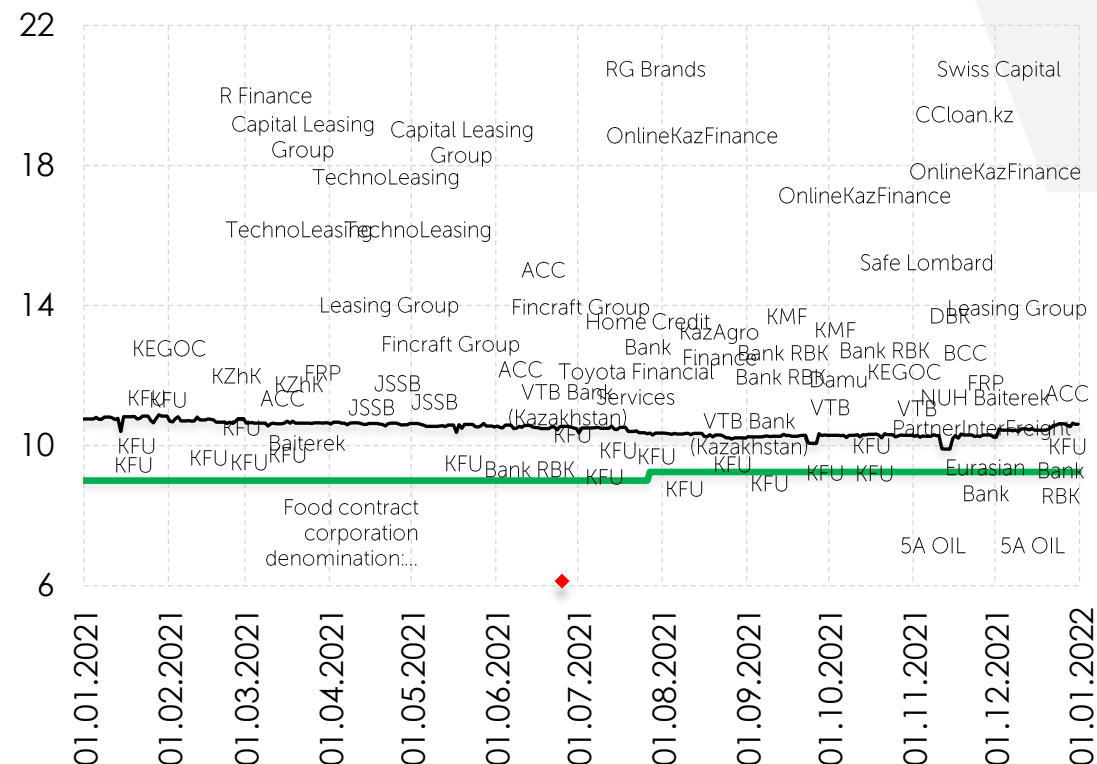


- Other institutional investors
- Other legal entities
- Banks
- Brokers and dealers
- Individuals
- UNPF

Market placements for 2021

— Base rate — KASE_BMY ◆ Yield, % APR

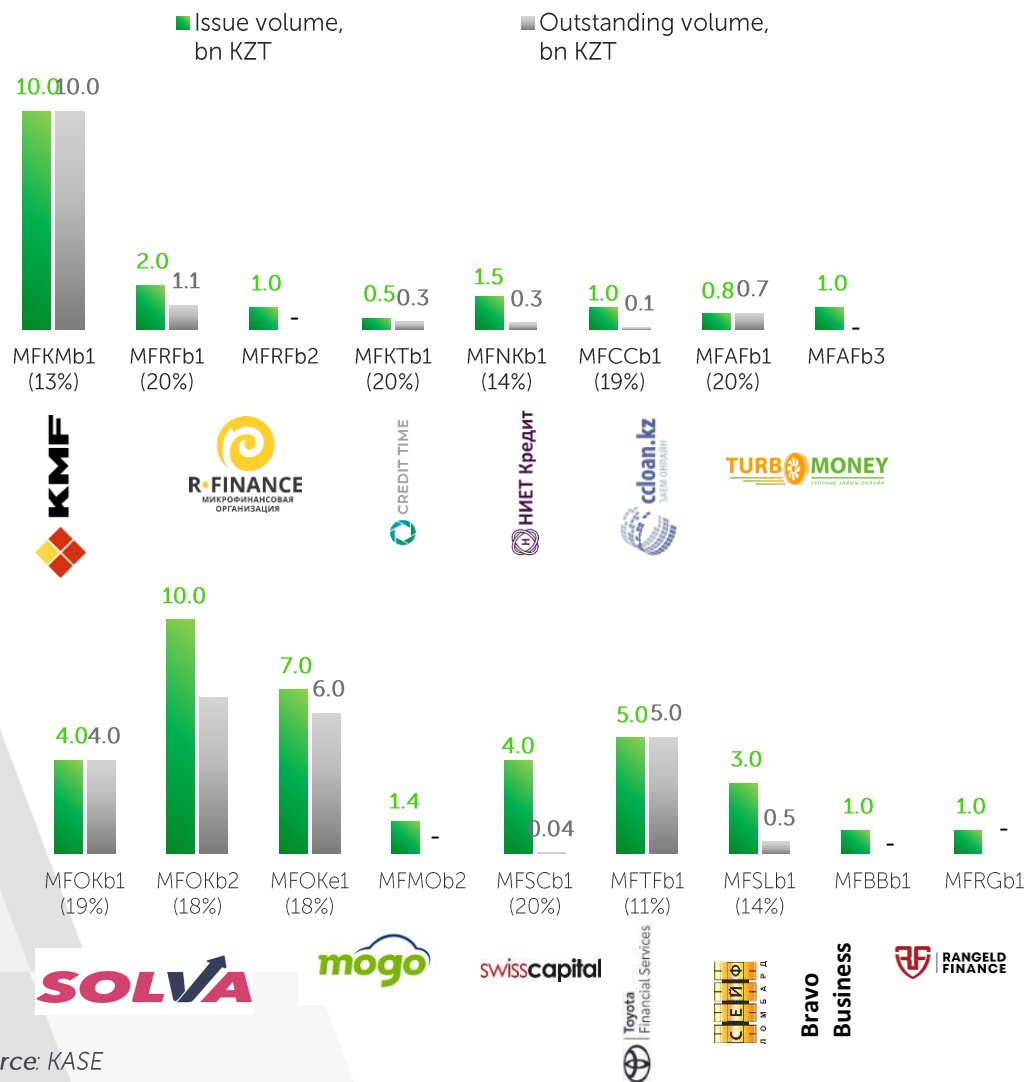
from 9.7 % to 20.0 % per annum



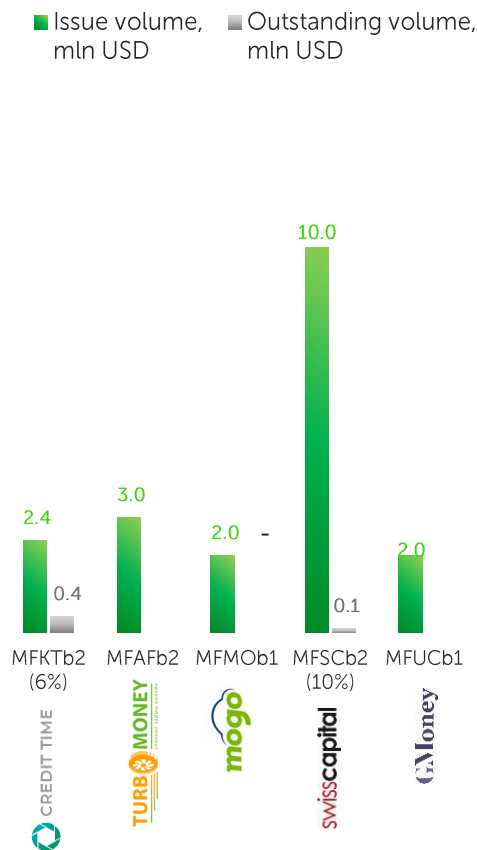
Microfinance organizations

22 issues of 14 companies

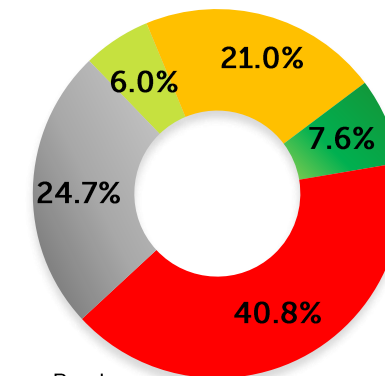
Placement of tenge bonds of IFOs



Placements of IFOs' dollar bonds

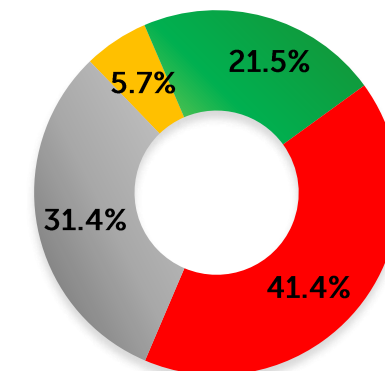


Structure of investors during placement



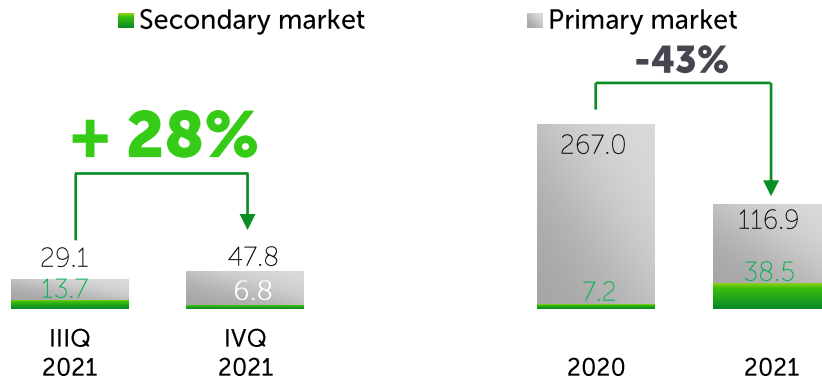
- Banks
- Brokers and dealers
- Other legal entities
- Other institutional investors
- Individuals

Structure of investors in the secondary market



Bonds of international financial organizations (IFO)

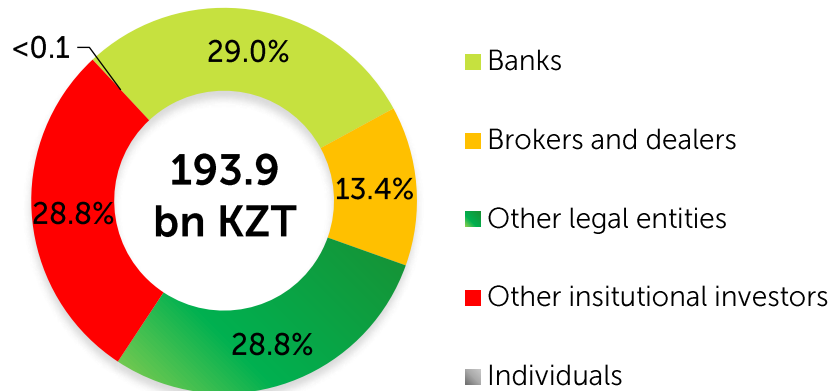
Volume of transactions in the market for securities of international financial organizations, KZT bn



As of January 1, 2022, there are **46 bond issues** of **4 organizations** in KASE official list:

- 24 issues of Eurasian Development Bank
- 11 issues of European Bank for Reconstruction and Development
- 3 issues of International Finance Corporation
- 8 issues of Asian Development Bank

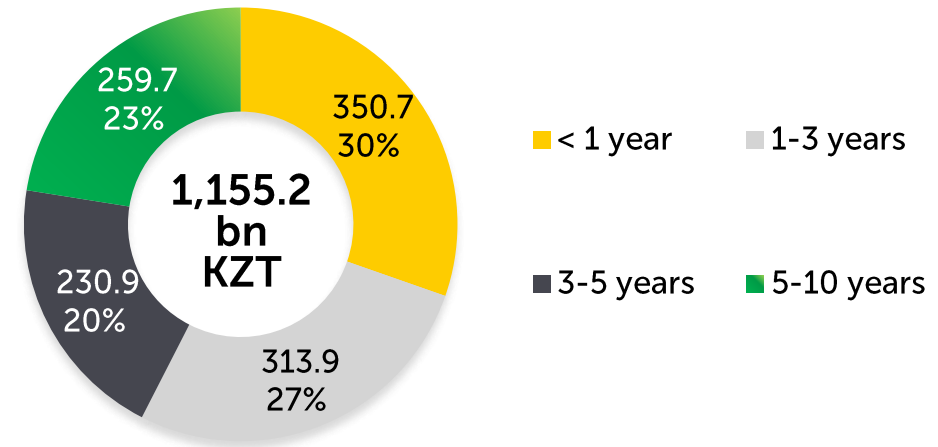
Investor structure in 2021*



* of the total gross turnover of trades in IFOs, the position of the initiator of special trades is excluded from the calculation

Source: KASE

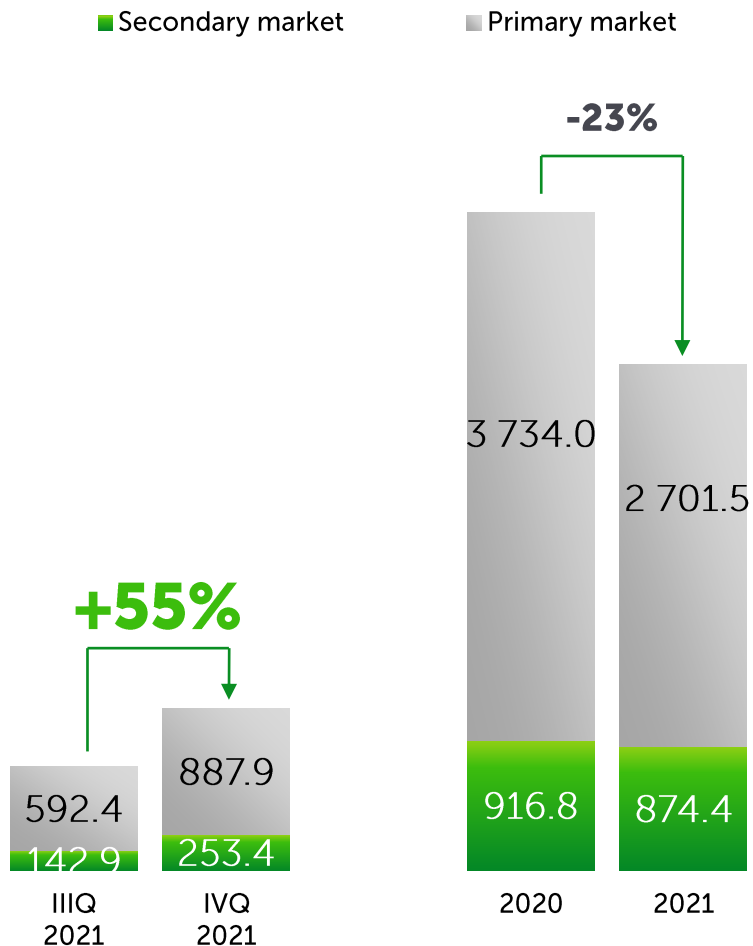
Debt structure of IFO bonds in circulation by maturity**



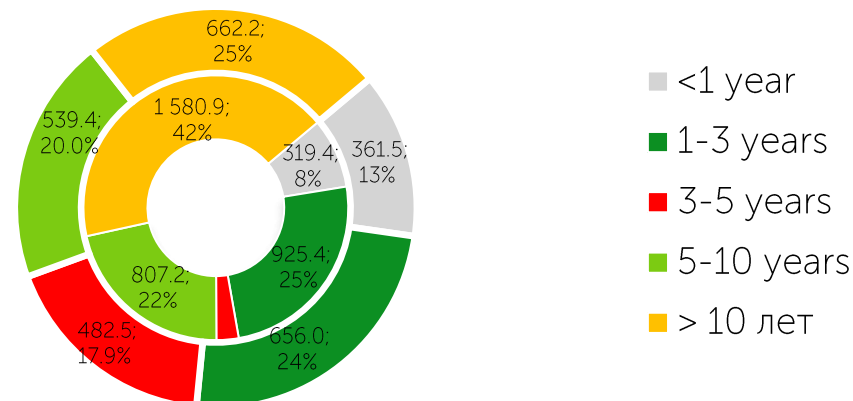
** data as of January 1, 2022 at face value

GS market

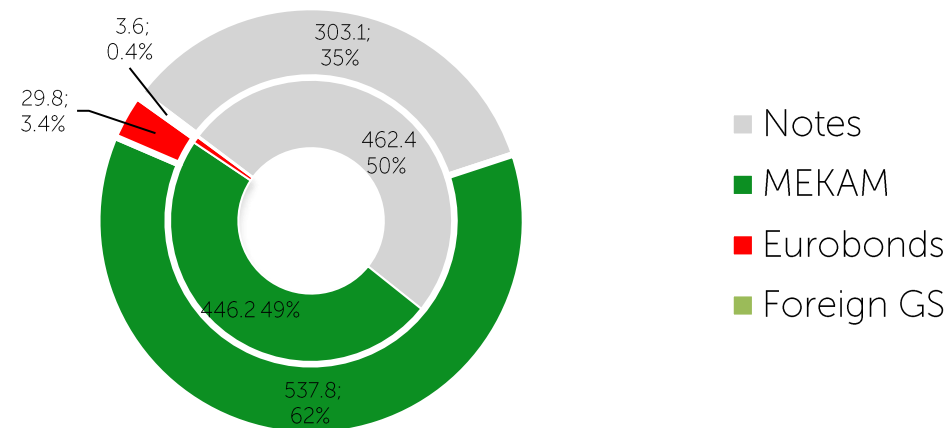
Volume of transactions in the GS market, bn tenge



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



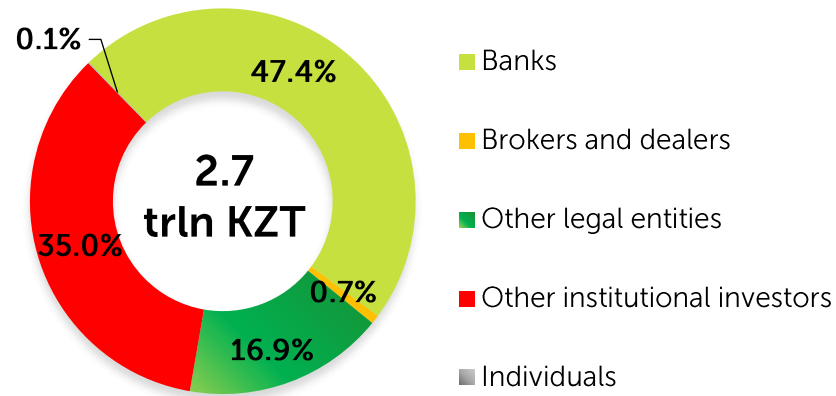
Instrumental structure of the GS secondary market at KASE*



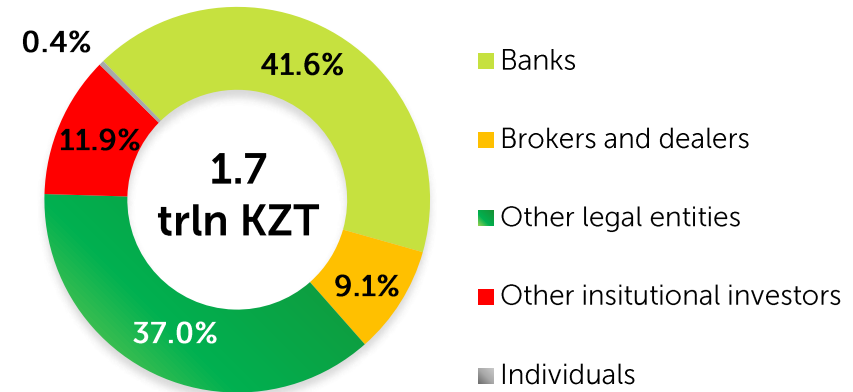
*inner ring – 2020; outer ring – 2021

Investor base of the GS market

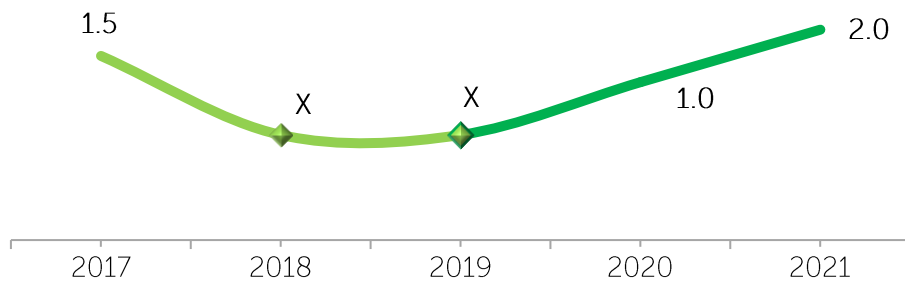
Structure of investors in the primary market in 2021



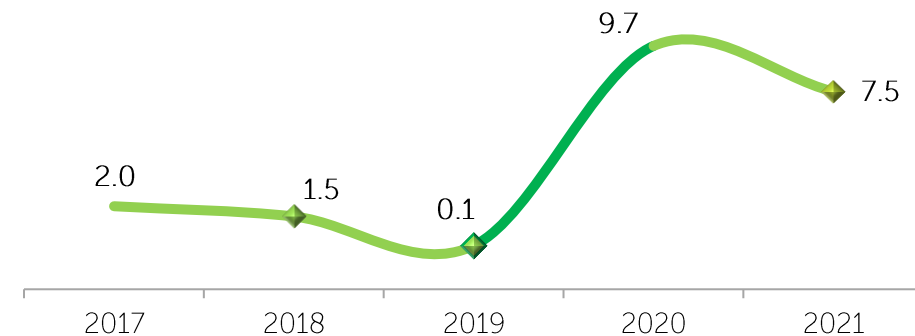
Structure of investors in the secondary market in 2021



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

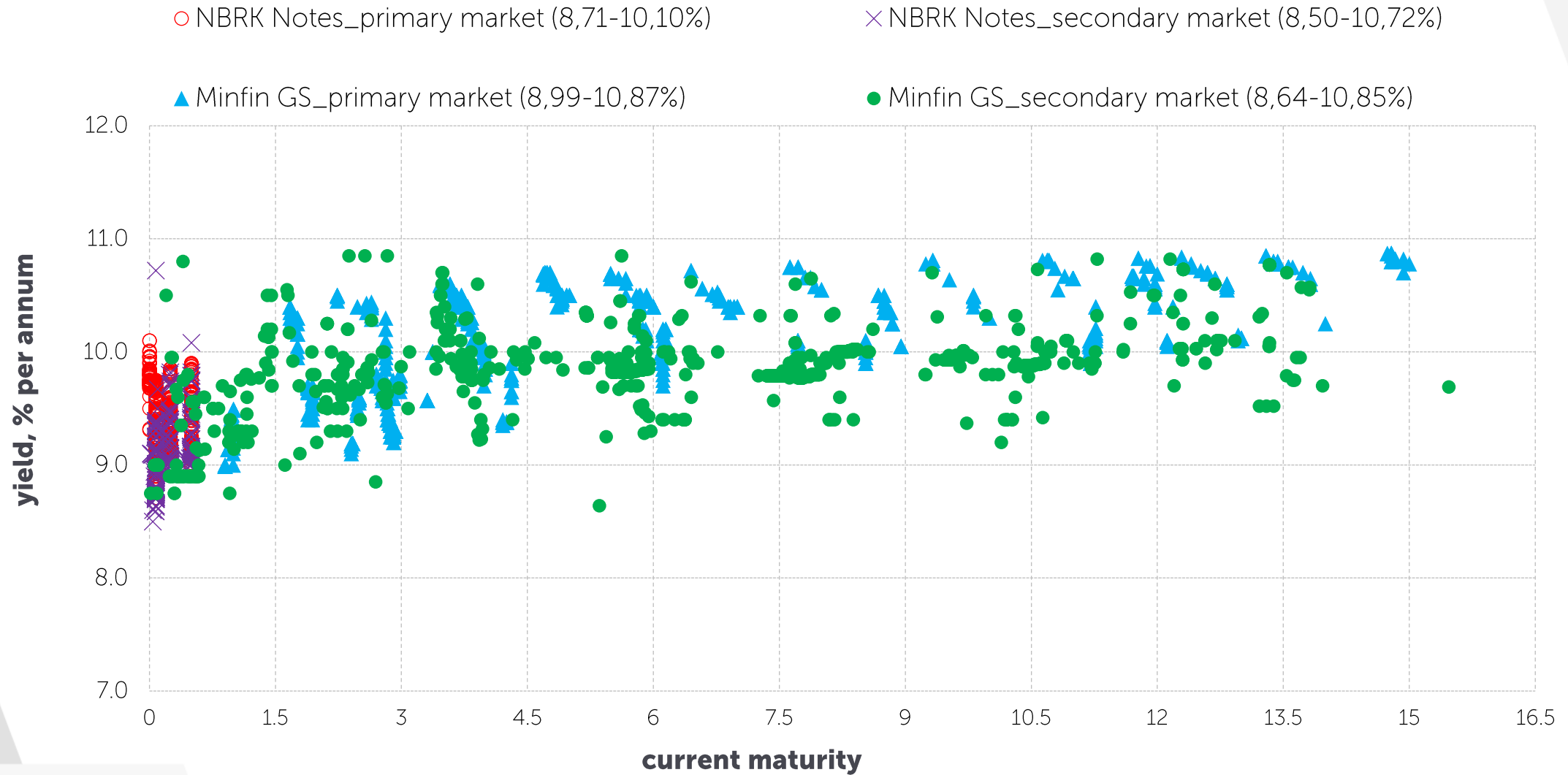


Share of non-residents in the gross turnover of the secondary market, %



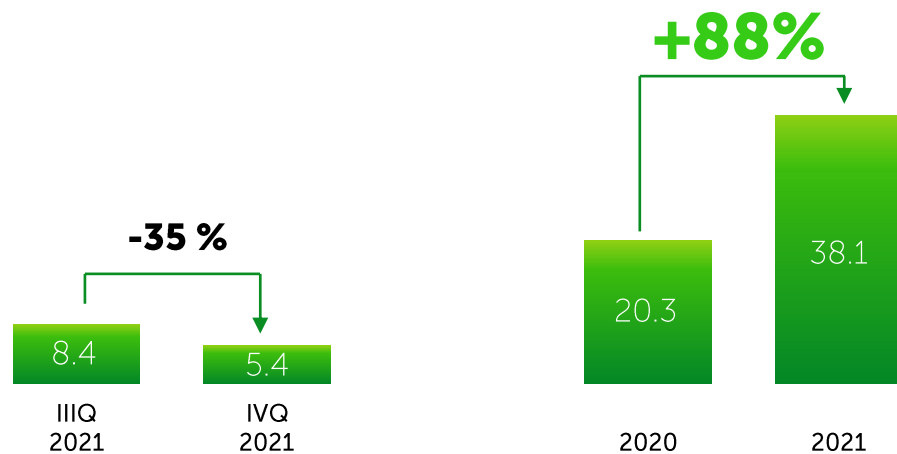
MEKAM yield in 2021

at placements from 8.99 % to 10.87 % per annum

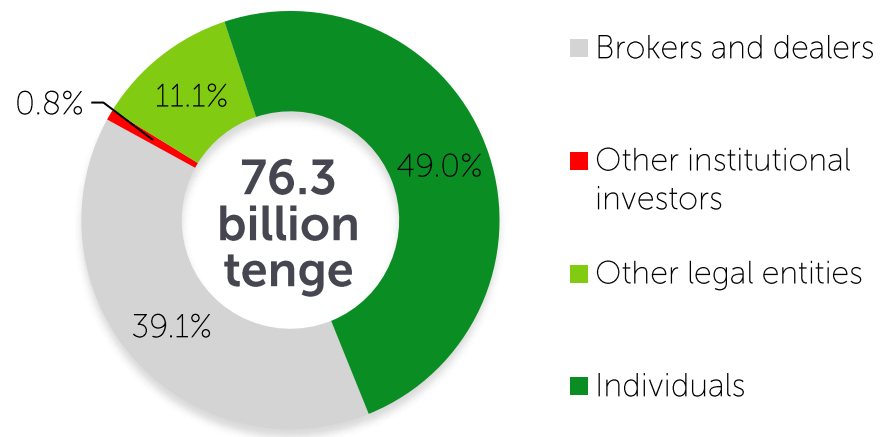


Investment fund securities market: 88% increase in trading volume

Volume of transactions in investment fund securities, bn tenge



Investor structure in 2021*



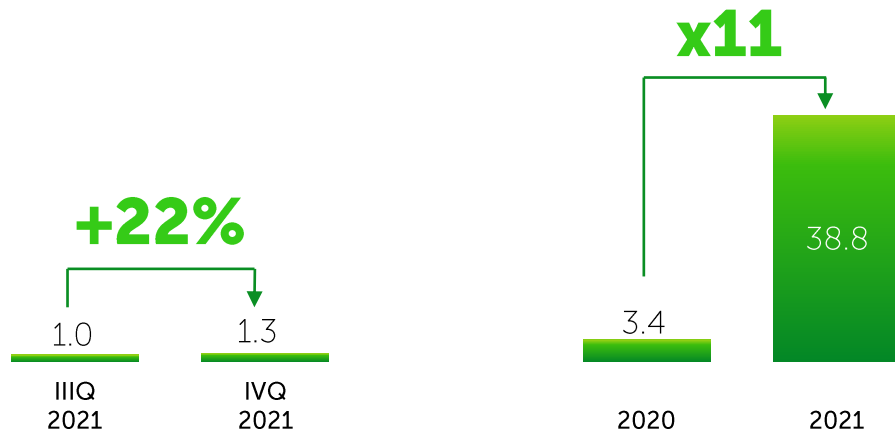
* of the total gross turnover of trading in investment funds
Source: KASE

As of January 1, 2022, there were 19 unit investment trusts managed by 6 management companies and 6 ETFs in KASE official list

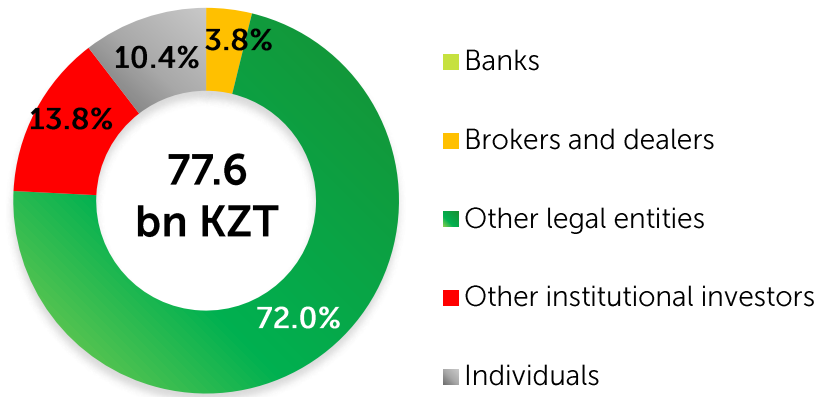
bcc invest	BCCI_cc	63.8 (4 deals)
	BCCIrb	120.3 (4 deals)
centras securities	CSECfe	668.9 (102 deals)
	CSECgm	437.2 (83 deals)
FREEDOM finance	FFIN_or	2,088.3 (846 deals)
	FFINgw	311.8 (51 deals)
JY SAN INVEST	FHJlag	1,375.5 (226 deals)
	FHJlds	168.7 (4,241 deals)
	FHJlhm	157.8 (3,674 deals)
	FHJllq	66.6 (35 deals)
	FHJlpc	495.4 (68 deals)
	HFINhp	146.4 (1 deal)
HALYK FINANCE	HFINhs	145.4 (1 deal)
	HFINhv	1.0 (25 deals)
ДОСТОР-3АРА	RU_UKFFvdo	5.0 (12 deals)
	RU_UKFFipo	30,078.3 (9,700 deals)
KASE Index	IE_FXBF	713.1 (4,610 deals)
Bloomberg 1-3 Month US Treasury Bill Index	US_BIL_	363.9 (49 deals)
Gold	US_GLD_	10.5 (8 deals)
S&P Global Clean Energy Index	US_ICLN	121.3 (115 deals)
NASDAQ OMX US Water Index	US_PHO_	255.3 (37 deals)
S&P 500 Index	US_SPY_	340.6 (1,177 deals)

Derivatives: 11-fold increase in trading volume

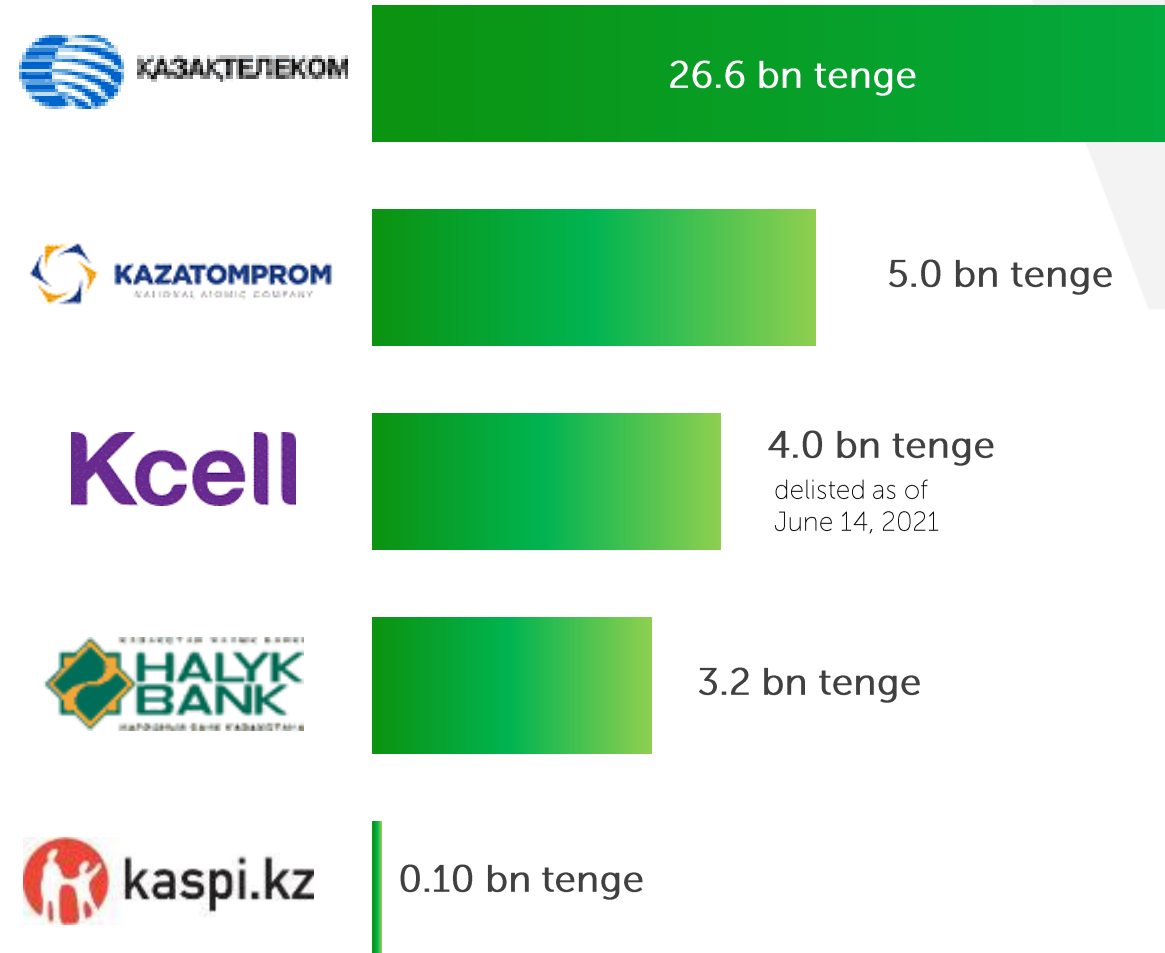
Volume of GDR transactions, bn tenge



Investor structure in 2021*



Trading volume by instrument in 2021



* of the total gross turnover of trades in derivative securities
Source: KASE

Growing number of retail investors: 218.3 th. accounts of 199.3 th. individuals

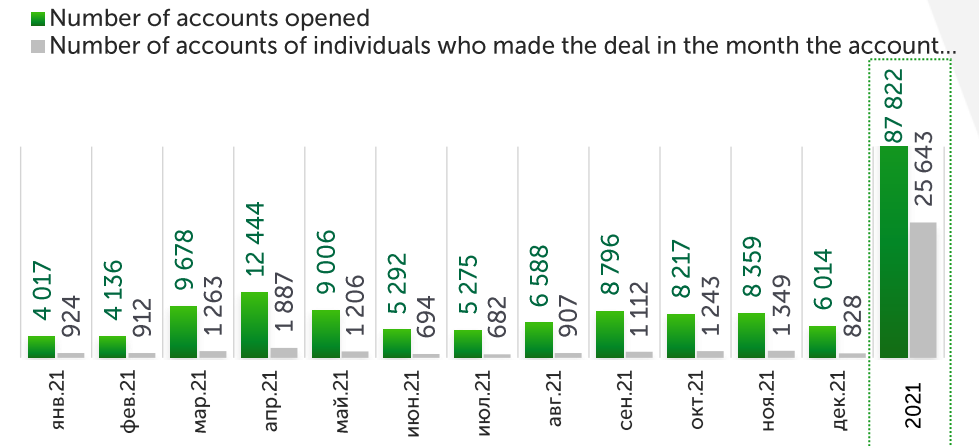
Number of personal trading accounts in the CSD



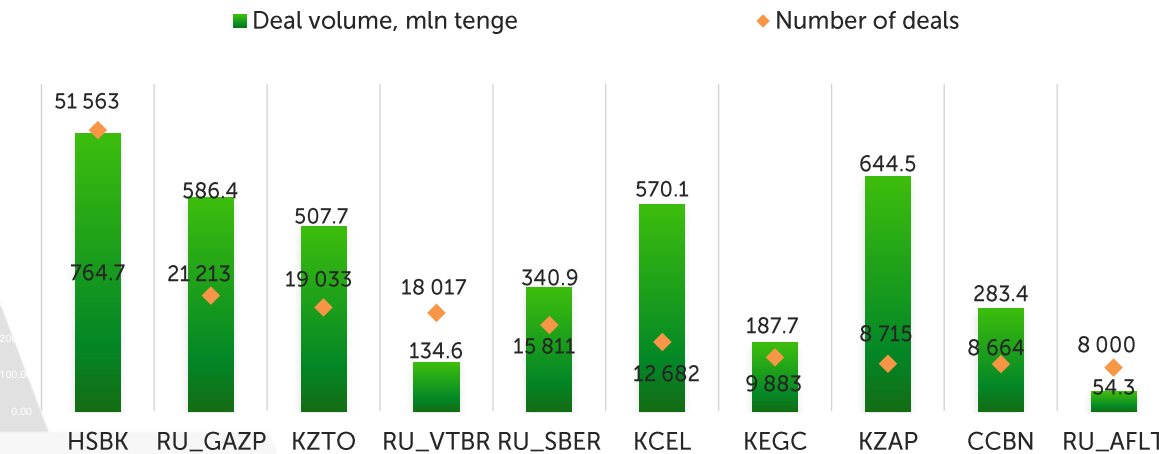
+87,822
new accounts in 2021

+85,475
growth in number of
accounts for 2021

Individuals who made at least one deal after opening



Top 10 most popular assets to buy among new retail investors in 2021



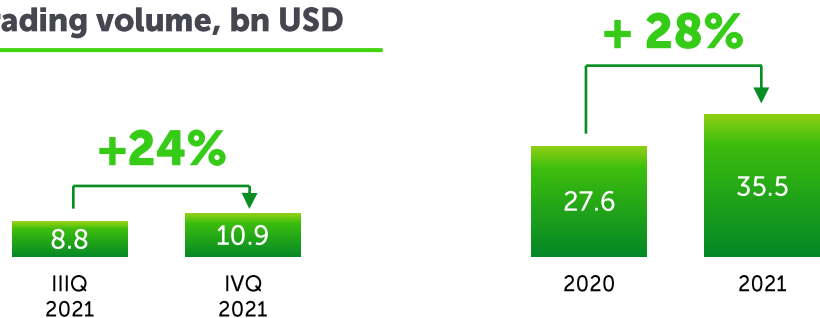
Active accounts of individuals in the stock market



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

Foreign currencies: volume RUB/KZT x3, CNY/KZT +40%

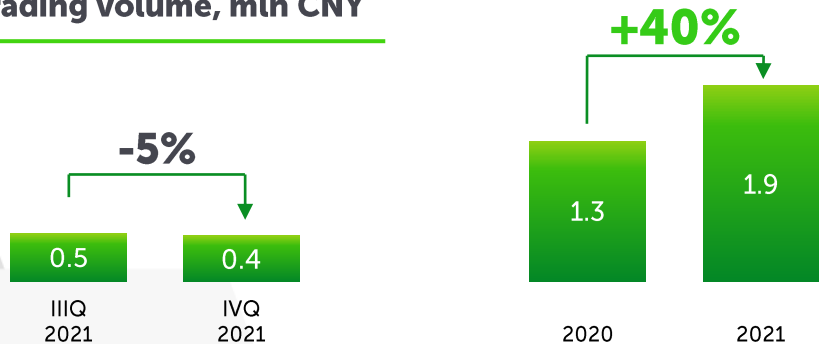
Trading volume, bn USD



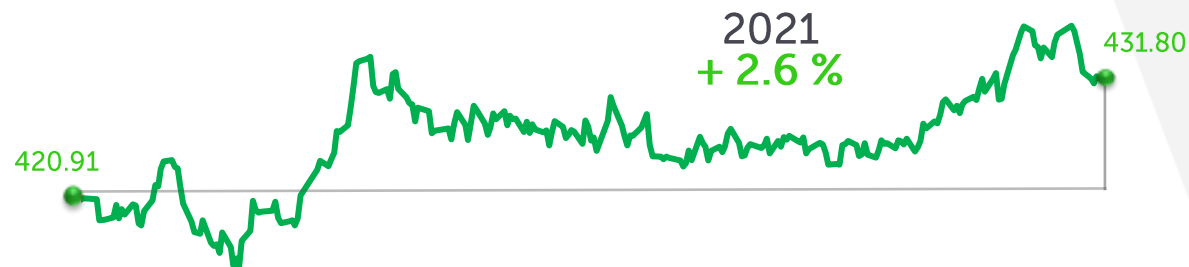
Trading volume, bn RUB



Trading volume, mln CNY

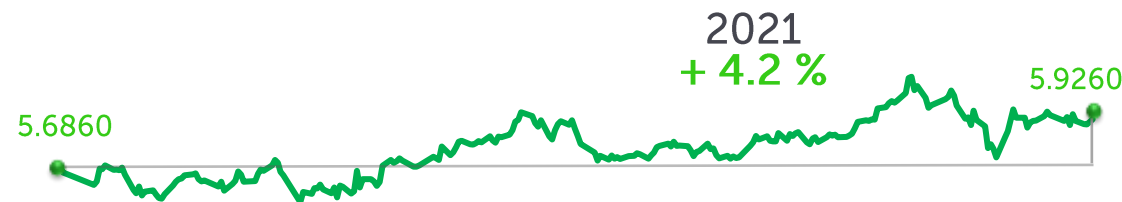


USD/KZT exchange rate dynamics



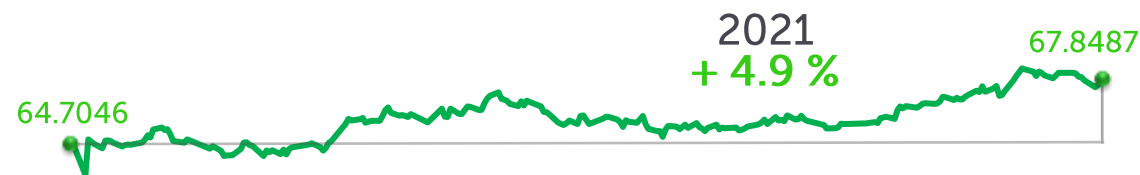
Note: USD/KZT exchange rate dynamics based on the weighted average exchange rate at the end of the trading day

Dynamics of the RUB/KZT exchange rate



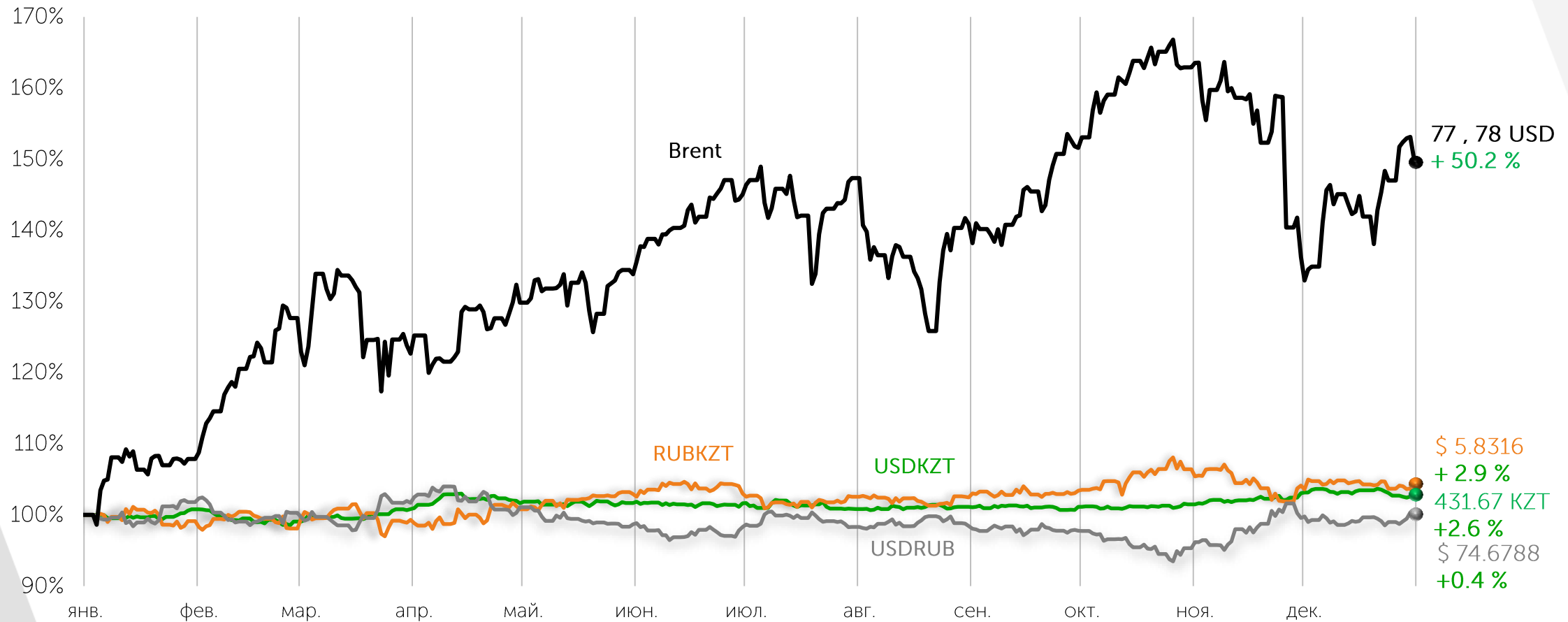
Note: RUB /KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

Dynamics of the CNY/KZT exchange rate



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

Tenge exchange rate dynamics

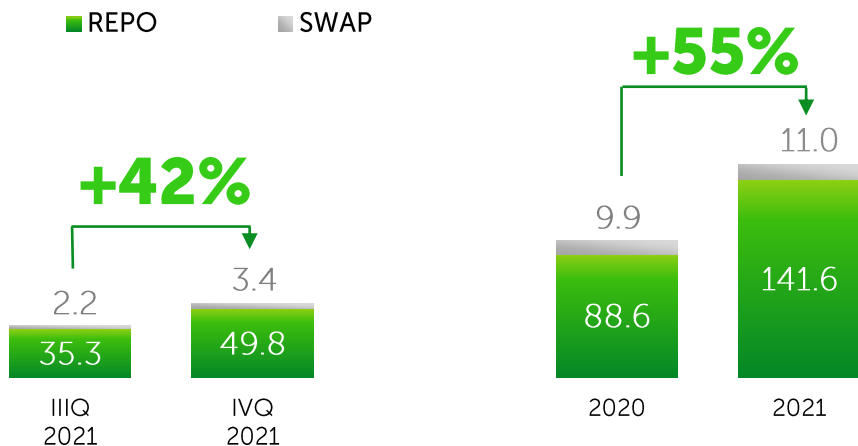


Trends are calculated on the last trading day of the reporting year to the last trading day of the previous reporting year.

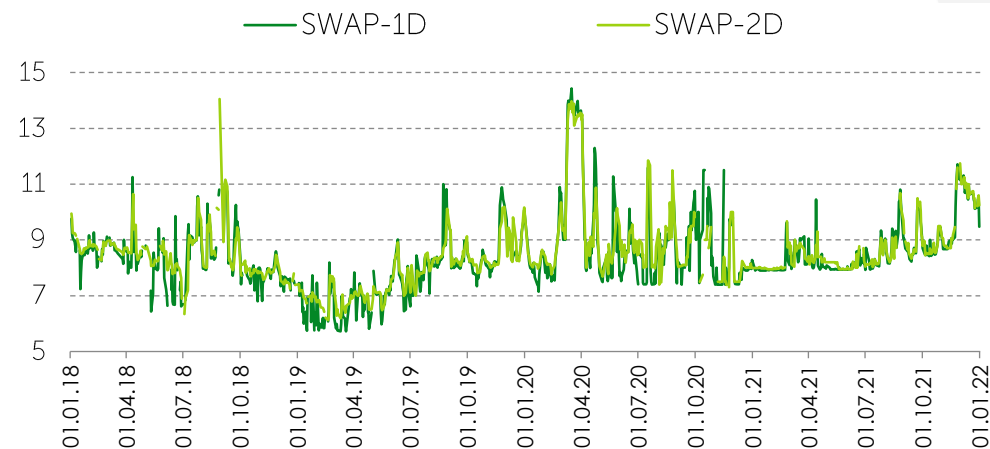
Source: National Bank of the Republic of Kazakhstan (USDKZT), Bloomberg (RUBKZT, USDRUB, Brent)

Money market: 55% increase in trading volume

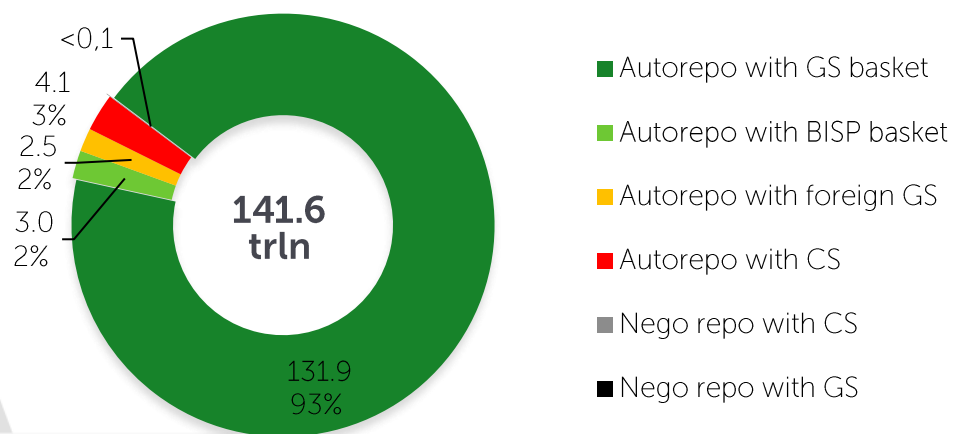
Trading volume, trln KZT



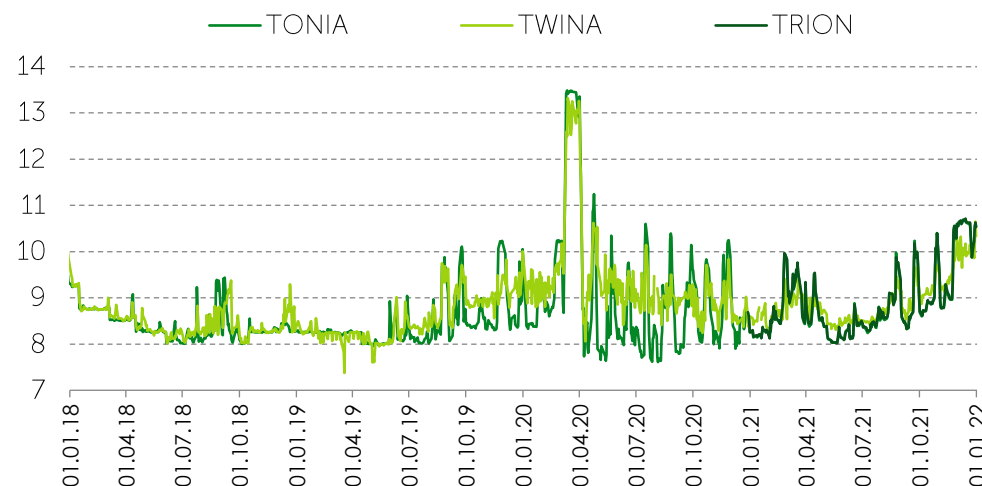
Swap market indicators, % per annum



Repo market instruments, trln KZT



Repo indicators, % per annum



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IT modernization

- ▲ Implementation of a phased IT modernization of trading and clearing systems
- ▲ Implementation of certified market information exchange protocols
- ▲ Introduction of new trading modes on exchange markets

Launch of CCP services

- ▲ Consistent introduction of the CCP for the following classes of financial instruments:
 - foreign currencies SPOT / SWAP
 - equity instruments T+2/T+0
 - corporate bonds in tenge T+0
 - government securities
 - repo transactions
 - municipal bonds
 - corporate bonds in issue currency T+2

Liquidity and depth of the exchange market

- ▲ Stimulation of the growth of liquidity in the stock market
- ▲ Stimulating the development of the bond market as an alternative to bank lending
- ▲ Stimulating the involvement of the broad public in the process of investing in the stock market
- ▲ Expanding the investment opportunities for institutional investors
- ▲ Expanding the investor base by increasing the number of foreign participants
- ▲ Increasing the trading volume and expanding the range of instruments

Implementation of the sustainable development principles

- ▲ Increasing the investment value of KASE
- ▲ Improving the quality of risk management, internal control and audit
- ▲ Increasing the transparency of KASE activities
- ▲ Implementation of environmental standards for doing business
- ▲ Increasing social responsibility

IT modernization



Goals

- improving the technical reliability of the exchange infrastructure and reducing operational risks
- introduction of certified protocols for the exchange of market information and new trading modes on exchange markets

Expected results:

- expanding the list of financial instruments available for trading
- enabling the development of high-frequency trading
- providing the possibility of direct connection of foreign brokers
- development of technologies for the delivery of information products

Implemented:

- ✓ TCS launched in all markets:
 - Stock market ASTS+: all stock market instruments, repo transactions with securities and baskets
 - Currency market ASTS+: currency pairs on USDKZT, EURKZT, EURUSD, RUBKZT and CNYKZT, swap operations on the indicated currency pairs, deliverable futures contract
 - Spectra Derivatives Market: futures on USDKZT, futures on KASE Index, futures on the most liquid stocks
- ✓ Certified protocols for exchange of market information FIX/FAST implemented
- ✓ New modes of trading on exchange markets implemented
- ✓ Procedures for listing, admission to the Exchange membership and accreditation of audit organizations automated (IS2IN)
- ✓ Mobile application KASE MOBILE introduced

IT infrastructure on KASE (1/2)

ASTS+

Market ASTS+

Derivatives market Spectra

Instruments:	all stock market instruments, repo transactions with securities and baskets	currency pairs on USDKZT, EURKZT, EURUSD, RUBKZT and CNYKZT, swap operations on the indicated currency pairs, deliverable futures contract	futures on USDKZT, futures on KASE Index, futures on shares of two types
Trading modes:	open tenders, negotiated deals, deals settlement (for CCP purposes)	open trades, negotiated trades, settlement trades (for CCP purposes)	open trades, negotiated trades, liquidation of positions (for CCP purposes)
Clearing, settlements, CCP services:	✓ implemented	✓ implemented	✓ implemented

Benefits of the Exchange's TCS



the ability to trade various financial instruments



high-speed trading interface for trading



tracking in real-time mode the current positions of trading participants



support for a wide range of trading methods and rules



real-time index calculation



providing real-time information on the course of trading

IT infrastructure on KASE (2/2)

IS2IN

KASE Mobile

Functional:	<ul style="list-style-type: none">• a new module of the is2in system, which allows to carry out listing procedures, the formation of a list of audit organizations recognized by the Exchange and admission to the Exchange membership in electronic format• transfer of the current functionality of document flow with listed companies and members of the Exchange to the is2in platform	<ul style="list-style-type: none">• stock market promotion instrument for retail investors• the service is provided free of charge and without authorization in Russian, Kazakh and English• The app is available on Android and IOS platforms
Benefits:	<ul style="list-style-type: none">✓ Ease of use and system reliability✓ Implementation of procedures from application submission to receipt of the result✓ Saving time for KASE clients✓ Online status of the submitted application✓ Refusal of paper document flow between KASE and clients	<ul style="list-style-type: none">✓ Quick access to exchange news, quotes, charts✓ Ability to view KASE market indicators✓ Structured access to market information in one click✓ Ability to create a user-selected set of price tracking instruments

Launch of CCP services



Goals

- facilitating the growth of market liquidity
- reducing the credit risk of participants
- guaranteeing the completion of settlements on transactions
- reduction of transaction costs of participants due to cross-margining and netting
- unified risk management system

Expected results:

- growth in the number of trading and clearing participants
- the possibility of separating clearing and trading participants
- expansion of the number of the Exchange's clients through the introduction of guarantees for the completion of settlements

Implemented :

- ✓ Clearing and CCP have been consistently introduced for the following classes of financial instruments:
 - Foreign currencies SPOT / SWAP
 - Futures
 - Equity instruments T+2/T+0
 - Corporate in tenge T+0;
 - GS
 - Repo transactions
 - Municipal bonds
 - Corporate in issue currency T+2
- ✓ Implementation of the central counterparty in all markets
- ✓ Netting on the stock market and repo
- ✓ Multi-instrument collateral for transactions
- ✓ Settlement cycle from T+0 to T+2
- ✓ Pre-trade collateral control
- ✓ Attracting liquidity providers
- ✓ Extending the term of auto repo transactions

Introduction and development of CCP services based on KASE

2012



introduction of the CCP in the derivatives market

2018



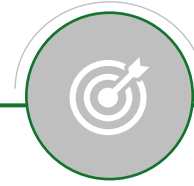
introduction of the CCP in the foreign exchange market

2019



implementation of the CCP based on ASTS+ on the stock market (1st stage – liquid securities)

2020



implementation of the CCP on the basis of ASTS+ in the stock market (2nd stage – all securities)
CCP functionality in the foreign exchange market was transferred to the new TCS ASTS+

2021



CCP functionality in the derivatives market was transferred to the new TCS SPECTRA

2022



separation of settlement and clearing functionality and CCP functionality into a separate joint-stock company

Liquidity and depth of the exchange market



Goals

- facilitating the growth of liquidity in the stock market
- stimulating the development of the bond market as an alternative to bank lending
- stimulating the involvement of the broad public in the process of investing in the stock market
- extension of investment opportunities for institutional investors
- expansion of the investor base by increasing the number of foreign participants

Expected results:

- increase in trading volume in the stock, currency and money markets
- increase in the issuer base
- growth in the number of trading and clearing participants
- stable inflow of new listed securities
- increase in the number of retail investor accounts by 2021 to 1% of the population of the Republic of Kazakhstan (up to ~180 thousand from the current ~125 thousand)
- increase in the share of foreign investors

Implemented:

- ✓ Trading on omnibus accounts launched
- ✓ A platform for private placements of bonds created
- ✓ Repo with the CCP, short sales within repo transactions launched, and the term of auto repo transactions extended up to 90 days
- ✓ Money market indicators (TONIA, TRION/TWINA, TCI, TCR) introduced
- ✓ Trading in securities denominated in foreign currency with settlements in USD and tenge launched
- ✓ A possibility has been created to withdraw funds from the CCP to several broker accounts in STB at the choice of the broker
- ✓ Special trading session on the stock market in foreign currencies implemented
- ✓ Possibility to transfer cash collateral between KASE markets implemented
- ✓ Incentive programs for market-makers in the GS and equity markets launched
- ✓ MEKAM's T+2 initial offering opportunity launched

Development of the GS market

2016



Inclusion of GS in the list of securities settled in the **Clearstream system**
Transfer of the government securities market to the **T+2 settlement system**

2019



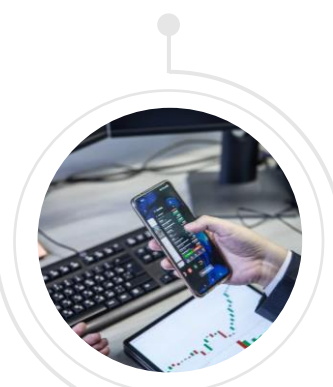
Implementation by KASE **of a new methodology** for building **the GS yield curve** that meets international standards

2020



International settlement line upgraded **to DVP**
Consolidation of existing MEKAM issues and reduction of their number

2020



Introduction of an incentive program **for market-makers** in the GS **at KASE**

2021



Inclusion of the debt market of the Republic of Kazakhstan in the **"watchlist"** in the JP Morgan international index
Transfer of MEKAM **initial offerings** to **T+2 settlement system**

February 2022



Implementation of GS indices:

- "clean" price index of KZGB_CP
- "dirty" price index _ KZGB_DP
- yield index KZGB_Y

Facilitating an increase in the liquidity of the exchange market



Market-makers in the GS market



Admission of foreign securities on KASE

From November 15 a new sector called **KASE Global was launched**, intended for circulation of shares of foreign issuers

Objective of the project:

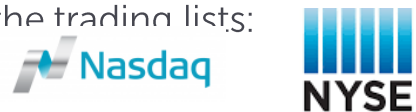
- Increasing the attractiveness of the stock market for retail investors
- Launch of new liquid instruments

Trading hours: **11:20 – 22:00**

Trades and settlements are carried out **in US dollars under the T+2 scheme**

Implementation scheme: **trading from brokers' own book**

Shares of companies included in the trading lists:



and into one of two indices:
Standard and Poor's 500
NASDAQ-100 INDEX

As of 01.01.2021 shares of 43 items were available in KASE Global for trading

MARKET-MAKERS



24
STOCK



15
SHARES

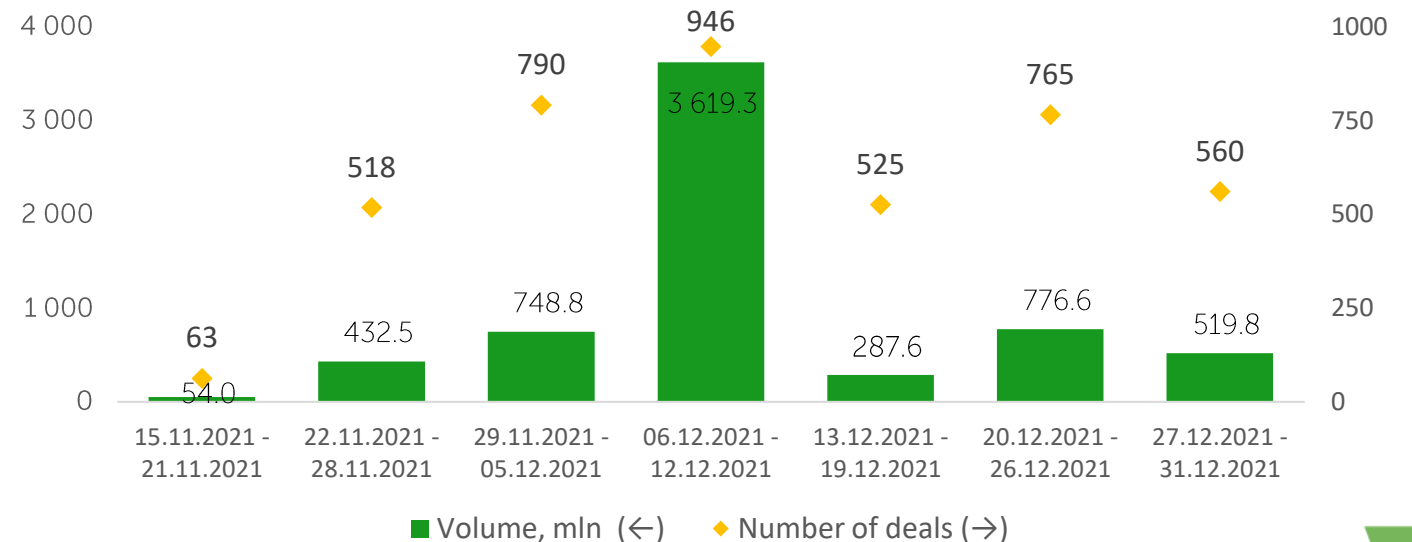


10
SHARES



8
SHARES

Trading volume, mln tenge



SME funding program

launch:
January 2022



Objective of the project:

SME funding through stock market instruments

Project scheme:

- 2 implementation schemes (issuance of SME bonds, or purchase of SME bonds through a UIT)
- UIT: 60 bn tenge, average bond issue size 3-5 bn tenge, term up to 5 years
- 50% liquid collateral, 50% DAMU guarantee (up to 2.5 bn tenge)
- Subsidy rate - 7%, final rate for the issuer – 8-9%
- SMEs eligible to provide bond guarantees under the National Entrepreneurship Development Project 2021-2025

Sectors of the economy:

agro-industrial complex, manufacturing industry, technical services and service provision, healthcare and education, tourism, transport and logistics, information and communication, energy and other industrial infrastructure, green technology projects

Privileges:

Until the end of 2022:

- minimum listing fees set for SMEs
- organization of special trades – 50 MCI

Implementation of sustainable development principles



Goals

- improving the quality of risk management, internal control and audit
- increased transparency of activities
- implementation of environmental standards for doing business
- increasing the social responsibility

Expected results:

- strengthening of competitive advantages
- trust of all stakeholders
- high market value and reputation
- increased company risk tolerance
- high standards of business transparency

Implemented:

- ✓ Conditions for issuing ESG bonds have been created:
 - rules for issuing ESG bonds introduced
 - KASE benefits on fees for listing ESG bonds provided
- ✓ Conditions for independent evaluation of projects defined
- ✓ Exchange Sustainability Policy adopted
- ✓ Exchange's environmental performance indicators introduced
- ✓ "Green office" program launched

How ESG practice evolved on the Exchange

2015-2016



Joining the United Nations Sustainable Stock Exchanges Initiative

Development of an ESG Methodology for listed companies and members of the Exchange

2017



First Trading Opening Ceremony in support of Gender Diversity

Events for listed companies and investors on the basics of interaction with investors, issues of ESG information disclosure

2018



Update of the ESG Methodology with the assistance of IFC

The Trading Opening Ceremony in support of Gender Diversity was held for the first time as part of the global initiative called "Ring the Bell for Gender Equality "

Assignment of a special nomination under the annual competition of annual reports Expert RA Kazakhstan "The best disclosure of information on sustainable development"

2020



Implementation of additional requirements (disclosure of ESG information) when preparing the Annual Report of a listed company

Listing of the first issue of green bonds of Asian Development Bank in the amount of 14 bn tenge

Adoption of the Exchange's Sustainability Policy

2021



Implementation of auxiliary key indicators in terms of ESG information into the requirements for the AR preparation

Development of an ESG information disclosure methodology

Conditions and rules were defined, significant listing benefits were provided for issuers, work was carried out with rating and auditing companies that have the right to independently assess green and other ESG bonds for compliance with international standards

Carrying out activities to promote the ESG criteria and principles of responsible investment

The Exchange's requirements for disclosure of ESG information by listed companies

2016



A methodology for compiling a report according to criteria of environmental friendliness, social responsibility and corporate governance was developed and approved

Information on sustainability criteria

Information on social responsibility criteria

Information on corporate governance

List of key performance indicators in relation to general environmental and social issues

List of key performance indicators for corporate governance

ESG Industry Specification Guide

2018



Update of the Methodology for compiling the report on criteria of environmental friendliness, social responsibility and corporate governance

Its main difference from the original one is the definition of a list of key performance indicators in relation to general environmental and social issues, corporate governance issues, as well as a description of industry specifications for key sectors of the economy

2020



The requirements of the Methodology have been transferred to the requirements for preparation of Annual Reports by listed companies

In 2020, **77 out of 150** listed companies disclosed information according to ESG criteria

ESG infrastructure

Requirements for ESG bonds

- ▲ the distribution of ESG bonds in the structure of the Exchange's official list is similar to the distribution of other corporate bonds
- ▲ determining the conditions for inclusion of ESG bonds in the Exchange's official list, transfer and delisting
- ▲ application of general listing requirements to issuers of ESG bonds depending on the market
- ▲ supplementing the list of documents to be provided as part of the listing procedures, as well as part of information disclosure, with a document confirming an independent assessment of the project to be financed through the issue of ESG bonds (if any)
- ▲ supplementing the documents to be provided as part of disclosure of information while ESG bonds are in the Exchange's official list – a report on the proper (purposeful) use of funds raised through the placement of ESG bonds (if any).

Listing fees

- ▲ Listing fee exemptions are provided for

Verifiers

- ▲ The Exchange Rules define the potential circle of persons who can carry out an independent assessment of sustainable development projects

4

organizations recognized as verifiers according to ICMA and Climate Bond Initiative standards:

PriceWaterhouseCoopers

**Analytical credit
rating agency**

AIFC Green Finance Center Ltd

Expert RA

ESG bonds

Volume of issues:
63.4 bn KZT

Issued:
63.4 bn KZT

Rates:
10.10 % -11.90 %

Green bonds

Social bonds



EABRb21

ASDBe4

ASDBe5

EABRb25

ASDBe6

FRMPb3

Eurasian Development Bank

Asian Development Bank

Asian Development Bank

Eurasian Development Bank

Asian Development Bank

Entrepreneurship Development Fund "Damu" JSC

Circulation start date:

21.09.2021

Circulation start date:

19.11.2020

Circulation start date:

19.11.2020

Circulation start date:

21.09.2021

Circulation start date:

15.02.2021

Circulation start date:

15.09.2021

Maturity:

3 years

Maturity:

2.21 years

Maturity:

1.95 years

Maturity:

3 years

Maturity:

9.8 years

Maturity:

5 years

Issue volume:

20.0 bn KZT

Issue volume:

10.1 bn KZT

Issue volume:

3.9 bn KZT

Issue volume:

20.0 bn KZT

Issue volume:

8.4 bn KZT

Issue volume:

1.0 bn KZT

Issued:

20.0 bn KZT

Issued:

10.1 bn KZT

Issued:

3.9 bn KZT

Issued:

20.0 bn KZT

Issued:

8.4 bn KZT

Issued:

1.0 bn KZT

Rate:

10.50%

Rate:

10.10 %

Rate:

10.12 %

Rate:

10.60 %

Rate:

10.15 %

Rate:

11.90 %

Yield in transactions:

10.44 % - 10.50 %

KASE Sustainable Development Policy

Politics



In 2020, KASE, following the sustainable development principles, **approved its own Sustainable Development Policy**, developed in accordance with the terms of the UN Global Compact and the UN Principles for Responsible Investment

The Policy defines the fundamental **principles and approaches** that the Exchange must stick to in building a sustainable development management system

The Policy defines the main components of the Exchange's sustainable development system, such as:

- ▲ **setting goals and objectives** of the Exchange in the field of sustainable development, as well as defining and systematizing the general principles of the Exchange's activities in the field of sustainable development;
- ▲ **identification of the main directions** of the Exchange's activities in the field of sustainable development;
- ▲ **declaring commitment** to the basic principles and standards in the field of sustainable development;
- ▲ **establishing basic principles** for sustainability reporting.

Policy Components



"Green office" program

In order to implement the program, the Exchange has created a headquarters of eco-activists called **KASE GREEN** – from among the employees of the Exchange.

In the second half of 2021 the **separate waste collection** was introduced. During the year, about 100 kg of waste paper, more than 24 kg of glass and 24 kg of plastic were collected.

A **tree planting event** was held by the KASE team in Almaty.

Regular **training events** on the application of the principles of economical consumption (reduced use of resources) are conducted for employees of the Exchange



Results of the Fall Sessions of Financial Literacy

Competition for retail investors

from October 4 to November 12, 2021

Purpose of the event:

Promotion of the stock market among retail investors of the Republic of Kazakhstan

2021 Winners



Portfolio yield

🌿 1 place	36.3	
🌿 2nd place	27.9	%
🌿 3rd place	18.8	

🌿 The most active investor 1,153 deals

🌿 The most active broker organization Kazpost

Participated

1,150 investors who concluded 3,700 deals in the amount of 155 mln tenge

Exchange Simulator

from October 5 to December 3, 2021



Purpose of the event:

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

Participated

over 100 different educational institutions over 3,200 students

10

winners

Trading volumes

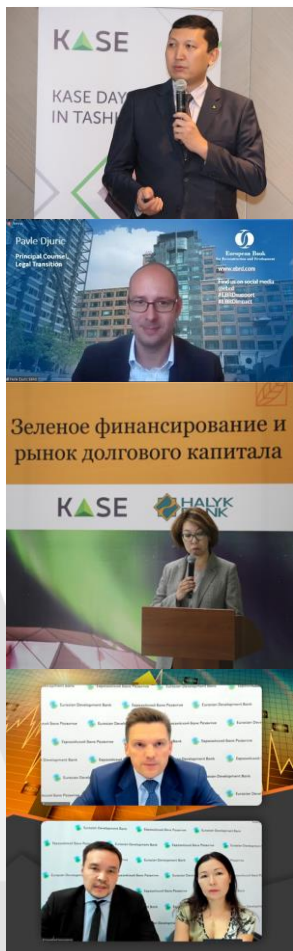
Overall volume of deals	5.2 bn KZT
Number of deals	5 944
Maximum volume per participant	0.5 bn KZT
Maximum number of deals of a participant	522



The Exchange events in 2021 (1/2)

Areas

Events for issuers



Events

- ▲ As part of the **"Road Show" project**, KASE together with executives of Asian Development Bank held an online meeting for investors and professional participants in the securities market
- ▲ As part of the **"Issuer Day" project**, KASE together with executives of Kazakhtelecom JSC, KEGOC JSC (2 times), Bank Center Credit JSC, Kcell JSC, MFO KMF LLP, Eurasian Development Bank, Jýsan Invest JSC and Akimdik of Shymkent held online meetings for investors, professional participants in the securities market and media representatives
- ▲ **Conference "Green Finance and the Debt Capital Market"** together with executives of Halyk Bank of Kazakhstan JSC and PWC
- ▲ Conducting an **Annual Report Competition** aimed at developing the practice of preparing non-financial reporting in Kazakhstan
- ▲ An **online seminar** called "Disclosure of ESG factors for KASE issuers" was held
- ▲ Webinar for listed companies called **"DIGITAL IR – A NEW TYPE OF COMMUNICATION"** together with SkyBridge Invest JSC, Refinitiv, EDF "Damu" JSC

- ▲ Online **roundtables** on capital raising in the stock market **were** held together with the Damu Fund, akimdiks of Kostanay, North Kazakhstan, Turkestan, Aktobe, Kyzylorda, Akmola, Almaty, East Kazakhstan, Karagandy, Mangystau, Pavlodar, Zhambyl, Atyrau and West Kazakhstan regions, Nur-Sultan, Almaty, Shymkent
- ▲ **3 online roundtables** "Raising capital in the stock market" were held for representatives of associations of Credit Partnerships, Microfinance Organizations and the National League of Pawnshops of Kazakhstan
- ▲ A webinar on the topic **"IPO Workshop"** was held together with FEAS and EBRD,
- ▲ An online training on the disclosure of financial information related to climate change was conducted for the capital markets of Kazakhstan and Kyrgyzstan
- ▲ The Republic of Uzbekistan hosted **"KASE Day in Tashkent"**

Exchange events in 2021 (2/2)

Areas

Events

Events for investors

- ▲ KASE together with the management of 1Fit LLP held an **online meeting** for investors. The company received admission to the "KASE Startup" market in February 2021
- ▲ A webinar was held with the participation of experts in the field of sustainable development **"Principles of responsible investment"**

Educational events

- ▲ A **webinar** on the basics of the stock market was held as part of the international project Global Money Week for participants in the educational **project "Exchange Simulator"**
- ▲ **Educational videos** have been made in two languages and posted on the official website in the **"For Investors" section** and on the Exchange's pages in social networks
- ▲ A training **round table** called **"Opportunities for traders and their clients in the derivatives market"** was conducted for the quasi-public sector
- ▲ An **online training seminar** called **"Listing ESG bonds on KASE"** was held for the quasi-public sector
- ▲ 6 webinars were held for investors as part of the comprehensive training program **"Investing on KASE"**, covering the topic of investing in securities market instruments:
 - 1) Fundamentals of the stock market;
 - 2) KASE equity market;
 - 3) Opportunities to invest in KASE bonds;
 - 4) Unit investment trusts at KASE;
 - 5) Introduction to structural instruments;
 - 6) Derivatives market instruments on KASE.
- ▲ **"Competition of retail investors"** was held
- ▲ **"EXCHANGE SIMULATOR"** was conducted



Book and online project on eve of the 30th anniversary of Independence of the Republic of Kazakhstan



The Exchange has released the second updated edition of the book dedicated to the history of KASE and Kazakhstan's financial market.

The new edition is supplemented with a chapter that tells about important events in the development of KASE and the market in the period from 2018 to 2021.

The Exchange continued the online project "KASE: history in persons", which featured a series of interviews – personal memories of people who have made and/or continue to make a great contribution to the formation of the stock market and building of the financial system of the Republic of Kazakhstan.



CONTENTS

- **Brief review of results**
- **Key KASE projects and events**
- **KASE Development Strategy for 2022-2024**
- **Plans for 2022**

The Exchange Development Strategy for 2022-2024

Increasing liquidity in exchange markets

- ▲ Implementation of new instruments
- ▲ Establishment of trading and clearing links
- ▲ Development of the derivatives market
- ▲ Introduction of additional incentives for small and medium-sized businesses to enter the stock market
- ▲ Implementation of tasks to attract and boost investors

Development of the CCP as a key infrastructure element

- ▲ Incorporating the CCP as a separate subsidiary
- ▲ Improvement of activities in accordance with the IOSCO PFMI
- ▲ Brining in line with ESMA/EMIR regulations
- ▲ Establishing links with international CCPs and depositories
- ▲ Obtaining a credit and/or operational rating
- ▲ Launch of General Collateral Certificates

Implementation of innovations 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
- ▲ Extending the list of services for subscribers
- ▲ Promotion of the new version of IRIS Finance

Adding value for stakeholders

- ▲ Increasing the level of corporate governance
- ▲ Implementation of new approaches to the dividend policy
- ▲ Improving the managerial accounting
- ▲ Use of new approaches to project evaluation taking into account their marginality

CONTENT

- **Brief review of results**
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Key projects for 2022

- ▲ **Development of the KASE Global sector:** increase in the number of traded instruments, consideration of the possibility of establishing a link with another exchange platform
- ▲ **Increasing the liquidity of exchange markets for** Kazakh shares, foreign securities, GS, derivatives by attracting market-makers under sponsored market-making programs
- ▲ **Attracting retail investors:** conducting training, developing a mobile application, developing and implementing a digital marketing strategy
- ▲ **Development of the ESG financing line** and sustainability reporting
- ▲ **Creation of a trading and clearing link for the** RUB/KZT currency pair
- ▲ **Implementation of General Collateral Certificates (GCCs)**
- ▲ **Attracting SMEs to the stock market**
- ▲ **Assignment of the settlement and clearing functionality and functionality of the central counterparty to a separate organization** and obtaining licenses by the newly created organization
- ▲ **Implementation of the automated surveillance system Scila Surveillance**
- ▲ **Implementation of a new back-office system,** incorporating a market data storage and tools for their processing

Thank you for your attention!

280 Baizakov St.
North 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

