



# KAZAKHSTAN STOCK EXCHANGE



September 1, 2013

# KASE – Coeval of Tenge



**KASE** was established on November 17, 1993 under the name of Kazakh Inter-bank Currency Exchange – two days after Tenge (the new national currency of Kazakhstan) had been introduced on November 15, 1993.

Currently, November 15 is observed as the official "Day of National Currency".

# KASE Shareholders



**KASE** is a commercial joint-stock company with **56** shareholders (as of September 1, 2013).

State Institution National Bank of the Republic of Kazakhstan is the largest shareholders.

Shareholders include banks, brokerage firms, asset management companies, pension funds and other professional financial institutions.

Voting method: one share – one vote.

# KASE Shares and Capital



As of July 1, 2013

(according to the unconsolidated financial statements)

own capital	KZT 4 472.5 m (\$29.5 m)
paid up charter capital	KZT 2 366.3 m (\$15.6 m)
authorized shares	5 000 000
outstanding shares	942 013
share balance value	KZT 4 747.80 (\$31.31)

# Yield Indexes



	assets, m	net profit, m	return on assets, %	return on equity, %
2013'H1	\$32.8	\$1.0	2.9	3.3
2012	\$19.2	\$1.4	7.5	8.6
2011	\$17.9	\$1.0	6.1	6.9
2010	\$15.1	\$2.1	15.1	16.0
2009	\$12.2	\$2.5	20.4	22.0
2008	\$11.8	\$1.0	8.0	10.0
2007	\$11.9	\$1.8	17.8	20.2

The total of members – **62** of which:

"**Currency market member**" category (with the right to participate in trades with foreign currencies) – **34**;

"**Stock market member**" category (with the right to participate in trades with securities, admitted to circulation (trading) on KASE) – **54**;

"**Derivatives market member**" category (with the right to participate in trades with derivatives) – **15**.

# Our History (1)



- 1993 – trade in foreign currency (*US dollars*)
- 1995 – launch of trade in T-bills
- 1996 – derivatives (*KZT/USD exchange rate futures*)
- 1997 – listed shares
- 1997 – state-owned shareholding
- 1997 – unlisted corporate securities
- 1998 – launch of KASE "nego" deals system (*to substitute the OTC securities market*)
- 1998 – Euro bonds of Kazakhstan

# Our History (2)



1999 – listed bonds

1999 – municipal bonds

1999 – launch of "nego" repo market

2001 – launch of "automatic" repo market (*currently the most massive and active sector of KASE market*)

2006 – foreign corporate bonds (*JP Morgan and Merrill Lynch*)

2006 – IPO of KazMunayGas Exploration Production through the KASE settlement system

2006 – KAZAKHMYS PLC (UK) secondary share offering by subscription through KASE



# Our History (3)



**2007** – the special trading floor of the Regional Financial Center of Almaty established on the base of KASE *(to attract foreign issuers and investors)*

**2007** – launch of new share market index – **KASE Index with numerical series of KASE\_Shares Index**

**2007** – KASE becomes a commercial organization

**2008** – implementation of new listing rules, reconstruction of unity through integration of MTF KASE and STF RFCA

**2008** – first trade in refined ingot gold futures

**2008** – launch of currency swap transaction market

# Our History (4)



**2009** – development and introduction of the new Listing Rules

**2009** – restoration of market unity through union of the main trading floor of KASE and STF RFCA

**2010** – launch of a new repo transactions market index – TWINA

**2010** – putting into operation of a liabilities revaluation system and compensatory payments on the nego repo market

**2010** – a consultancy project – "Kazakhstan Stock Exchange Capacity Building Project" – carried out within co-operation with EBRD

**2010** – re-start of the futures market (trading in cash-settled futures on USD/KZT exchange rate and KASE Index were opened)

# Our History (5)



**2011** – inclusion of KASE into the list of members of Dow Jones FEAS Indices

**2011** – the 17th General FEAS (Federation of Euro-Asian Stock Exchanges) Assembly. Within the event's programme, OECD in association with KASE conducted the first meeting of the Eurasian Group on Corporate Governance in the Stock Market Development and the first Marketing Fair of FEAS members

**2011** – General Secretary of the World Federation of Exchanges (WFE) visits KASE

**2011** – Memorandums on Mutual Co-operation signed with Tehran Stock Exchange and Stambul Stock Exchange

# Our History (6)



**2011** – transition to a secured system of settlements based on T+0

**2011** – putting into operation of a transactional FIX-gateway for remote access to KASE trading system

**2011** – creation of a new multifunctional Internet-trading system – "STrade"

**2012** – implementation of a version of trading system "Subscription" under the "People's IPO" program

**2012** – trial launch of electronic document management system is2in for securities issuers and Exchange members

# Our History (7)

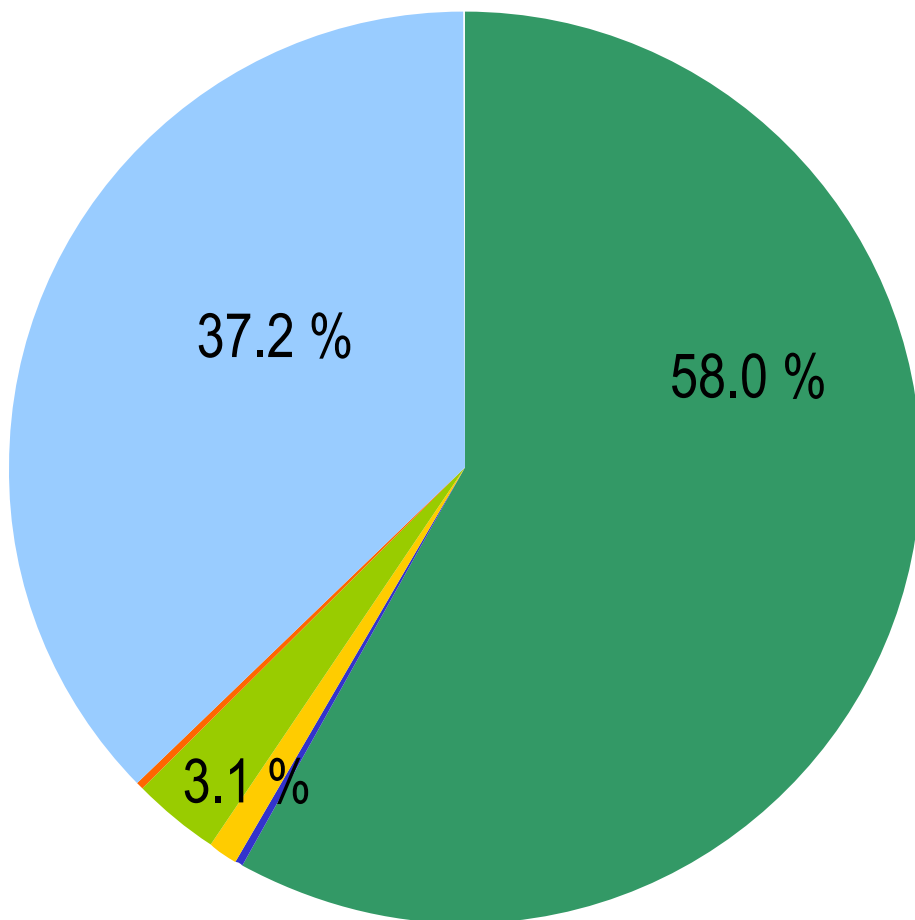


**2012** – obtaining of a license for performing of clearing of financial instrument transactions on the securities market

**2012** – conducting of subscription to common shares of KazTransOil JSC under the "People's IPO" program

**2013** – the launch of the new share index – Kazakhstan Traded Index Local (KTX Local) calculated by the Vienna Stock Exchange (WBAG)

# KASE Market Structure



	Volume, USD m	Stake of volume, %
Currency	75 059.3	58.0
Shares	349.9	0.3
Corporate bonds	1 521.4	1.2
Government securities	3 483.6	3.1
Repo on corporate securities	282.9	0.2
Repo on government securities	48 168.1	37.2

The total value of KASE trading for eight months of 2013 – \$129 521.3 m

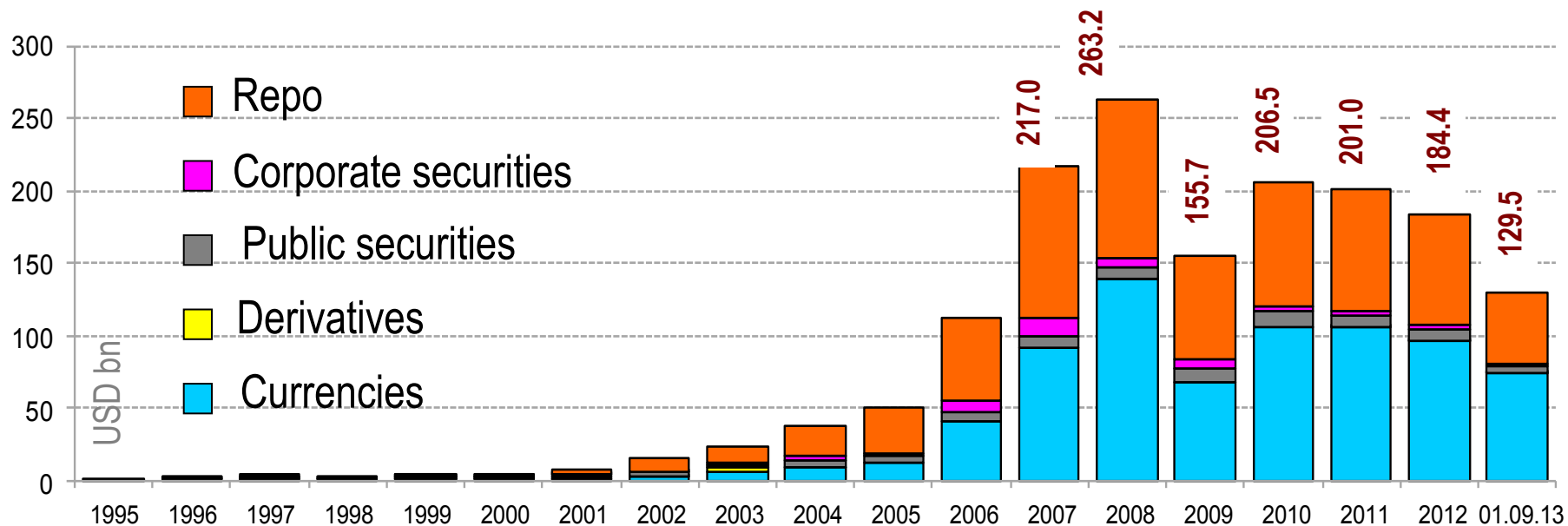
# KASE – Universal Market



KASE serves a wide range of markets:

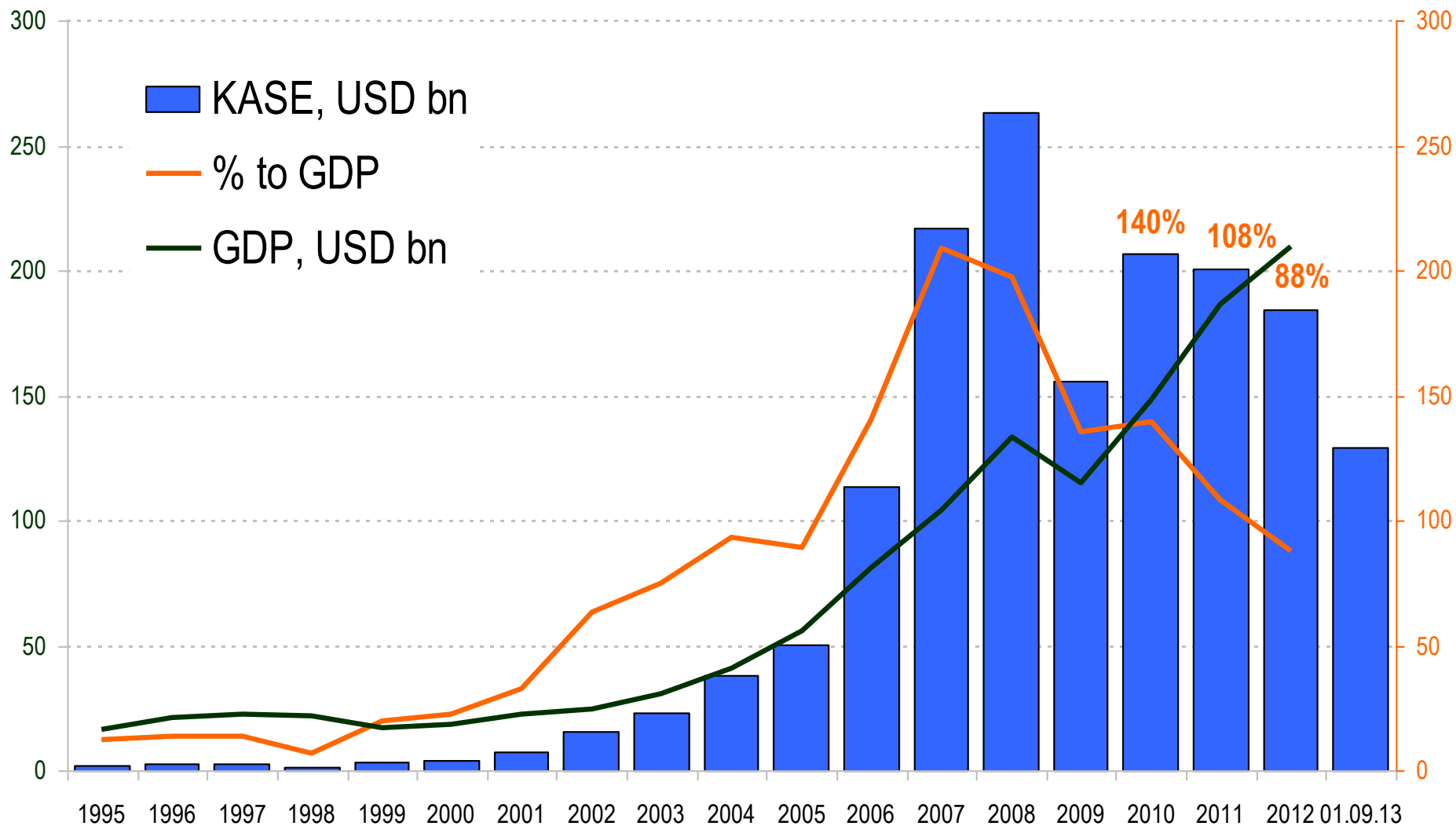
- ✓ "nego" and "automatic" repo with government and corporate securities
- ✓ foreign currency (US dollar, euro, Russian ruble)
- ✓ government securities issued by the National Bank, the Ministry of Finance (including Kazakhstan international bonds) and municipal bonds
- ✓ equities
- ✓ corporate bonds
- ✓ futures contracts

# Value Traded

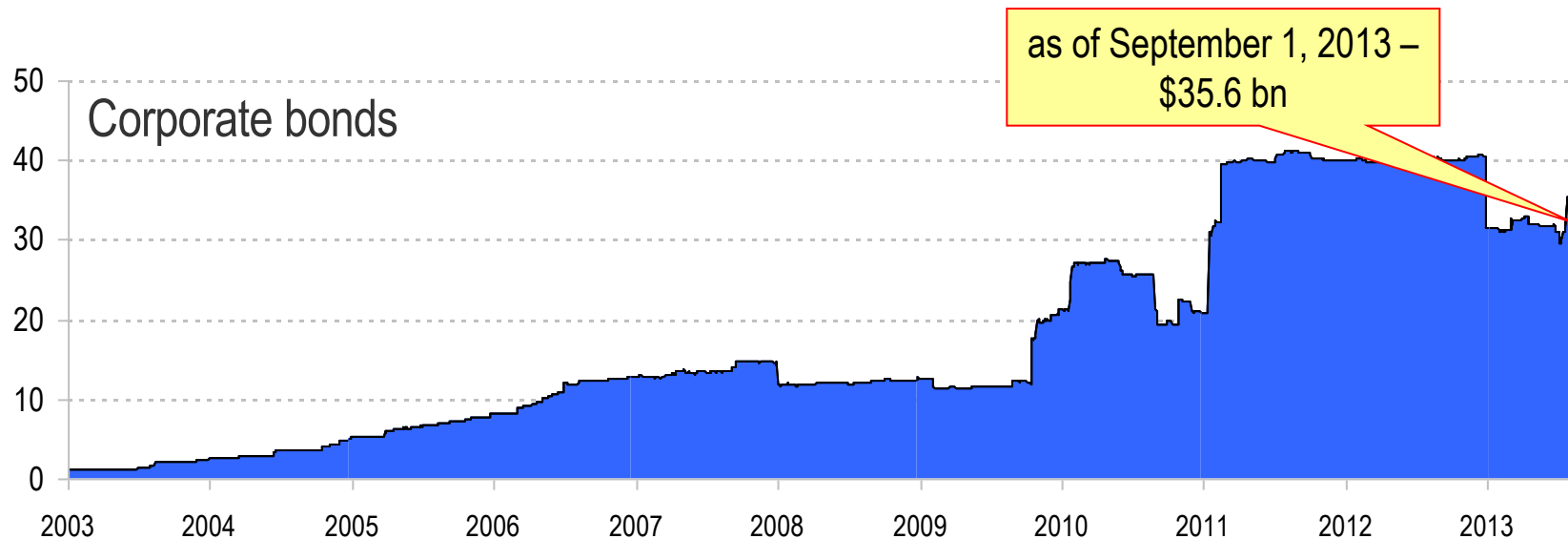
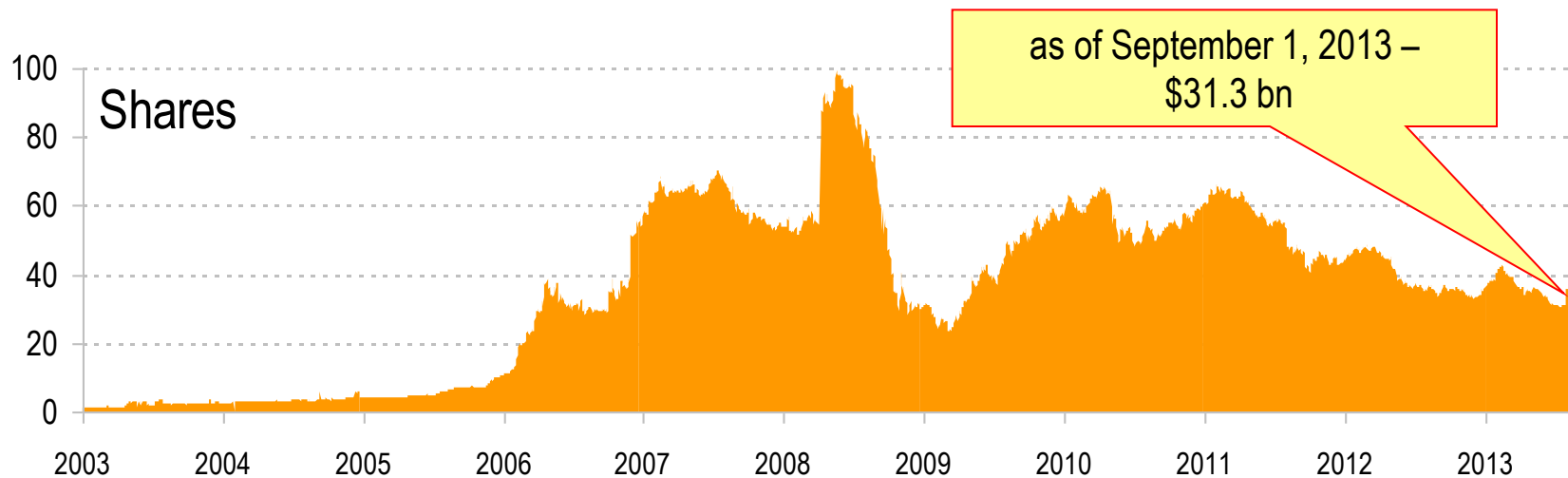




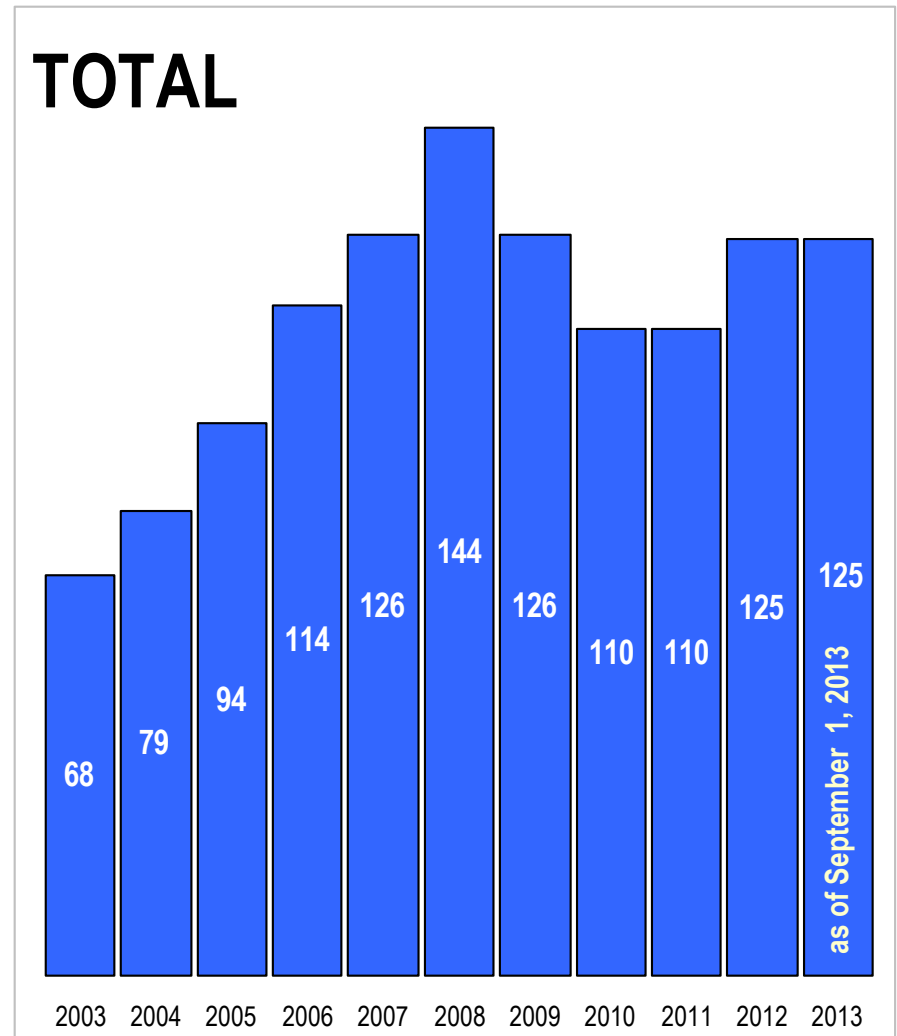
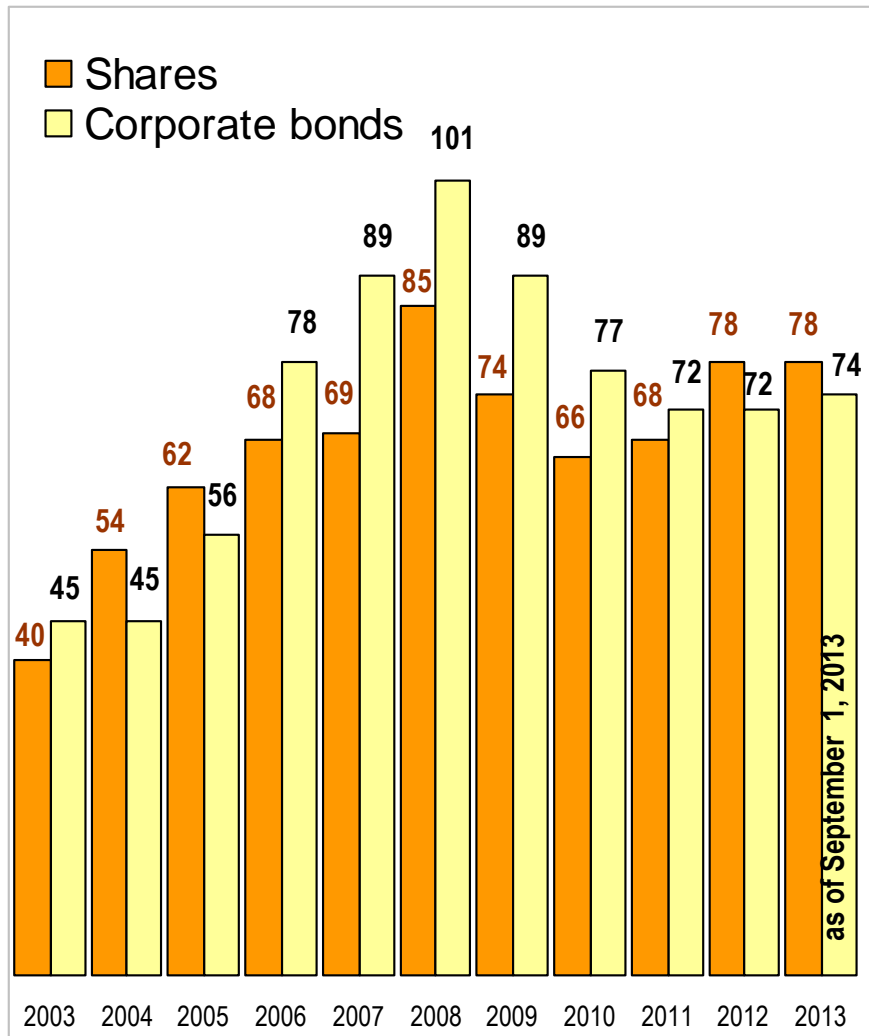
# Value Traded and GDP



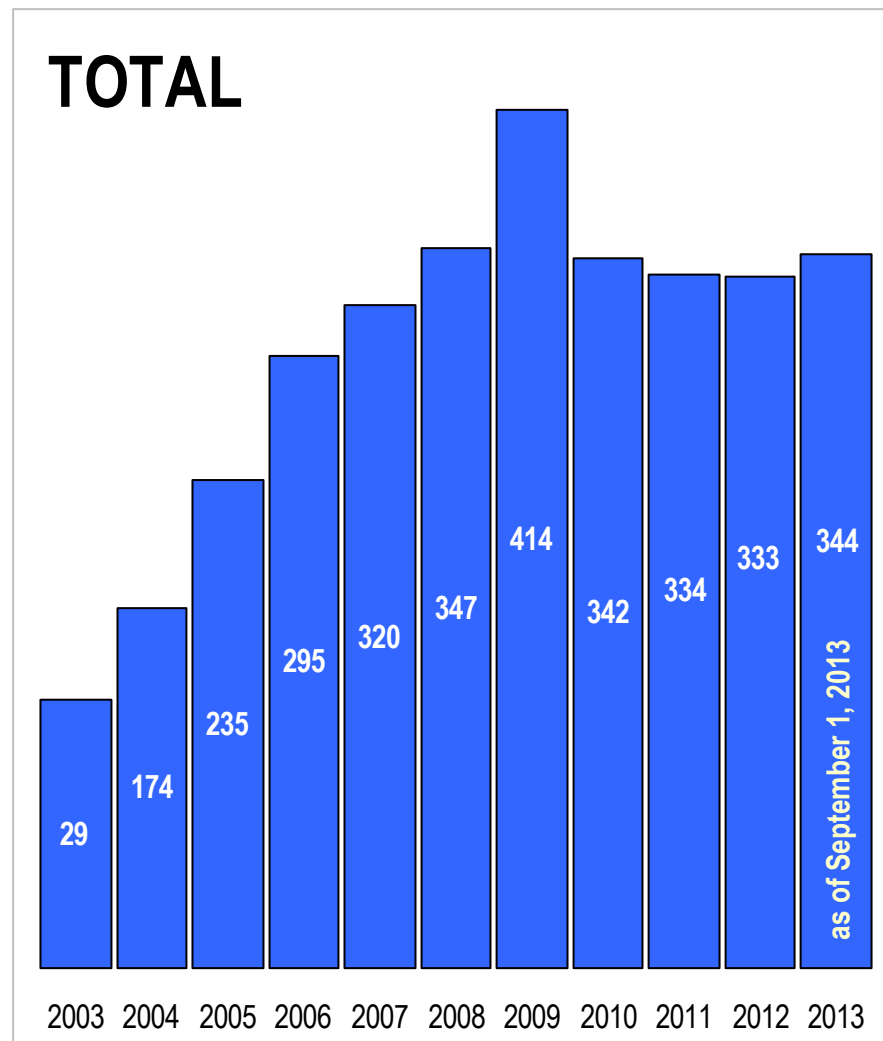
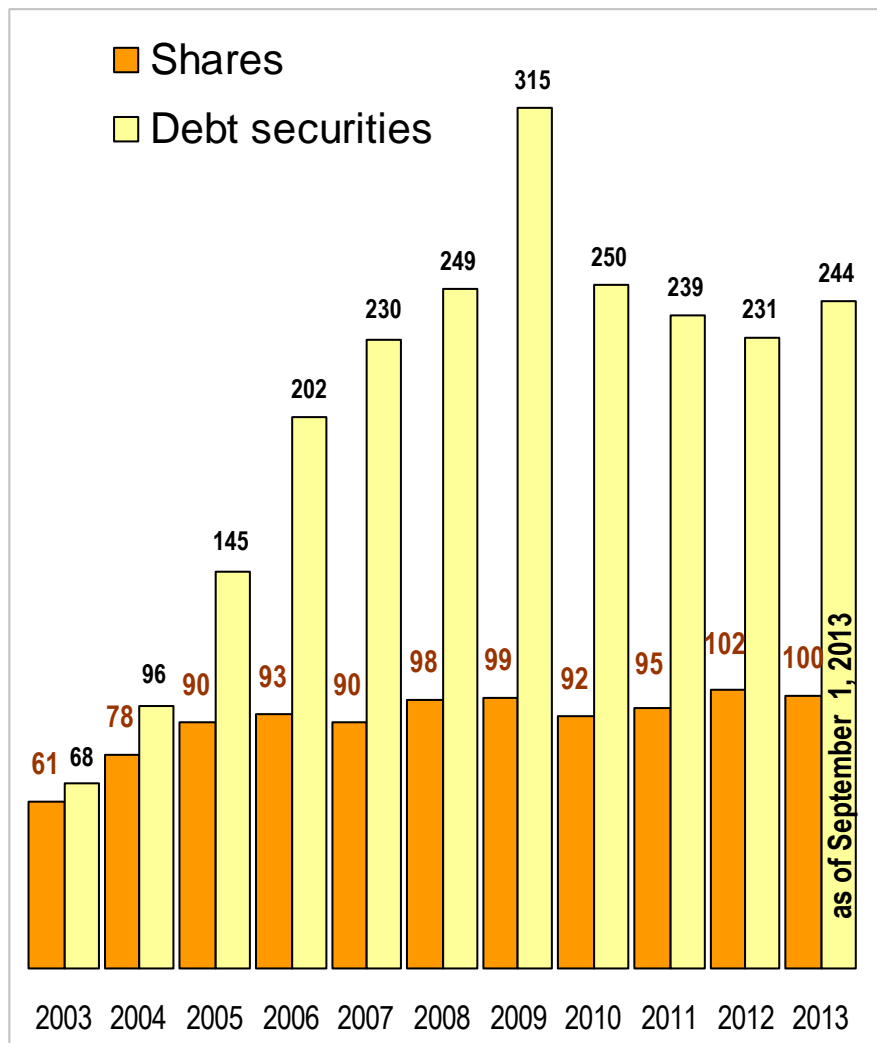
# Market Capitalization



# Listed Companies

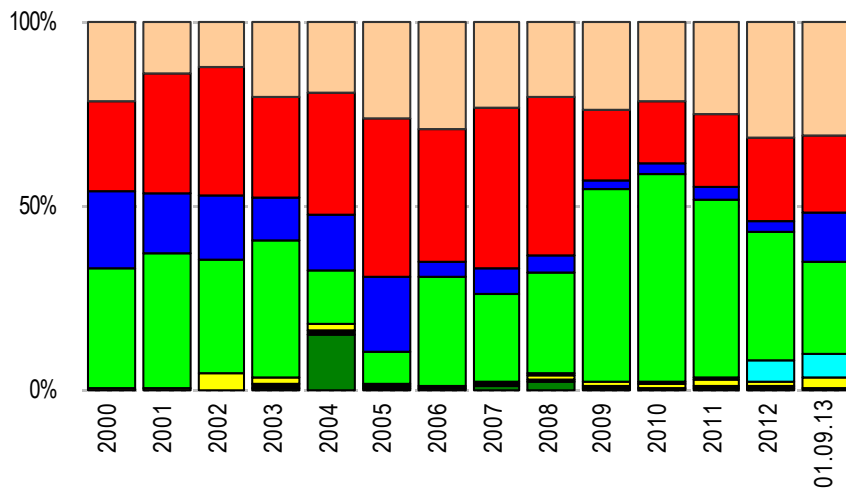


# Securities

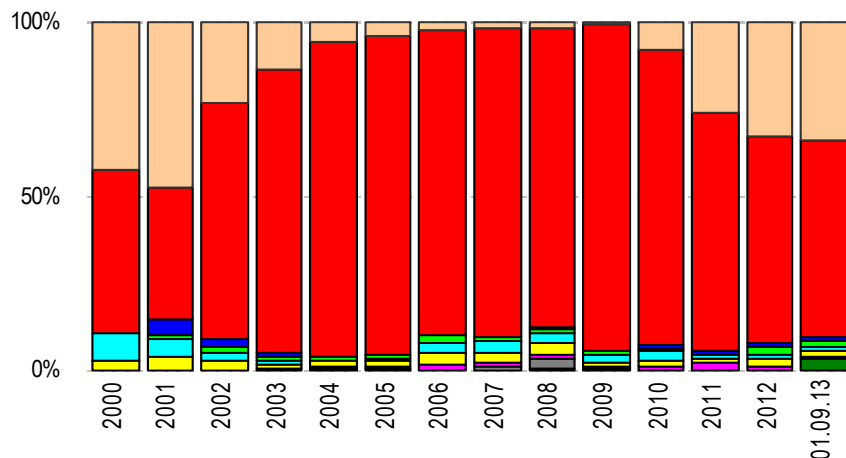


# Industry Structure

## Shares



## Bonds

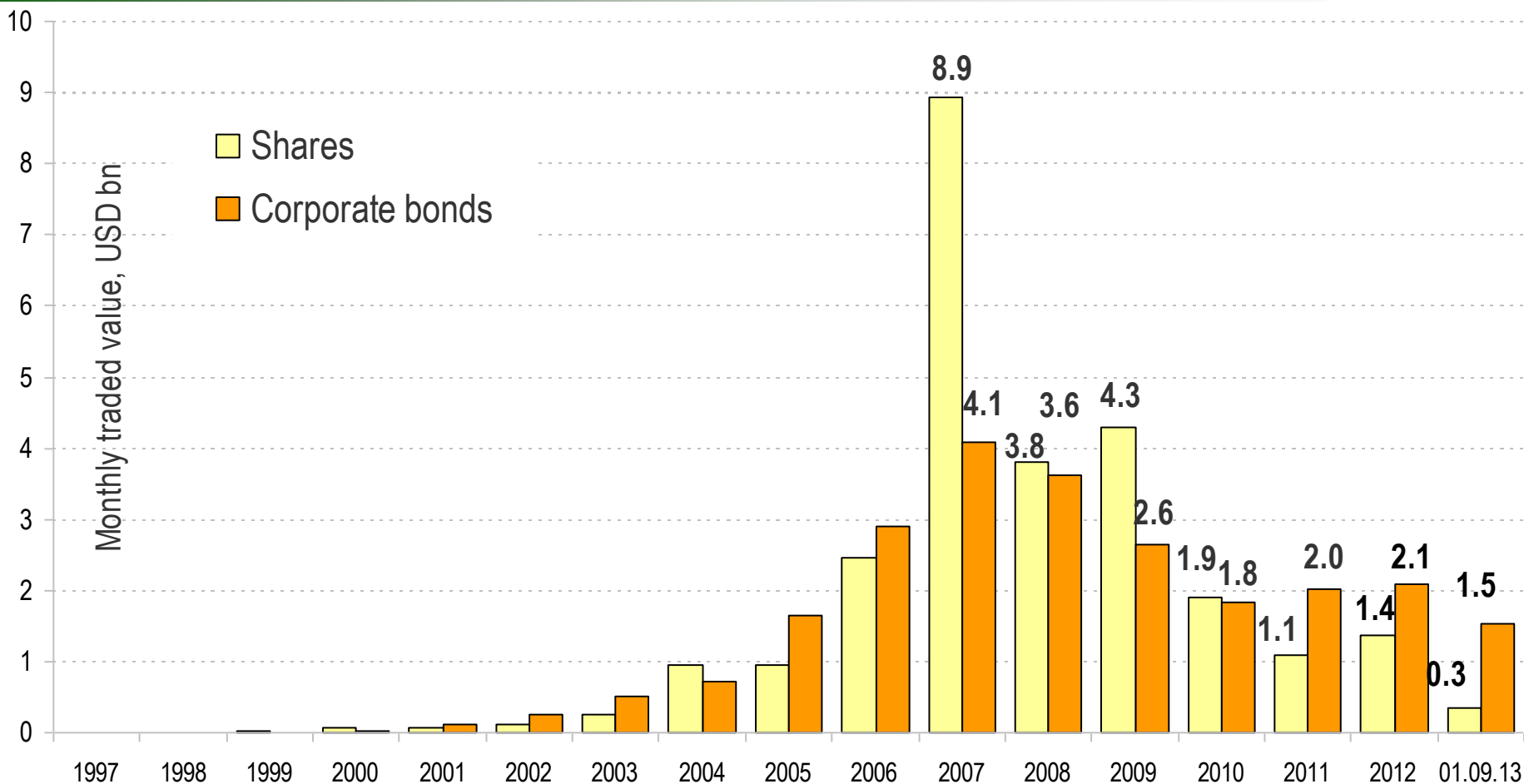


## Share in capitalization, %

	Shares	Bonds
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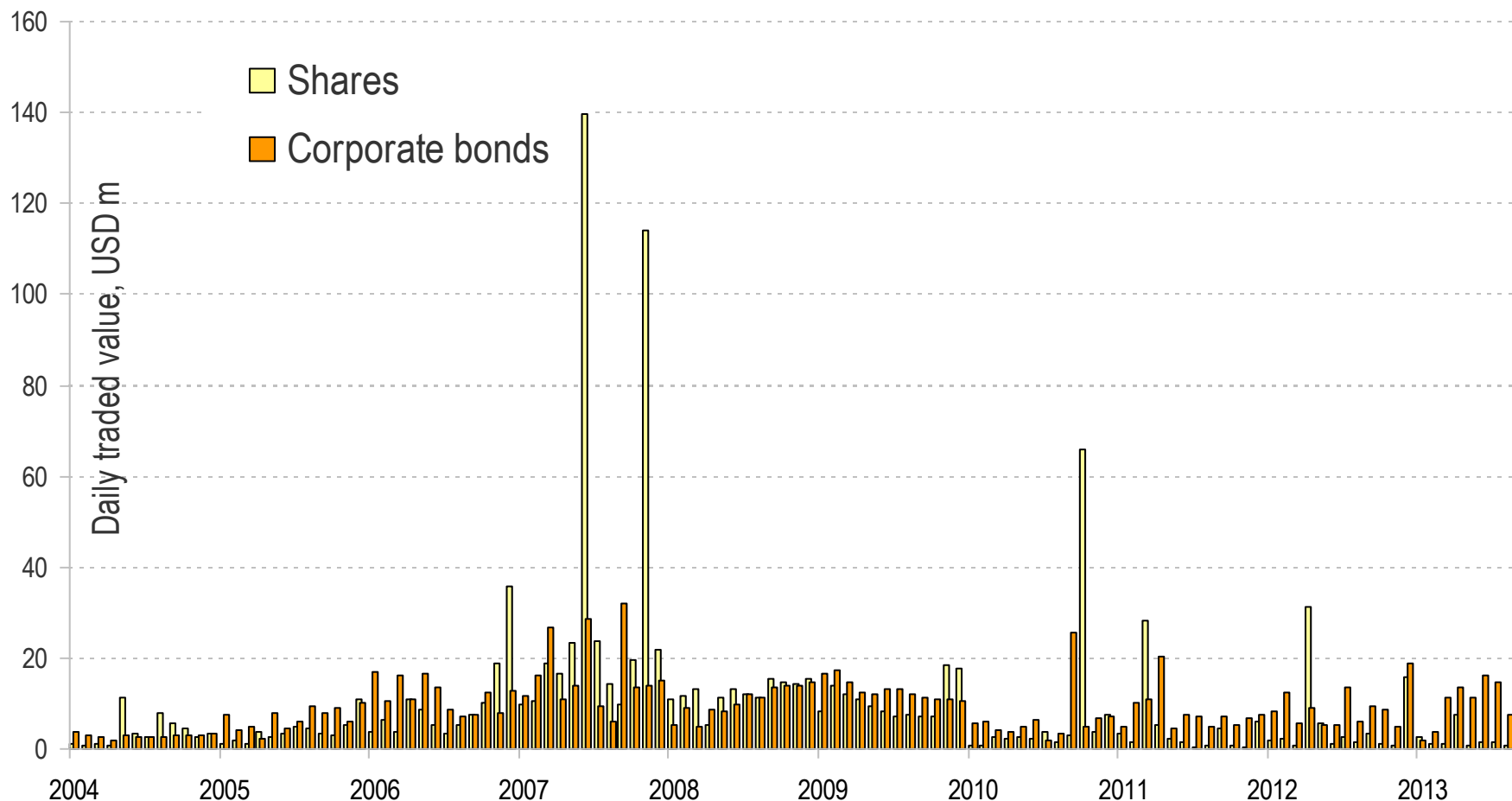
Energy	30.9	34.0
Financials	21.1	56.4
Provision of telecommunications services	13.2	0.8
Materials	24.9	1.7
Industrials	6.6	1.2
Consumer staples	2.6	1.7
Provision of municipal services	0.1	0.9
Information Technology	0	0
Health Care	0.2	<0.1
Consumer Discretionary	0.4	3.2

# Liquidity Parameters



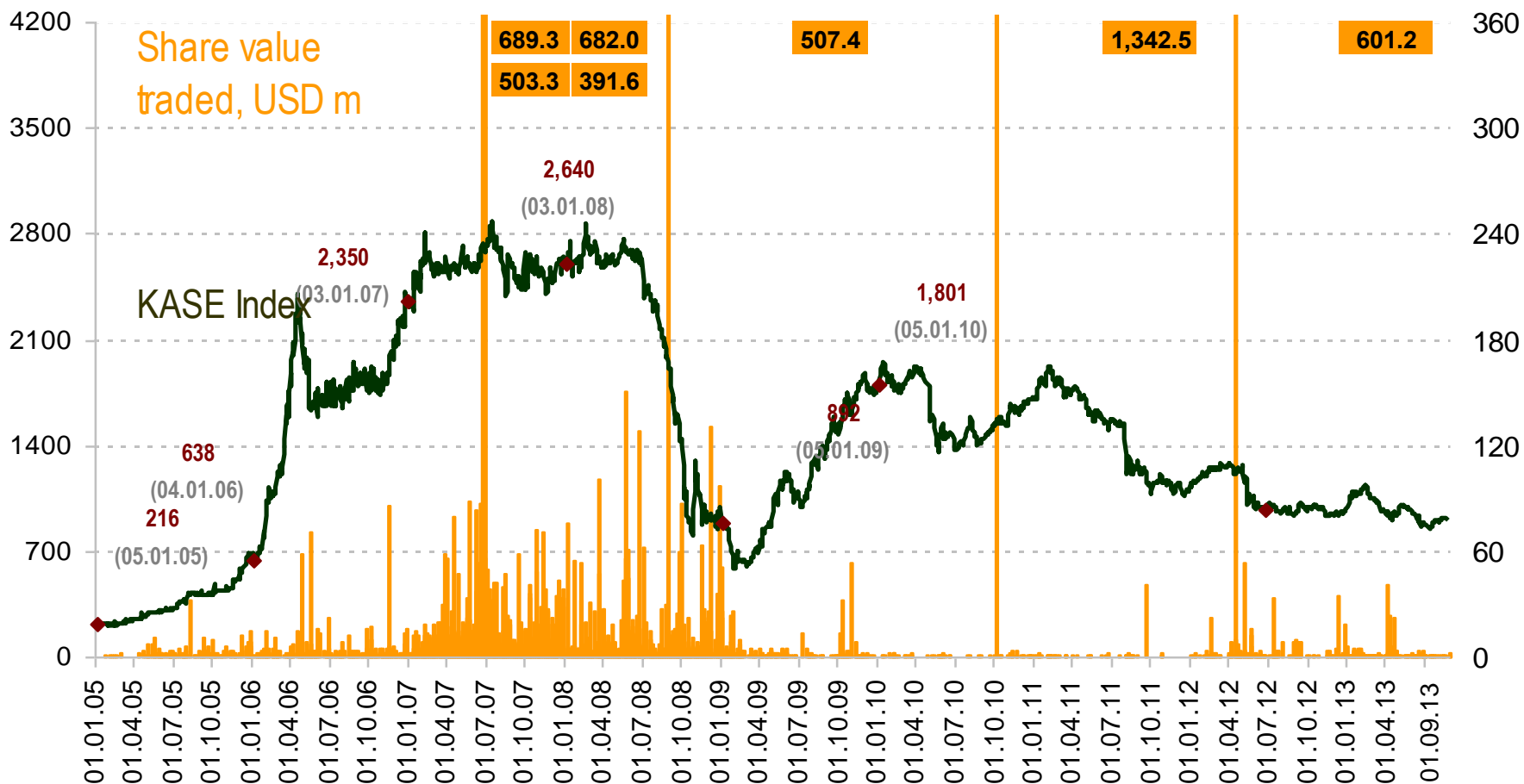
KASE total traded value for eight months 2013: in shares – **\$0.350** bn,  
in corporate bonds – **\$1.521** bn

# Liquidity Parameters



KASE average **daily** traded value for eight months 2013: in shares – **\$2.1** m,  
in corporate bonds – **\$10.0** m

# KASE Index





KASE uses its own trading platform:

- ✓ "Server – Client" electronic trading system
- ✓ remote access
- ✓ electronic signature and electronic document circulation
- ✓ traffic encryption
- ✓ on-line data preservation

# Contact Information



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