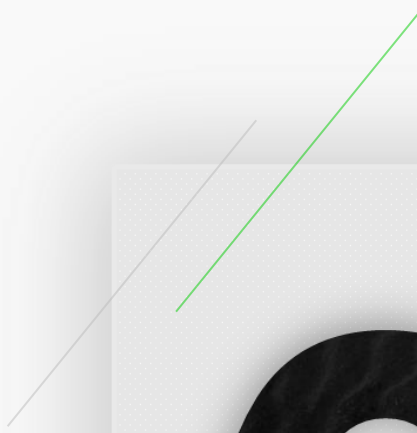


Performance overview

2019

21 January, Almaty



01

**brief
overview
of performance**



Key figures

+9%

amount of trading on the securities market

+18%

amount of trading on the corporate bond market

125

share issuers

>6 th.

new accounts, opened by individuals

x5

amount of trading in the IFI sector

+12%

amount of corporate debt

+30

new issuers

+3%

growth of KASE Index

Kazakhstan's exchange market 2015–2019: growth points

88 → 125



number of stock issuers increased to a record high

5 → 30

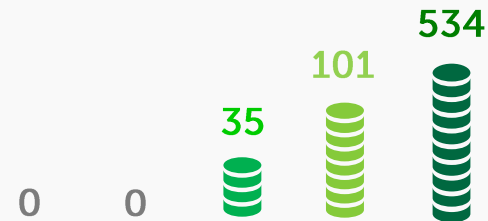


number of new investors

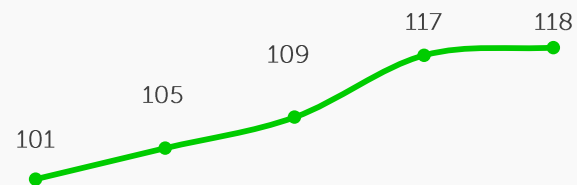
1 012 → 1 954 bn tenge



annual amount of capital raised on the corporate bond market



amount of funds raised by IFI, bn tenge

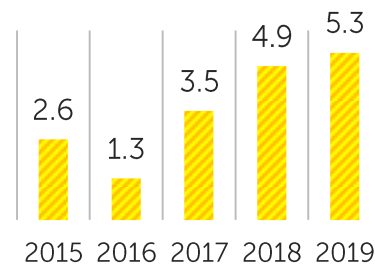
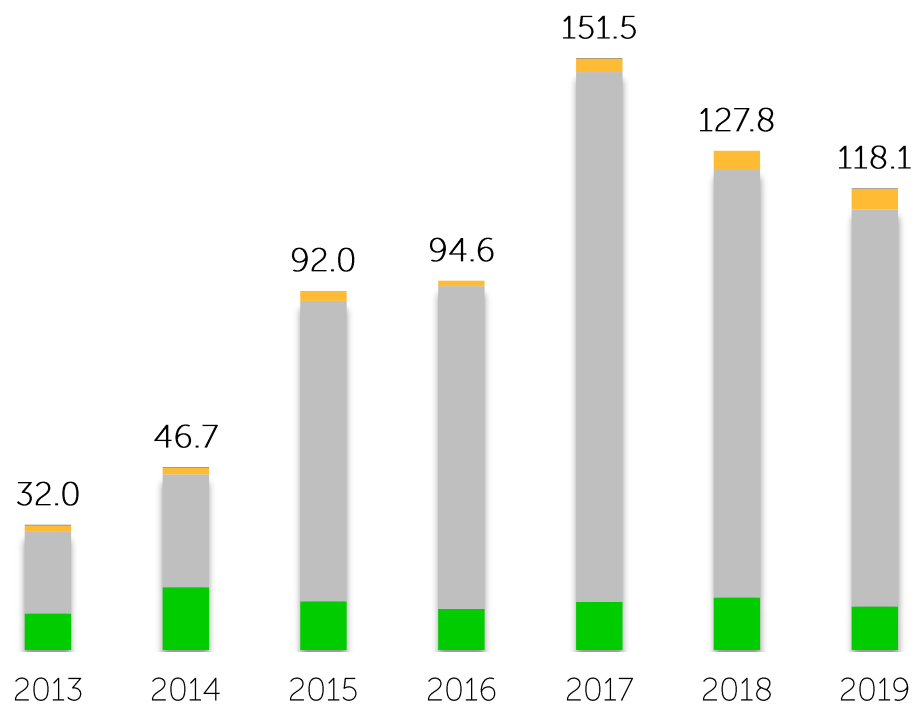


number of individual accounts, th.

Trading amount

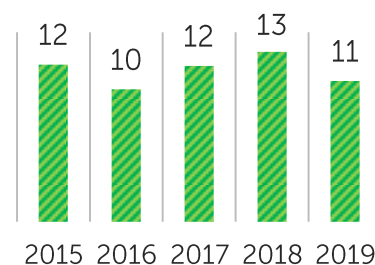


Dynamics of trading amount by sector, trln KZT



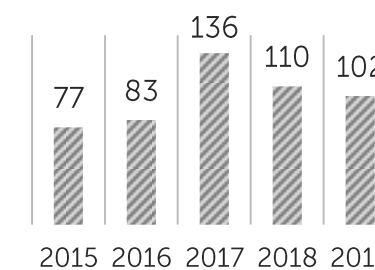
Securities market

2019	+8,5%
2018	+41%
2017	+163%
2016	-49%
2015	+51%



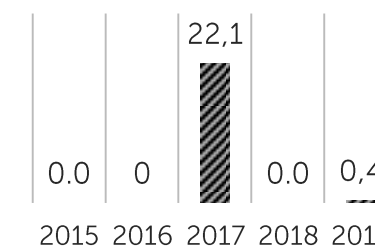
Forex market

2019	-17%
2018	+9%
2017	+18%
2016	-16%
2015	-22%



Money market

2019	-7%
2018	-19%
2017	+64%
2016	+8%
2015	x 3

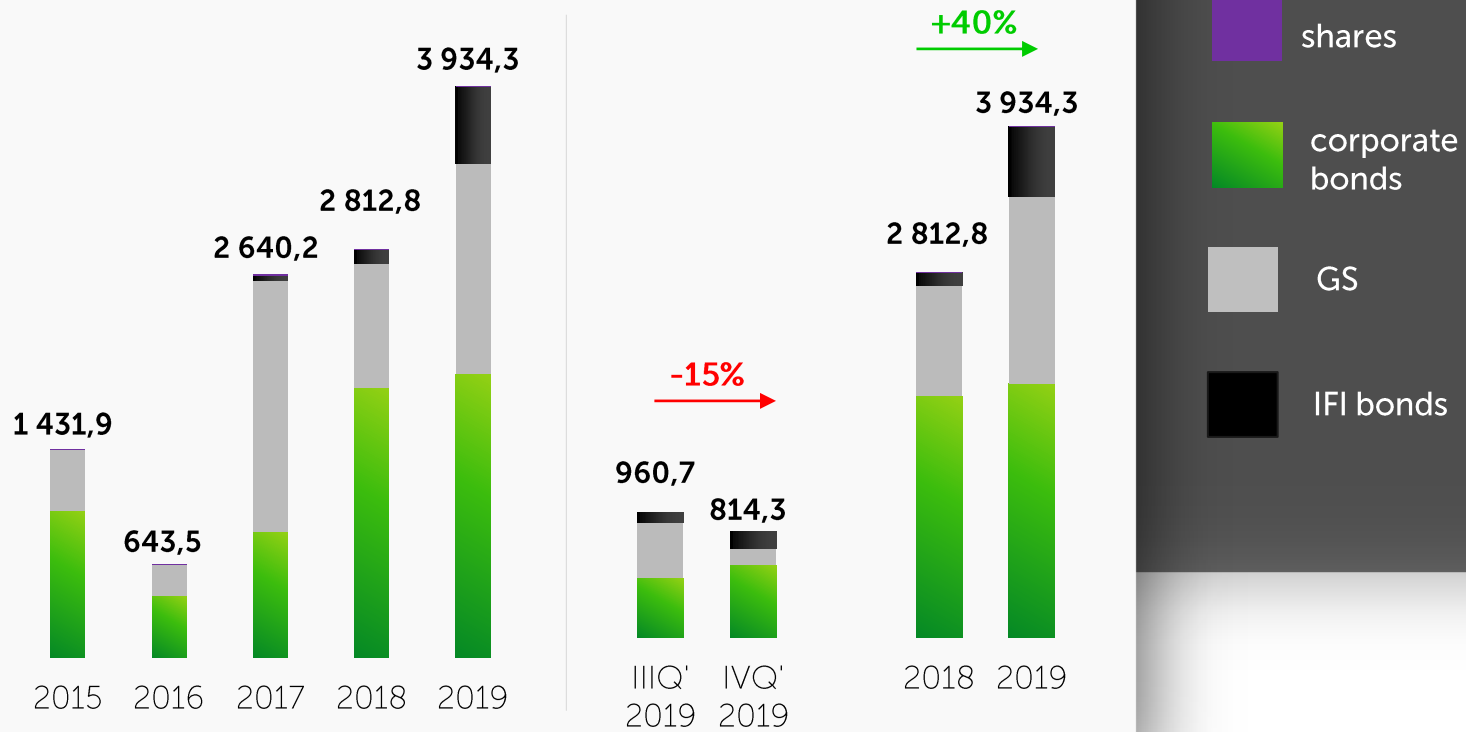


Derivatives market

2019	+100%
2018	-100%
2017	>+100%
2016	-49%
2015	-100%

Primary market (GS, CS, IFI)

Amounts of initial offerings, bn KZT

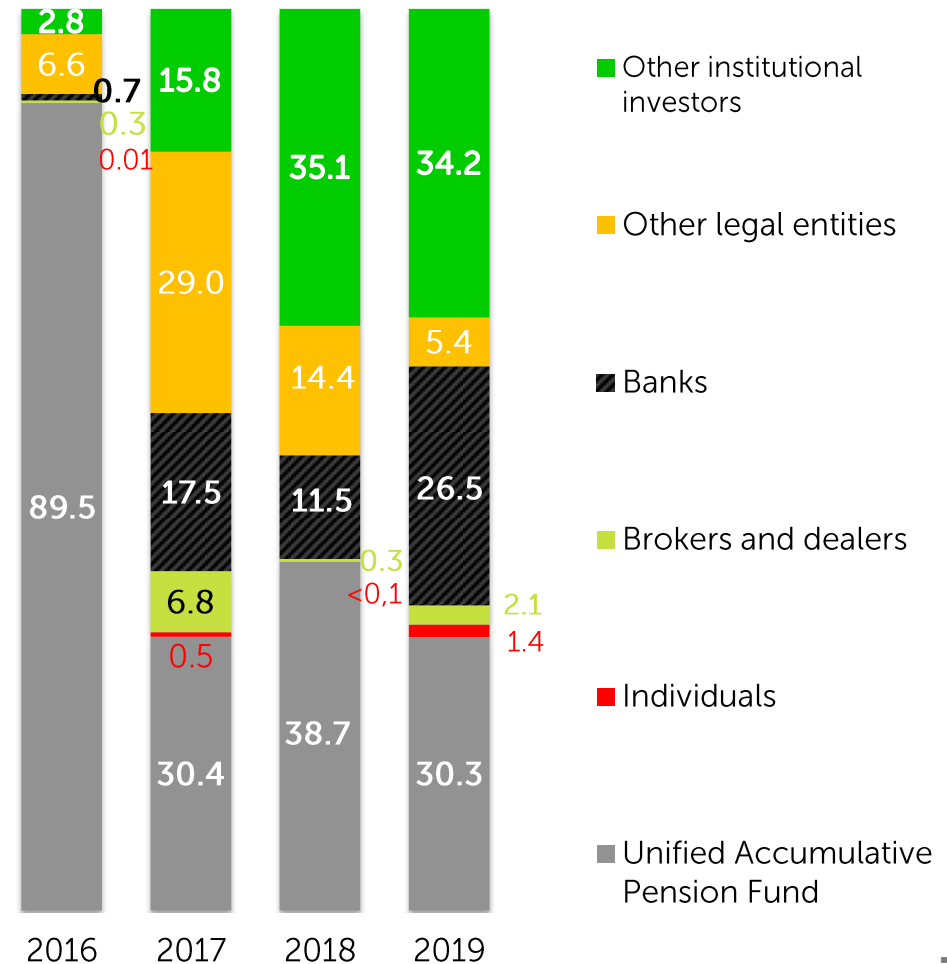


Corporate bond offerings: issuers and investors

	2016	2017*	2018*	2019*
Number of issuers	12	14	23	27
INCLUDING:				
quasi-public companies and development institutes	7	8	10	13
private non-financial companies	5	1	2	3
private financial companies	–	5	11	11
Funds raised, bn. KZT	424,4	269,5	1 824,5	1 349,7
INCLUDING:				
quasi-public companies and development institutes	417,5	234,7	1 418,4	1 140,0
private non-financial companies	6,9	0,9	5,4	37,8
private financial companies	–	33,9	400,7	171,9

* without taking into account the Program of financial support for the banking sector and OTC offerings

Main investor categories, %*





02

**market
development
projects**



Development strategy for 2019-2021

IT modernization



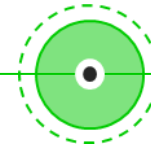
- step-by-step IT modernization of the trading and clearing systems
- certified protocols of market data exchange
- new trading modes on exchange markets

Launch of central counterpart services



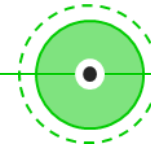
- Consecutive implementation of the CCP for the following classes of financial instruments:
- foreign currencies SPOT / SWAP
 - equity instruments T+2/T+0
 - corporate bonds T+0
 - GS
 - repo transactions
 - municipal bonds
 - corporate bonds in issuance currency T+2

Increasing the liquidity and depth of exchange market



- growth of liquidity on the equity market
- developing the bond market as an alternative to bank loans
- stimulating the involvement of population in the process of investing on the stock market
- extension of investment opportunities for institutional investors
- extending the investor base on account of increasing the number of foreign participants
- increasing the trading amount and extending the instrument range on the currency, money and derivatives market

Implementing sustainable development principles



- growth of KASE's investment value
- improvement of the quality of risk management, internal control and audit
- higher transparency of KASE's operations
- implementing ESG standards
- increasing the social responsibility

Implemented in 2019

Products and services

Stock market

- launch of the CCP
- introduction of new trading modes
- transition to certified FAST-protocols

Currency market

- admission of brokers
- launch of long swaps
- extending the trading session (continuous session)
- attracting liquidity providers

Money market

- introduction of an additional session

Derivatives market

- extending the range of instruments: futures USD/KZT with the term of 1 week / 1 month

IT modernization

- introduction of new certified market data exchange protocols
- modernization of the server and telecommunications equipment as part of the upcoming implementation of the trading and clearing system ASTS+
- commissioning of the trading and clearing system ASTS+

- updating the NEXT trading session due to the launch of the continuous session

New participants of the currency market

A total of **98 transactions** in the amount of **5.7 bn tenge**, or **15 mln US dollars**, were concluded during the year



Kazpost JSC
(17 September)



CAIFC INVESTMENT GROUP JSC
(28 May)



Freedom Finance JSC
(29 January)

New terms of swap execution

Purpose:

provision of participants with access to an additional liquidity management instrument

Trading in instruments **USDKZT_0_01W**, **USDKZT_0_01M** and **USDKZT_0_03M** was launched on February 18, 2019.

On September 30, 2019 – **USDKZT_0_06M** and **USDKZT_0_01Y**.

The Exchange as the Central Counterpart developed a risk management system according to the international practice and standard approaches for their evaluation by the Central Counterpart.

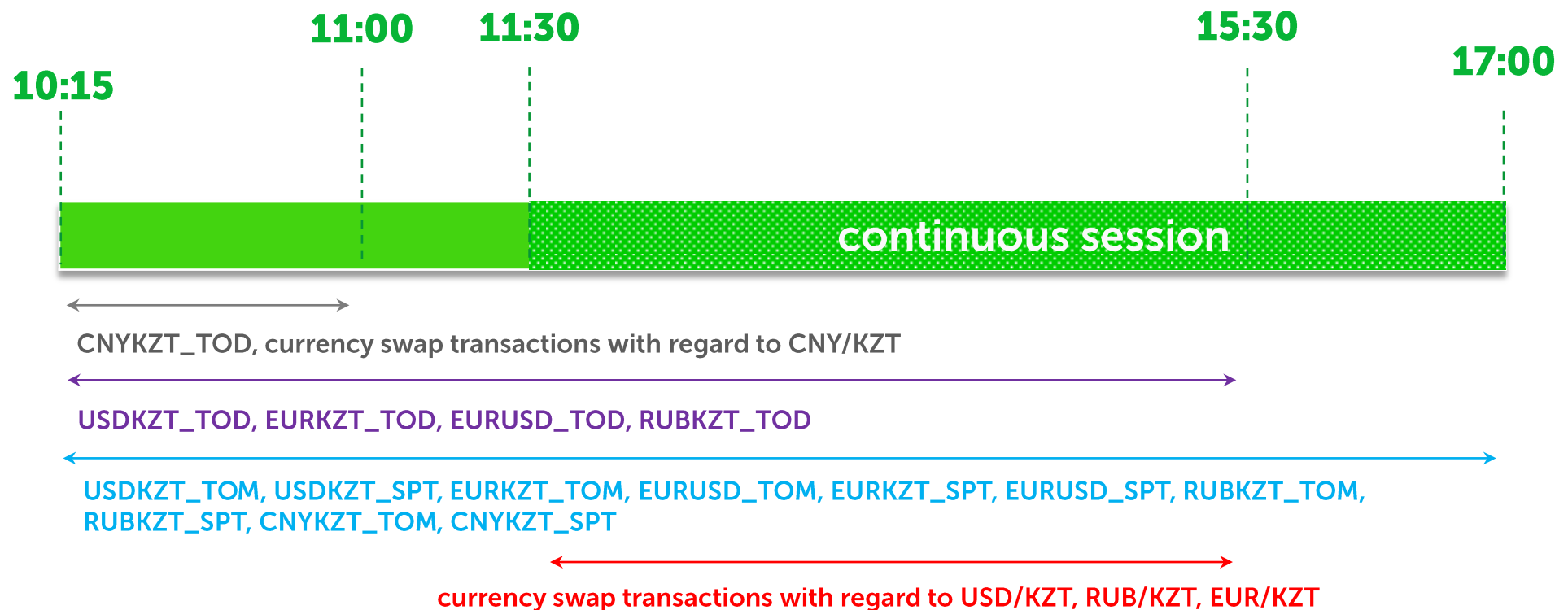
Based on the year's results more than **100 transactions** in the total amount of **KZT384.3 bn** or **USD998 mln** were concluded.

Transaction term	launched 1D, 2D, 1W, 1M, 3M, 6M, 1Y
Instrument of the first part of the swap transaction	USDKZT_TOM
Lot, currency units	10 000,00

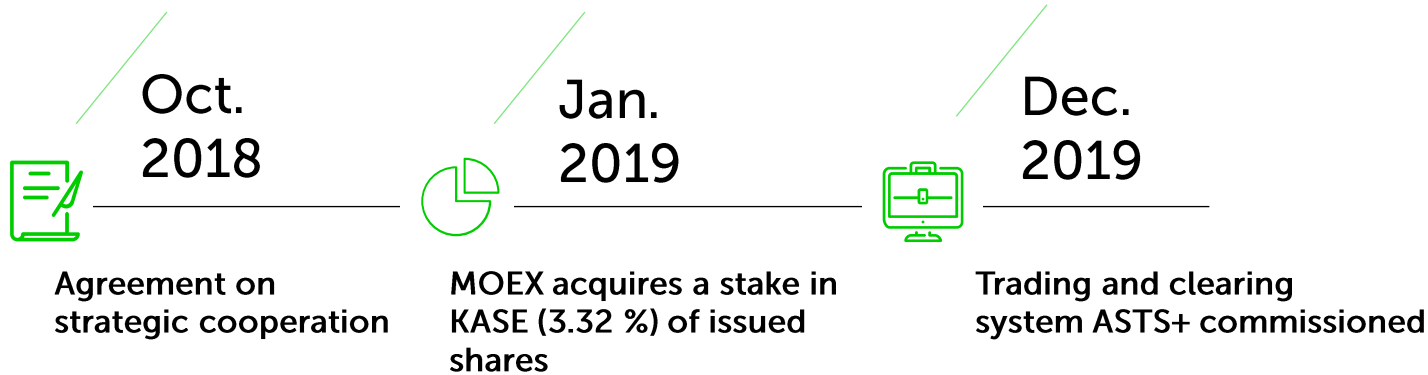
New schedule of currency trading

Purpose: extending the possibility of settlement in the Kazakh tenge for foreign and international participants

Launch of the continuous session from 10:15 to 17:00 on currency instruments, fixing of the weighted average rate on instrument USDKZT_TOM as at 11:00, 15:30, 17:00 o'clock.



Cooperation with MOEX (1 / 2)



As part of the project on implementing the ASTS+ the following was done:

- bringing internal regulatory documents in line with the new trading modes in the new system;
- CCP services was launched;
- software improved to meet KASE requirements for the stock market was installed;
- training events aimed at introducing market participants to upcoming legal, technological and technical changes were conducted;
- Improvements were made to information systems of the Exchange for integration with the ASTS+, systems of external receivers of market data: CD, back-office of the Exchange, website.

Cooperation with MOEX (2 / 2)

Financial instruments

of the stock market moved to the ASTS+:

- stocks / **137**
- GDR and bonds, denominated in US dollars / **21**
- securities of investment funds / **8**
- international securities of the Republic of Kazakhstan / **3**

Total as of January 1, 2020 – 169 instruments

As of January 1, 2020 8 465 transactions were made in the ASTS+:

- 7 018 transactions in the main mode (purchase/sale);
- 1 447 transactions on the repo transactions market.

Total amount – KZT 30.1 bn

Participants – 20

New trading modes

Markets	Trading mode	Settlement cycles	Collateral	CCP services
Securities	In the "Order book" mode Nego deals	T+2 T+0	Full/partial	Launch IVQ 2019 Launch IQ 2020
CCP book building	Auction, subscription	T+0 T+n	According to operator terms	
Currencies	"Order book" mode	T+0 T+1 T+2	Full/partial	✓
Derivatives	"Order book" mode	T+1W T+1M T+3M T+6M	Partial	✓
Money market (repo)	"Order book" mode Nego deals	T+0 – T+90	Partial	✓
Money market (swaps)	"Order book" mode	T+1 T+2 T+1W T+1M T+3M T+6M T+1Y	Partial	✓

Instruments available for trading with deferred settlement

Instruments	ListT+	Collateral list T+	Company name
Shares	GB_KZMS	GB_KZMS	KAZ Minerals PLC
	HSBK	HSBK	Halyk Savings Bank of Kazakhstan JSC
	KCEL	KCEL	Kcell JSC
	KEGC	KEGC	KEGOC JSC
	KZAP	KZAP	NAC Kazatomprom JSC
	KZTK	KZTK	Kazakhtelecom JSC
	KZTO	KZTO	KazTransOil JSC
Bonds	US_FRHC	US_FRHC	Freedom Holding Corp.
	BRKZe3, BRKZe4, BRKZe7	-	Development Bank of Kazakhstan JSC
	HSBKe5	HSBKe5	Halyk Savings Bank of Kazakhstan JSC
	KMGZe10, KMGZe11, KMGZe12, KMGZe13, KMGZe14, KMGZe15, KMGZe6	KMGZe11, KMGZe13, KMGZe14, KMGZe15, KMGZe6	National company "KazMunayGaz" JSC
	KZTGe1	-	KazTransGas JSC
	TMJLe1	-	NC Kazakhstan Temir Zholy JSC
IFI bonds	EBRDe1	EBRDe1	European Bank for Reconstruction and Development
GS	KZ_05_2410, KZ_06_4410, KZ_07_2507	KZ_05_2410, KZ_06_4410, KZ_07_2507	Ministry of Finance of RK
	OM_01_2908	OM_01_2908	Sultanate Oman
	RU_01_2806	RU_01_2806	Ministry of Finance of the Russian Federation

Central Counterpart on KASE

guarantees execution of transactions on the exchange market

KASE acts as the Central Counterpart since:

2012 – on the derivatives market;

2018 – on the forex market;

2019 – on the stock market.

As part of developing the CCP on KASE the following was implemented:

- updating of the regulatory bases and statutory acts;
- amendments to 24 internal documents of the Exchange;
- updating of the risk management system, including assessment of credit risks of participants and market risks (risks of change of rates of financial instruments);
- implementation of the modules SettleCCP and International RiskMonitoring of the trading and clearing system ASTS+ of the stock market for purposes of automation of the clearing and risk management processes;
- agreements with providers of liquidity in foreign currency;
- list of financial instruments admitted to conclusion of deals on conditions of partial collateral on the currency and stock markets – "ListT+";
- list of financial instruments, accepted as collateral on deals carried out on conditions of partial collateral – "Collateral list T+".



Events in other regions

- 10 meetings in the "round table" format on issues of use of stock market instruments. 7 regions of Kazakhstan were involved: Atyrau region, East Kazakhstan region, Kostanay region, Pavlodar region, Akmola region, West Kazakhstan region, Mangystau region and the cities of Almaty and Nur-Sultan
- 4 business lunches for entrepreneurs in Shymkent, Aktobe, Almaty and Nur-Sultan



Training workshops

- 3 training workshops on "Essentials of the stock market" for owners and executives of businesses, officers of development institutions and local executive bodies
- 1 workshop on the basics of investor relations "Investor Relations: efficient communication with investors"
- round table "Refinitiv Day on KASE: Investors and issuer relations"



Business forums

- Participation in 5 business forums in Kazakhstan's regions for increasing Kazakh entrepreneurs' awareness of the local stock market and opportunities thereon: in the cities of Atyrau, Karagandy, Taldykorgan, Almaty and Nur-Sultan



Events for listed companies

- organization of four events "Issuer Day" for three listed companies : KEGOC JSC (2 events), for executives of the treasury of the head-quarters of the "IFC" in London and "Turǵyn úı qurylys jınaq banki"



Meetings with businesses

- individual consultancy meetings with representatives of 80 companies
- 9 new Kazakh companies included in the list of the Exchange's issuers, with 7 of them – issuers of debt securities and 2 – equity issuers.

Seminars

Two training seminars on the subject "How to trade on the securities market" were organized for local retail investors

Lectures

Thirty five guest lectures were conducted for students and lecturers of Kazakh universities

Competitions

Exchange simulator

Training trading, organized for students of economic and finance faculties

Participants– 1,167

Total transactions amount – 5,989.9 mln tenge

Number of transactions –13,898

Competition among retail investors

Individuals, clients of members of KASE stock market are admitted

Participants – 454

Total transactions amount – 137 mln tenge

Number of transactions – 2,800

**Events for
investors**

International activities



World Federation
of Exchanges



Federation of Euro-Asian Stock
Exchanges



International Association of
Exchanges of the Commonwealth
of Independent States

- IOMA: WFE's 36th Clearing & Derivatives Conference 2019 (02-04.04.2019)
- participation in the meeting of the Work committee of the WFE (11.06.2019)
- 59th general assembly and annual meeting of the WFE (08-10.10.2019)

- FEAS Capacity Building Program for UZSE (08-09.04.2019)
- extraordinary meeting of the General assembly, meeting of the Work committee, meeting of the Board of Directors
- conference ConFEAS 2019 (15.06.2019)
- FEAS Onsite Training (24-29.08.2019)
- events FEAS, including meetings of the general assembly, auditing committee and work committee. (21.10.2019)

- Joint conference of AECSD/IAE: "Integration processes on financial markets: Eurasia and the global economy" (04-08.08.2019)



Participation in the World congress of exchanges and a speech on the topic "Methods of diversification of exchanges' revenues" (25-27.02.2019).

International events

- Organization and conducting of **4 international conferences** about Kazakhstan's stock market
- Participation in **8 international conferences**
- Organization and conducting of **a round table with members of the exchange and consultants of Asian Development Bank**
- **Ring the Bell for Gender Equality** and the conference on **Principles of extending rights and opportunities for women** jointly with the "UN Women" in Kazakhstan
- **Ring the Bell for Financial Literacy** as part of the World Investor Week



KASE Days in Tashkent, Minsk, Moscow, London

Purposes:

- *introduction of participants to the current situation and development outlooks of the Kazakh exchange market*
- *promoting financial instruments and services of KASE*
- *acquaintance with investment opportunities on KASE's exchange markets*
- *informing foreign investors on the potential of the Kazakh stock market*

• Tashkent – 11 September 2019

Presentations were conducted and possibilities of cooperation between professional participants of the two countries, including mutual admission to exchange markets, were discussed.

The event saw participation of financial organizations and issuer companies from Uzbekistan, as well as representatives of Kazakh brokerage firms. There were 61 participants.

• Minsk – 05 November 2019

Presentations were conducted on the current status and outlooks of the Exchange's development, on exchange markets and KASE instruments, possibilities of cooperation between professional participants of the two countries were discussed

The event saw participation of representatives of 64 organizations – financial companies and issue companies of Belarusian stock market

• Moscow – 06 November 2019

Presentations for potential distant members of KASE on available information products of the Exchange, trading schedule and Central counterparty services were conducted.

The event saw participation of representatives of financial organizations, representatives of the financial market regulator, infrastructural organizations of the stock market and Kazakh brokerage firms. The number of participants was 42

• London – 05 December 2019

Presentations on the investment potential of the economy's real sector, changes in the infrastructure of Kazakhstan's capital market were conducted. Amongst topics of discussions were the issues of foreign participants' obtaining access to the Kazakh market.

The event saw participation of representatives of major foreign institutional investors and other professional market participants. The number of participants was 24.

Work plan for 2020

- implementing the **ASTS+** for the stock and money markets (second stage)
- implementing the **ASTS+** for the currency market
- optimization of own information and trading systems
- development of new instruments (KSU, REPO with the CCP)
- automation of securities listing, grating of membership, accreditation of auditing firms
- implementing the sustainable development policy



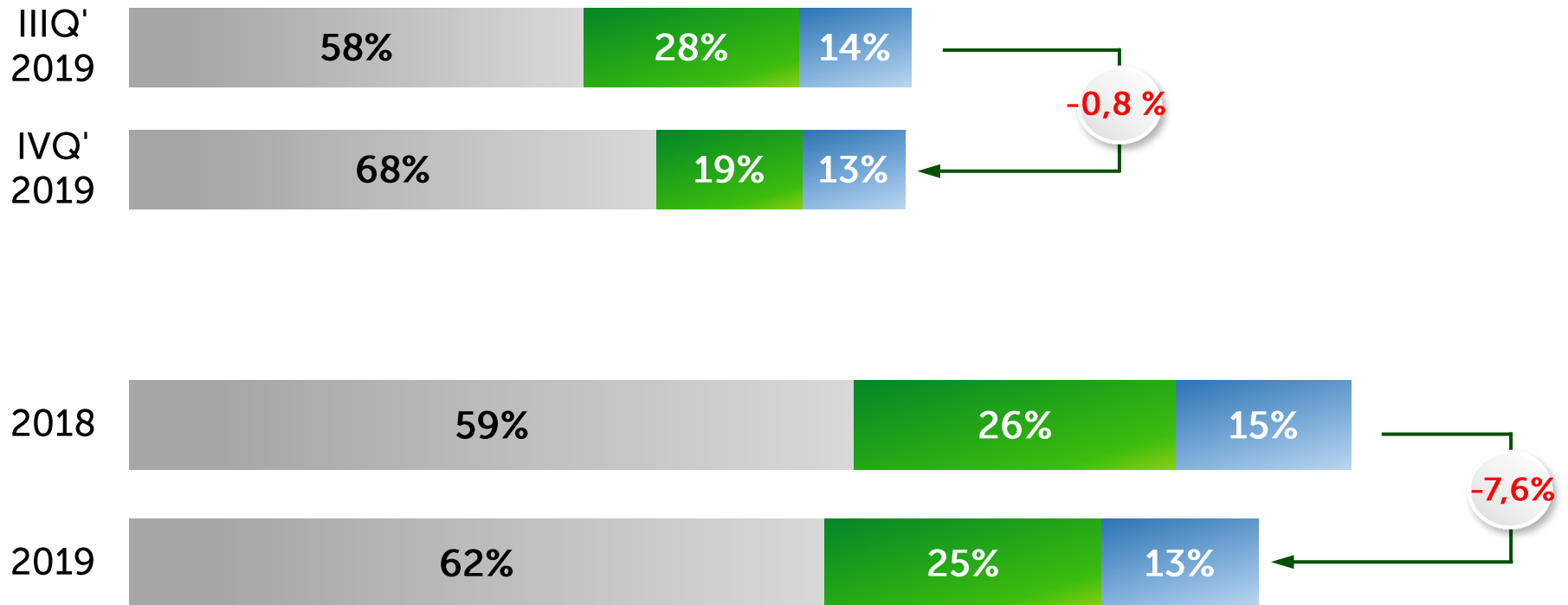
03

market trends

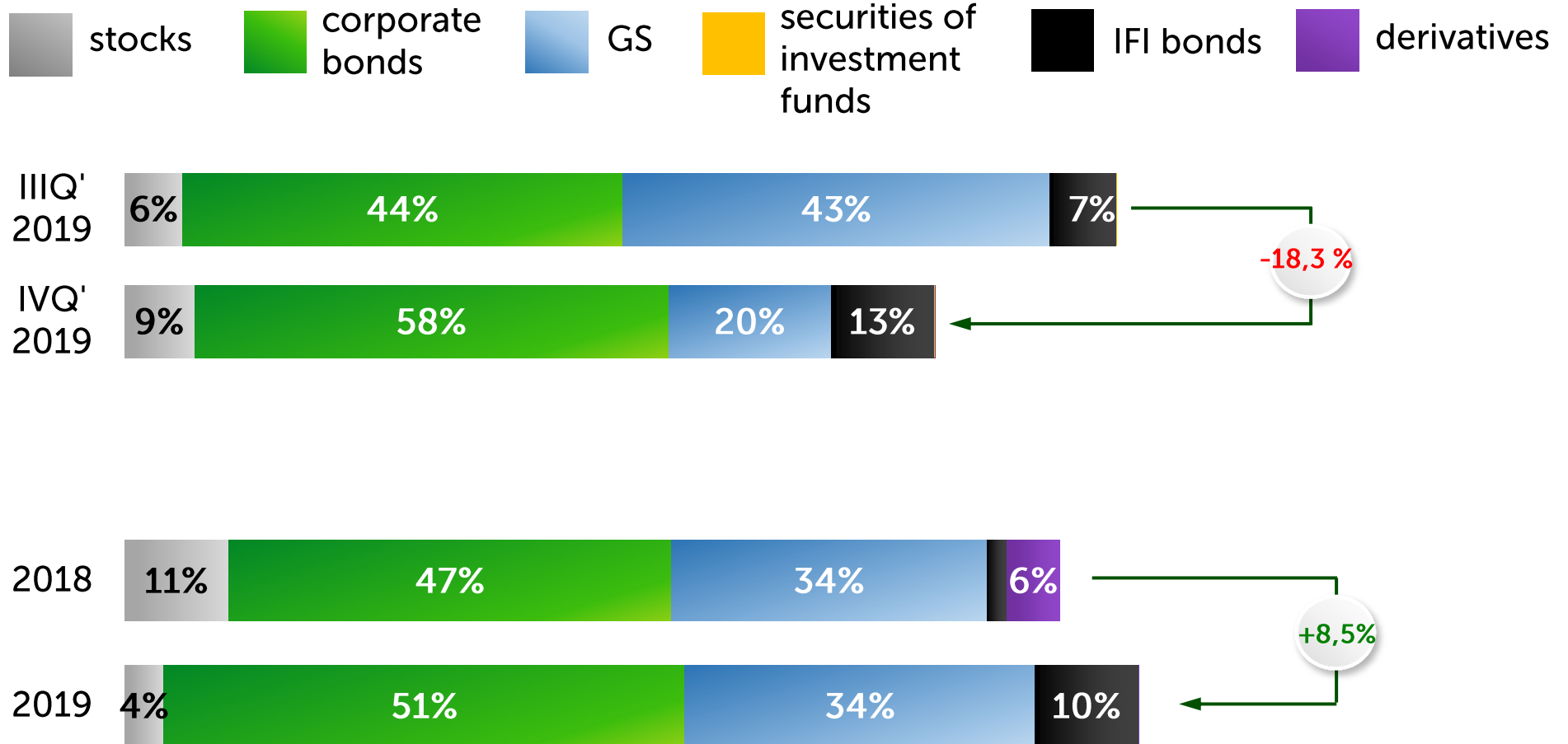


Amount of exchange trading

REPO
 USD-swap
 other markets



Amount of securities trading (1/2)

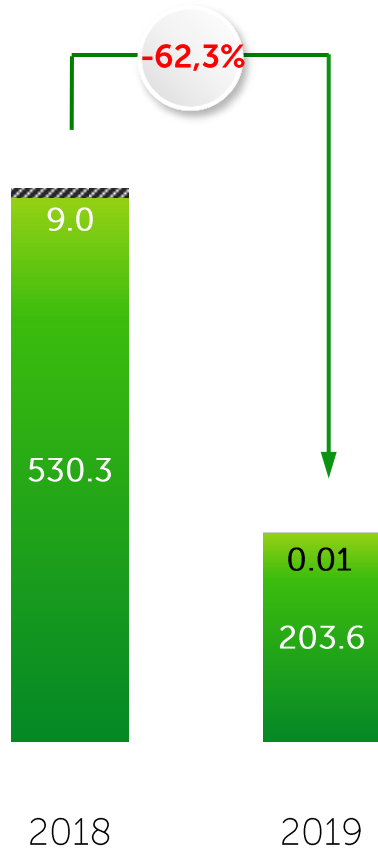


Amount of securities trading (2/2)

bn tenge

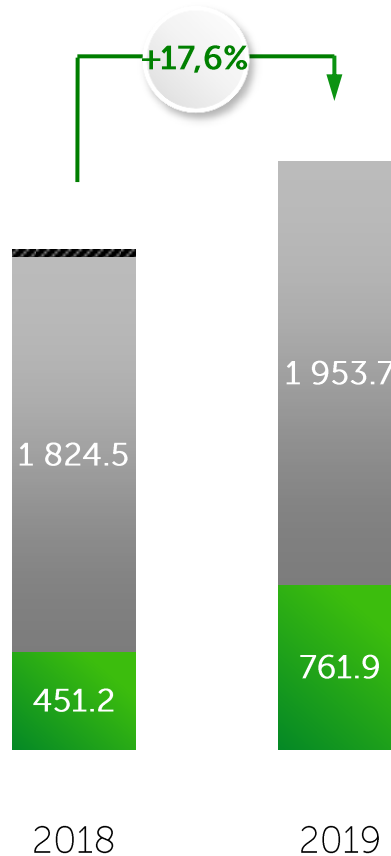
Amount of trading on the equity market

- ▨ buyback of ordinary shares RDGZ
- primary market
- secondary market



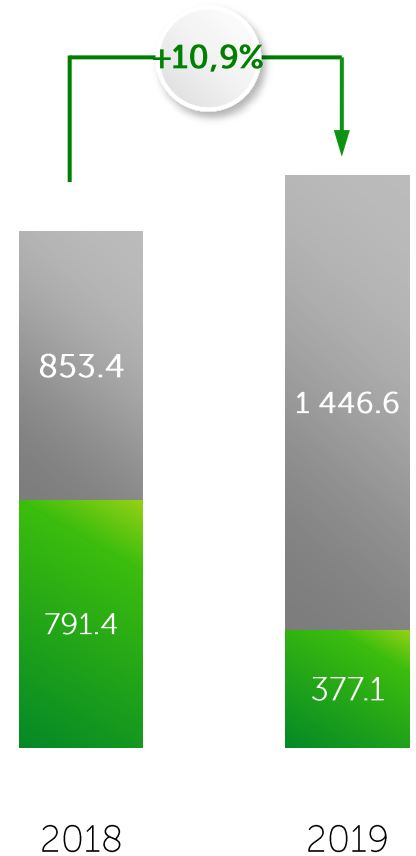
Amount of trading on the corporate bond market

- ▨ banking sector support program
- primary market
- secondary market



Amount of trading on the GS market

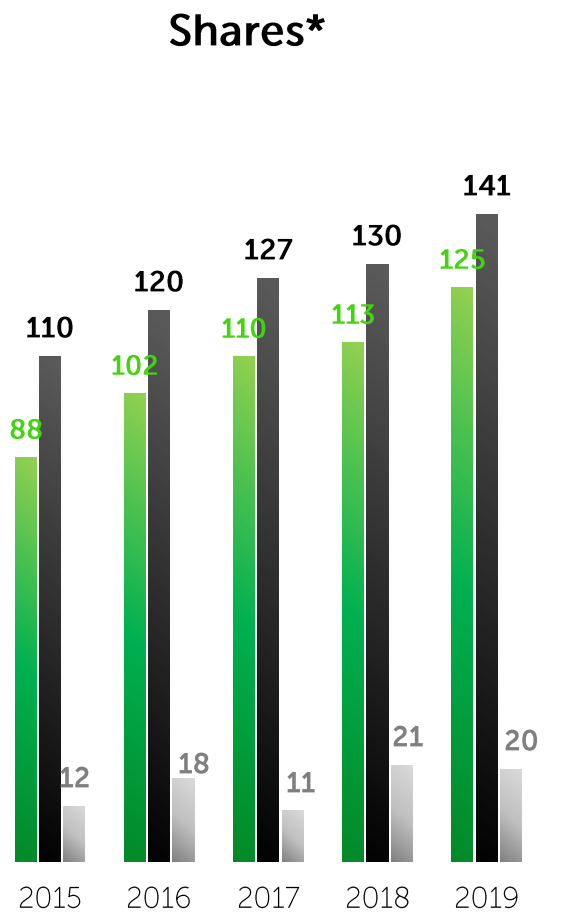
- secondary market
- primary market



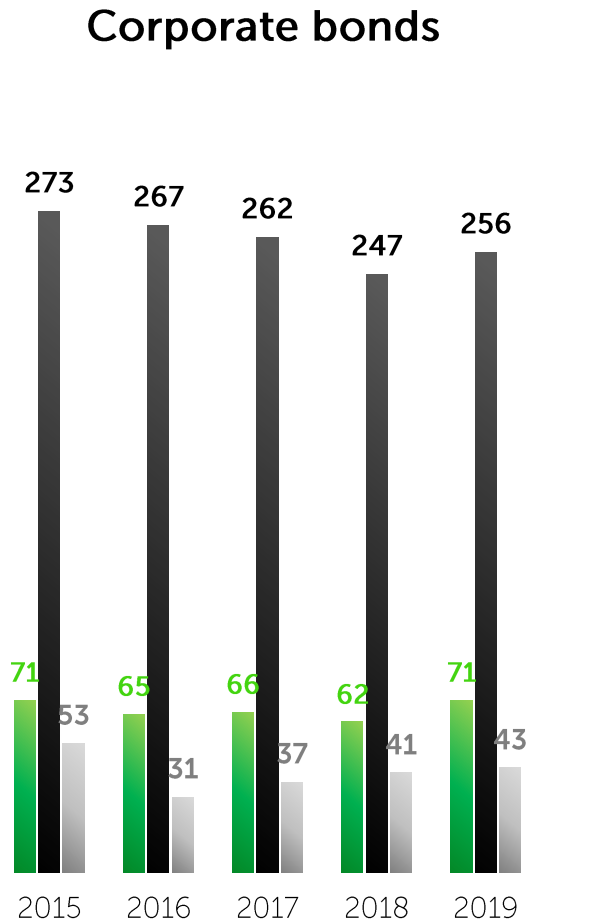
Dynamics of KASE lists

■ Issuers
 ■ Issues
 ■ New listings

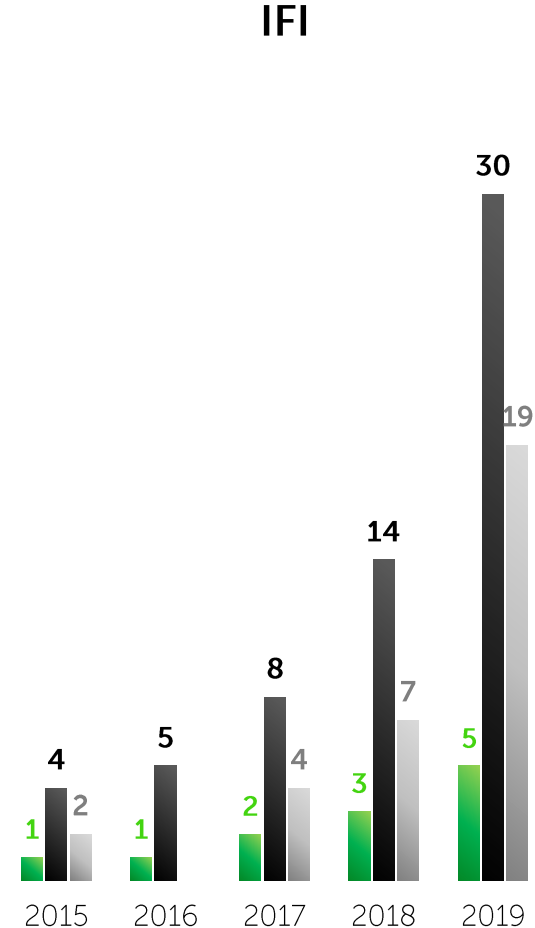
Shares*



Corporate bonds



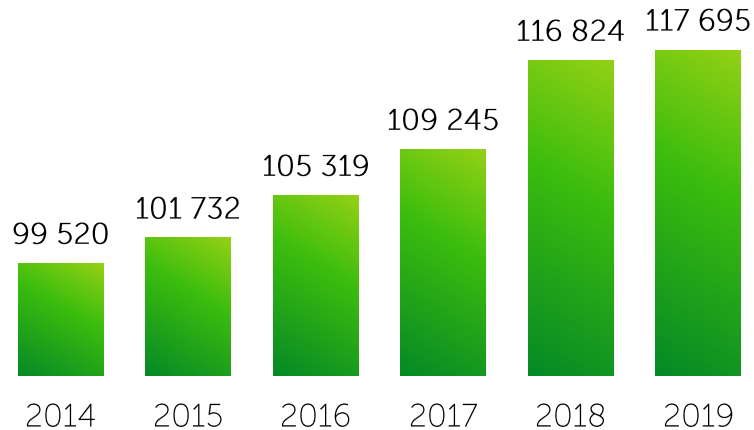
IFI



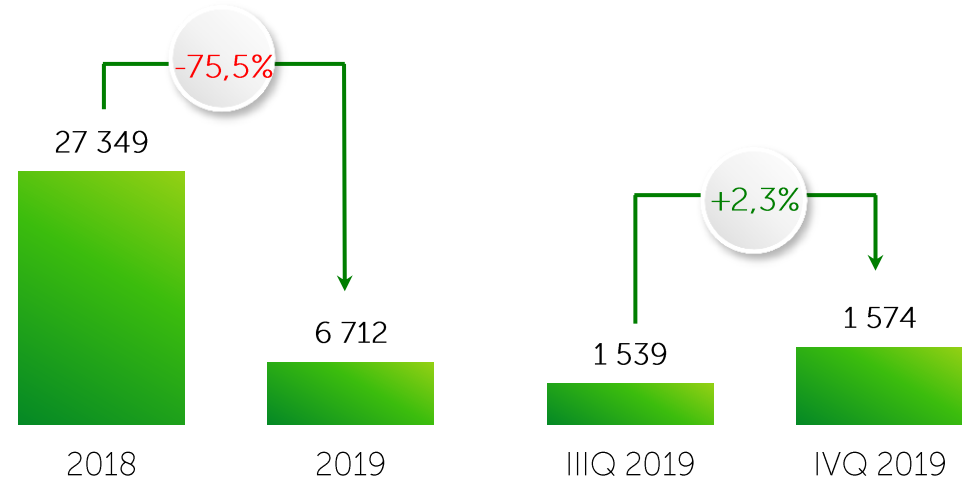
Note: taking into account non-listed securities

Retail investors on the securities market (1 / 2)

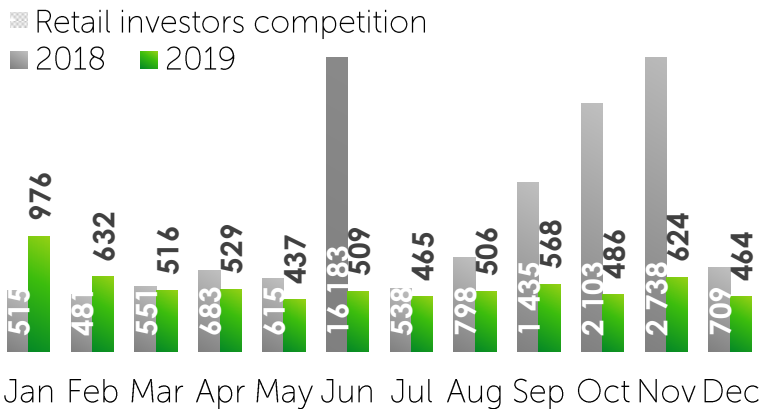
Number of individual accounts opened in the CD



Number of new accounts opened in the CD



Number of new accounts opened in the CD, by month



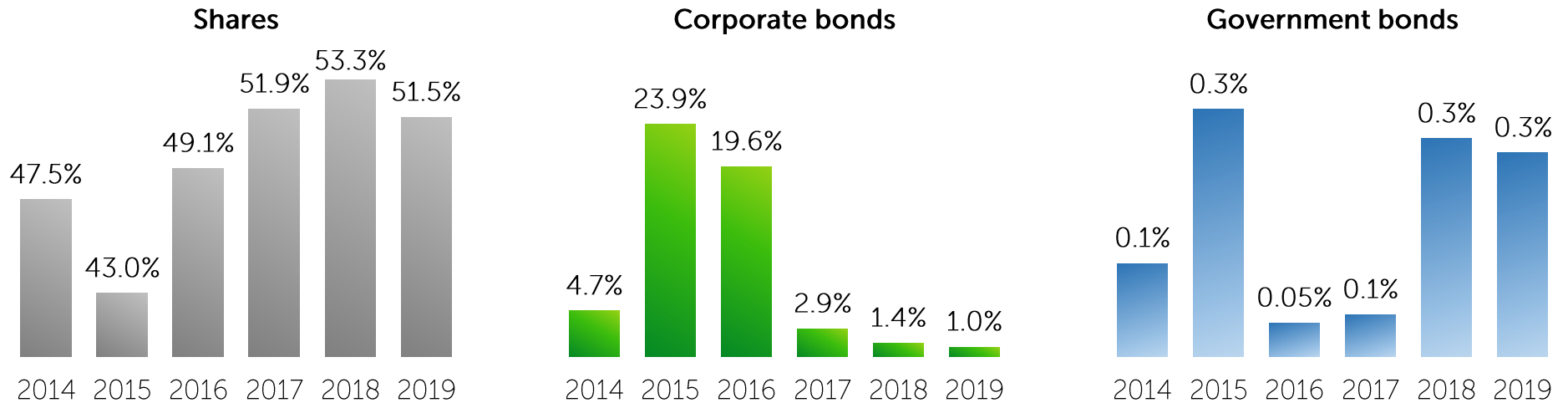
2019 figures:

- number of accounts with financial instruments therein – **58,510 accounts**
- average amount of an individual's share transaction on the secondary market* – **332.4 th. KZT**
- average amount of an individual's transaction in corporate bonds on the secondary market – **8.1 mln KZT**

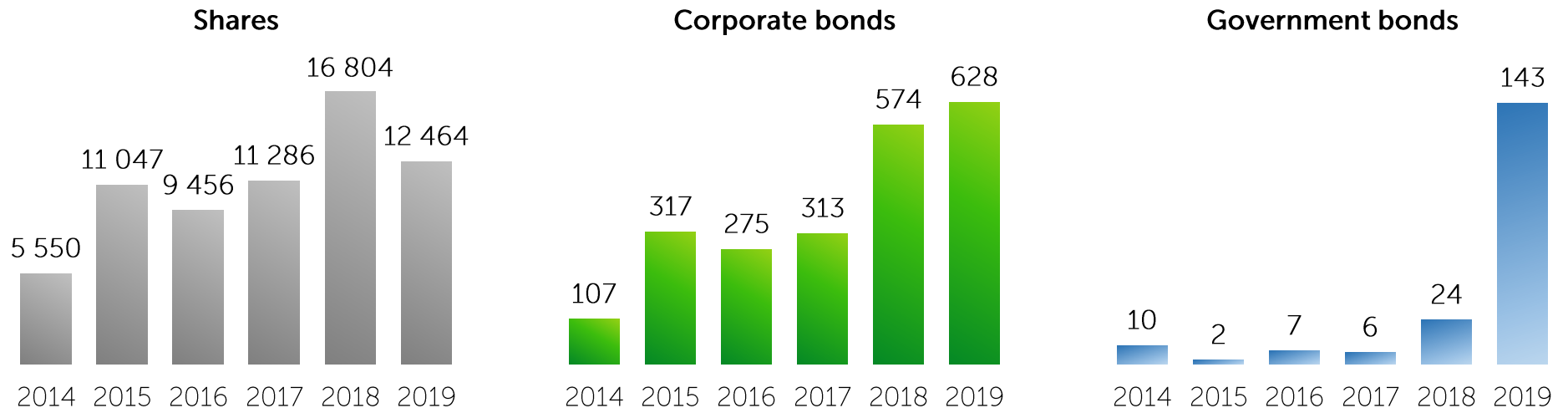
Note: major deals and irregular deals are excluded from calculations
 Source: KASE, Central Depository

Retail investors on the securities market (2 / 2)

Share of retail investors on the secondary market*



Number of active accounts on the secondary market*



Note: major deals and irregular deals are excluded from calculations

Source: KASE

Amendments to indicators of the securities market

KASE Index

- on November 1 KASE Index universe was supplemented with shares of NC Kazatomprom (ticker KZAP);
- on December 3 the calculation algorithm for KASE Index as changed due to the launch of TCS and Index server from MOEX.

Equity market capitalization

- on December 3 the approach to forming the representative list of the equity market capitalization was changed: from now on it also includes shares of resident issuers who underwent KASE's simplified procedure;
- on December 3 KZAP shares were included in the calculation of the equity market capitalization.

Assessment of equity instruments' liquidity

- on November 1 the revised document was put into effect, which determines the liquidity indicators of equity securities using absolute values instead of relative providing objective information about the liquidity of each particular security.

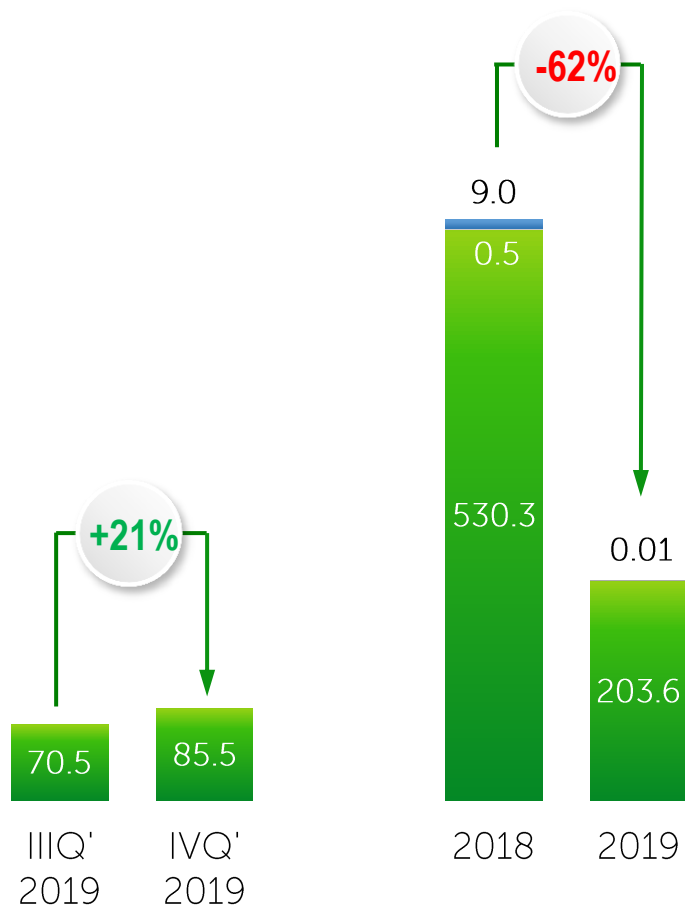
Market valuation

- on November 28 a new document was put into effect, which specifies the procedure of determining indicative figures GG-spread as values for the valuation of settlement prices for swap currency transactions;
- on September 30 a new document was put into effect, which specifies the procedure of determining the yield function of GS for purposes of determining the yield (based on the Nelson-Siegel model) and market prices of GS;
- from September 30 to October 31 a new method was adopted for determining GS market prices, using amortization of yields determined according to both the old methodology and the new one;
- on November 1 a new document was put into effect, which determines the calculation of indicative figures on the CCP repo market.

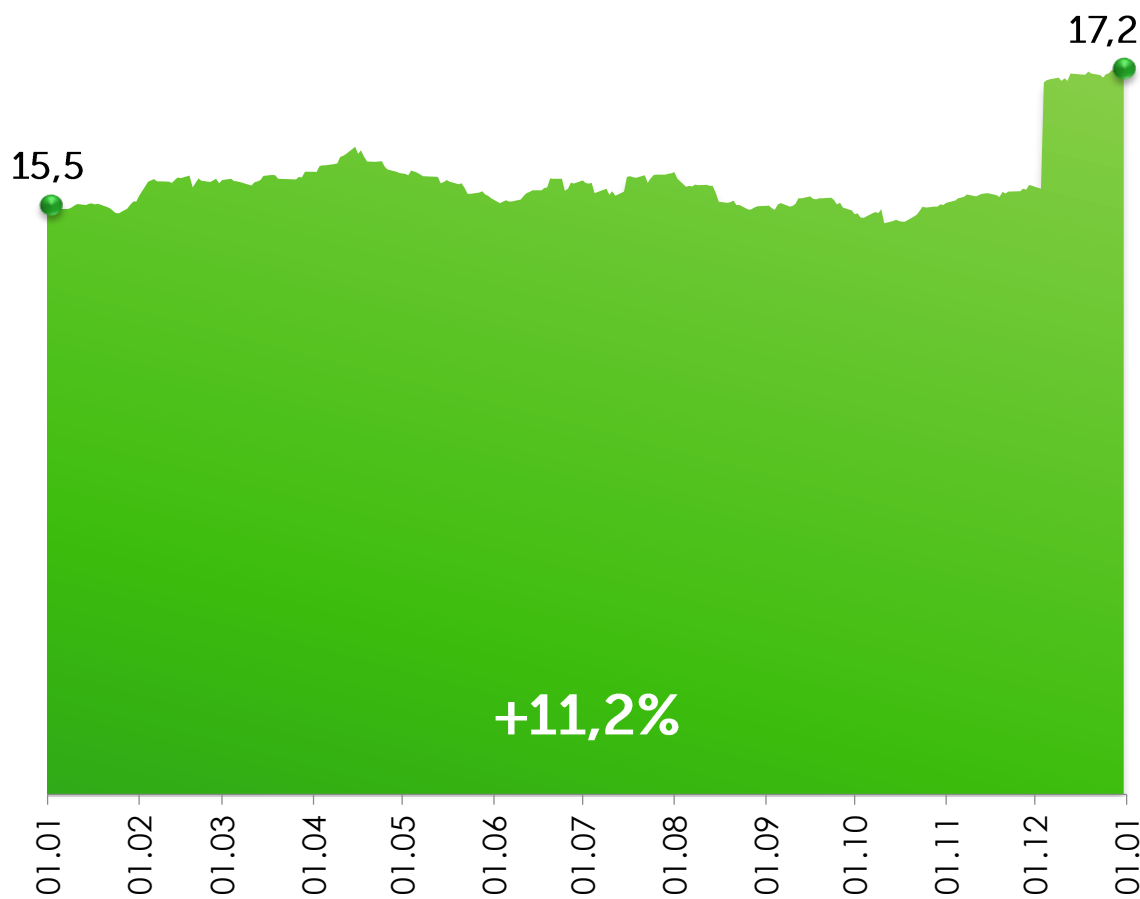
Equity market

Transaction amount, bn KZT

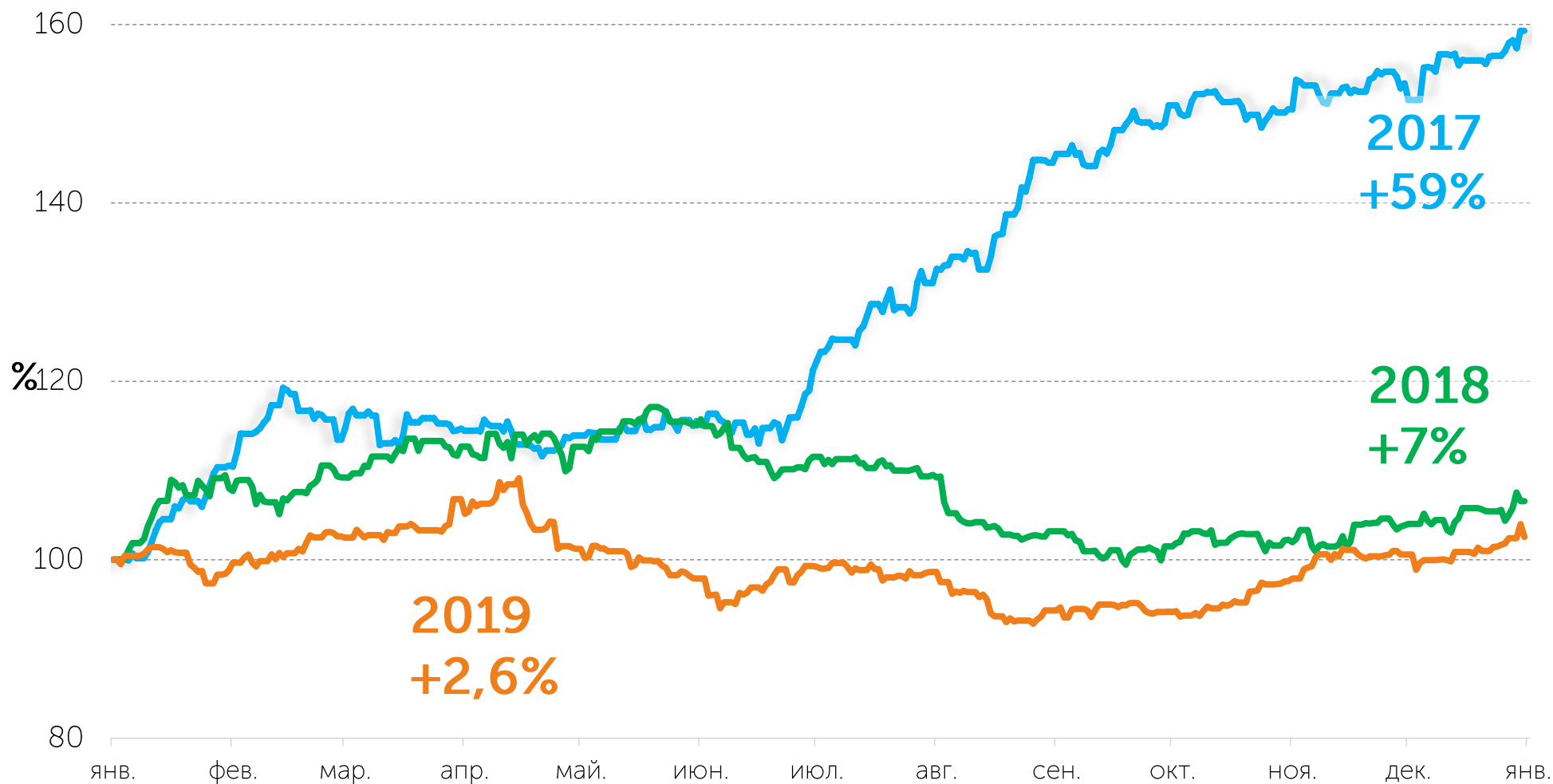
- Buyback of ordinary shares RDGZ
- Primary market
- Secondary market



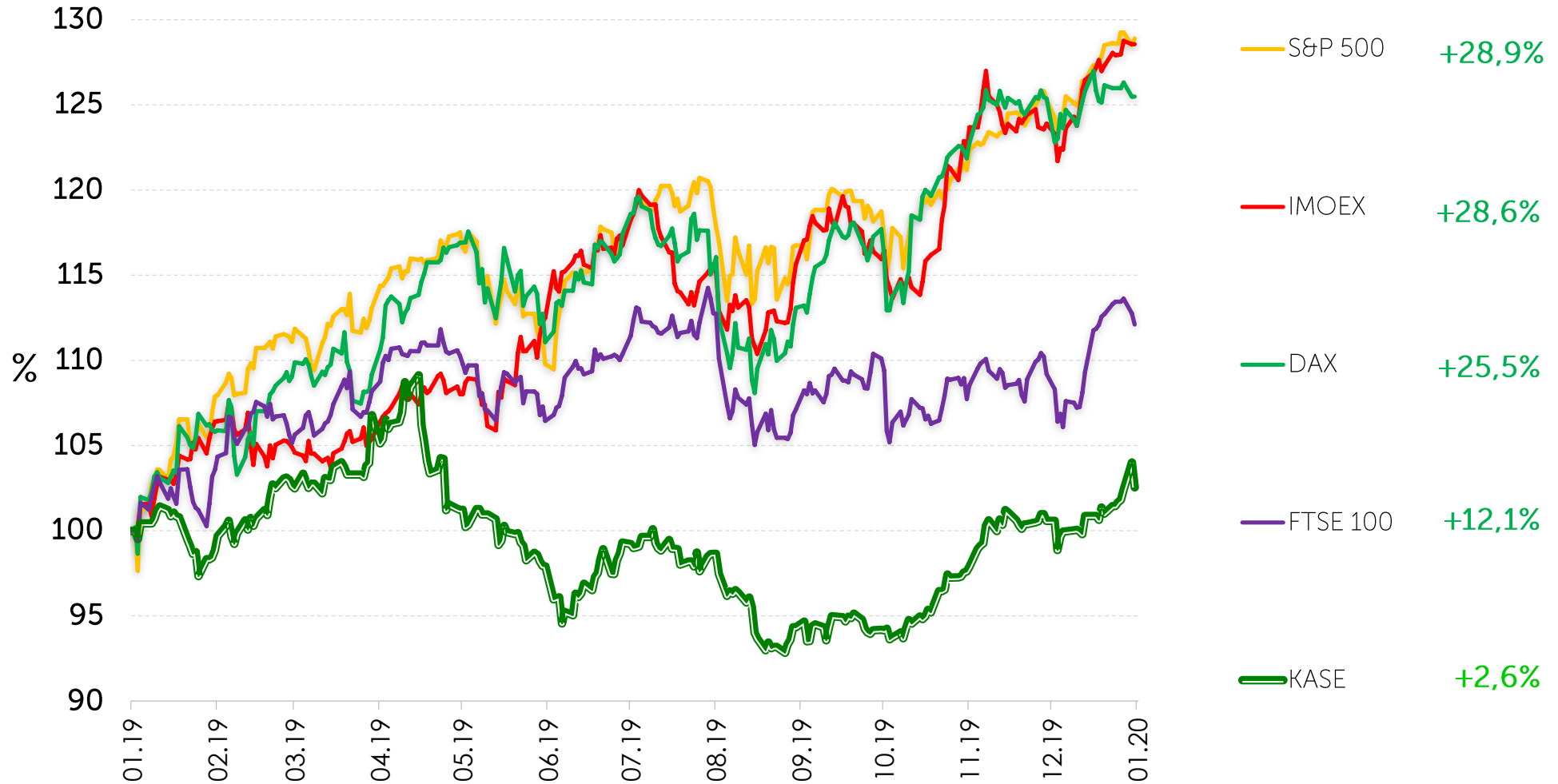
Equity market capitalization, trln KZT



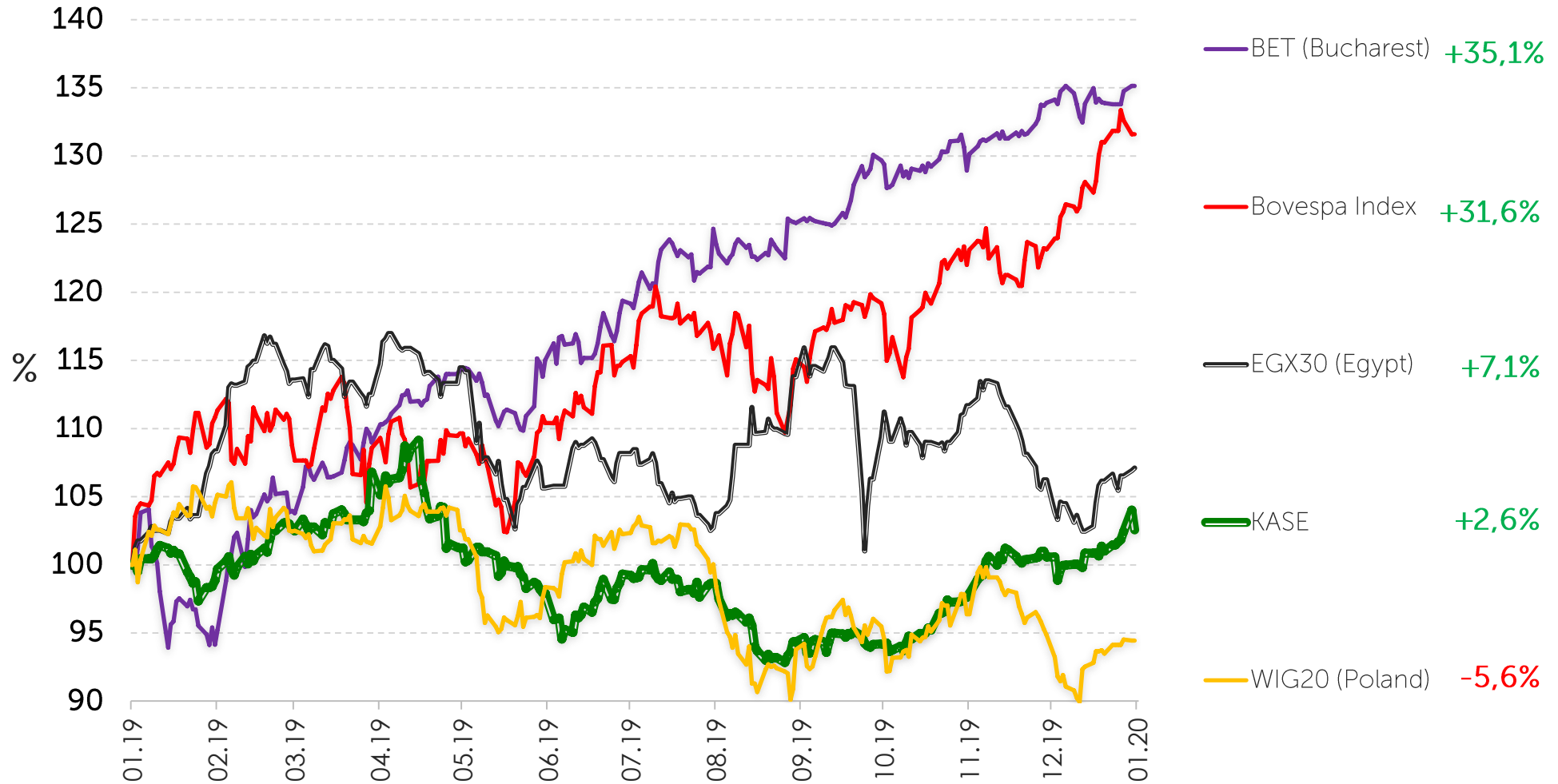
KASE Index dynamics



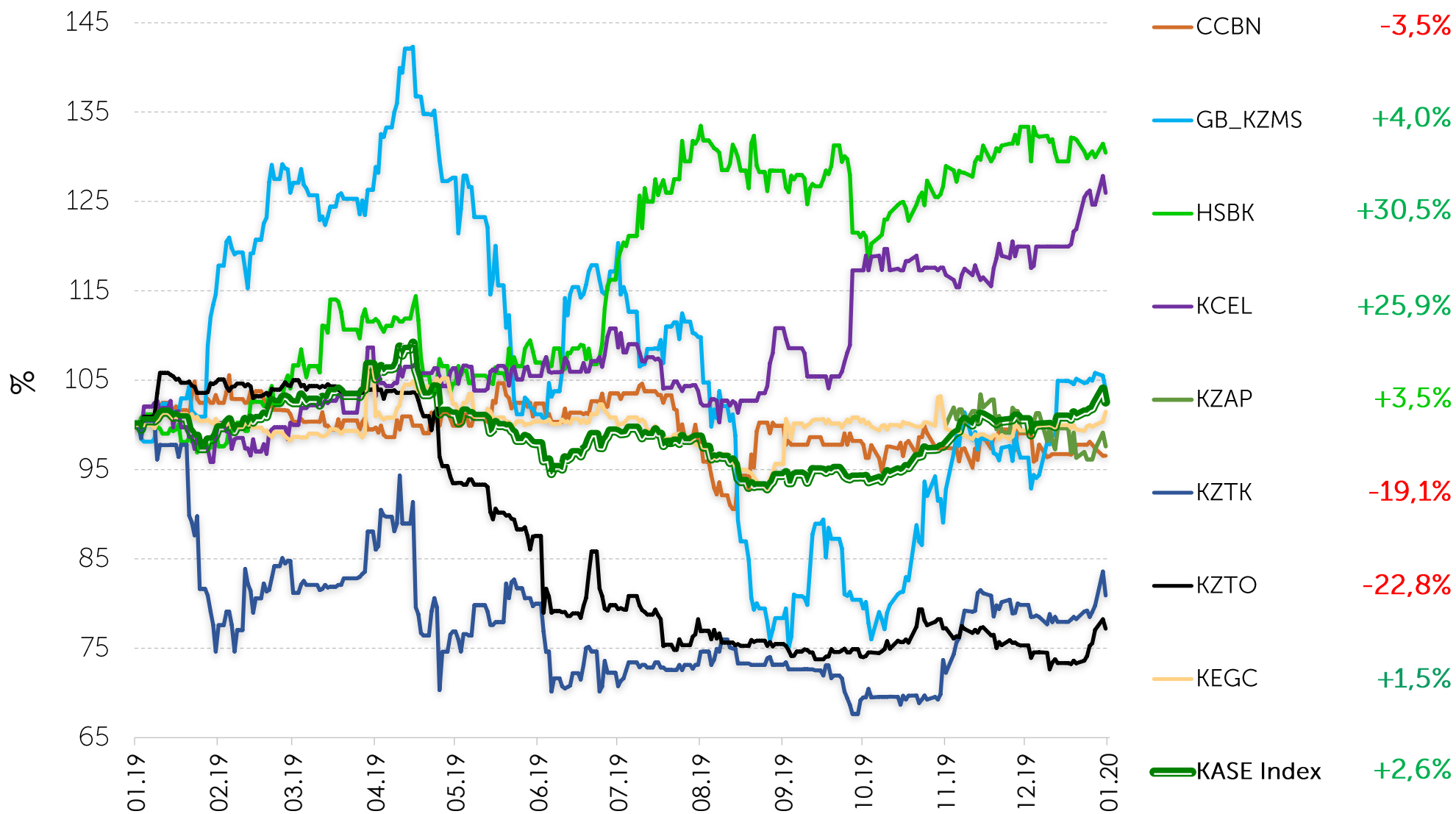
KASE Index and international stock indexes



KASE Index and indexes of frontier markets



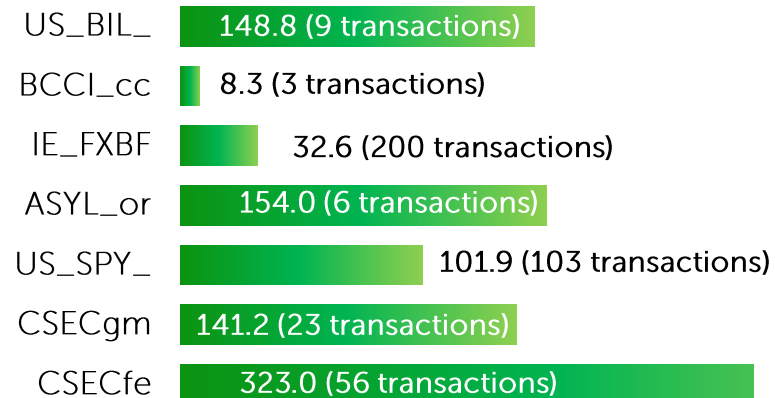
KASE Index components



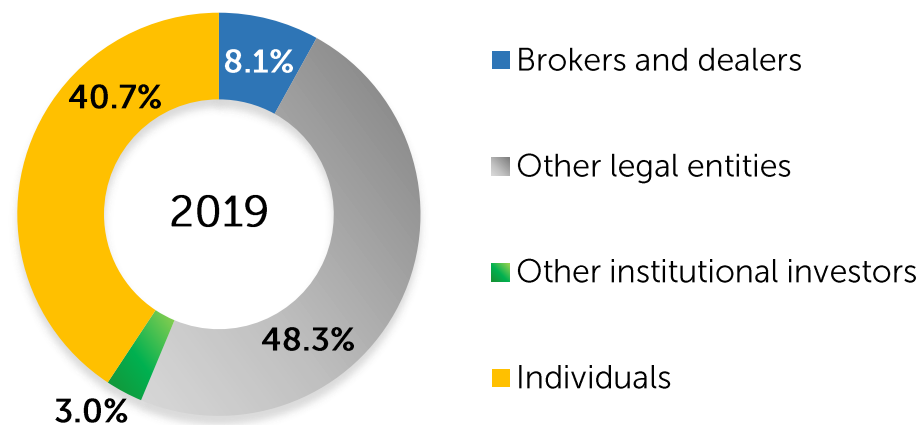
Transaction amount, mln KZT



Trading amount, by instrument, mlnKZT



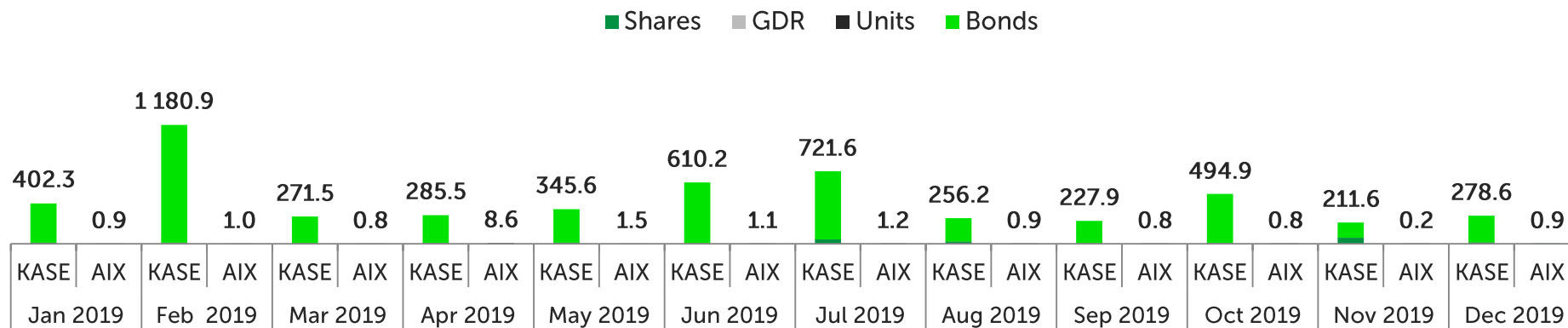
Main investor categories, %



Amounts on KASE and AIX for 2019

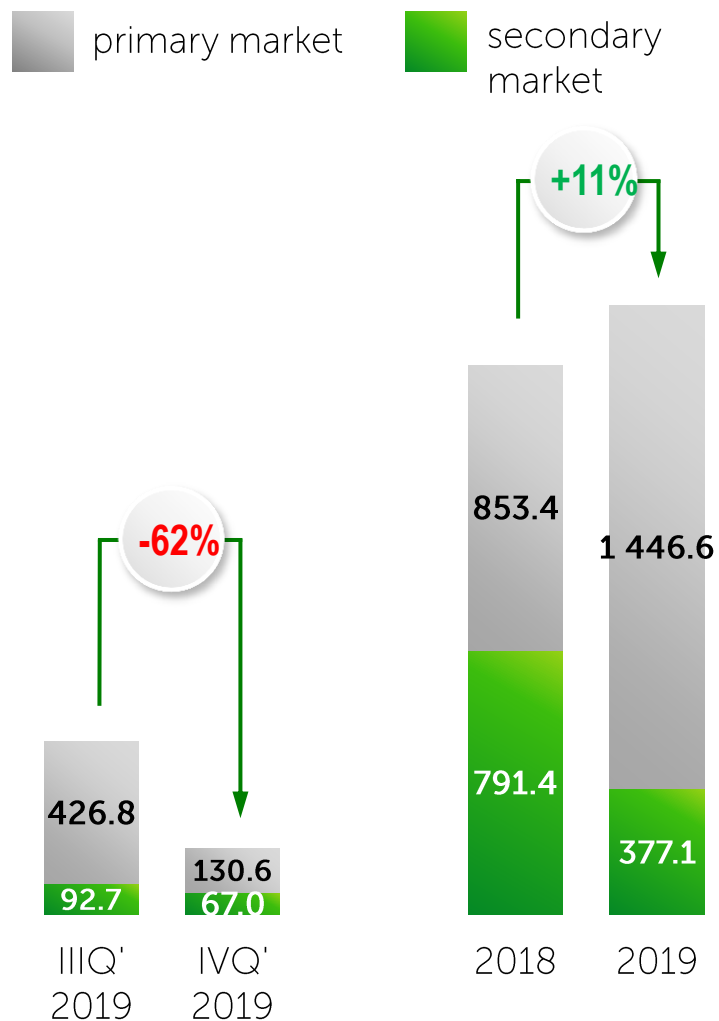
Security type	Total listed		Involved in deals		Number of deals		Trading amount, bn KZT	
	KASE	AIX	KASE	AIX	KASE	AIX	KASE	AIX
Shares	141	9	62	3	103 222	5 208	203,6	16,6
GDR	2	2	1	2	24	428	3,0	1,7
ETF/ETN and units	11	7	7	7	400	13	0,9	0,1
Bonds	500	29	271	1	3 877	7	4 539,3	0,4

Comparison of transaction amounts on both markets, bn KZT

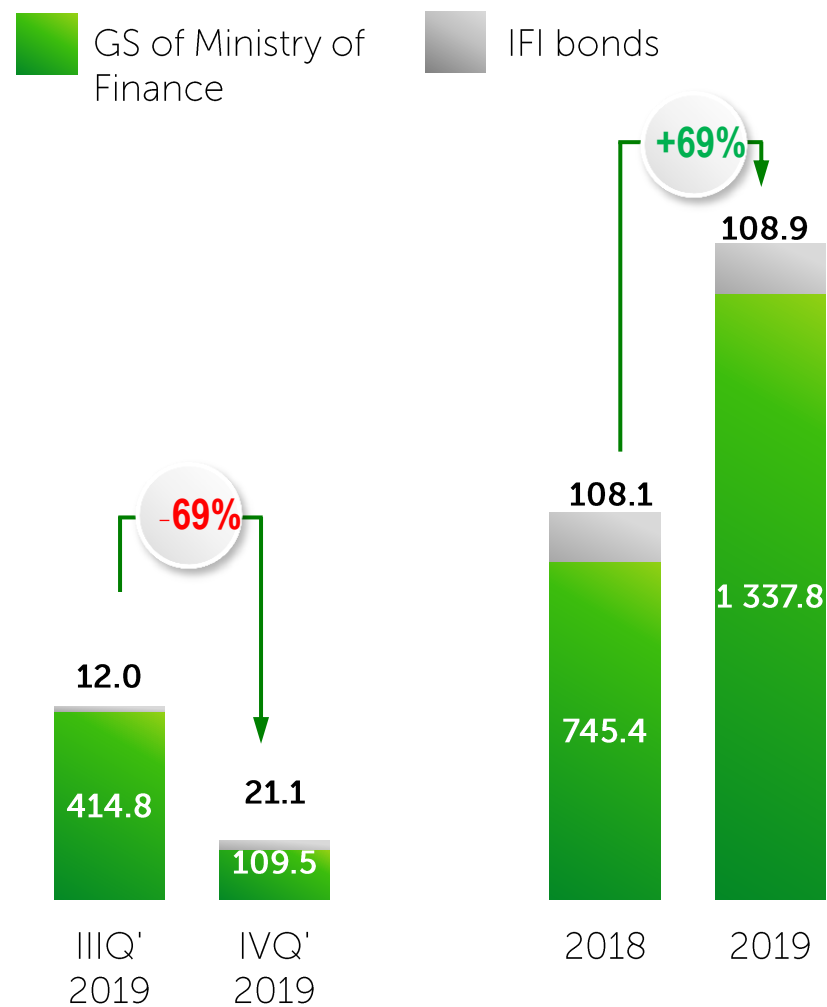


Government bonds

Transactions amount, bn KZT



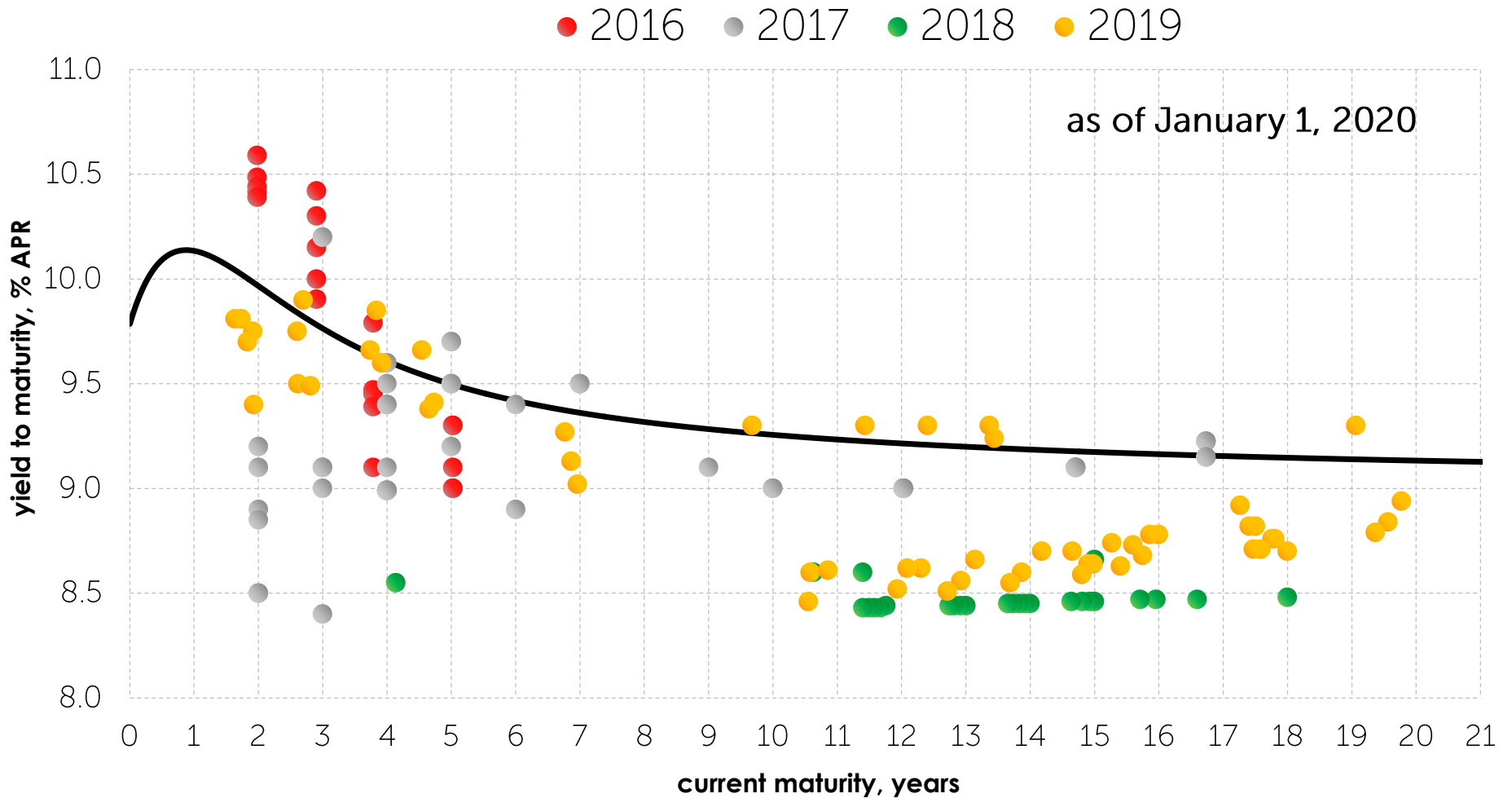
GS primary market, bn KZT



Source: KASE

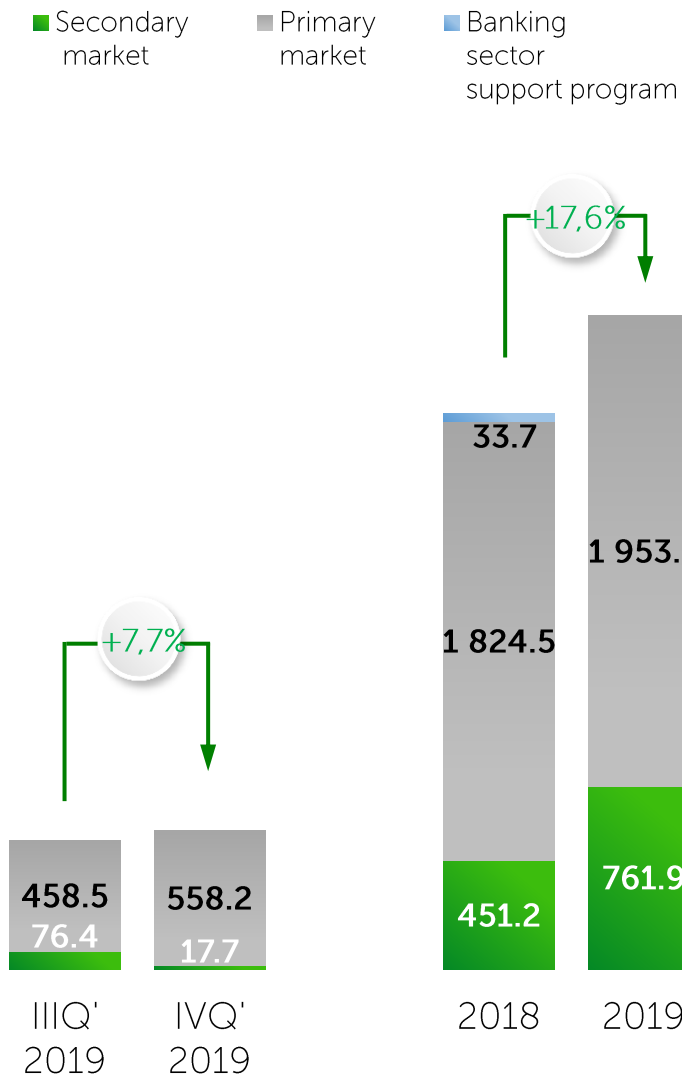
Ministry of Finance develops a benchmark

Yield and duration of MEKAM at offering on KASE

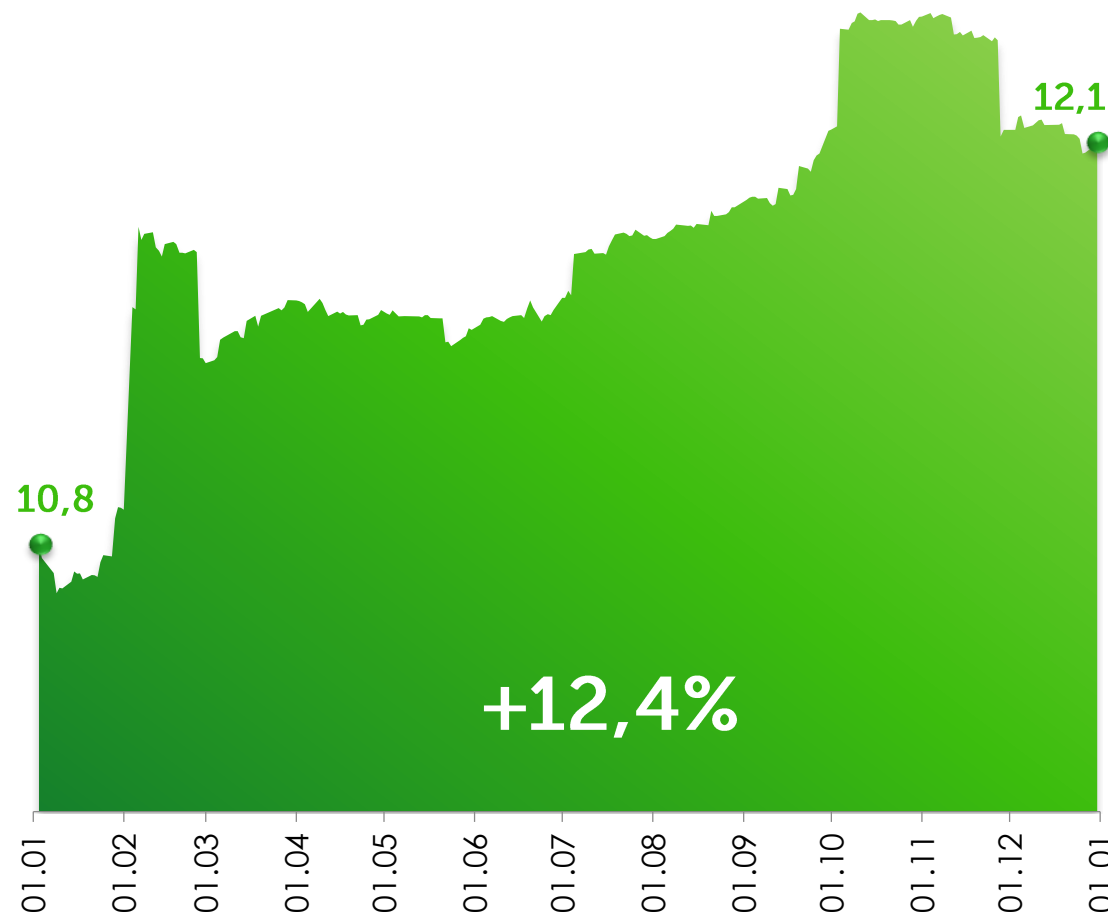


Corporate bond market

Transaction amount, bn KZT

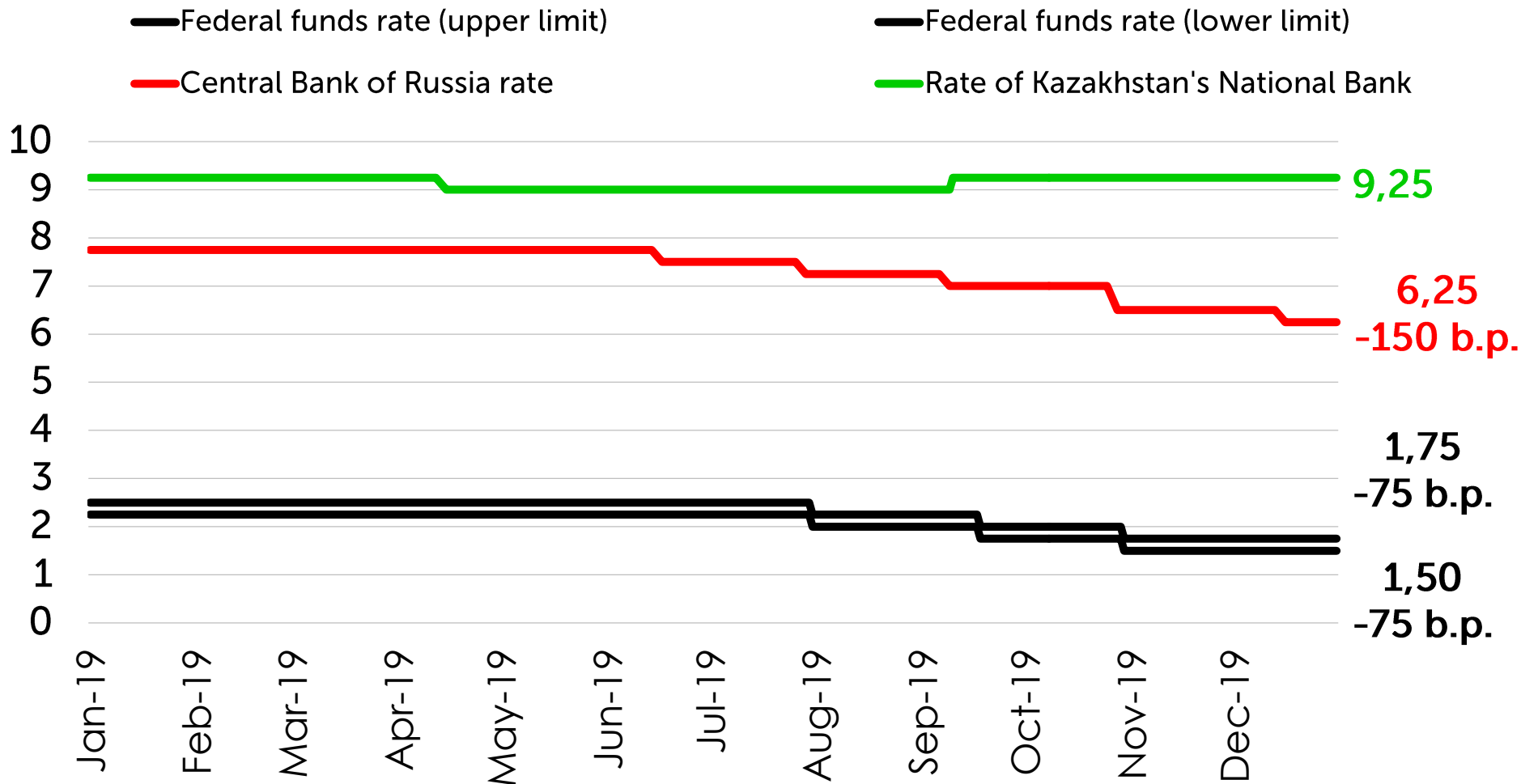


Outstanding corporate debt, trln KZT



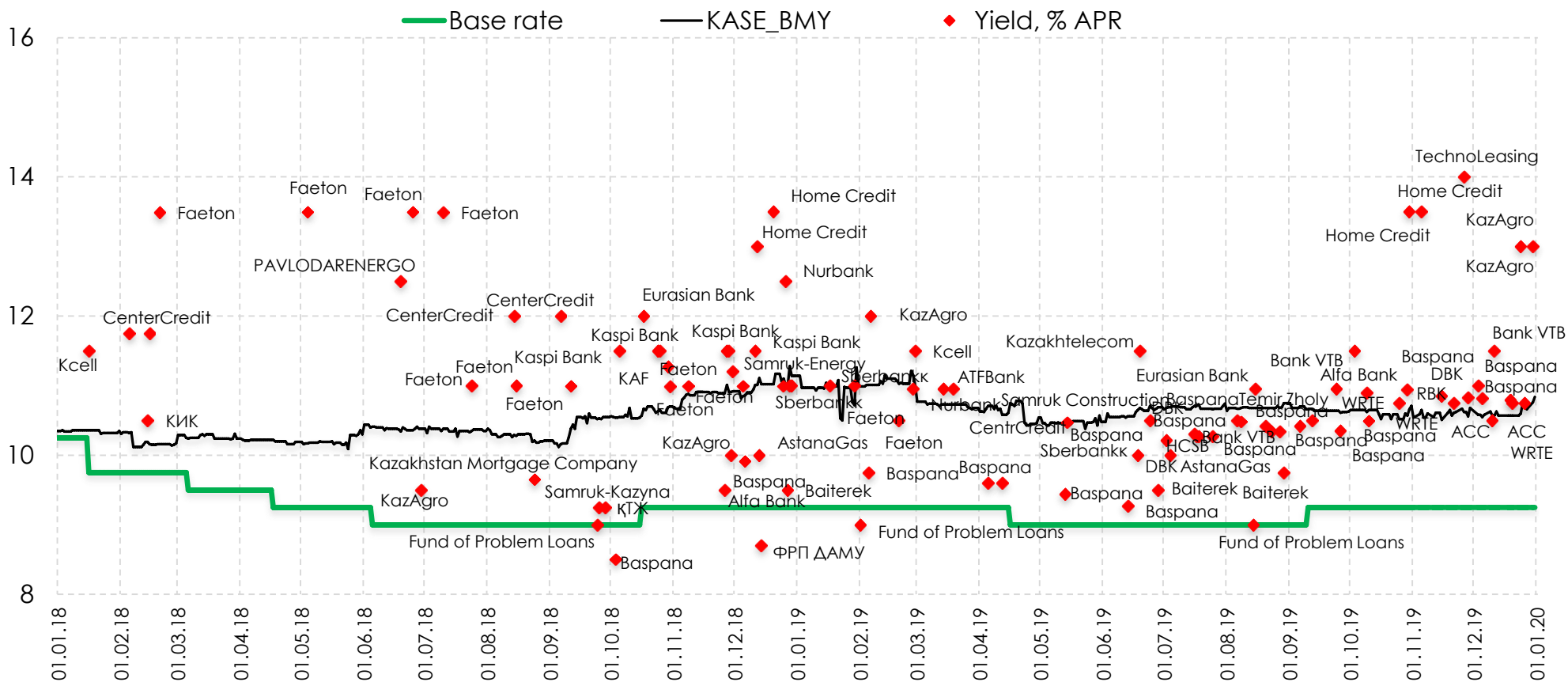
Source: KASE

Percentage rates



Yield of corporate bonds at offering

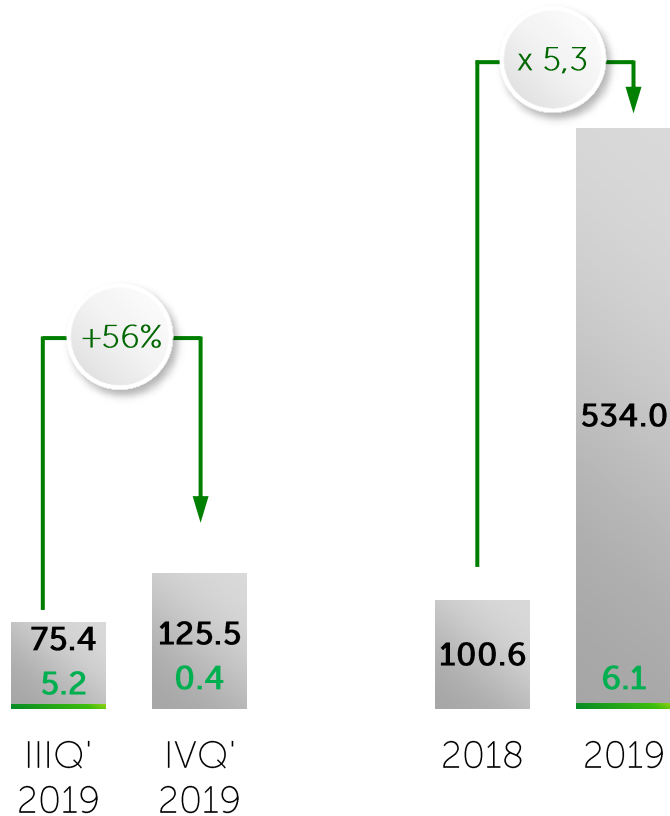
Market offerings 2018 – 2019*



* without taking into account the offerings conducted as part of the Program of increasing the financial stability of the banking sector of the Republic of Kazakhstan

Transaction amount, bn KZT

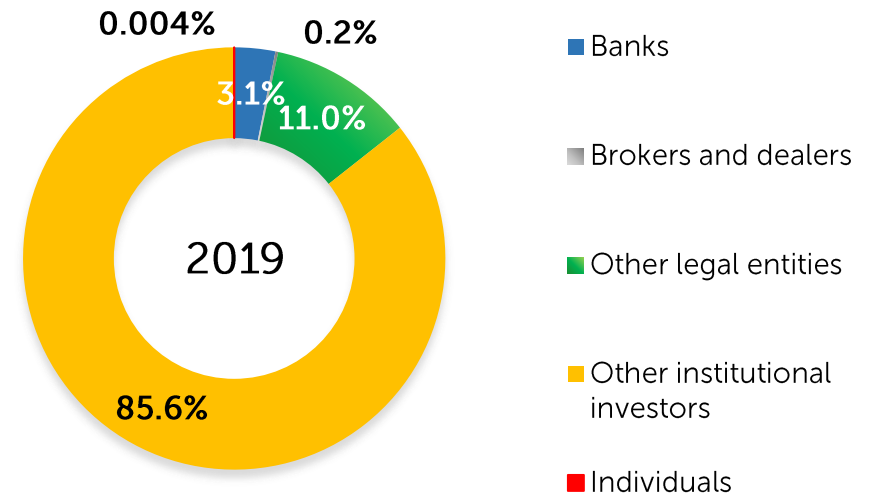
■ Primary market ■ Secondary market



As of January 1, 2020 KASE official list featured **30 bond issuances of 5 organizations:**

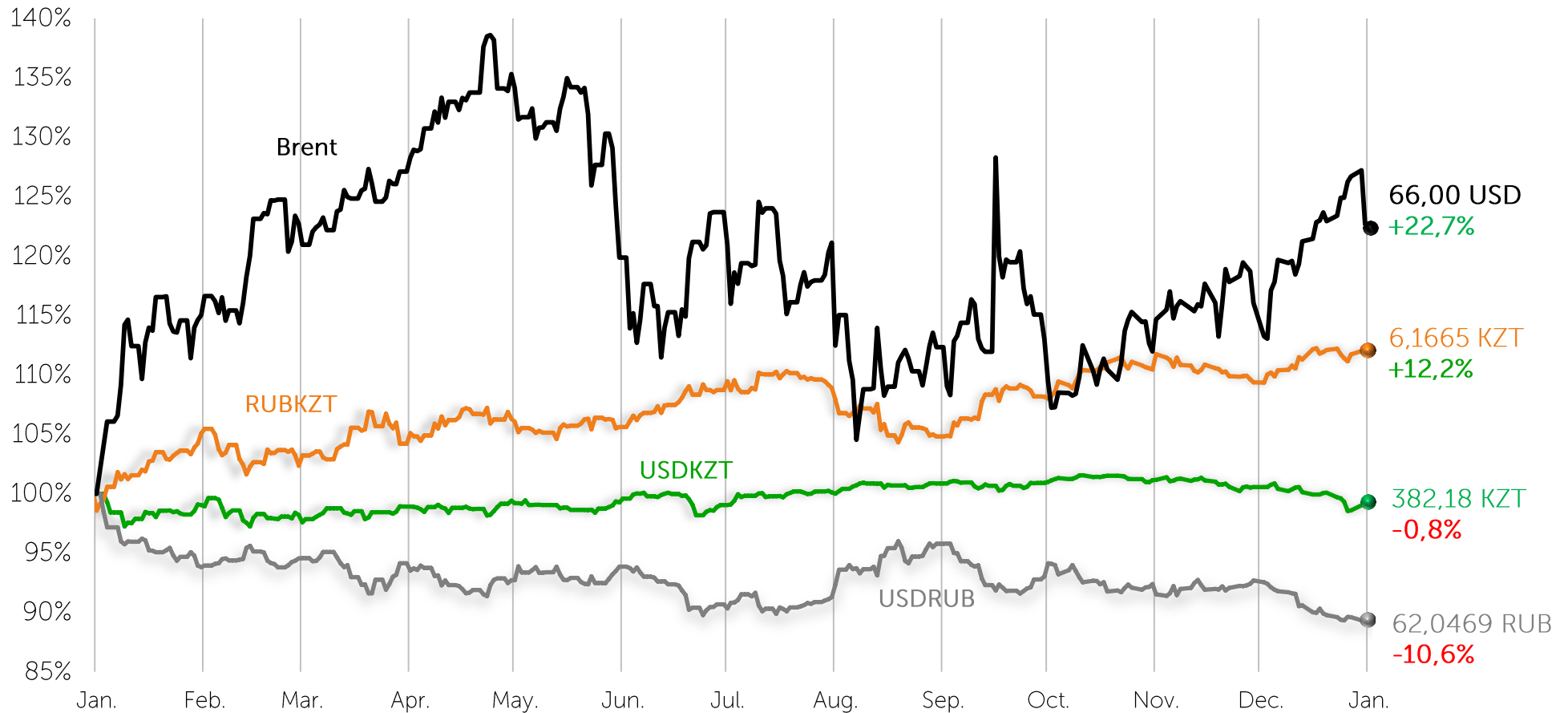
- 12 issuances of Eurasian Development Bank
- 10 issuances of European Bank for Reconstruction and Development
- 4 issuances of International Finance Corporation
- 1 issuance of European Investment Bank
- 3 issuances of Asian Development Bank

Main investor categories, %



The tenge's exchange rate dynamics

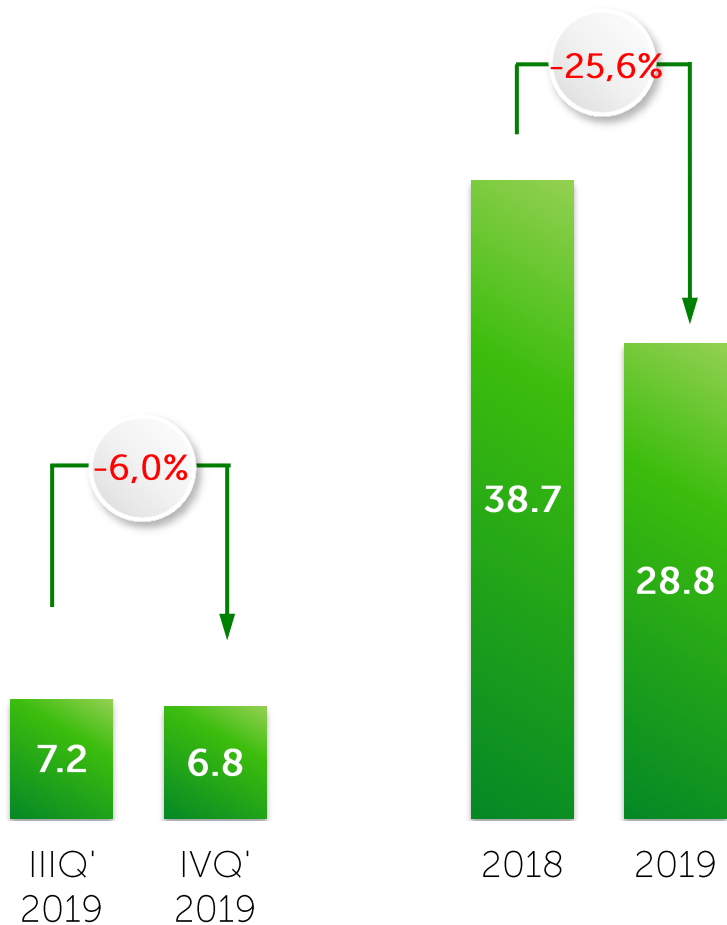
The national currency finished the year 2019 with a slight deviation on the beginning of the year



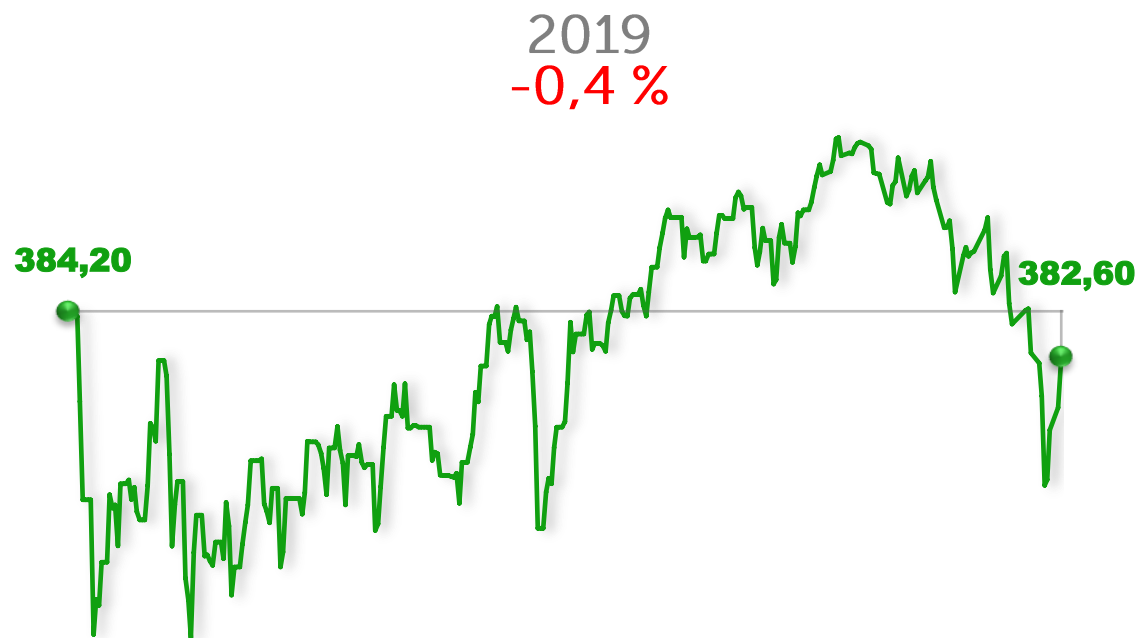
The trends are calculated on the last trading day of the reporting quarter of this year to the last trading day of the preceding reporting year.

Source: National Bank of RK (USDKZT), Bloomberg (RUBKZT, USDRUB, Brent)

Trading amount, bn USD



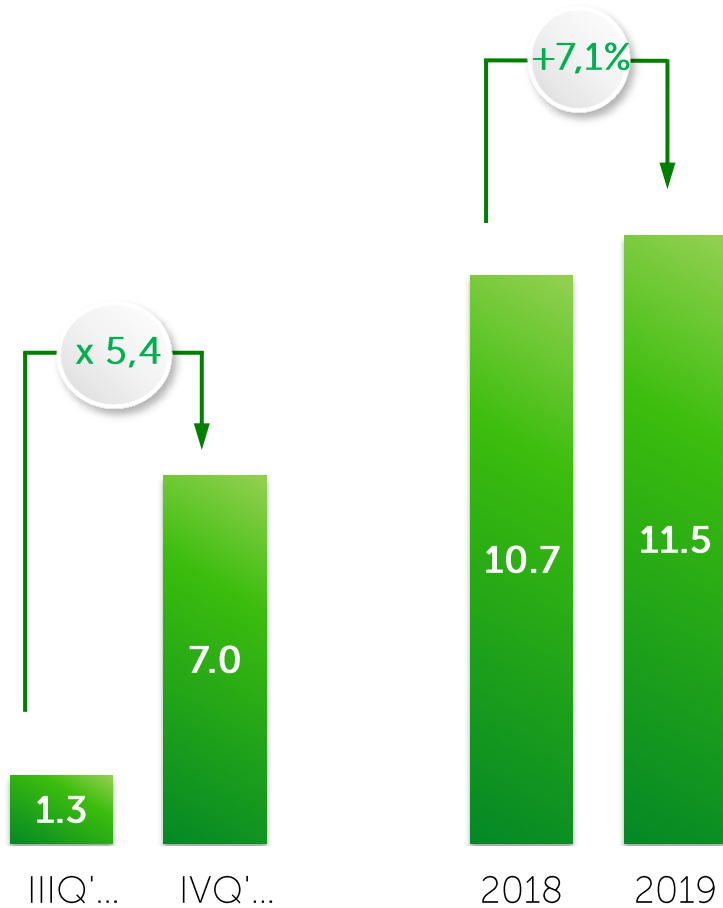
USD/KZT exchange rate dynamics, KZT per currency unit



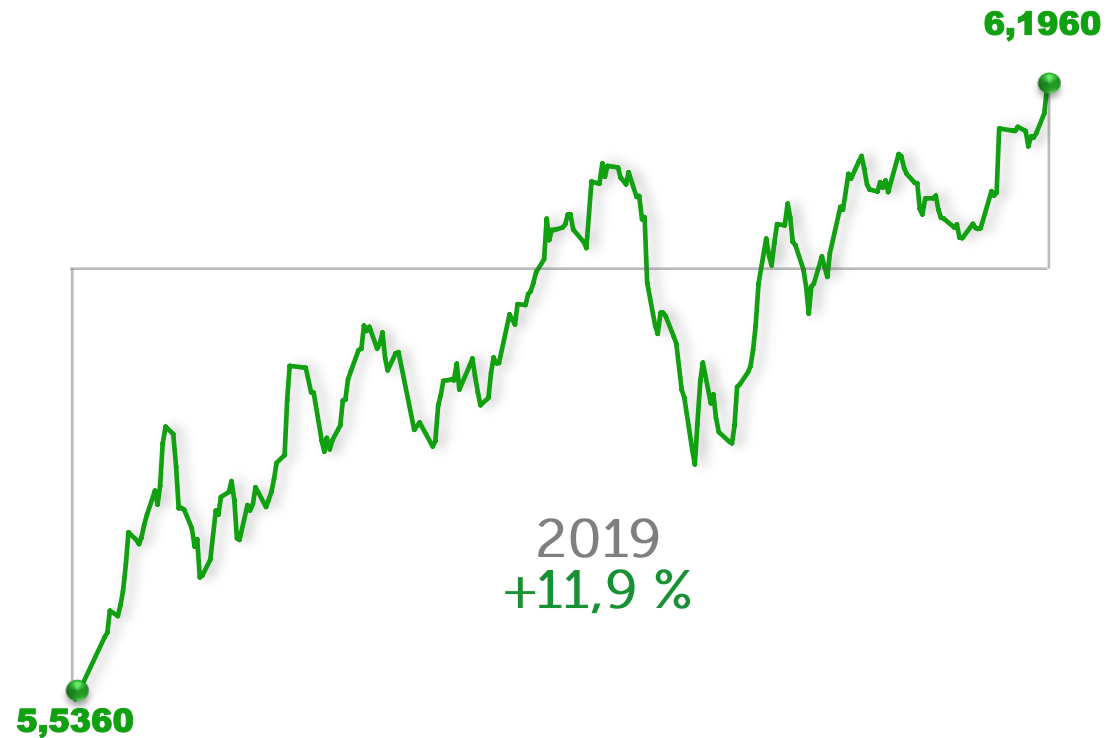
Note: USD/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

Russian ruble

Trading amount, bn RUB



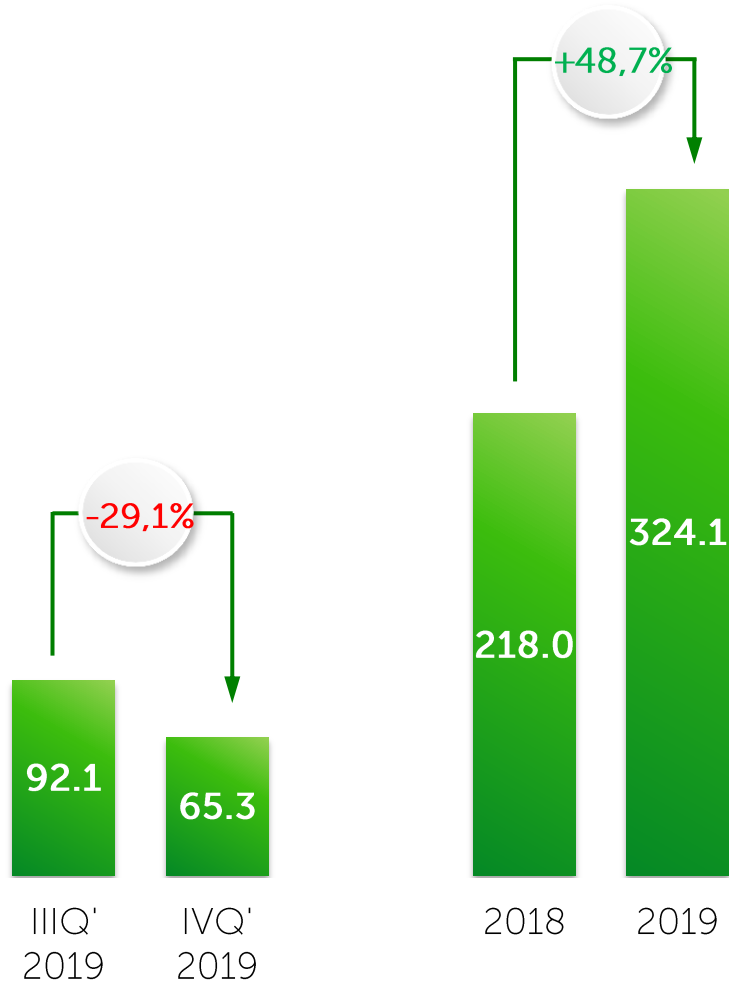
RUB/KZT exchange rate dynamics, KZT per currency unit



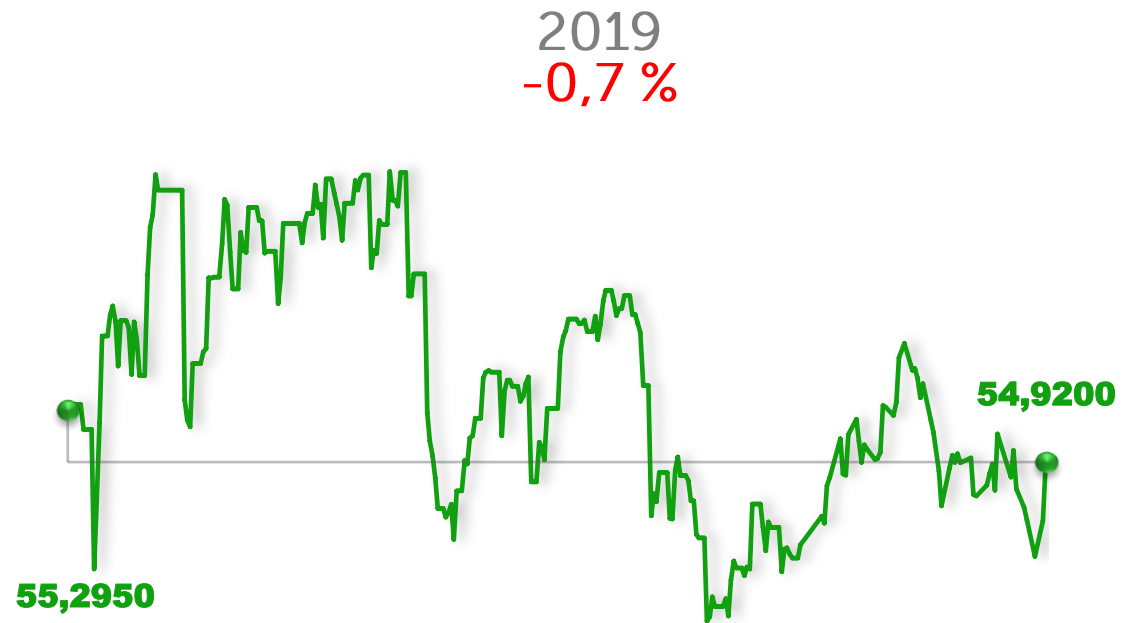
Note: RUB/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

Chinese yuan

Trading amount, mln CNY



CNY/KZT exchange rate dynamics, KZT per currency unit



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

Thank you for attention!

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FAQ

