

Overview of operating results for 6 months of 2020

Operations of the Exchange amid the global pandemic



July 2020, Almaty



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trends of exchange markets



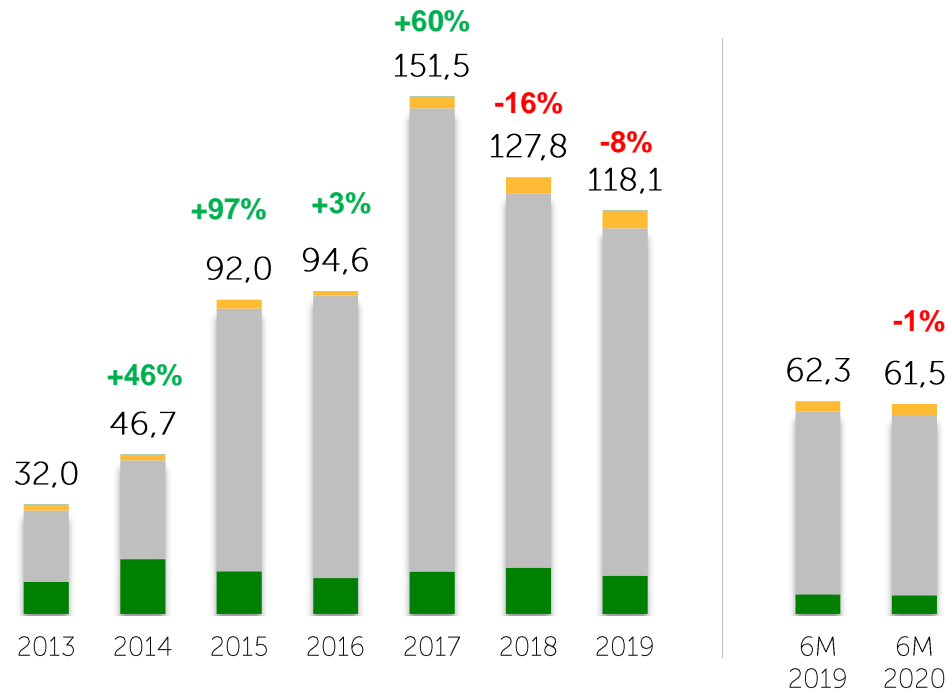
01

**Brief Overview
of Results**

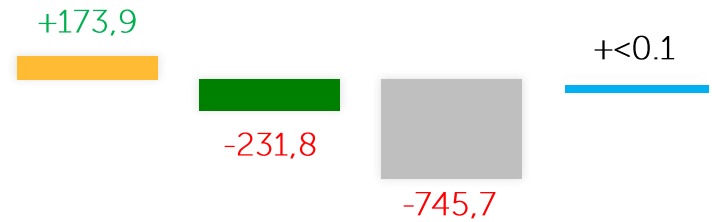




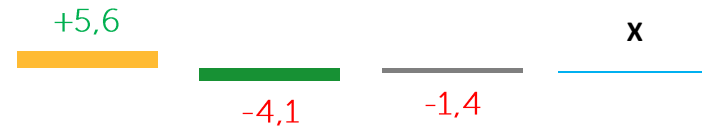
Trading volume by sector, trln tenge



Growth of the sector in 6M 2020 in monetary terms*, bn tenge



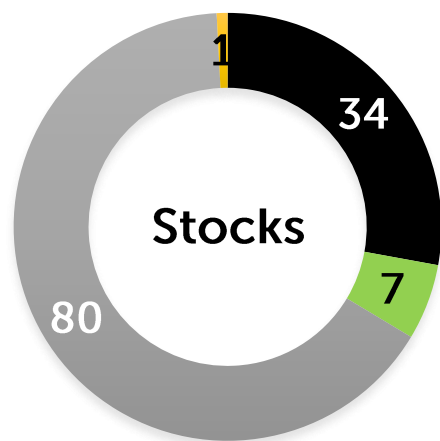
Growth of the sector in 6M 2020 in percentage terms*, %



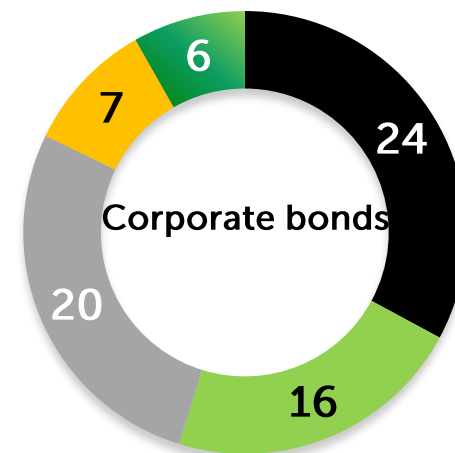
Note comparison with the similar period of last year

Structure of KASE trade lists

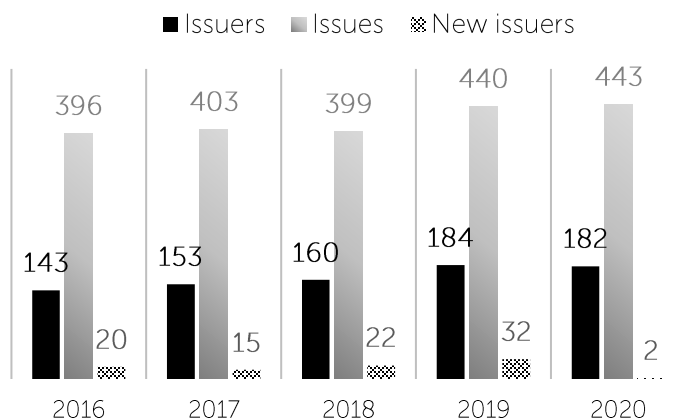
Structure of the official list by economic sector, the number of issuers



- Finance private
- Real quasi-government
- Real private
- Finance quasi-government
- Development institutions



Total number of CS issuers

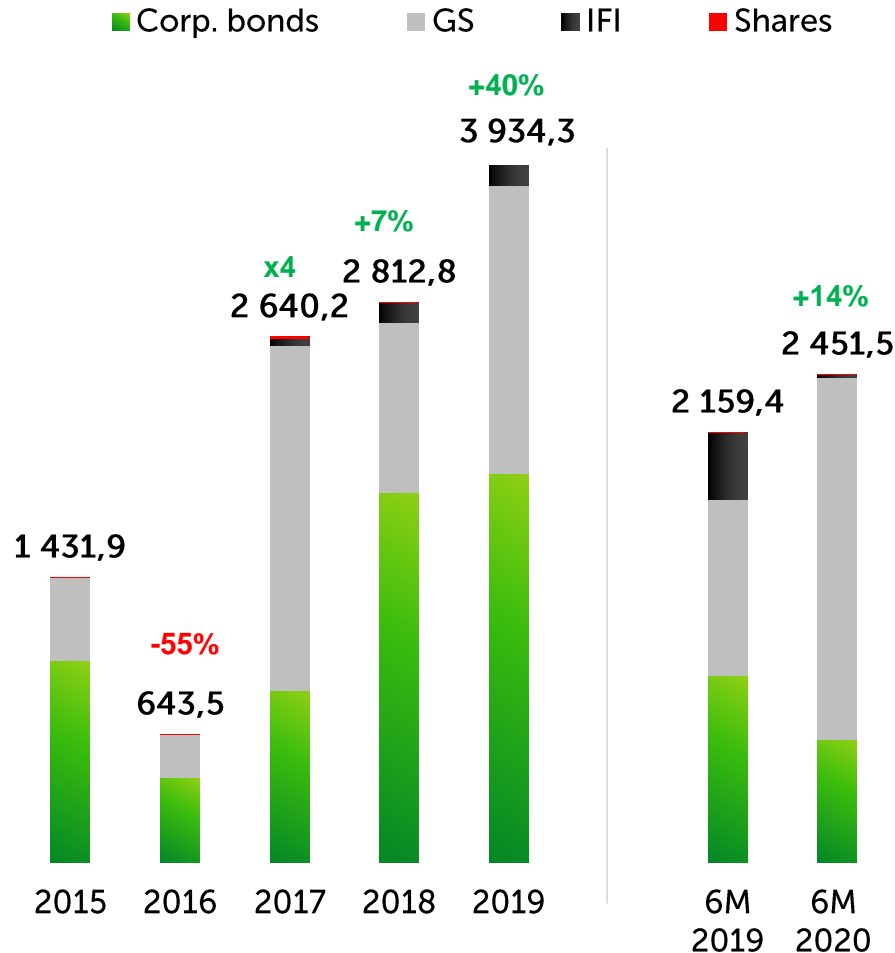


In 2020 trading lists were extended by 29 instruments of 12 issuers:

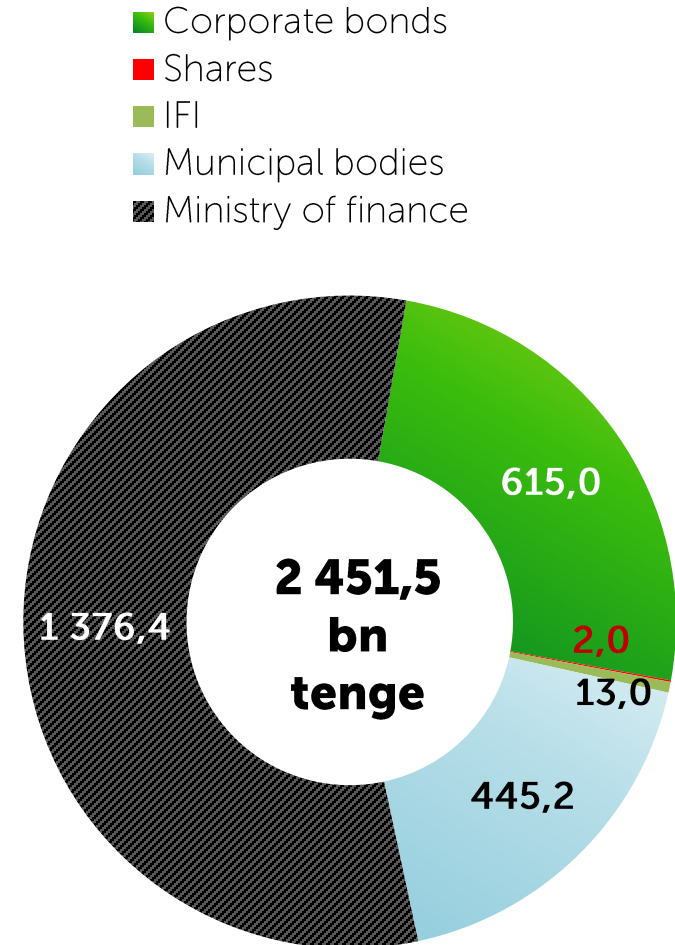
- Baspana Mortgage Organization JSC
- Subsidiary Organization VTB Bank (Kazakhstan) JSC
- **FIVE BROKERS' CAPITAL JSC**
- LLOYDS BANK PLC
- Mortgage organization "Kazakhstan Mortgage Company" JSC
- SevKazEnergO JSC
- Development Bank of Kazakhstan JSC
- Baiterek Development JSC
- KEGOC JSC
- International Finance Corporation
- National company "Kazakhstan Engineering" JSC
- KazAgroFinance JSC

Capital raising market in 2020

Initial offerings, bn tenge



Primary market structure, bn tenge

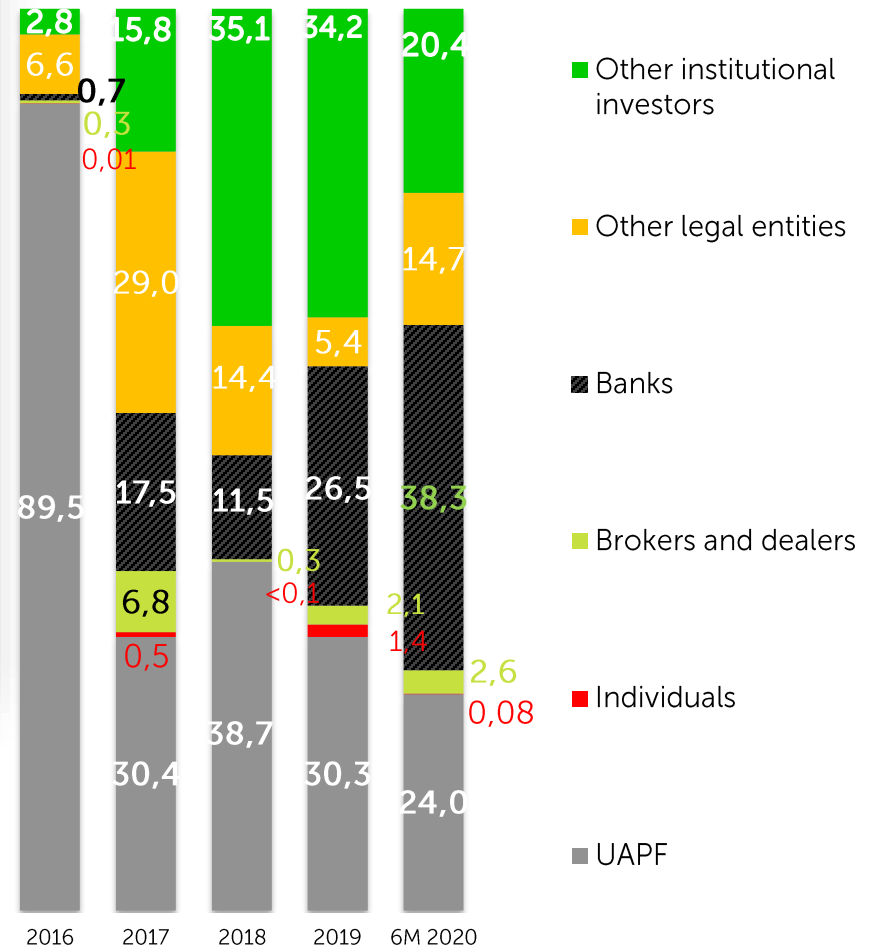


Corporate bond offering: issuers and investors

	2016	2017*	2018*	2019*	6M'2020*
Number of issuers	12	14	23	27	9
INCL.:					
quasi-public companies and development institutions	7	8	10	13	6
private non-financial companies	5	1	2	3	2
private financial companies	–	5	11	11	1
Raised, bn KZT	424,4	269,5	1 824,5	1 349,7	333,1
ICL.:					
quasi-public companies and development institutions	417,5	234,7	1 418,4	1 140,0	326,8
private non-financial companies	6,9	0,9	5,4	37,8	5,2
private financial companies	–	33,9	400,7	171,9	1,2

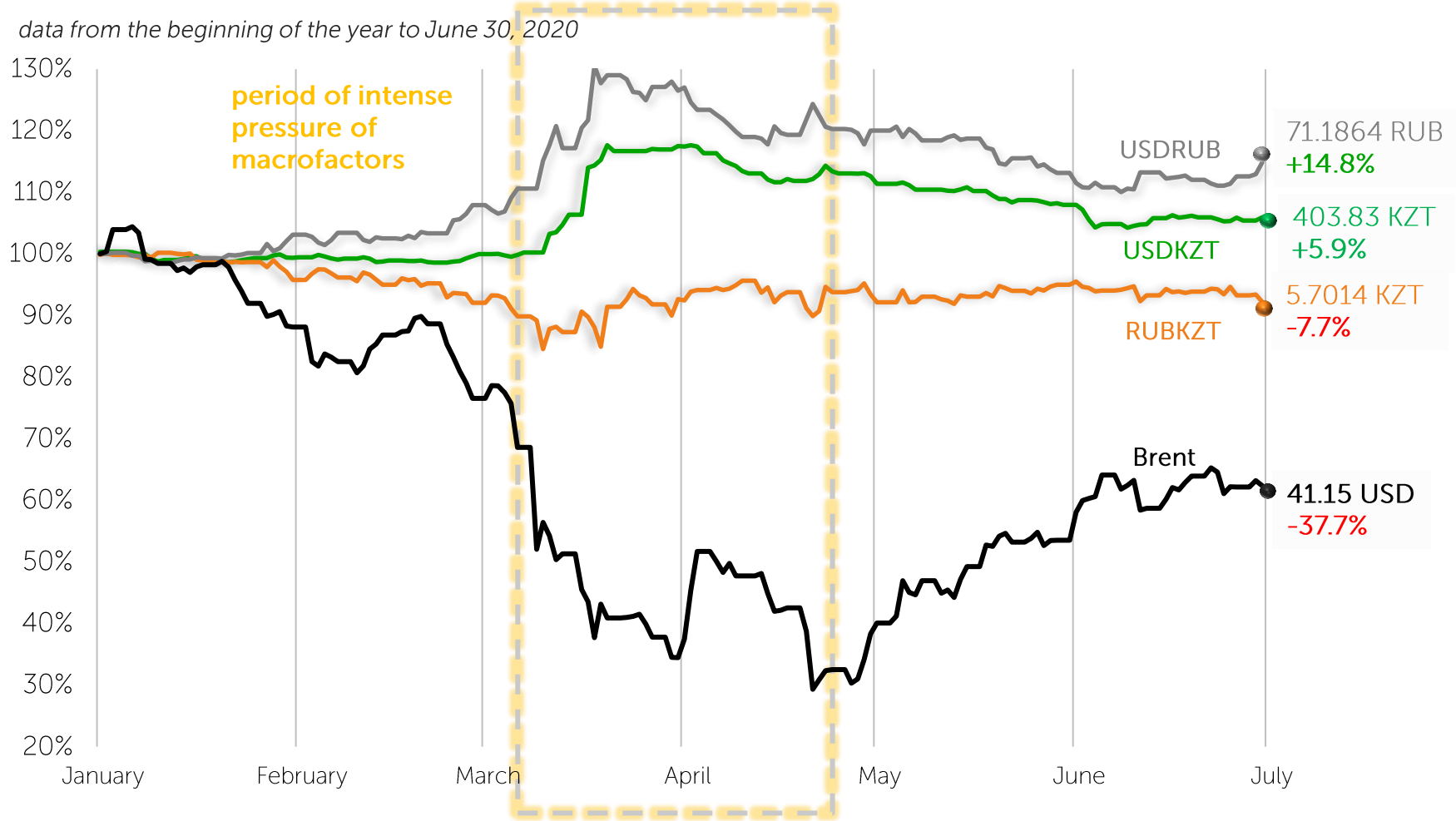
* not taking into account the Program of banking sector financial support and offerings of non-market character

Main investor categories, %*



The tenge rate chart

In the first months of 2020, the tenge continued to demonstrate stability. Since the beginning of March, upward pressure on the exchange rate has been exerted by: a sharp decline in prices for benchmark oil brands, the imposing of an emergency situation due to the global pandemic, weakening of the currencies of the countries – main trading partners, increased demand for goods and accelerated inflation. Further, the recovery of oil contributed to the strengthening of the national currencies of the exporting countries.

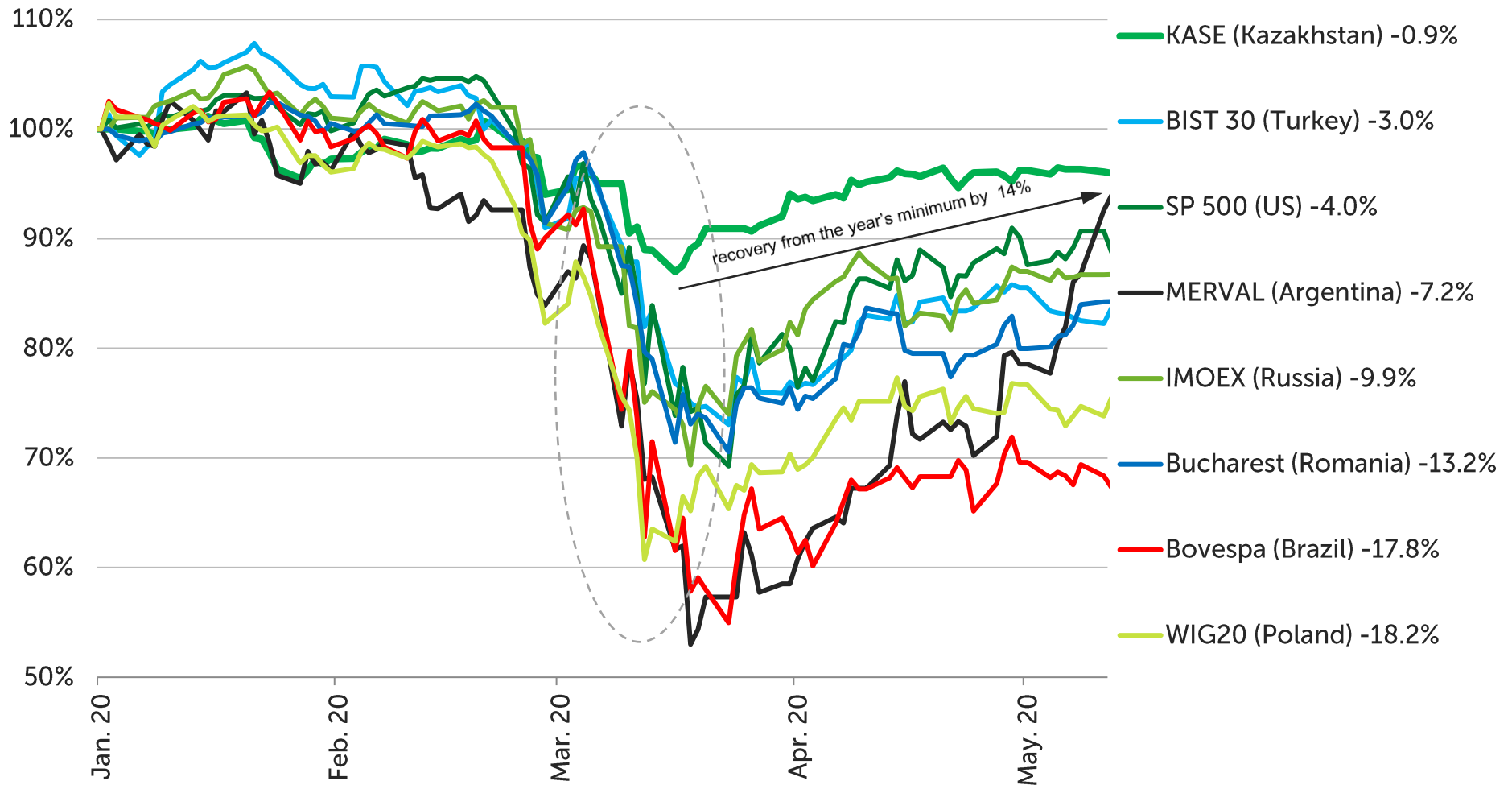


Note: trends are calculated based on the last trading day of the reporting quarter of the current year to the last trading day of the previous reporting year

Source: NBRK (USDKZT), Bloomberg (USDRUB, RUBKZT, Brent)

KASE Index and global stock indexes

data from the beginning of the year to June 30, 2020





02

**Project
Implementation
and Operations**



Key projects for 2020-2021



Cooperation with MOEX



- Introduction of the ASTS+ on the stock market for all modes and launch of the CC services on the stock market for deals in all financial instruments / **August 2020**
- Introduction of the ASTS+ on the currency market / **November 2020**
- Introduction of the SPECTRA on the derivatives market / **2021**

Development of the markets and IT

- Improving the rankings of the RK's financial market in international classifications FTSE, MSCI and S&P/ **2020-2021**
- Automation of the listing process / **second half-year of 2020**
- Launch of the new version of the electronic document flow system is2in / **second half-year of 2020**
- Implementing the browser version of the information terminal (Web-терминала IRIS) / **second half-year of 2020**

Sustainable development

- Implementing the policy of the Exchange's sustainable development / **second half-year of 2020**

Events for issuers

from May we switched meetings with potential market participants to the distant mode



Off-site events and business forums

- On February 18 a round table was conducted jointly with EDP "Damu" for entrepreneurs of Zhambyl region
- On February 18 a training seminar was conducted for employees and clients of SKRB "Kazpost" JSC
- On February 21 a presentation was held at the forum "Mining Club" geological survey for juniors" in Almaty
- On March 17 as part of the round table a conference call was held with representatives of NMH "Baiterek" and its subsidiaries on issues regarding mechanisms and principles of the CC's operation



Training seminars

- On February 5 a seminar themed "Essentials of the stock market" was held for owners and executives of businesses
- On February 21 – introductory seminary for students of the program "Master of Science in Finance" of Nazarbayev University

Key events for investors and market participants in 2020

01 presentation



of the Purchasing Managers' Index in Kazakhstan
by Tengri Partners

02 Road Show



of Development Bank of Kazakhstan JSC for investors as part of
an offering of KZT-denominated Eurobonds
and SWF "Samruk-Kazyna" as part of an offering of tenge-
denominated bonds

03 awards



to members of KASE, listed companies and media
representatives that stood out in 2019

04 supporting the initiative



"Ring the Bell for Gender Equality" as part of the UN initiative
"Sustainable stock exchanges"

05 consideration



of measures for further development of the market as part of the
round table with professional market participants and the IV round
table "Debt market of the Republic of Kazakhstan" by Cbonds

06 KASE Talks



with participation of the Chairperson of the Management Board of
Housing Construction Savings Bank of Kazakhstan JSC Lyazzat
Ibragimova and with participation of the Chairman of the Board of
Directors of RG Brands and "RESMI" group of companies Kairat
Mazhibayev

KASE's operation under the state of emergency and quarantine due to COVID-19



Plans of KASE's operation amid spreading coronavirus infection COVID-19 and Instruction on anti-epidemic regime



Increased readiness of backup data processing centers



Remote work of not less than 80% of the personnel with direct and safe connection to IT-resources of the exchange



Changing the trading schedule (from July 5 the operating hours are from 9:00 to 17:00 o'clock, trading is held until 15:00 o'clock, settlements – until 17:00 o'clock)



Use of additional trading methods (launch of the Frankfurt trades on the currency market in conditions of increased volatility)



Changing the risk-parameters of instruments of the stock and currency markets

Schedule of trading on KASE under the state of emergency and quarantine due to COVID-19

Period	Schedule	
	<i>Trades</i>	<i>Settlements</i>
from 30 March to 30 April	10:00–13:00	13:00–15:00
from 4 May to 22 May	10:00–15:00	15:00–17:00
from 25 May to 3 July	10:00–17:30	17:30–18:45
from 7 July to 1 August	10:00–13:00	13:00–15:00

Preparation for the introduction of the CC and new TCS on the stock market

on all instruments, including repo

Novelties:

- netting of the purchase and sale of securities and repo;
- CC's guarantee of fulfillment of all deals of the stock market;
- availability of the "instant liquidity window" – repo without the CC with instant settlement of deals.

Schedule of settlement clearing sessions of the stock market

Transaction time (ALT)	Transaction name
1	2
10:00 – 10:30	clearing session "mark-to-market"
	determining margin claims
	return of coupon and dividend payments on repo deals and purchase-sale deals Yn1
	providing clearing participants with reports containing information on margin calls
15:30 – 17:15	first settlement clearing session
17:30 – 18:45	second settlement clearing session

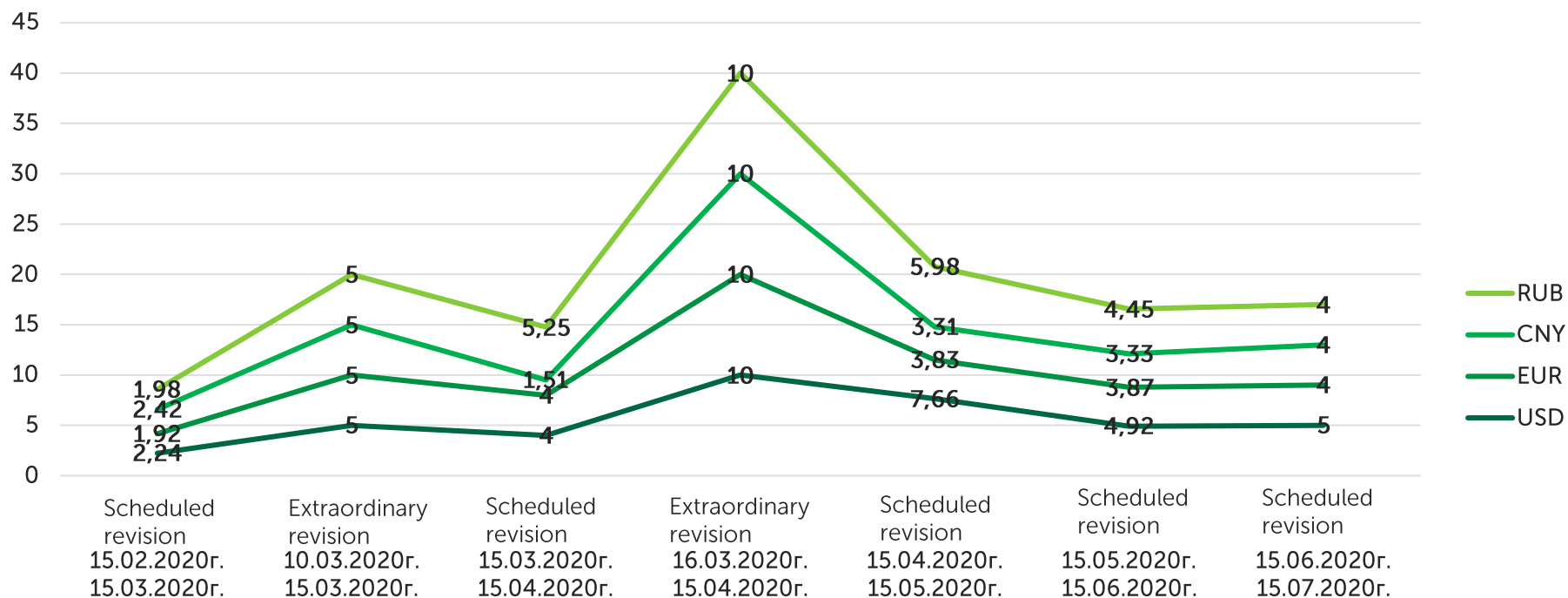
✓ 2 clearing sessions

✓ participant can carry out an "early exit" after the first session or adjust the position before the second session

Revision of risk-parameters of the currency market

Due to the increased volatility in the global exchange markets associated with the COVID-19 pandemic, in order to minimize the market risks of the foreign exchange market, extraordinary revisions of the risk parameters of the foreign exchange market were carried out

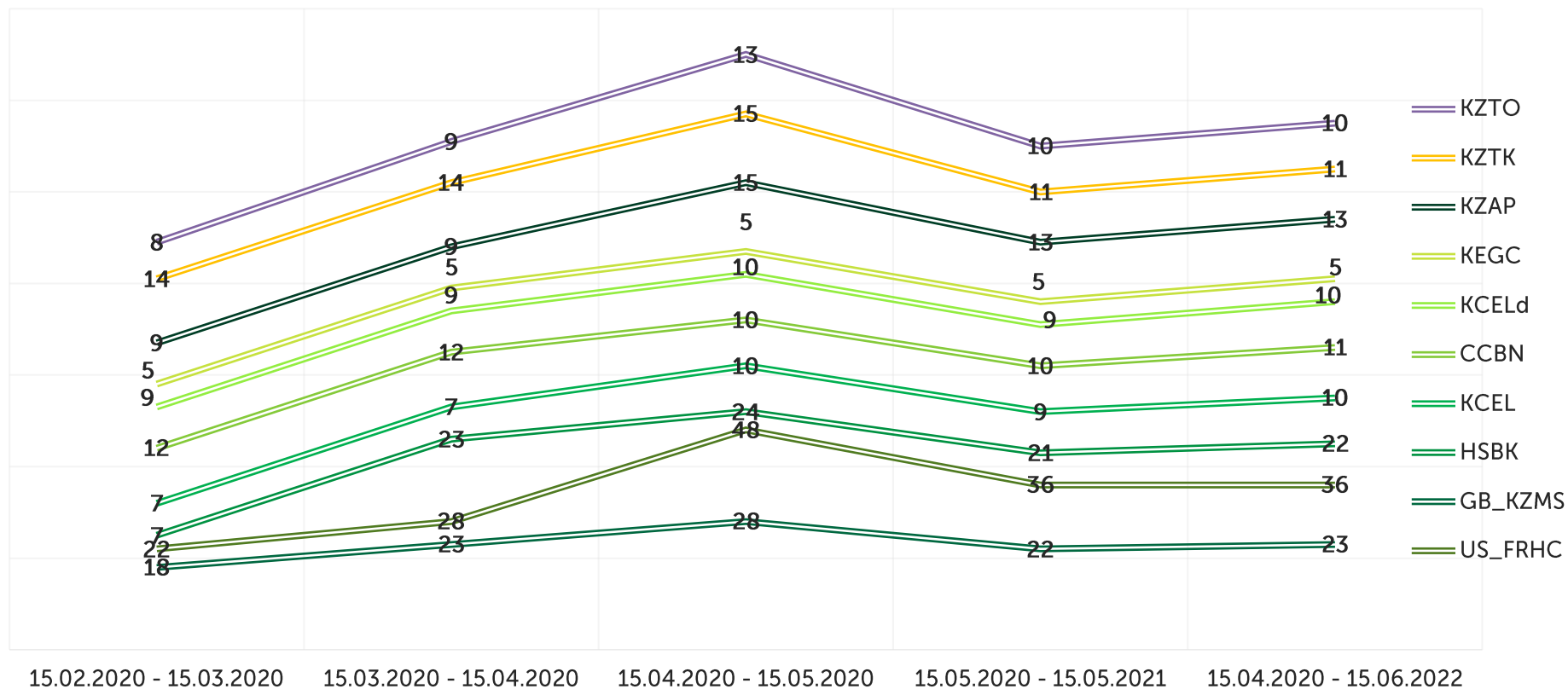
Rate of initial margin, %



Revision of risk-parameters of the stock market

Due to the increased volatility in the global exchange markets associated with the COVID-19 pandemic, in order to minimize the market risks of the stock market, the minimum rates of the initial margin were increased as part of the monthly revisions of the risk-parameters of the stock market

Minimum rate of initial margin, %





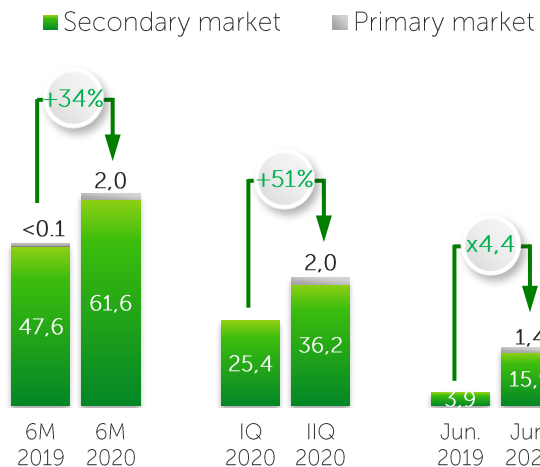
03

**Operation of KASE's
exchange markets**

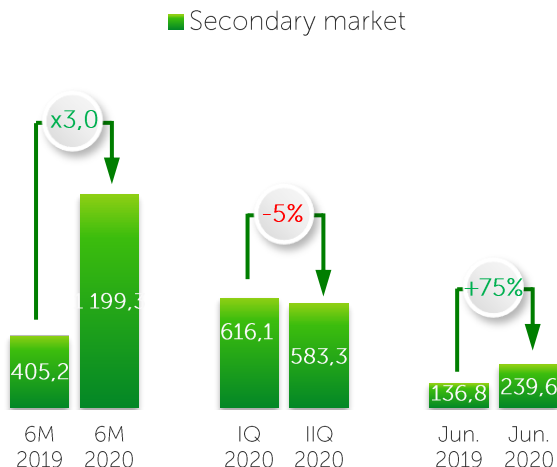


Trends of the securities market

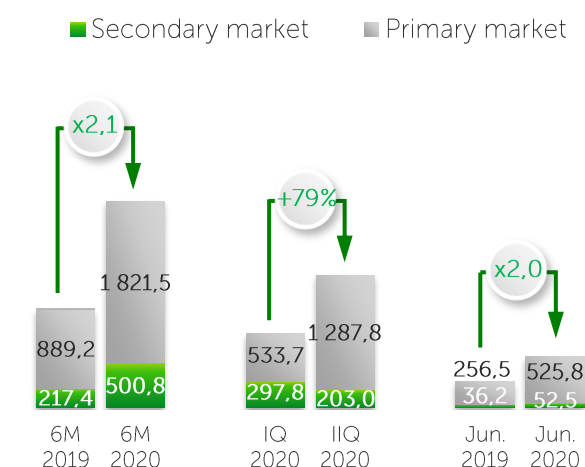
Amount of transactions on the equity market, KZT tenge



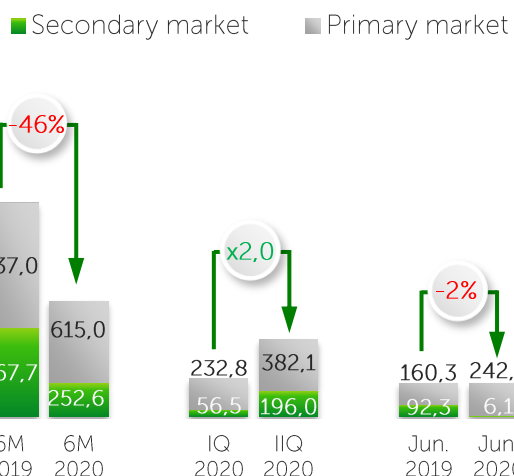
Amount of transactions in securities of investment funds, KZT tenge



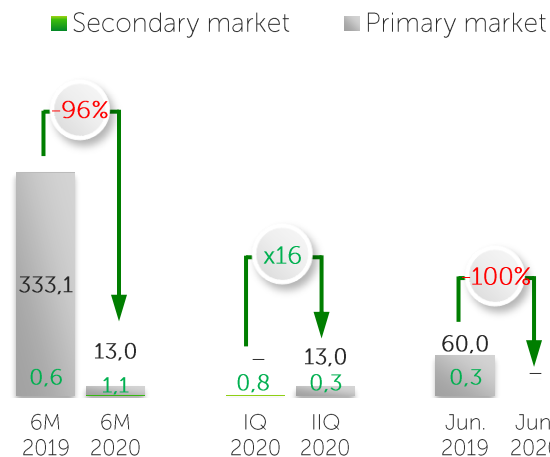
Amount of transactions on the GS market, KZT tenge



Amount of transactions on the corporate bond market, KZT bn

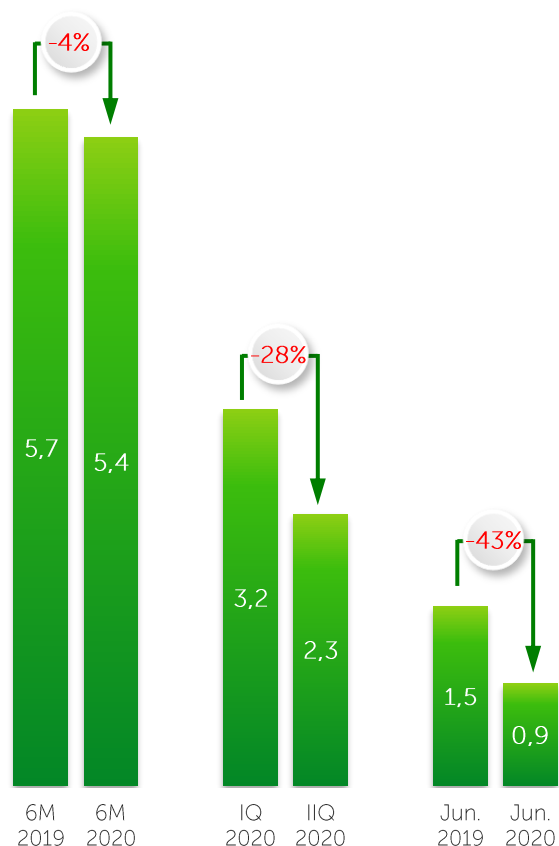


Amount of deals on the IFI market, KZT bn

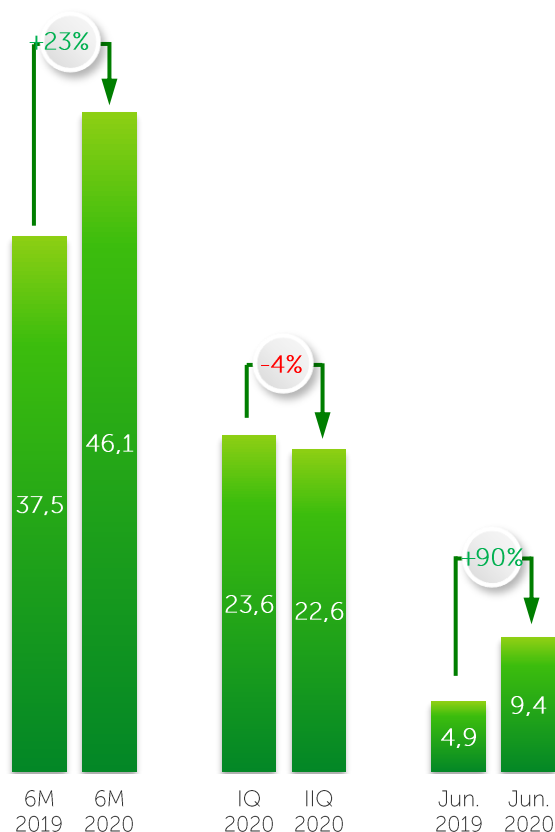


Trends in money and foreign currency markets

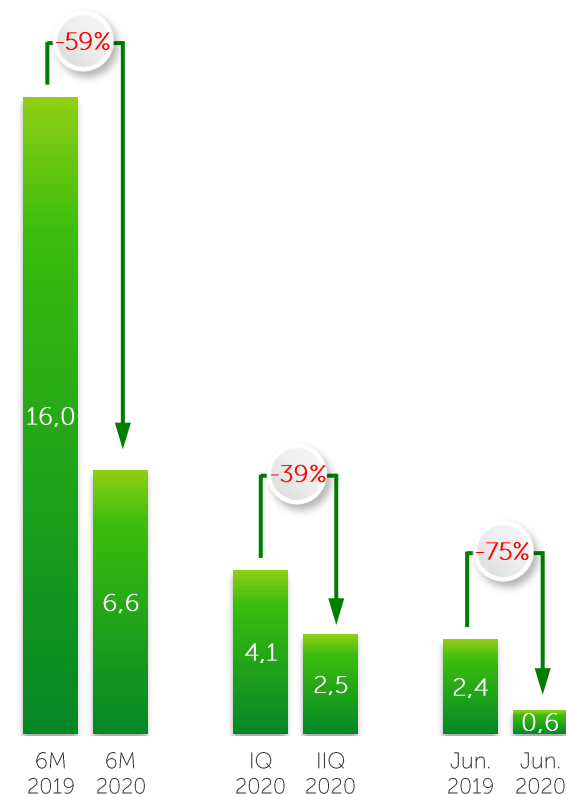
Volume of transactions on the foreign currency market, KZT trln



The volume of transactions in the market repo transactions, KZT bln



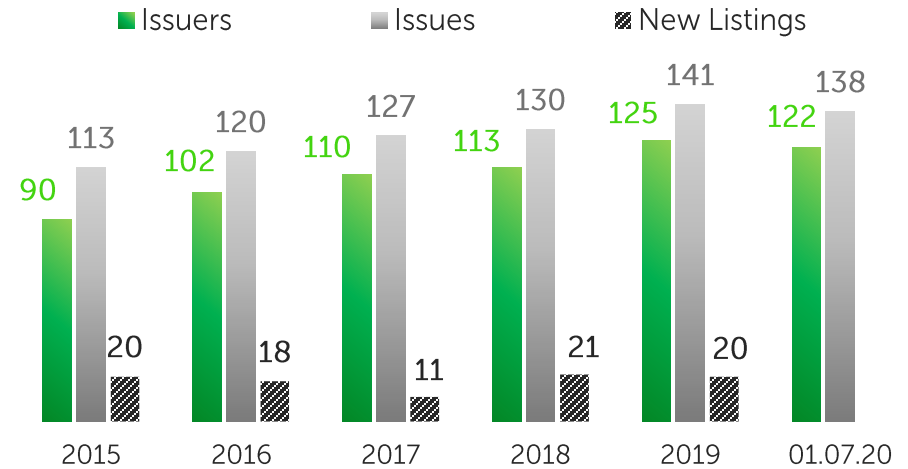
The volume of transactions, currency swap transactions, KZT trln



Key facts and figures

- market capitalization as at July 1, 2020 – **KZT17.3 trln**
- trading volume in CAGR over 5 years – **8%**
- average daily trading volume in 2020 – **KZT530.3 mln**
- average daily volume of trading in KASE Index shares in 2020 – **KZT435.1**
- average daily number of transactions in 2020 – **682**
- average daily volume of one transaction in 2020 – **KZT0.8 mln**
- settlement schemes **T+0, T+2**
- trading in **KZT** and **USD**

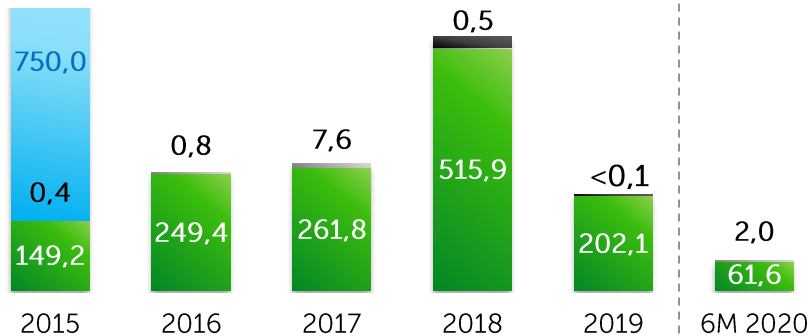
Movements in KASE lists



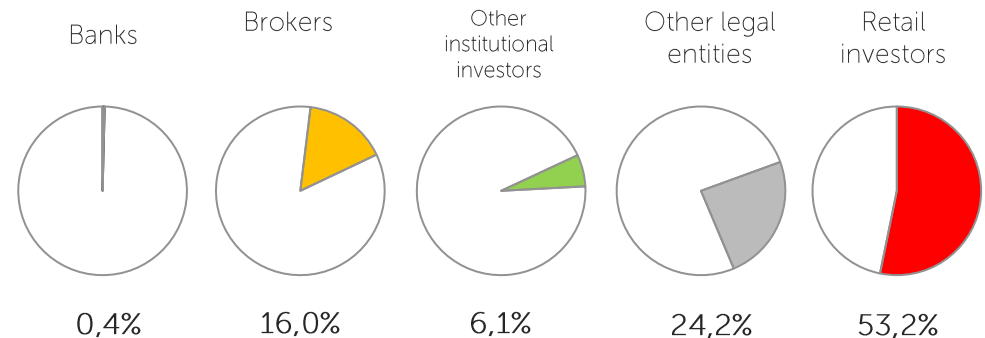
Note: including non-listed securities

Volume of transactions, KZT bln

- РД КазМунайГаз (выкуп)
- Primary market
- KazMunaiGas
- Secondary market

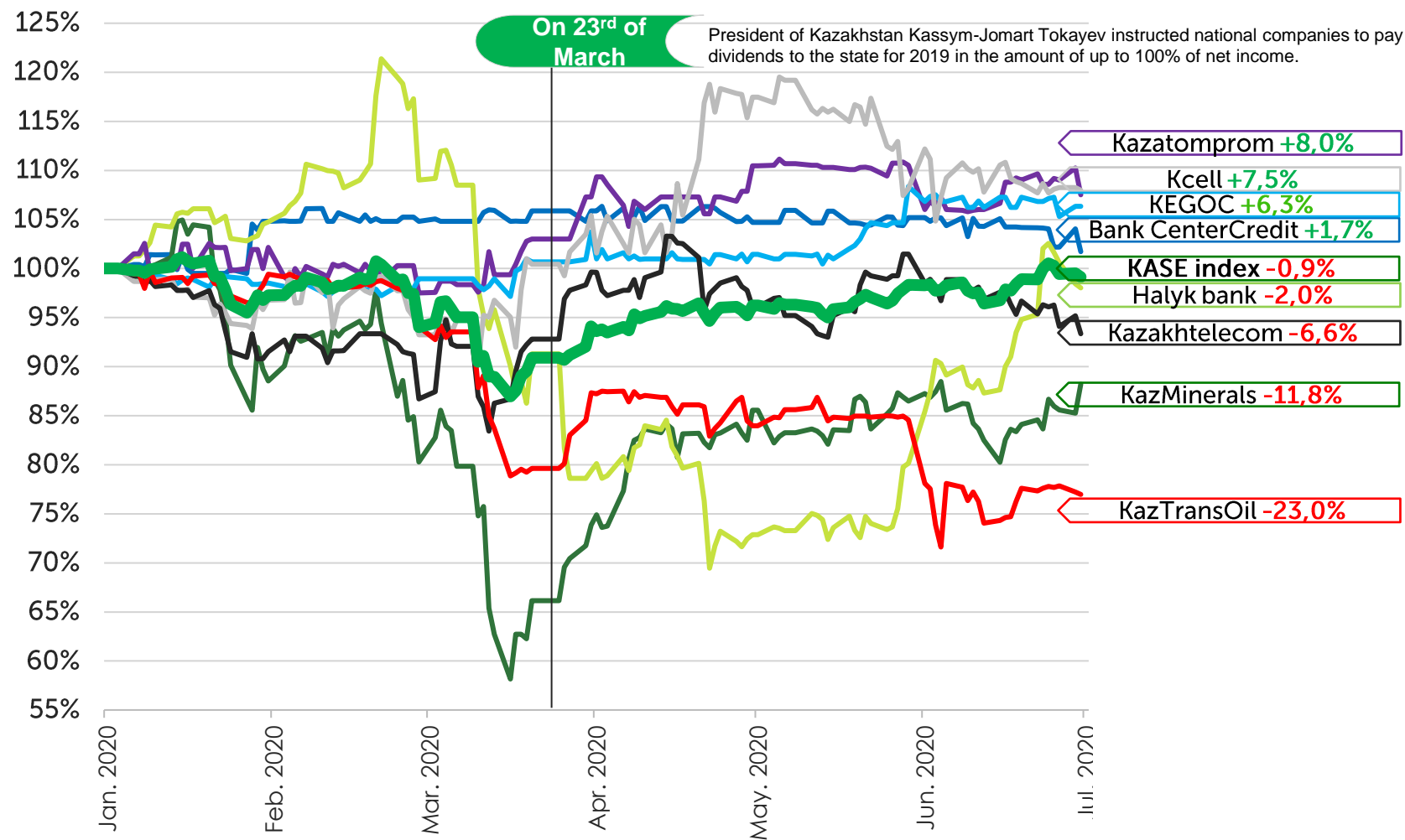


Structure of investors



Strong Recovery of Shares Supported by Dividend Payouts

data from the beginning of the year to 30th of June 2020



Дивидендный сезон эмитентов

представительского списка Индекса KASE

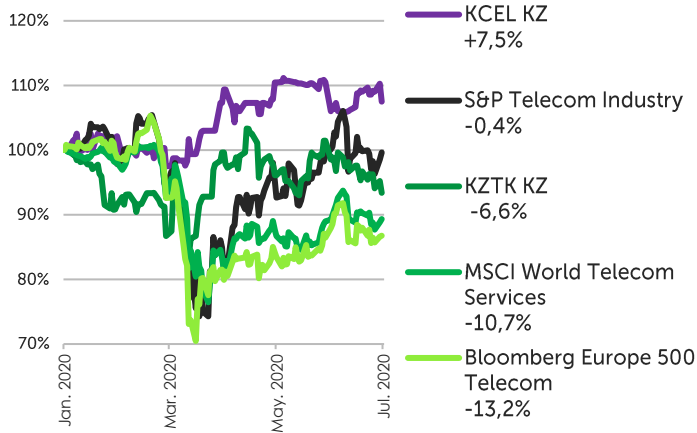
Equity Code	Dividend in 2018	Dividend in 2019	AGM in 2020	Closing date of the register of shareholders	Payment start date
KZTK	₸781,06	₸778,11	Apr. 30	May 2	May 4
GB_KZMS	\$0,06	\$0,08	Apr. 30	Apr. 24	May 22
KZAP	₸308,46	₸381,72	May 18	May 27	May 28
KZTO	₸104,00	₸118,00	May 27	Jun. 03	Jun. 18
KEGC	₸54,53	₸48,86	May 29	Jun. 08	Jun. 09
KCEL	₸29,86	₸45,00	May 28	May 31	Jun. 01
HSBK	₸10,78	₸17,08	Jul. 23	Jul. 23	Jul. 24
CCBN	-	-	Jun. 05	-	-

Comparison of Prices of Most Liquid Shares with Industry Benchmarks K▲SE

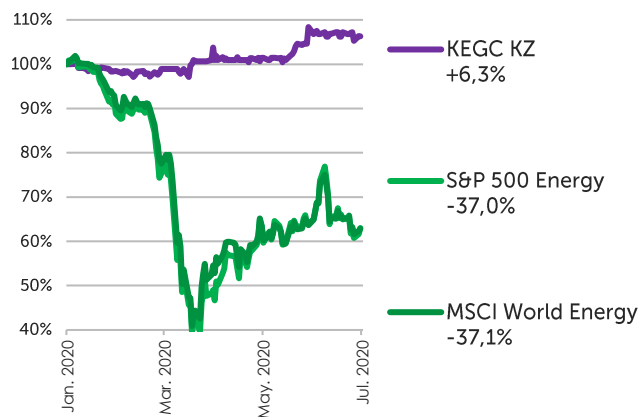
with Industry Benchmarks

The data as at June 30, 2020 YTD

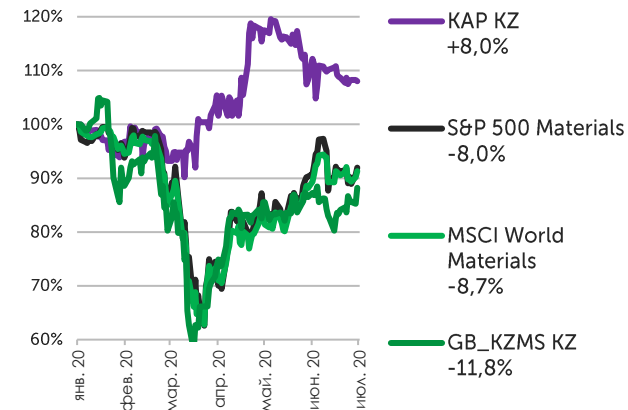
Telecom



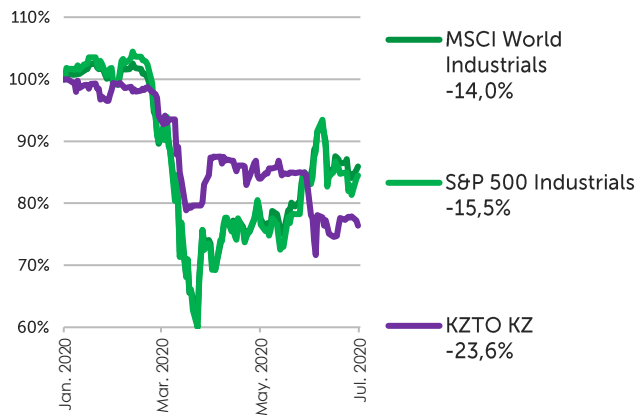
Energy



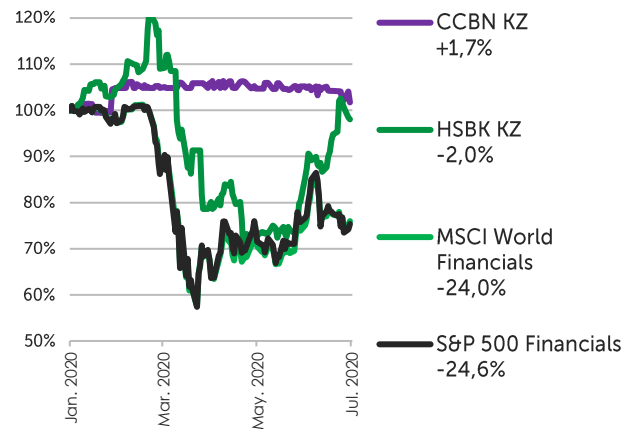
Materials



Industry



Finance

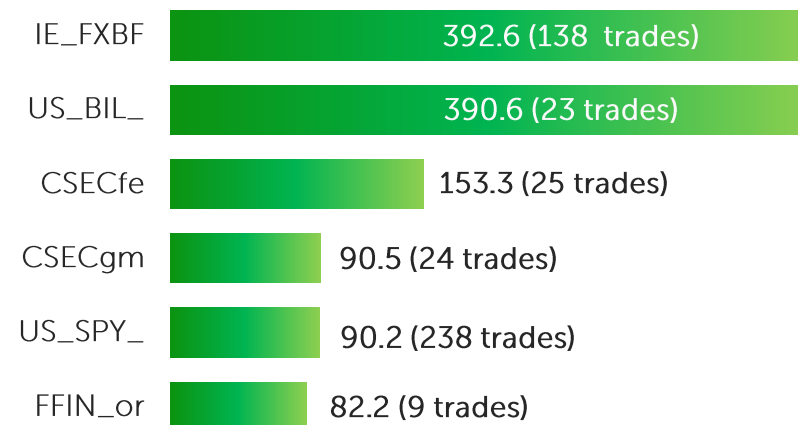


Securities of Investment Funds

Key facts and figures

- + there are **11 instruments managed by 8 companies** as at July 1, 2020
- + trading volume in CAGR over 5 years – **60%**
- + average daily trading volume in 2020 – **KZT10.0 mln**
- + average daily number of transactions in 2020 – **4**
- + average daily volume of one transaction in 2020 – **KZT2.6 mln**
- + settlement schemes **T+0, T+2**
- + trading in **KZT and USD**

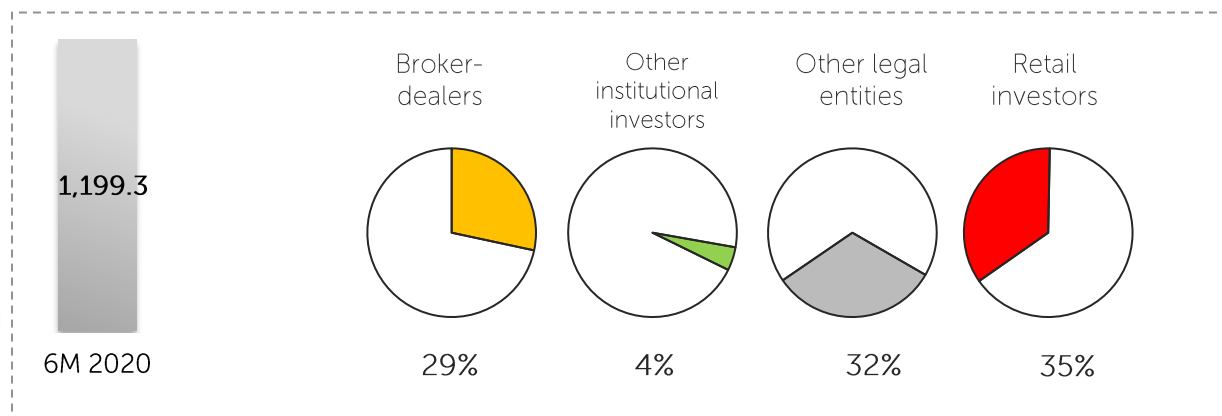
Trading volume broken down by instruments, KZT mln



Volume of transactions, KZT mln



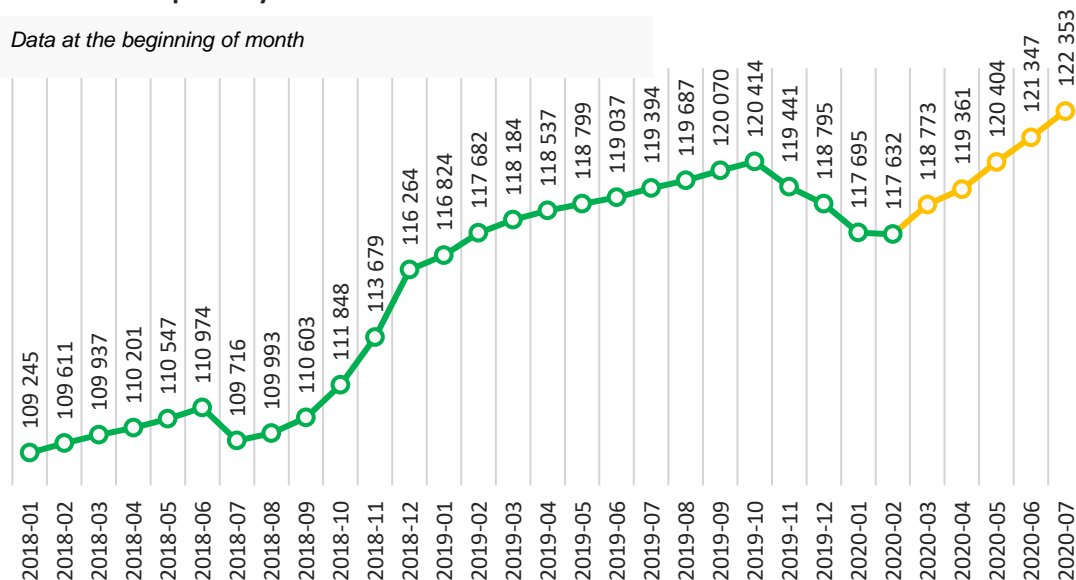
Investor structure



Rise in the number of retail investors

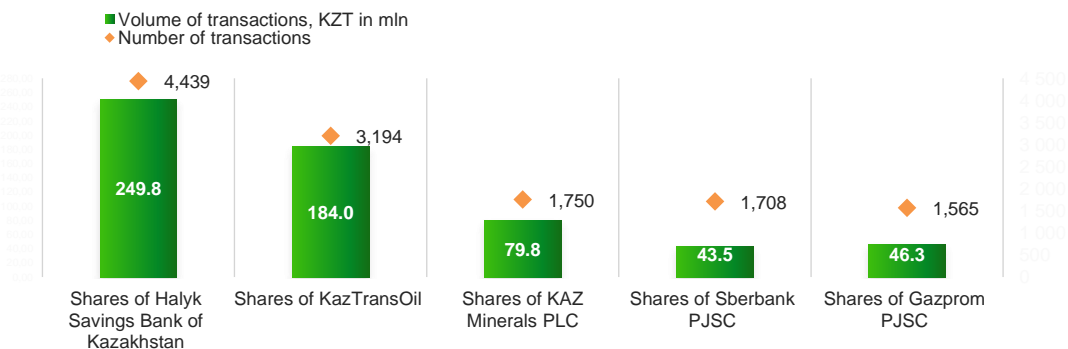
The number of trade accounts opened for individuals at Central Securities Depository

Data at the beginning of month

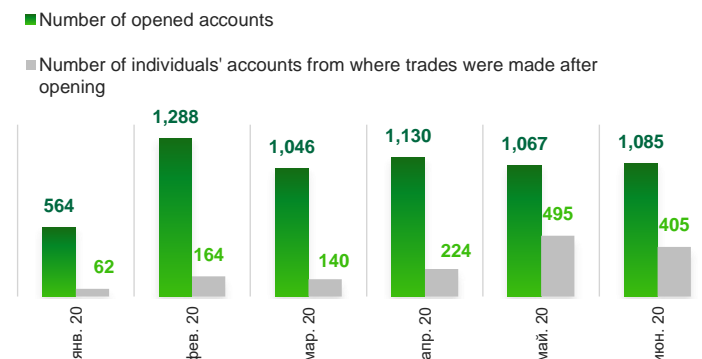


- There were 122,353 personal accounts opened for individuals in the Central Depository as at July 1, 2020, an increase by 4,658 accounts than at the beginning of 2020. For comparison, the number of accounts grew by 2,570 in the first half of 2019 and by 471 in the first half of 2018;
- A total of 1,085 new accounts were opened by individuals in June. In May, this indicator was 1,067, in April – 1,130;
- About 1.4% of economically active population of Kazakhstan are retail investors on stock markets as at the end of Q1 2020;
- Shares of domestic leaders of the economy and units of investment funds are most popular on the stock market among individuals.

Top-5 most popular assets bought by new retail investors during first half of 2020



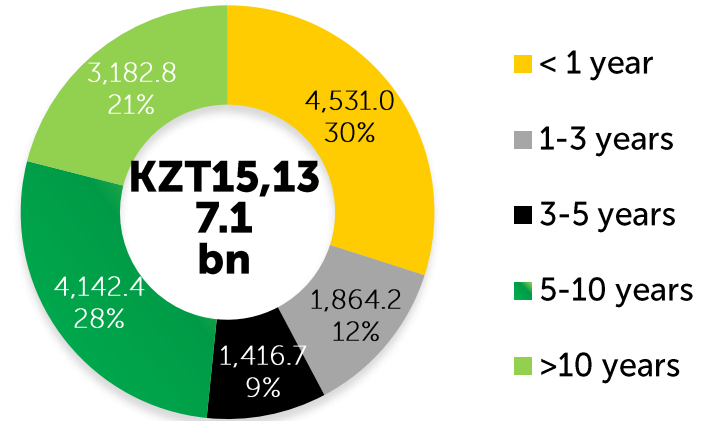
The accounts from where at least one trade was made after opening



Public debt structure at face value by maturity period

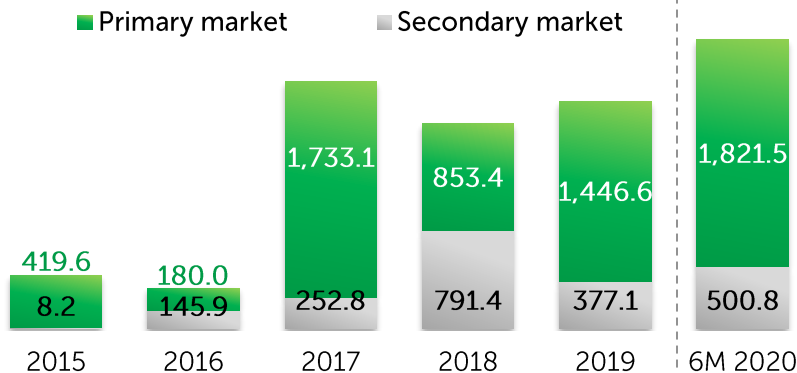
Key facts and figures

- + The issuers are as follows: Kazakh Ministry of Finance, Kazakh National Bank, 17 local executive authorities (akimats), governments of 5 foreign states
- + as at July 1, 2020, the amount of public debt traded on KASE came to KZT15.1 trillion (≈80% of the total public debt)
- + most share (**17%**) of outstanding debt of the Ministry of Finance in tenge is attributed to long-term bonds (15 years)
- + CAGR trading volume over 5 years – **19.5%**
- + Share of trading in NB RK notes on secondary market > **70%**
- + yield at placements of tenge-denominated bonds of the Ministry of Finance in 2020 is **9.5-12.0% APR**
- + **T+0 for primary market, T+2 for secondary market**

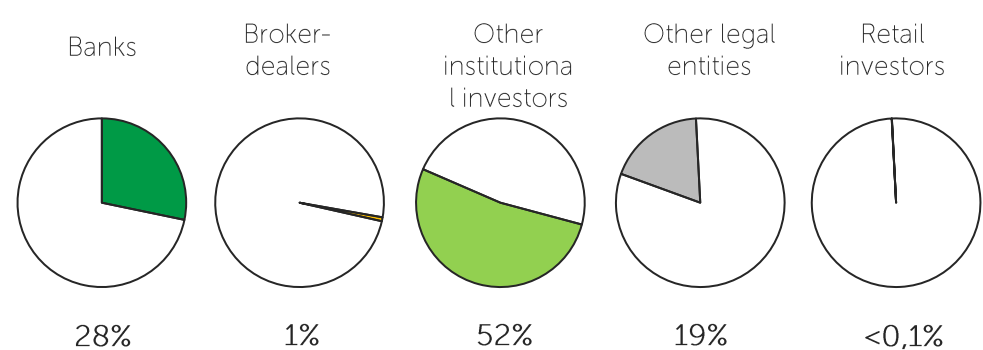


as at July 1, 2020

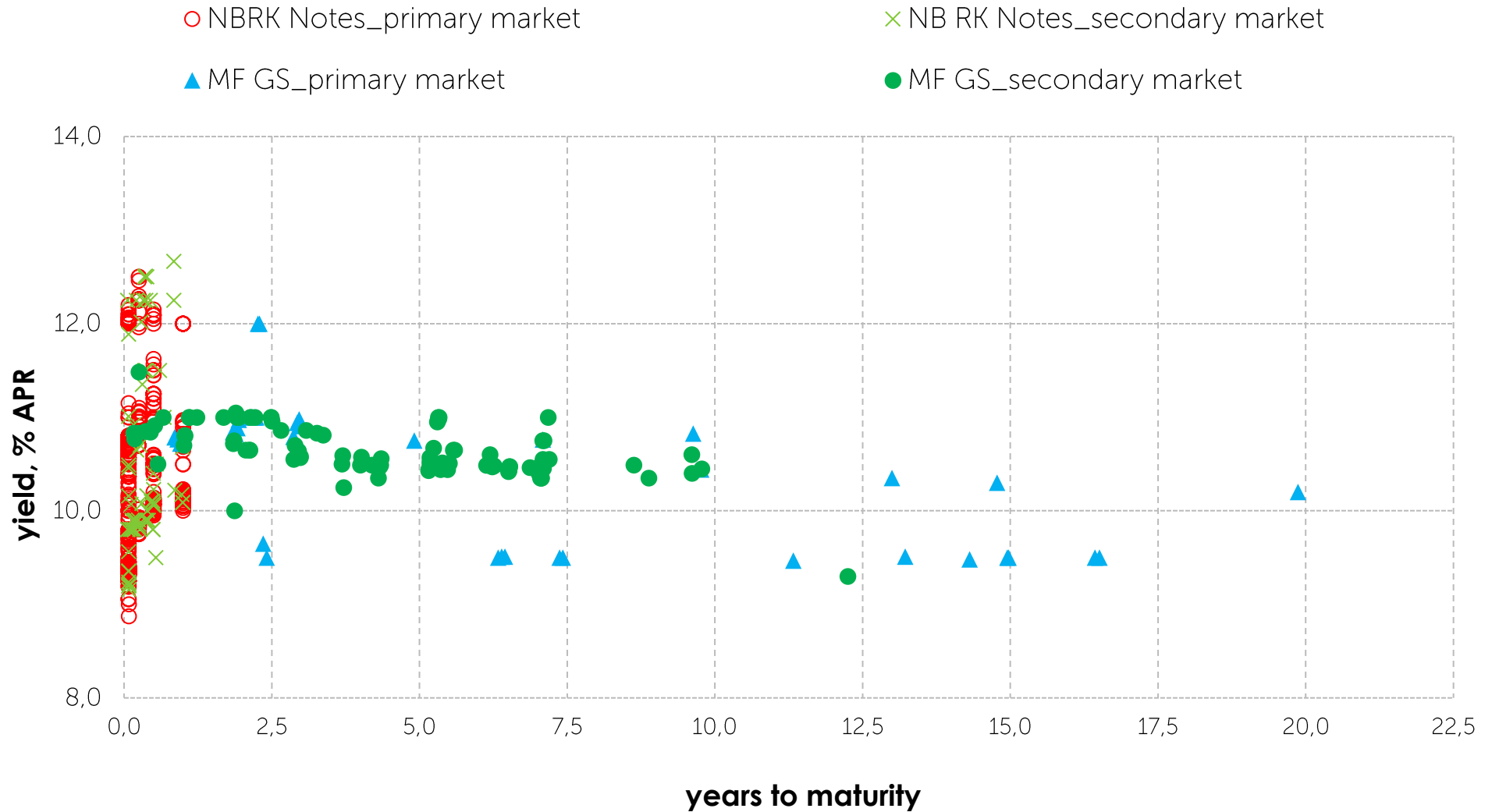
Volume of transactions, KZT in billions



Investor structure

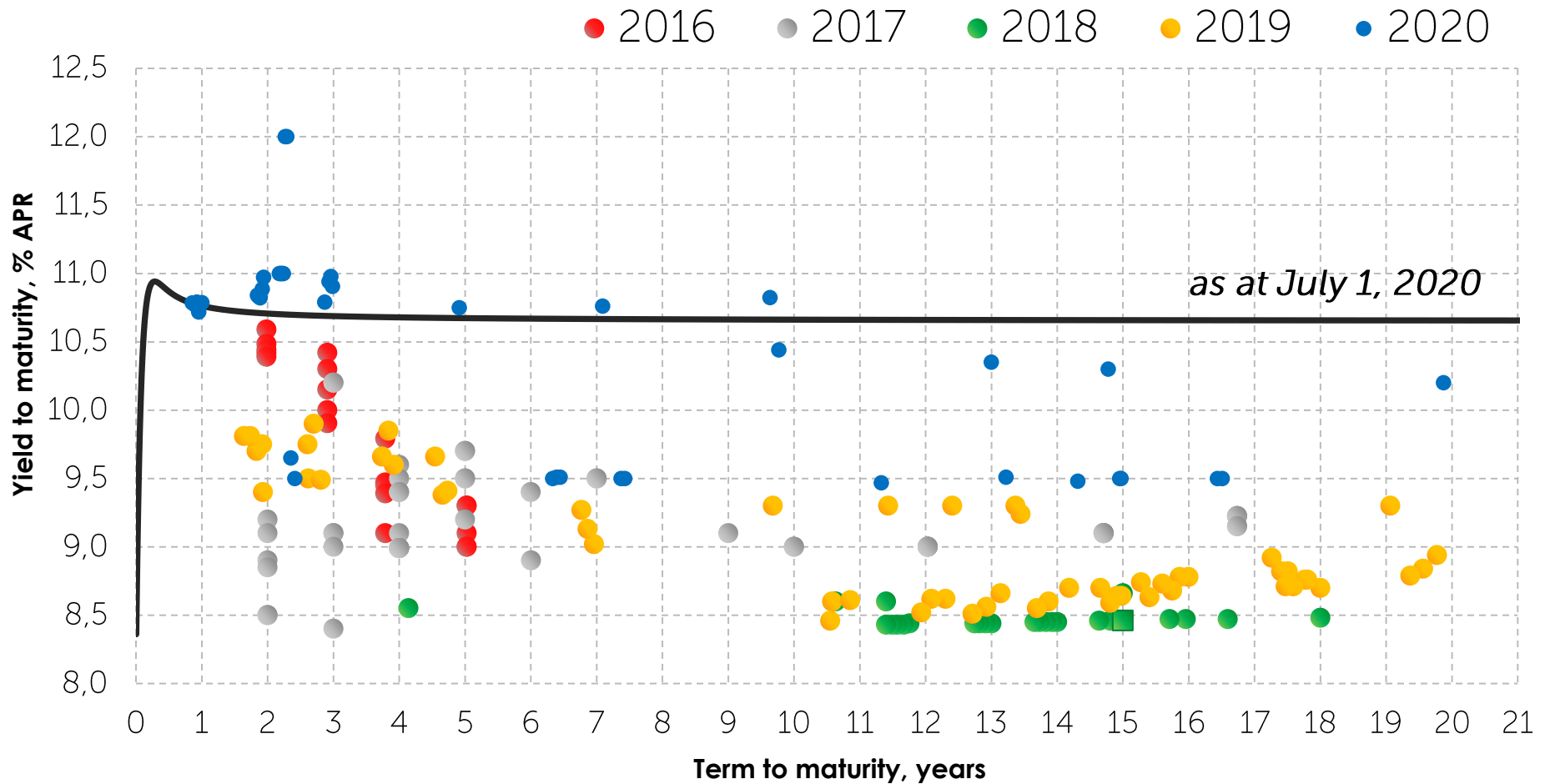


Yield of Transactions at GS Market in 2020



Ministry of Finance Continues its Work on Benchmark

Yield and duration of MEKAM at placement on KASE



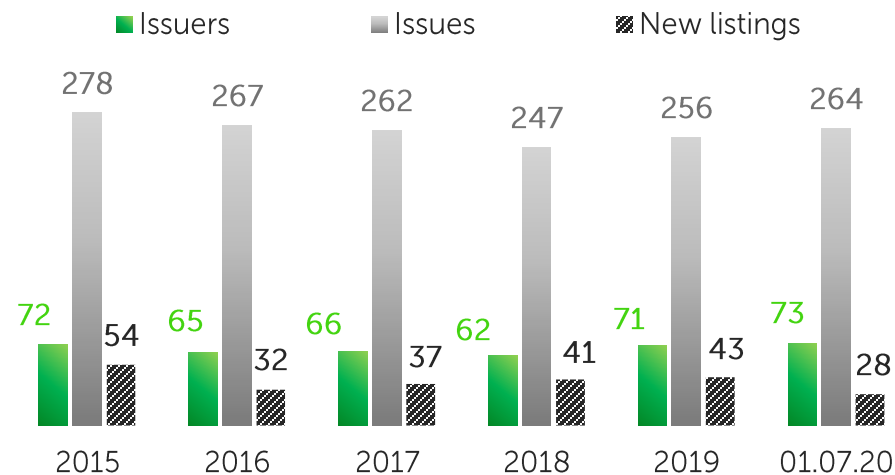
Note: term to maturity is calculated as at securities offering date

Corporate Bonds

Key facts and figures

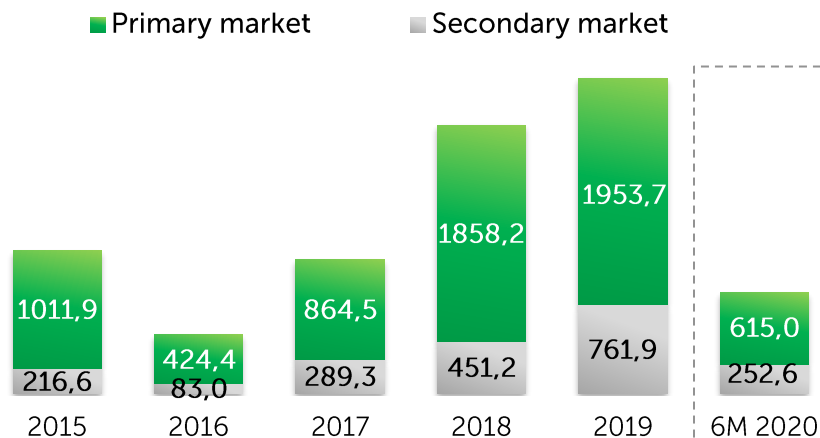
- + volume of outstanding corporate debt as at June 1, 2020 – **KZT13.5 trln**
- + share of Eurobonds in the total volume of corporate debt – **44.5 %**
- + share of quasi-public debt in the total volume of corporate debt – **65,6 %**
- + trading volume in CAGR over 5 years – **22%**
- + settlement scheme **T+0, T+2**
- + trading in **KZT** and **USD**

Movements in KASE lists

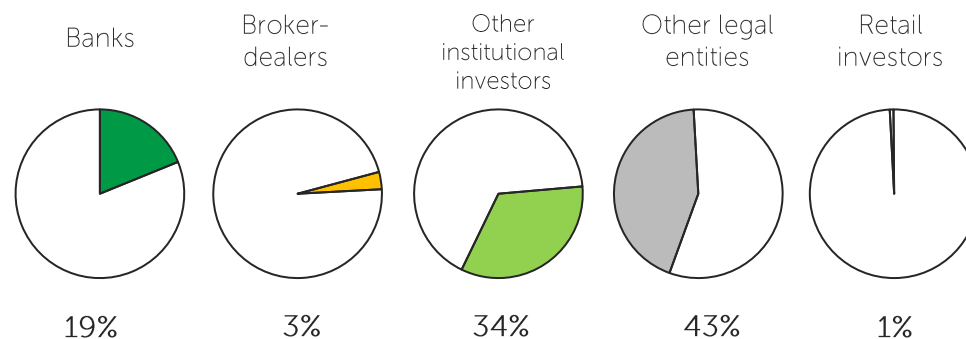


Note: including non-listed securities

Volume of transactions, KZT in billions



Investor structure



Placements of Corporate Bonds (1/2)

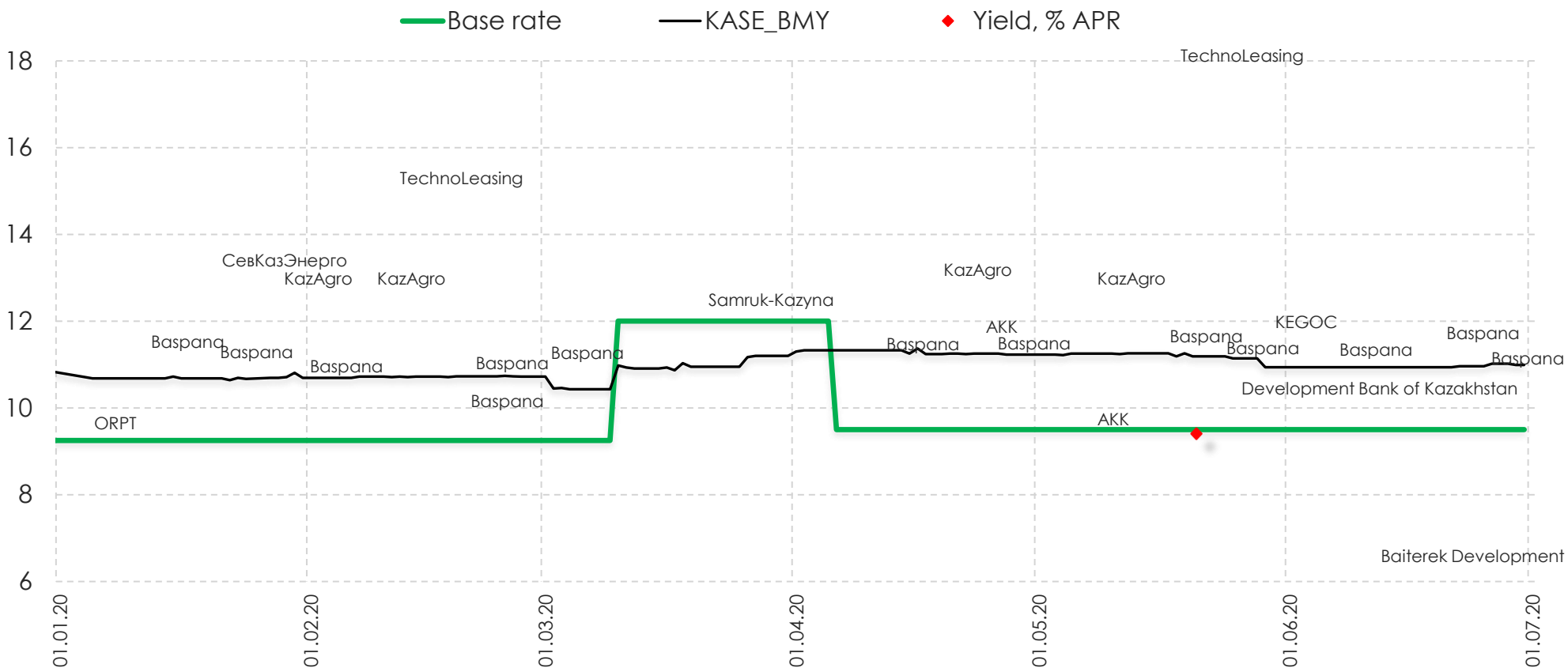
Issuer	Code	Placement date	Actual volume, KZT mln	Nominal volume, KZT mln	Yield, % APR	Term to maturity, years
Baspana Mortgage Organization	BASPb5	16.01.2020	6,848	7,000	10.74	1.8
		24.01.2020	19,608	20,000	10.75	1.8
		30.01.2020	6,282	6,395	10.73	1.8
	BASPb6	30.01.2020	3,685	3,861	10.73	2.9
		20.02.2020	15,785	16,435	10.70	2.9
		05.03.2020	7,999	8,293	10.70	2.8
		10.04.2020	4,456	5,000	11.48	5.0
	BASPb7	15.05.2020	5,872	6,500	11.40	4.9
		22.05.2020	2,721	3,000	11.35	4.9
		05.06.2020	4,553	5,000	11.35	4.8
		19.06.2020	2,747	3,000	11.31	4.8
		26.06.2020	2,754	3,000	11.30	4.8
	BASPb8	27.02.2020	13,405	14,171	10.70	3.0
		05.03.2020	5,879	6,200	10.70	3.0
		10.04.2020	13,758	14,627	11.44	2.9
		24.04.2020	1,887	2,000	11.50	2.8
		15.05.2020	6,310	6,631	11.40	2.8
		22.05.2020	6,683	7,000	11.35	2.8
		05.06.2020	4,796	5,000	11.32	2.7
		19.06.2020	1,928	2,000	11.28	2.7
26.06.2020		5,799	6,000	11.25	2.7	
Development Bank of Kazakhstan		BRKZb18	14.05.2020	20,000	20,000	0.15
	BRKZb14	18.06.2020	10,550	10,550	11.0	4.5

Placements of Corporate Bonds (2/2)

Issuer	Code	Placement date	Actual volume, KZT mln	Nominal volume, KZT mln	Yield, % APR	Term to maturity, years
Baiterek Development	BTDVb4	25.06.2020	200,000	200,000	6.02	10.0
KazAgroFinance	KAFIb9	27.01.2020	2,536	2,600	13.00	4.9
		07.02.2020	1,037	1,059	13.00	4.9
		17.04.2020	4,001	3,990	13.00	4.7
	KAFIb10	06.05.2020	6,149	6,090	13.00	4.6
		17.06.2020	6,149	6,362	-	4.5
		26.06.2020	3,127	3,225	-	4.5
KEGOC	KEGcb3	28.05.2020	9,032	9,700	12.00	15.0
Wholesale and Retail Trade Venture	ORTb1	14.01.2020	150	143	10.50	6.5
SevKazEnergo	SKENb3	22.01.2020	5,000	5,000	13.75	7.0
TechnoLeasing	THLZb1	13.02.2020	405	416	16.00	3.8
		14.05.2020	794	824	18.00	3.5
First Heartland Jýsan Bank	TSBNb27	26.03.2020	15,000	15,000	0.10	10.0
Sovereign Wealth Fund Samruk-Kazyna	SKKZb8	19.03.2020	40,500	40,500	12.50	1.1
	SKKZb9	19.03.2020	40,500	40,500	12.50	1.1
	SKKZb13	19.03.2020	34,500	34,500	12.50	1.1
	SKKZb14	19.03.2020	13,700	13,700	12.50	1.1
Agrarian Credit Corporation	AGKKb12	23.04.2020	5,634	5,872	11.75	6.5
		06.05.2020	5,611	5,321	9.75	6.4
Nurbank	NRBNb16	29.04.2020	46,829	46,829	4.00	15.0
TOTAL			614,957	623,293		

Yield of Corporate Bonds at Placement

Market placements in January – June 2020*



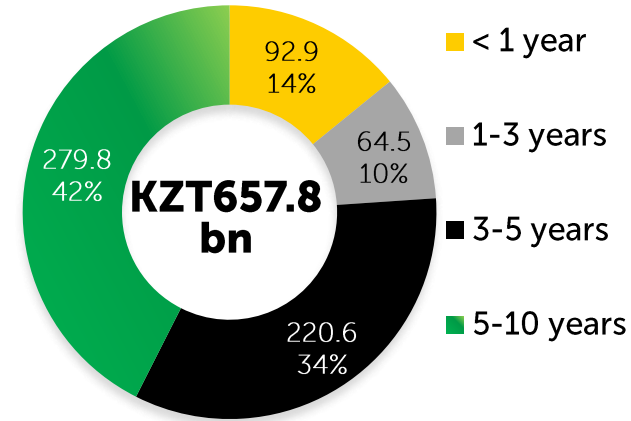
Note: excluding offerings conducted under the Programme for Improving the Financial Sustainability of the Banking Sector of the Republic of Kazakhstan

IFI Bonds

Structure of outstanding IF bonds by maturity periods

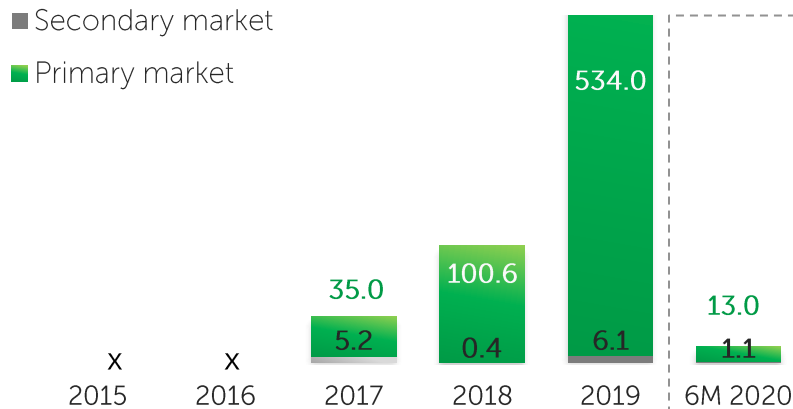
Key facts and figures

- + There are 28 issues of bonds of 4 entities in KASE Official List as at July 1, 2020.
- + average daily trading volume in 2020 – **KZT117.6 mln**
- + average daily volume of one transaction in 2020 – **KZT705.7 mln**
- + settlement schemes **T+0, T+2**
- + Trading in **KZT** and **USD**

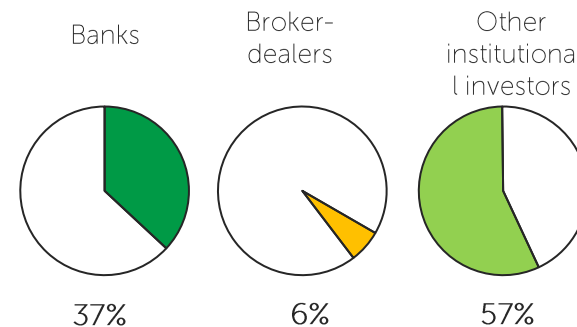


as at July 1, 2020

Volume of transactions, KZT in bn



Investor structure

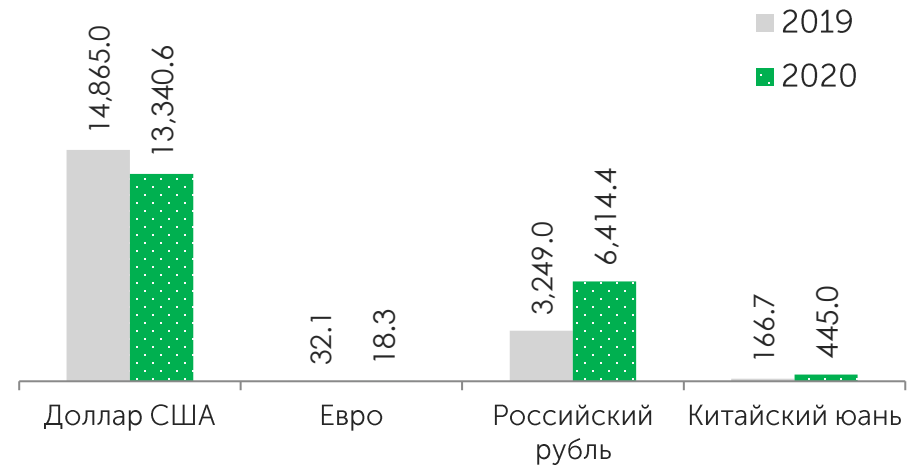


Foreign currencies

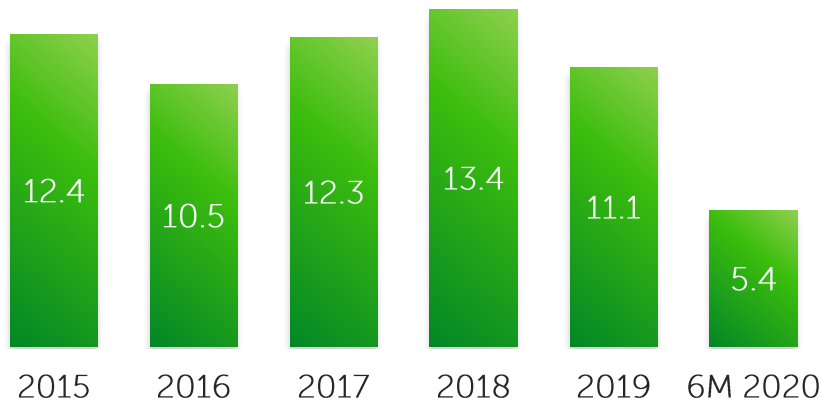
Key facts and figures

- Trading in 5 currency pairs: USDKZT, RUBKZT, CNYKZT, EURKZT, EURUSD
- average daily trading volume in 2020 – **KZT45.4 bn**
- average daily number of transactions in 2020 – **367**
- average daily volume of one transaction in 2020 – **KZT123.6 mln**
- Settlement schemes **T+0, T+1, T+2**

Exchange market structure for 6M 2020 in trading volume. Volume in mln of units of currency



Trading volume on spot market, KZT trln



Source: KASE

Movements in USD/KZT exchange rate, KZT per unit of currency



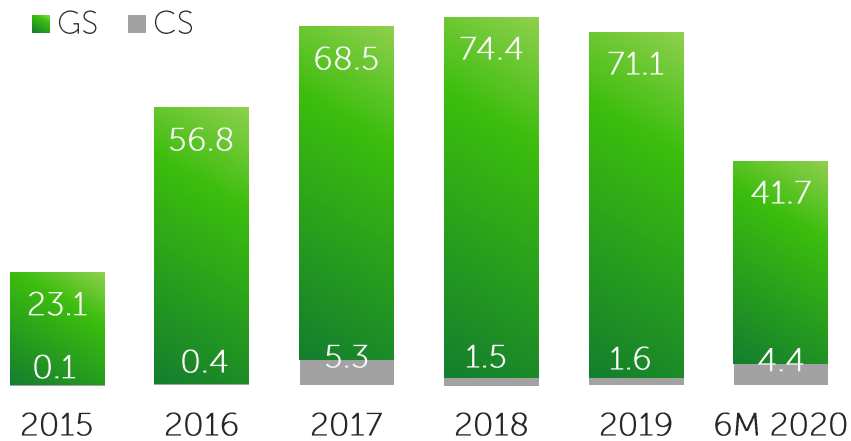
Note: movements in USD/KZT exchange rate based on weighted average exchange rate based on the results of the trading day

Repo Market

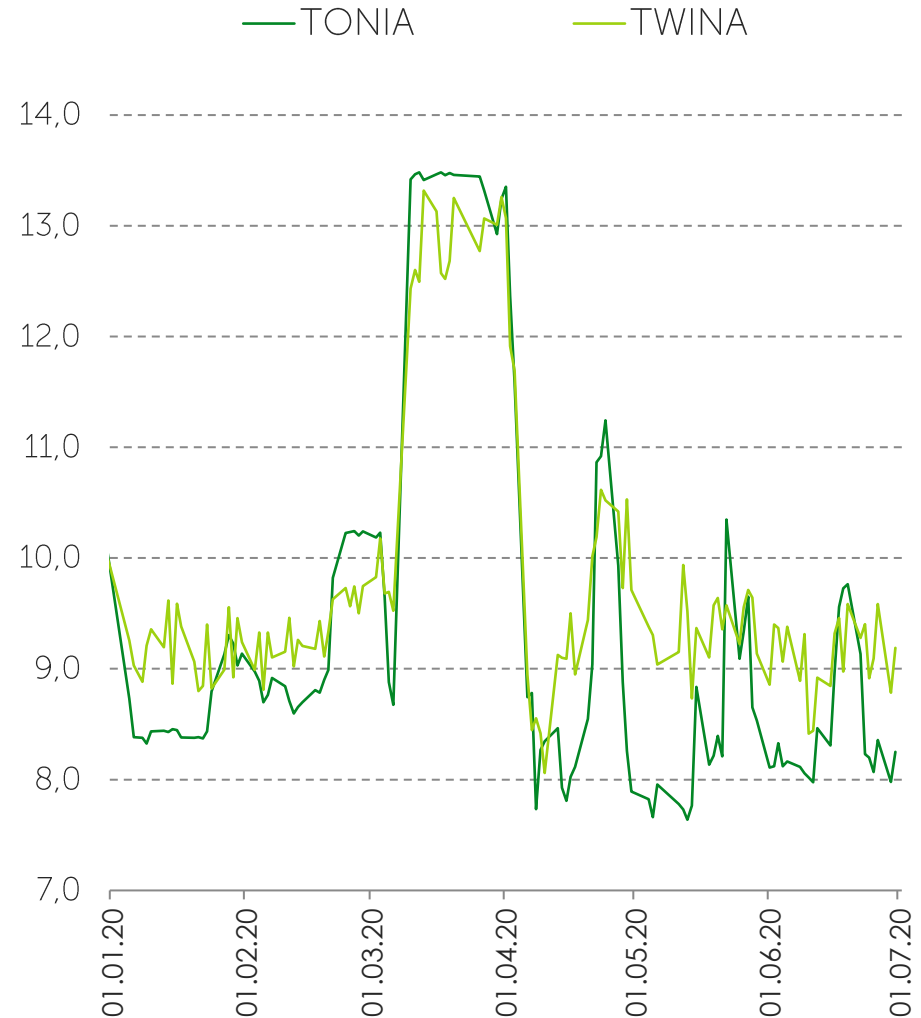
Key facts and figures

- + average daily trading volume in 2020 – KZT**384.5 bn**
- + average daily number of transactions in 2020 – **480**
- + average daily volume of one transaction in 2020 – KZT**801.8 mln**

Volume of transactions, KZT trln



Repo market indicators, % APR



Currency Swap Transactions Market

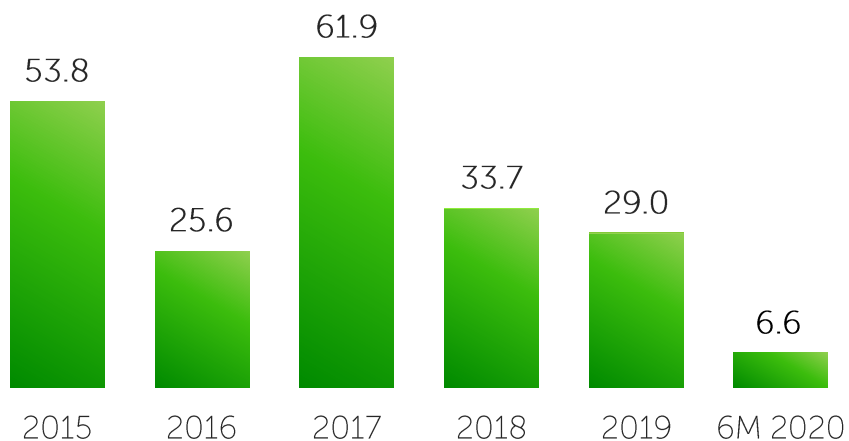
Key facts and figures

- + average daily trading volume in 2020 – KZT**55.3 bn**
- + average daily number of transactions in 2020 – **21**
- + average daily volume of one transaction in 2020 – KZT**2.7 bn**

Swap market indicators, % APR



Volume of transactions, KZT trln



Thank you for your attention!

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