

PERFORMANCE OVERVIEW 2020



Қазақстан қор биржасы
Казакстанская фондовая биржа
Kazakhstan Stock Exchange

Contents

- ▶ **01** | Summary of results
- 02** | Key projects and events of KASE
- 03** | Financial results

Key figures

+49%

volume in securities market

+17%

volume in stock market

x2,6

volume in states securities market

>17 th.

new accounts, opened by individuals

x22

volume in mutual fund market

+14

new issuers

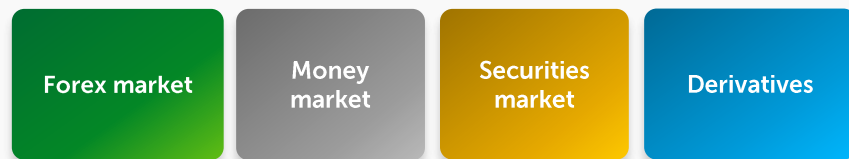
+13%

growth of KASE Index

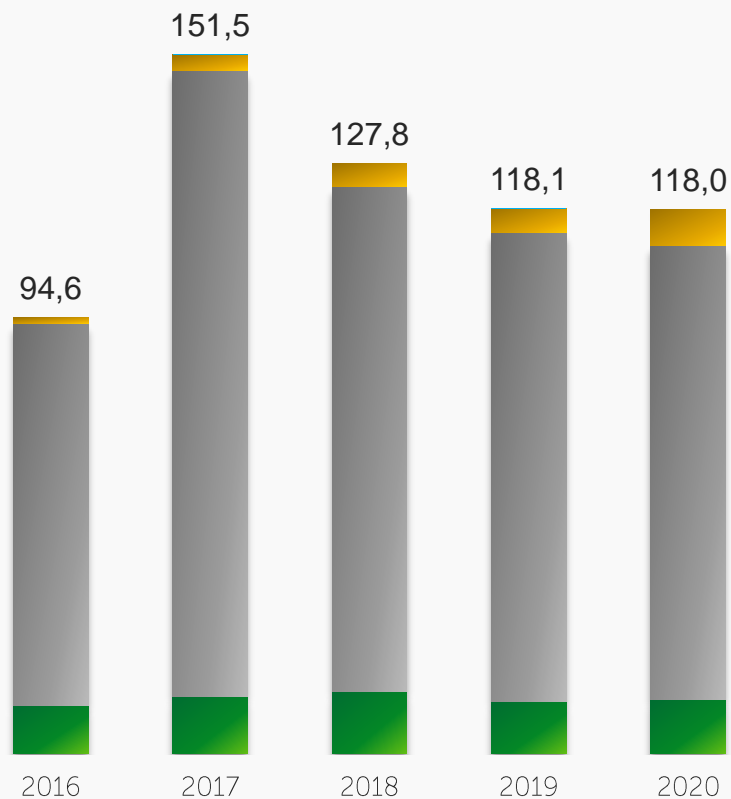
+21%

value of corporate debt

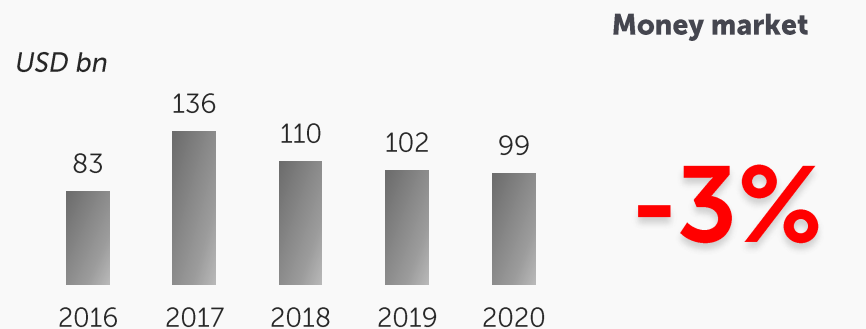
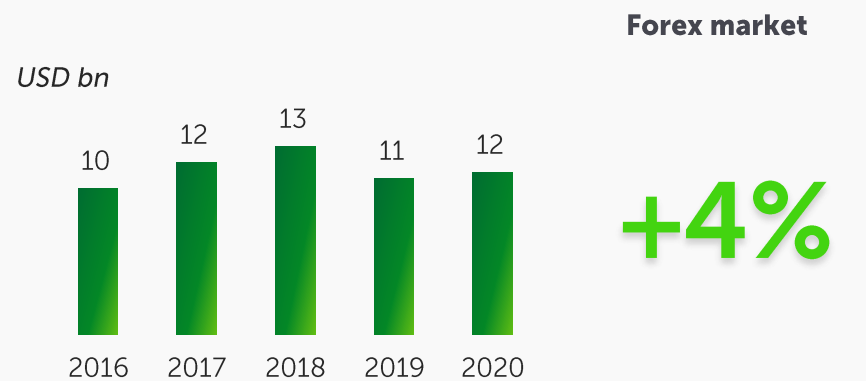
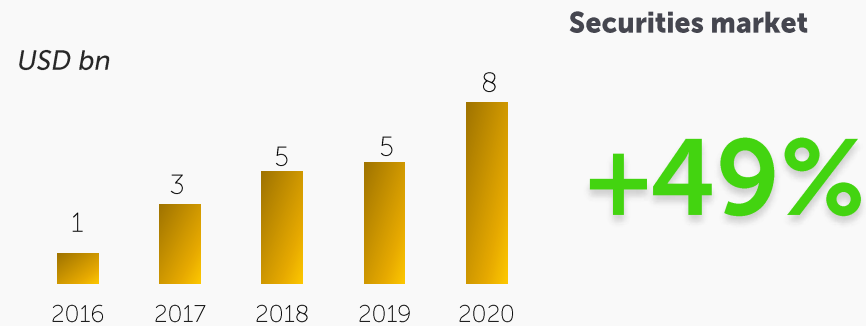
KASE Market



Trading volume dynamics by sector, KZT bn



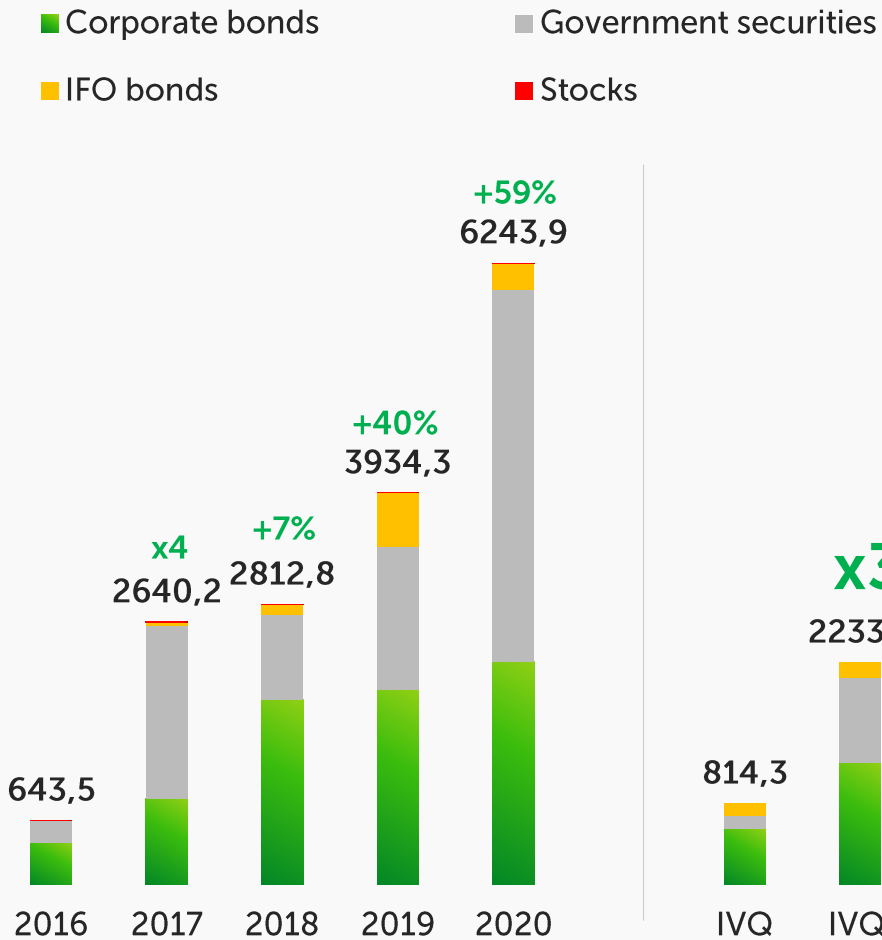
Source: KASE



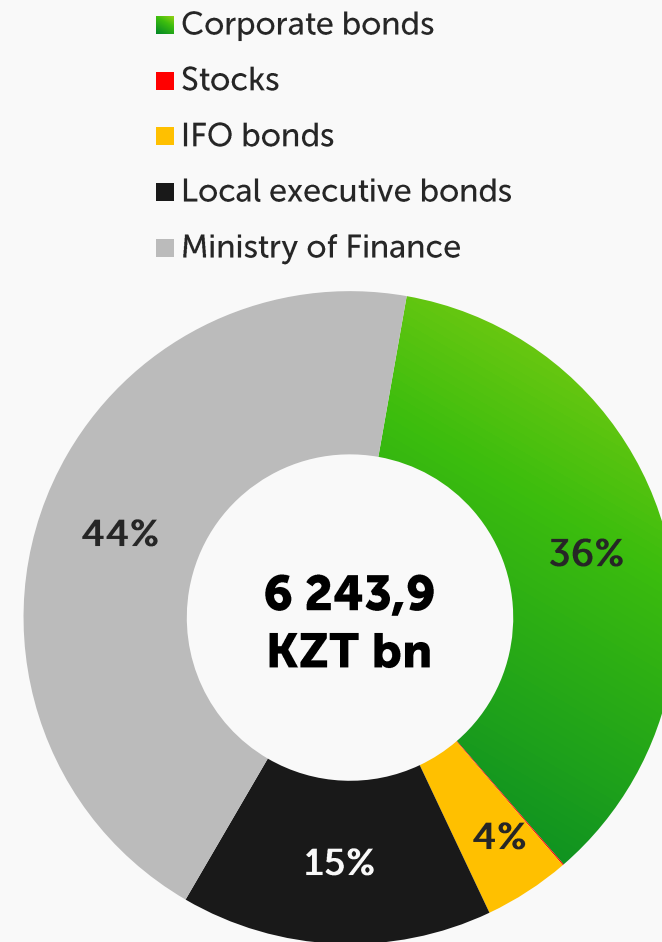
Capital Raising Market in 2020

+59 % of volume in the primary market

Trading volume on the primary market, KZT bn



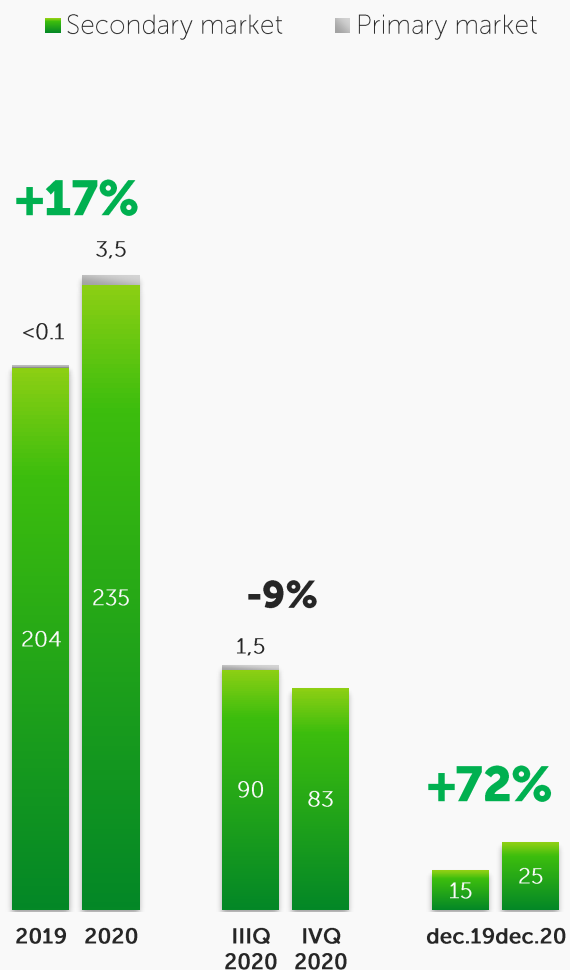
Primary market structure, KZT bn



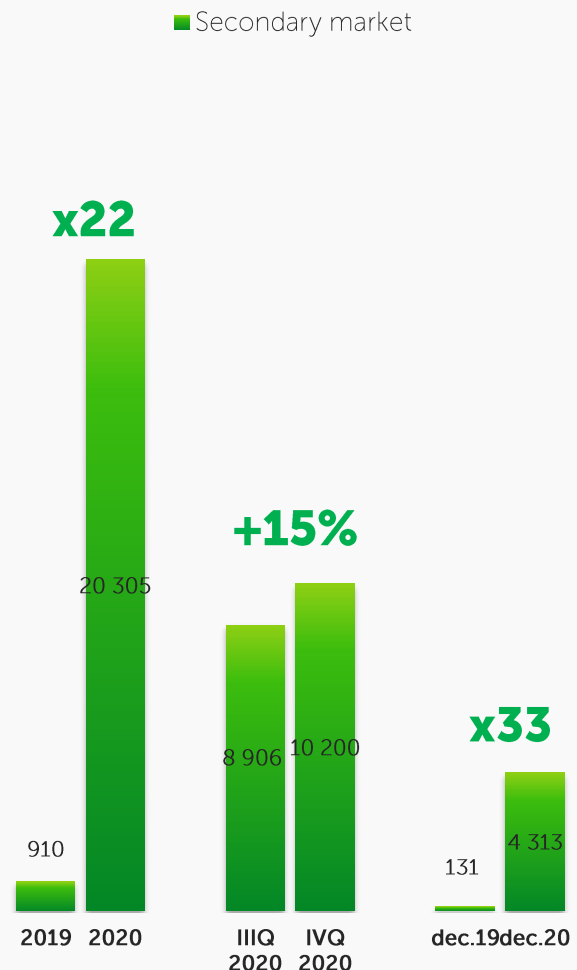
Source: KASE

Equity market trends

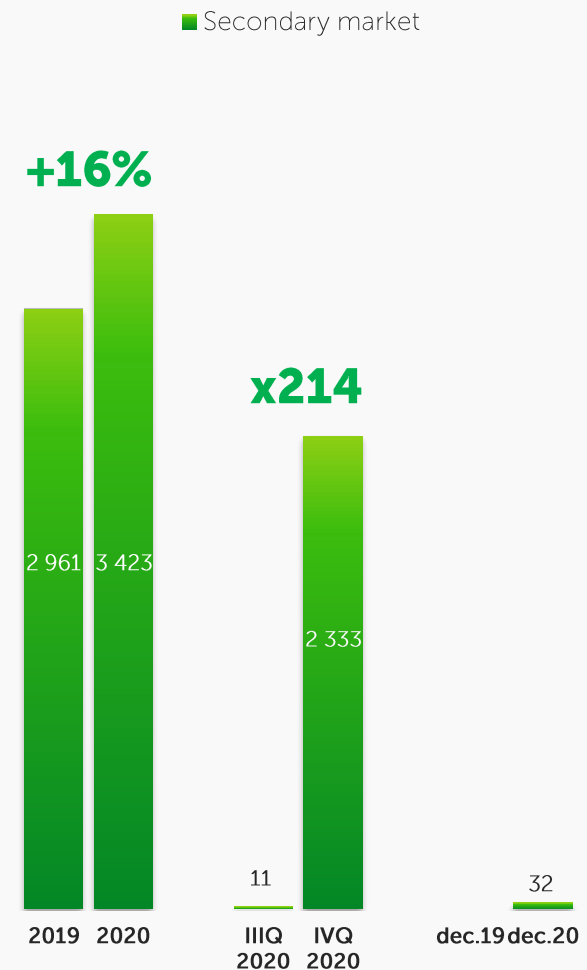
Volume of transactions on the stock market, KZT bn



Volume of transactions in securities of investment funds, KZT mln



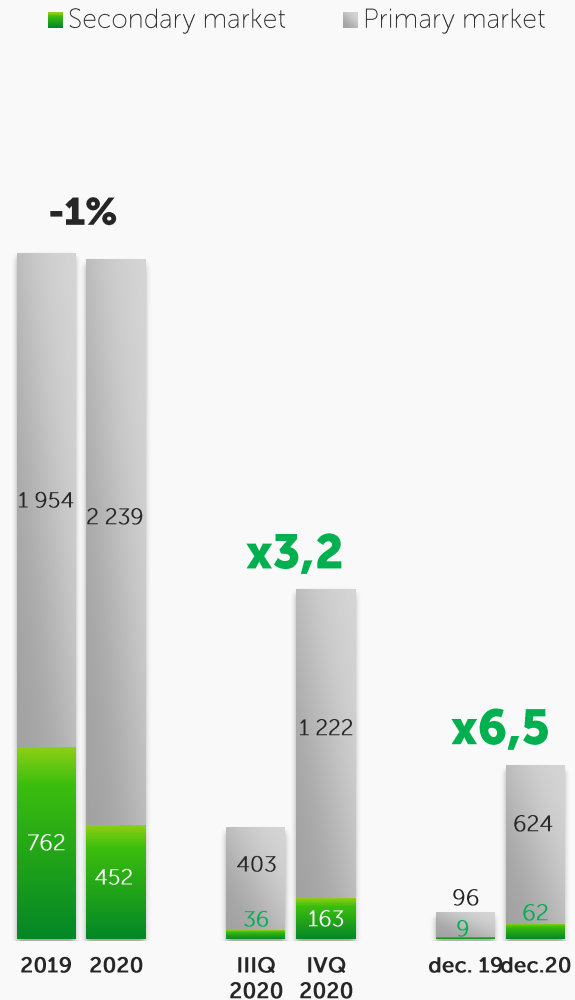
Volume of transactions in derivative securities, KZT mln



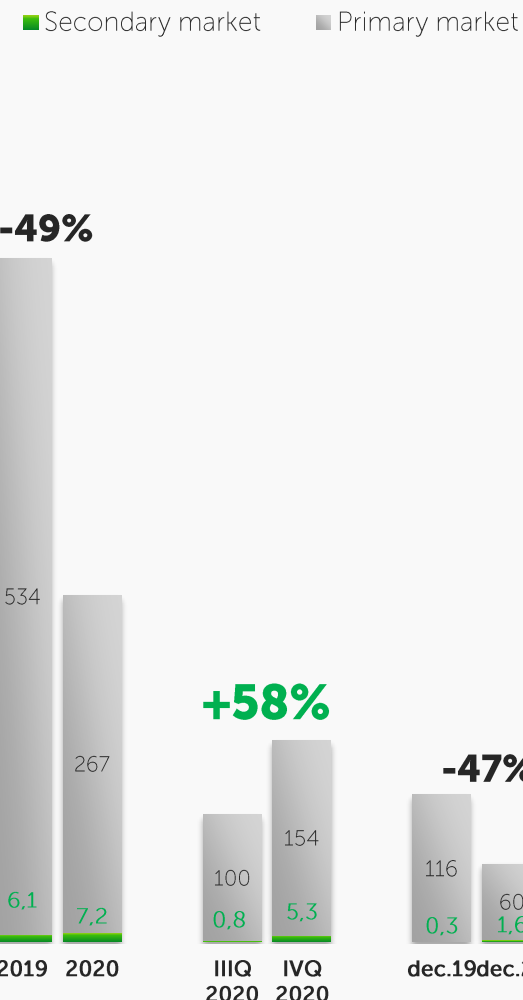
Source: KASE

Debt market trends

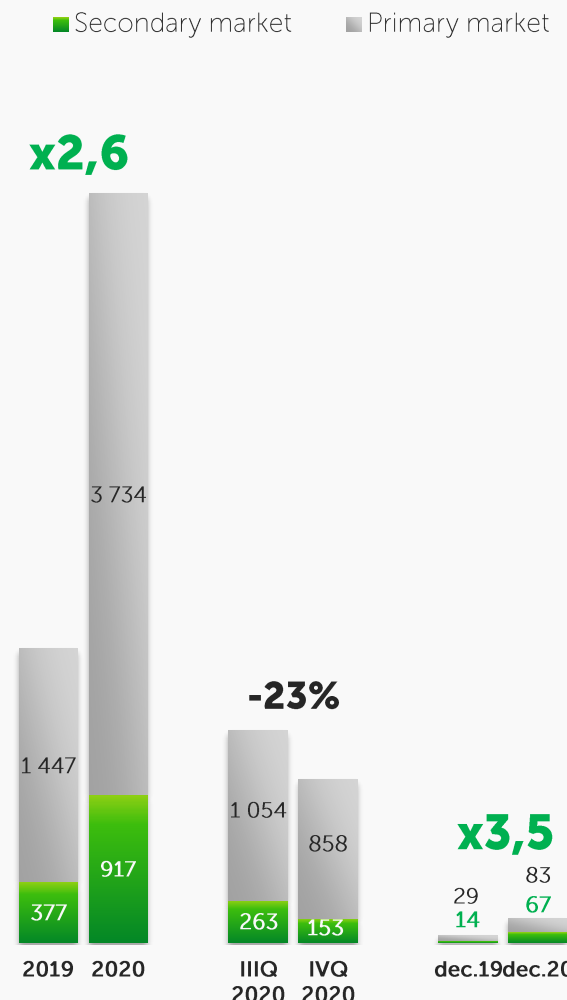
Volume of transactions on the Corporate bonds market, KZT bn



Volume of transactions on the IFO bonds market, KZT bn



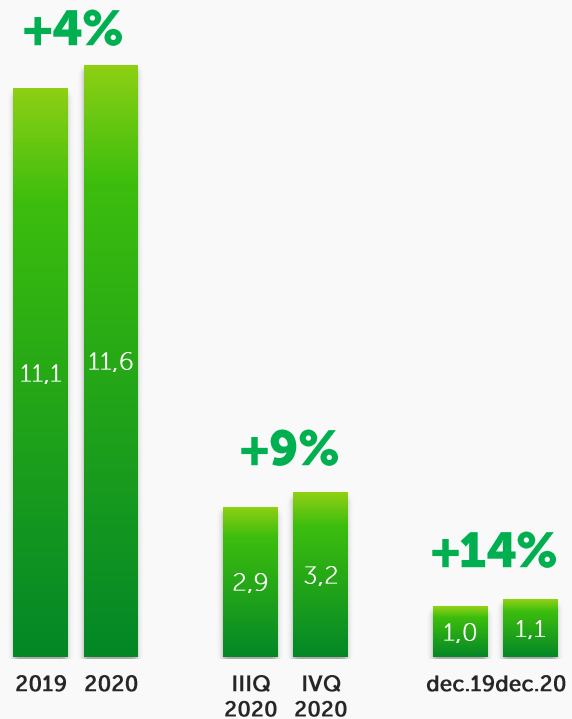
Volume of transactions on the Government Securities market, KZT bn



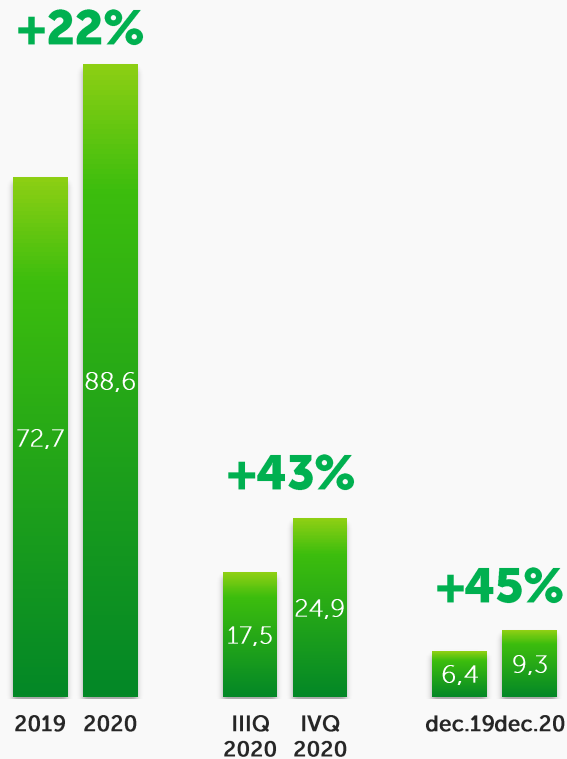
Source: KASE

Money and foreign currency market trends

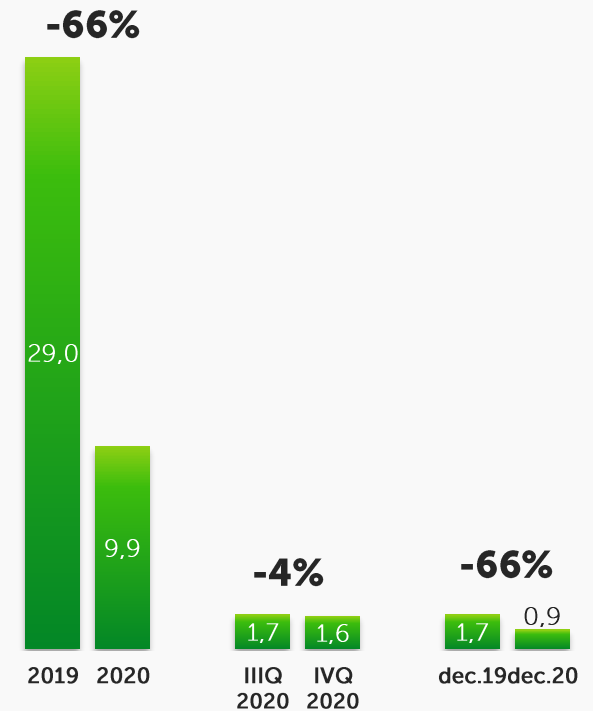
Volume of transactions in the foreign currency market, KZT bn



Volume of transactions in the repo transactions market, KZT bn



Volume of currency swap transactions, KZT bn



Source: KASE

KASE Market

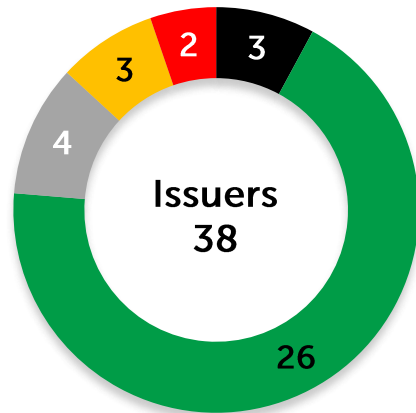
1 124 instruments, including 791 securities issues

Stock market			Money market	Currency market	Derivatives
Stocks	Bonds	Other Securities	Swap operations	Spot	Futures
IPO / Auctions	Auctions	Secondary market	RUBKZT	RUBKZT	KASE Index
Buyback	Secondary market	Securities of investment funds	USDKZT	USDKZT	USDKZT
Secondary market	Government Securities	ETF	CNYKZT	CNYKZT	
Large companies	Ministry Finance		EURKZT	EURKZT	
SME	Municipal bonds		Autorepo	EURUSD	
Dual listing	National Bank Notes		Stocks		
GDR	Foreign Government Securities		Bonds		
	Corporate bonds		State securities basket		
	IFO bonds				
146	629	16	311	16	6
Settlements					
T+2	T+2	T+0	from T+1 to T+1Y	T+0	T+1W
T+0 - illiquid Securities	T+0 - illiquid Securities		from T+0 to T+90	T+1	T+1M
				T+2	T+3M
					T+6M

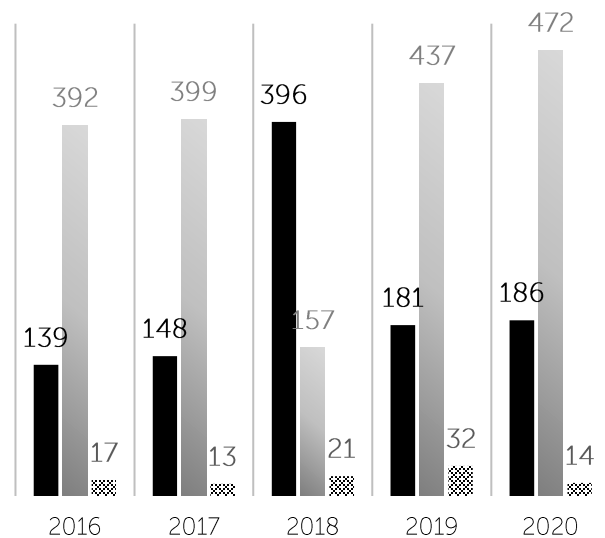
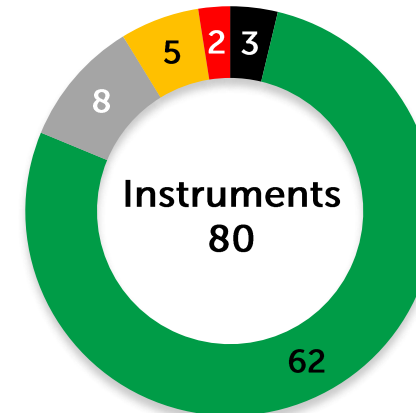
Note: the numbers indicate the number of instruments in the KASE trade list as of January 1, 2021

KASE official list structure

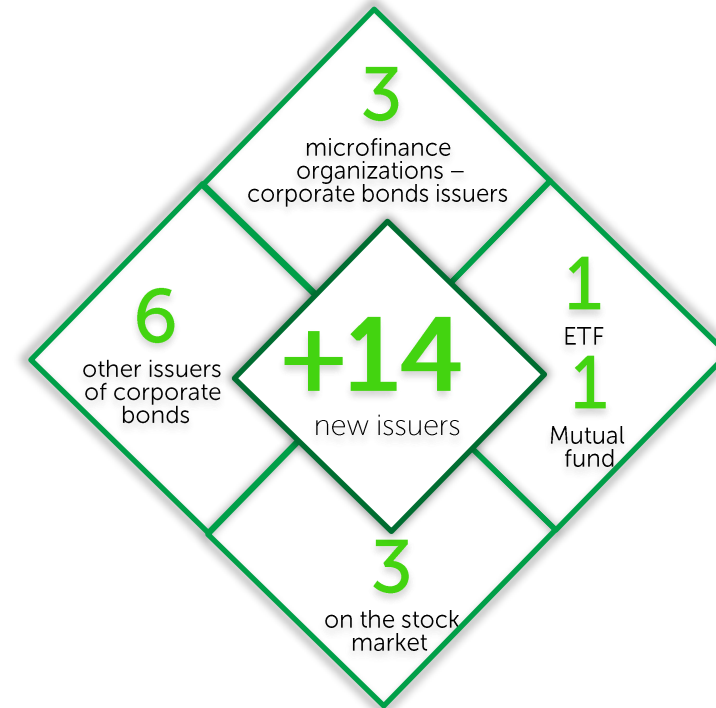
Structure of issuers and instruments included in the official list in 2020



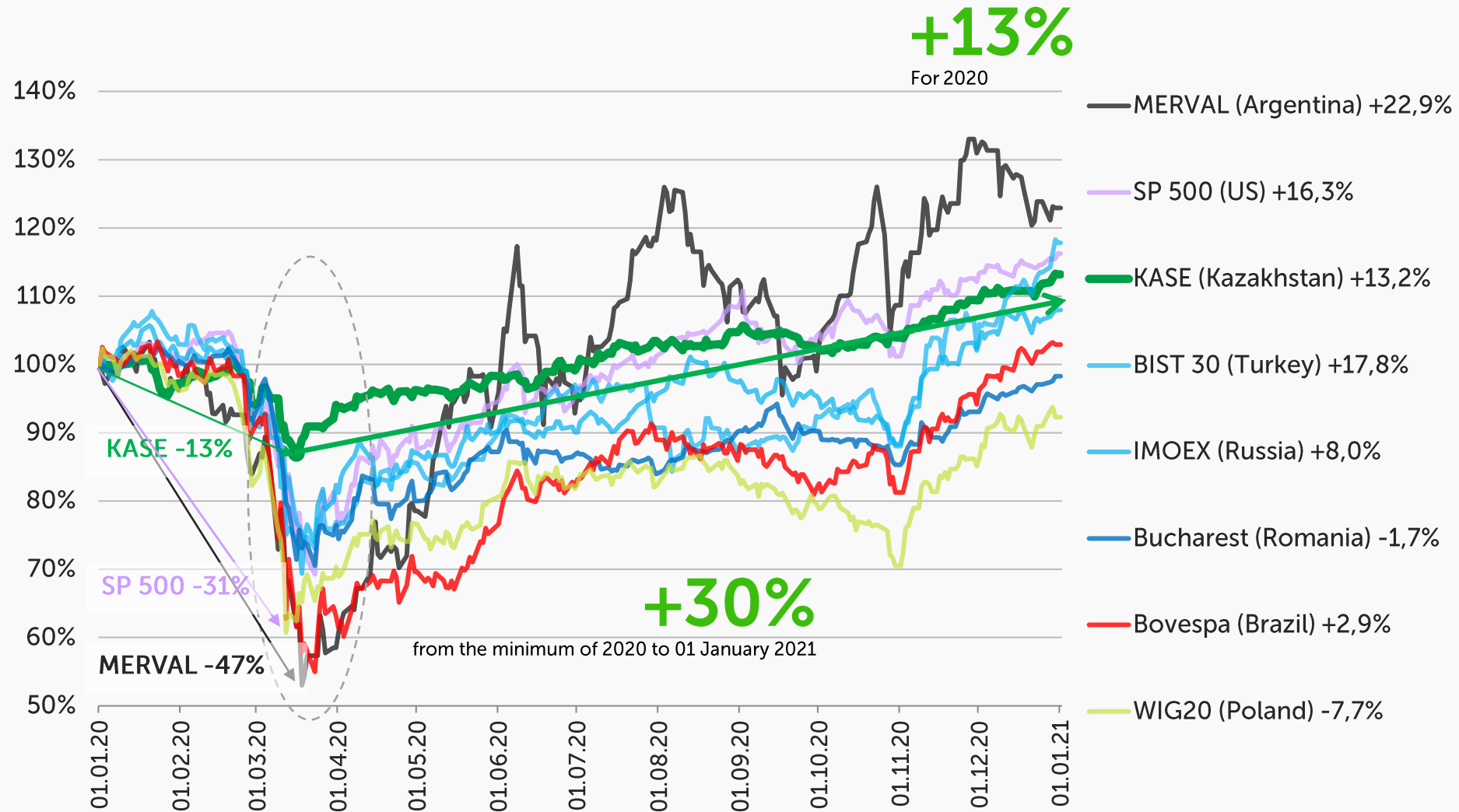
- Equities
- Corporate bonds
- IFI bonds
- Investment Funds
- GDR



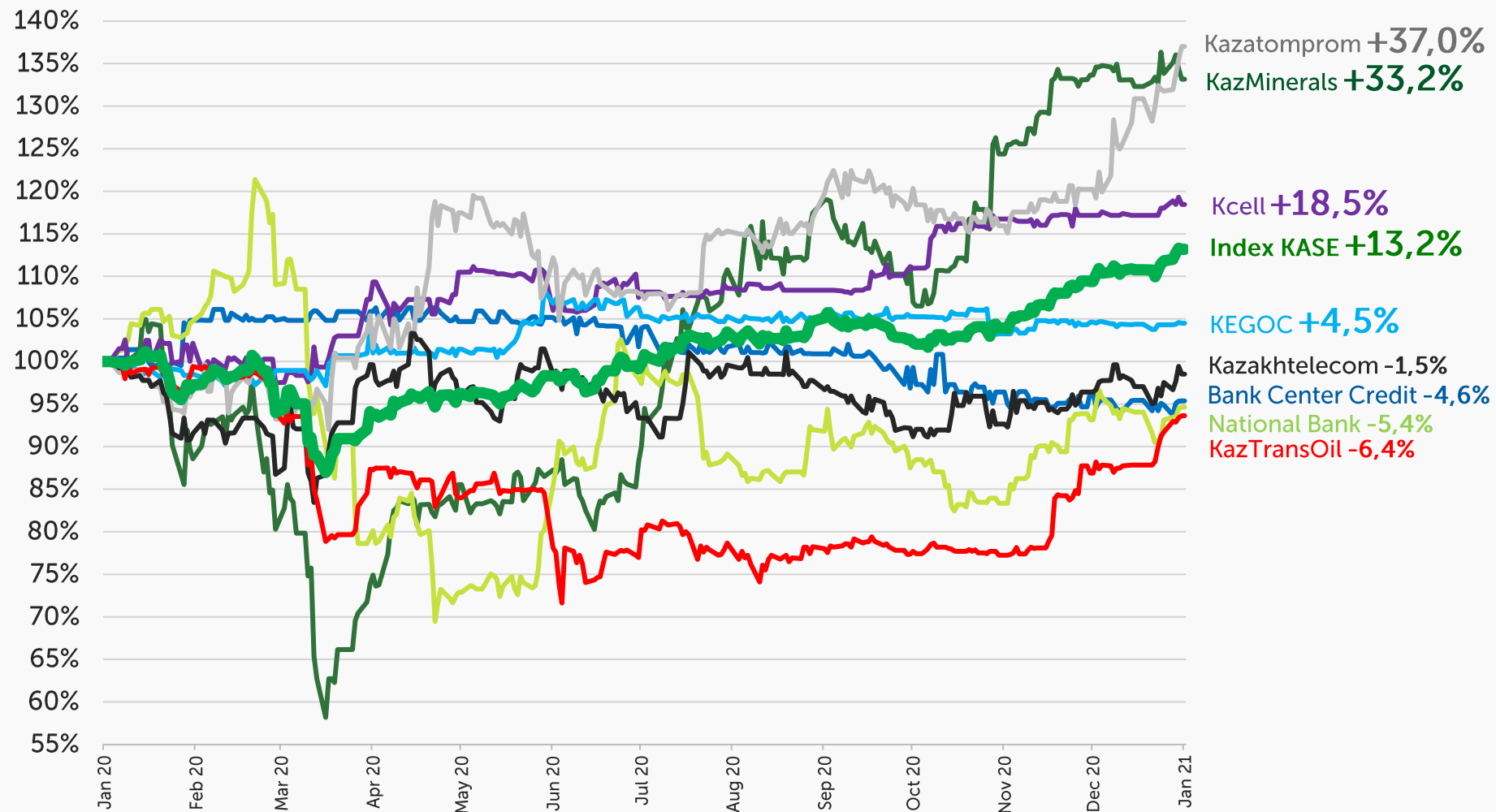
- Issuers
- Issuances
- ▨ New issuers



KASE Index dynamics



Dynamics of the last prices of shares of the Index basket since the beginning of the year



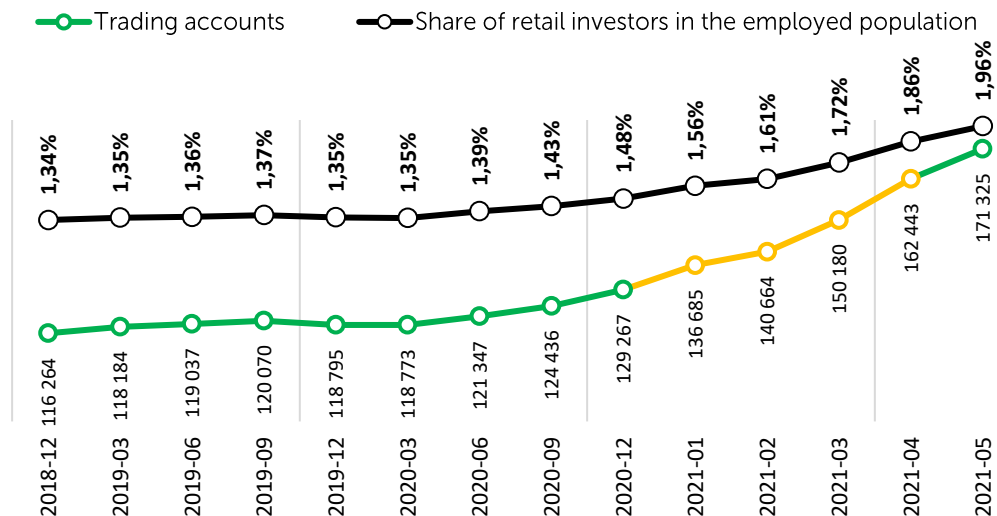
data from the beginning of 2020 to 01 January 2021

Source: Bloomberg

Growth in the number of retail investors

Number of retail accounts of individuals in CSD

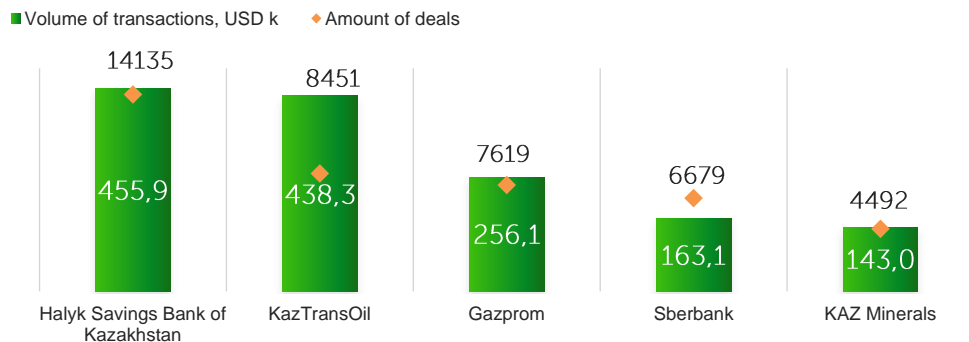
data at the beginning of the month



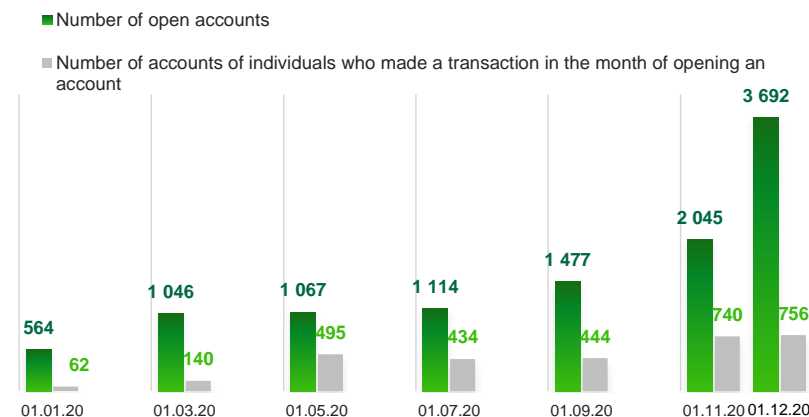
+17 000
new accounts for 2020

≈1,5 %
of the employed population of Kazakhstan are retail investors

Top 5 most popular assets among new retail investors at the end of 2020



Accounts that made at least one transaction after opening

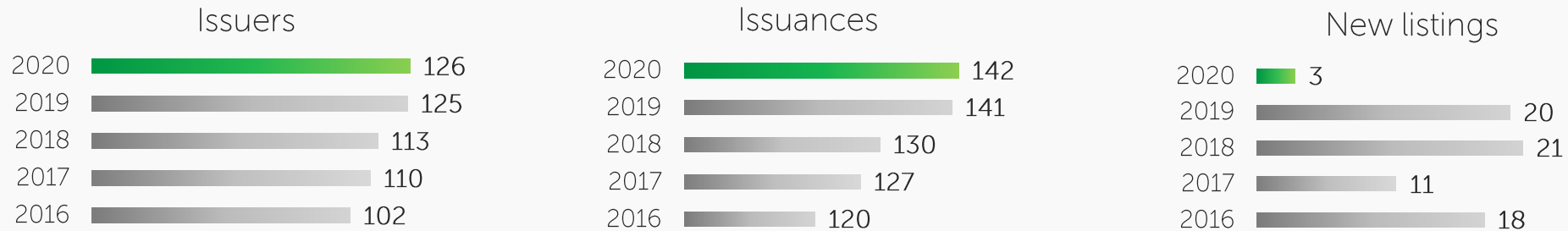


Source: KASE, Central Securities Depository of Kazakhstan

Equities

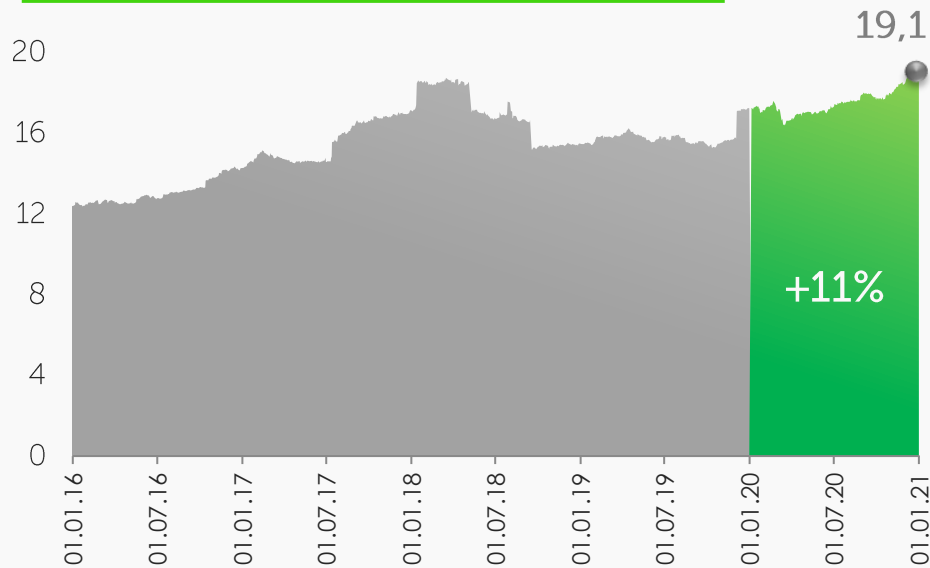
+11% of Equities Market Capitalization

Dynamics of KASE's lists



Note: including non-listed securities

Equities Market Capitalization, KZT trln



+3

New issuers

- Sinoasia B&R Insurance JSC / finance
- Tengri Partners Investment Banking (Kazakhstan) JSC / finance
- Akzhal Gold Resources JSC / real

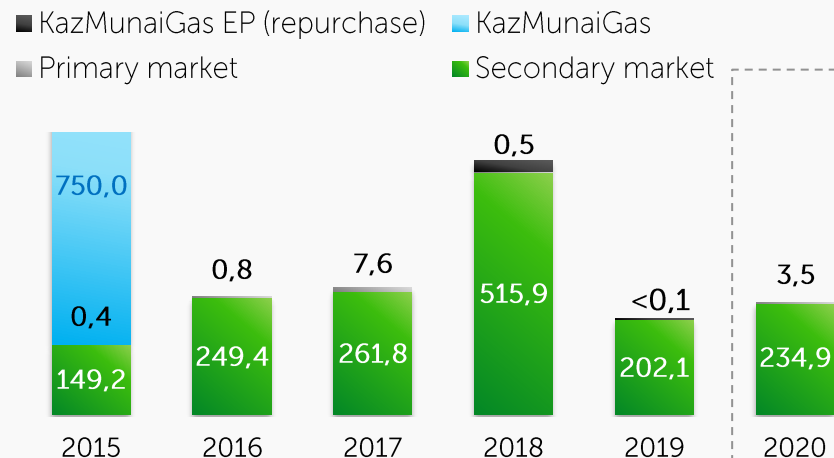
Equities

+17% of trading volume

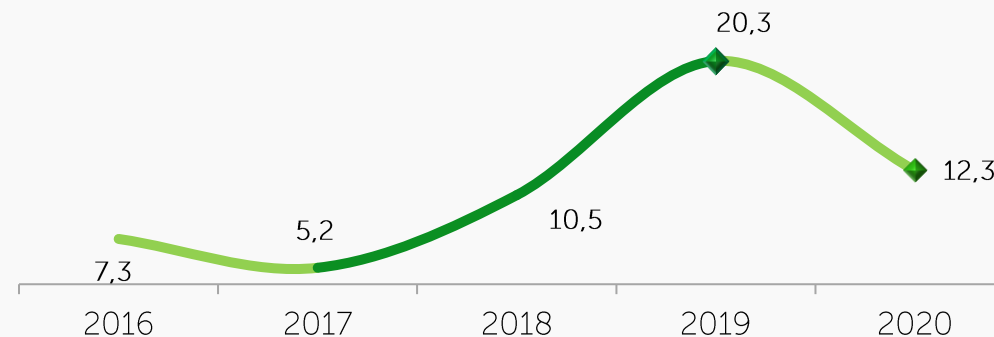
Key Facts and Numbers

- + average daily volume of deals in 2020 – **969,1 KZT mln**
- + average daily volume of deals Index KASE's equities in 2020 – **740,0 KZT mln**
- + average daily number of deals in 2020 – **795**
- + average volume of one deal in 2020 – **1,2 KZT mln**
- + T+2 main settlement schemes
- + trading in KZT and USD

Trading Volume, KZT bn

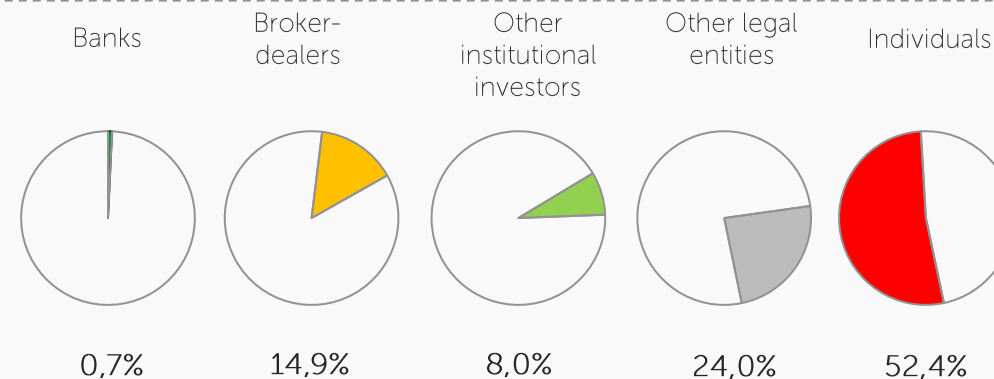


Non-residents in the gross turnover, %



* of the total gross turnover of trading in shares

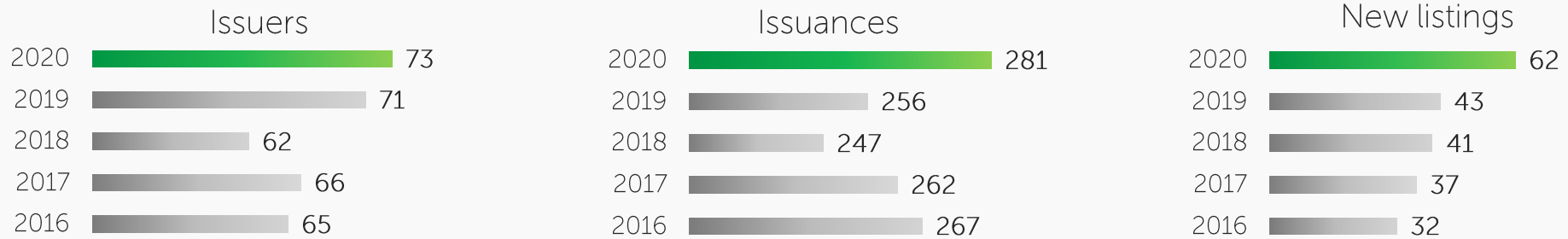
Investor structure



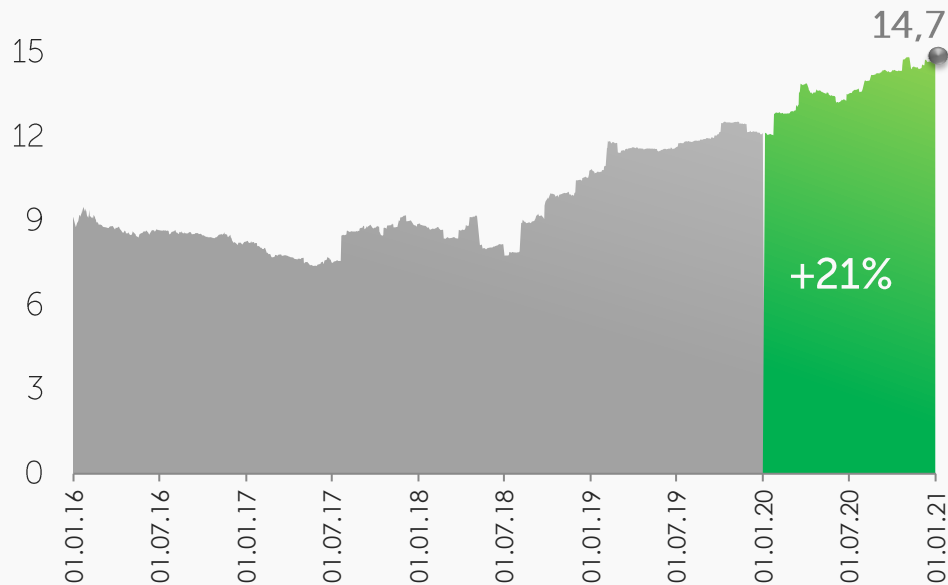
Corporate bonds

+21% of corporate debt at face value

Dynamics of KASE's lists



Volume of outstanding corporate debt, KZT trln



+9
new issuers

- FIVE BROKERS' CAPITAL JSC / finance
- Industrial Development Fund JSC / quasi-public
- PC "APC "DAMU AGRO" / real
- Capital Leasing Group LLP / finance
- Microfinance organization" Credit Time" LLP / finance
- Microfinance organization "R-Finance" LLP / finance
- Microfinance Organization OnlineKazFinance LLP / finance
- LLOYDS BANK PLC / finance
- Altyn PLC / real

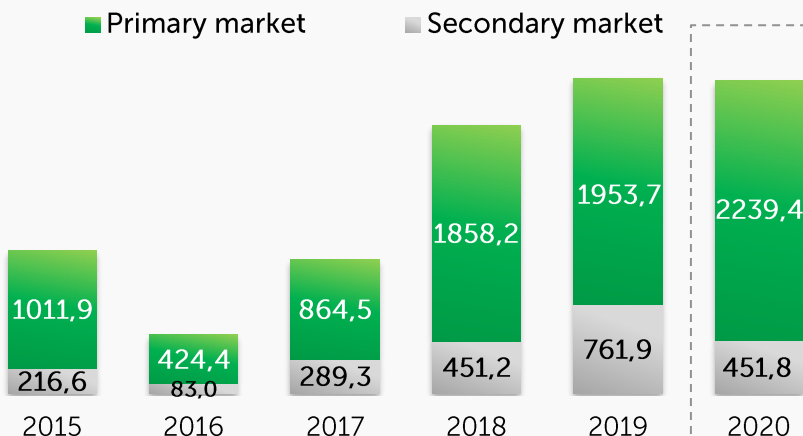
Corporate bonds

+64% of active accounts

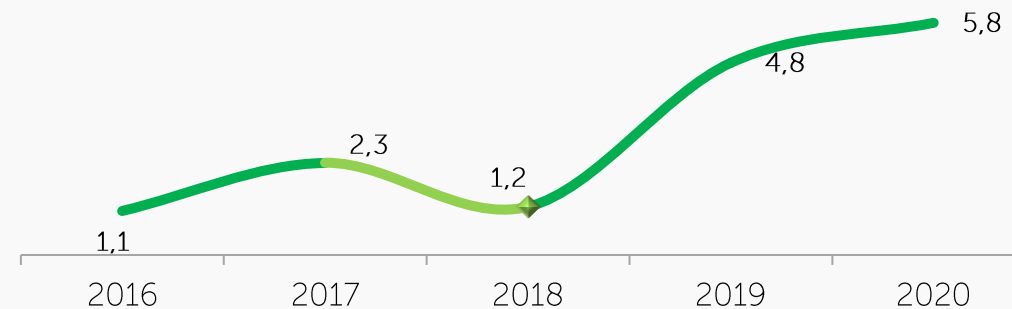
Key Facts and Numbers

- + share of Eurobonds in corporate debt outstanding – 37,6 %
- + share of quasi-public sector in corporate debt outstanding – 73,8 %
- + growth in the number of active accounts in the corporate bonds market – 64 %

Trading Volume, KZT bn

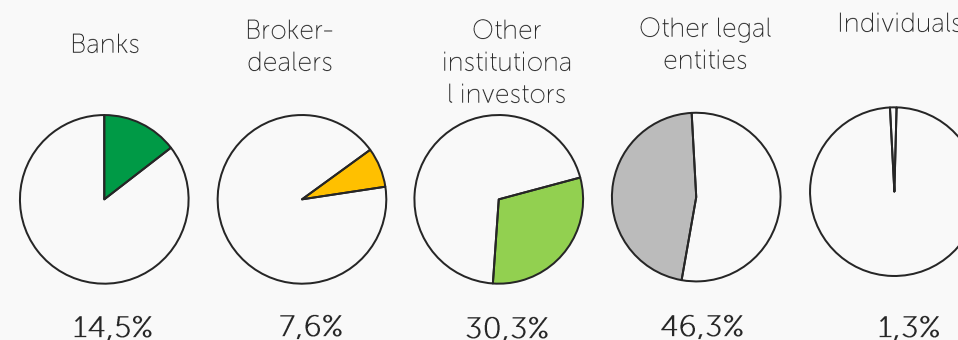


Non-residents' share in the gross turnover, %



* of the total gross turnover of trading in corporate bonds

Investor structure



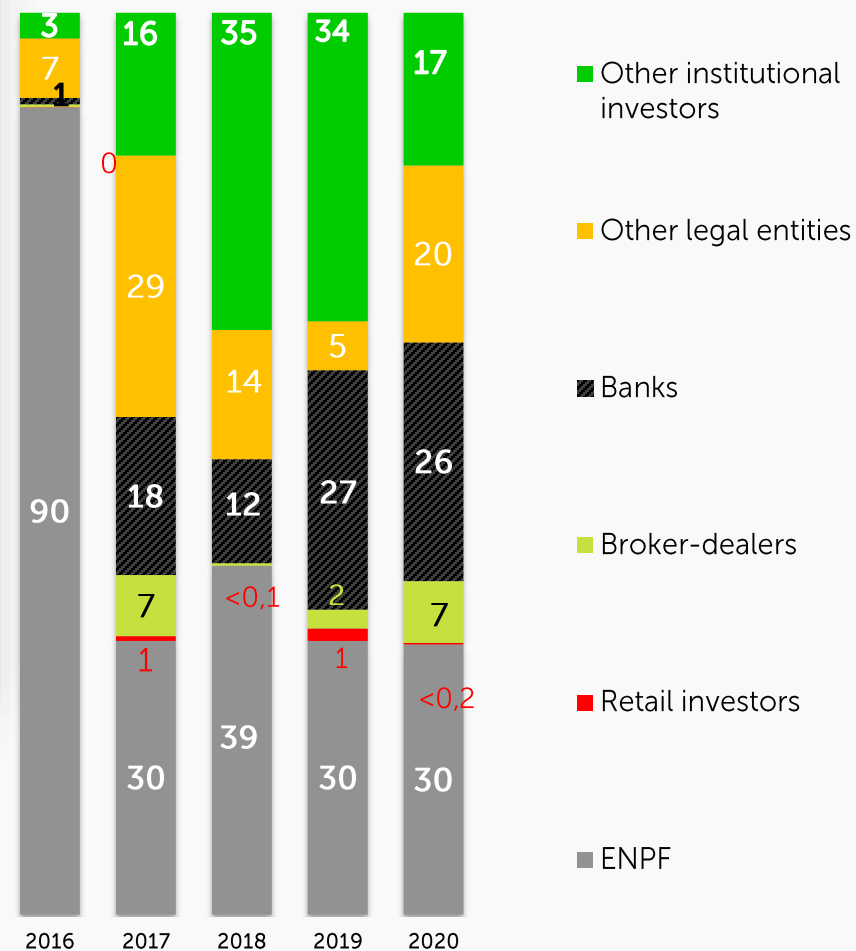
Investors in the corporate bond market

	2016	2017*	2018*	2019*	2020*
Number of issuers	12	14	23	27	14
OF THEM:					
quasi-state companies and development institutions	7	8	10	13	9
private non-financial companies	5	1	2	3	2
private financial companies	–	5	11	11	3
Attraction, bln. KZT	424,4	269,5	1 824,5	1 349,7	1 348,1
OF THEM:					
quasi-state companies and development institutions	417,5	234,7	1 418,4	1 140,0	1 308,9
private non-financial companies	6,9	0,9	5,4	37,8	9,0
private financial companies	–	33,9	400,7	171,9	30,2

* excluding the Banking Sector Financial Support Program and non-market placements

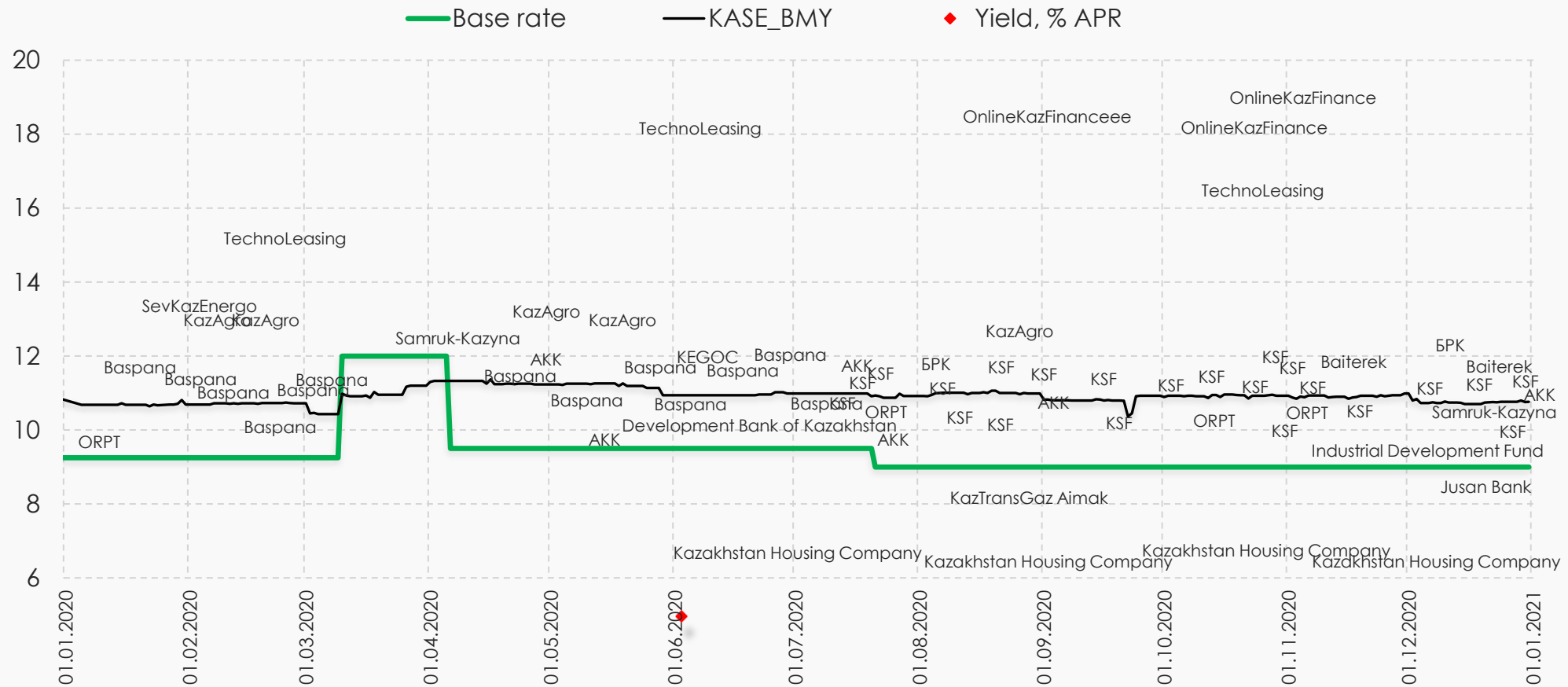
Source: KASE

Shares of the main investor categories, %*



Yield of corporate bonds at offering

Market offerings 2020



Source: KASE

Placements of corporate bonds (1/2)



Sovereign Wealth Fund
"Samruk-Kazyna" JSC

Maturity
1,1-3,0 Years
Volume:
258,40 KZT bn
Yield:
10,90-12,50% p.a.



BAITEREK

National managing
holding "Baiterek" JSC

Maturity
7,0-10,0 Years
Volume:
150,00 KZT bn
Yield:
11,30% p.a.



Kazakhstan
Sustainability Fund JSC

Maturity
1,8-12,0 Years
Volume:
574,86 KZT bn
Yield:
10,69-12,00% p.a.



Банк развития
Казахстана

Development Bank of
Kazakhstan JSC

Maturity
4,5-20,0 Years
Volume:
180,55 KZT bn
Yield:
0,15-11,80% p.a.



KazAgroFinance JSC

Maturity
4,4-4,9 Years
Volume:
33,21 KZT bn
Yield:
12,70-13,00% p.a.



Agrarian Credit
Corporation JSC

Maturity
1,0-10,0
Volume:
76,21 KZT bn
Yield:
5,00-11,75% p.a.



Kazakhstan Housing
Company JSC

Maturity
10,0-30,0 Years
Volume:
700,48 KZT bn
Yield:
0,10-6,02% p.a.



Фонд
развития
промышленности

Industrial Development
Fund JSC

Maturity
10,0 Years
Volume:
50,00 KZT bn
Yield:
11,80% p.a.

Placements of corporate bonds (2/2)



KEGOC JSC

Maturity
15,0 Years
Volume:
9,03 KZT bn
Yield :
12,00% p.a.



Microfinance Organization
OnlineKazFinance LLP

Maturity
2,0 Years
Volume:
3,33 KZT bn
Yield :
19,00% p.a.



TechnoLeasing LLP

Maturity
1,0-3,8 Years
Volume:
1,82 KZT bn
Yield :
16,0-18,0% p.a.



Wholesale and retail
trade venture JSC

Maturity
6,5-7,0 Years
Volume:
4,01 KZT bn
Yield :
10,49-10,50% p.a.



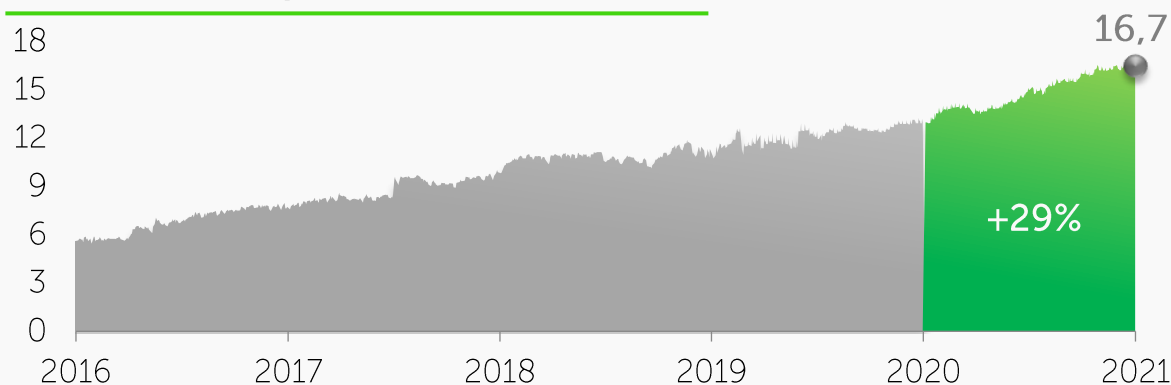
SevKazEnergo JSC

Maturity
7,0 Years
Volume:
5,00 KZT bn
Yield :
13,75% p.a.

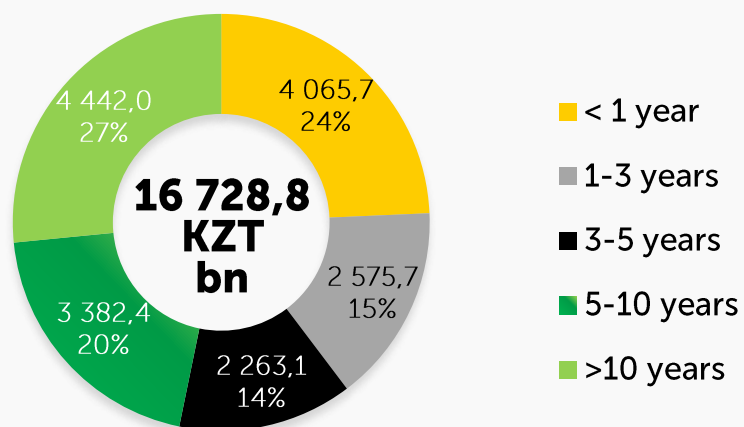
Government Securities Market

+29% of public debt

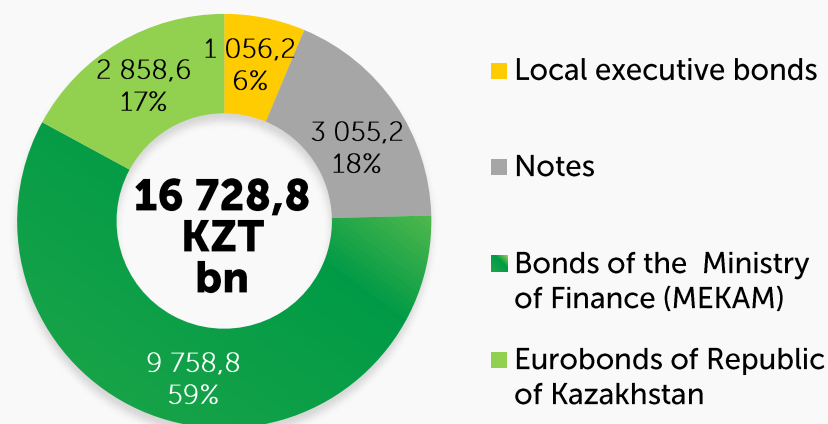
Amount of government debt (at face value) traded on KASE, KZT trln



Structure of the government debt of Kazakhstan traded on KASE by maturity date



Structure of the government debt of Kazakhstan traded on KASE by type of securities



Note: data are presented by nominal price as of January 01, 2021
Source: KASE

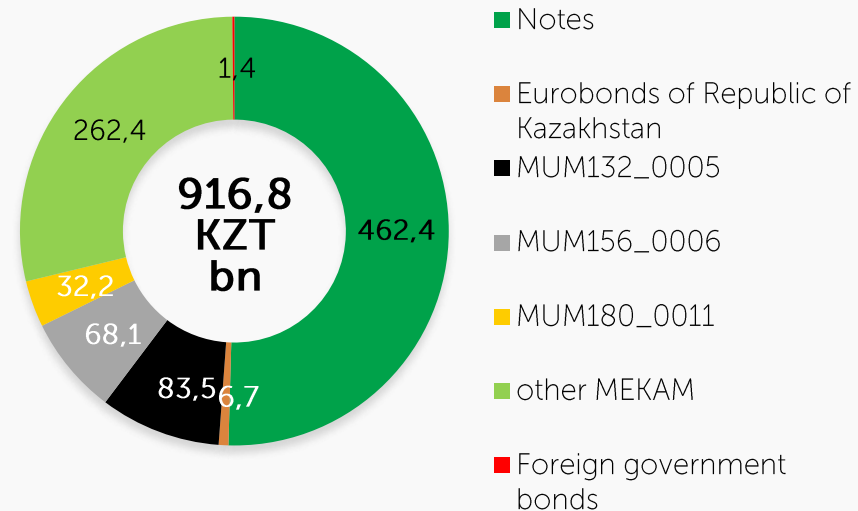
Government Securities Market

x2,6 of Trading Volume

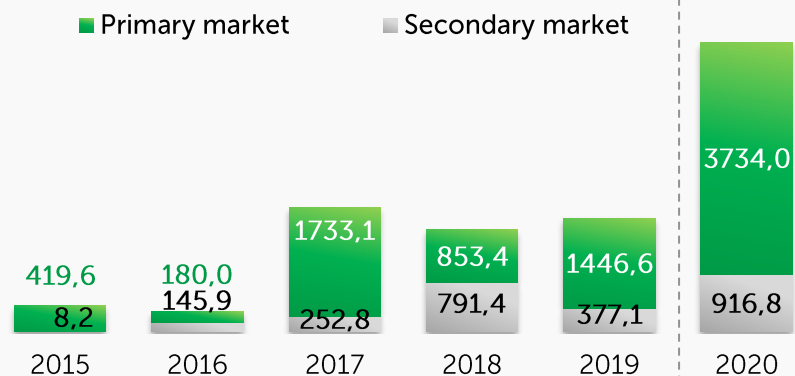
Key Facts and Numbers

- + current public sector debt traded on KASE 16,7 KZT trln (~80% of all government debt)
- + yields on Ministry of Finance tenge bonds placements in 2020 9,5-12,0% per annum
- + growth in the volume of funds raised by the Ministry of Finance of the Republic of Kazakhstan by 2 times

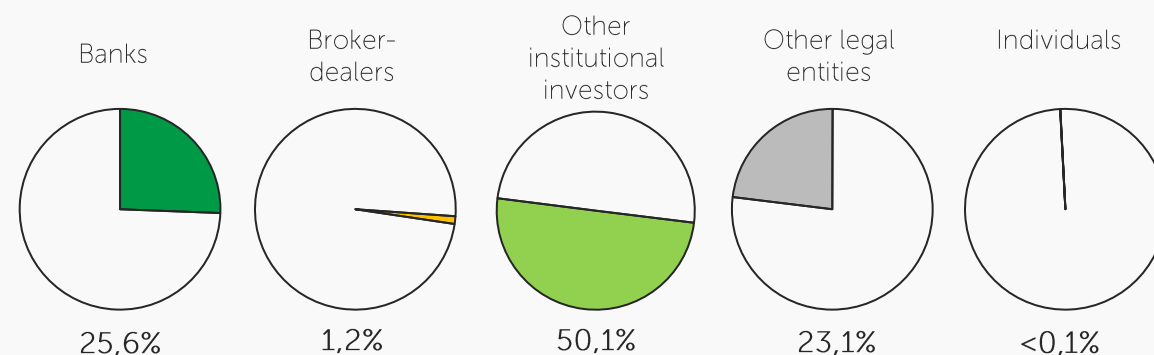
Instrumental structure of the GS secondary market at KASE



Trading Volume, KZT bn

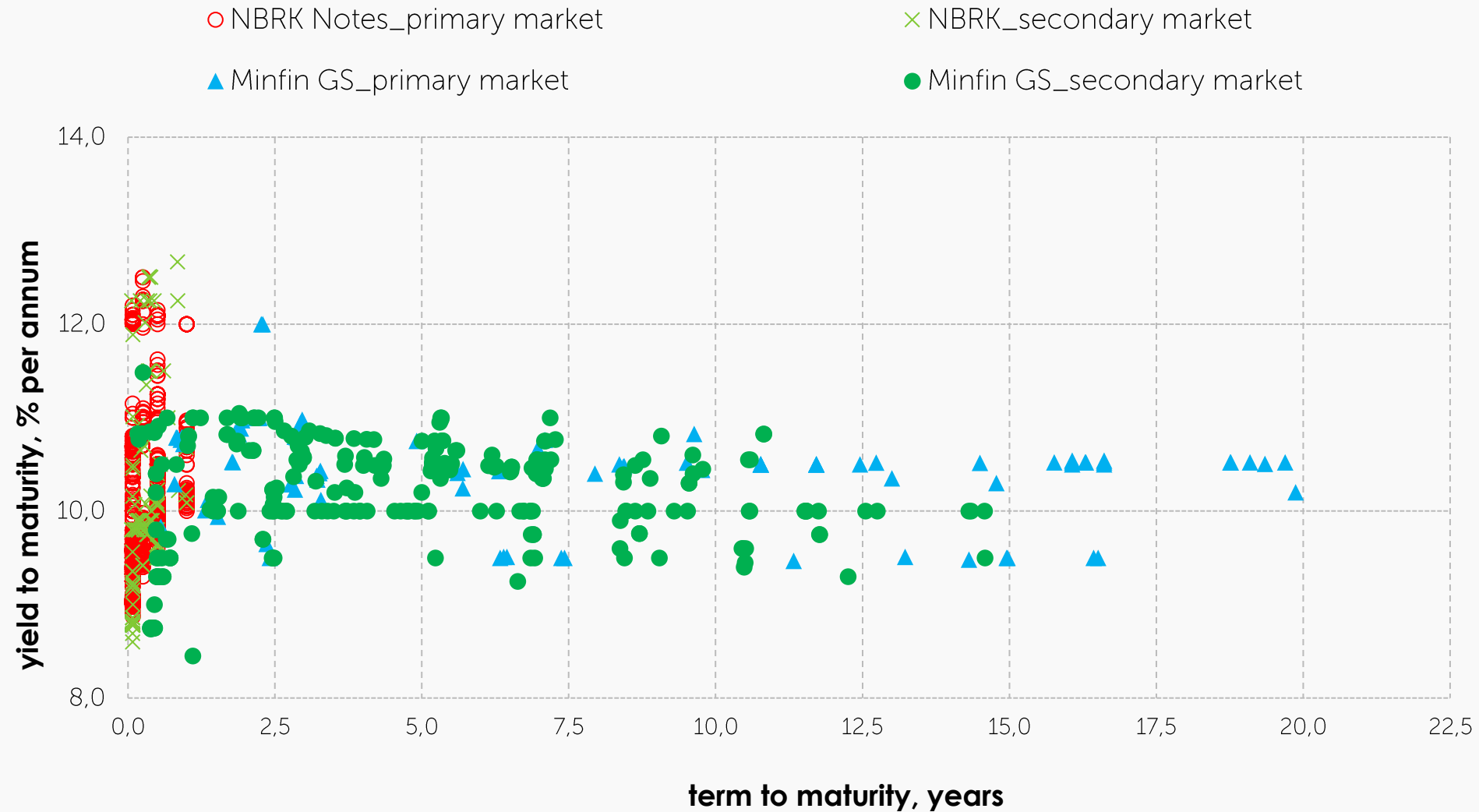


Investor structure



* of the total gross turnover of trading in GS

Yield of transactions on the government securities market in 2020



Investment Funds

x22 of Trading Volume

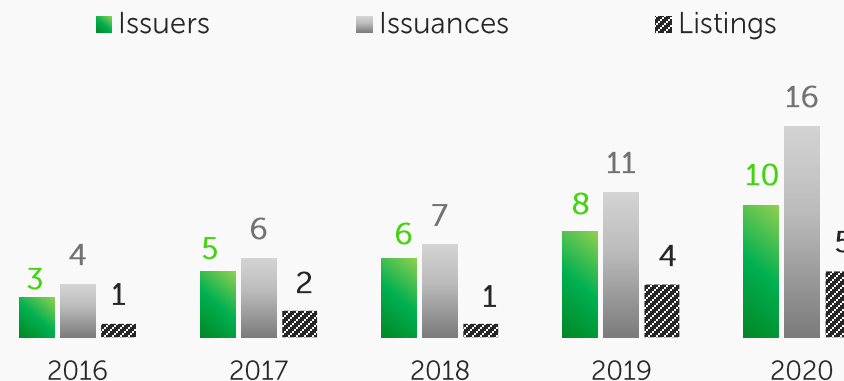
Key Facts and Numbers

- + Mutual Fund of Management company "East-West" LLP had a maximum trading volume
- + trading volume of Index KASE ETF – 500 KZT mln

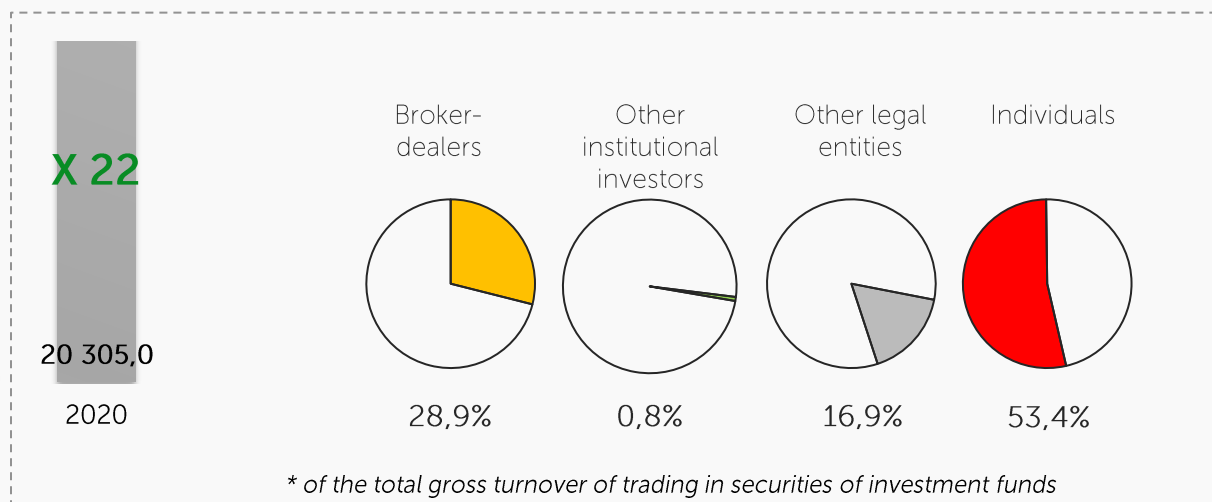
Trading Volume, KZT mln



Динамика списка



Investor structure

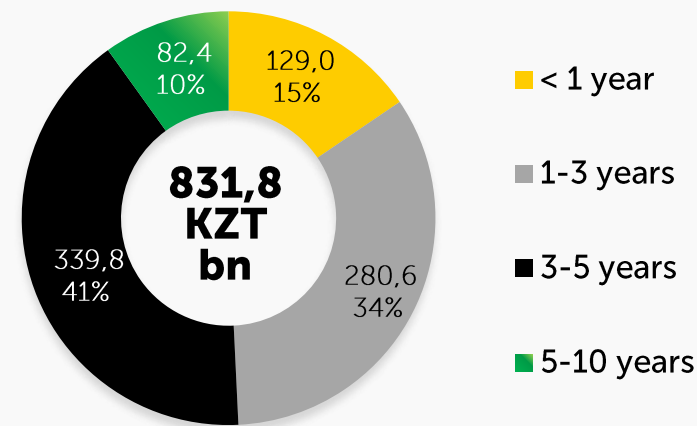


IFI bonds

Key Facts and Numbers

- + There were 34 issues of 4 institutions in KASE Official List as at January 1, 2021
- + 8 new issues

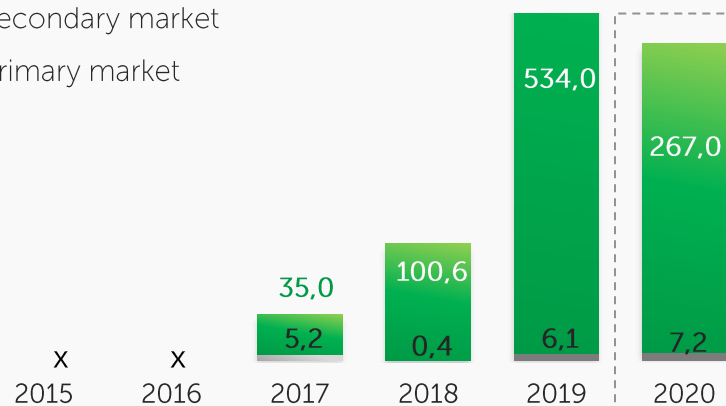
Structure of the IFI debt in circulation by maturity date



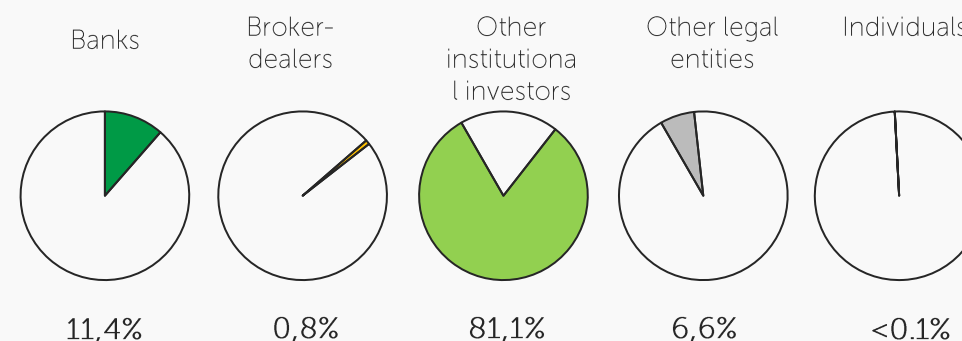
*as at January 1, 2021

Trading Volume, KZT bn

- Secondary market
- Primary market



Investor structure



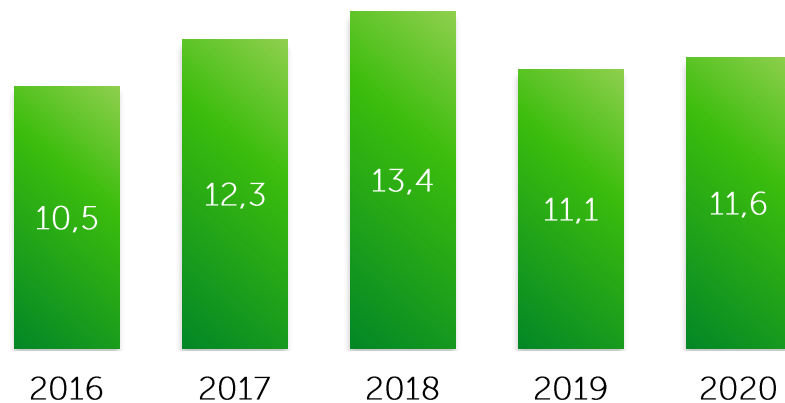
* of the total gross turnover of trading in IFI bonds

Foreign Currency

Key Facts and Numbers

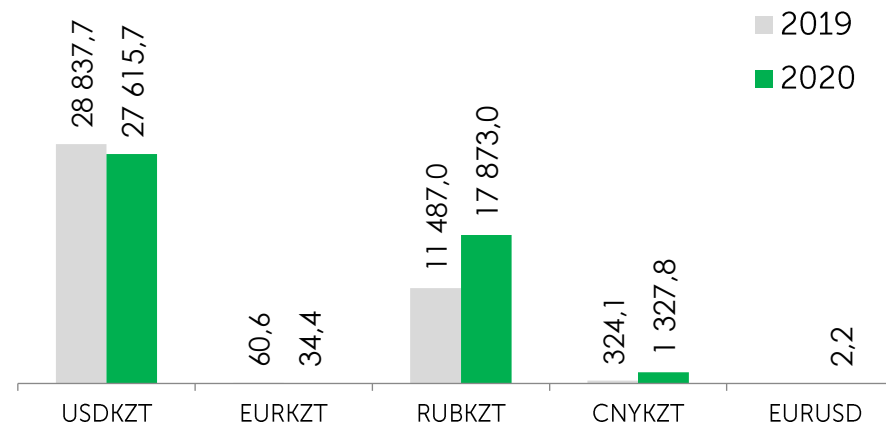
- + 5 currency pairs : USDKZT, RUBKZT, CNYKZT, EURKZT, EURUSD
- + average daily volume of deals in 2020 – **47,2 KZT bn**
- + average daily number of deals in 2020 – **397**
- + Average volume of one deal in 2020 – **118,9 KZT mln**
- + settlement scheme **T+0, T+1, T+2**

Trading volume on spot market, KZT trln

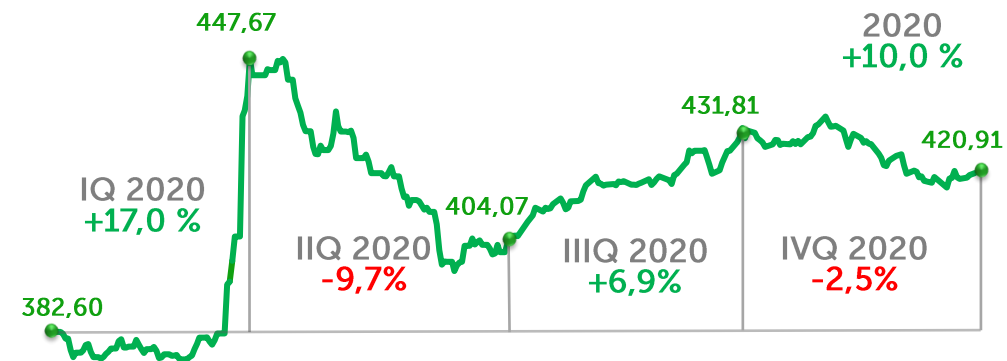


Source: KASE

Exchange market structure in 2020, by trading volume. Volume in mln units of currency



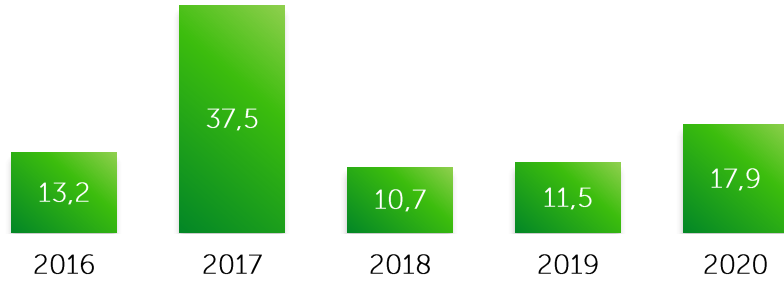
Dynamics of USD/KZT exchange rate, KZT per unit of currency



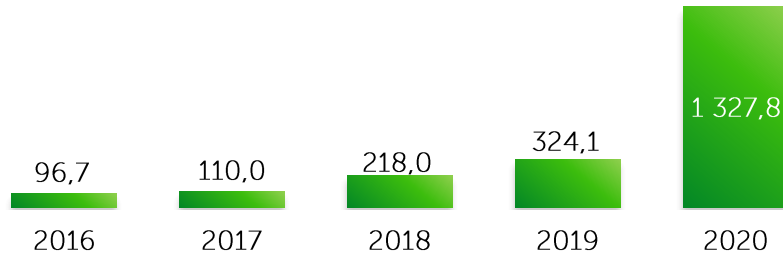
Note: USD/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

Foreign Currency

Trading amount, RUB mln



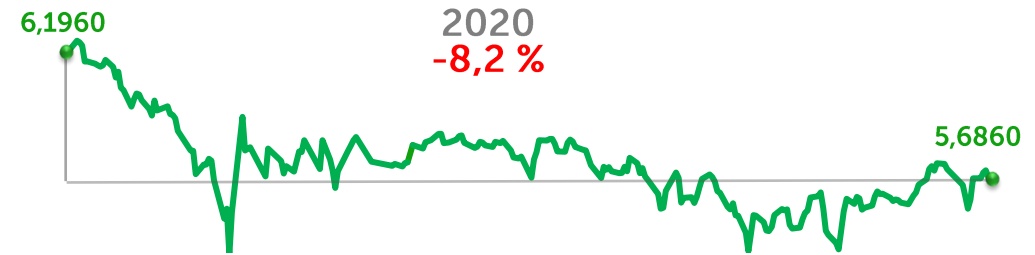
Trading amount, CNY mln



Trading amount, EUR mln



RUB/KZT exchange rate dynamics, KZT per currency unit



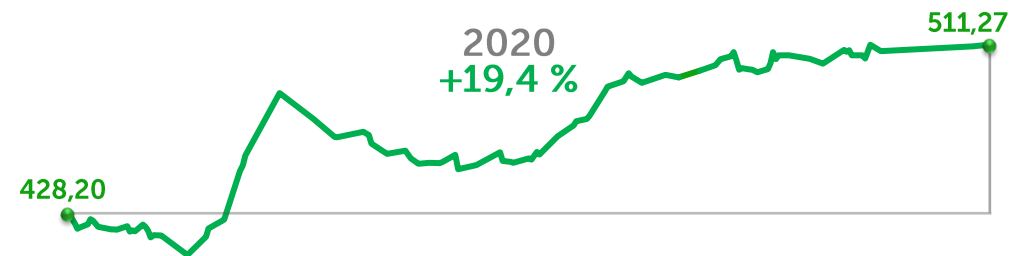
Note: RUB/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

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

EUR/KZT exchange rate dynamics, KZT per currency unit



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

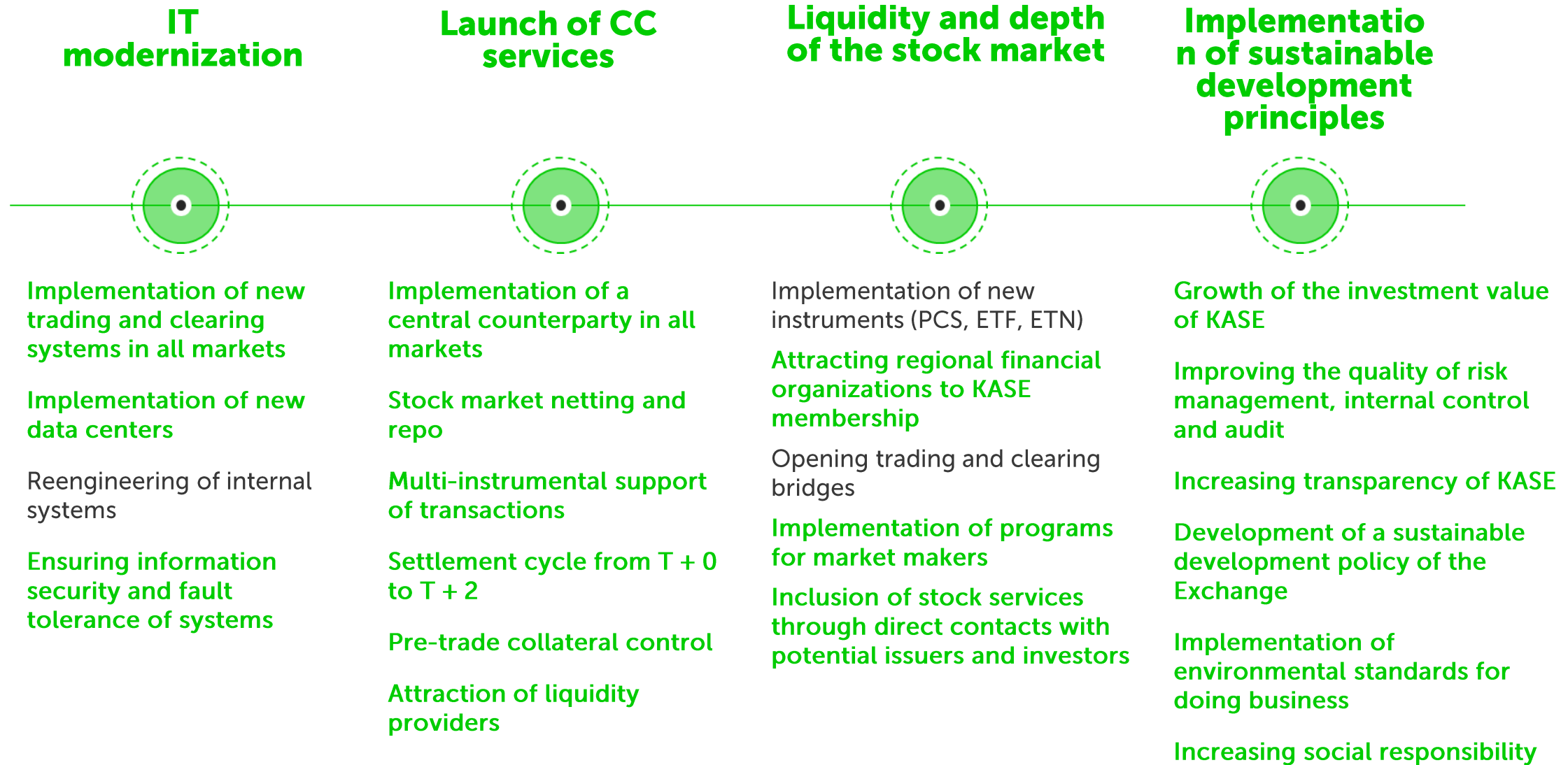
Contents

01 | Summary of results

▶ **02** | Key projects and events of KASE

03 | Financial results

Development strategy of KASE for 2019-2021



Projects implemented in 2020

IT modernization

- Implementation of ASTS + in the stock market
- Implementation of ASTS + in the foreign exchange market
- Launch of a mobile application with a training trading system

Launch of CC services

- Implementation of CC and netting in the stock and foreign exchange markets
- Repo with CCP introduction
- Stock market netting and repo

Liquidity and depth of the stock market

- Implementation of programs for market makers
- Reform of the TONIA money market indicator
- Short sales under repo transactions *(with a basket of government securities, with securities of quasi-state companies, with shares from KASE index)*
- Participation in the working group on improving the status of the stock market in the FTSE / MSCI indices *jointly with FMSA*

Sustainable development

- Implementation of the Exchange's sustainable development policy



Launch and development of CC services:

Functional launch

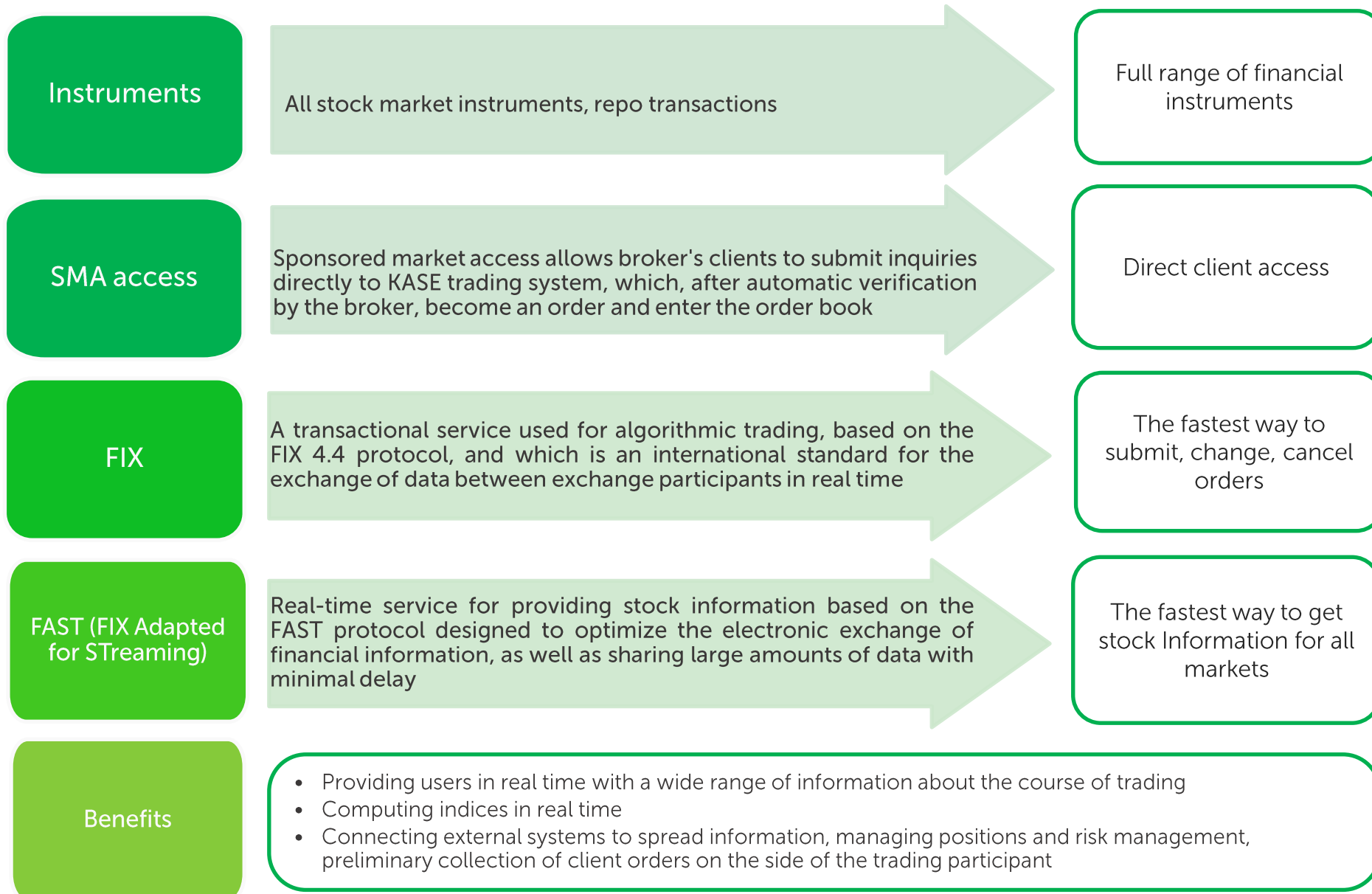
- 1 **Derivatives market**
Introduced in 2012
- 2 **Currency market**
Introduced in October 2018
- 3 **Stock market: liquid securities**
Introduced in December 2019
- 4 **Stock market: all financial instruments of the stock market, including repo**
Introduced in August 2020

Migration to new systems

- 1 **Derivatives market**
Planned in 2021
- 2 **Currency market**
Introduced in November 2020
- 3 **Stock market: liquid securities**
Introduced in December 2019
- 4 **Stock market: all financial instruments of the stock market, including repo**
Introduced in August 2020



ASTS+ was introduced in the stock market



ASTS+ was introduced in the FX market



Cooperation with MOEX

 MOEX's share in the authorized capital of the Exchange is **13,1%**

 **Cooperation of the parties on the exchange markets of Russia and Kazakhstan on the basis of a single technological platform (MOEX trading and clearing system) and expanding the access of investors and trading participants to the exchange markets of the parties**

 **Organization of activities of the central counterparty in KASE markets**

 **Development of stock markets and boosting competitive edge of the parties**

Method of calculating money market indicators was introduced

launch: December 28, 2020

TONIA

new risk-free benchmark
in the money market
based on the principles of
reliability of indicators in
accordance with the best
international practices

TONIA – the main indicator of the money market

- the calculation uses repo opening transactions with the GS Basket for a period of one day, as a volume-weighted average of the central 90% of the specified transactions
- deals are cut off with 5% of deals with the lowest and highest profitability, concluded on the day of calculation of the indicator,
- if the total volume of transactions after the cut-off is less than 100 billion tenge, then TONIA is determined as the sum of the values of the base rate of the National Bank of the Republic of Kazakhstan and the average spread of the TONIA indicator to the specified rate, prevailing over the previous five days

TRION – dynamic indicator of the money market

- dynamic (current intraday) value of the weighted average "overnight" repo rate only for the GS Basket, using KASE services as a CCP

Role played in increasing stock market liquidity



Activation of GS trade and a new program for market makers

Market makers in the government securities market

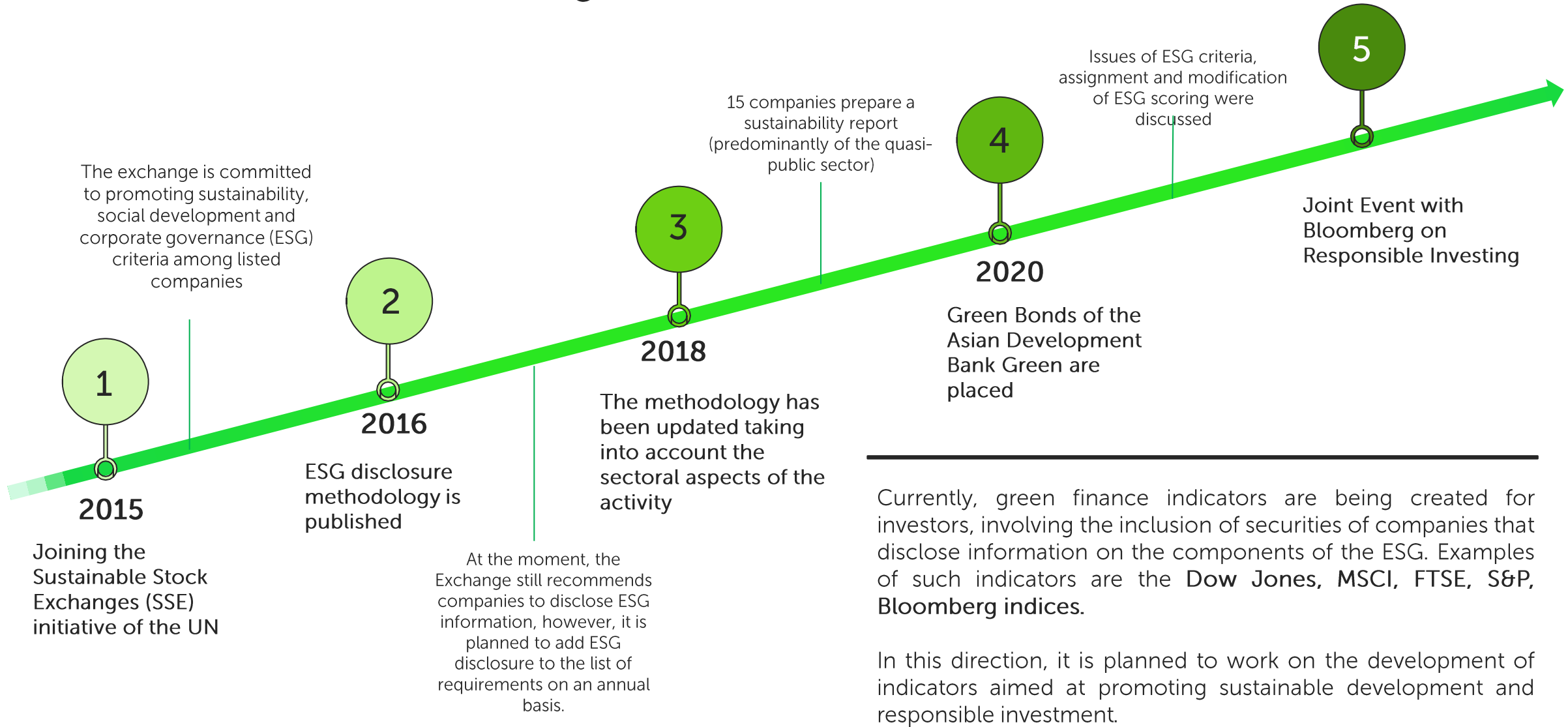


The volume of trades in the GS secondary market grew 2.4 times

Implementation of short sales under REPO transactions

with a basket of government securities, with securities of quasi-state companies, with shares from KASE index

Areas of activity in the field of ESG



Raising the status of Kazakhstan in the MSCI and FTSE ratings



*Agency for Regulation and Development of the Financial Market of Kazakhstan

Steering Committee:

- ✓ chairmanship – Agency
- ✓ membership – National Bank of Kazakhstan, Ministry of National Economy of Kazakhstan, Ministry of Finance of Kazakhstan, Samruk-Kazyna, EBRD, AIFC, KASE

Working group:

- ✓ chairmanship – Agency
- ✓ membership – National Bank of Kazakhstan, Ministry of National Economy of Kazakhstan, Ministry of Finance of Kazakhstan, Samruk-Kazyna, AIFC, KASE



Educational programs

Fundamentals of the stock market, the basics of interaction with investors, the basics of investing, investment strategies, the basics of securities analysis, the basics of technical analysis

Introductory seminars for students about the securities market

Webinars "How to create a startup", "Stock simulator", "Trading on KASE: from A to Z" and "Investing in exchange-traded funds"



Business events

Round table for entrepreneurs in Zhambyl region together with DAMU

Presentation on the implementation of the PMI index in Kazakhstan jointly by Tengri Partners and HIS Markit Ltd

Online meeting for mining companies in conjunction with Tau-Ken Samruk



Events for listed companies

Road Show – Kazakhstan Housing Company on the topic of securitized bonds, Development Bank of Kazakhstan on the placement of Eurobonds, Samruk Kazyna on the placement of tenge bonds

Issuer Day – Kazakhtelecom, Kcell, KEGOC



ESG / Responsible Investing

Fundamentals of Interaction with Investors, ESG for KASE issuers together with S&P, ESG indicators in the Bloomberg terminal



Investor events

2020 Retail Investor Contest

Trading Opening Ceremony on "Ring the Bell for Financial Literacy"

Online meeting with investors on the topic "Investing in exchange-traded funds" together with JSC "NGDEM Finance"

Retail Investor Competition in the Equity Market

From October 20 to November 30, 2020

Competition for retail investors in the equity market aimed at popularizing trading in stocks in Kazakhstan

Best Investor 2020

38,02% 

Portfolio return

Who participated

7 KASE members

634 investors who concluded 3,561 deals

Winners

	Portfolio return
 1 Place	37,82
 2 Place	37,82 %
 3 Place	32,37



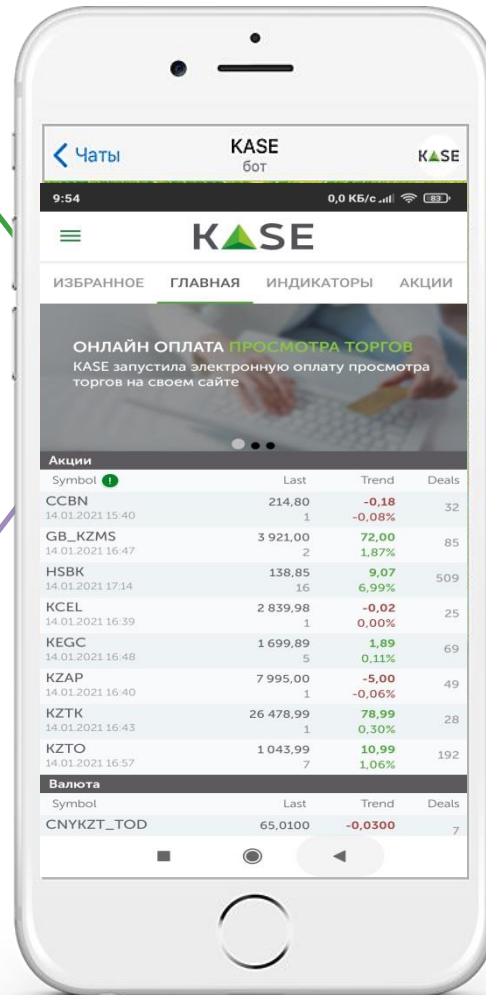
KASE Mobile

The service is provided in Russian, Kazakh and English free of charge and without the need to register/log in

The app is available on Android and IOS platforms

Quick access to stock news, quotes, charts

Ability to view KASE market indicators



One-click structured access to market information

User-selectable set of price tracking tools

Educational Project "Stock Market simulator"

From November 16 to December 15, 2020

The goal of the project is to increase the financial literacy in young professionals and the opportunity for them to get practical skills in the stock market..

Who participated

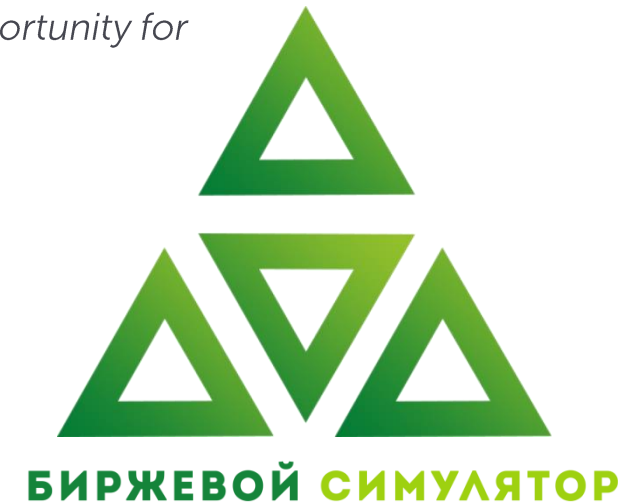
40 universities
1,147 students

10
winners



Trading volumes

Total volume of transactions	KZT11.5 bn
Number of deals	24,911
Maximum volume per participant	KZT1.6 bn
Maximum number of transactions per participant	1,147



Project partners



Key projects for 2021

IT-modernization

- Launch of the SPECTRA on the derivatives market / **third quarter of 2021**
- Implementation of the browser version of the information terminal (IRIS Web terminal) / **first half of 2021**
- Listing Process Automation / **first half of 2021**
- Launch of a new version of the electronic document management system is2in / **first half of 2021**

Improvement of the CCP operation

- Implementation of Participants' Clearing Certificates (PCC) / **third quarter of 2021**

Liquidity and depth of exchange market

- Start of trading on omnibus accounts / **third quarter of 2021**
- Creation of a trading and clearing link KZT/RUB, REPO/ **second quarter of 2021**

Sustainable development

- Development of the Exchange Strategy for 2022-2024/ **second half of 2021**
- Implementation of the Exchange's sustainable development policy/ **2021**



Current drivers of market development



KASE's operation in the conditions of emergency and quarantine on COVID-19



Changes to the schedule of trading and settlement and clearing sessions

depending on the introduced quarantine measures, the trading day lasted until 13:00 o'clock, settlements until 15:00 o'clock. The standard operation mode was restored from September 21



Application of additional trading methods

launch of Frankfurt trading on the foreign exchange market in an environment of increased volatility



Extending the deadlines of information disclosure for members of the exchange and listed companies

the extension of the deadlines for submitting reports was applied during the period of the emergency, as well as within 30 calendar days from the date of cancellation of this regime



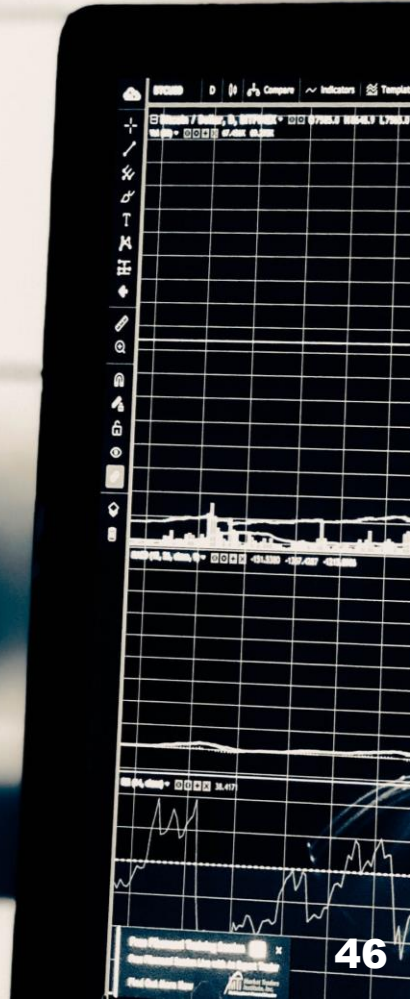
Revision of the risk-parameters of trading instruments

prompt change of risk-parameters for instruments, setting the value of limits and concentration rates for shares traded under the T+2 scheme, as well as discounts equal to the values of concentration rates in the repo transactions market



Organization of work of KASE employees

Plan of KASE's operation in the context of the spread of coronavirus infection COVID-19, Rules for work in the remote access mode, as well as the Instruction on anti-epidemic regime have been developed



Thank you for attention!

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FAQ

