

Review of the securities market of the Republic of Kazakhstan

I quarter 2021



Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange

Contents

- ▶ 01 | Kazakhstan in figures
- 02 | About KASE
- 03 | Review of KASE's GS market
- 04 | Execution of GS transactions by non-residents

Kazakhstan: Facts and Figures

- ✓ Sovereign Credit Ratings/ Investment Grade:
 - Standard & Poor’s – BBB-/stable/A-3 (03/2021)
 - Fitch – BBB/stable/F2 (02/2021)
 - Moody’s – Baa3/positive (07/2021)

- ✓ According to the World Bank's classification by income level in 2018 Kazakhstan is among the **upper-middle-income countries**, it means gross national income per capita from \$4.046 to \$12.535 (gross national income per capita in Kazakhstan in 2020 year - \$9.055,8)

- ✓ Territory – **2,7 m sq. km:**
 - worldwide – the **9th place**
 - amongst the CIS countries – the **2nd place**

- ✓ Population – **18.4 m**

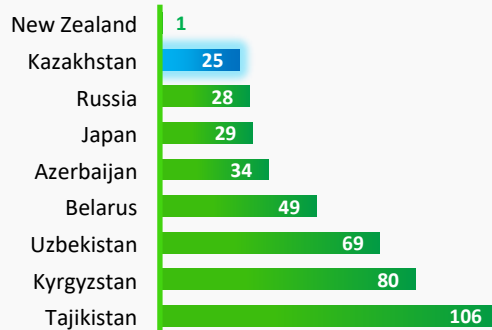
- ✓ Natural resources mainly comprised of mineral resources, oil and gas



Indicator	2015	2016	2017	2018	2019	2020
GDP, USD bn	184.4	137.3	162.9	170.5	181.7	171.2
Change in GDP, % (YoY)	+1.2	+1.1	+4.1	+4.1	+4.5	-2.6
Inflation, % (YoY)	13.6	8.5	7.1	5.3	5.4	7.5
Unemployment, %	5.1	5.0	4.9	4.9	4.8	4.9
Average USD/KZT rate	221.73	342.16	326.00	344.71	382.75	412.95
Money supply (M3), USD bn	15,368	21,367	20,960	24,271	24,327	17,071
National Fund Assets, USD bn	63.4	61.2	58.3	57.7	61.8	58.7

Ease of Doing Business 2020 Ranking

Kazakhstan ranks 25th out of 190 countries



Kazakhstan in the World Ranking of Explored Resources

- **the world's largest** uranium producer
- **2nd place** in the world in reserves of chromium, lead and zinc
- **3rd place** in the world in manganese reserves
- **5th place** in the world in copper reserves
- **TOP 10** in the world for coal, iron and gold reserves

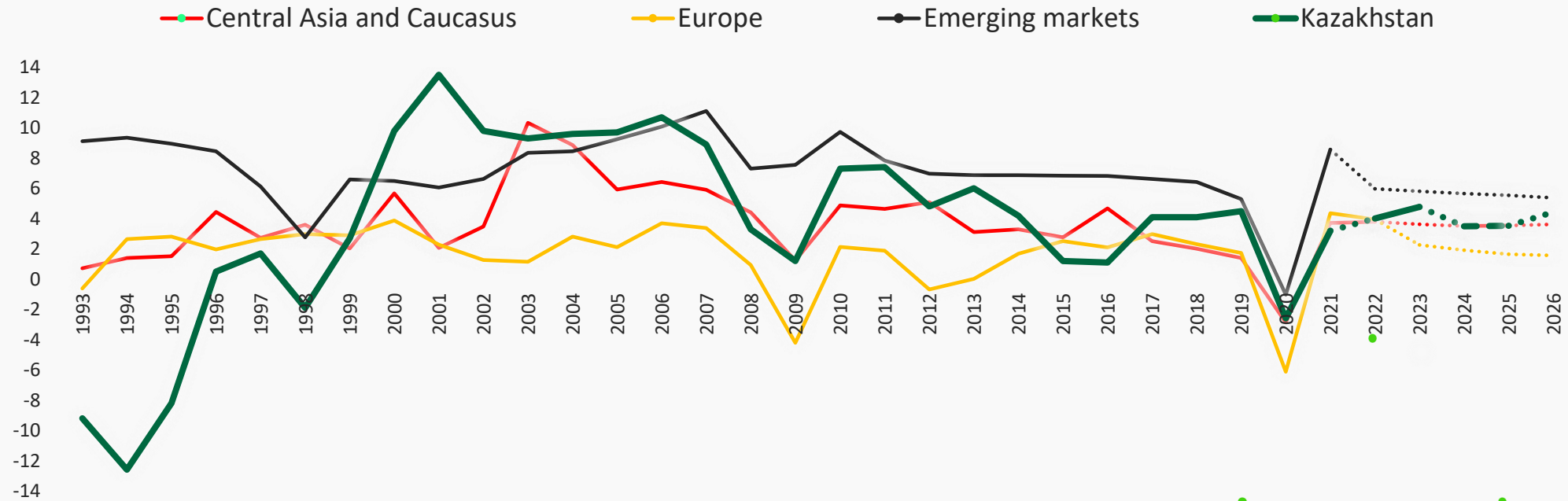


70 types of resources have been explored



60 elements are currently being produced

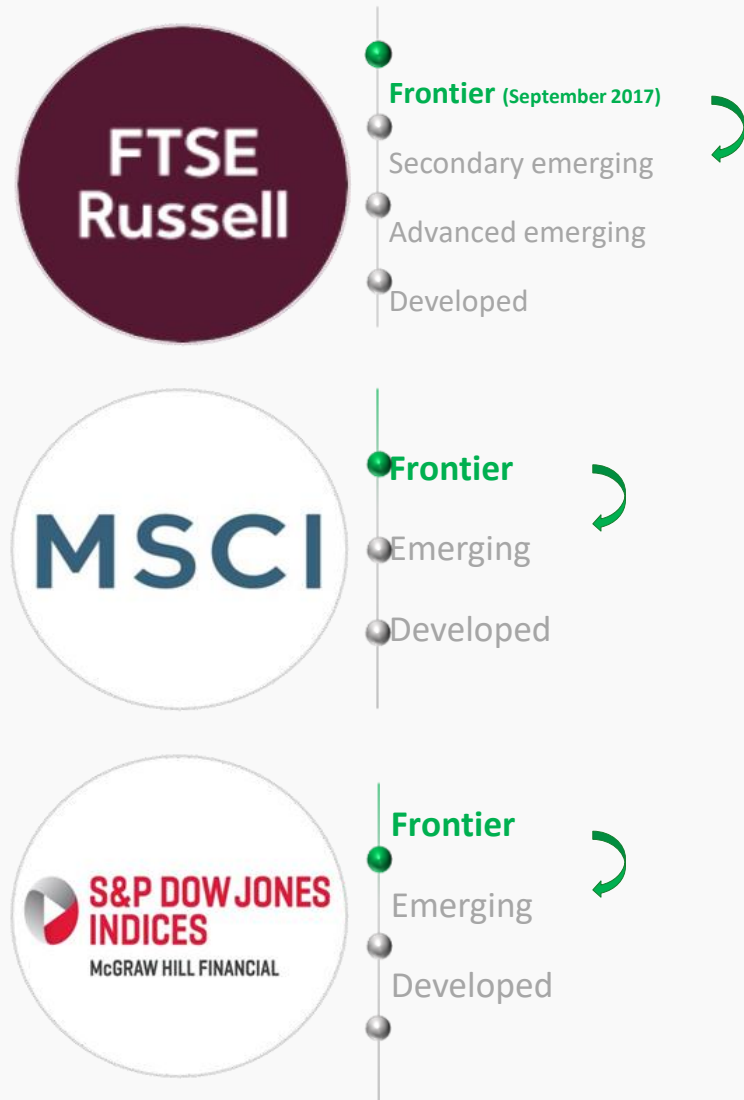
Real GDP Growth (% change)



According to the IMF, the real GDP growth in **Kazakhstan is expected this year at the level of 3.2%**

Source: International Monetary Fund, World Economic Outlook Update, April 2021

Kazakhstan's stock market: position on the world markets map



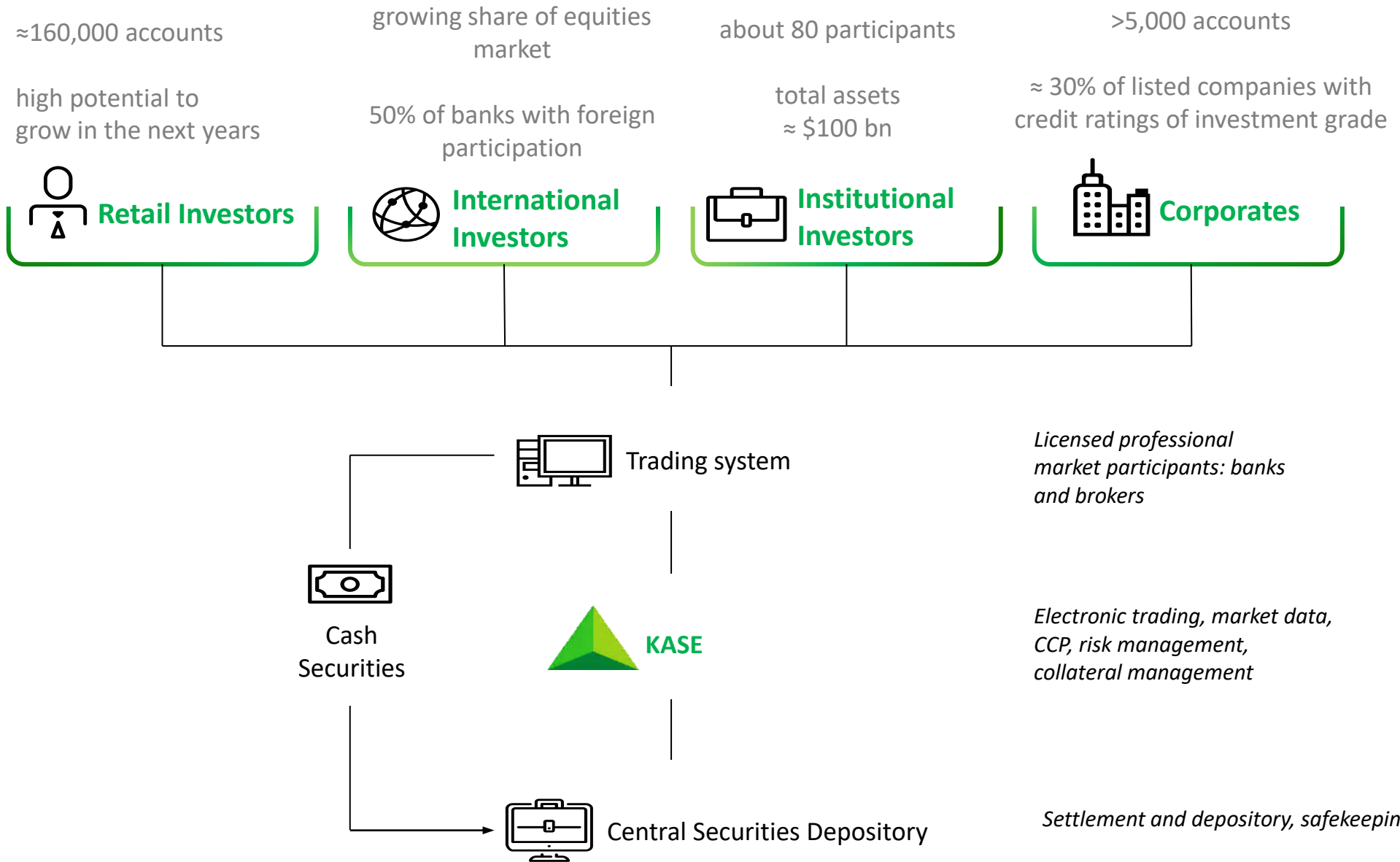
To further improve Kazakhstan's position of, it is necessary:

- **substantial increase in the market liquidity**
- **presence of three companies, each meeting the following criteria:**
 - total market value over \$8,38 billion
 - free float market value exceeds \$1,17 billion
 - ATVR* liquidity ratio of more than 15%
- **liberalization of the foreign exchange market and stability of the institutional structure**
- **fulfillment of one of 3 conditions:**
 - settlement system T+3 or higher
 - no significant bans on foreign ownership
 - free currency trading in the country

Contents

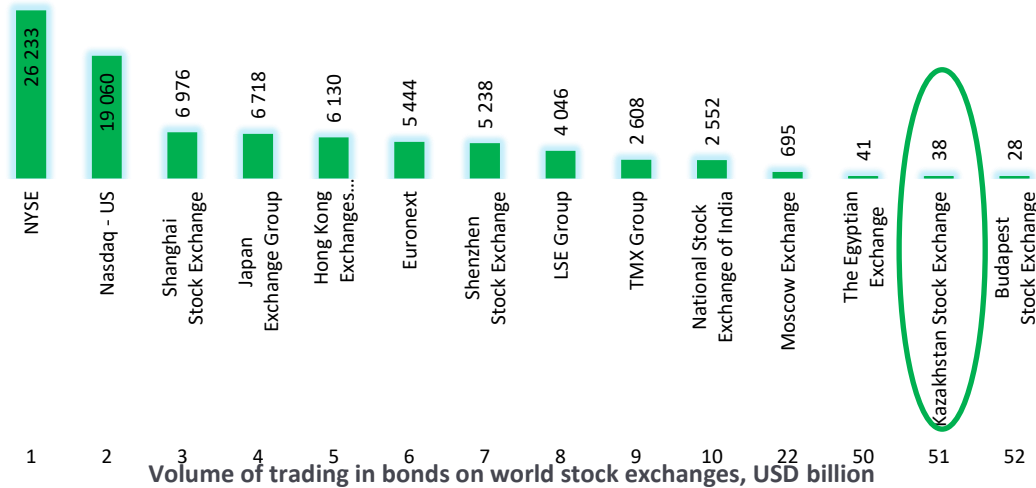
- 01 | Kazakhstan in figures
- ▶ 02 | **About KASE**
- 03 | Review of KASE's GS market
- 04 | Execution of GS transactions by non-residents

Local Markets Infrastructure



KASE 's positions in the global exchange community

Capitalization of world stock exchanges, USD billion



2nd place
out of 12

3rd place

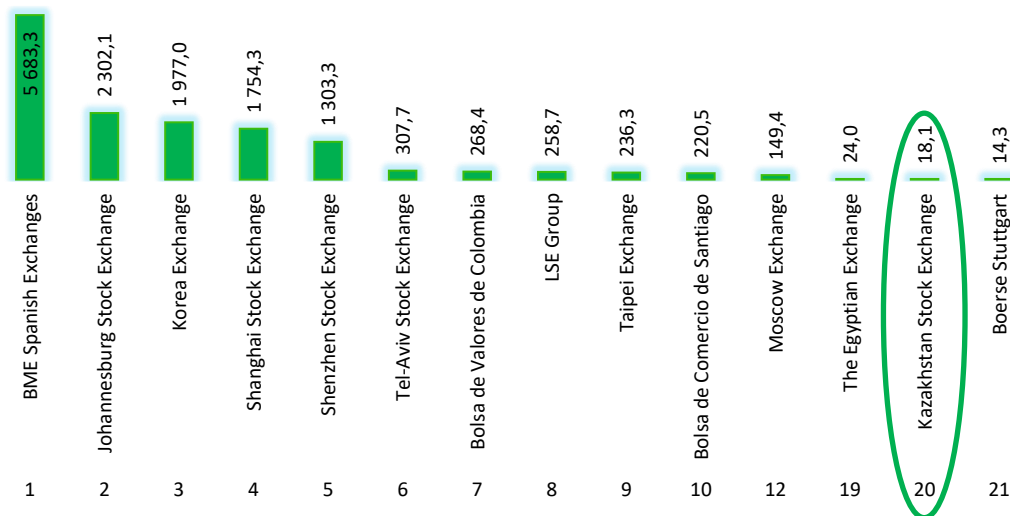
- by volume of equity trading
- by volume of outstanding corporate debt and volume of bond trading
- by volume of the equity market capitalization



5th place
out of 17

8th place

- by volume of the equity market capitalization
- by volume of equity trading



51st place
out of 70

58 place

20 place

- by volume of the equity market capitalization
- by volume of equity trading
- by volume of bond trading

Source: World Federation of Exchanges (WFE)

Structure of the trading lists as of April 1, 2021

1,114 instruments, including 777 securities issues

Stock Market			Money Market	FX	Derivatives
Equities	Fixed Income	Structured Products	Swap	Spot	Stock
IPO / Auctions	Auctions	Secondary Markets	RUBKZT	RUBKZT	KASE Index
Redemption	Secondary Markets	Investment Funds	USDKZT	USDKZT	USDKZT
Secondary Markets	Government Bonds	ETFs	CNYKZT	CNYKZT	
Large cap	Municipal bonds		EURKZT	EURKZT	
Small cap	NBRK Notes		Repo	EURUSD	
Dual listings	Corporate Bonds		Equities		
GDRs	IFI Bonds*		Bonds		
			GSs basket		

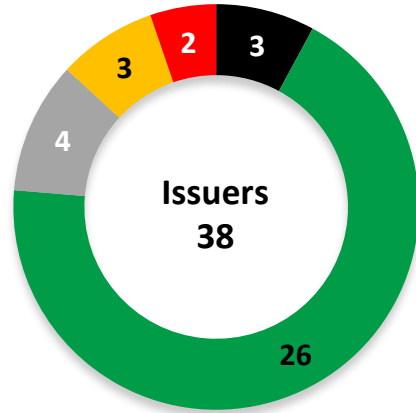
143	617	17	315	16	6
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Terms					
T+2	T+2	T+0	from T+0 to T+1Y	T+0	T+1W
T+0 – illiquid securities	T+0 – illiquid securities		from T+0 to T+90	T+1	T+1M
				T+2	T+3M
					T+6M

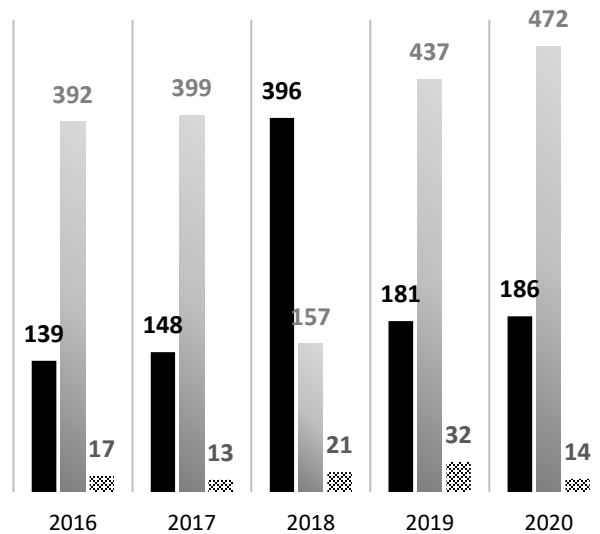
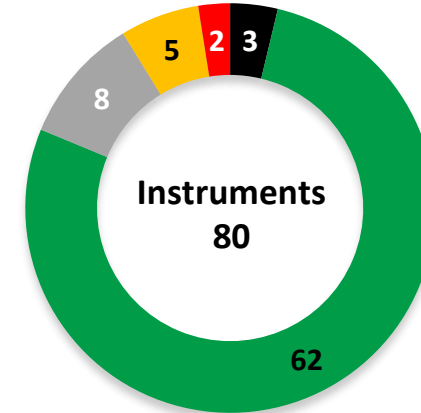
*bonds of international financial organizations

Source: KASE

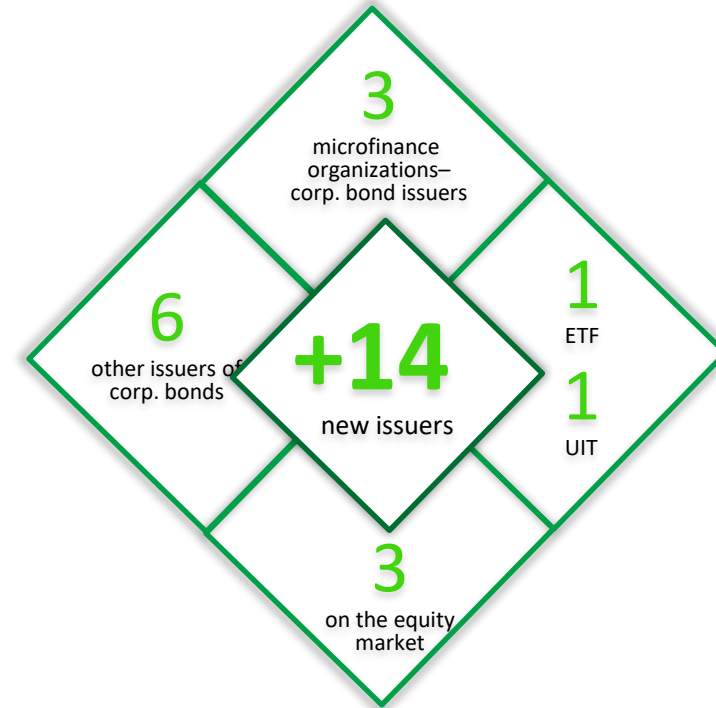
Structure of issuers and instruments included in the official list in 2020



- stocks
- debt securities
- IFO securities
- investment fund securities
- derivatives



- CS securities
- CS issues
- ▨ CS issuers



41	Stock Market
32	Foreign Exchange
23	Derivatives

- 51** total KASE members
- 25** second-tier banks (out of 27)
Kazakh residents
- 20** brokerage firms (out of 20)
Kazakh residents
- 47** local participants
 - 2** foreign participants
(UNIVER Investment Group LLC, Raiffeisenbank JSC,, Freedom Finance Investment Company LLC)
 - 2** international financial institutions
(Interstate Bank, Eurasian Development Bank)
- 12** participants providing direct market access services

Source: NBRK, KASE

Access to the stock market via:

Direct Membership (Remote Membership)

- ✓ Obtaining Exchange member status
- ✓ Obtaining the Exchange clearing member status
- ✓ Obtaining remote access to trading

Direct Market Access (DMA) is a hardware/software of the KASE member meant to interact with the KASE trading system.

Sponsored Market Access (SMA) is a way of providing technical access to sub-systems of the Trading and Clearing System (TCS) for clients and trading participants that allows to submit orders directly to the TCS.
(after launching ASTS+)



LISTING

- admission of securities to the official list
 - information disclosure



MEMBERSHIP

- stock market
 - FX market
- derivatives market



MARKET DATA

- end-of-day data
- real time and delayed data
 - historical data



FINANCIAL INSTRUMENTS

- securities
- currency pairs
 - futures
 - repo



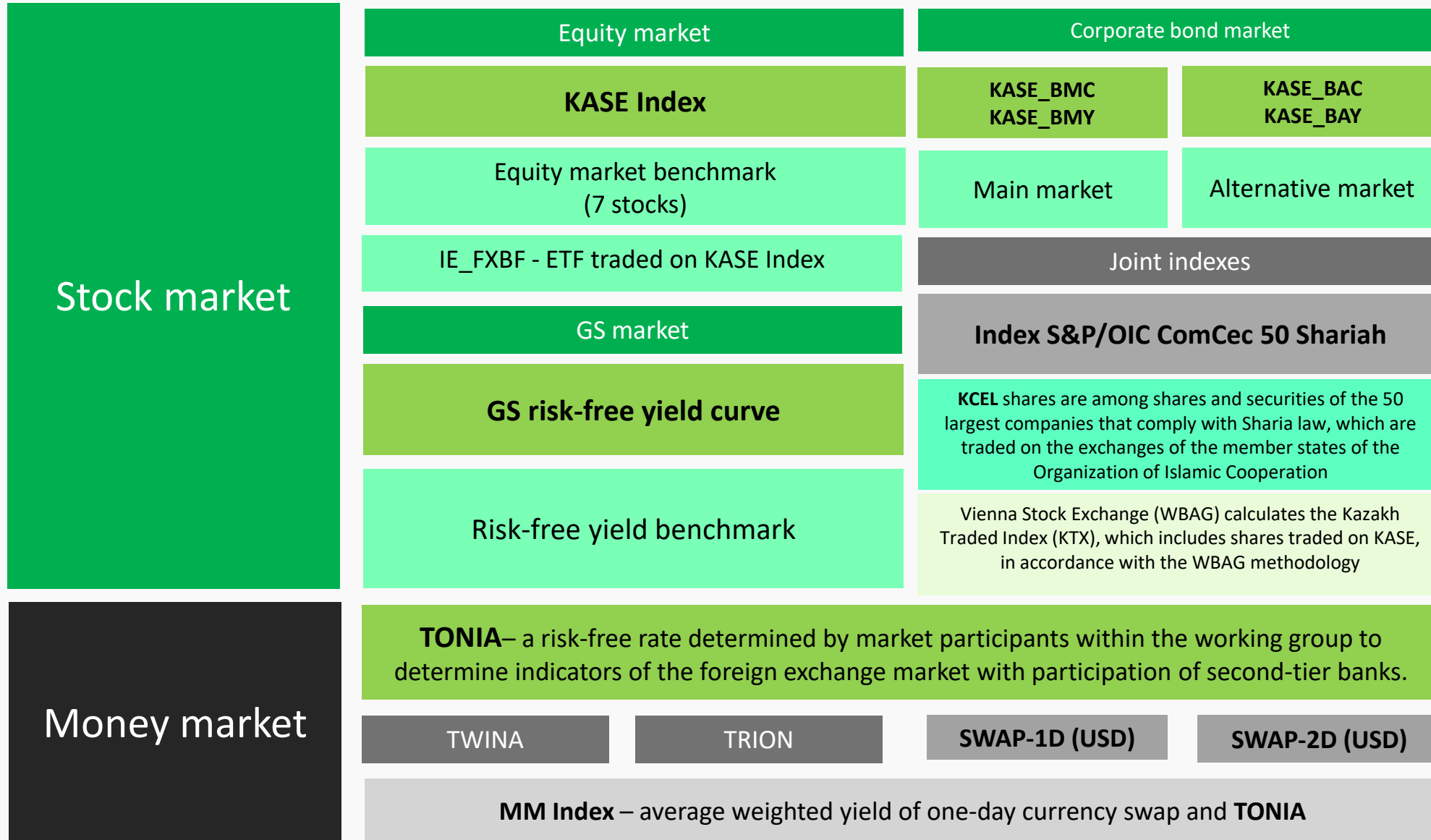
POST-TRADING SERVICES

- clearing
 - settlements
- Central Counterparty



TECHNOLOGICAL SOLUTIONS

- three trading systems
- settlement and clearing systems
 - FIX-gateways
- website and online services



KASE information products (1/2)



Real time market data

Continuous flow of up-to-date KASE market data



Delayed market data

Continuous delivery of a stream of up-to-date KASE market data with a 15-minute delay



Information about trading results

Information on the results (including interim) of trading in financial instruments



IRIS Finance Software

Information terminal containing exchange information presented in the form of separate modules for each of KASE markets



Corporate events

Information about events that have significant impact on activities of KASE members and KASE-listed issuers, affecting interests of shareholders and investors of particular joint-stock company

KASE information products (2/2)



KASE news

News feed received by KASE from issuers and KASE members as part of the trade organizer's activities, as well as news prepared by KASE independently as a result of processing exchange information



Real time Web-Quotes

Viewing up-to-date information on the course of trading in financial instruments via KASE's website www.kase.kz



Archive market data

Historical information on trades in financial instruments conducted by KASE



Reference information

Information on characteristics of financial instruments, as well as issuers of securities on KASE



Non-display/Derivative information

Use of KASE market data in Non-Display systems to create and/or distribute Derivative information in order to automate operating activities



Non-regular requests

Providing information on the market value of securities, a list of securities and issuers, information on the prices of deals with financial instruments

Role of KASE in Kazakhstan's financial system



Offers a range of exchange services and technological solutions:

- listing
- subscription
- pre-trading
- trading
- post-trading (clearing, settlement)
- dissemination of market data



Provides a wide range of instruments on convenient terms:

- securities, currency pairs and futures
- repo transactions and currency swaps
- possibility of multicurrency payments
- support for popular settlement terms (T + 0, T + 1, T + 2) to get quick liquidity
- relatively low trading fees



Provides effective interaction within the financial system:

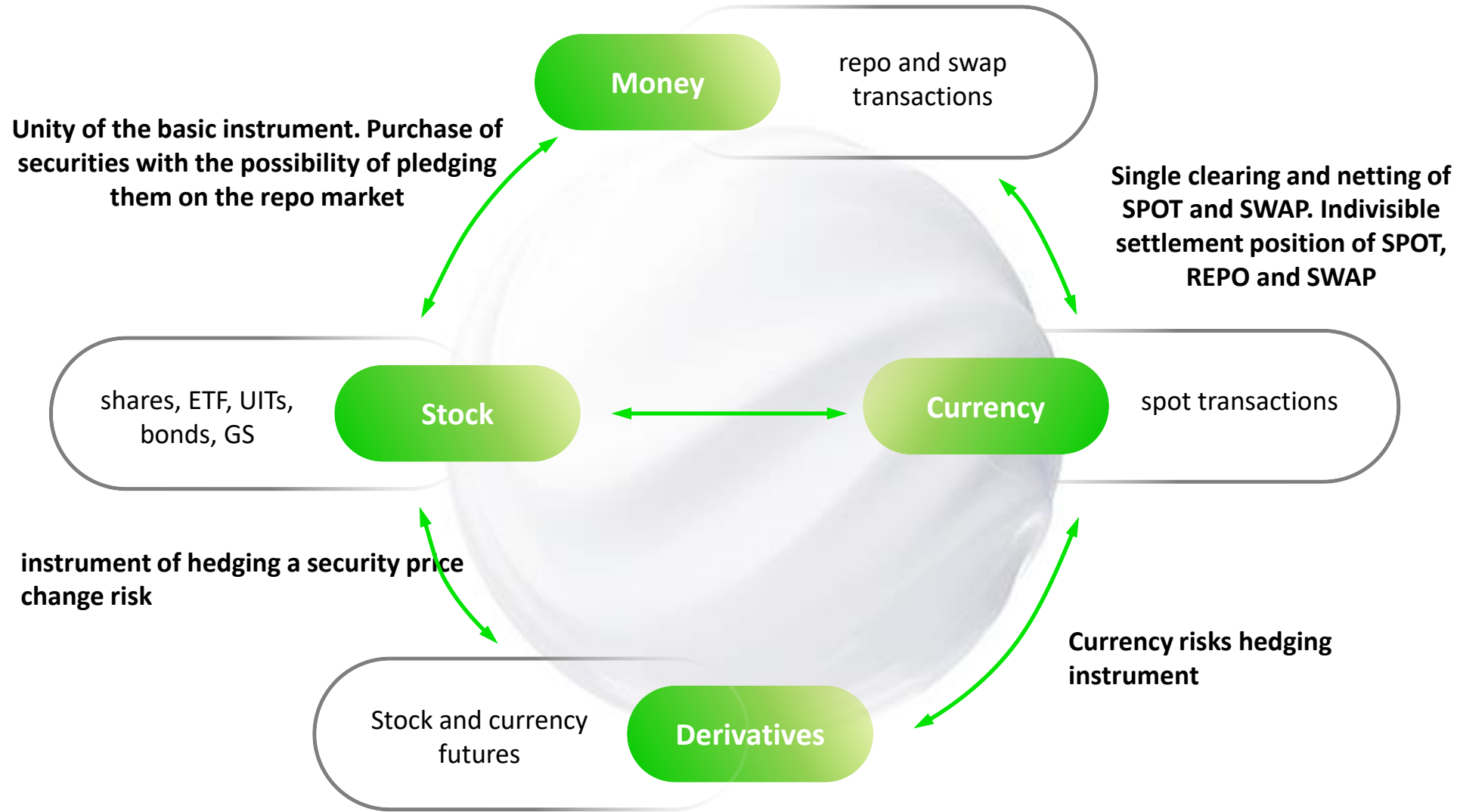
- raising of capital by companies
- saving and increasing of capital by investors
- cross-trading in different classes of financial instruments
- risk hedging
- flexible tariff policy
- market pricing
- maintaining liquidity through market-makers



Guarantees the fulfillment of the financial obligations of the participants:

- services of the Central Counterparty in the foreign exchange market and the derivatives market
- modern risk management model
- high speed of settlements

Interdependence of KASE markets



Launch of the functionality

- 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

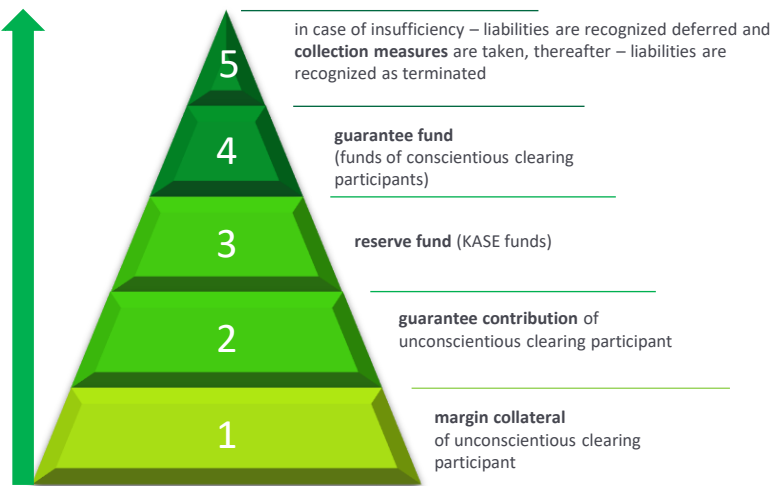


Transition to new trading systems

- 1 Derivatives market**
Scheduled for 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

CCP's risk management

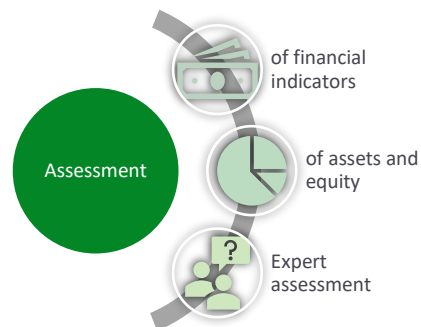
Clearing funds and CCP's protection levels



Requirements for the financial condition of clearing participants

The CCP regularly analyzes the financial condition of clearing participants by assigning internal ratings

Based on the results of the analysis of the financial condition, the clearing participants are assigned the categories "with partial collateral" or "with full coverage"



Admission of financial instruments to deals with partial collateral

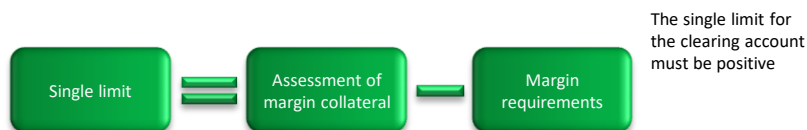
The CCP monitors the quality and liquidity of FIs admitted to deals with partial collateral (List T+) and accepted as collateral for deals with partial collateral (List of collateral T+), based on the results of which FIs can be included or excluded from the List T+ and/or the Collateral List T+

FI risk-parameters system

- Price boundaries are set for instruments on a daily basis.
- Orders that do not fall within the boundaries are automatically rejected
- Price boundaries depend on the collateral rate calculated by the CCP for each asset
- If orders approach the price boundary, the boundaries move in the direction from the center and in the direction of the market movement
- After the boundaries shift online, the collateral rate changes
- Based on the results of the shift of boundaries, the risk of participants and positions is reassessed at a single limit

Control of the collateral sufficiency

Market	Margin collateral	Method of measuring the collateral sufficiency	Guarantee contributions
Currency	• Money (KZT, USD)	Single limit	✓
Stock	• Financial instruments, included in the Collateral List T+ • Money (KZT, USD)	Single limit	✓
Derivatives	• Money (KZT)	Supported margin	✓



As a security for the fulfillment of obligations of clearing participants with full coverage, the CCP establishes requirements for full coverage of net obligations on all clearing accounts of such a CP.

Revaluation of collateral value for CP with partial collateral

Revaluation of collateral is performed daily both during the clearing session and during trading (if the price boundaries were changed)

For calculation of collateral, risk limits have been established.

The volume of market/interest rate risk, taking into account revaluation, is calculated as the distance to the corresponding border.

In the case of a covered sale (the participant has an obligation to deliver securities and the security is in the participant's account), the market risk is considered covered.

The amount of collateral of the clearing participant depends on the volume of the position.

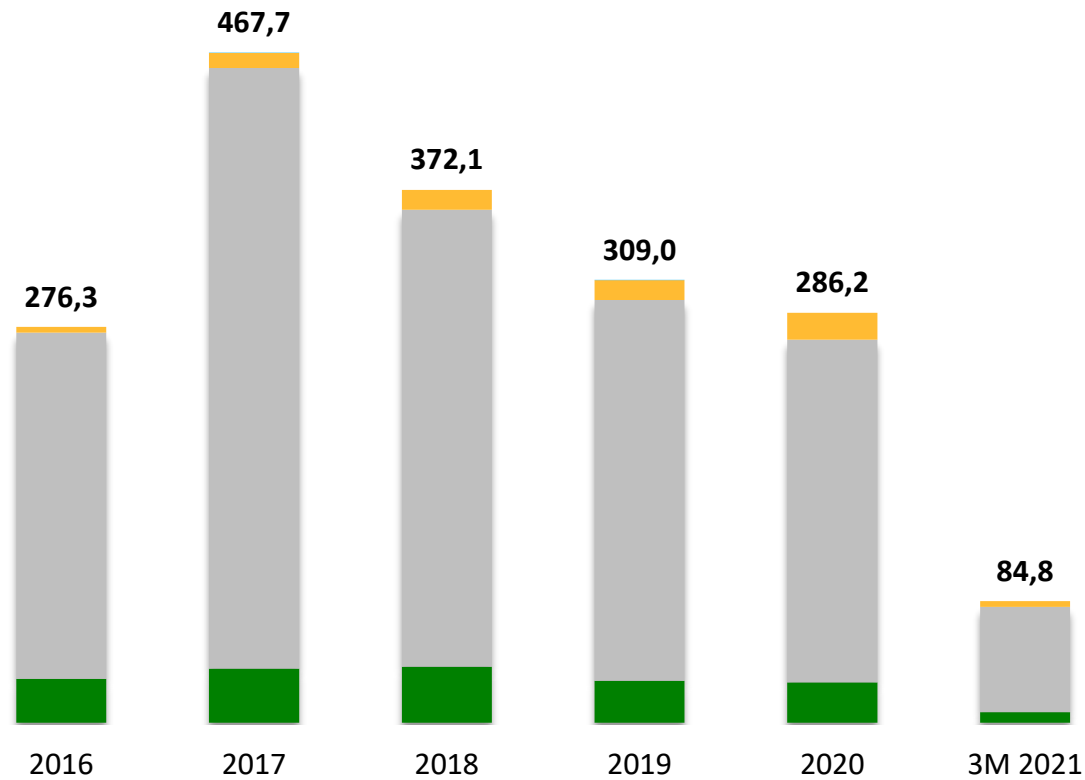
If the volume of the position (deposited collateral) is less than the concentration limit, then the initial margin rate is applied.

If the position volume has exceeded the concentration limit, then the initial margin rate is applied to the volume equal to the concentration limit, the concentration rate is applied to the volume in excess of the amount of the concentration limit.

Volume and structure of the market

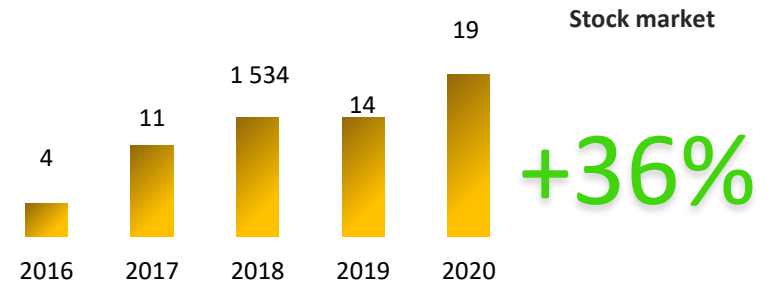


Trading volume dynamics by sector, USD billion

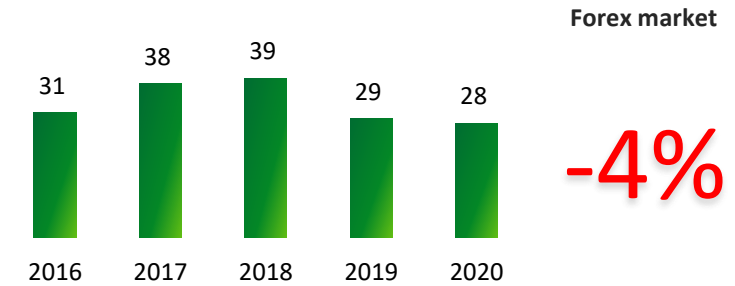


Source: KASE

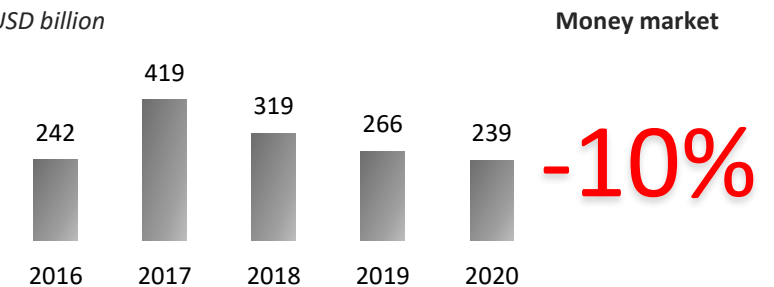
USD billion



USD billion



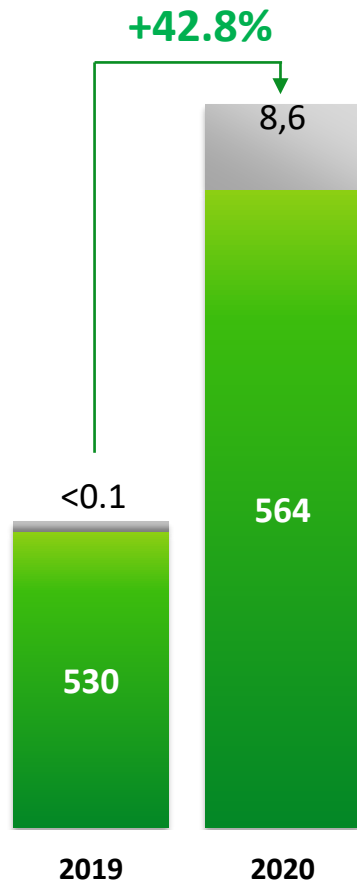
USD billion



Equity market trends

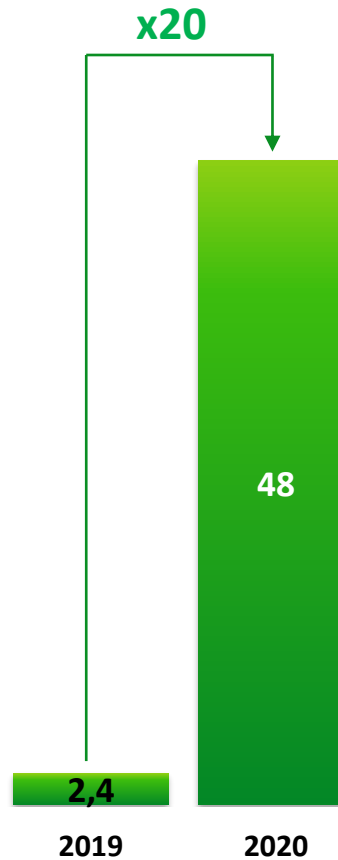
Volume of deals on the stock market, USD million

■ Secondary market ■ Primary market



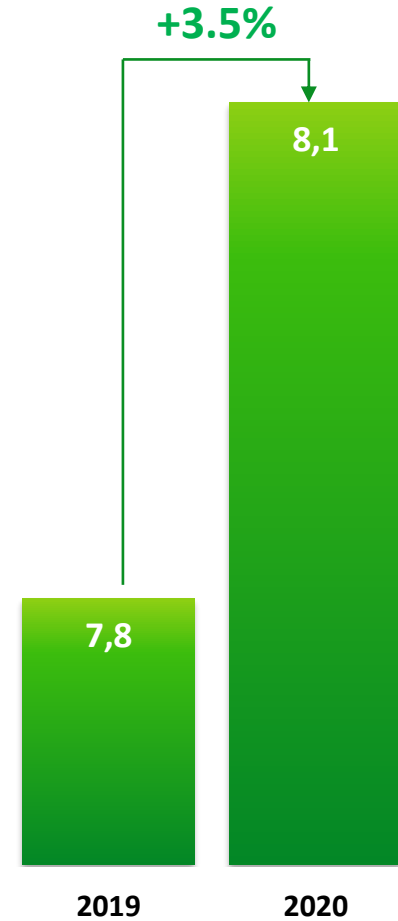
Volume of deals in investment funds' securities, USD million

■ Secondary market

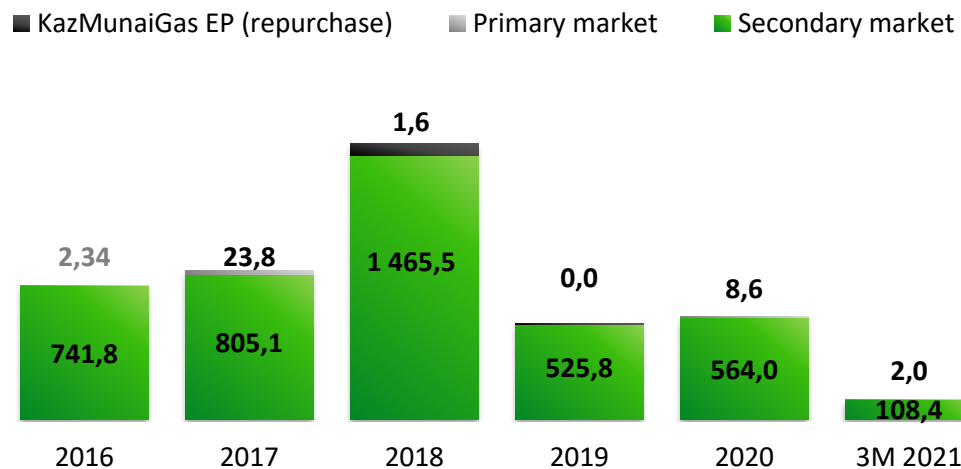


Volume of deals in derivative securities, USD million

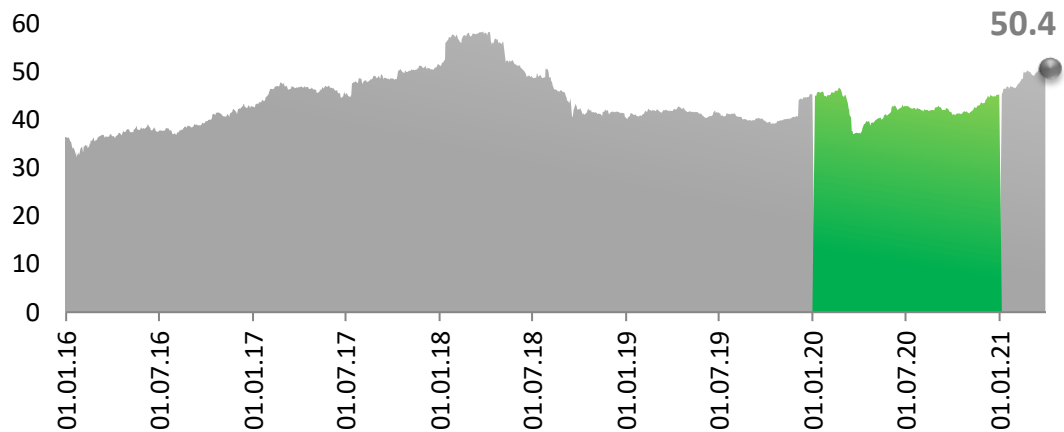
■ Secondary market



Transactions volume, USD million

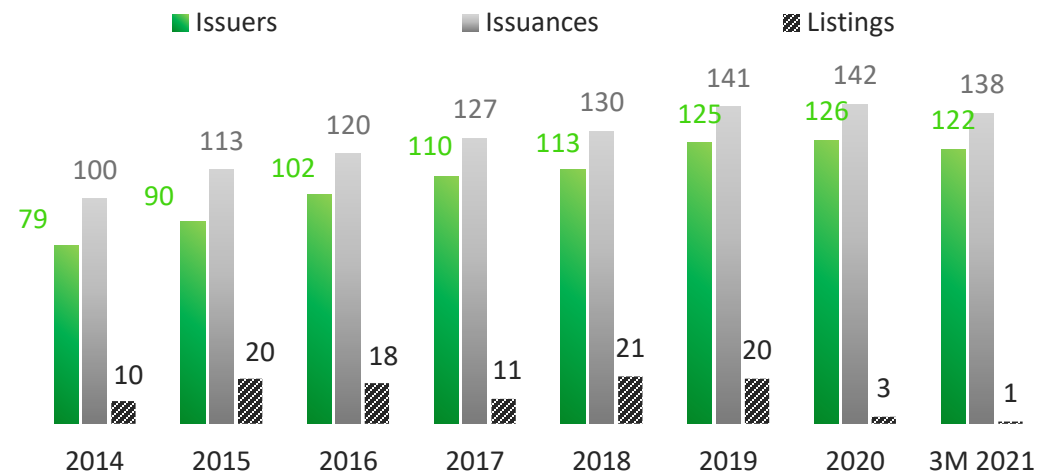


Equities Market Capitalization, USD billion

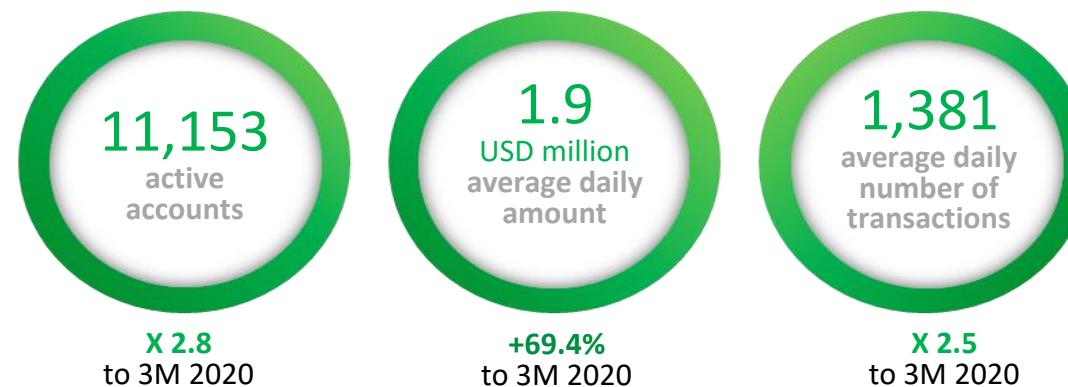


Source: KASE

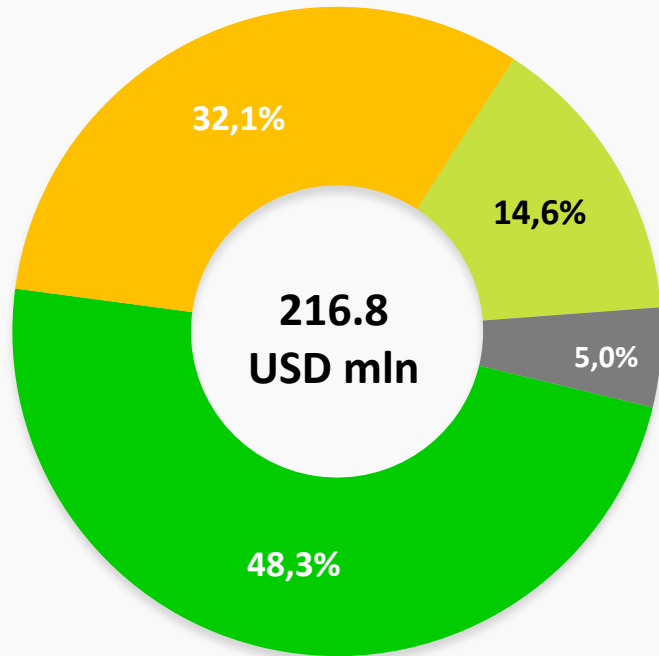
New listings



Main indicators for 3M 2021



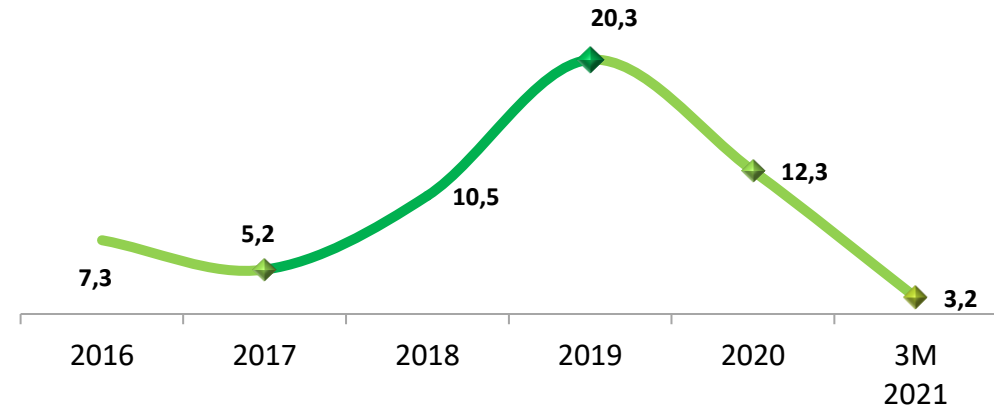
Main investor categories on the secondary market in 3M 2021*



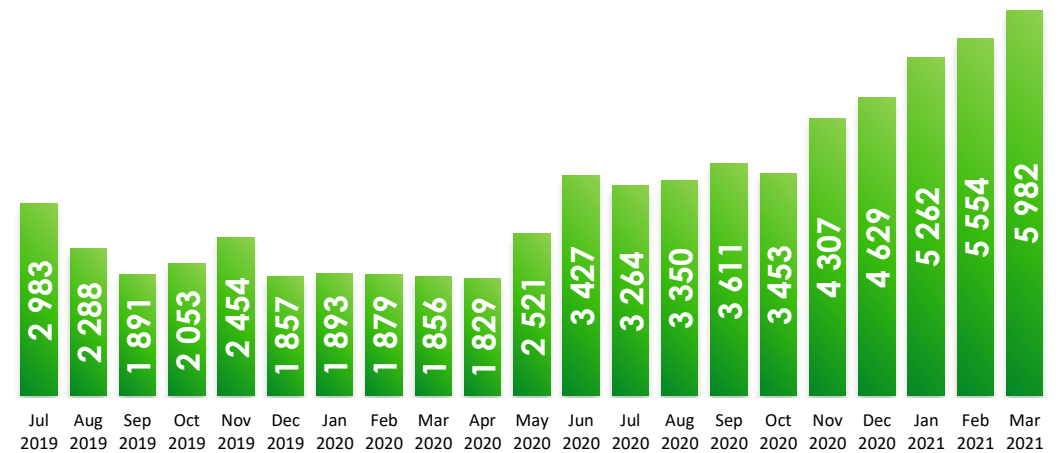
- Banks
- Broker-dealers
- Other institutional investors
- Individuals
- Other legal entities

*of the total gross turnover of trading in shares on the secondary market
Source: KASE

Non-residents in the gross turnover, %

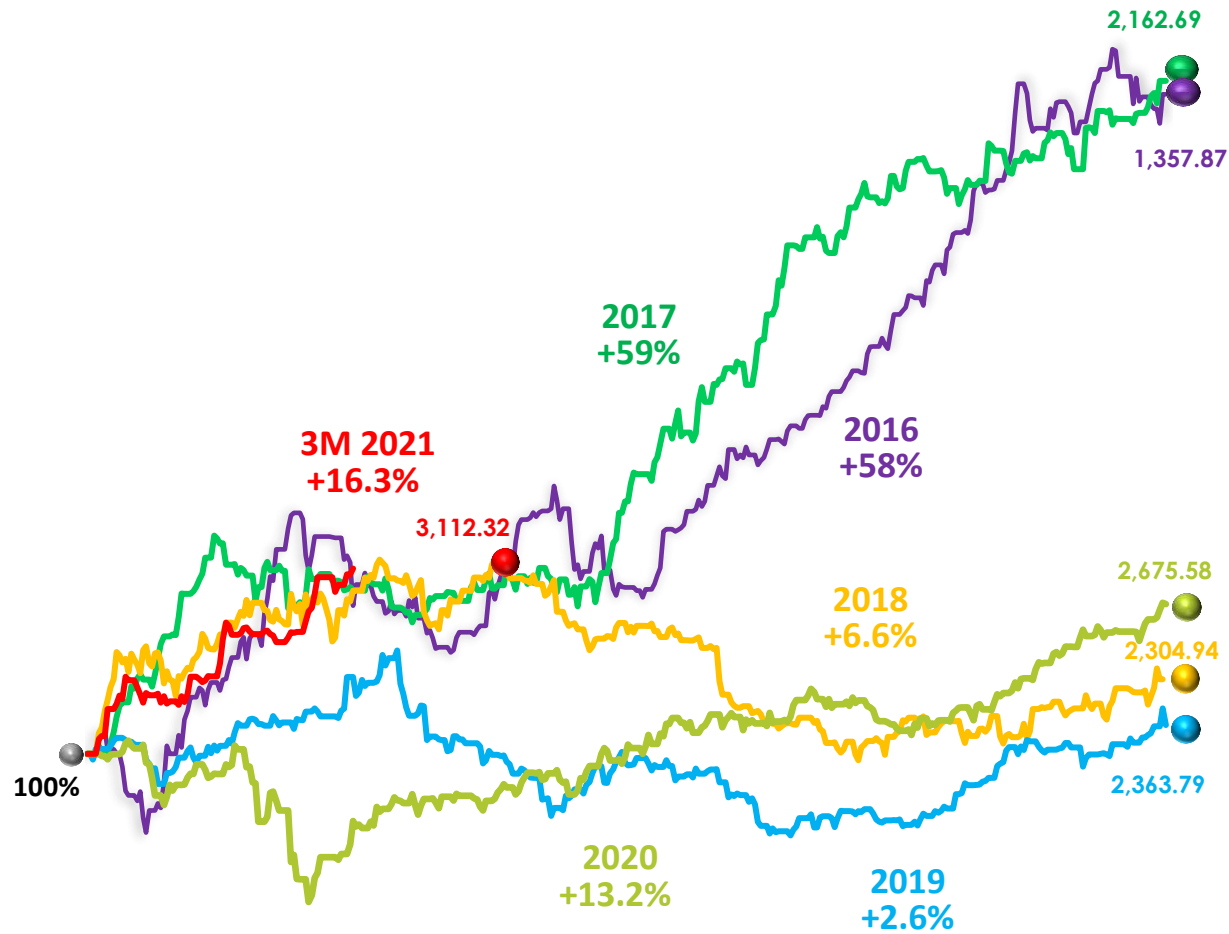


Dynamics of active accounts of retail investors on the equity market

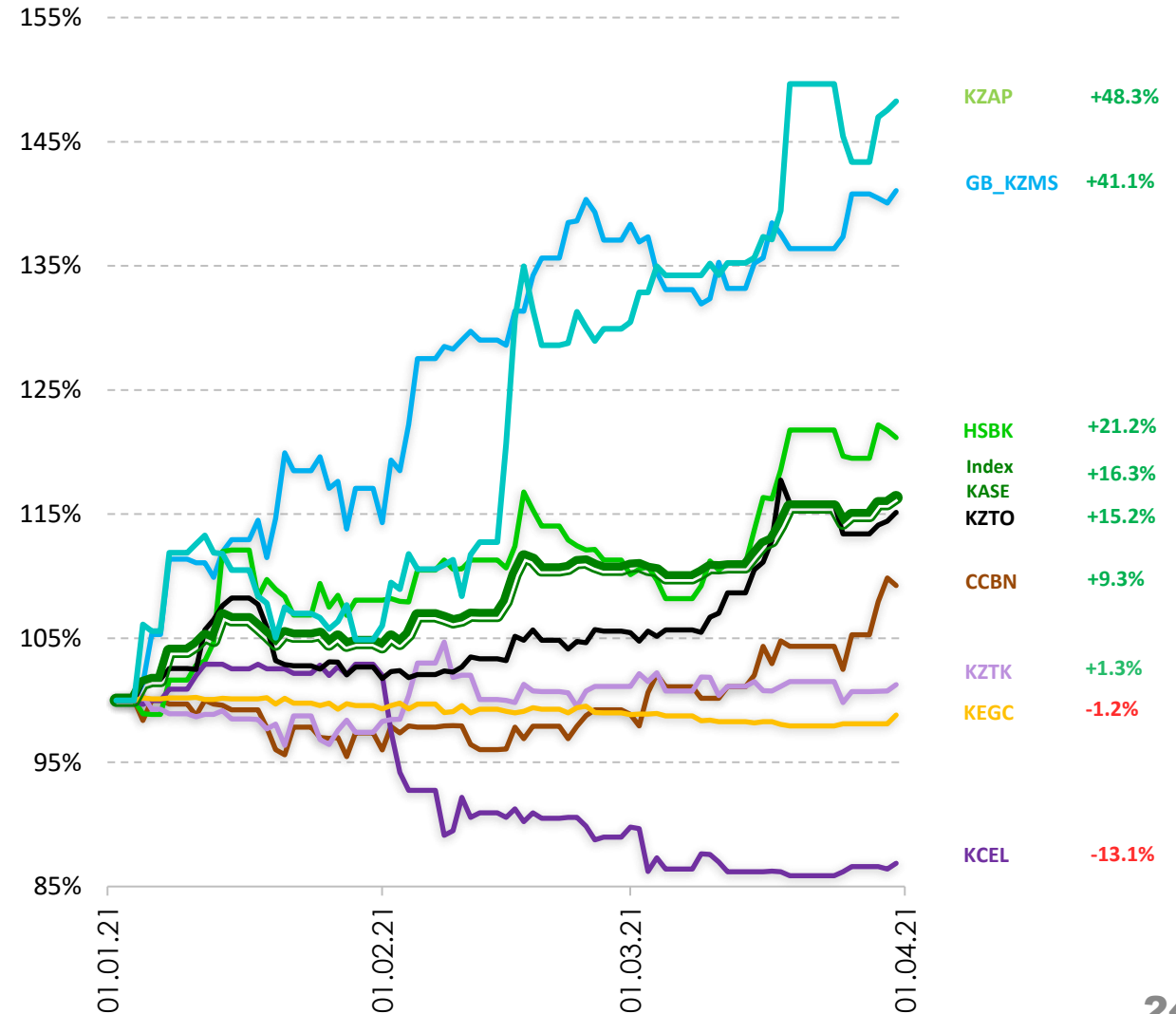


KASE Index dynamics

KASE Index 2016- 3M 2021

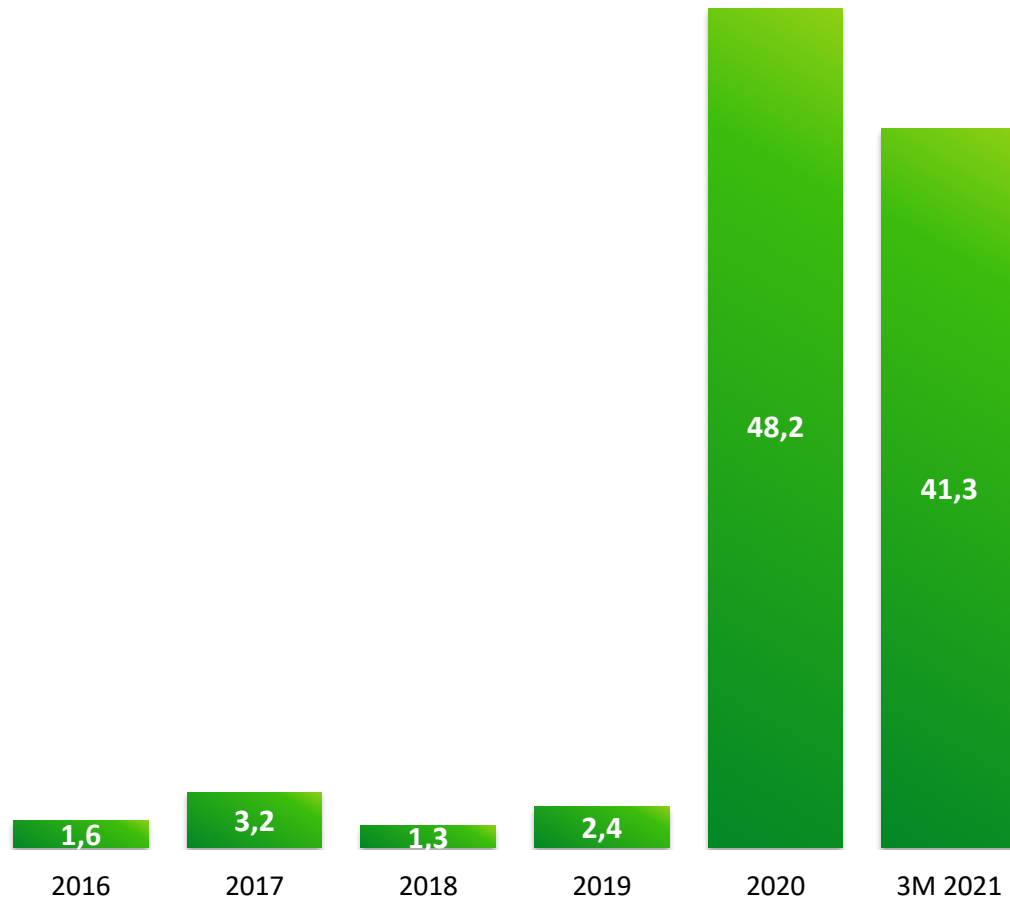


KASE Index components



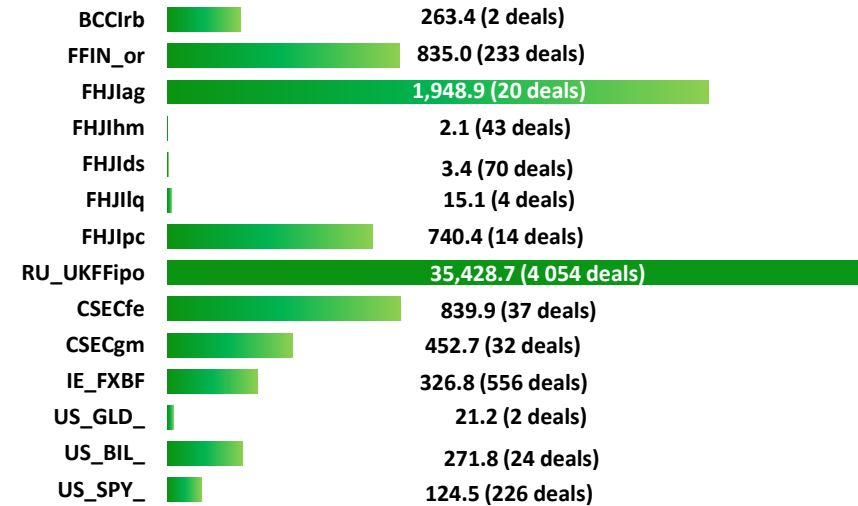
Source: KASE, Bloomberg

Volume of transactions, USD million

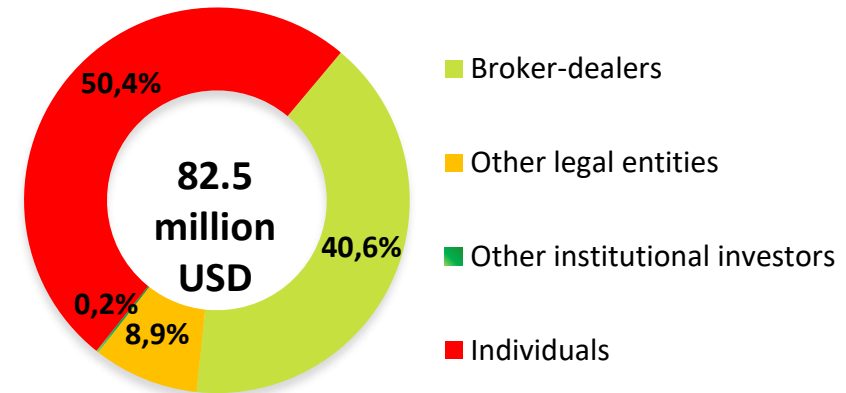


Source: KASE

Trading volume for 3M 2021 by instruments, th. USD



Shares of main types of investors for 3M 2021*

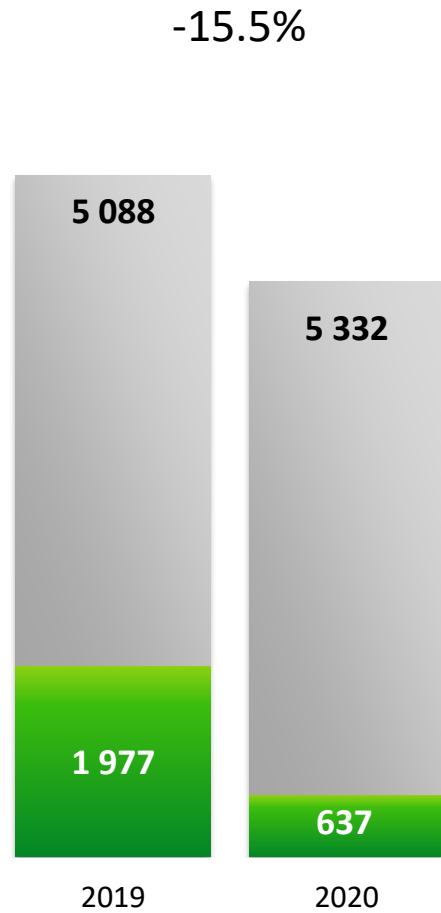


*of the total gross turnover of trading in securities of investment funds

Debt market trends

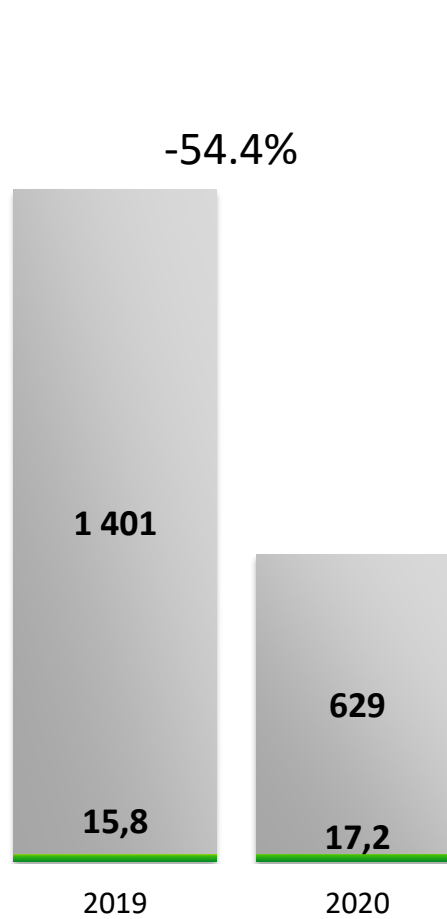
Volume of deals in the corporate bond market, USD million

■ Secondary market ■ Primary market



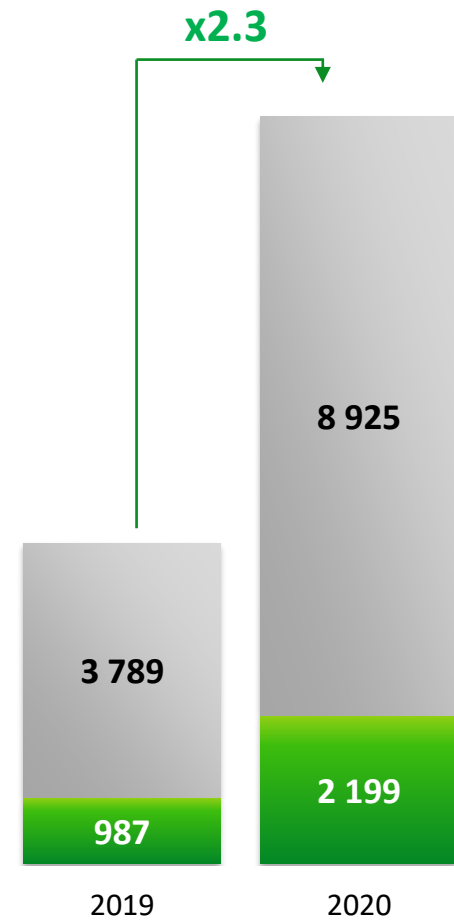
Volume of deals in the IFO market, USD million

■ Secondary market ■ Primary market



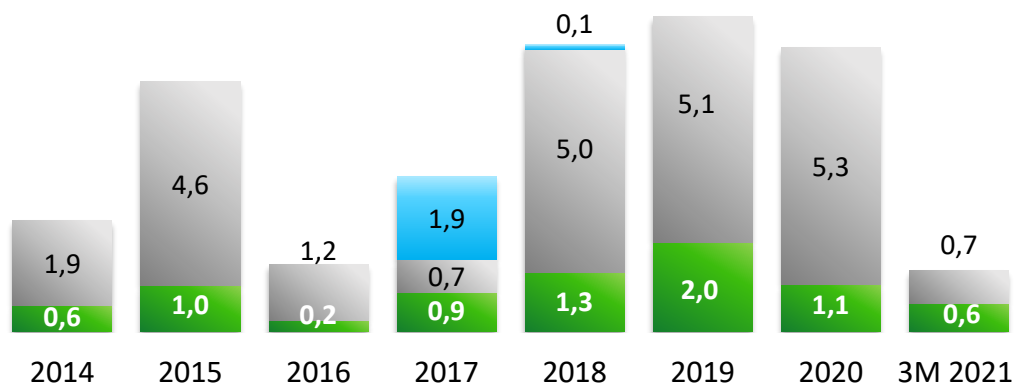
Volume of deals on the GS market, USD million

■ Secondary market ■ Primary market

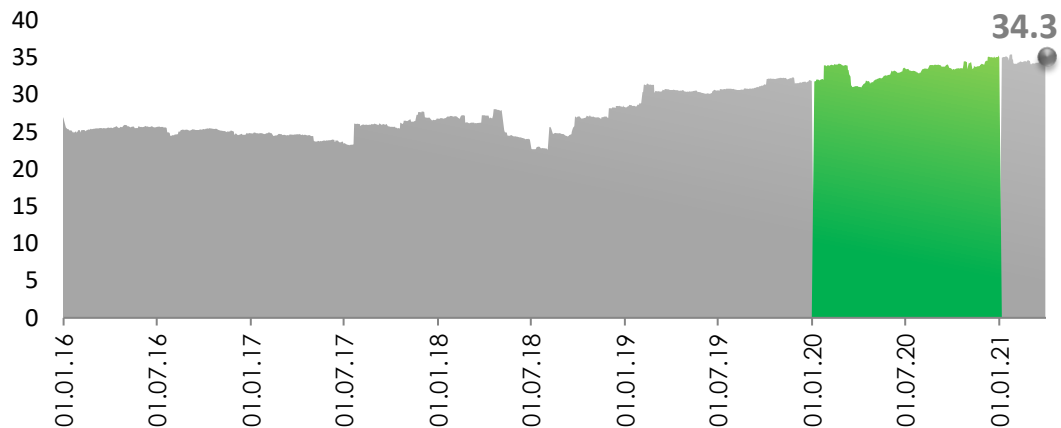


Transactions volume, USD billion

■ Banking sector financial support programme ■ Primary market ■ Secondary market

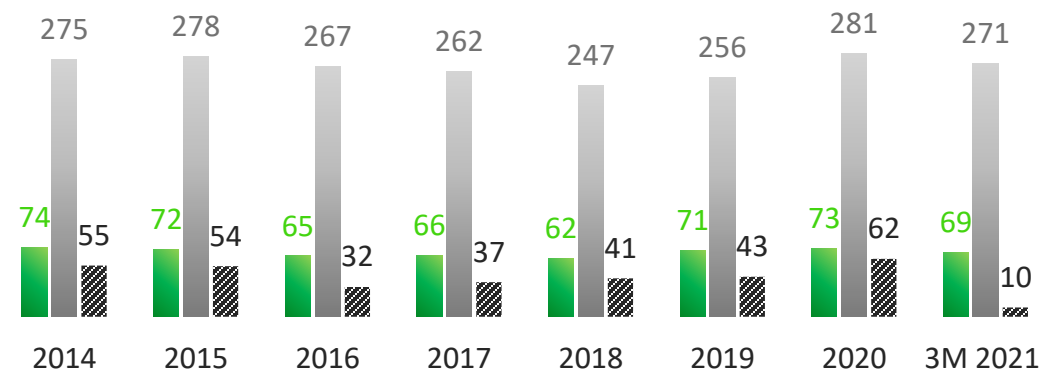


Volume of outstanding corporate debt, USD billion



New listings

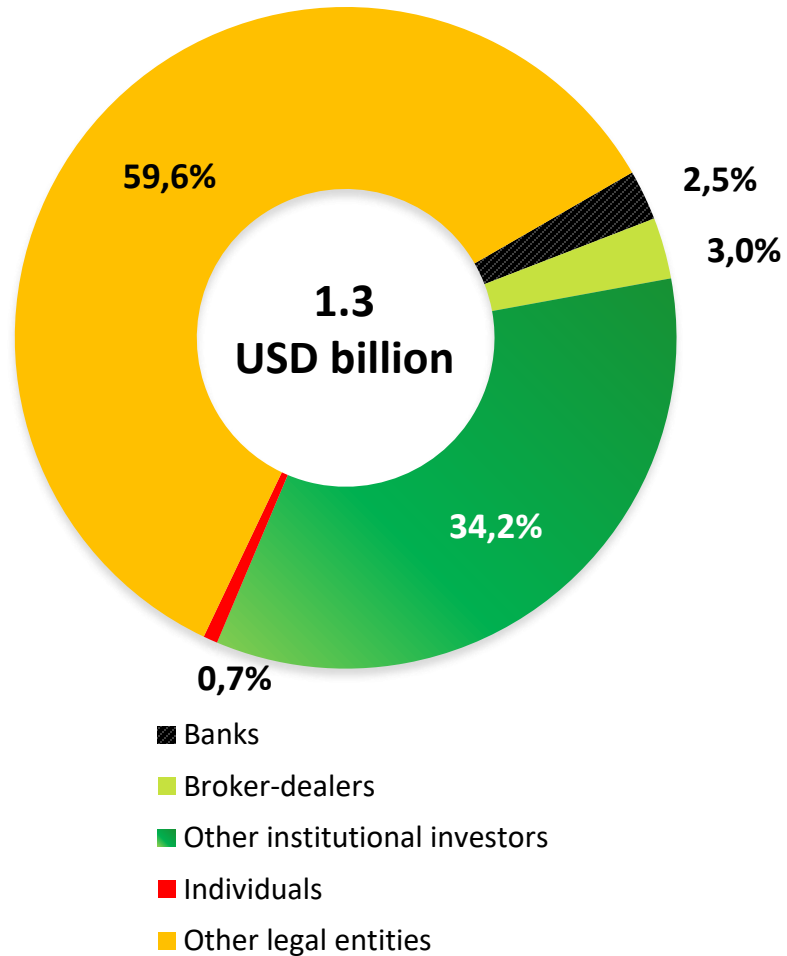
■ Issuers ■ Issuances ■ Listings



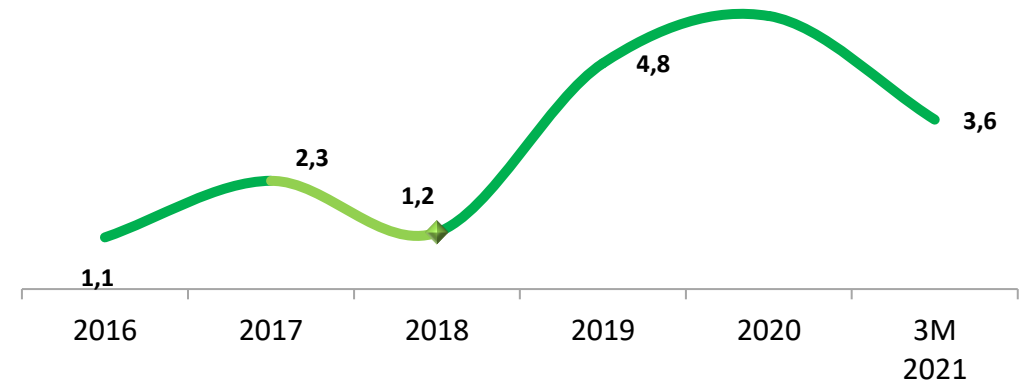
Main indicators for 3M 2021



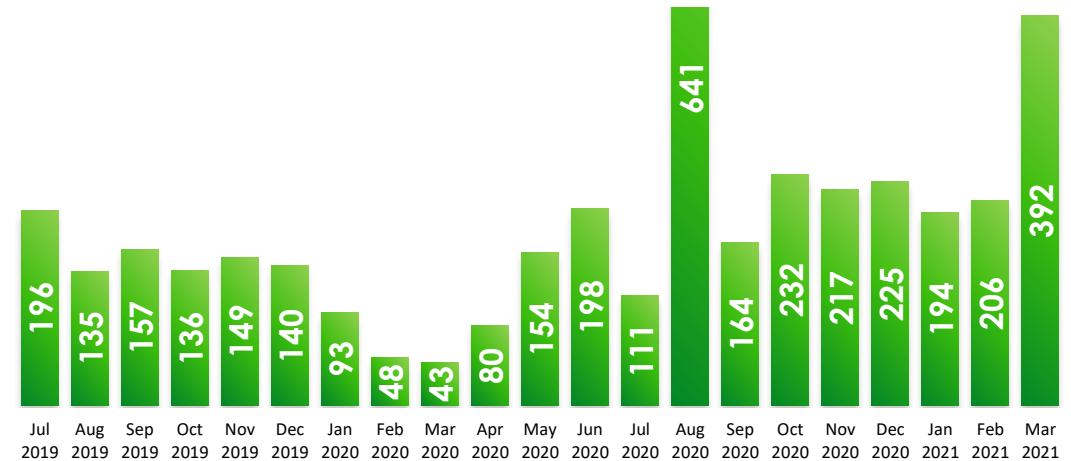
Main categories of investors on the secondary market in 3M 2021*



Non-residents' share in the gross turnover, %

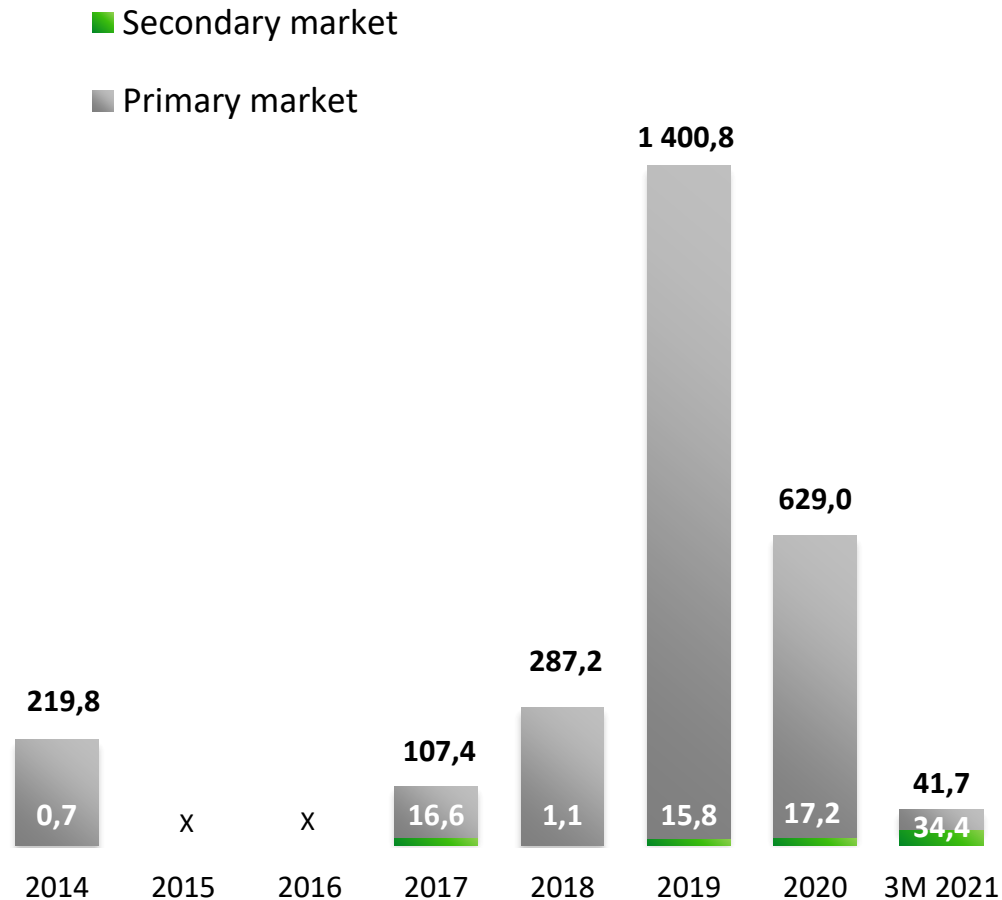


Dynamics of active accounts on the corporate bond market



*of the total gross turnover of trading in shares on the secondary market
Source: KASE

Trading volume, USD million

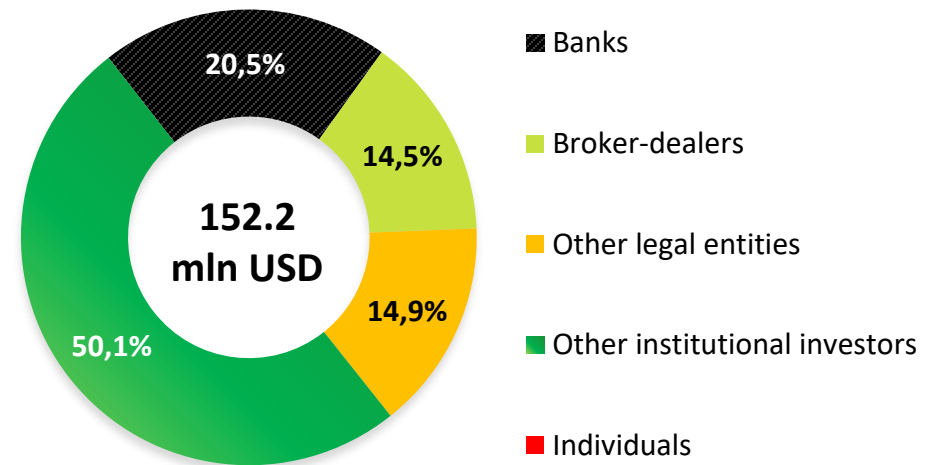


Source: KASE

There were **35 issues of 4 institutions** in KASE Official List as at April 1, 2021:

- 12 issues of the Eurasian Development Bank
- 12 issues of the European Bank for Reconstruction and Development
- 4 issues of the International Finance Corporation
- 7 issues of the Asian Development Bank

Shares of main types of investors for 3M 2021*



*of the total gross turnover of trading in IFI bonds

Launched:

December 28, 2020

TONIA

**new risk-free
benchmark in the money
market**

**based on the principles of
reliability of indicators
compliant with the best
international practices**

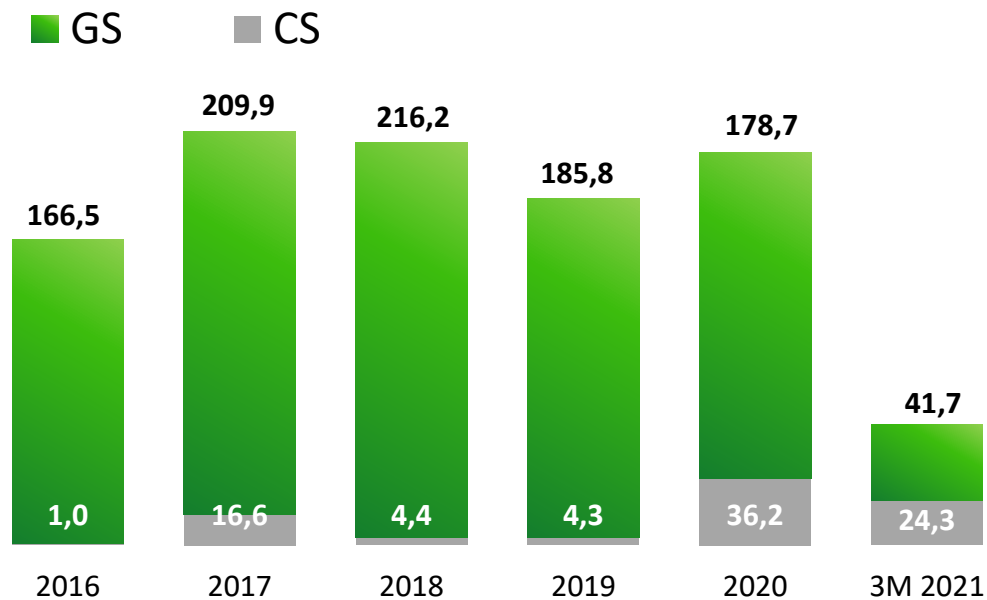
TONIA – main money market indicator

- the calculation uses one-day GS Basket repo transactions' opening deals, as a volume-weighted average of the central 90 % of the said deals
- deals with 5 % of deals with the lowest and highest yield, concluded on the day of indicator calculation, are cut off
- if the total volume of deals 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 mentioned rate, prevailing over the previous five days

TRION – up-to-date indicator of the money market

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

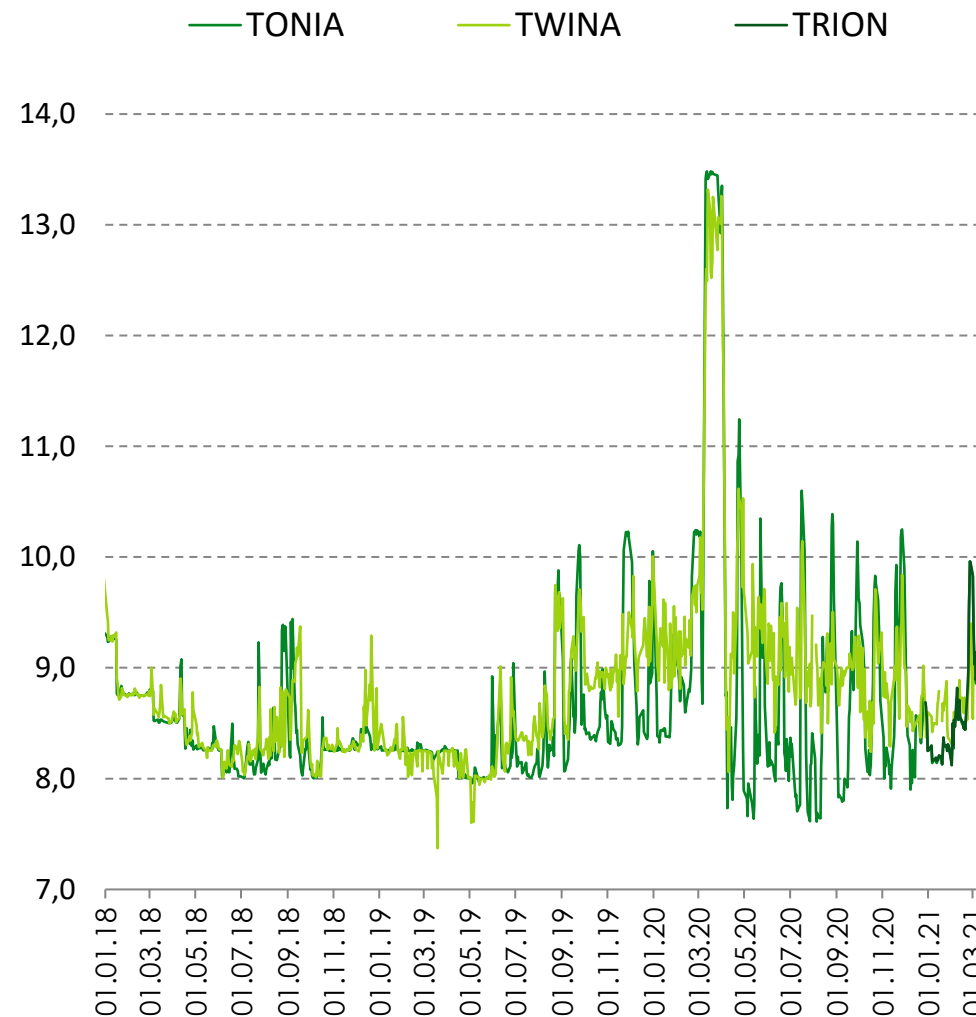
Trading volume, USD billion



Repo market instruments (volume for 3M 2021 / share):

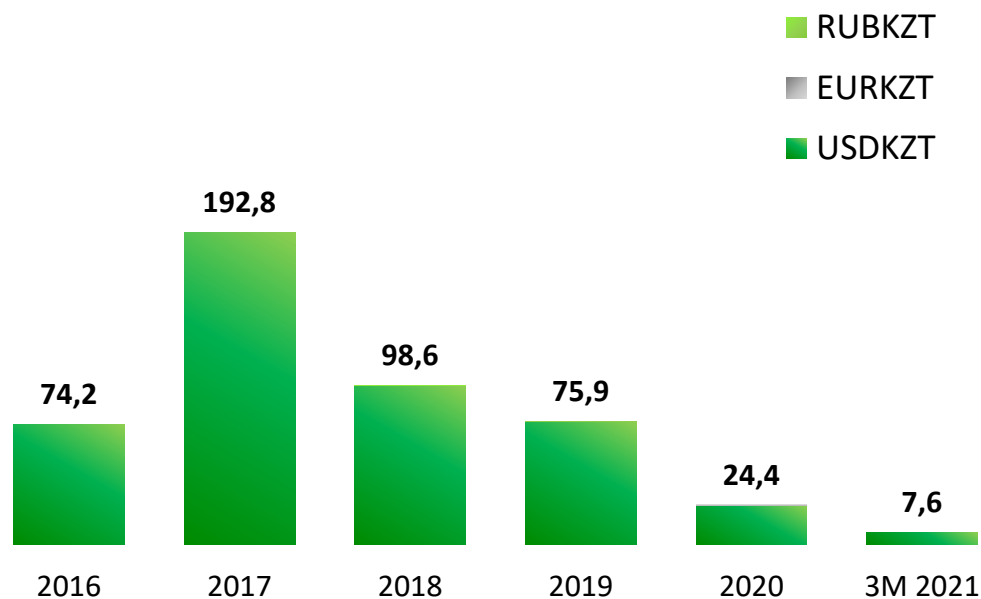
- auto repo with GS basket (58,935.0 USD mln / 89.35%)
- auto repo with BSP basket (1,522.9 USD mln / 2.31 %)
- auto repo on CS (5,456.5 USD mln / 8.27 %)
- "nego" repo on CS (43.2 USD mln / 0.07 %)
- "nego" repo on GS (0.02 USD mln / <0.01 %)

Repo market indicators, %



Currency Swap Transactions

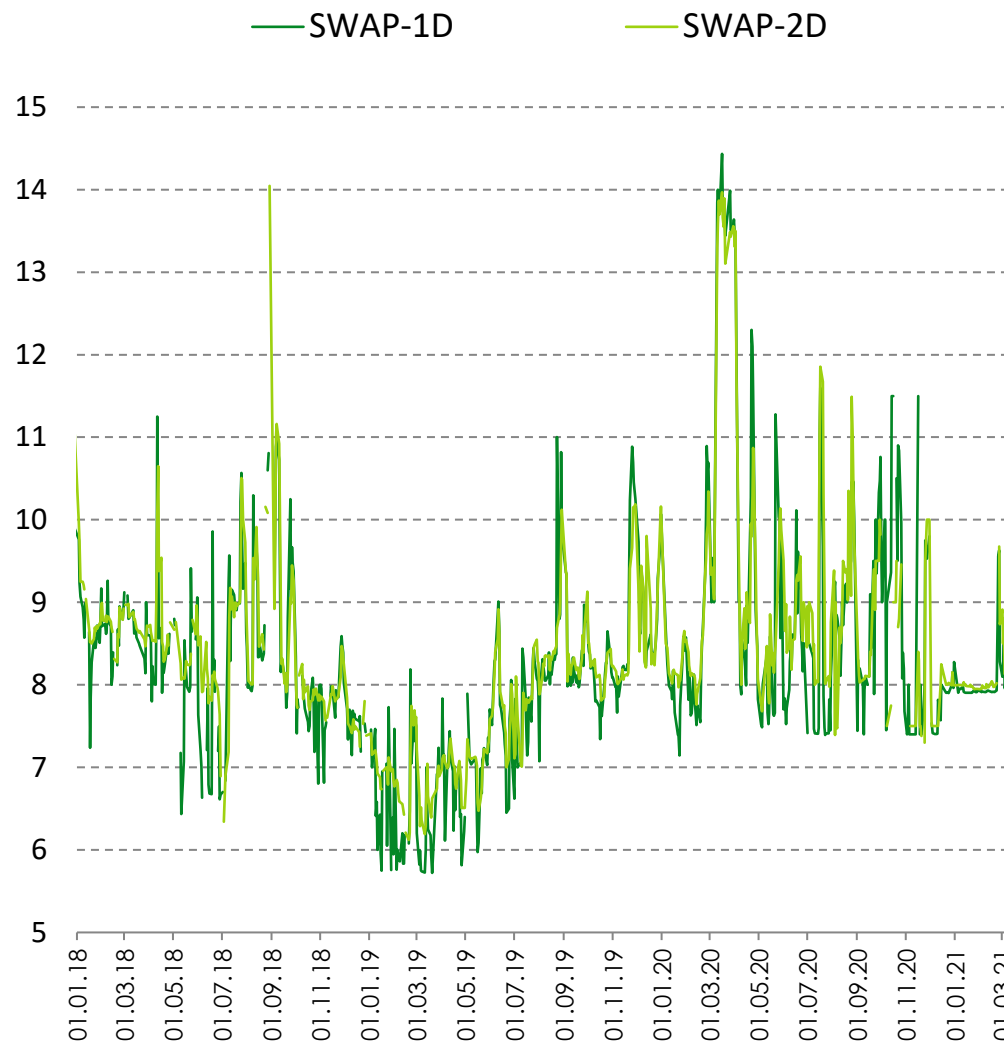
Trading volume, USD billion



Swap market instruments (volume for 3M 2021 / share):

- **USDKZT_0_001** (4,339.8 USD mln / 56.94%)
- USDKZT_0_002 (2,966.7 USD mln / 38.93 %)
- USDKZT_0_01W (30.0 USD mln / 0.39 %)
- USDKZT_0_01M (285.0 USD mln / 3.74 %)

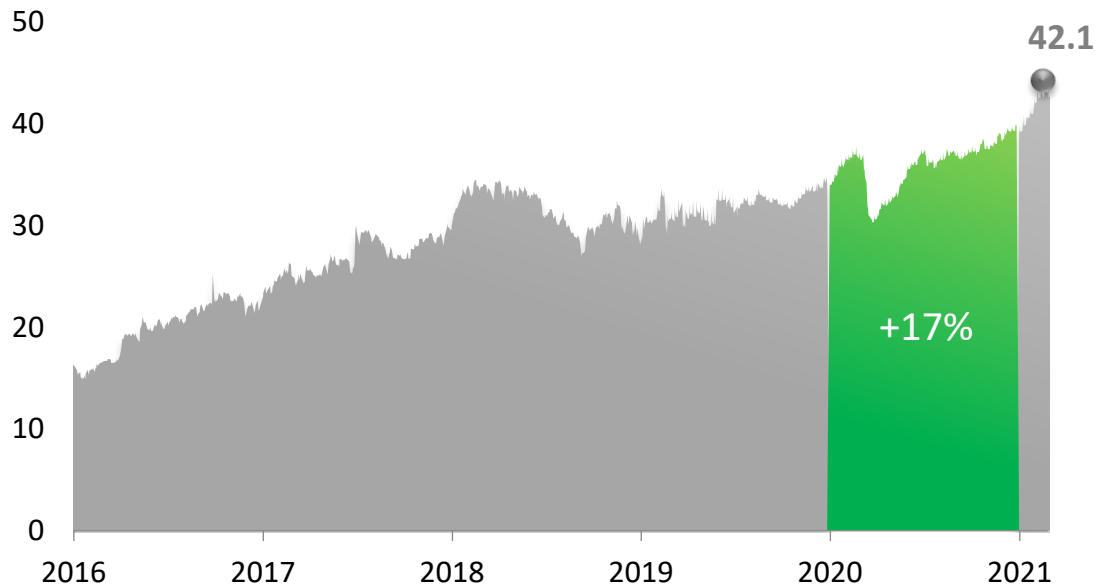
Swap market indicators, %



Contents

- 01 | Kazakhstan in figures
- 02 | About KASE
- ▶ 03 | Review of KASE's GS market
- 04 | Execution of GS transactions by non-residents

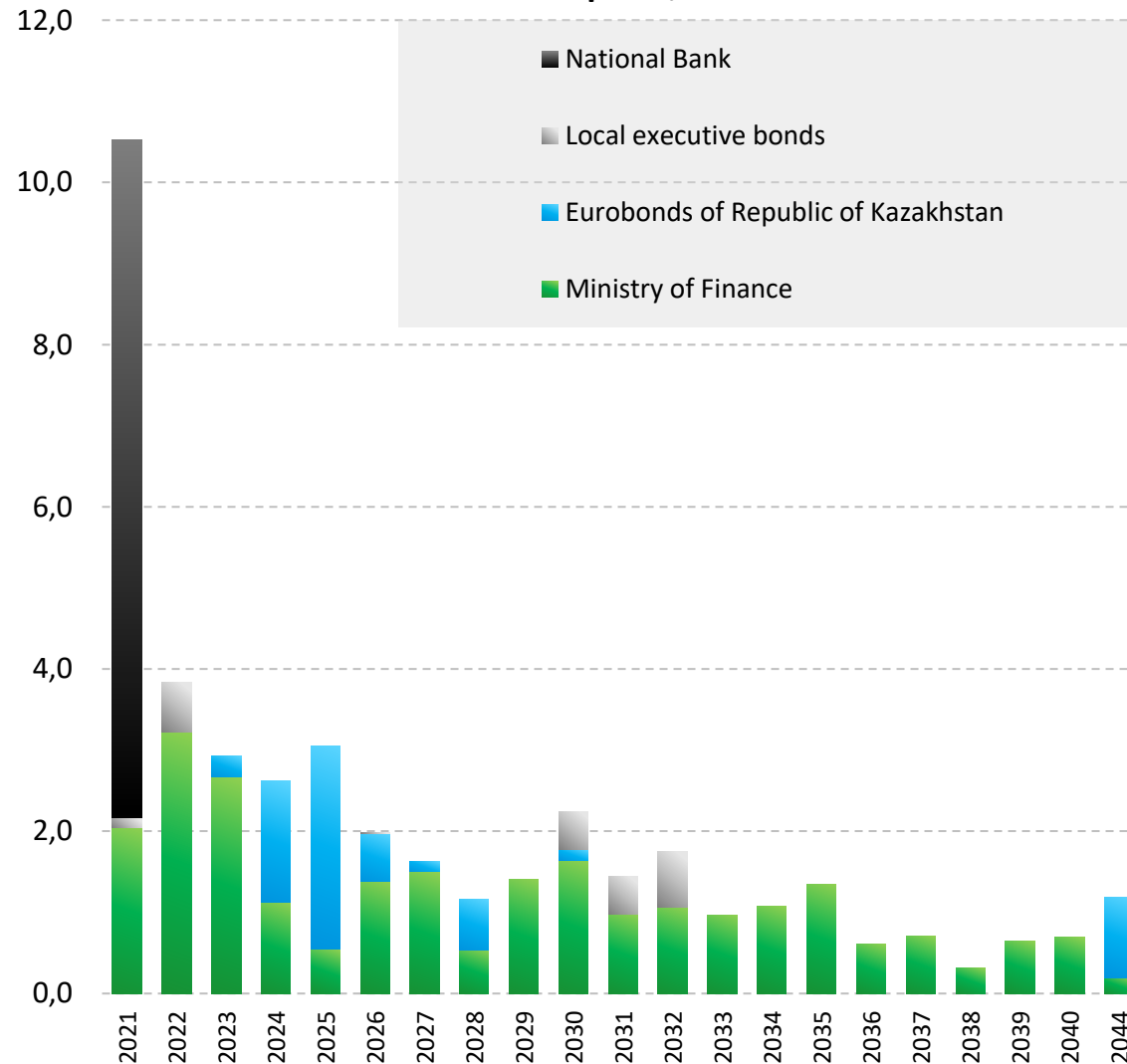
Amount of government debt (at face value),
traded on KASE, USD billion



Amount of government debt, traded on KASE

01.01.2021	39,8 billion usd	↑	+16,8% growth for 2020
01.04.2021	42,2 billion usd	↑	+5,9% growth for IQ'2021

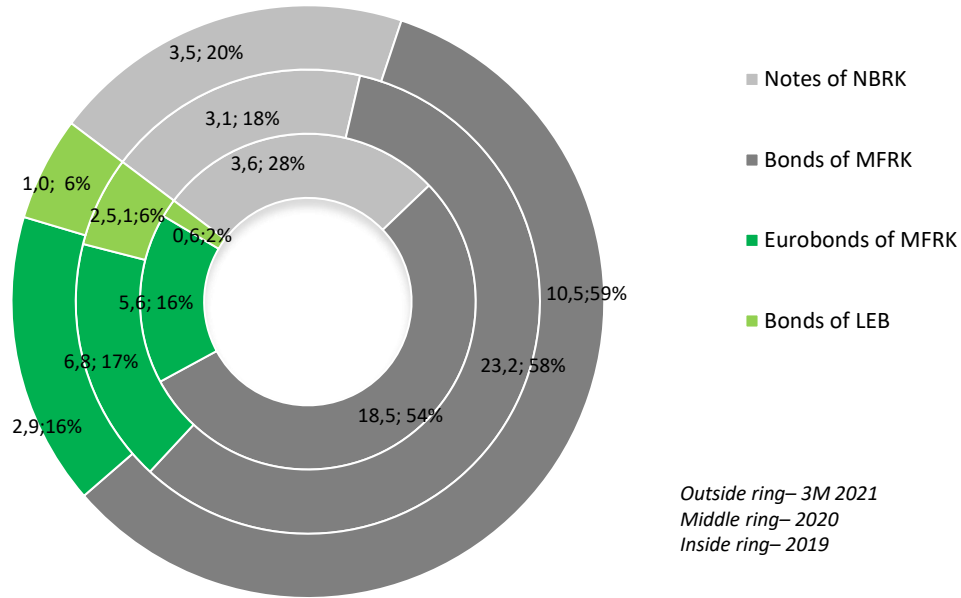
Public Debt Redemption, USD billion



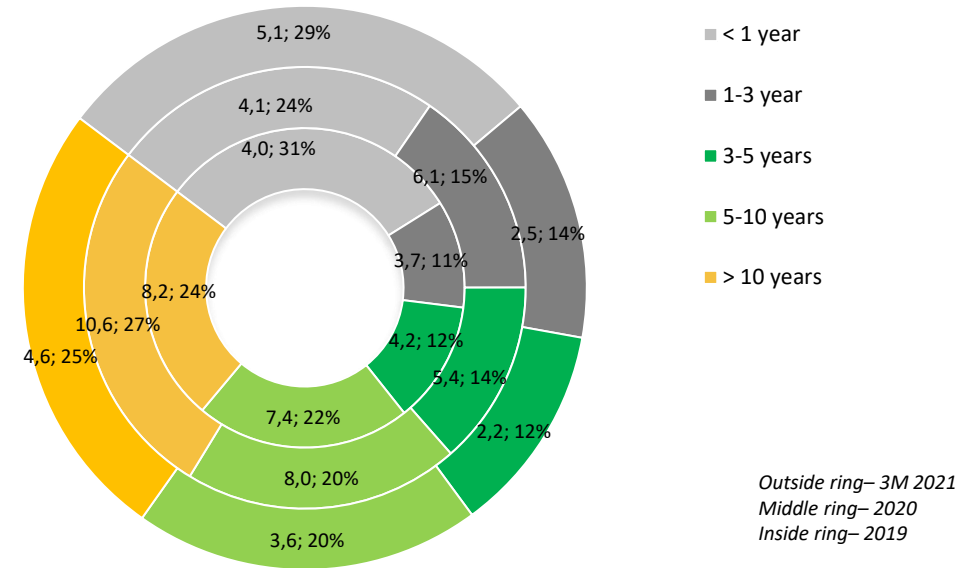
Structure of the government debt of Kazakhstan traded

on KASE

Structure of the government debt of Kazakhstan by type of securities, USD billion



Structure of the government debt of Kazakhstan by maturity date, USD billion



GS type:

NBRK notes	20 % IQ'2021	←	18 % 2020	←	28 % 2019
MEKAM	59 % IQ'2021	←	59 % 2020	←	54 % 2019

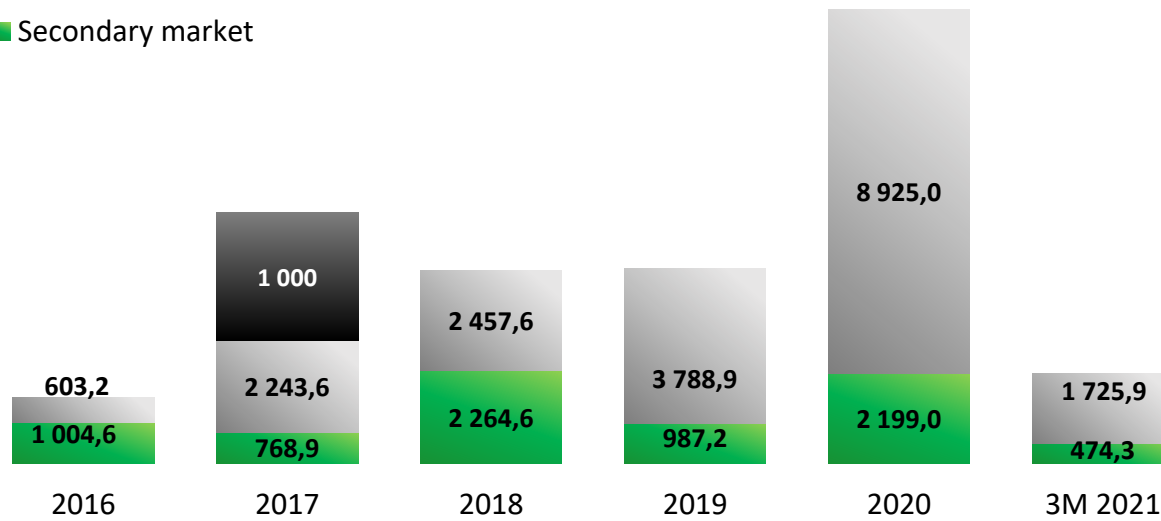
Current maturity:

< 1 year	29 % IQ'2021	←	24 % 2020	←	31 % 2019
1-3 years	12 % IQ'2021	←	15 % 2020	←	11 % 2019
> 10 years	25 % IQ'2021	←	27 % 2020	←	24 % 2019

Trading volume dynamics on Government Securities Market

Trading volume dynamics, USD million

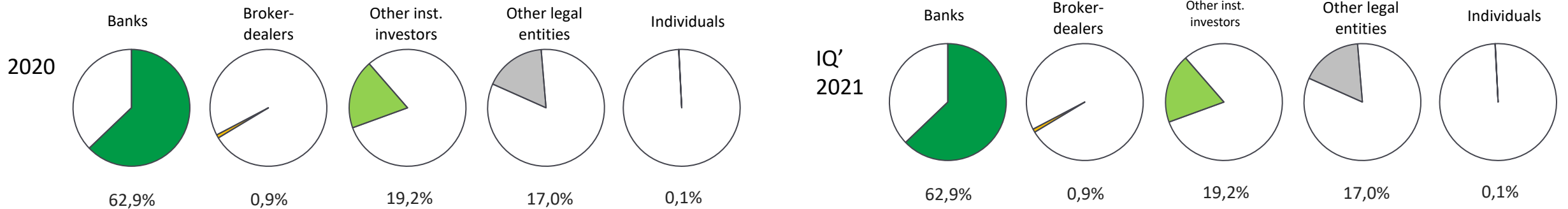
■ MinFin's GS
■ Primary market
■ Secondary market



2020 **4,2 billion USD** ↑ **X 2,3**

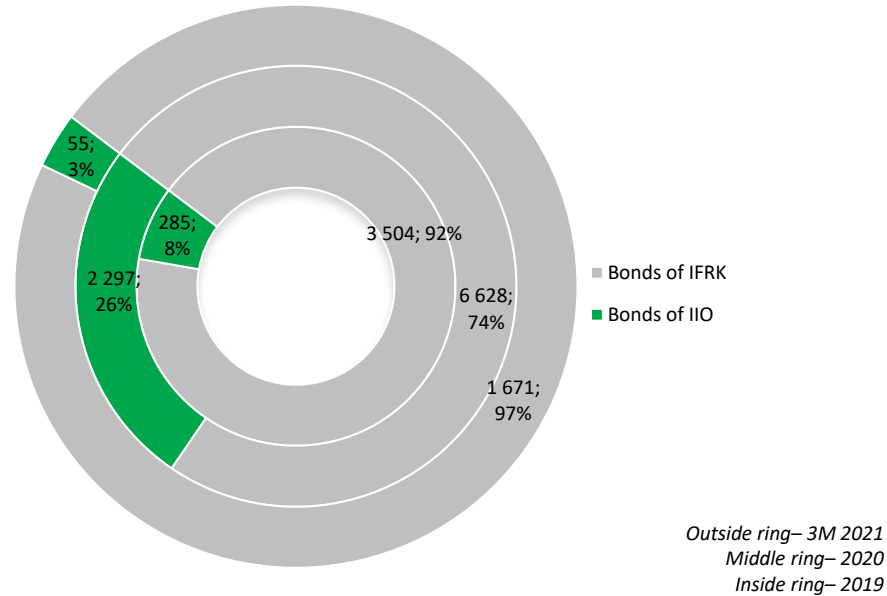
IQ'2021 **0,2 billion USD** ↑ **+0,8%**

Investor structure in the primary and secondary GS market

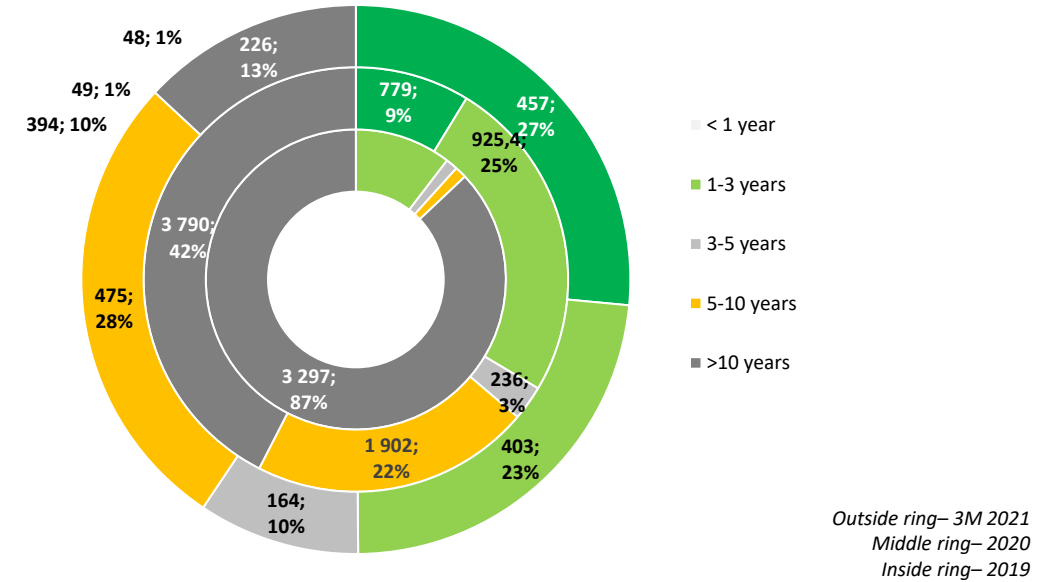


Trading Volume on Primary Market

Structure of trading volume on primary market by type of securities, USD million



Structure of trading volume on primary market by maturity date, USD million



GS type:

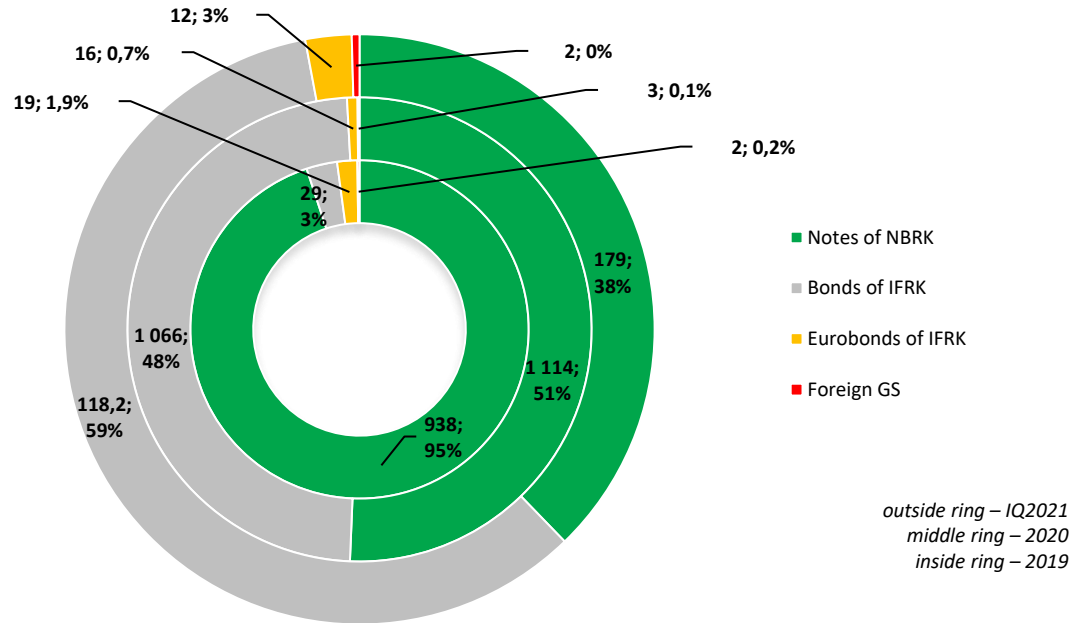
municipal	20 % IQ'2021	← 26 % 2020	← 8 % 2019
MEKAM	59 % IQ'2021	← 74 % 2020	← 92 % 2019

Current maturity:

< 1 year	27 % IQ'2021	← 9 % 2020	← — 2019
1-3 years	10 % IQ'2021	← 25 % 2020	← 10 % 2019
> 10 years	13 % IQ'2021	← 42 % 2020	← 87 % 2019

Trading Volume on Secondary Market

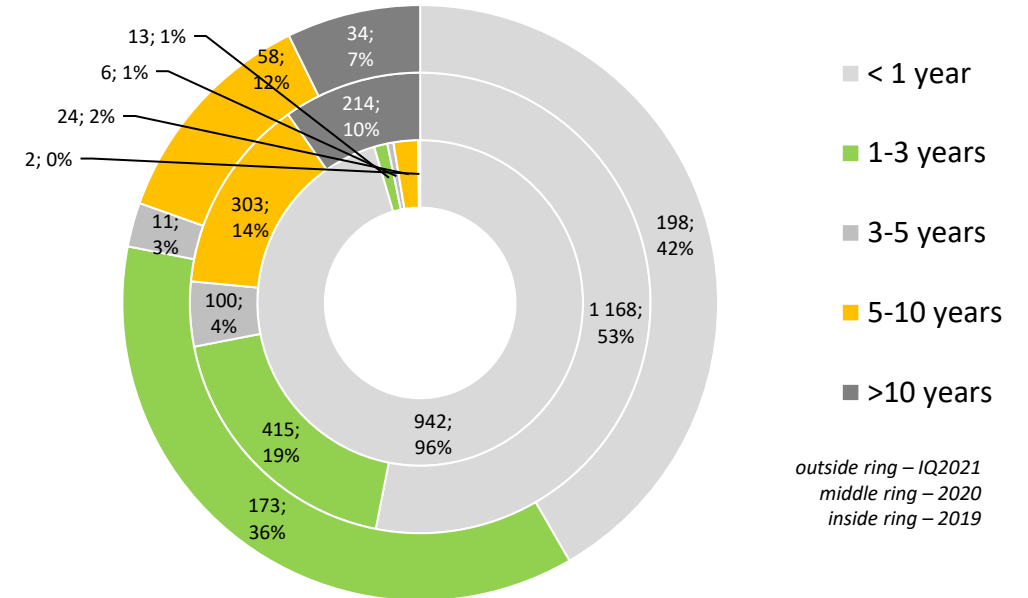
Instrumental structure of the GS secondary market, USD million



GS type:

notes	38 % IQ'2021	←	51 % 2020	←	95 % 2019
MEKAM	59 % IQ'2021	←	48 % 2020	←	3 % 2019
Eurobonds	3 % IQ'2021	←	1 % 2020	←	2 % 2019

Structure of GS offerings in the secondary market by maturity, USD million



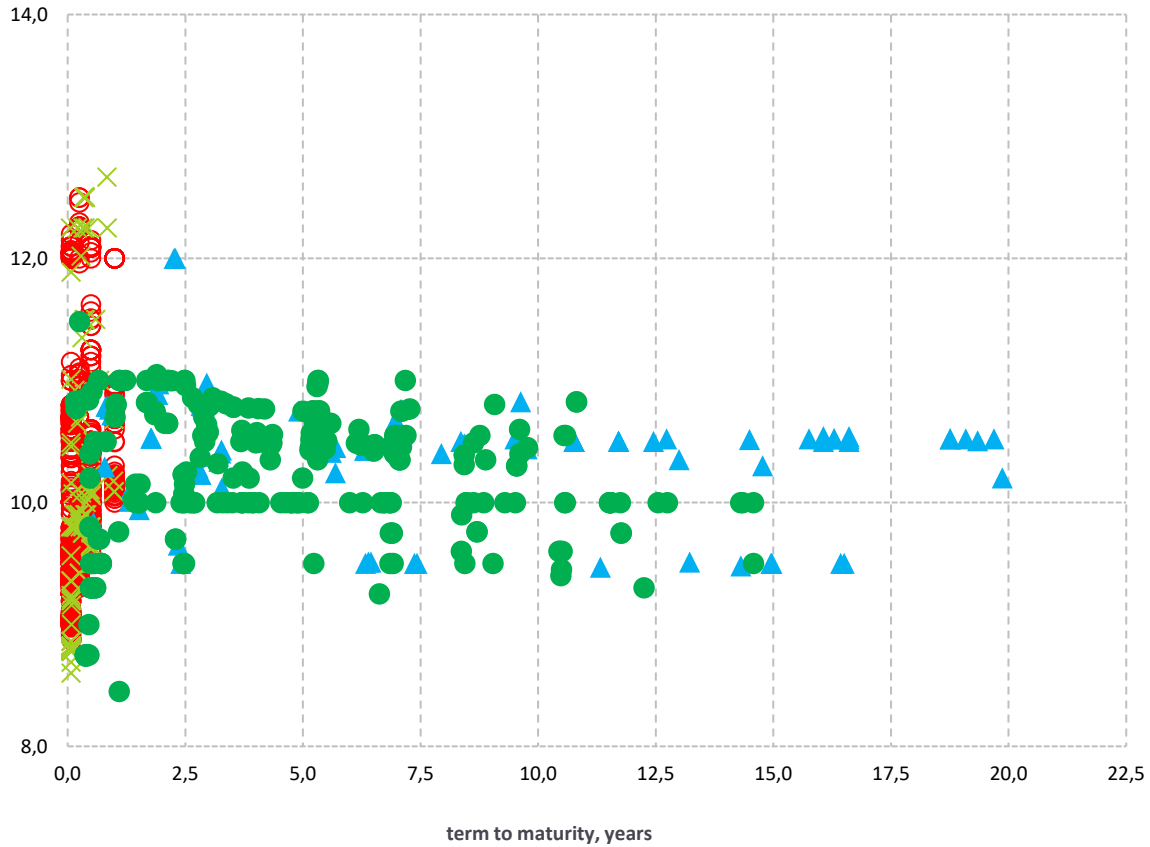
Current maturity:

< 1 year	42 % IQ'2021	←	53 % 2020	←	95 % 2019
1-3 years	2 % IQ'2021	←	19 % 2020	←	1 % 2019
> 10 years	7 % IQ'2021	←	10 % 2020	←	0,2 % 2019

Yield of transactions on the government securities market

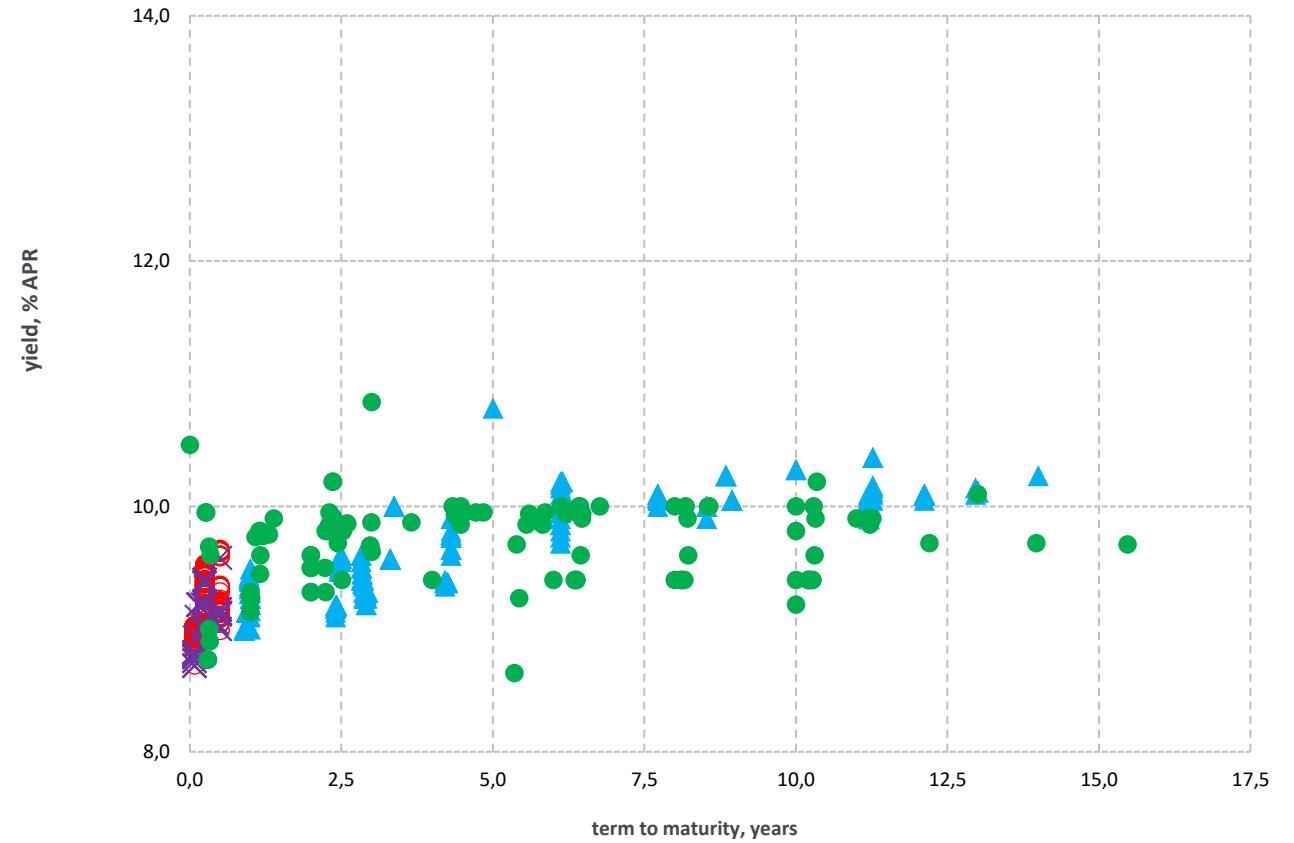
Yield of transactions in 2020

- NBRK Notes_primary market
- × NBRK_secondary market
- ▲ Minfin GS_primary market
- Minfin GS_secondary market



Yield of transactions for 3M'2021

- NBRK Notes_primary market
- × NBRK Notes_secondary market
- ▲ Minfin GS_primary market
- Minfin GS_secondary market

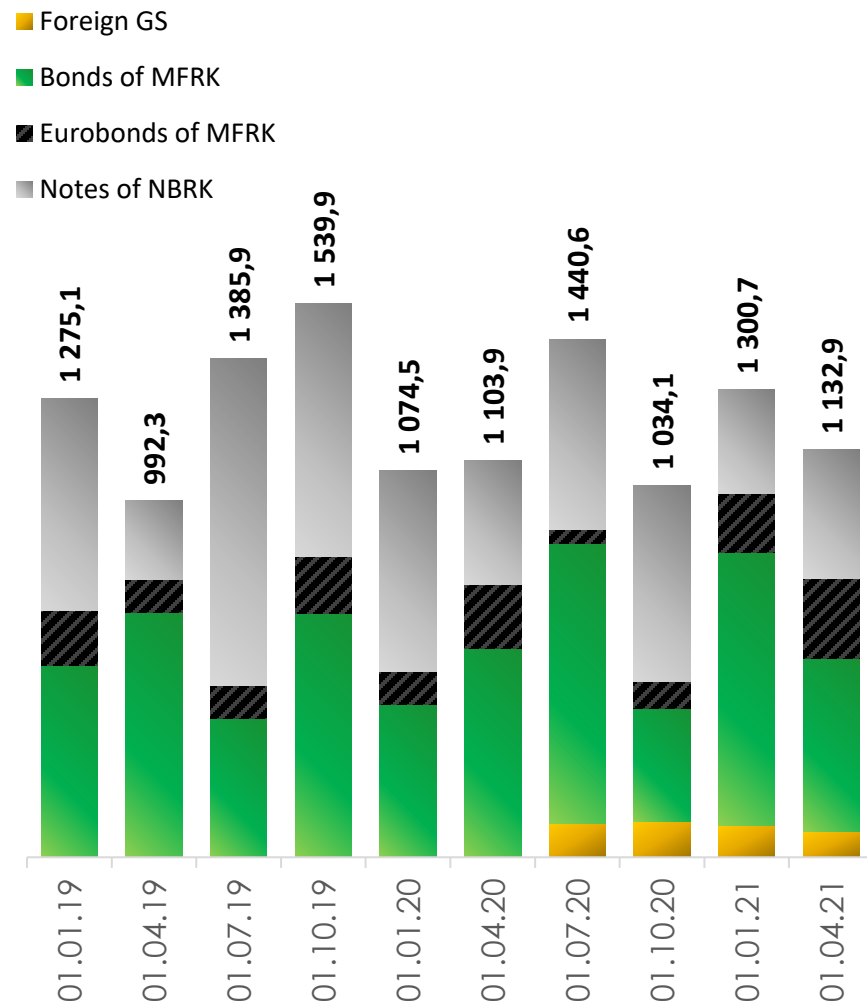


Yield of deals by GS type

Type	Description	2020		IQ'2021	
		primary	secondary	primary	secondary
NBRK notes	Short-term notes with a maturity of 7 to 360 days. The terms of the auctions and the volumes of issues are regulated by the National Bank of the Republic of Kazakhstan and are announced in the conditions of the auctions	8,9%-12,5%	8,6%-12,7%	8,7%-9,6%	8,7%-9,6%
MEKKAM of MF of RK	Discount short-term treasury bonds	9,8%-10,8%	8,74%-10,5%	9,0%-9,5%	8,8%-10,5%
MEOKAM of MF of RK	Medium-term treasury bonds with a maturity of 2-3 years	9,5%-12,0%	8,45%-11,0%	-	-
MEUKAM of MF RK	Long-term treasury bonds with maturities of up to 10 years	9,5%-11,0%	9,3%-11,5%	9,0%-10,4%	8,6%-10,9%
MEUJKAM of MF RK	Long-term savings treasury bonds with a maturity of more than 10 years. Indexed to inflation for the past coupon period	-	-	-	-
Eurobonds of MF RK	Treasury bills with different maturities issued in foreign currencies in accordance with foreign legislation	-	-	-	-
Municipal bonds of akimdiks of RK	Obligations of local akami's executive bodies (akimdiks)	0,35%-6,09%	-	6,1%-10,8%	-

Participants' obligations in the GS repo sector

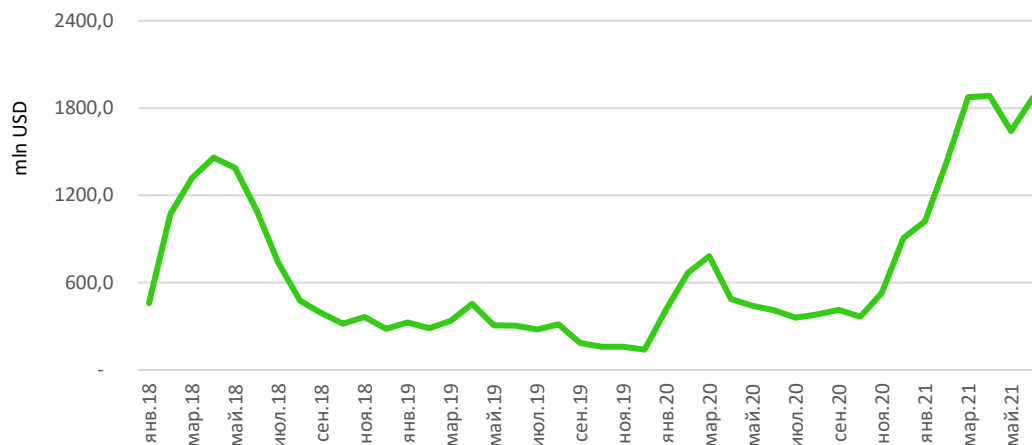
Participants' open positions in the GS auto repo sector on KASE by security, USD million



	1D, 2D, 3D, 7D, 14D, 30D on some securities and repo transactions without CCP in tenge
Auto repo transactions' term	1D, 2D, 3D, 7D, 14D, 30D, 90D with a particular GS basket and BISP with CCP in tenge
	1D, 7D repo with CCP in US dollars
	1 D with GS basket with CCP at additional session
Nego repo transactions' term	up to 30D with CCP in tenge
	up to 90D without CCP in tenge
	up to 7D with CCP in US dollars
Underlying asset of auto repo transactions with CCP	securities included in the List T+, GS basket, BISP basket, NBRK basket
Underlying asset of nego repo transactions with CCP	securities included in the List T+
Underlying asset of automatic repo transactions without CCP	shares included in the List T+, GS basket
Underlying asset of nego repo transactions without CCP	are determined by the participants of these transactions independently from the number of securities admitted to circulation on the Exchange

Measures for development of the GS market

Volume of public debt owned by non-residents of the Republic of Kazakhstan, USD million



Market-makers on the GS market:



- ✓ currently there are three market-makers
- ✓ the volume of mandatory quotations is 500 million tenge at par value
- ✓ the spread is 1% of the price of the mandatory purchase quotation
- ✓ timeout for a market-maker is 150 minutes during the trading day

I. Building a risk-free yield curve

- ✓ In 2021, the MoF plans to issue government securities in the amount of about **KZT1.9 trillion** with maturities from 1 to 15 years, incl. in the short sector – **up to 5 years** for up to **KZT1 trillion**.

II. Improving the Public Debt Management Policy

- ✓ Active work is conducted with the MoF to improve the public debt management policies

III. Increasing the liquidity of the secondary GS market

- ✓ An incentive **program for market-makers** on government securities launched at KASE
- ✓ UAPF and funds managed by the NB from time to time participate in the secondary market

IV. Infrastructure development and globalization of GS of the Republic of Kazakhstan

- ✓ Work is underway to include GS in the international index of developing countries **JP Morgan GBI-EM**
- ✓ The settlement process within the international line with Clearstream was converted from FoP to DvP. Settlements are in tenge.
- ✓ Negotiations are underway to create a **settlement infrastructure with Euroclear** (at the stage of defining a project implementation model)

Contents

- 01 | Kazakhstan in figures
- 02 | About KASE
- 03 | Review of KASE's GS market
- ▶ 04 | Execution of GS transactions by non-residents

Schedule of trading on the GS market

Method of concluding nego deals	10:30 – 17:30
Continuous counter auction method with securities not included in the List T+	11:20 – 17:00
Continuous counter auction method with securities included in the List T+	11:20 – 17:30
First clearing session	15:30 – 17:00
Second clearing session	17:30 – 18:45
Instruments of repo transactions carried out by the "nego" method; "auto" repo market instruments	10:30 – 17:00

Trading methods:

- ▲ continuous counter auction (Order-Driven Market)
- ▲ negotiated deals mode
- ▲ primary offering auctions (special trading sessions)

Modes:

- ▲ T+ GS (deals are settled on the second business day)
- ▲ T0 GS (deals are settled on the conclusion day)

Repo transactions with GS:

- ▲ auto repo (in the basket) with CCP and without CCP
- ▲ negotiated repo with CCP and without CCP

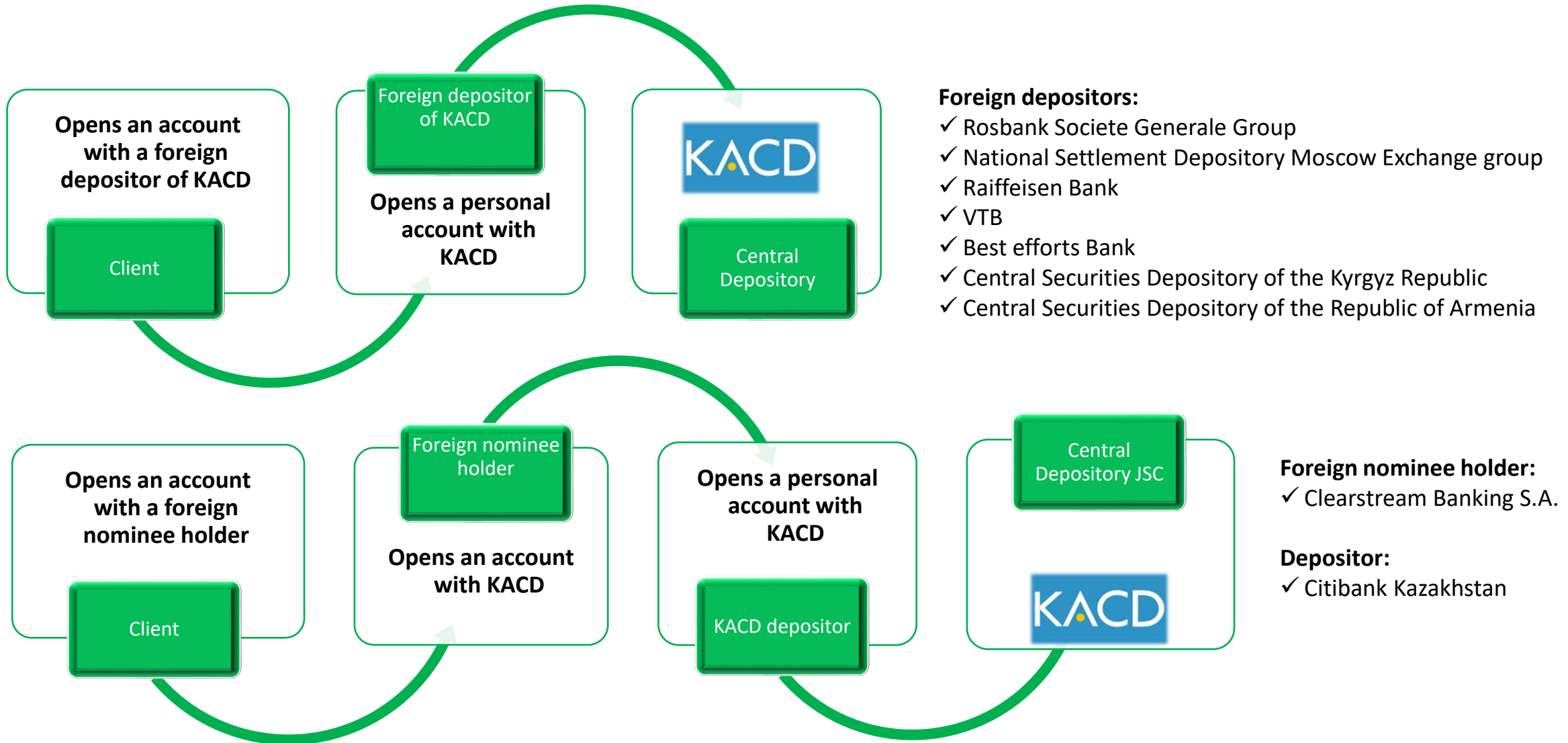
Collateral on the GS market:

In the ASTS+ trading and clearing system, there are two categories of clearing participants in the stock market, taking into account a single limit:

- ▲ with full coverage
- ▲ with partial coverage

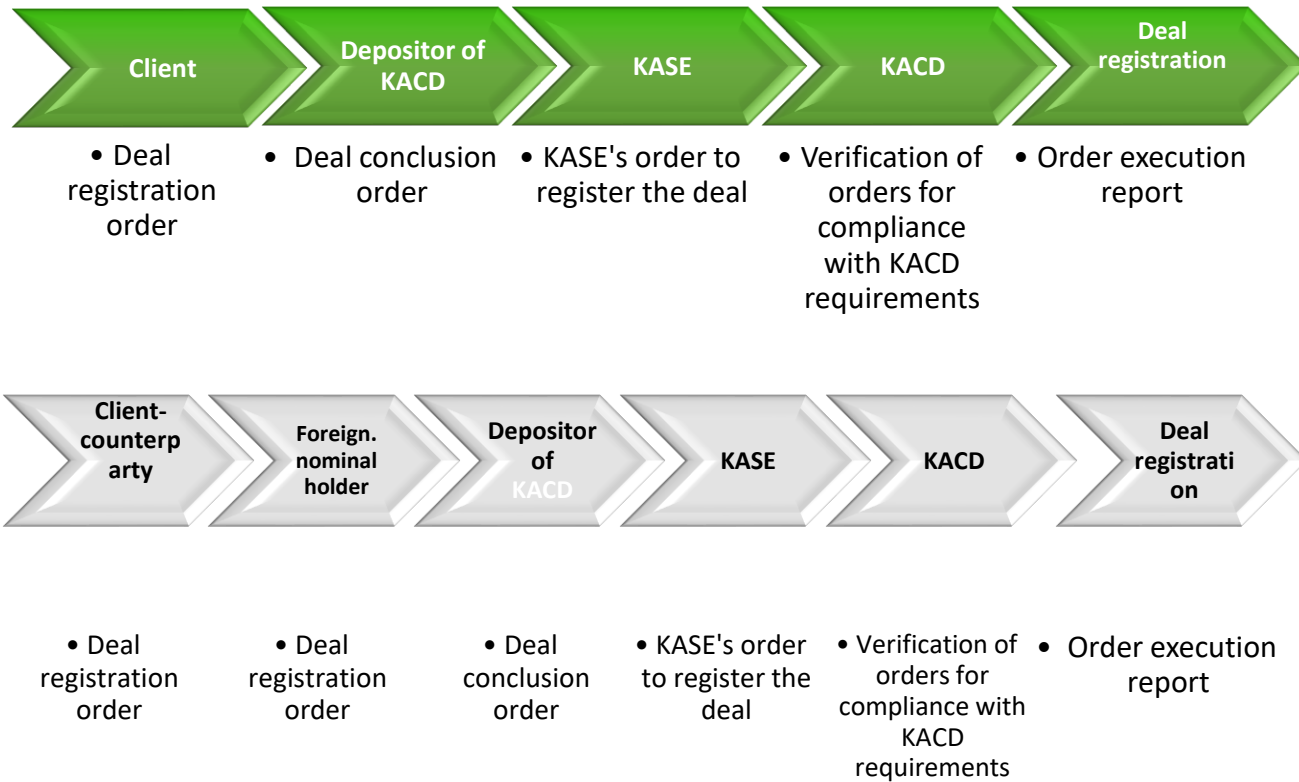
The admission of securities accepted as collateral for deals with partial collateral on the government securities market is established for securities included in **the Collateral List T+**. The current list is provided in the section of the main menu "Evaluation and Parameters", subsection "Risk parameters of financial instruments".

Access of non-residents to services of the Central Securities Depository

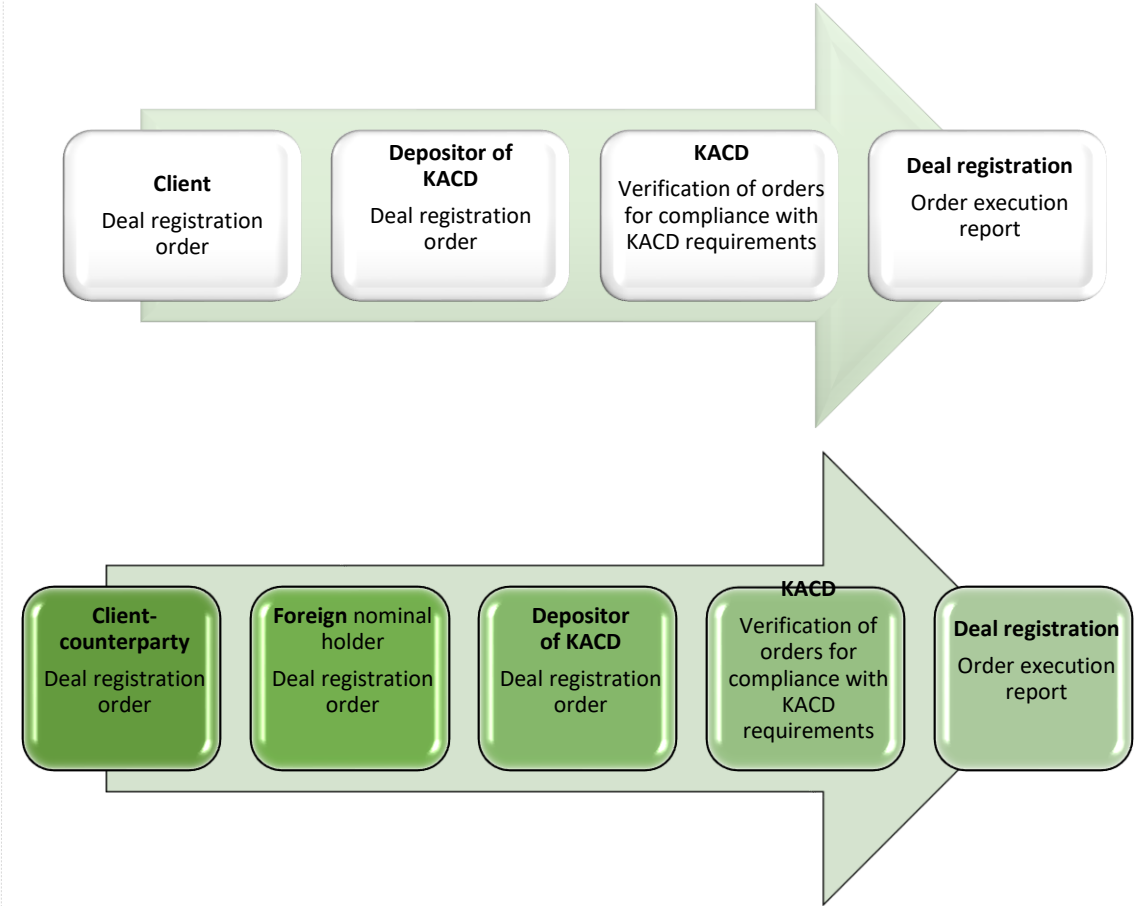


Registration of deals with GS of the Republic of Kazakhstan

On the regulated market



On the OTC market



Modes of settlement of deals with GS of the Republic of Kazakhstan



T+0

Market:
regulated

Settlement method:
gross-settlements (DVP-1)

Settlement bank:
National Bank of the RK
Central Depository

Collateral:
full pre-deposit of assets

Instruments:
any financial instruments, except
for those traded under the T+2
scheme



T+2

Market:
regulated

Settlement method:
net-settlements (DVP-3)

Settlement bank:
Central Depository

Collateral:
margin requirements

Instruments:
financial instruments included in
the list, on deals with which KASE
carries out clearing activities



T+n

Market:
regulated

Settlement method:
gross-settlements (DVP-1, FOP)

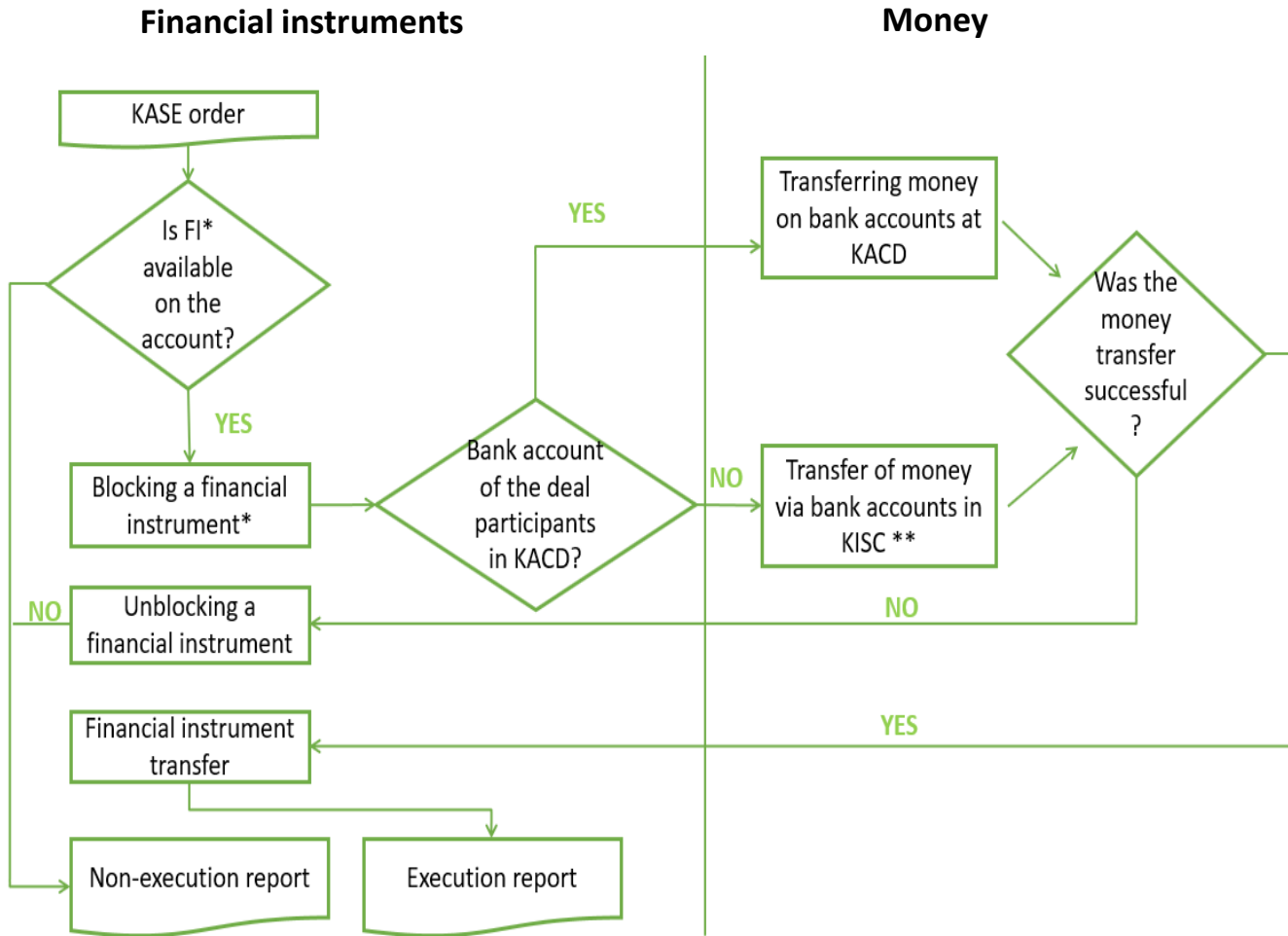
Settlement bank:
National Bank of the RK
Central Depository

Collateral:
there is no preliminary deposit of
assets (the availability of assets is
checked immediately at the time
of registration of the deal)

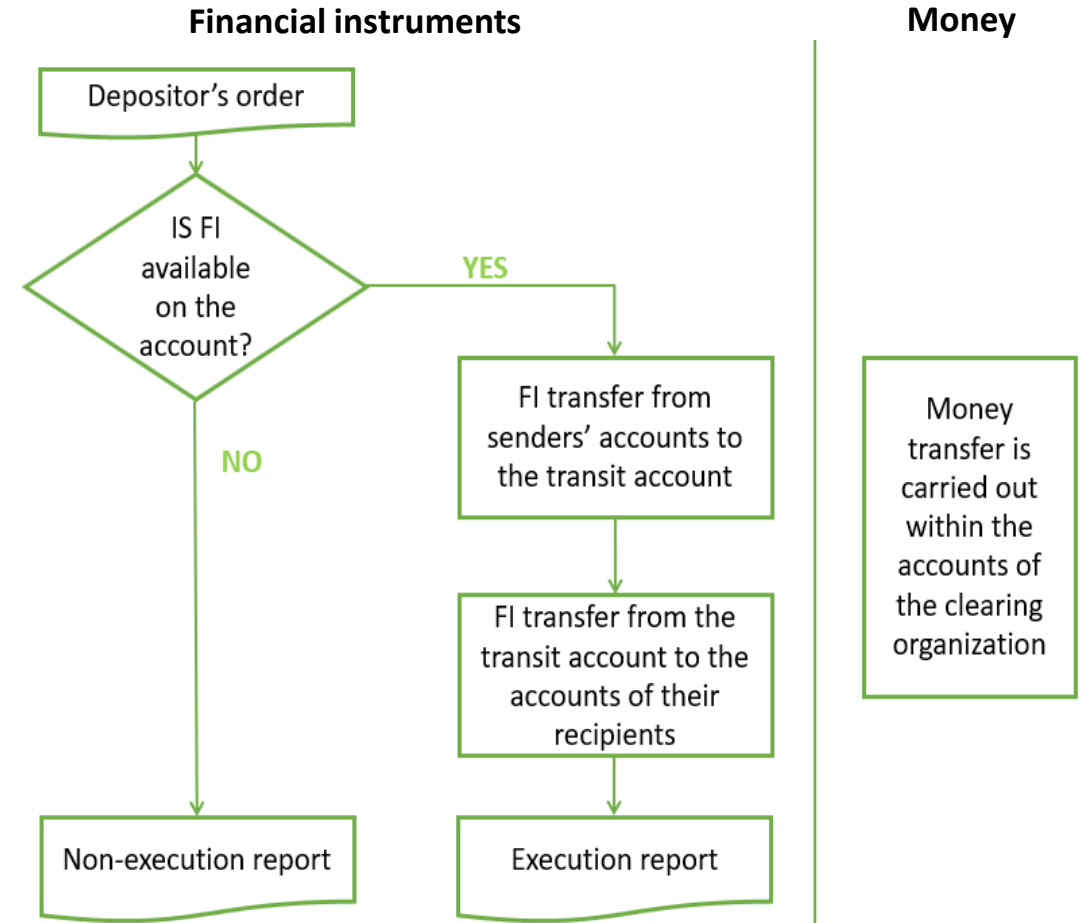
Instruments:
any financial instruments

Settlements in the organized market

T+0

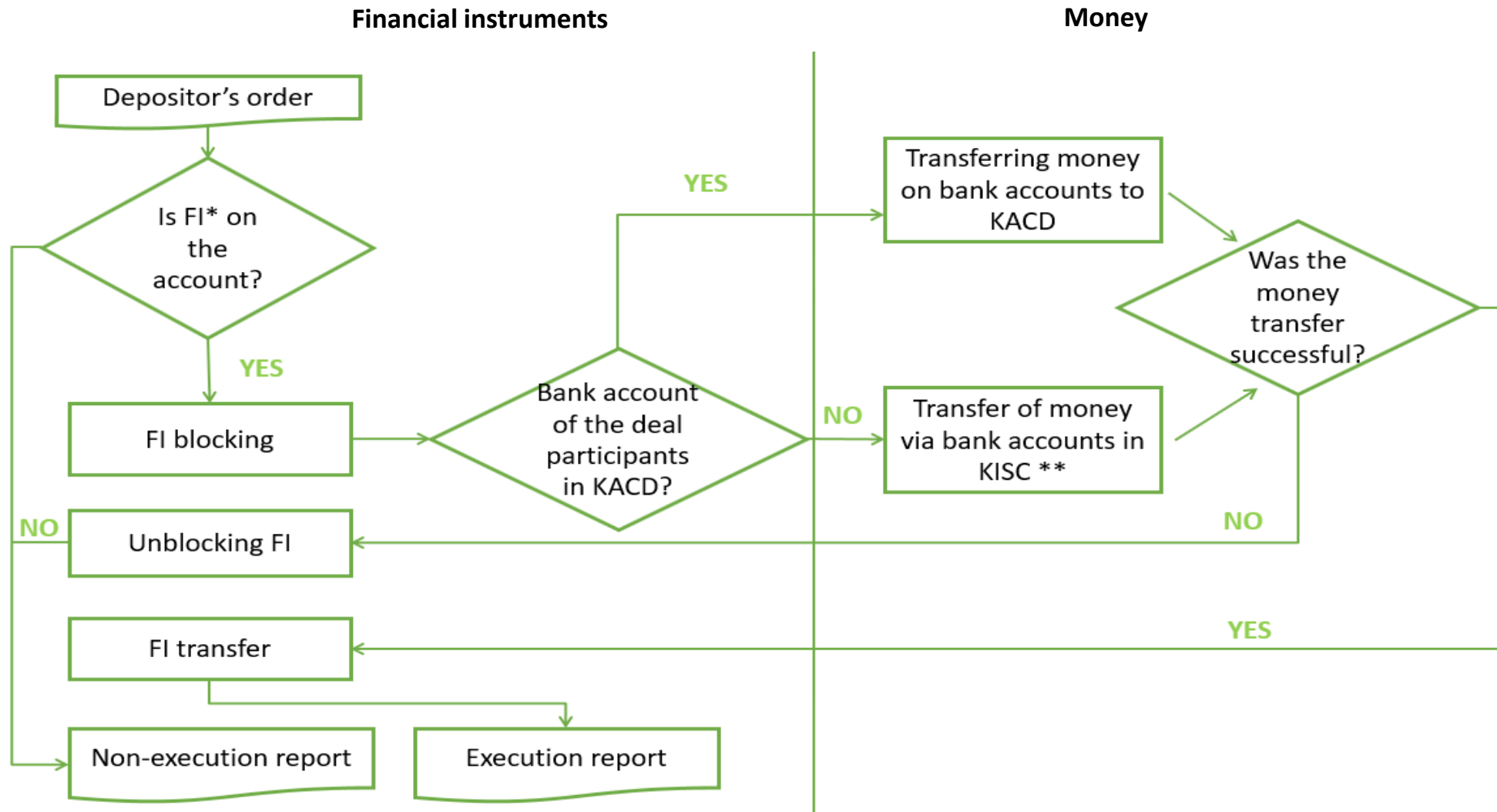


T+2



Source: *FI – financial instruments **KISC - Kazakhstan Center for Interbank Settlements of the National Bank of the Republic of Kazakhstan

T+n settlement scheme (delivery versus payment)



Source: *FI – financial instruments **KISC - Kazakhstan Center for Interbank Settlements of the National Bank of the Republic of Kazakhstan

Access of non-residents to Kazakhstan's capital markets via Clearstream (CBL)

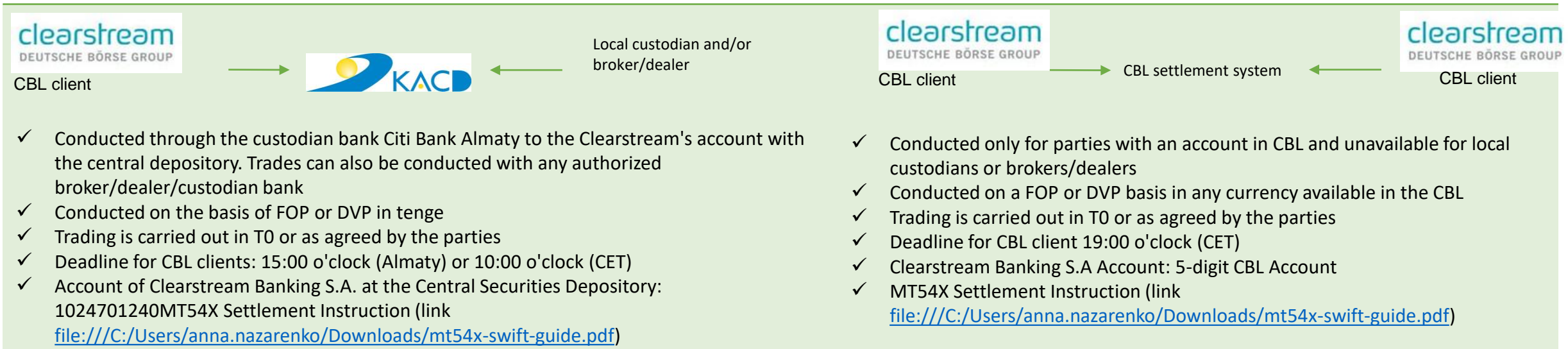
Since 2018, settlements on government securities have been carried out through the international system Clearstream (CBL), which provides mechanisms for clearing, settlement and servicing of assets for the Eurobond market, as well as for securities issued in more than 50 countries.

Settlements can be made through the national central depository (local settlement) or directly between counterparties CBL (internal settlement), as well as Free of Payment (FoP delivery without payment) or Delivery versus Payment (DvP delivery versus payment). Trades are conducted with CBL approved asset class:

- ✓ Government bonds issued by the Ministry of Finance
 - MEOKAM State medium-term treasury bond
 - MEUKAM State long-term treasury obligations
- ✓ Bonds issued by the National Bank of Kazakhstan. Short-term discounted bonds and bonds with maturities of 7, 14, 28, 91, 182, 270 or 364 days
 - Bonds on KASE: notes of the National Bank of Kazakhstan

Local settlements

Internal settlements



Thank you for attention !

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FAQ



KASE

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Kazakhstan Stock Exchange