

# 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

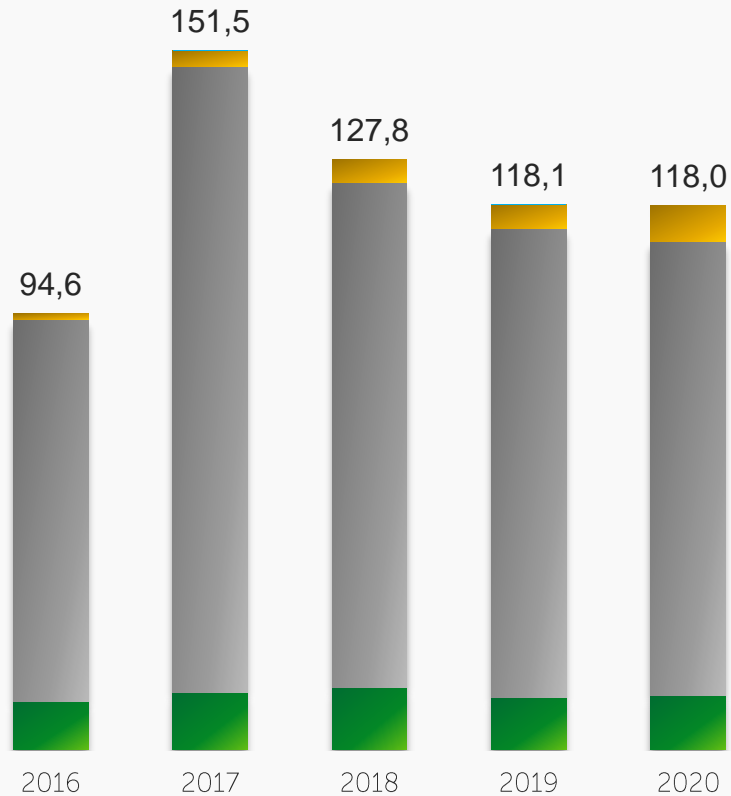
**+21%**

value of corporate debt

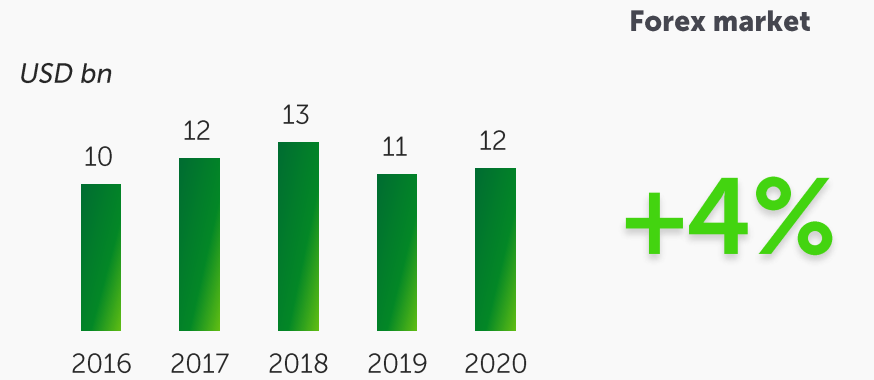
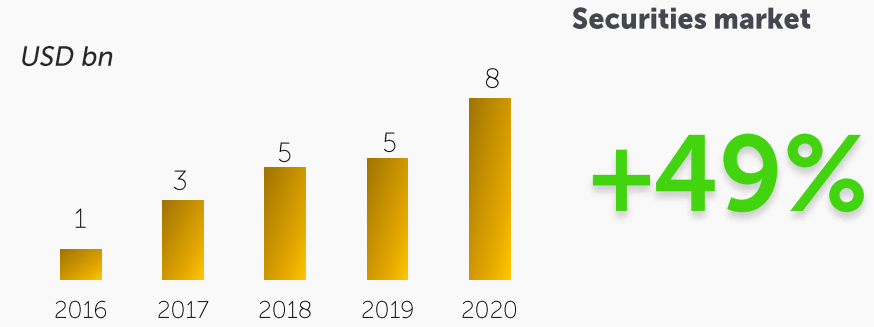
# KASE Market



**Trading volume dynamics by sector, KZT bn**



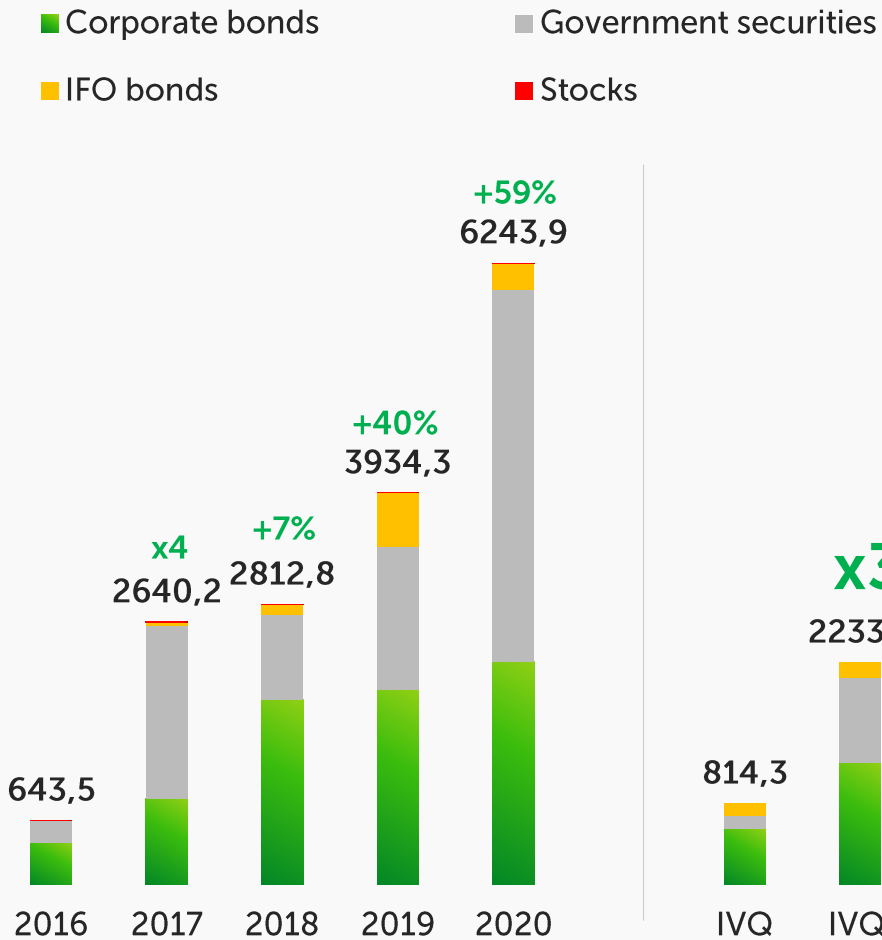
Source: KASE



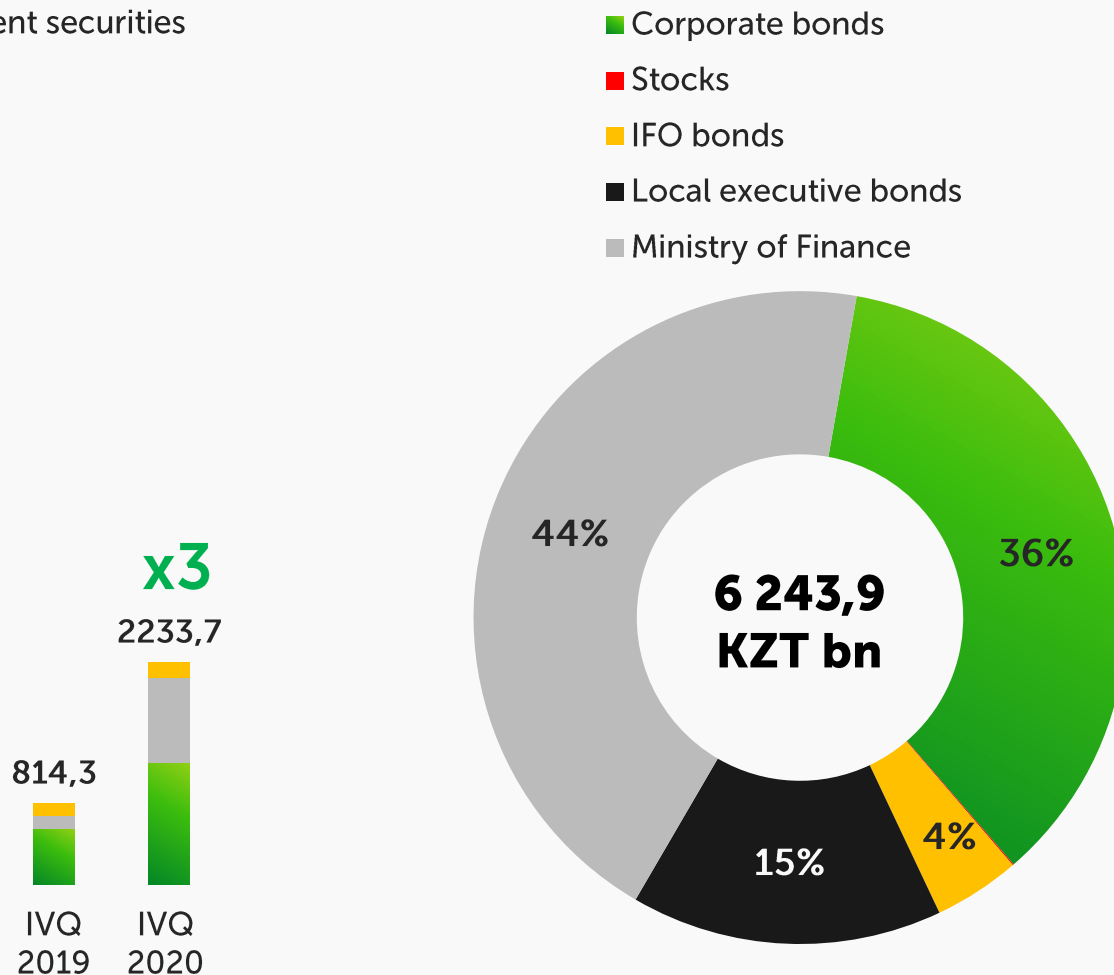
# Capital Raising Market in 2020

## +59 % of volume in the primary market

Trading volume on the primary market, KZT bn



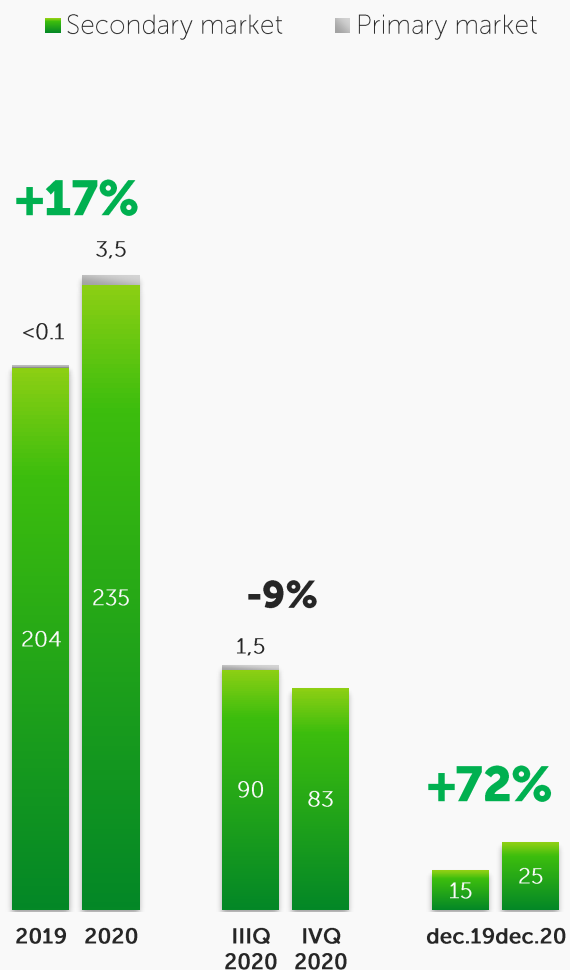
Primary market structure, KZT bn



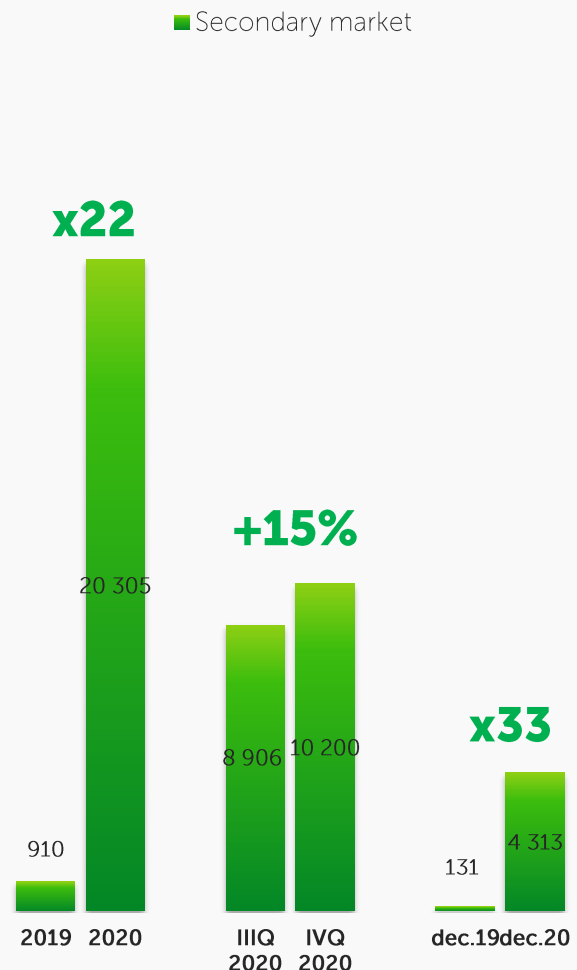
Source: KASE

# Equity market trends

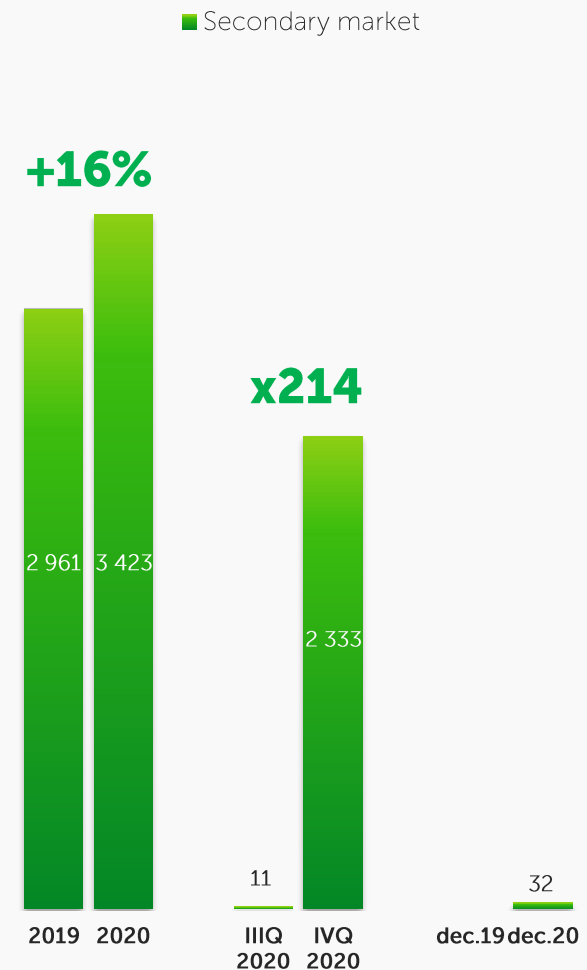
Volume of transactions on the stock market, KZT bn



Volume of transactions in securities of investment funds, KZT mln



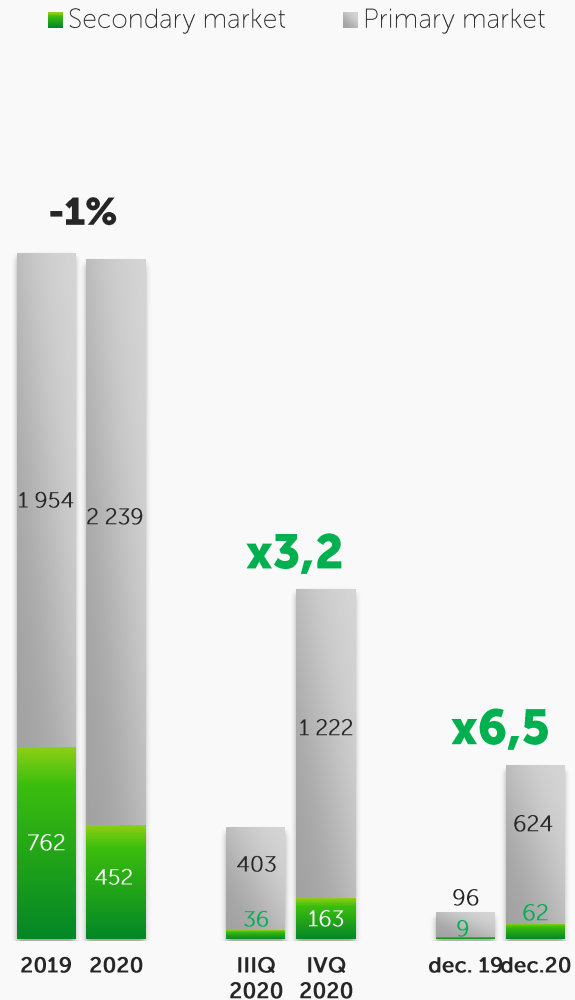
Volume of transactions in derivative securities, KZT mln



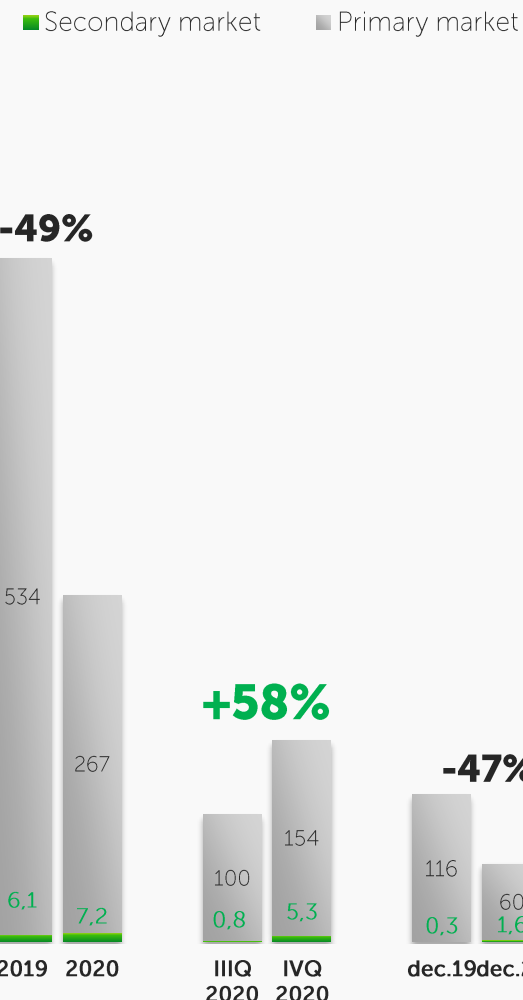
Source: KASE

# Debt market trends

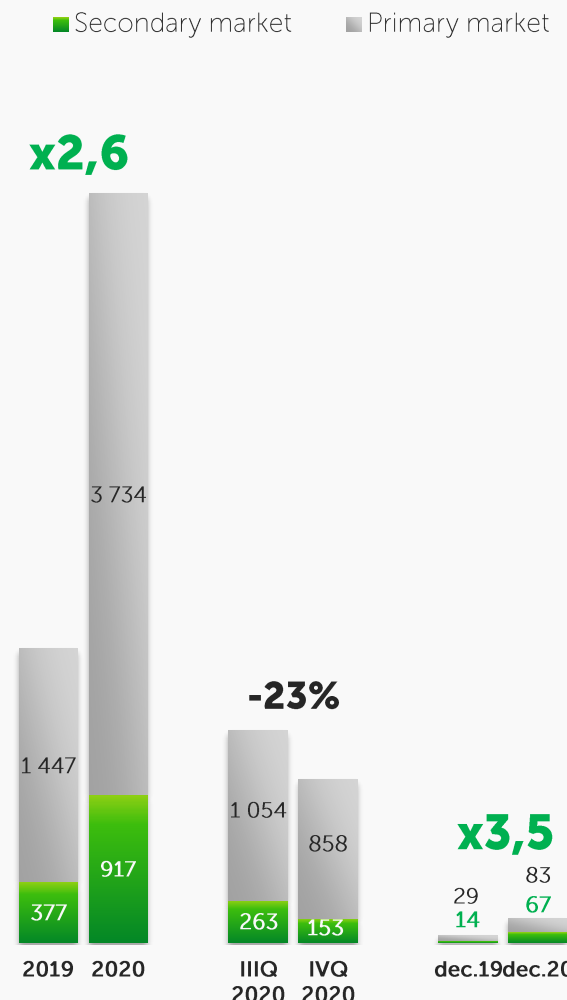
Volume of transactions on the Corporate bonds market, KZT bn



Volume of transactions on the IFO bonds market, KZT bn



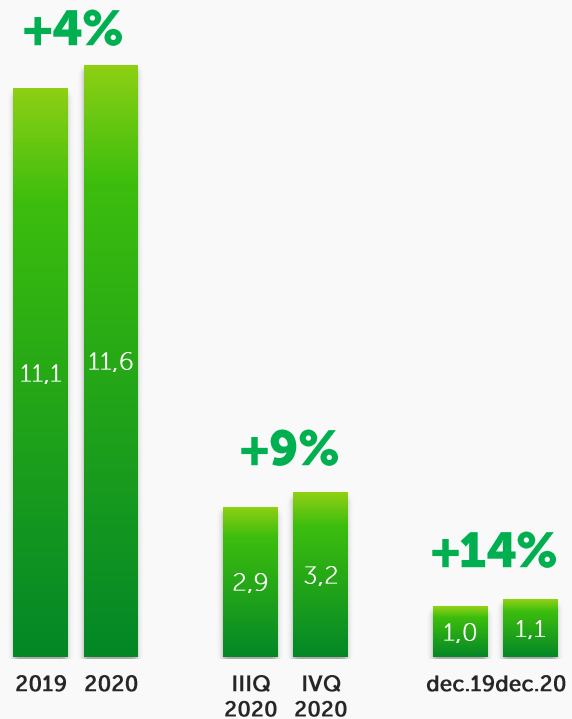
Volume of transactions on the Government Securities market, KZT bn



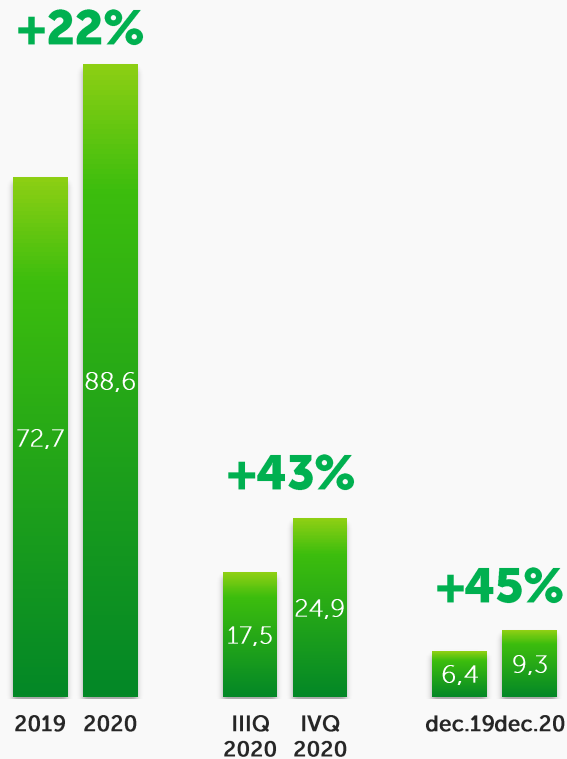
Source: KASE

# Money and foreign currency market trends

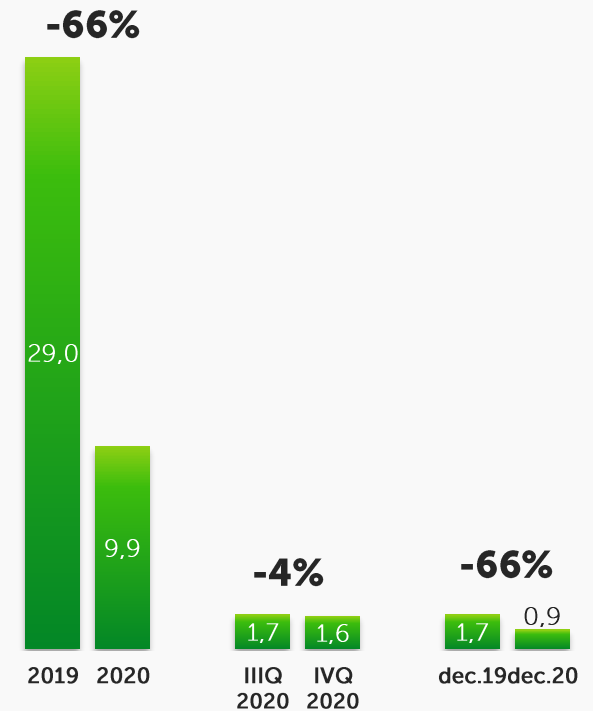
Volume of transactions in the foreign currency market, KZT bn



Volume of transactions in the repo transactions market, KZT bn



Volume of currency swap transactions, KZT bn



Source: KASE



# KASE Market

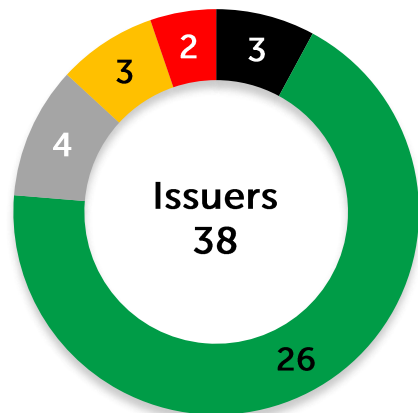
1 124 instruments, including 791 securities issues

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		<b>Autorepo</b>	EURUSD	
Dual listing	National Bank Notes		Stocks		
GDR	Foreign Government Securities		Bonds		
	Corporate bonds		State securities basket		
	IFO bonds				
<b>146</b>	<b>629</b>	<b>16</b>	<b>311</b>	<b>16</b>	<b>6</b>
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

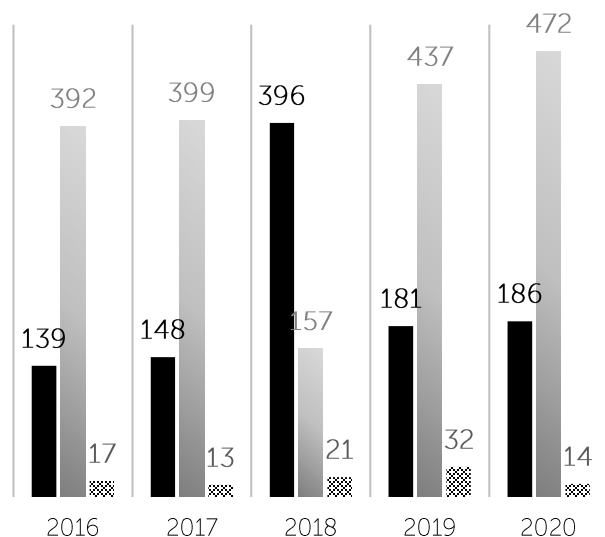
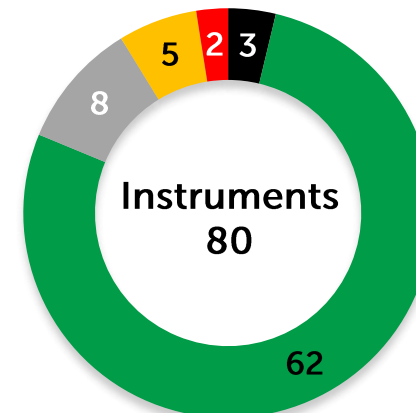
Note: the numbers indicate the number of instruments in the KASE trade list as of January 1, 2021

# KASE official list structure

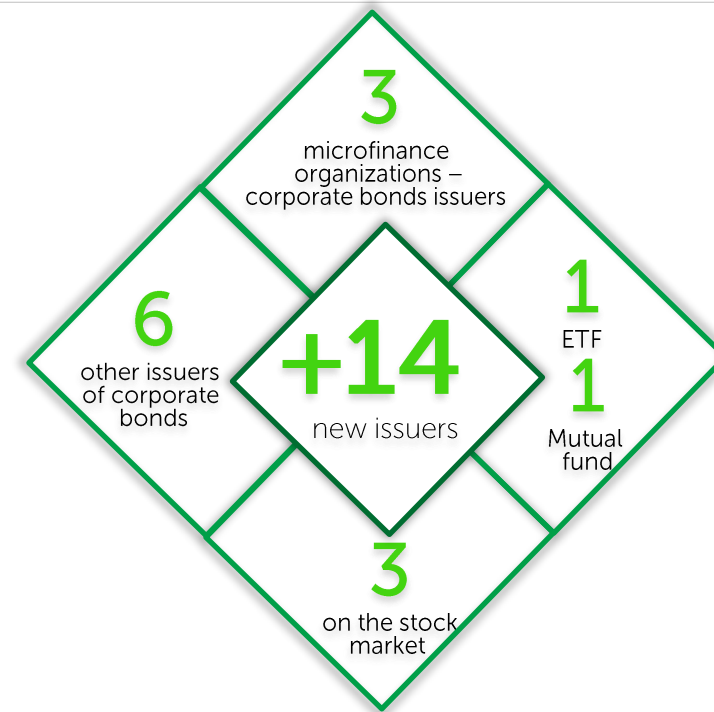
Structure of issuers and instruments included in the official list in 2020



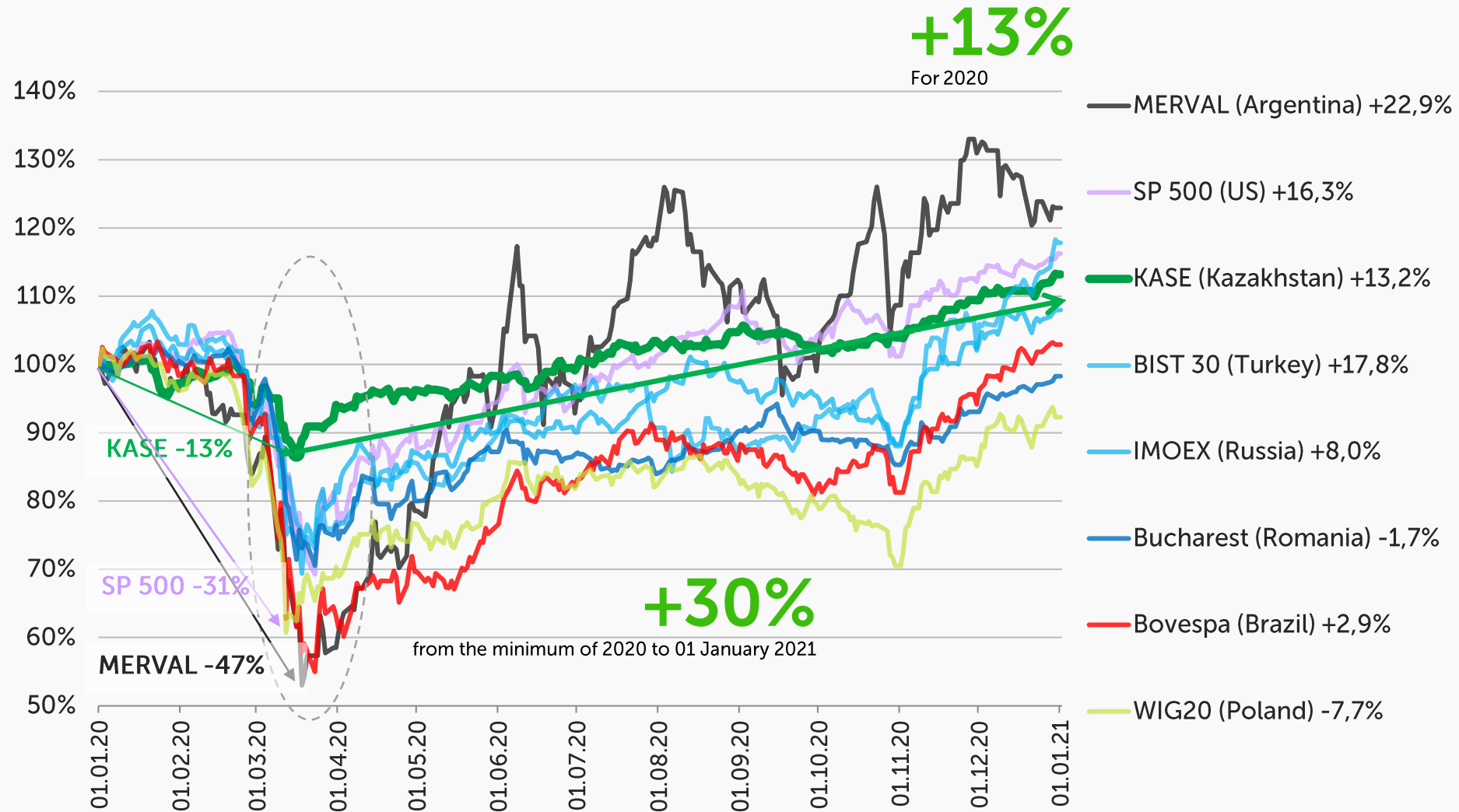
- Equities
- Corporate bonds
- IFI bonds
- Investment Funds
- GDR



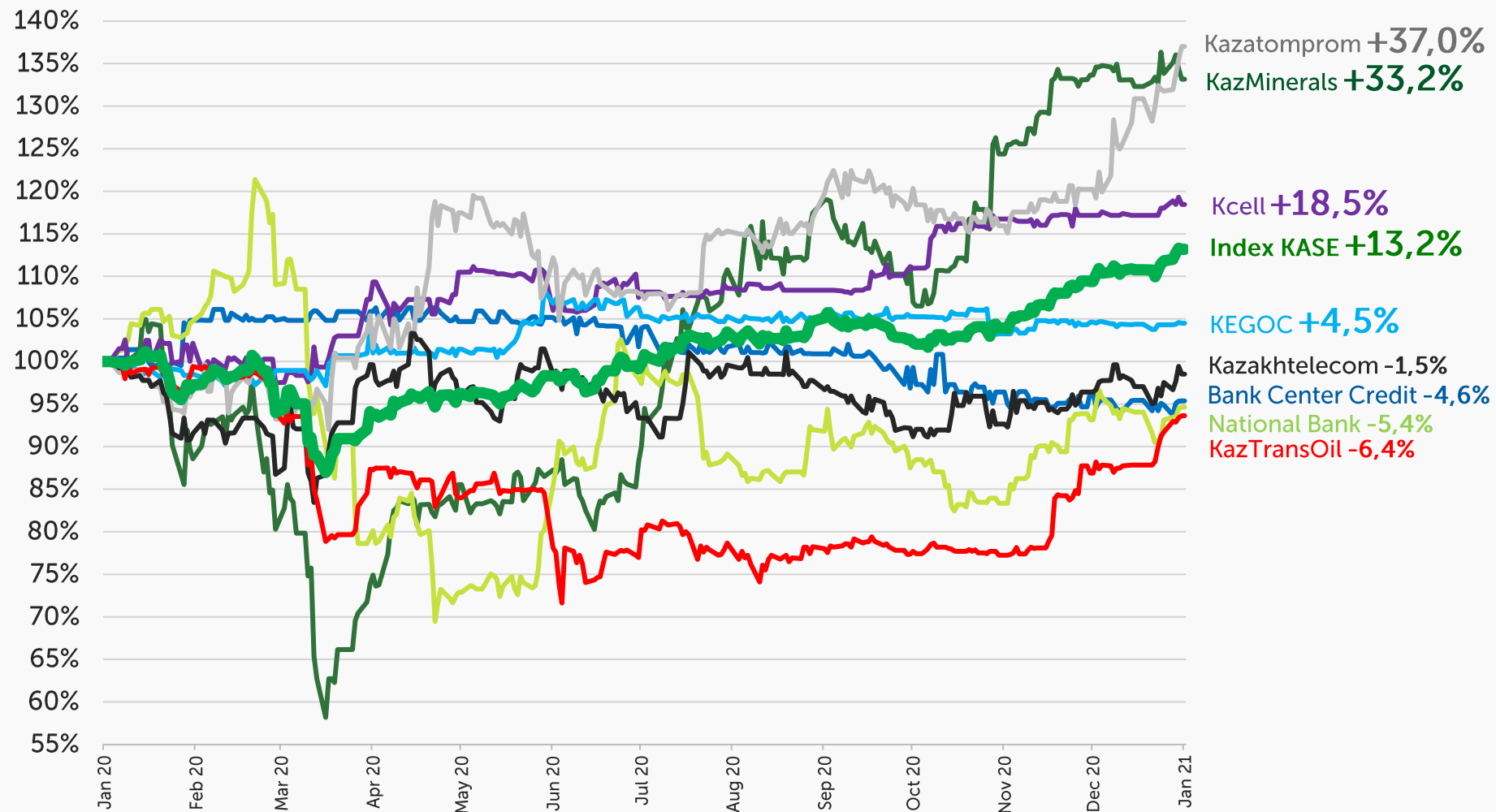
- Issuers
- Issuances
- ▨ New issuers



# KASE Index dynamics



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



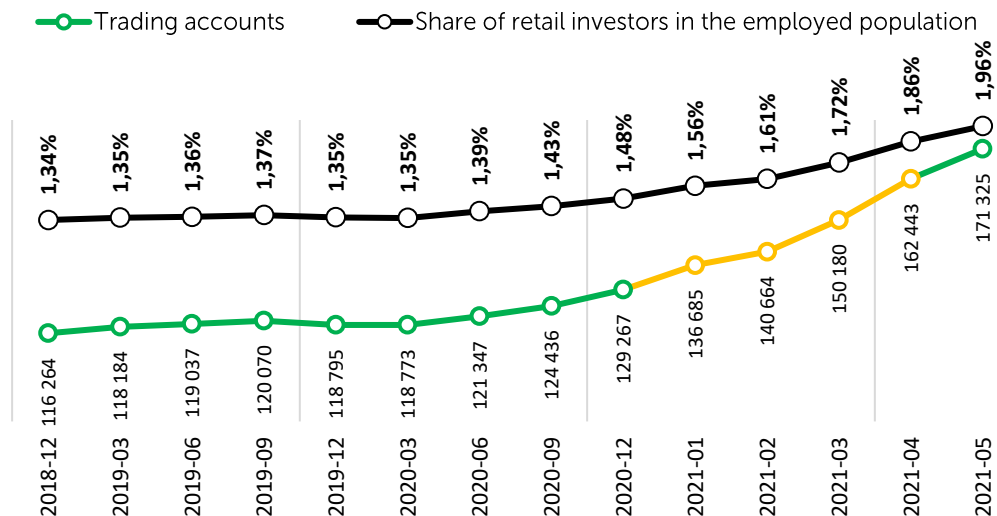
data from the beginning of 2020 to 01 January 2021

Source: Bloomberg

# Growth in the number of retail investors

Number of retail accounts of individuals in CSD

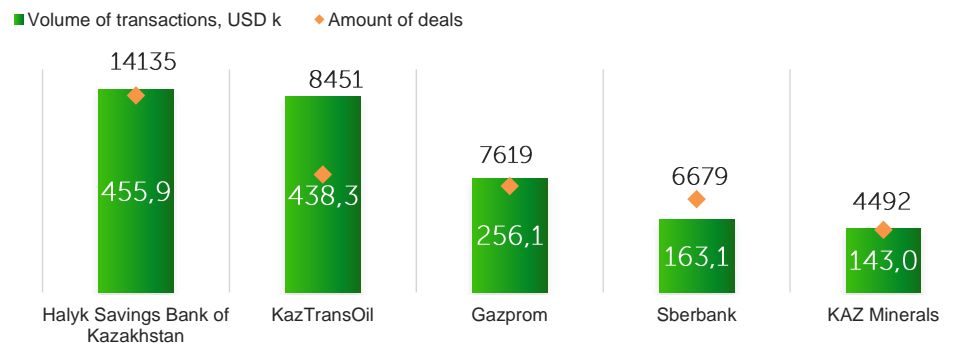
data at the beginning of the month



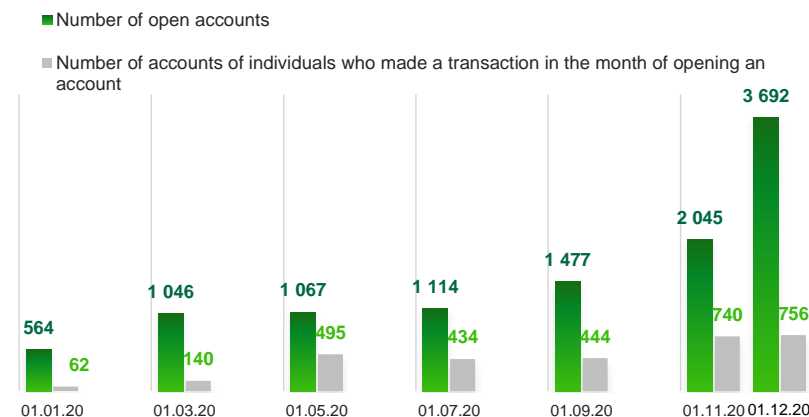
**+17 000**  
new accounts for 2020

**≈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

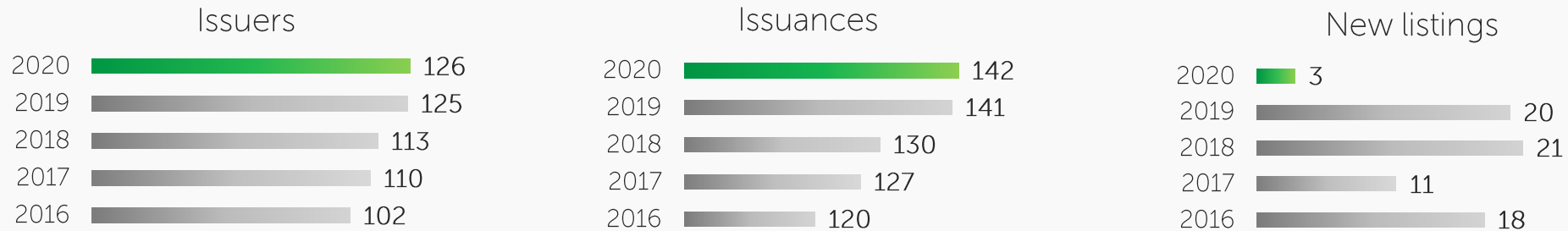


Source: KASE, Central Securities Depository of Kazakhstan

# Equities

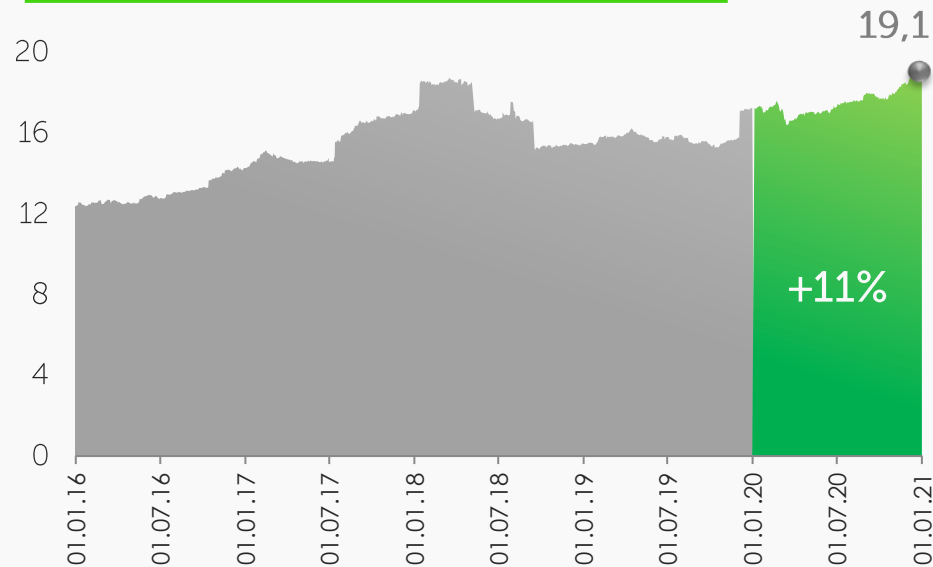
## +11% of Equities Market Capitalization

### 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

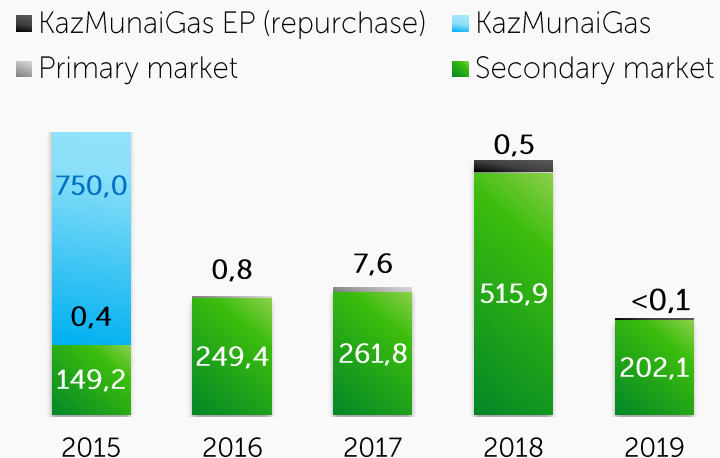
# Equities

## +17% of trading volume

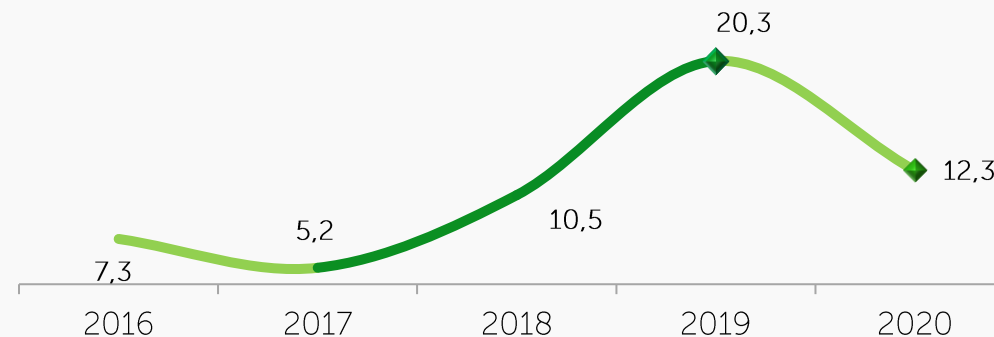
### Key Facts and Numbers

- + 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

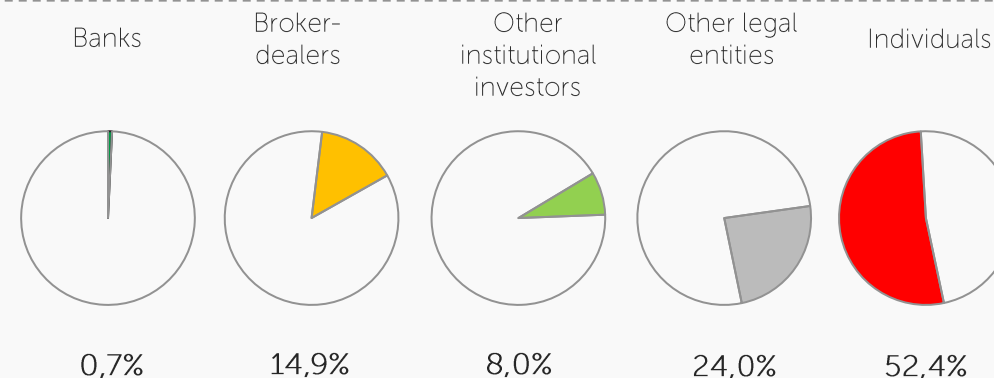


### Non-residents in the gross turnover, %



\* of the total gross turnover of trading in shares

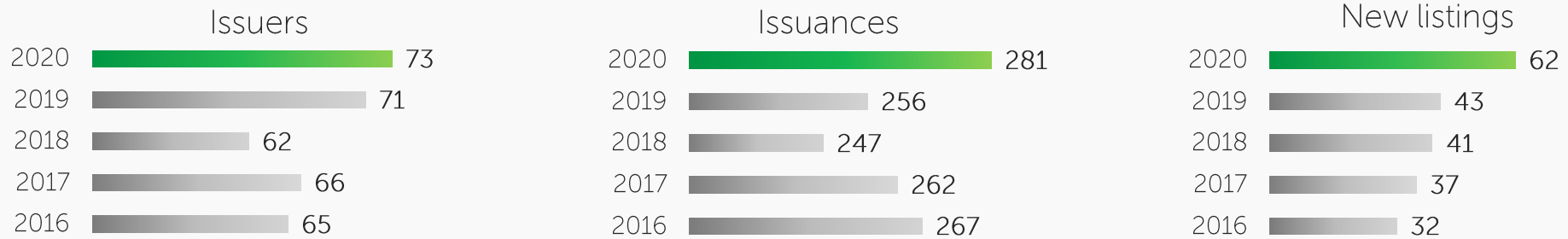
### Investor structure



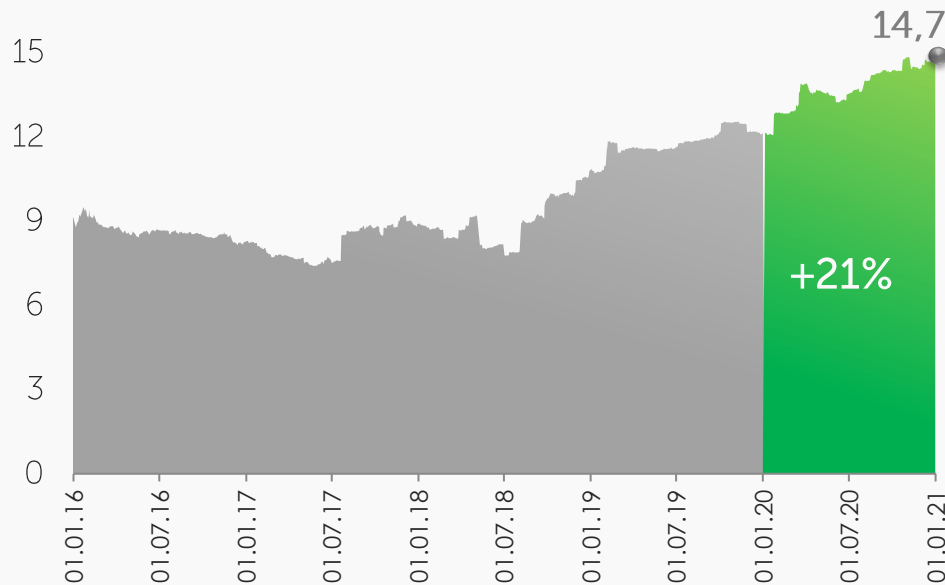
# Corporate bonds

## +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



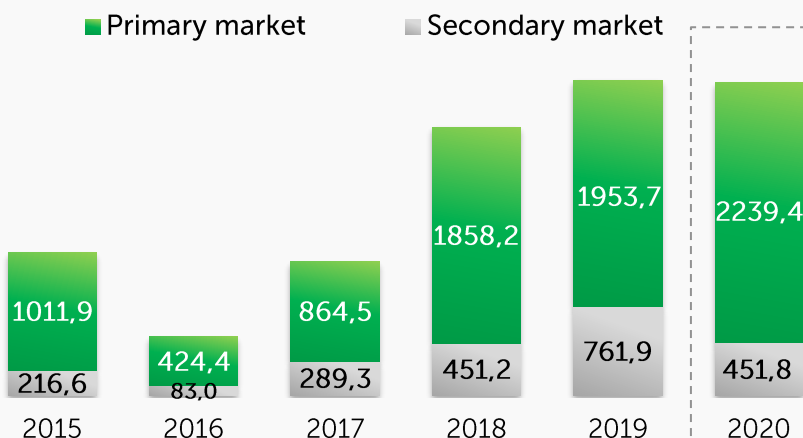
# Corporate bonds

## +64% of active accounts

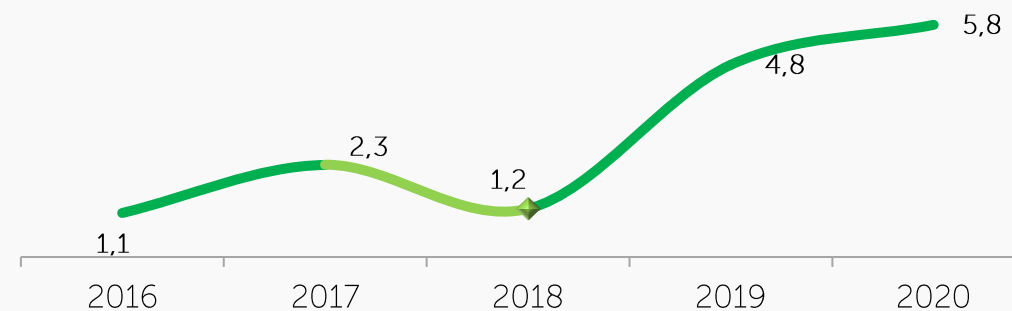
### Key Facts and Numbers

- + 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

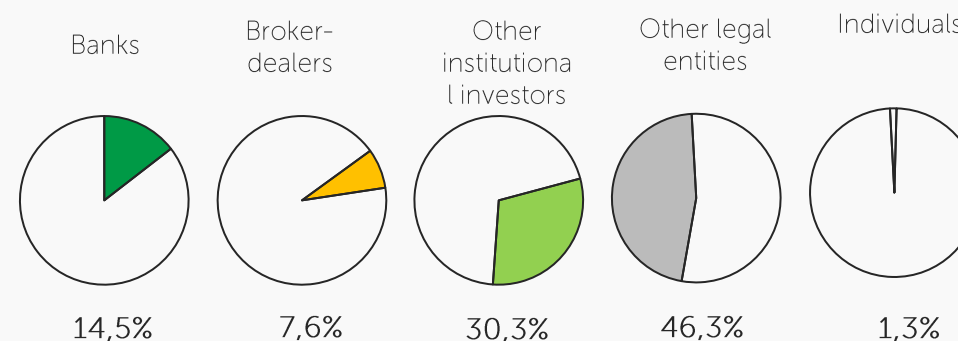


### Non-residents' share in the gross turnover, %



\* of the total gross turnover of trading in corporate bonds

### Investor structure



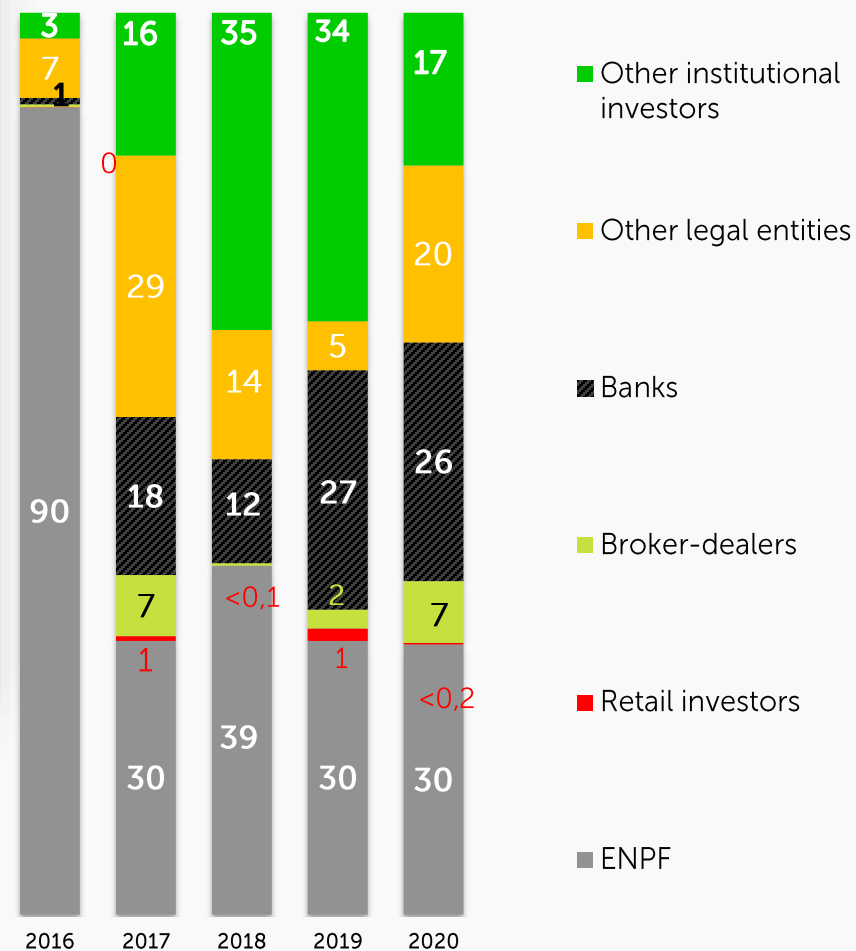
# Investors in the corporate bond market

	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

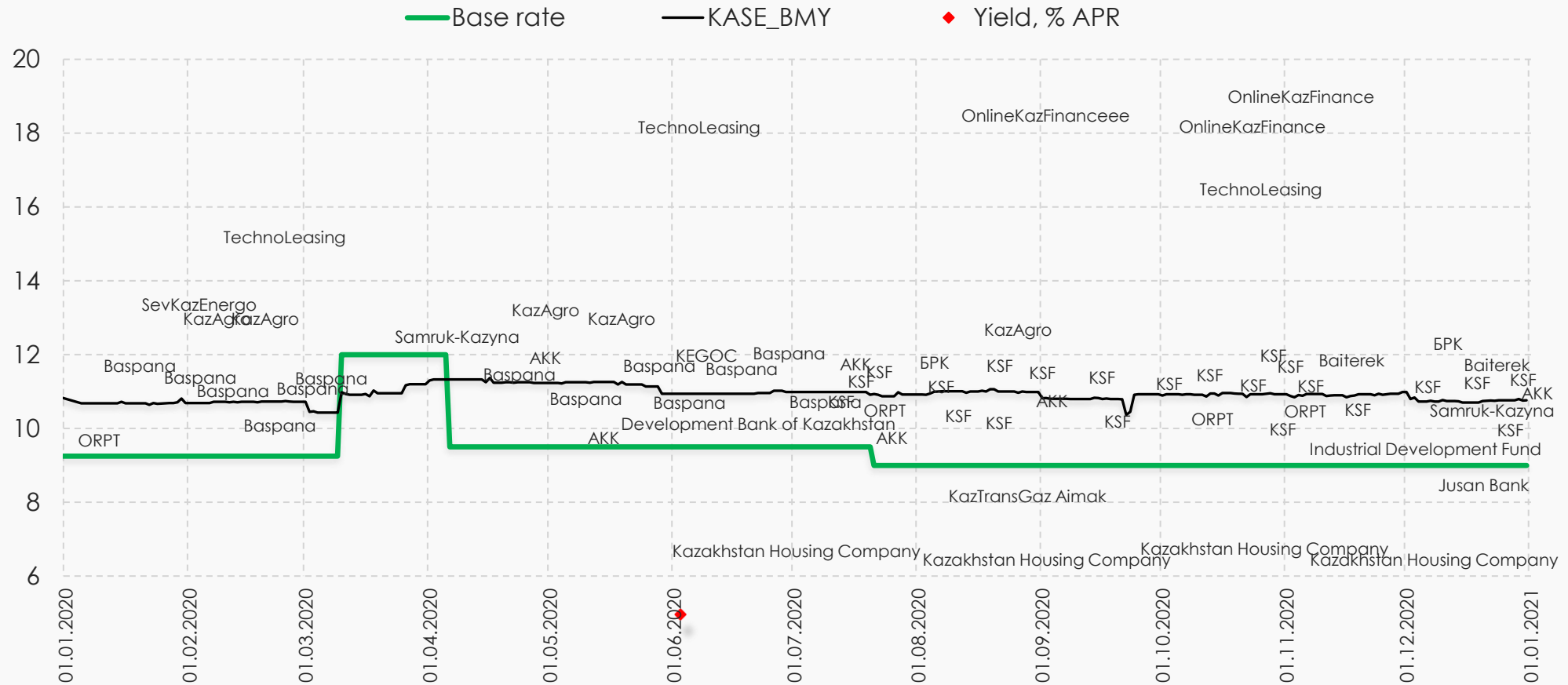
Source: KASE

Shares of the main investor categories, %\*



# Yield of corporate bonds at offering

## Market offerings 2020



# 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.



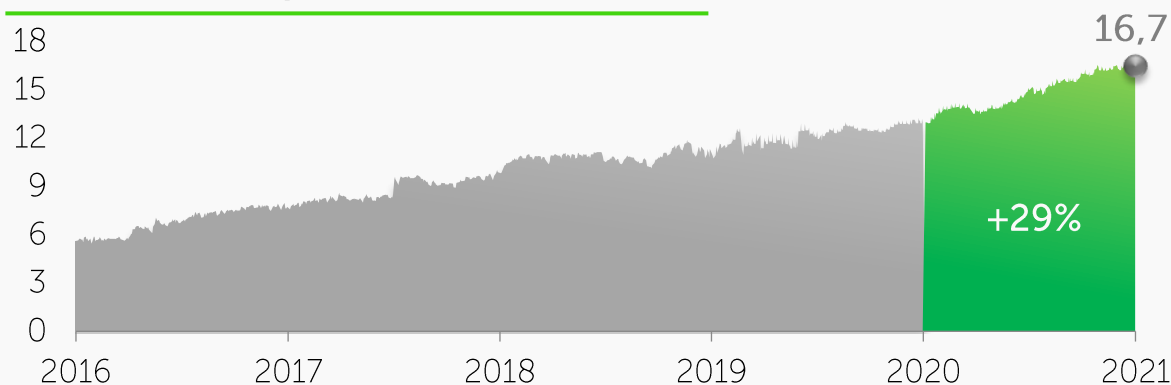
SevKazEnergo JSC

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

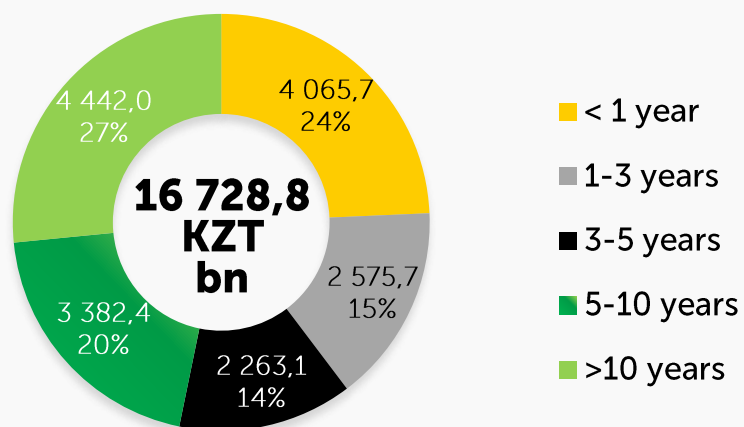
# Government Securities Market

**+29% of public debt**

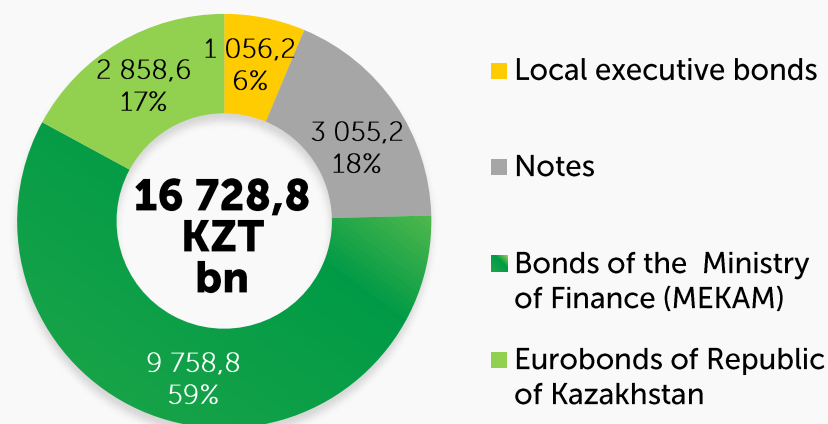
**Amount of government debt (at face value) traded on KASE, KZT trln**



**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

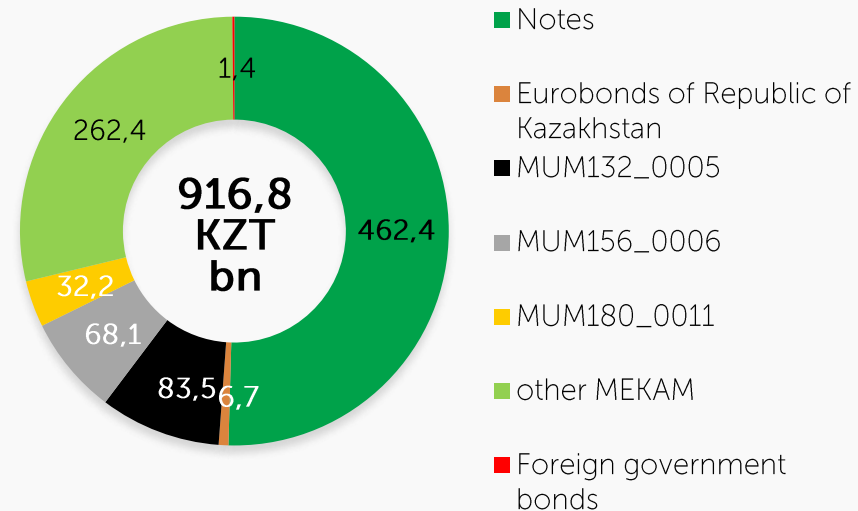
# Government Securities Market

## x2,6 of Trading Volume

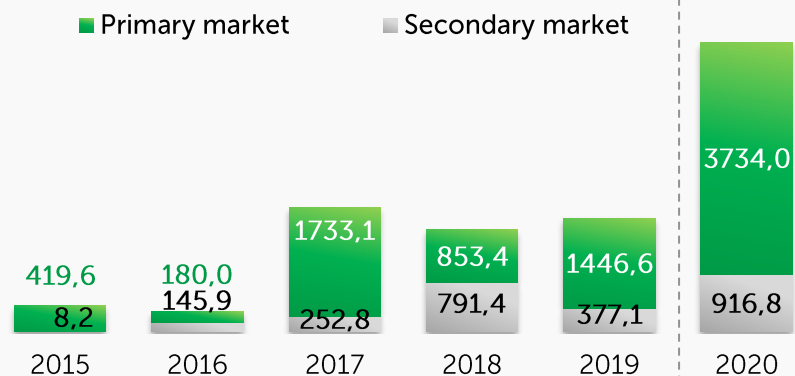
### Key Facts and Numbers

- + 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

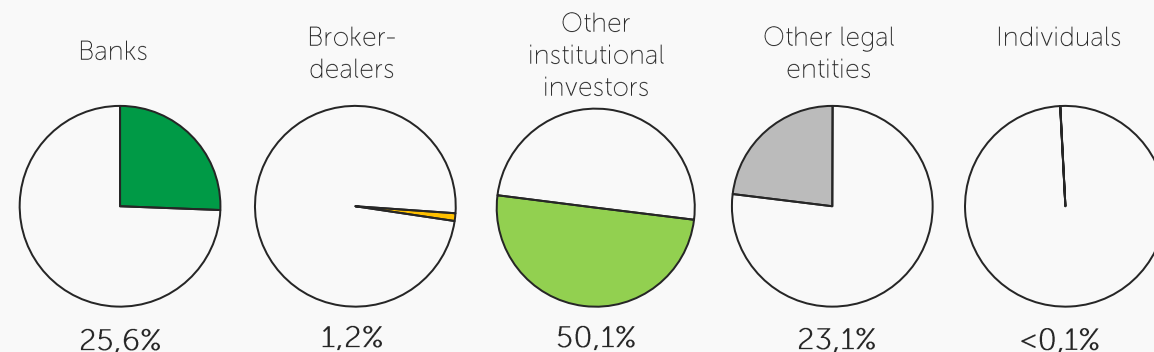
### Instrumental structure of the GS secondary market at KASE



### Trading Volume, KZT bn

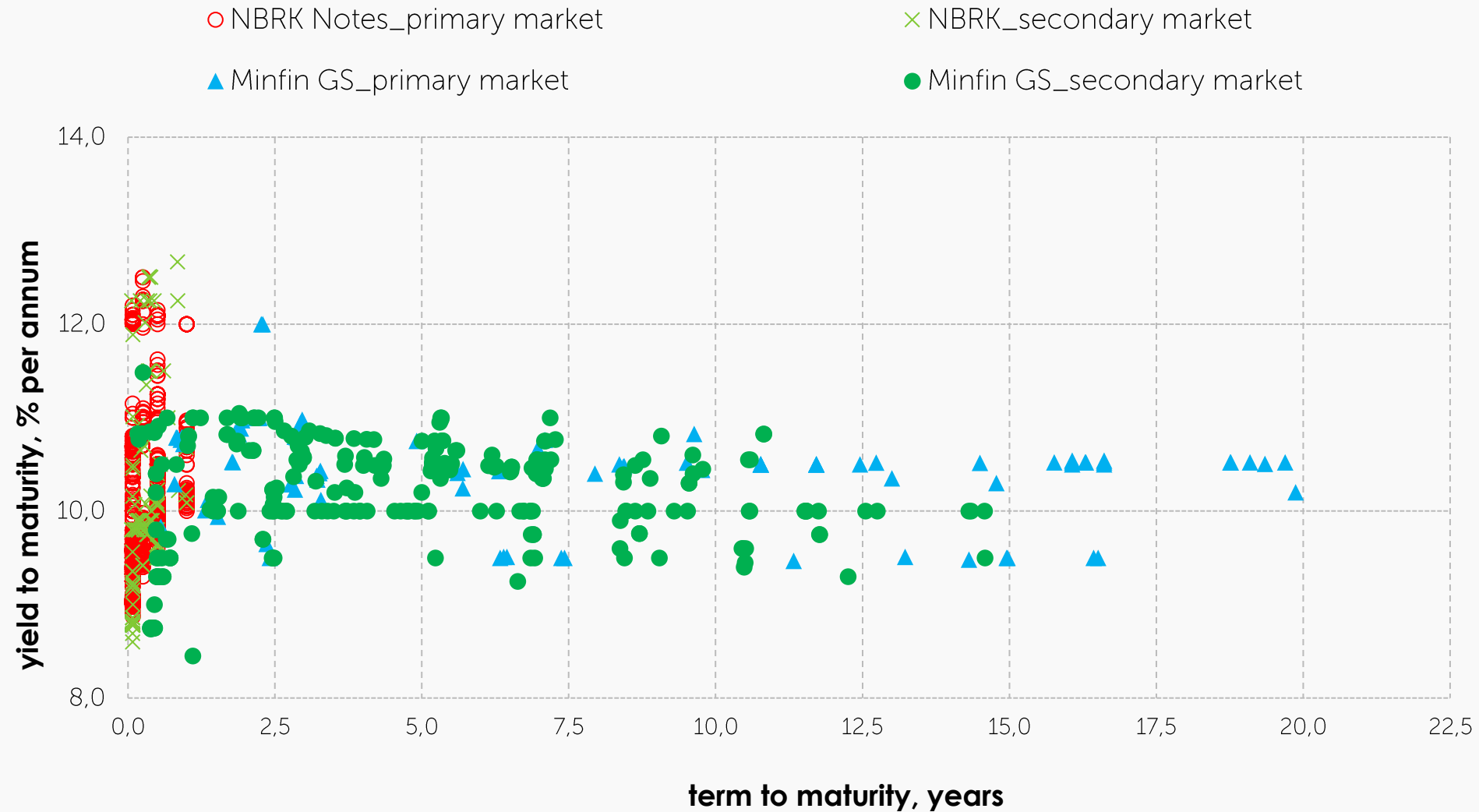


### Investor structure



\* 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

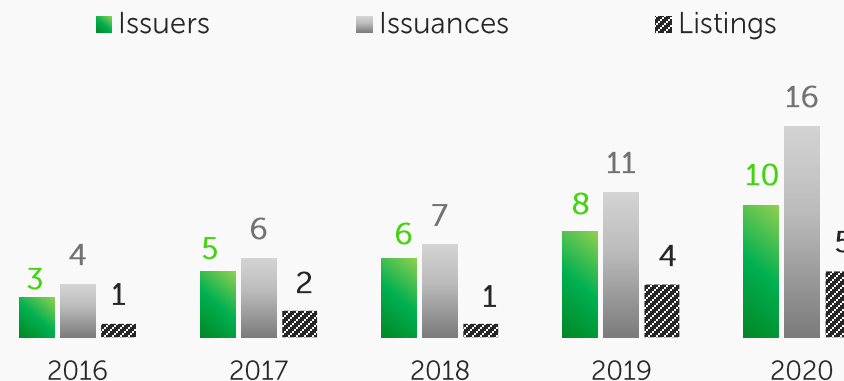
### Key Facts and Numbers

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

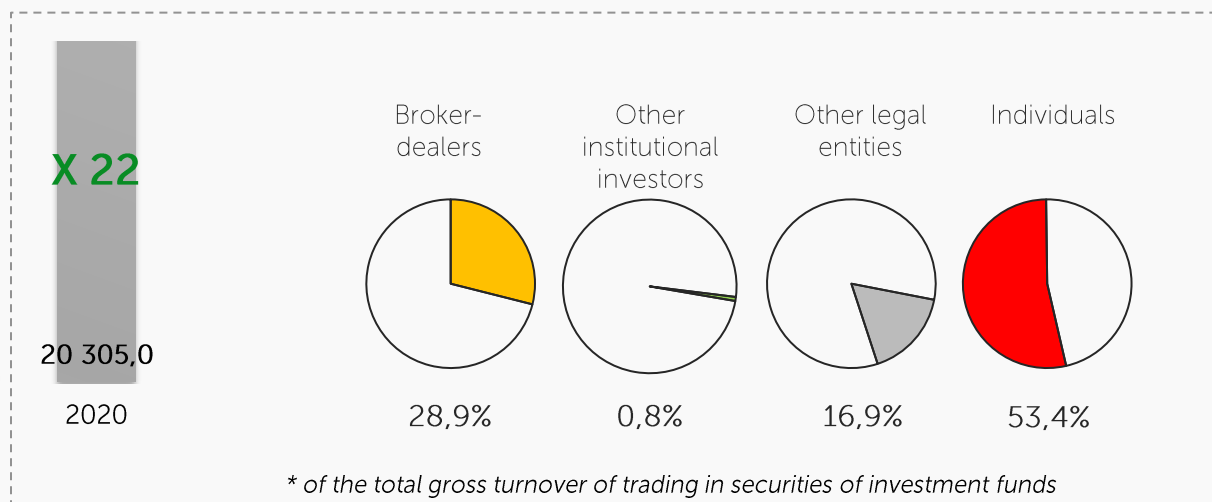
### Trading Volume, KZT mln



### Динамика списка



### Investor structure

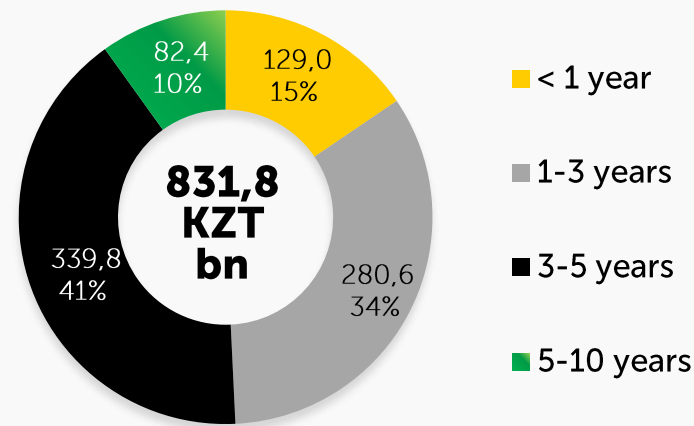


# IFI bonds

## Key Facts and Numbers

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

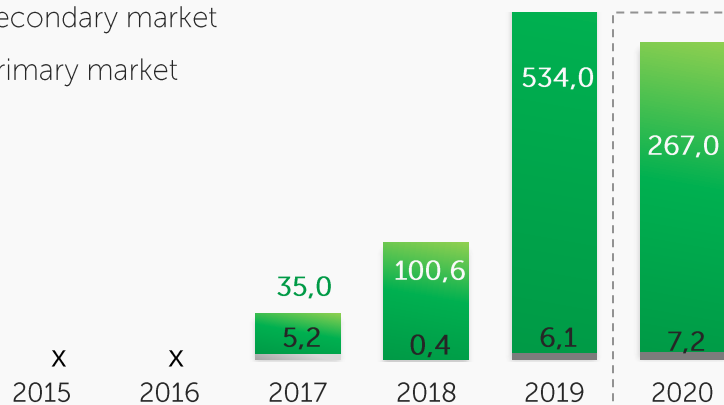
## Structure of the IFI debt in circulation by maturity date



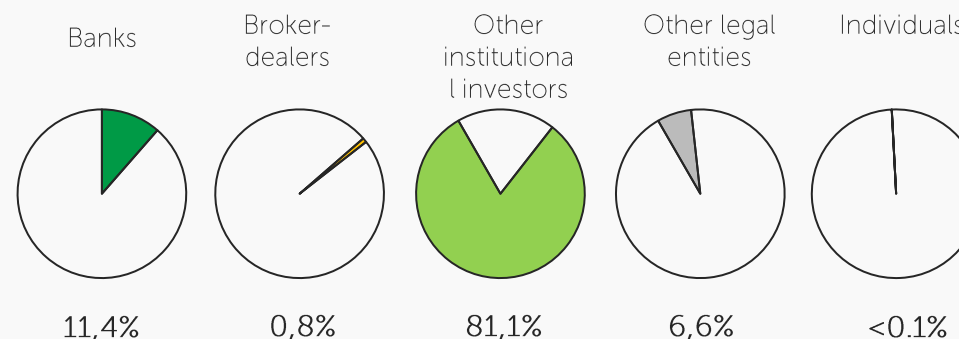
\*as at January 1, 2021

## Trading Volume, KZT bn

- Secondary market
- Primary market



## Investor structure



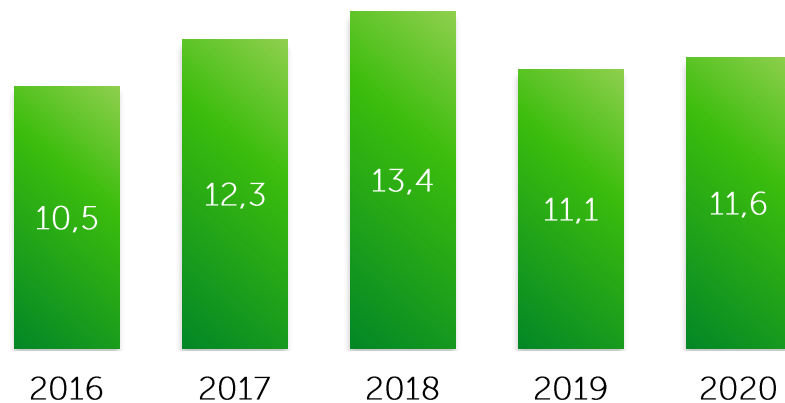
\* of the total gross turnover of trading in IFI bonds

# Foreign Currency

## Key Facts and Numbers

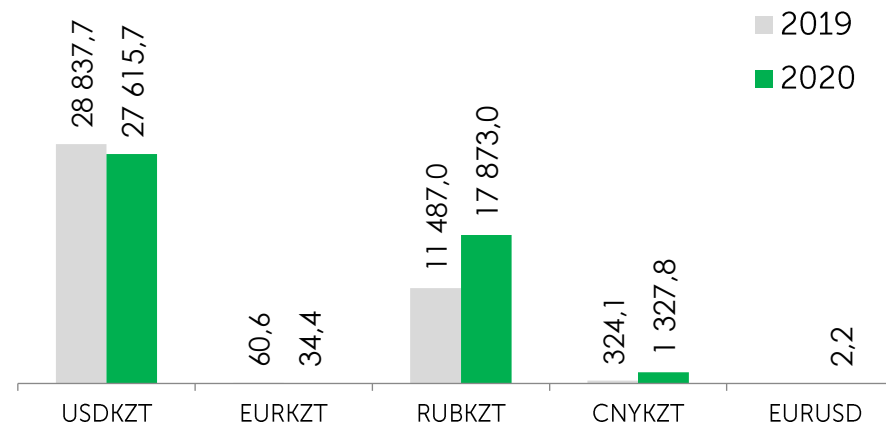
- + 5 currency pairs : USDKZT, RUBKZT, CNYKZT, EURKZT, EURUSD
- + average daily volume of deals in 2020 – **47,2 KZT bn**
- + average daily number of deals in 2020 – **397**
- + Average volume of one deal in 2020 – **118,9 KZT mln**
- + settlement scheme **T+0, T+1, T+2**

## Trading volume on spot market, KZT trln

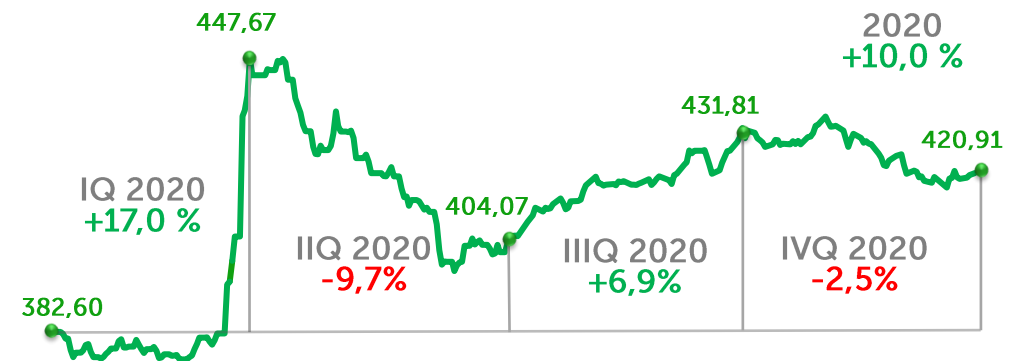


Source: KASE

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



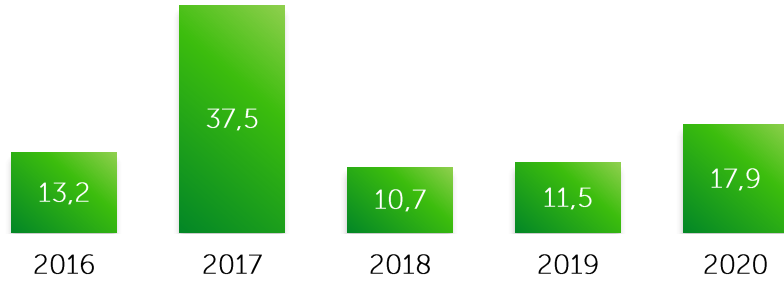
## Dynamics of USD/KZT exchange rate, KZT per unit of currency



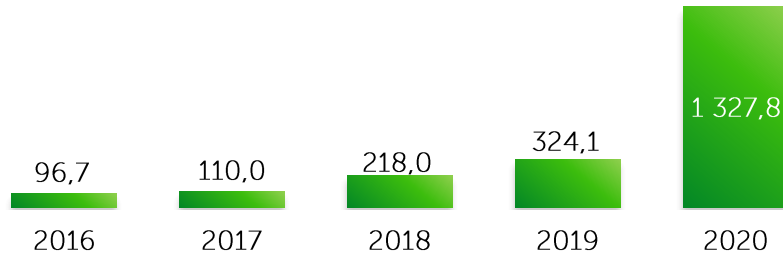
Note: USD/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

# Foreign Currency

Trading amount, RUB mln



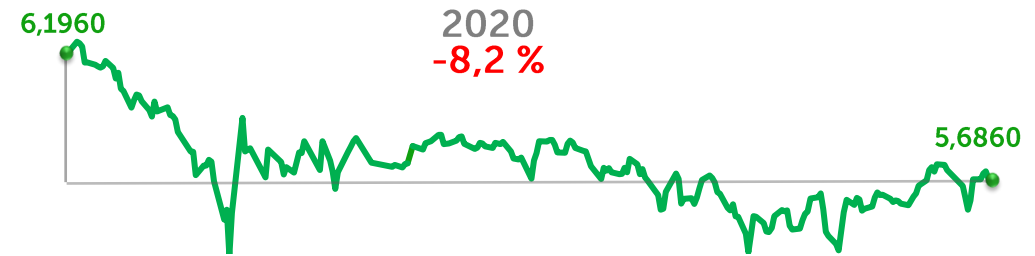
Trading amount, CNY mln



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

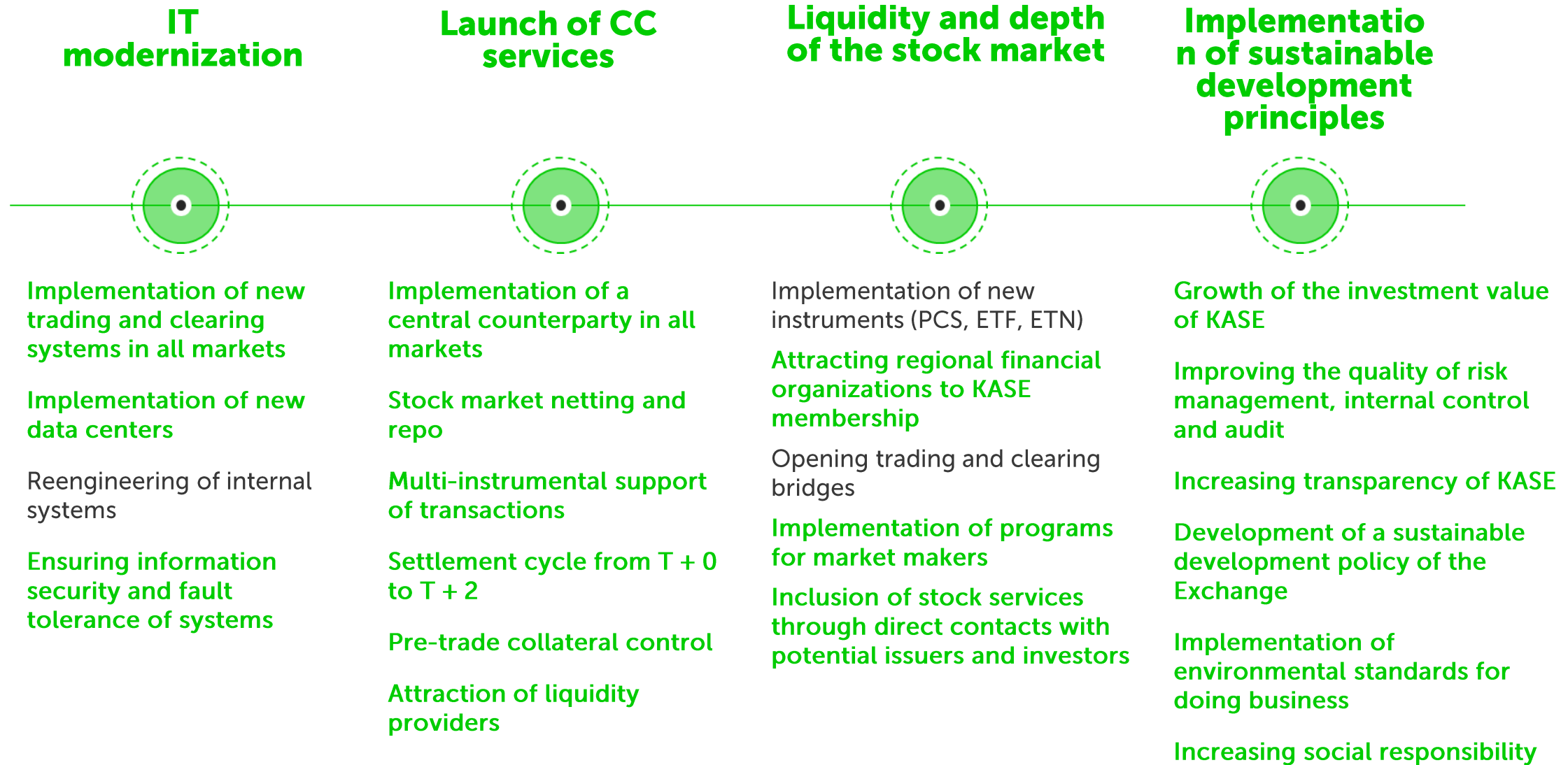
# Contents

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▶ **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*

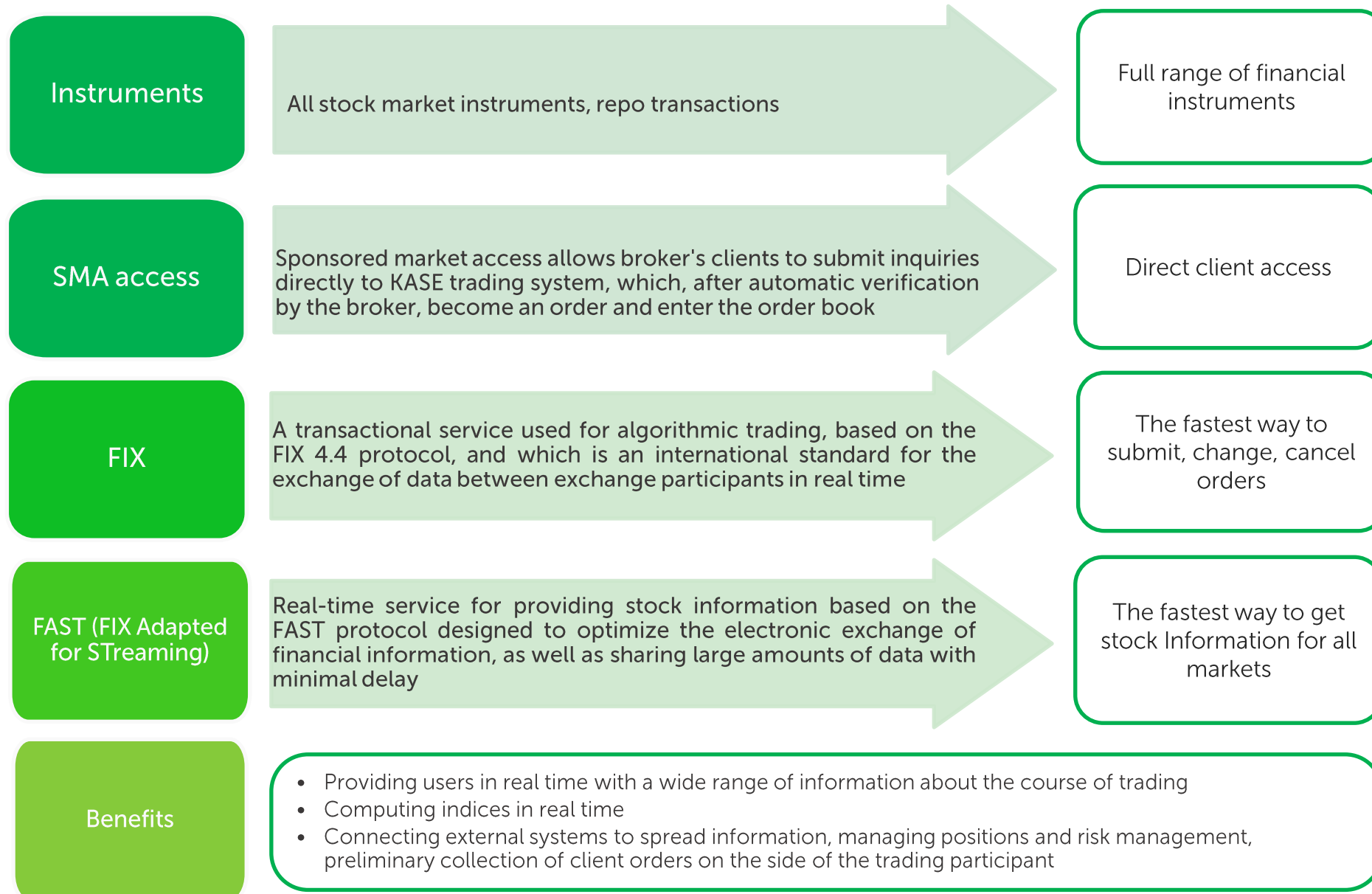
## Migration to new systems

- 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*

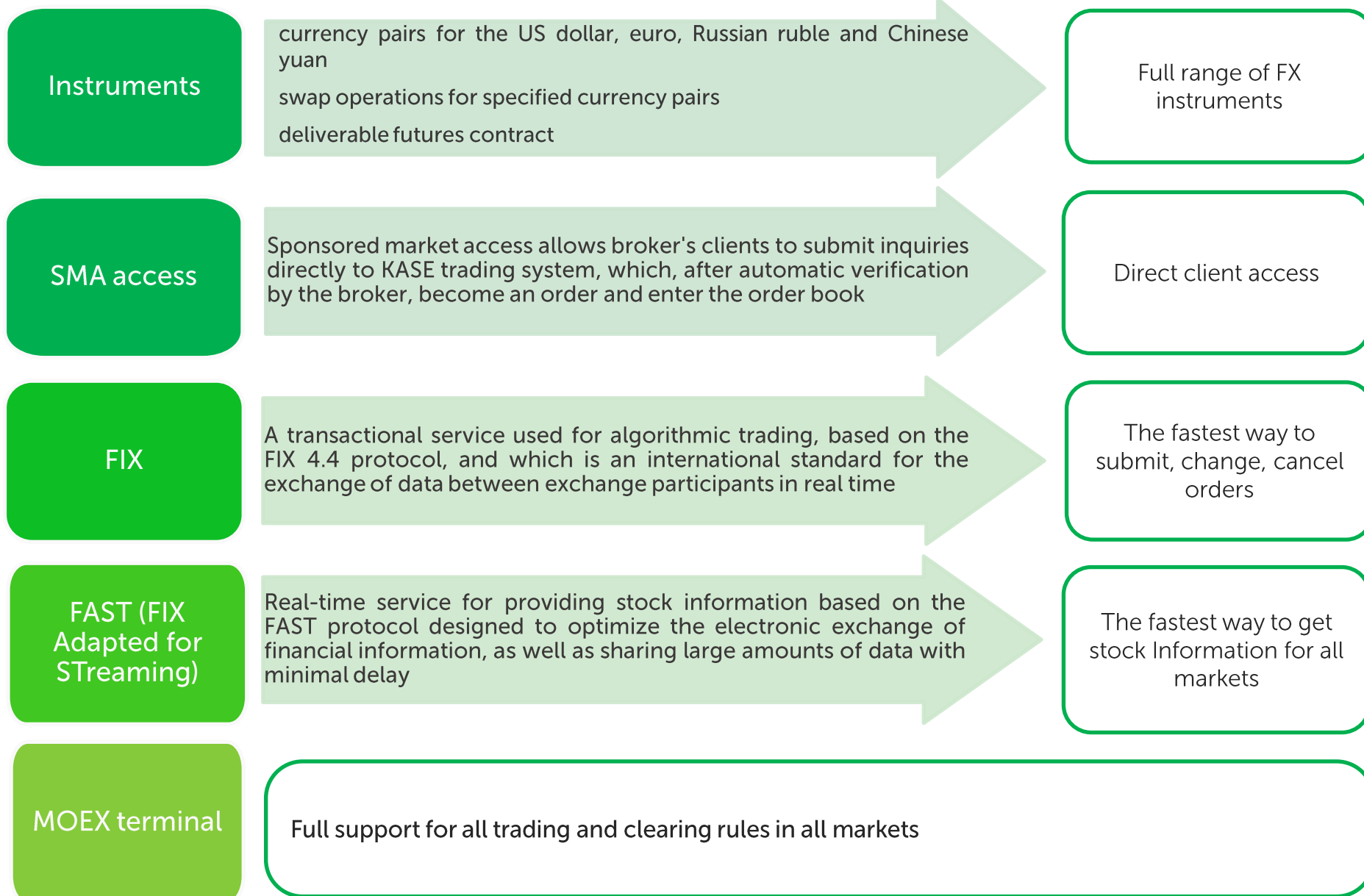




# ASTS+ was introduced in the stock market



# 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*

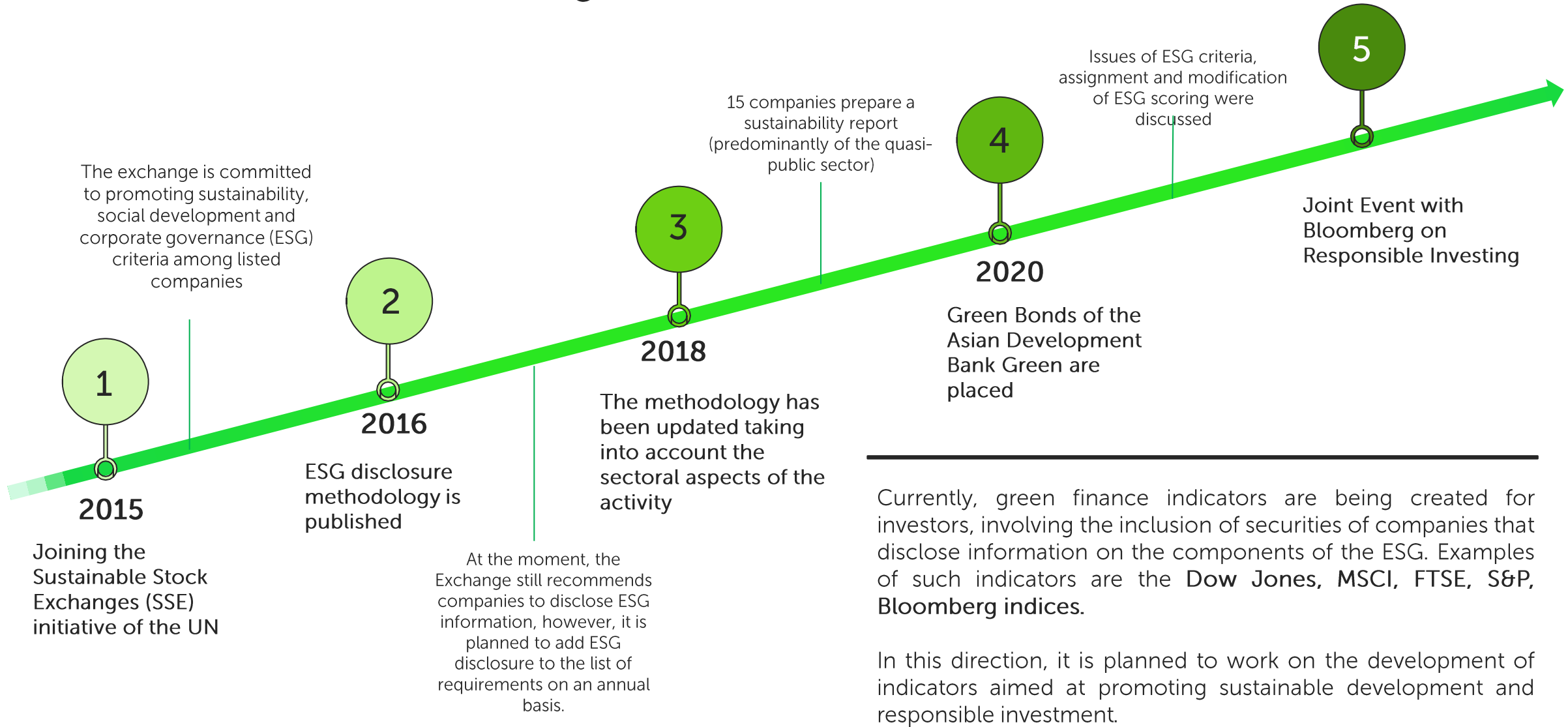


*The volume of trades in the GS secondary market grew 2.4 times*

## 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



## 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

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



## **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

 <b>1 Place</b>	<b>37,82</b>
 <b>2 Place</b>	<b>37,82 %</b>
 <b>3 Place</b>	<b>32,37</b>



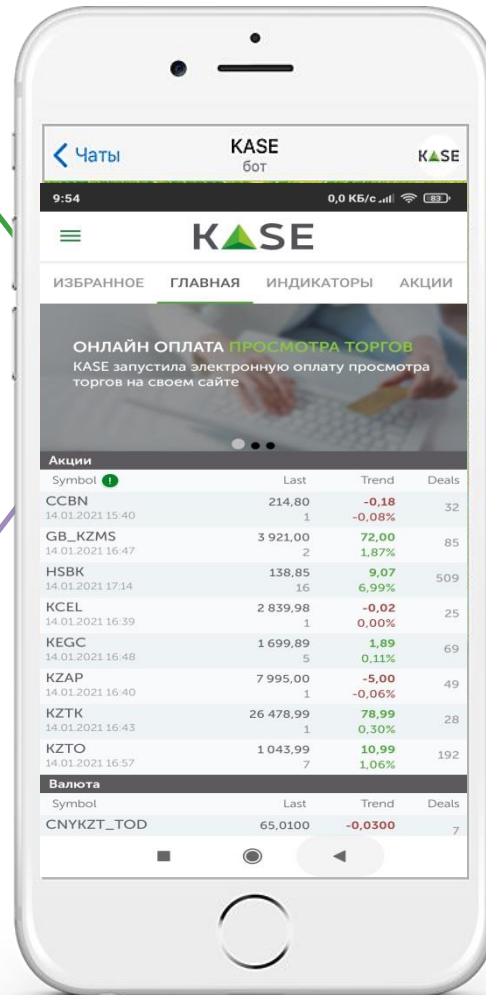
# KASE Mobile

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

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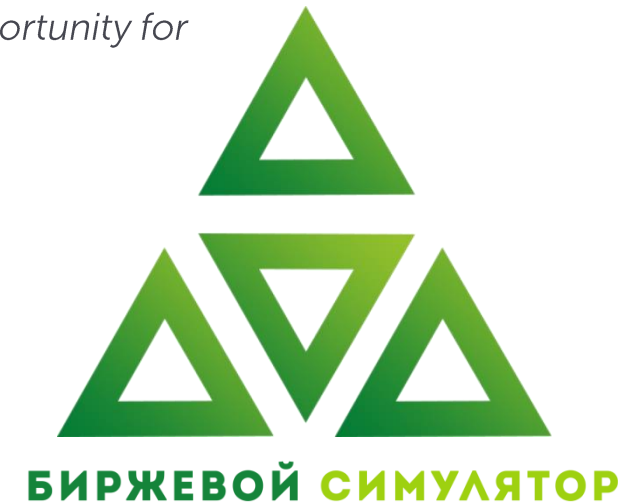
**10**  
**winners**

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## 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



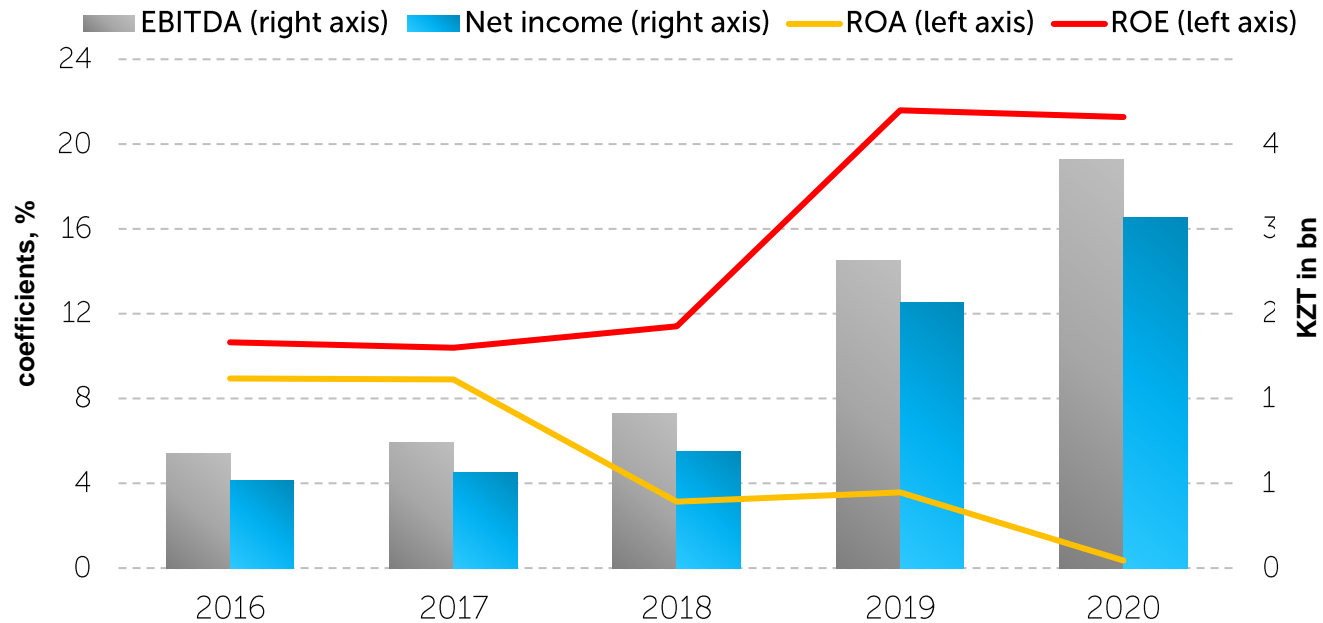
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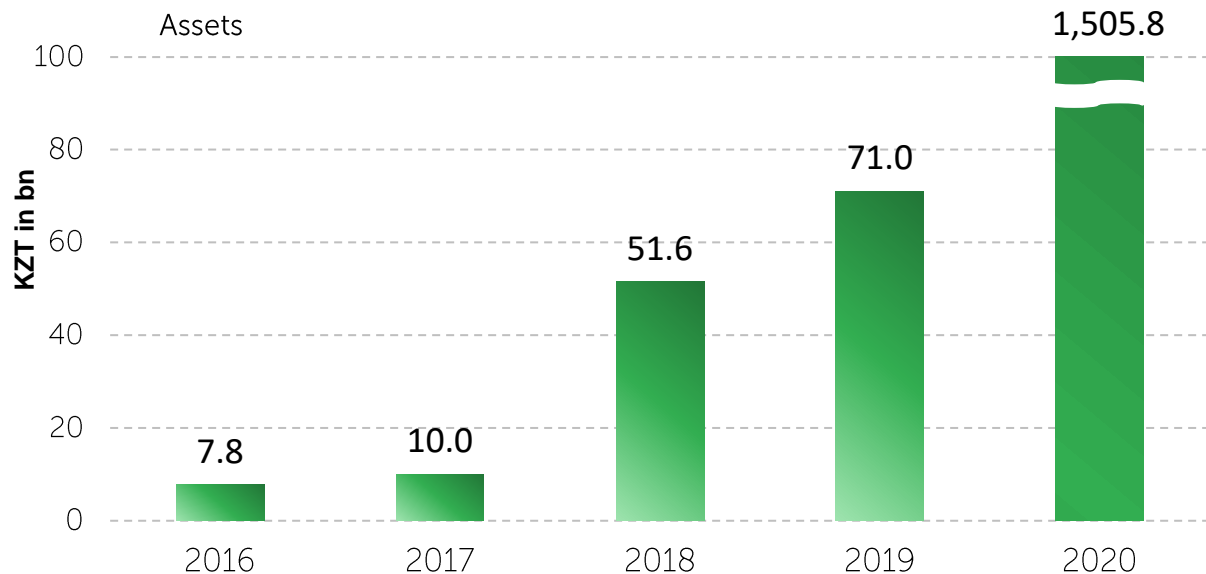
▶ **03** | Financial results

# Key Indicators



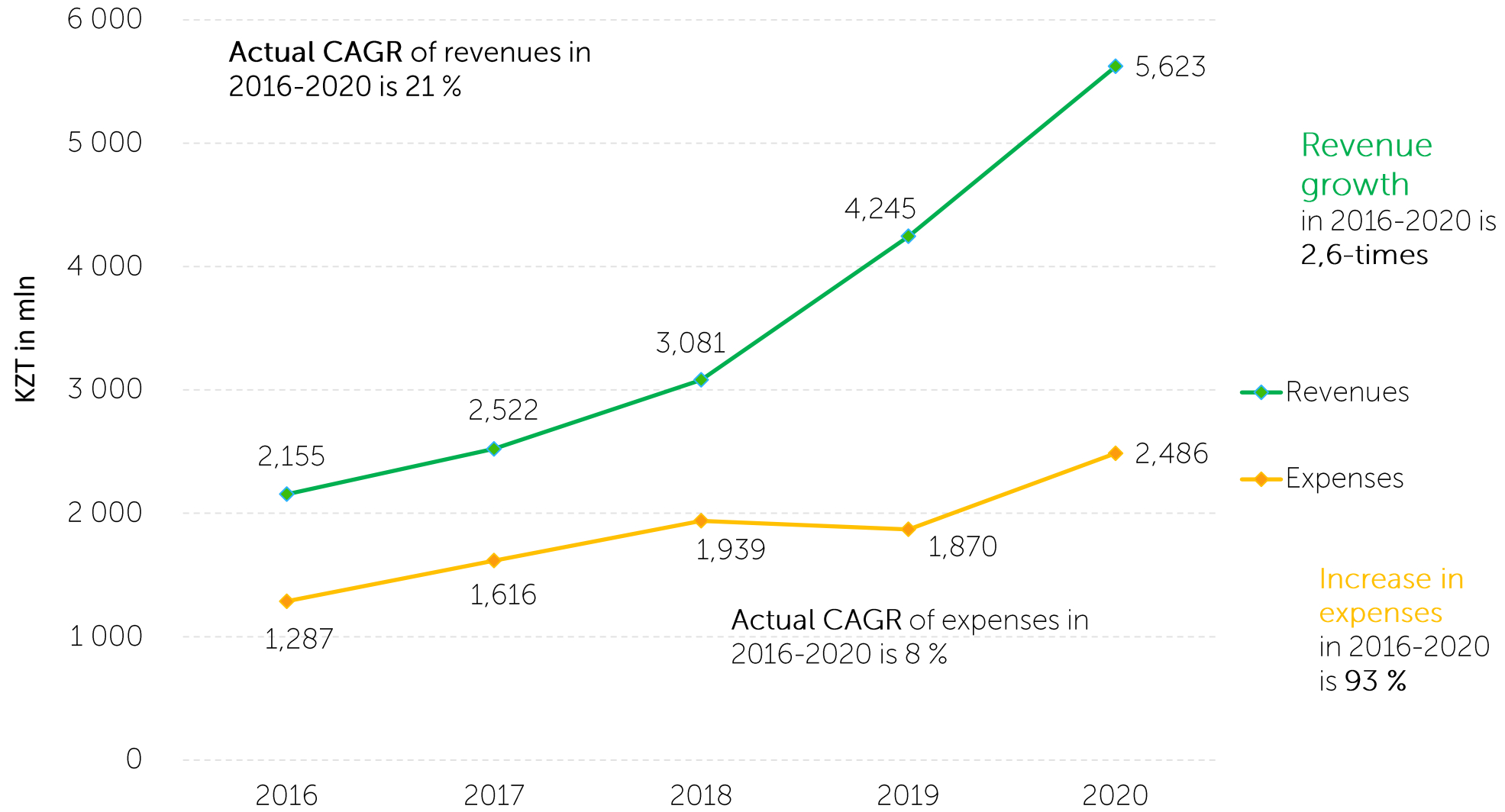
KASE's **net profit** for 2020 amounted to **KZT2,893.5 mln**, which is by 32.0 % higher than the last year results.

The Exchange's **assets** amounted to **KZT1,505.8 bn**, an increase of **21.2-times (KZT1,434.8 bn)** compared to the last year indicator.



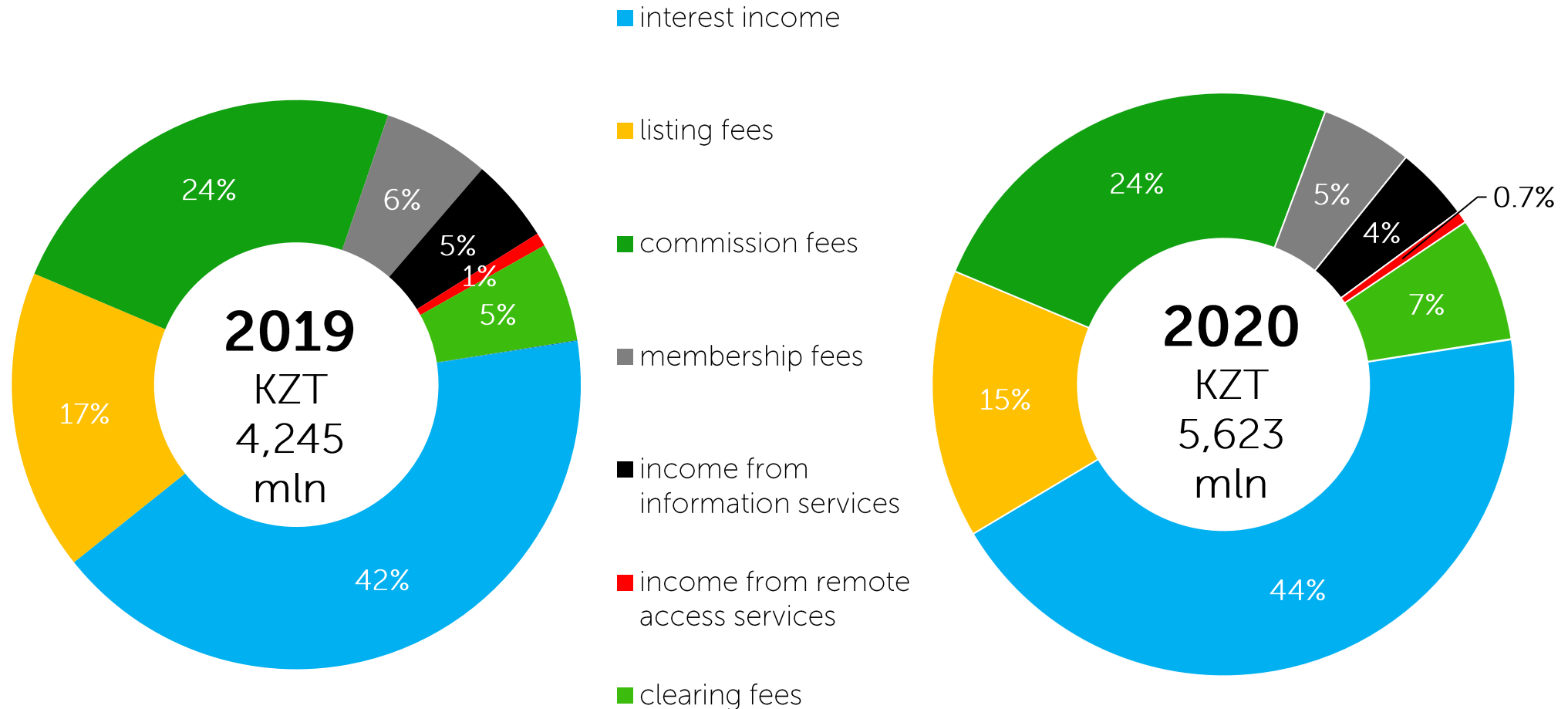
The significant growth in assets is due to the fact that Exchange **performs the functions of a central counterparty** in all exchange markets.

# Revenue and Expenditure Dynamics



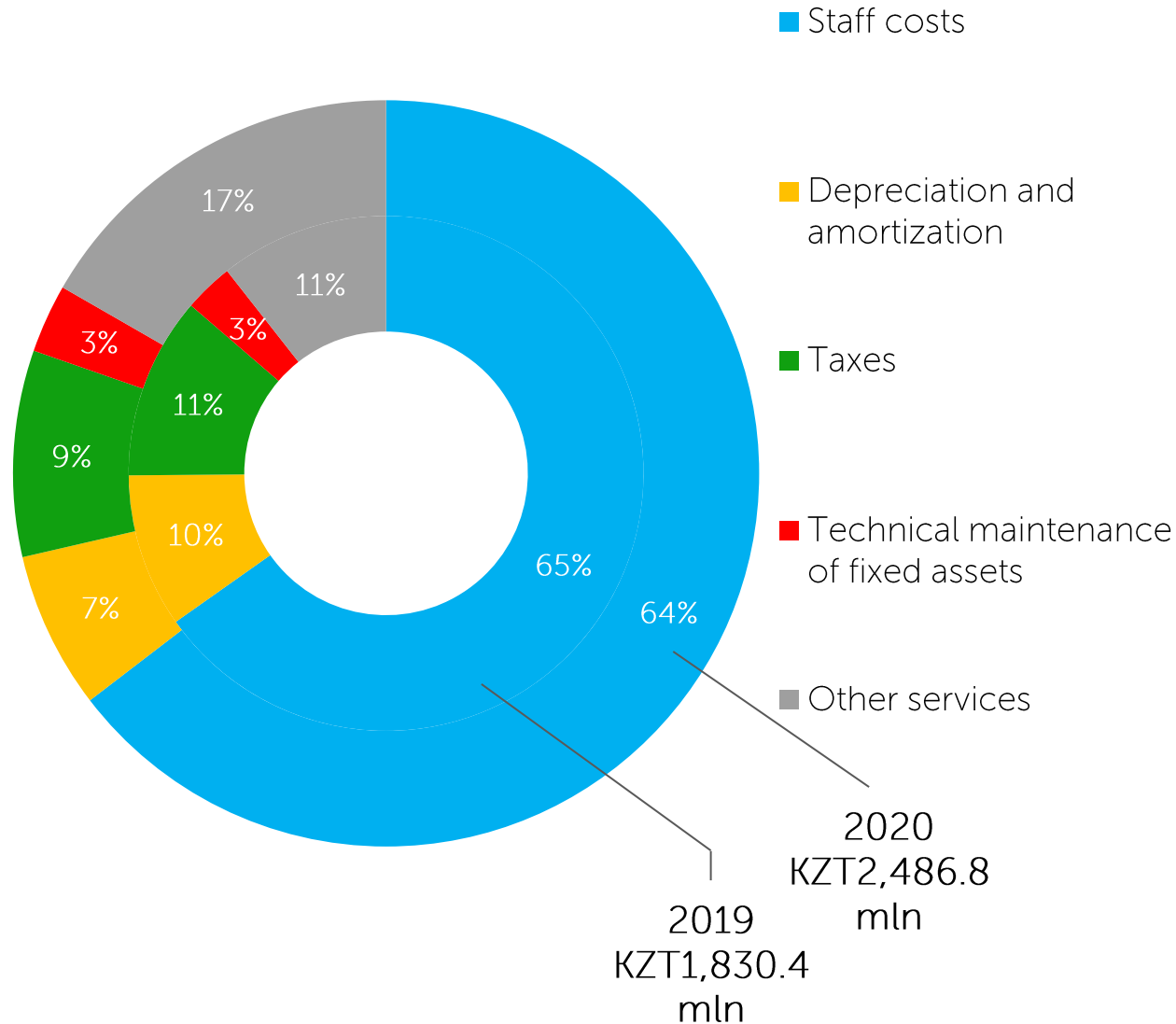
CAGR (Compound Annual Growth Rate) – average annual growth rate

# Exchange Group Revenue Structure (1/2)

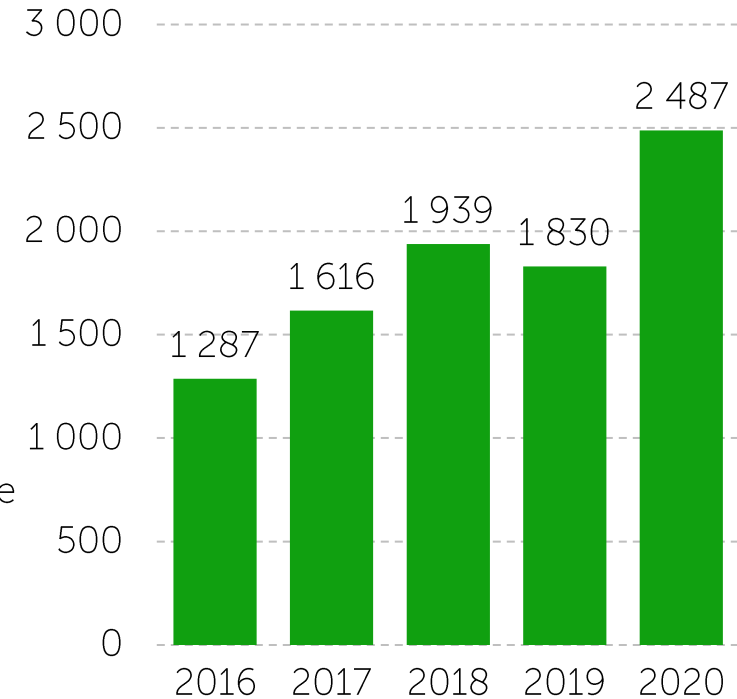


Note: only income from services and commission fees , as well as interest income of KASE recorded in the revenue structure.

# Expenses: KZT 2,486.8 mln (+35.9%)



Expenditure dynamics, KZT in mln



The increase in expenditures is mainly due to higher staff costs from increase in staff, and higher depreciation and amortization expenses from launch of new trading and clearing system and corresponding server equipment.



# Thank you for your attention!

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FAQ

