



KASE: Markets and Activities



November 2023





01

Kazakhstan at a Glance

Kazakhstan: Facts and Figures

Territory
2.7 mln. sq.km.

amongst CIS countries
2nd place

worldwide
9th place

Population
19.9 mln

- According to the World Bank's classification by income level Kazakhstan is among upper-middle-income countries (gross national income per capital \$4.256 - \$13.205) in 2022
- Member of OSCE, WTO and other international organisations
- Natural resources mainly comprised of mineral resources, oil and gas

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



Indicator	2016	2017	2018	2019	2020	2021	2022
GDP, USD bn	137.3	166.8	179.3	181.7	171.2	197.1	220.6
Change in GDP, % (YoY)	+1.1	+4.1	+4.1	+4.5	-2.5	+4.1	+3.2
Inflation, % (YoY)	8.5	7.1	5.3	5.4	7.5	8.4	20.3
Unemployment, %	5.0	4.9	4.9	4.8	4.9	4.9	4.9
Average USD/KZT rate	342.16	326.00	344.71	382.75	412.95	426.03	460.48
Budget balance, % of GDP	-1.6	-2.7	-1.3	-1.8	-4.0	-3.0	-2.1
National Fund Assets, USD bn	61.2	58.3	57.7	61.8	58.7	55.3	55.7

S&P Global

**BBB-/stable/A-3
(04.09.2023)**

FitchRatings

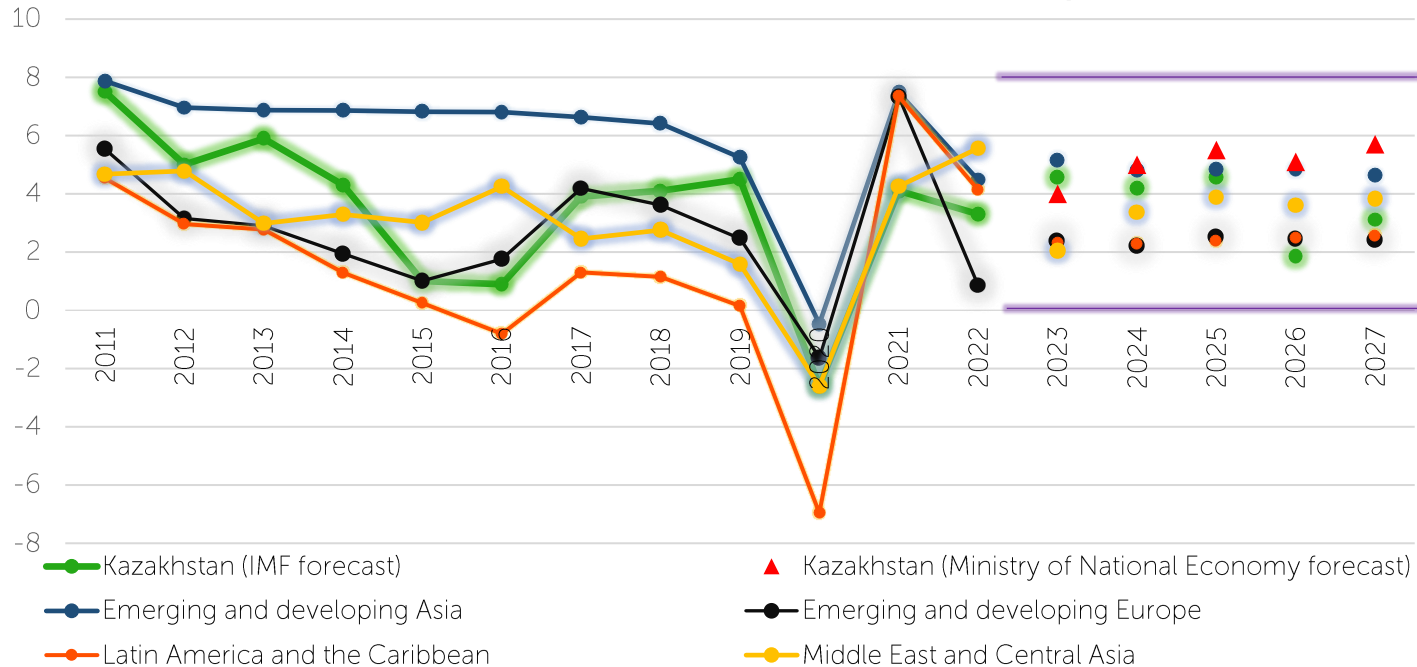
**BBB/stable/F2
(26.05.2023)**

MOODY'S

**Baa2/positive
(27.10.2023)**

GDP Growth in Kazakhstan

Forecast of the Level of Real GDP (% change)



GDP Forecast

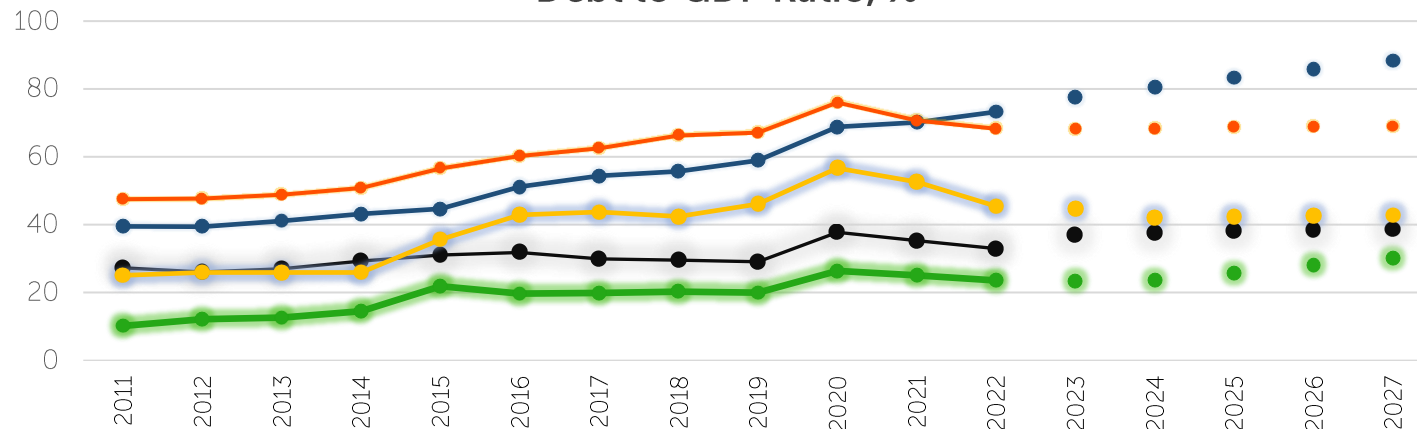
According to the Ministry of National Economy it is expected at the level of **4.0%** in 2023.

According to the IMF the real GDP growth in Kazakhstan is expected this year at the level of **4.6%**.

In 2022 high prices for oil and other export commodities of Kazakhstan, as well as the construction industry and agriculture, contributed to the growth of Kazakhstan GDP's to **3.2%**.

Kazakhstan's Debt-to-GDP ratio, which measures the country's ability to repay its debt, is **relatively low and stable** in comparison to the developing countries and Central Asian countries.

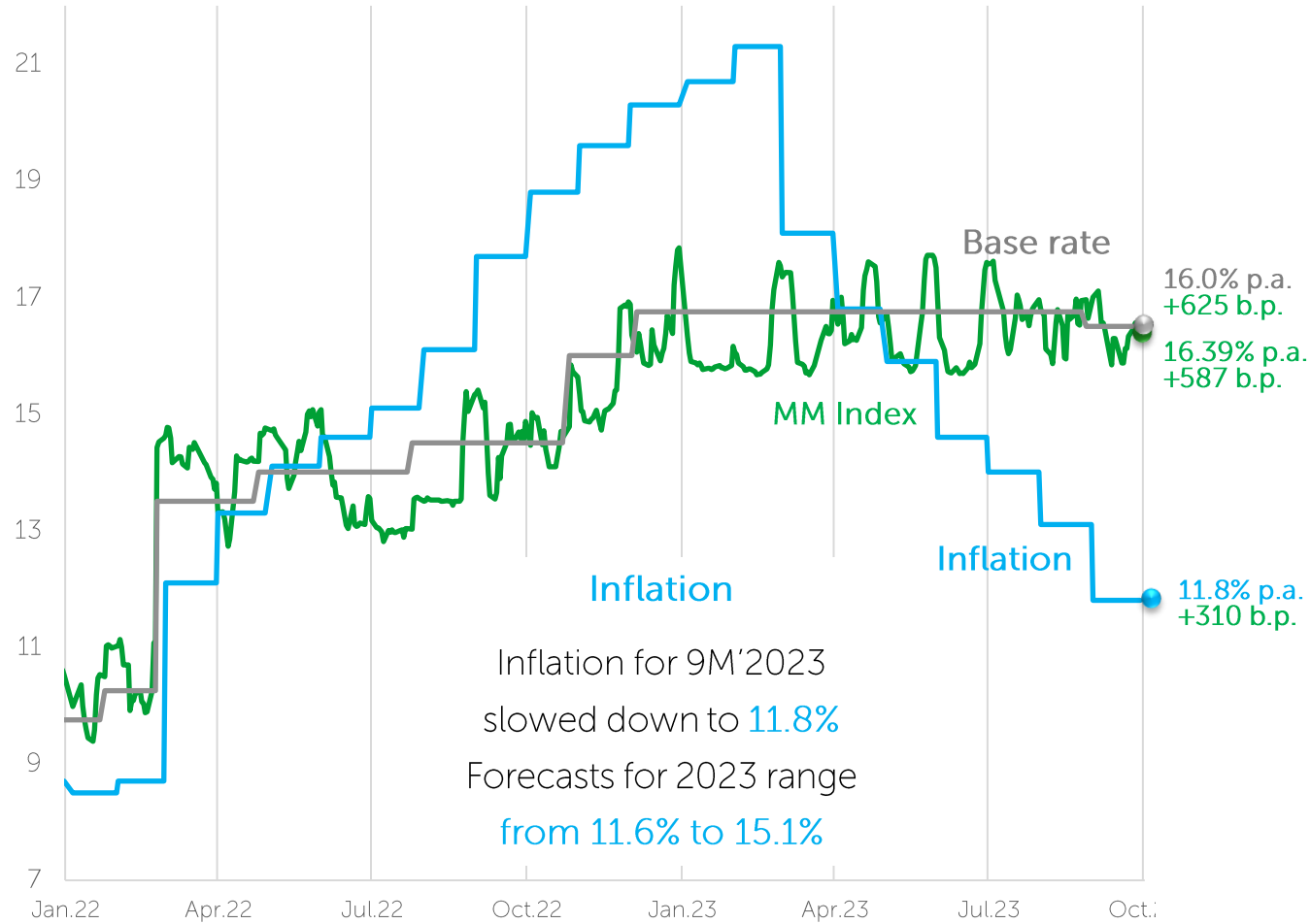
Debt to GDP Ratio, %



Key Macro Factors

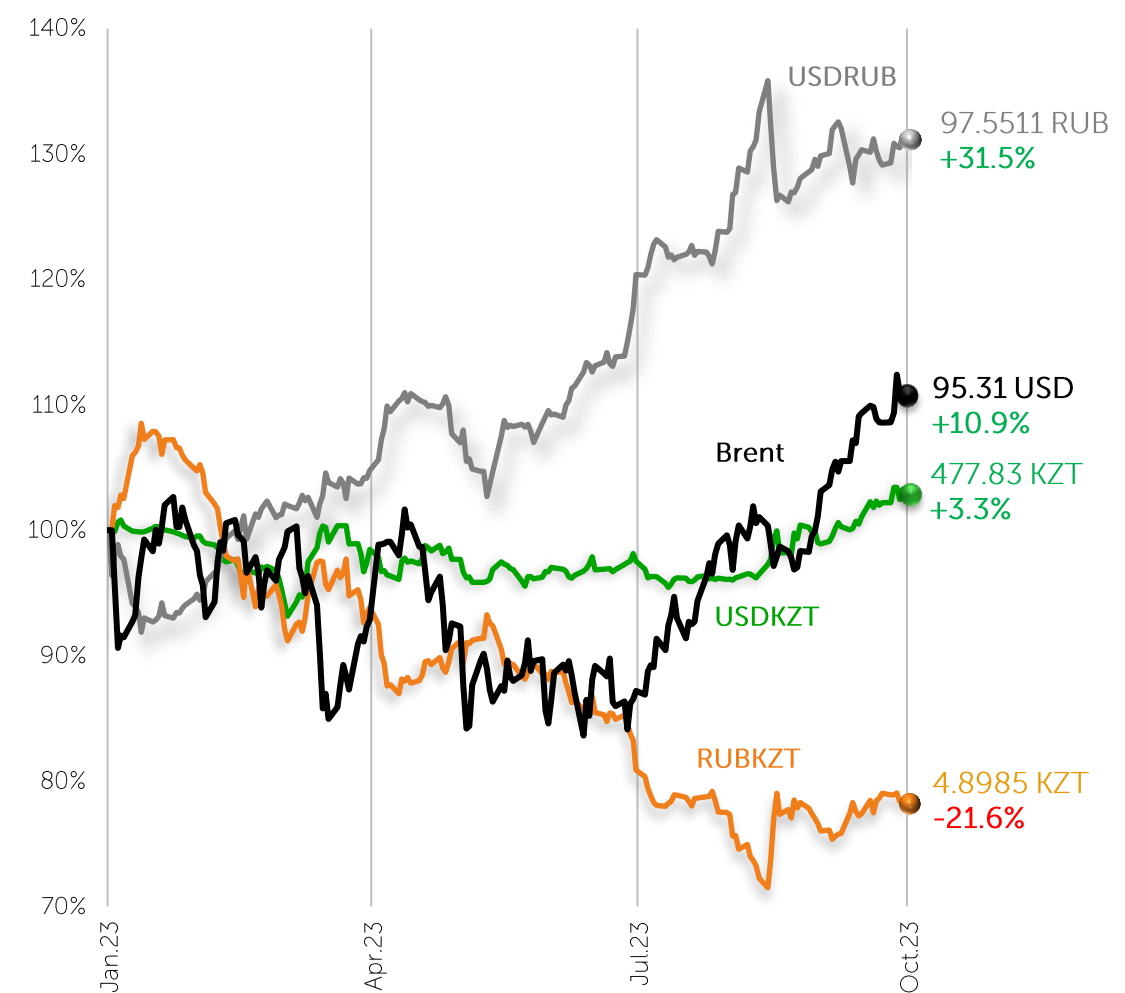
KASE MM Index vs Interest Rate Changes, % per annum

data from January 01, 2022 to October 01, 2023



KZT Rate vs RUB and Oil Price

data from January 01, 2023 to October 01, 2023



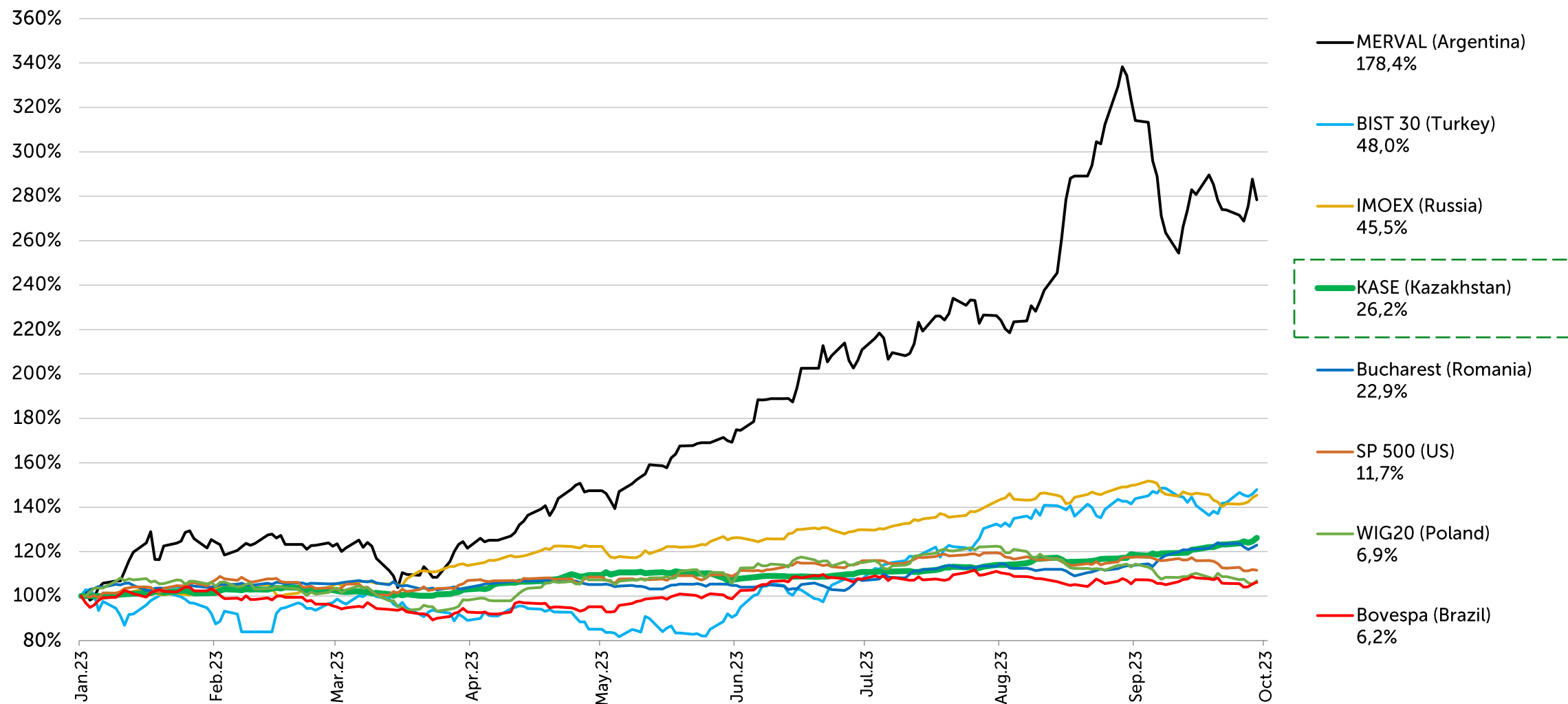
Note: MM Index (Money Market Index) – composite indicator of the money market, which represents the average value of average weighted interest rates (yield) on USD/KZT currency swap transactions and one-day auto repo transactions in government securities of the Republic of Kazakhstan weighted by the transactions amount.

Source: NBRK, Bureau of National statistics, KASE, Bloomberg

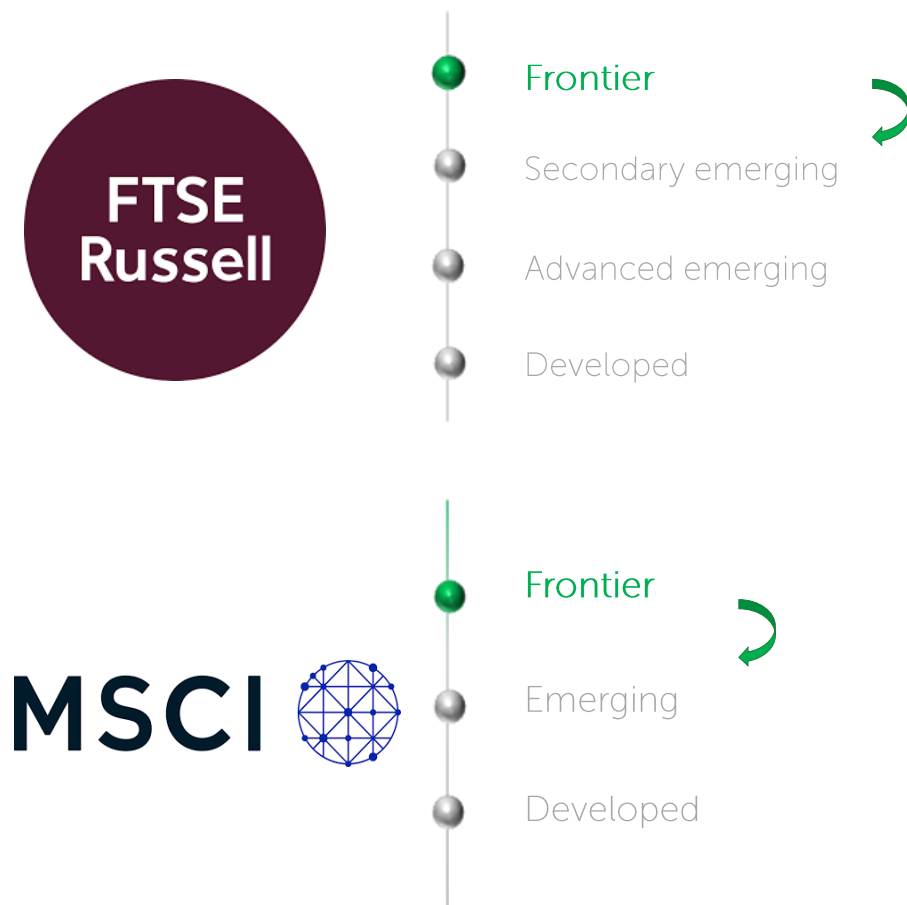
KASE Index and Emerging Markets Indices



data from January 01, 2023 to September 30, 2023



Kazakhstan's Stock Market Positions



- Fully comply with the FTSE market quality assessment criteria for the **"Secondary Emerging Market"** category
- Quantitative requirements that require improvement:
 - Market capitalisation: **4** companies (KMGZ, KSPI, KZAP, HSBK) out of **5** required account for **USD 8,28 bn** out of **USD 6,98 bn**
 - Free float: **3** companies (KSPI, KZAP, HSBK) out of **5** required provide **5%** free float required
- Fully comply with the most of the quality parameters of the MSCI assessment for **"Emerging Market"** category
- Quantitative requirements that require improvement:
 - Market capitalisation: **4** companies (KMGZ, KSPI, KZAP, HSBK) out of **4** required meet the required **USD 2,07 bn** threshold
 - Free float-adjusted market capitalisation: **3** companies (KSPI, KZAP, HSBK) out of **4** companies meet the required **USD 1,03 bn** threshold
 - Liquidity of securities: **3** companies (KSPI, KZAP, HSBK) out of **4** companies meet the required **15% ATVR** threshold

The role of KASE in the financial market

Monetary Policy

The implementation of the transmission mechanism of **monetary policy is carried out at KASE**

- **liquidity supply** through money market operations: currency swap and reverse REPO on KASE
- **liquidity withdrawal** is also carried out through money market operations: nego REPO and currency swap on KASE

By setting the level of the base rate, **the National Bank sets the benchmark for interbank short-term money market rate TONIA** – the weighted average interest rate on REPO opening deals, for a period of one business day, executed in the autorepo sector of KASE

KASE is the sole **Administrator of the money market indicator TONIA**

Public Debt

Placement of Treasury bonds has been carried out **at KASE** since 2005 and is a fine-tuned process

More than **1 100 placements** of Treasury bonds have taken place at KASE

Primary and secondary trading in Treasury bonds is held at KASE **in the T+2 mode and executed through CCP**

All Treasury bonds are accepted as collateral and **can serve as collateral for transactions in other financial instruments**, including repo transactions

KASE calculates and publishes **the risk-free yield curve of State bonds**

KASE calculates and publishes **a range of State bonds market ratios**

Securities Market Infrastructure

The infrastructure of the domestic securities market **fully meets the international requirements**

All infrastructure institutions have been created and are successfully operating: the Exchange, the Central Counterparty, the Central Depository that also performs the functions of the nominee holding and maintaining the system of securities holders registers

The versatility of KASE provides trading participants with **maximum convenience** when executing transactions, including those with State bonds

The **Unified Accumulative Pension Fund (UAPF), second-tier banks (STB) and other institutional investors** actively conduct operations in all markets



02

KASE
Infrastructure

Trading of state securities issued by the National Bank and Ministry of Finance of RoK, FX and open money market operations by the National Bank

Stock and Money Market
Indices and Indicators

New Trading and
Clearing Systems in All
4 Markets

Multi-instrumental
Support of Transactions

Trading Using Omnibus
Accounts

CCP in All Markets

Netting in the Stock
Market and Repo

Settlement Cycle from
 $T + 0$ to $T + 2$



Membership in International Organisations and International Partnership



Member of the World Federation of Exchanges (WFE)



Member of Federation of Euro-Asian Stock Exchanges (FEAS)



Member of the Software & Information Industry Association's Financial Information Services Division (SIIA/FISD)



Member of International Association of Exchanges of the Commonwealth of Independent States (IAE CIS)



Participant of The Organisation of Islamic Cooperation (OIC) Member States' Stock Exchanges Forum



UN initiative
"Sustainable Stock Exchanges"



Cooperation with Bloomberg and Refinitiv (dissemination of real-time data)



Cooperation with Exchange Data International Ltd., Interactive Data Corporation, Cbonds (delivery of information products)



Cooperation with Wiener Börse and China Investment Information Services Ltd. (delivery of all market information)



Global Association of CCPs

KASE – Universal Exchange (1/2)

as of 01 October 2023

4

markets



- Securities
- Money
- FX
- Derivatives

1 597

instruments



- 994 securities
- 565 money market instruments
- 16 derivatives
- 22 FX instruments

266

securities in the T + list



27

indices and indicators



- 17 security market
- 10 money market

4th place

by market capitalisation among FEAS stock exchanges



2nd place

by trading volume among CIS exchanges



52

members of the exchange



~679 th.

accounts of retail investors
1,5 mln
omnibus



Assets of institutional investors:

banks – 104,4 bn USD
insurance org-s– 4,8 bn USD
brokers/dealers – 1,7 bn USD
UAPF – 36,7 bn USD



Frontier

MSCI

FTSE



S&P DOW JONES
INDICES

McGRAW HILL FINANCIAL

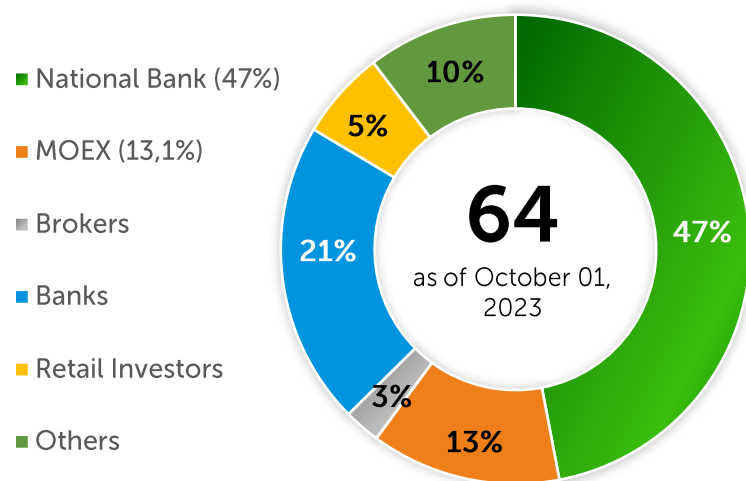
KASE – Universal Exchange (2/2)



Our company

- ▲ KASE was established on November 17, 1993
- ▲ Today KASE is the universal financial market with established mechanisms for interaction of all participants
- ▲ KASE mission is to promote economic growth of Kazakhstan

Our shareholders



Our services



LISTING

- securities listing for public trading
- private placement
- disclosure of information about issuers' activities



MEMBERSHIP

- equities
- FX
- derivatives



FINANCIAL INSTRUMENTS

- securities
- currencies
- repo operations and currency swaps
- derivatives



POST-TRADING SERVICES

- clearing
- settlement
- CCP



DISSEMINATION OF MARKET DATA

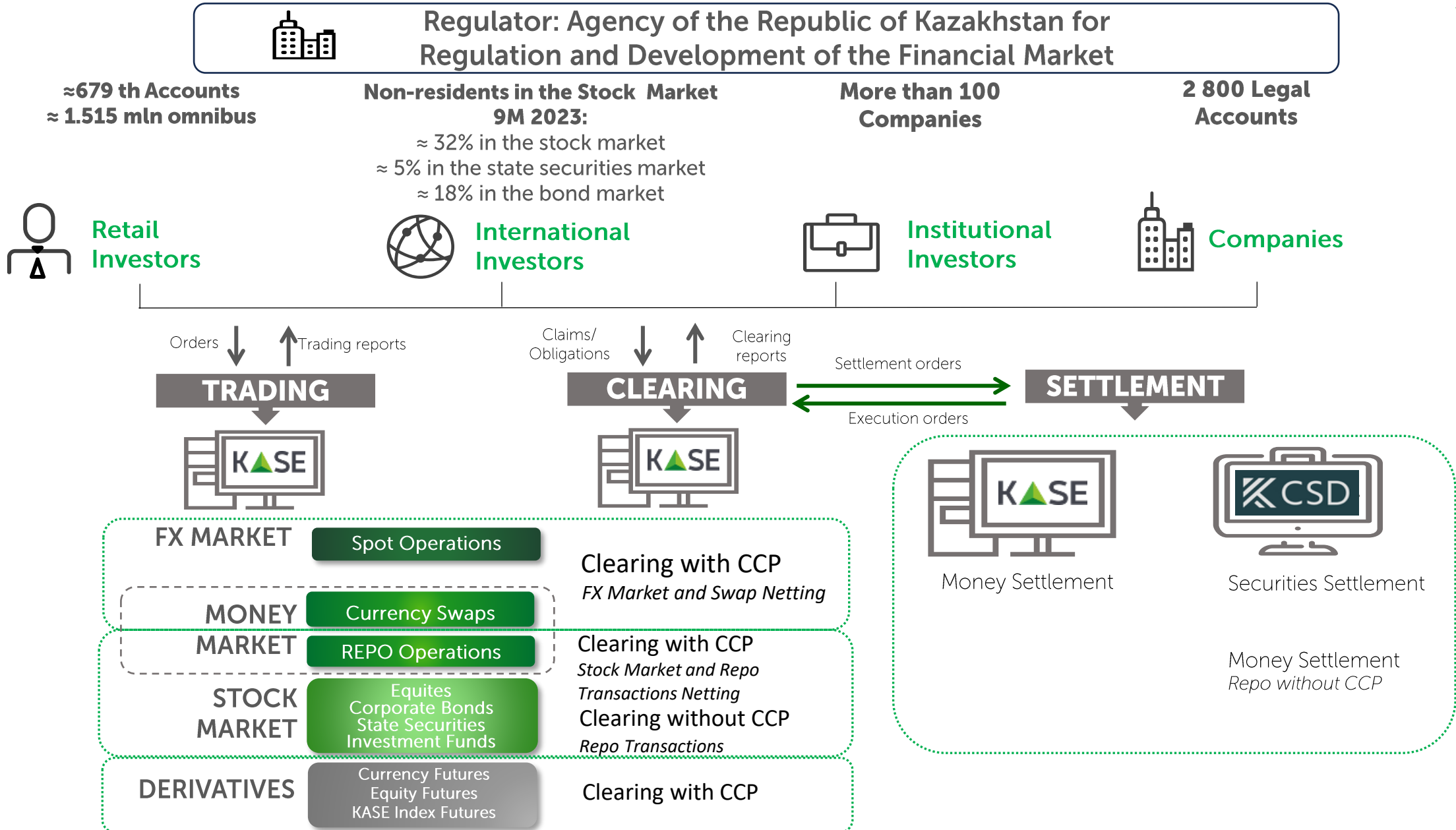
- trading results
- real-time and delayed data
- historical data
- IRIS Finance software product
- KASE MOBILE



IT SOLUTIONS

- three trading systems
- settlement and clearing systems
- FIX-Gateway and FAST protocols
- Web services for market participants

KASE Market Infrastructure



Trading Instruments

1 597 instruments, including 994 securities issues; 266 instruments in the T + list

as of October 01, 2023

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	Municipal bonds	ETF	CNYKZT	CNYKZT	RUBKZT
Large companies	Government Securities		EURKZT	EURKZT	KZAP
SME	Ministry Finance		Autorepo	EURUSD	HSBK
Dual listing	National Bank Notes		Stocks	USDCNY	
GDR	Foreign Government Securities		Bonds	EURCNY	
	Corporate bonds		State securities basket		
	IFO bonds		General collateral certificates		
61	193	12	565	22	16
87	615	26			
Settlements					
T+2	T+2	T+2	от T+1 до T+1Y	T+0	T+1W
T+0 - illiquid Securities	T+0 - illiquid Securities	T+0	от T+0 до T+90	T+1	T+1M
				T+2	T+3M
					T+6M

KASE Members



43

Stock Market

36

Foreign Exchange

28

Derivatives

Direct Membership (Remote Membership)

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

Access to the stock market via:

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

52

total market participants

21

second-tier banks (out of 21)

Kazakh residents

22

brokerage firms (out of 22)

Kazakh residents

46

local participants

4

foreign participants

2

international financial institutions

12

participants providing direct market access services

Family of KASE Indices

Stock Market

Equity Market

KASE Index

Equity market benchmark
(9 shares)

IE_FXBF - ETF traded on KASE Index

Corporate Bond Market

KASE_BMC
KASE_BMY

KASE_BAC
KASE_BAY

Main market

Alternative market

State Securities Market

Series of indexes KZGB_CP
Series of indexes KZGB_Y
Series of indexes KZGB_DP

Risk-free yield curve
government securities

risk-free yield benchmark

Money Market

TONIA — is a risk-free rate selected by market participants within the working group on money market indicators including EBRD and second-tier banks of the RK

TWINA

TRION

TCI

TCR

SWAP-1D (USD)

SWAP-2D (USD)

MM Index – weighted average yield of one-day currency swap transactions and TONIA

KASE Information Products

Real Time Trade Information:

- instant data update
- timely response to changes
- data stream form of information

IRIS Finance Software

- order and transaction data
- historical data
- KASE news and publications
- weekly overview of the main market events

Delayed trading information

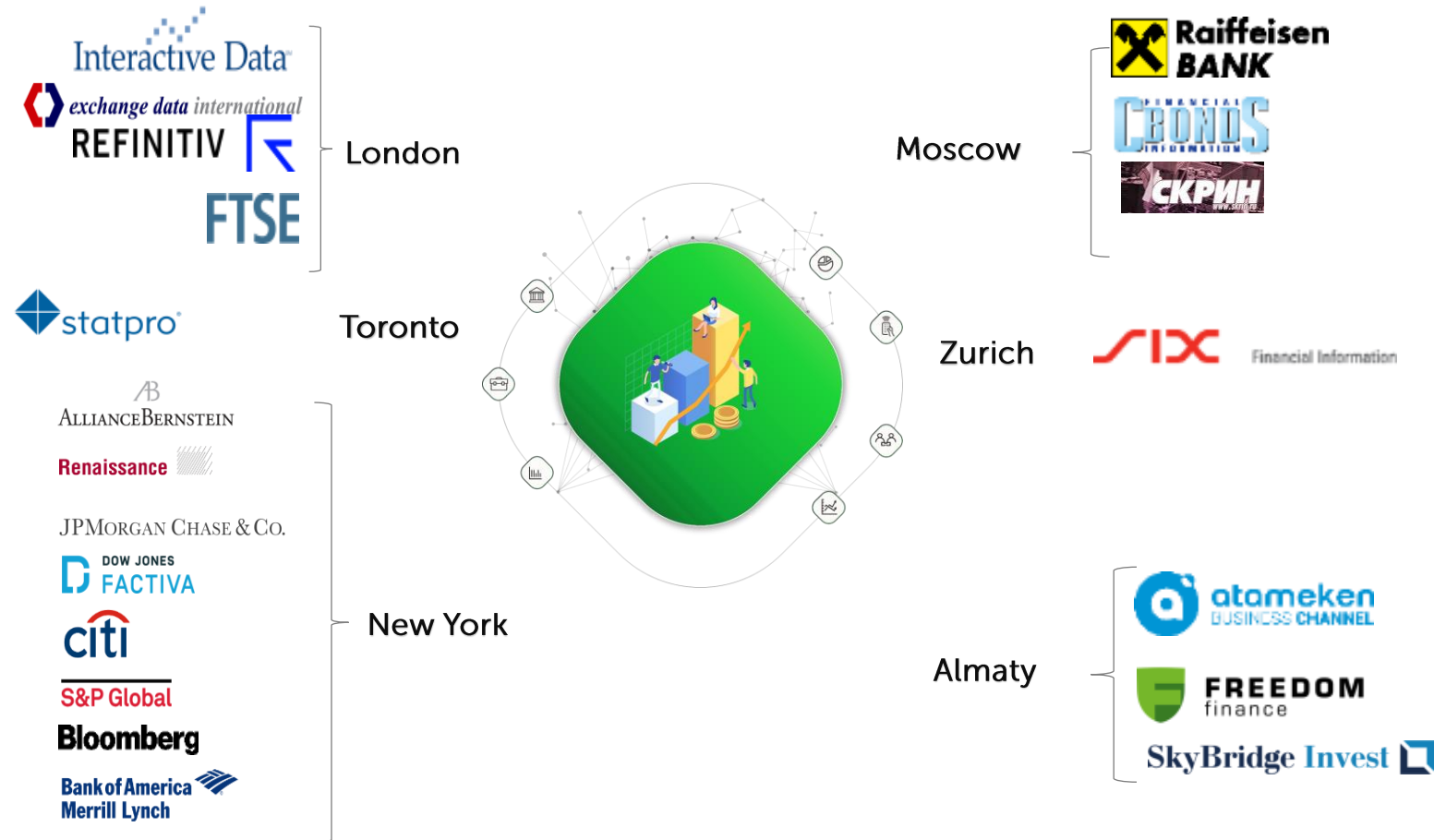
- constant monitoring of market changes
- accumulation of transaction history
- business process automation

Real Time Web-Quotes

- real-time access on the website of KASE (www.kase.kz)

Information channel in the Telegram mobile app @KASEInfoBot

- timely information on the course and results of trading on KASE in a convenient format



KASE Compliance Procedures and Sanction Monitoring



01

The list of sanctions lists has been expanded, according to which members of the Exchange, initiators of admission and counterparties are being checked as part of establishing business relations



02

Modification of internal automated screening system



03

Procedures for conducting sanctions monitoring of all members of the Exchange//initiators of admission have been implemented



04

Procedures have been introduced to conduct sanctions monitoring of all counterparties of the Exchange, including in the framework of procurement procedures for goods, works and services

Changes have been made:

- AML/CFT Internal Control Rules
- Rules for the procurement of goods, works and services
- Instructions for the procurement of goods, works and services
- Rules for the organization of contractual work
- Membership Regulations
- Listing Rules
- Order for implementation of listing procedures

05

KYC procedures have been implemented:

- Receiving information from the candidate/member of the Exchange//initiators of admission on compliance with the regime of international economic sanctions
- Forms of Letters of Guarantee for Exchange members/initiators of admission have been developed
- Forms of Questionnaires on sanctions compliance have been developed
- Questionnaires on sanctions compliance requested from all members of the Exchange

06

The background features a complex green circuit board pattern on the left side, which transitions into a white background on the right via a diagonal split. The circuitry includes various lines, nodes, and small numbers.

03

KASE

Markets Overview

Market Trends

+47%

9M 2023 vs
9M 2022

trading volume
from 425.2 to
625.1 bn USD

+59%

trading volume on the
securities market
from 12.9 to
20.5 bn USD

+34%

trading volume on the
secondary government
securities market
from 3.4 to
4.6 bn USD

+63%

trading volume
on the forex market
from 30.2 to
49.4 bn USD

+26%

from the
beginning
2023

in the KASE index
from 3,251.64 to
4,103.83 points

+23%

stock market
capitalization
from 45.9 to
56.5 bn USD

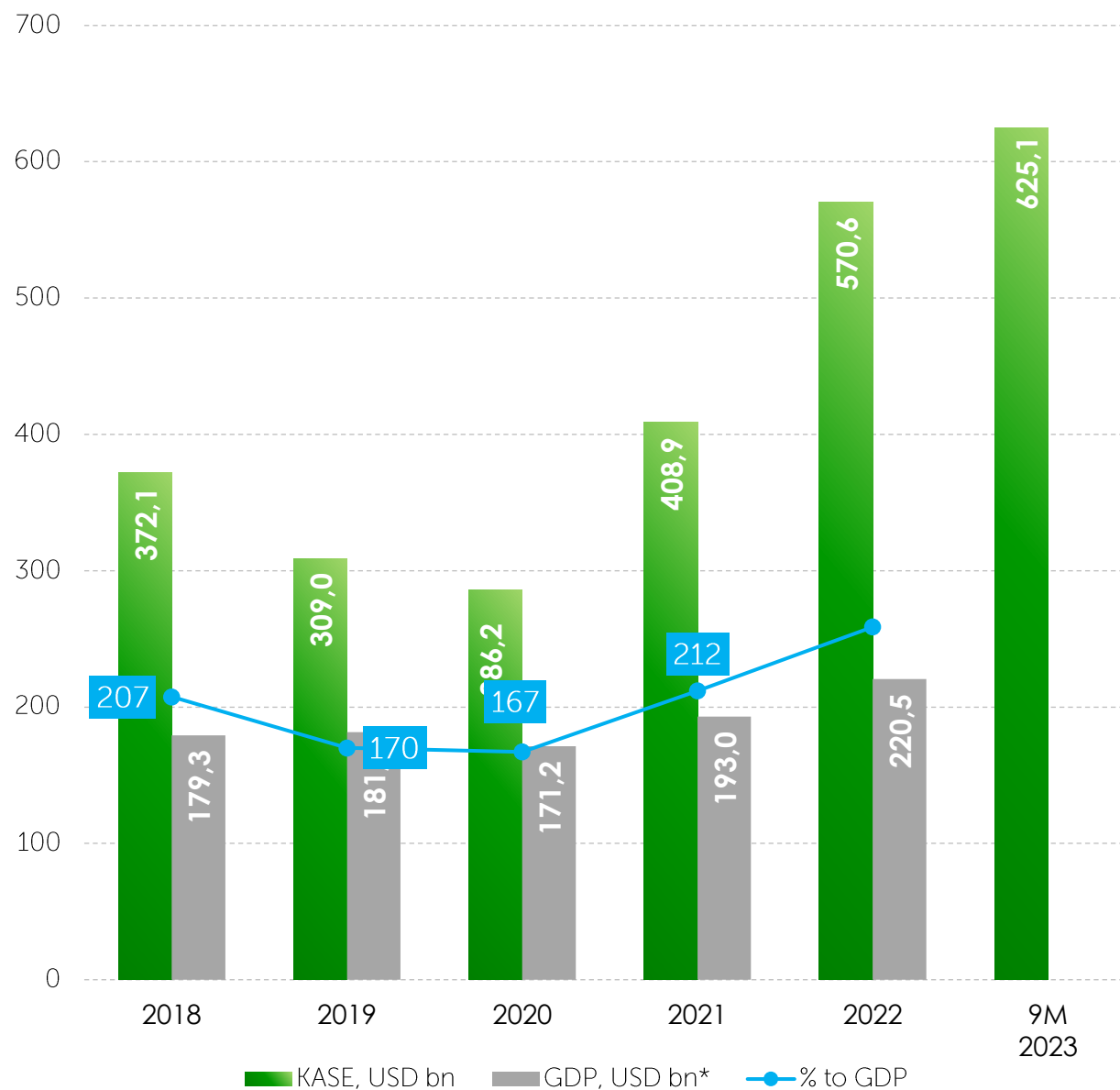
+147 th.

new accounts opened
by individuals
as of 01.10.23
more than 2 mln accounts
in Central Depository

+100 new

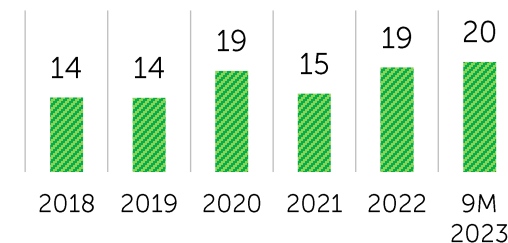
instruments in
the official list of KASE

Trading Volume



Source: Committee on Statistics of Ministry of National Economy of the Republic of Kazakhstan

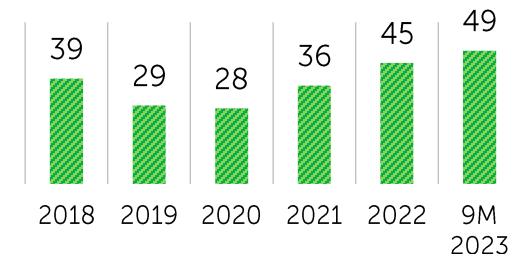
USD bn



Securities Market

2022	+33%
2021	-22%
2020	+36%
2019	-0,3%
2018	+31%

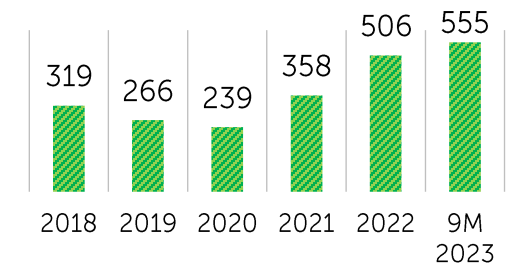
USD bn



FX Market

2022	+23%
2021	+30%
2020	-4%
2019	-25%
2018	+4%

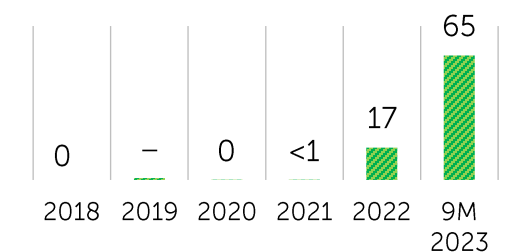
USD bn



Money Market

2022	+41%
2021	+49%
2020	-10%
2019	-17%
2018	-24%

USD mln



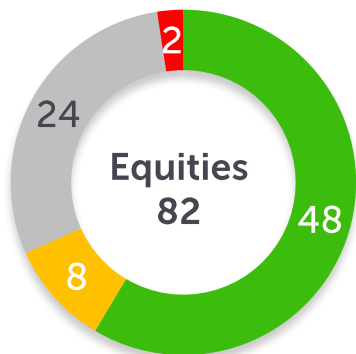
Derivatives Market

2022	x3,939
2021	x4.2
2020	-99.9%
2019	-
2018	-100%

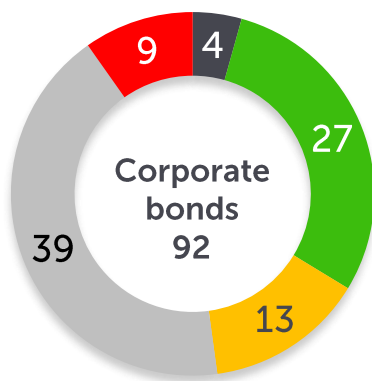


KASE Official List Structure

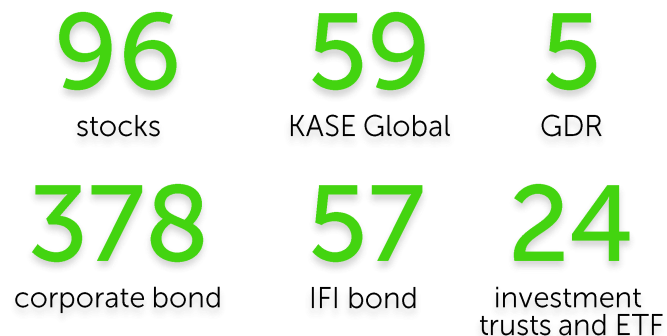
Structure of Issuers in the Official List



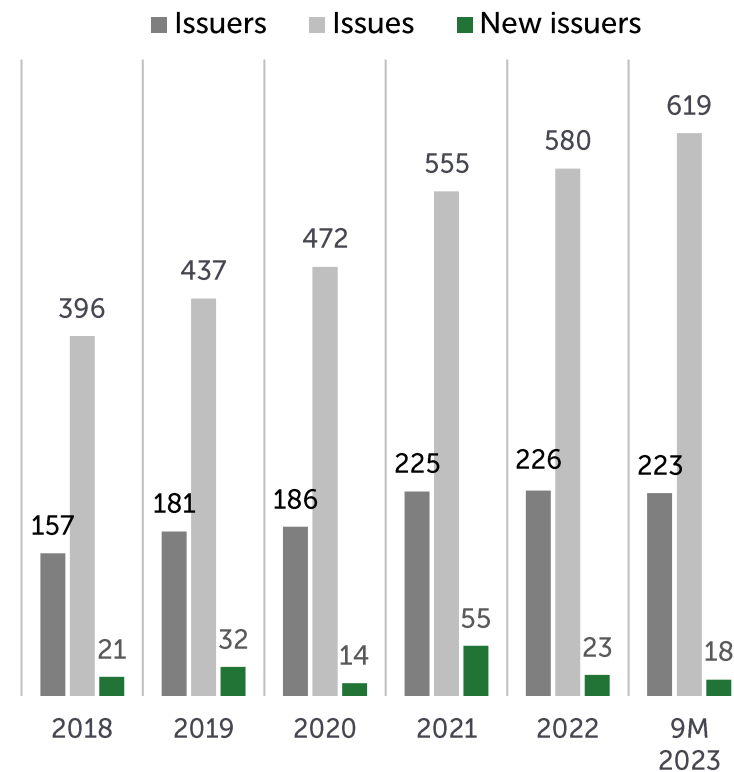
- Development institutions
- real private
- real quasi-public
- financial private
- financial quasi-public



Structure of Private and State Securities Included in the Official List



Structure of Public Securities in the Official List



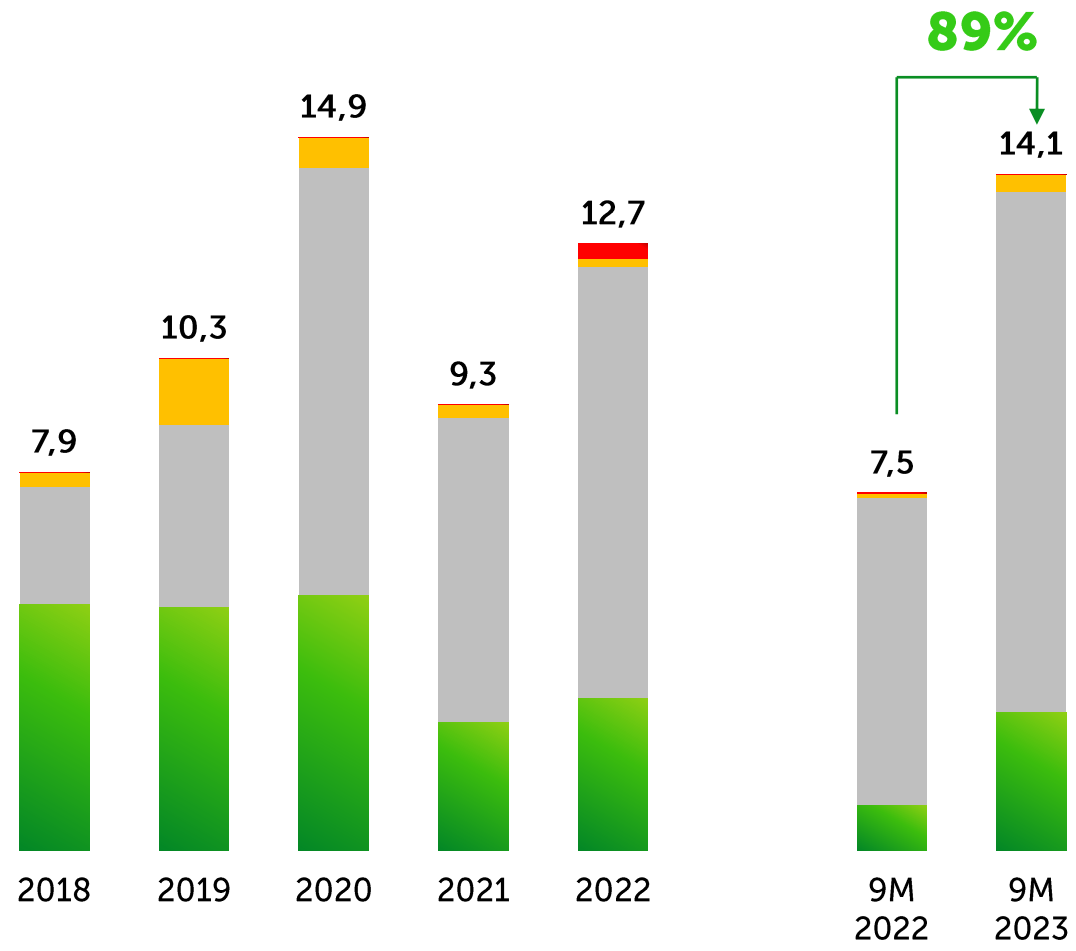
As of 01.10.23 KASE official list featured 992 instruments of 253 issuers, including 266 instruments traded in T+

Volume of Financing Raised in the Market



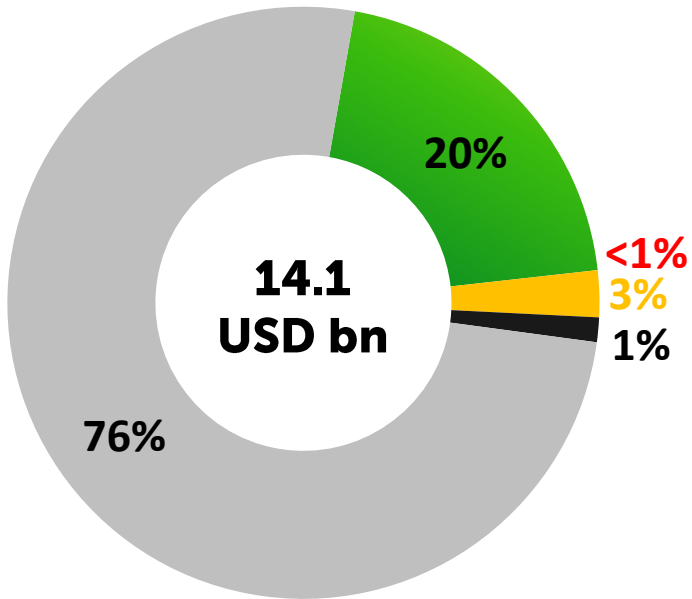
Trading volume on the primary market,
USD bn

■ Corporate bonds ■ Government securities ■ IFO bonds ■ Stocks



Primary market structure for 9M 2023,
USD bn

■ Corporate bonds
■ Stocks
■ IFO bonds
■ Local executive bonds
■ Ministry of Finance



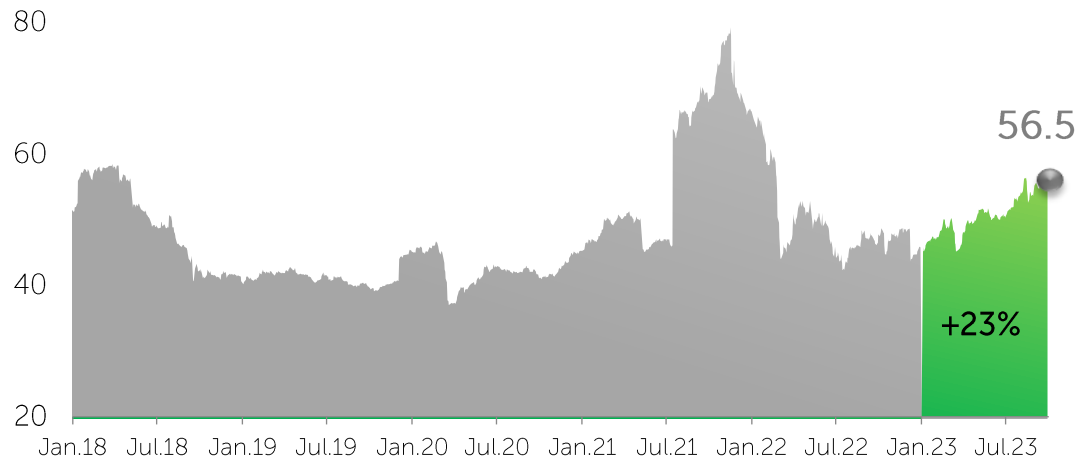
Source: KASE

Equity Market

Key Facts and Numbers

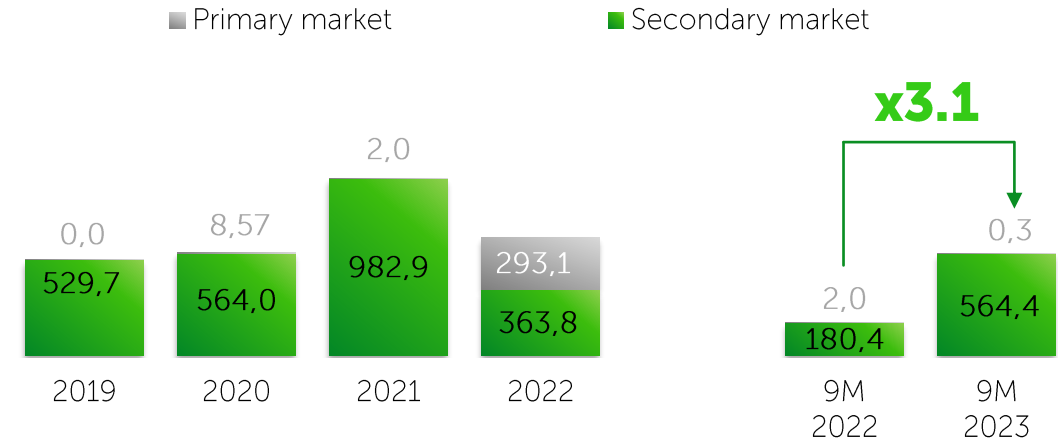
- + current market cap ~ **USD 56.5 bn (+23%)**
- + average daily volume of deals in the secondary market ~ **USD 3.1 mln (x3.1)**
- + average daily volume of deals of KASE Index ~ **USD 2.7 mln**
- + average daily number of deals ~ **2,822 (x2.1)**
- + average volume of one deal ~ **USD 1.1 mln (+50%)**

Equity Market Capitalisation, USD bn

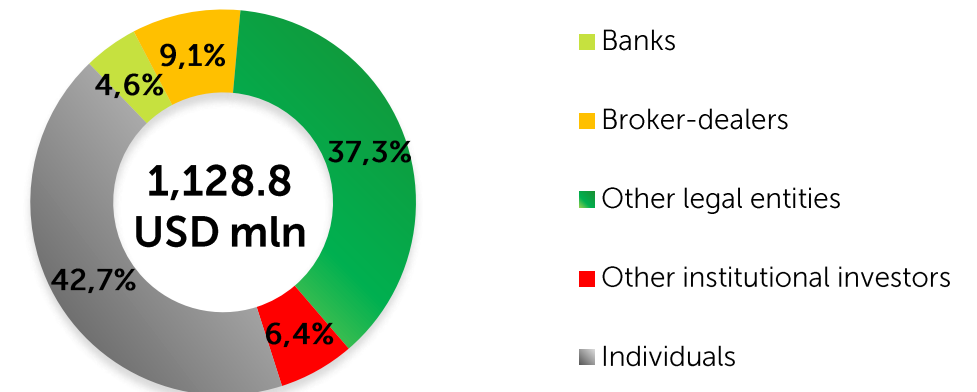


Source: KASE

Trading volume, USD mln



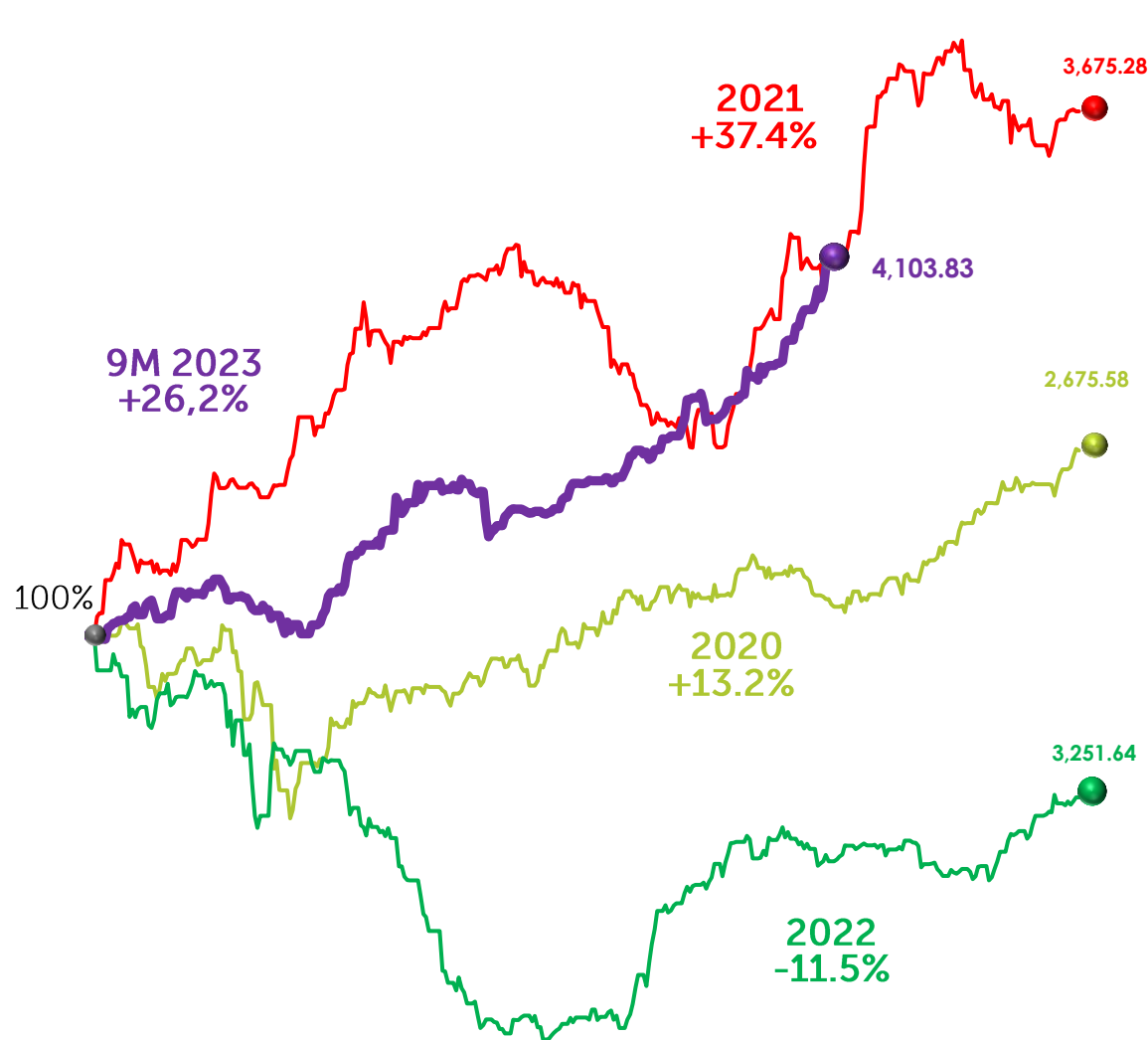
Main investor categories on the secondary market for 9M 2023*



* of the total gross turnover of trading in shares in the secondary market, excluding major transactions and transactions of an irregular nature

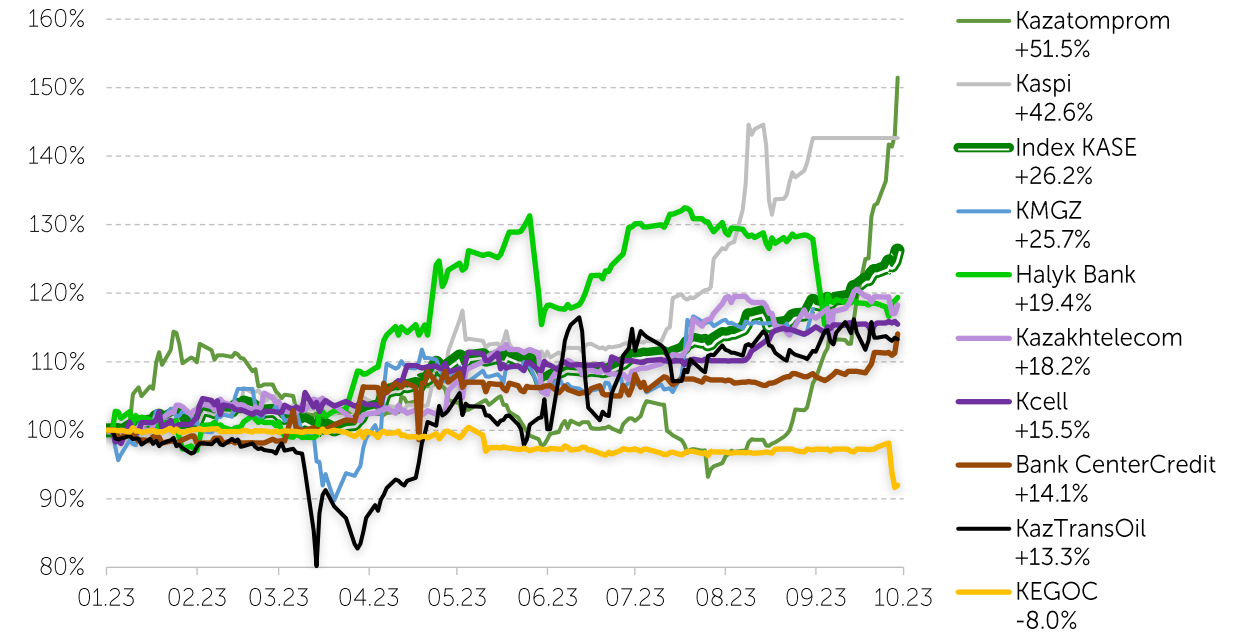
KASE Index Dynamics

KASE Index in 2020 – 9M 2023

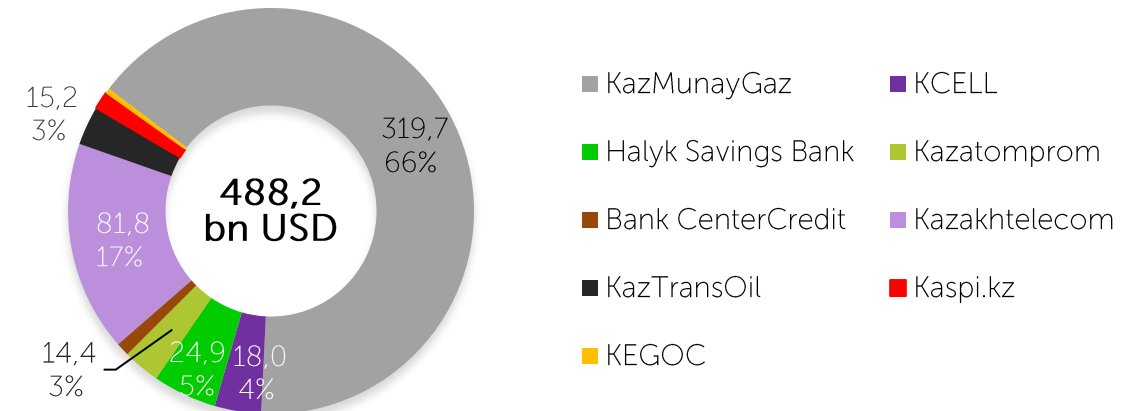


Source: KASE

KASE Index components for 9M 2023



Volume of deals of KASE Index for 9M 2023, USD mln



IPO at KASE

2006



Volume :
KZT 12.2 billion
Placement price :
25.000–33.000
KZT
Demand:
592%

2006



Volume :
KZT 258.0 billion
Placement price :
11,163.4 KZT
Demand:
100%
excluded from
10.05.18

2010



Volume :
2.7 billion KZT
Placement price:
658.0 KZT
Demand:
100%

2012



Volume :
7.5 billion KZT
Placement price :
1.578.7 KZT
Demand:
260%

2012



Volume :
KZT 27.9 billion
Placement price :
725.0 KZT
Demand:
200%

2014



Volume :
KZT 13.1 billion
Placement price :
505.0 KZT
Demand:
130%

2015
2017
2018



Volume :
KZT 359.6 million
Placement price :
19.843.0–21.827.0
KZT
Demand:
106%

2016



Volume:
800.0 million KZT
Placement price:
11.177.0 KZT
Demand:
370%

2017



Volume:
6 500.0 million
KZT
Placement price :
1.150.0 KZT
Demand:
116.1%

2019



Volume:
5.2 million KZT
Placement price :
348.698 KZT
Demand:
0.2%
excluded from
23.01.20

2022



Volume:
137.5 bn KZT
Placement price :
8 406.00 KZT
Demand on KASE:
55.3%

2023
from November, 17

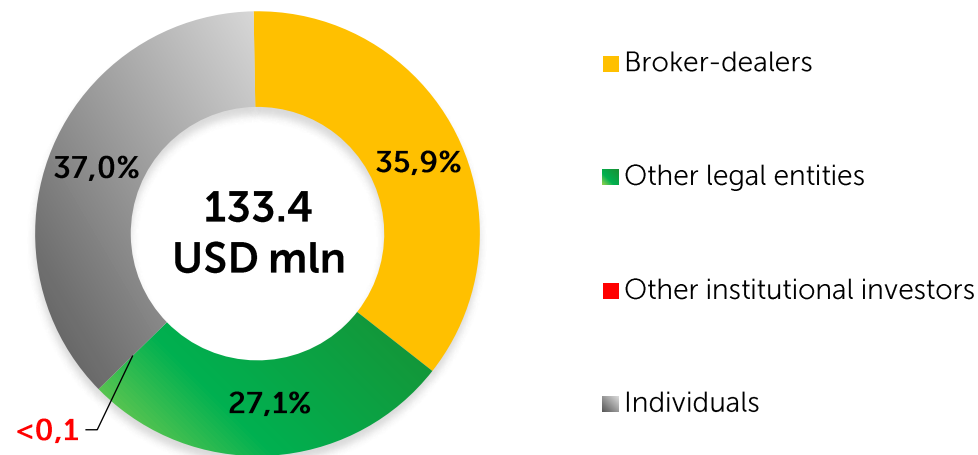


Placement price :
1 482.00 KZT

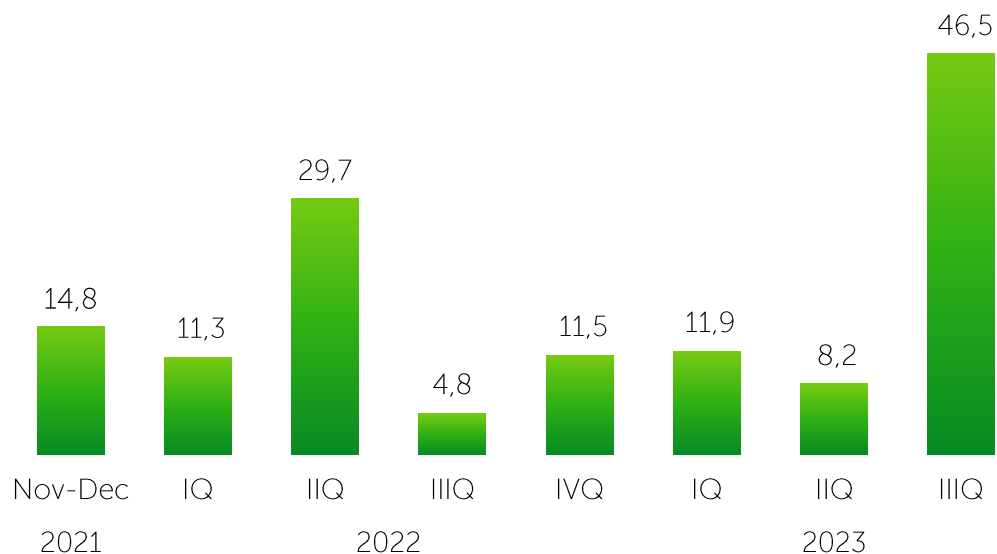
Key Facts and Numbers

- + **54** instruments of foreign issuers available for trading on KASE Global
- + average daily volume of deals for 9M2023 ~ **USD 364.3 th.**
- + average daily number of deals for 9M2023 ~ **233**
- + average volume of one deal for 9M2023 ~ **USD 1.6 th.**
- + T+0, T+2 settlement schemes
- + trading in KZT and USD
- + trading hours: **11:20 – 22:00**

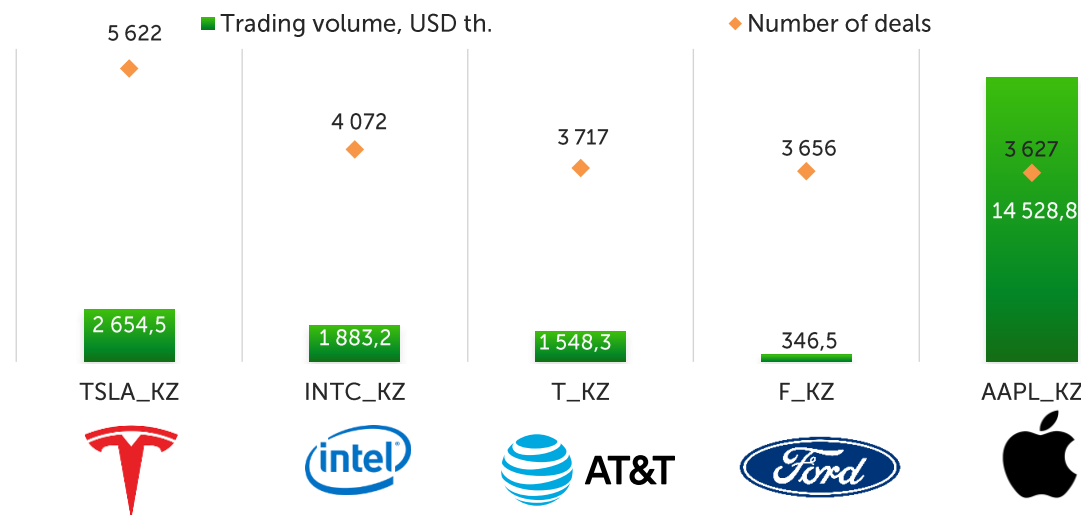
Main investor categories for 9M 2023



Trading volume, USD mln



Top-5 most popular assets of KASE Global at the end of 9M 2023



Government securities market

The role of the Exchange in the government securities market



- Primary / secondary circulation MEKAM
- Secondary circulation of NBRK notes
- Primary/secondary circulation of bonds of akimdiks
- Repo with GS baskets with and without the CCP
- Building the GS curve
- Calculation and maintenance of government securities indices
- Provision of additional liquidity by the NBRK to
- STBs on the repo market under the monetary policy

Inclusion of **GS in the list of securities** settled in the Clearstream system
Enlargement of existing **MEKAM** issues and reduction of their number
Transfer of the government securities market to the **T+2** settlement system

2018

KASE's introduction of a **new methodology** for building the **GS yield curve** that meets international standards
 Introduction on KASE of **an incentive program** for market-makers on the **GS market**

2019

Migration to **DVP** in **Clearstream** system

2020

Inclusion of the debt market of the Republic of Kazakhstan in the **"watchlist"** in the JP Morgan international index
 Transfer of MEKAM primary placements to **T+2** settlement system

2021

Implementation of government securities **indices**: "clean" price index KZGB_CP, "dirty" price index KZGB_DP and yield index KZGB_Y
 Updating the GS page on the Exchange's website in a form convenient for investors

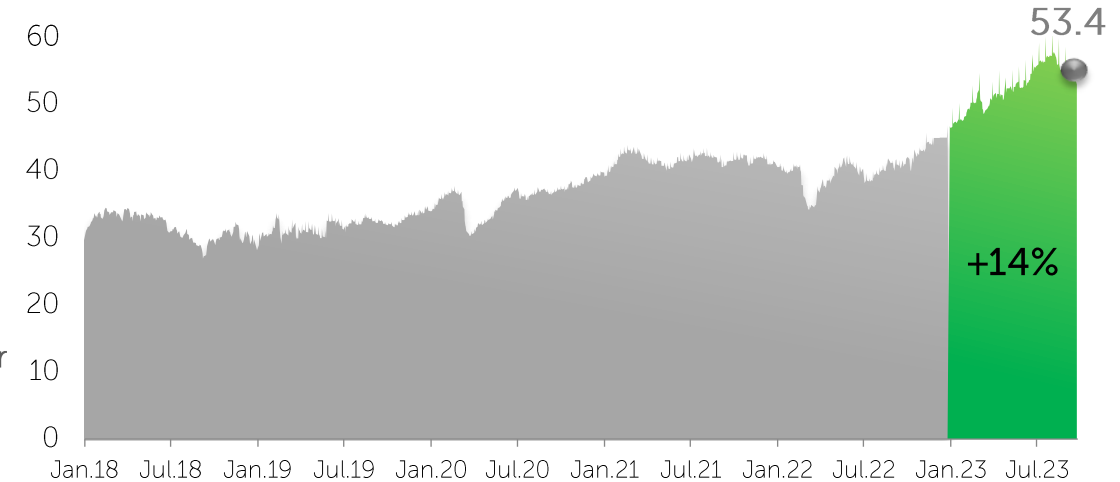
2022

A scoring card has been developed to assess the activity of market participants within the framework of the project of the NBK and the Ministry of Finance of the Republic of Kazakhstan

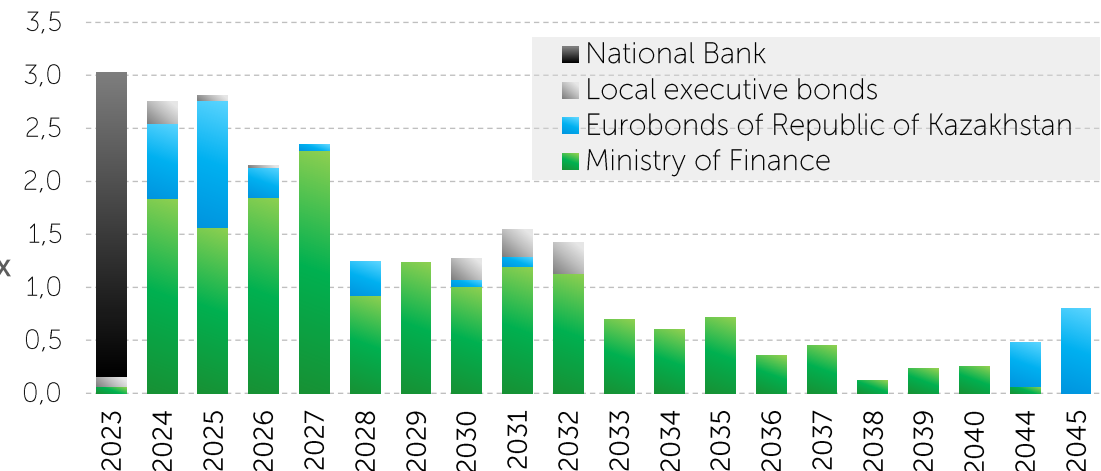
2023



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



Public Debt Redemption, KZT trln



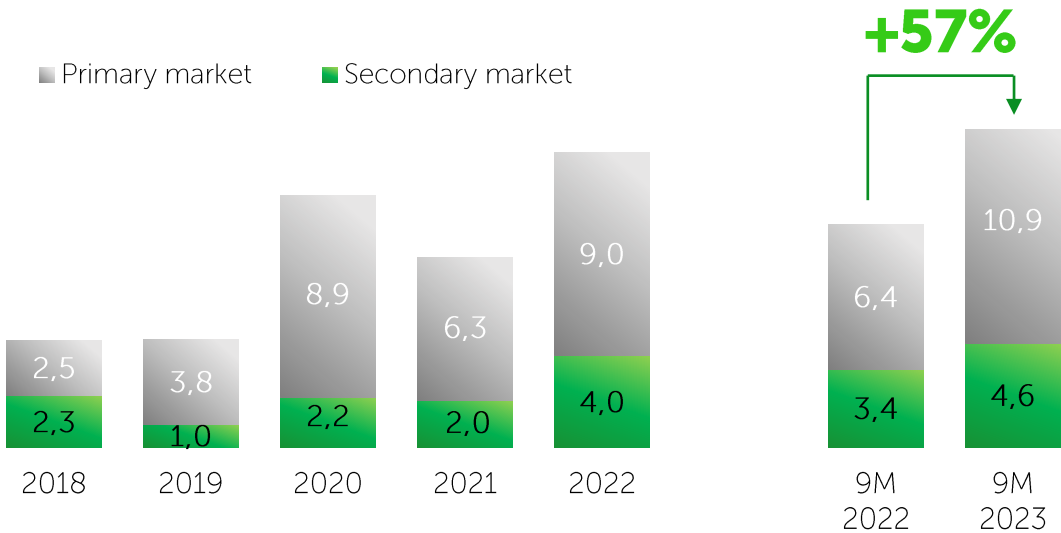
Trading Volume on the Government Securities Market



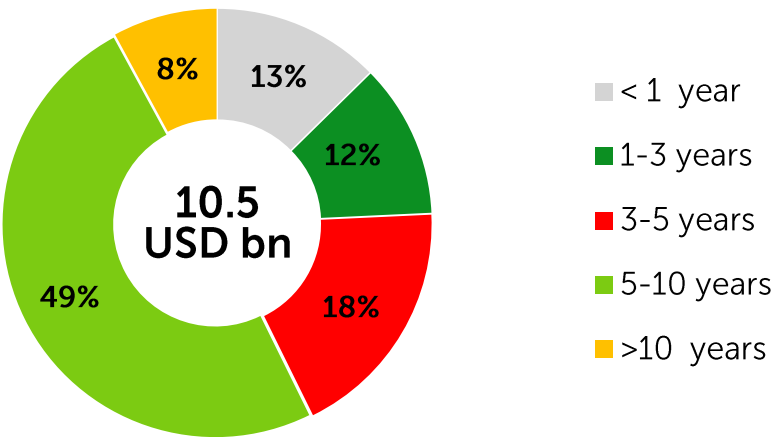
Key facts and figures

- + as of October 1, 2023, the amount of public debt traded on KASE ~ 53.4 USD bn
- + average daily trading volume for 9M2023 ~ **84.4 mln USD** (+56% to 9M2022)
- + average volume of one deal for 9M2023 ~ **3.7 mln USD** (-6% to 9M2022)
- + yield on placements of tenge bonds of the Ministry of Finance in 9M2023 **11,50-17,78 % per annum**

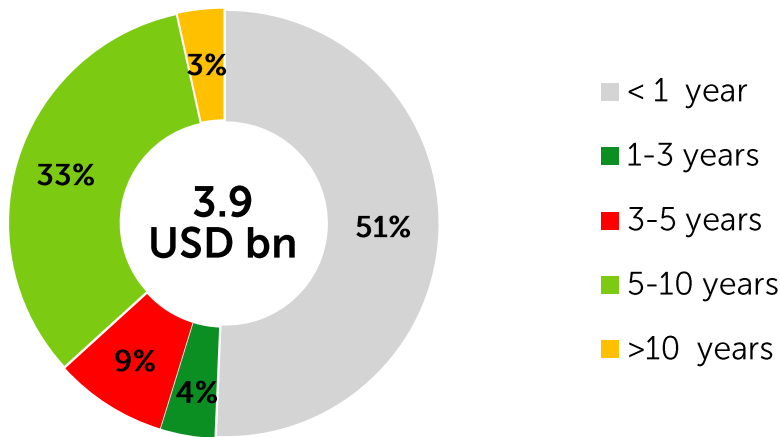
Trading volume dynamics, USD bn



Structure of State Securities offerings in the primary market by maturity for 9M 2023

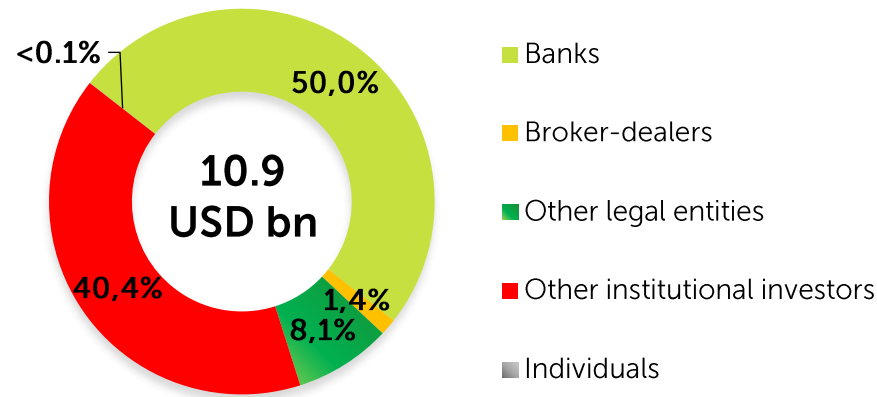


Structure of State Securities offerings in the secondary market by maturity for 9M 2023

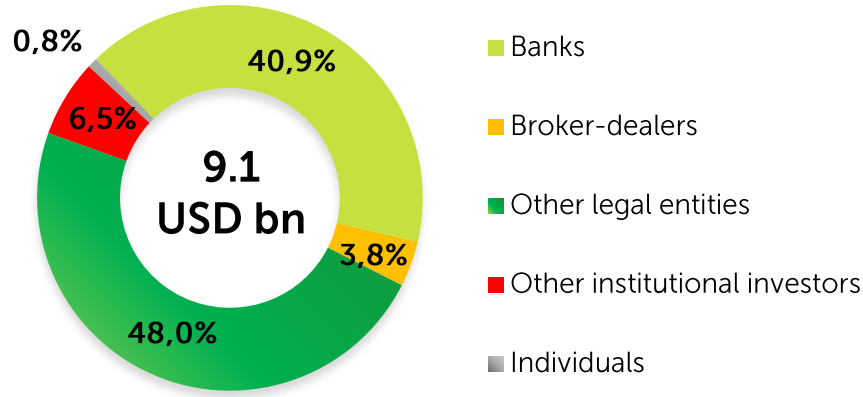


Investor Base of the Government Securities Market

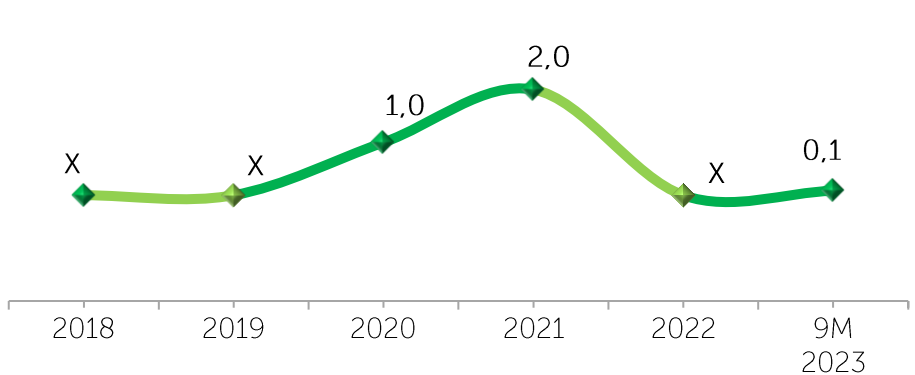
Structure of investors in the primary market
for 9M 2023



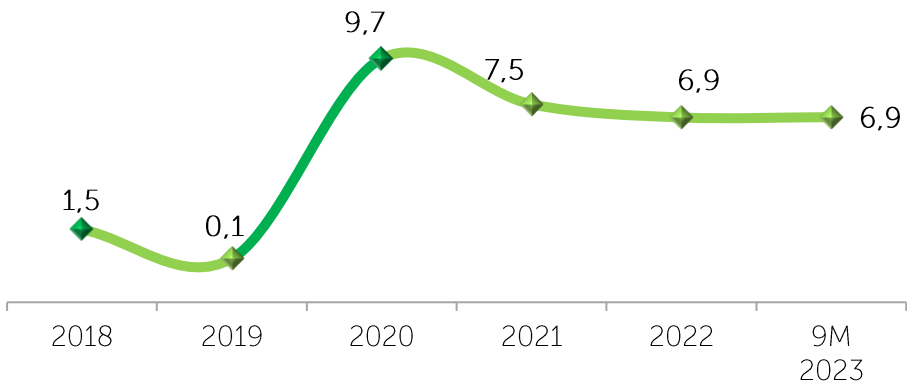
Structure of investors in the secondary market
for 9M 2023



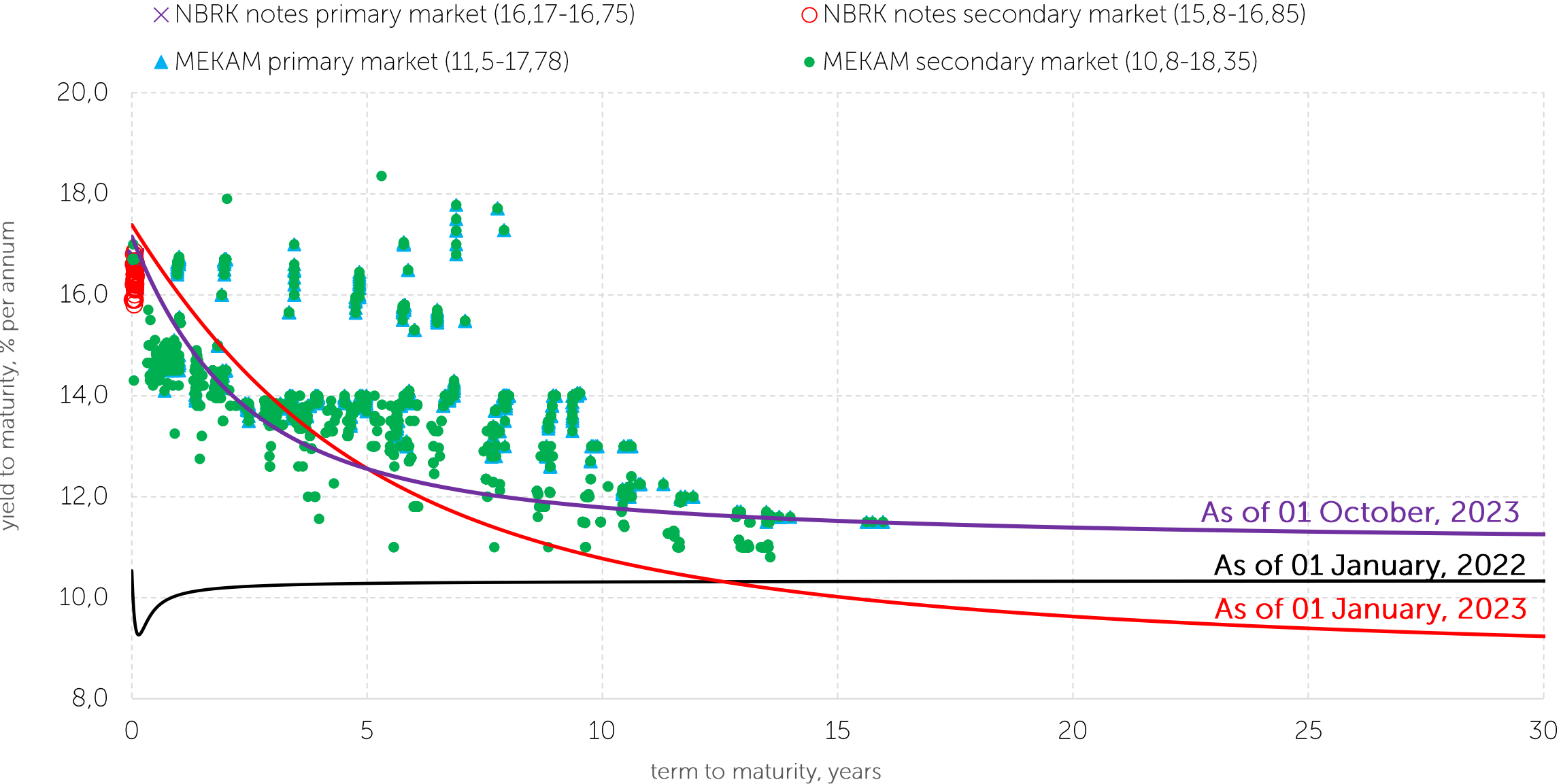
Share of non-residents in the gross turnover
of the primary market, %



Share of non-residents in the gross turnover
of the secondary market, %



Kazakhstan State Securities Yield Curve



Source: KASE

Yield of Transactions by State Securities Type

Type	Description	2022 year		9M 2023 year	
		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 Kazakhstan and are announced in the conditions of the auctions	9.32%-15.99%	9.25%-20.00%	—	15.80%-16.85%
MEKKAM of MF of RK	Discount short-term treasury bonds	10.21%-15.00%	—	14.10%-16.75%	14.20%-15.60%
MEOKAM of MF of RK	Medium-term treasury bonds with a maturity of 2-3 years	10.67%-16.70%	9.56%-16.22%	13.50%-17.00%	10.90%-16.00%
MEUKAM of MF RK	Long-term treasury bonds with maturities of up to 10 years	10.70%-16.10%	8.90%-16.75%	11.50%-15.80%	10.03%-17.88%
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	—	—	—	—
METIKAM of MF RK		14.00%-16.32%	—	16.49%-17.78%	17.90%-18.35%
Eurobonds of MF RK	Treasury bills with different maturities issued in foreign currencies in accordance with foreign legislation	—	1.07%-10.60%	—	1.11%-10.96%

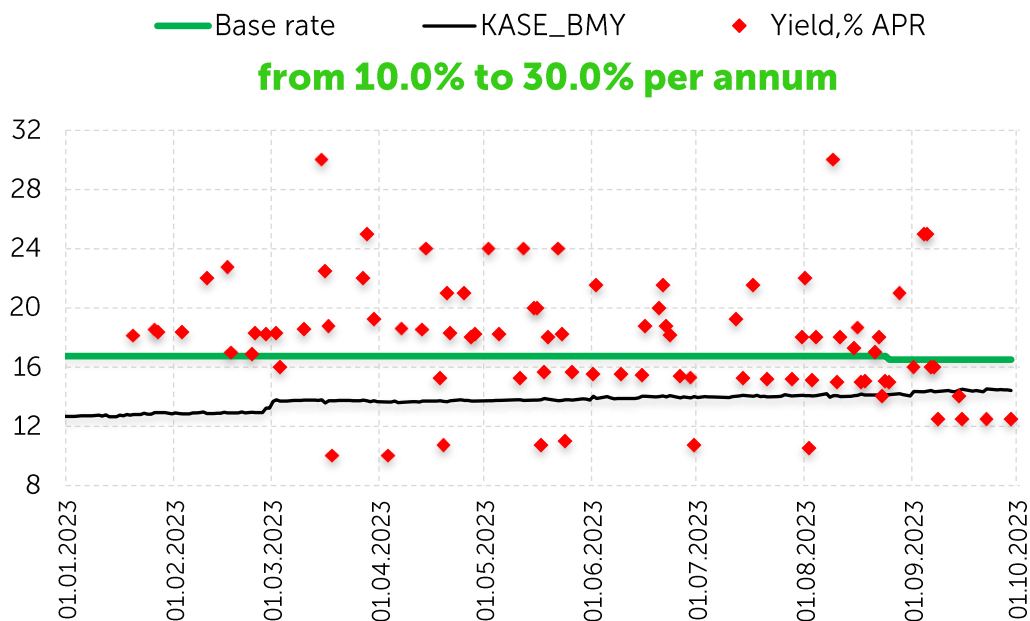
Source: KASE

Corporate Bonds

Key Facts and Numbers

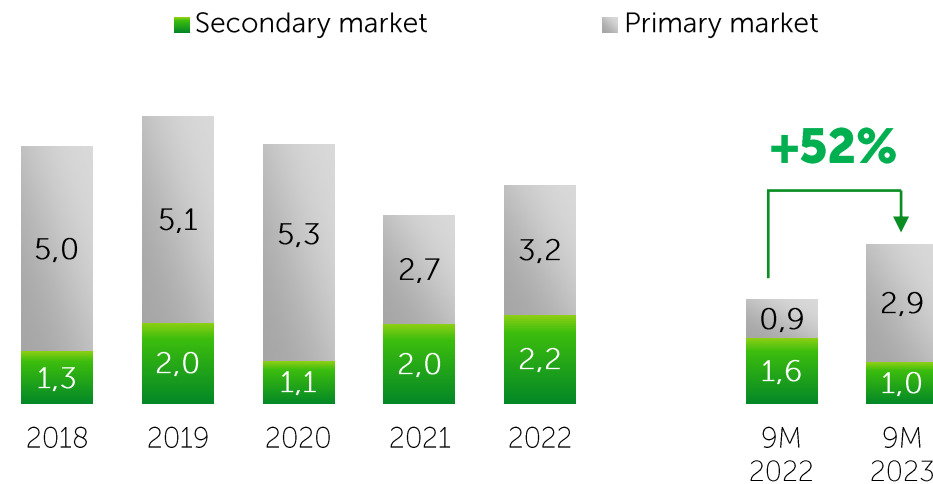
- + current market cap ~ **USD 28.8 bn** (-8%)
- + average daily volume of deals in the secondary market ~ **USD 5.7 mln** (-37%)
- + average volume of one deal in the secondary market ~ **USD 38.3 th.** (-73%)
- + share of Eurobonds in corporate debt outstanding ~ **33 %**
- + share of quasi-public sector in corporate debt outstanding ~ **75 %**

Market Offerings for 9M 2023

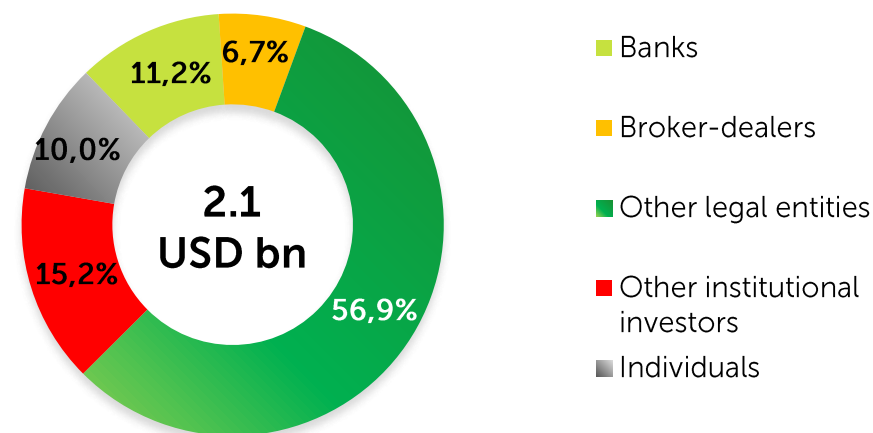


Source: KASE

Trading volume, USD bn



Main investor categories on the secondary market for 9M 2023



ESG Bonds

16 issues
were included in the
official list
14 issues
in the official list








Issue volume:
208,0 bn KZT

Placed:
138,7 bn KZT

Rates:
10,10%-22,60%,
2%-3% + TONIA

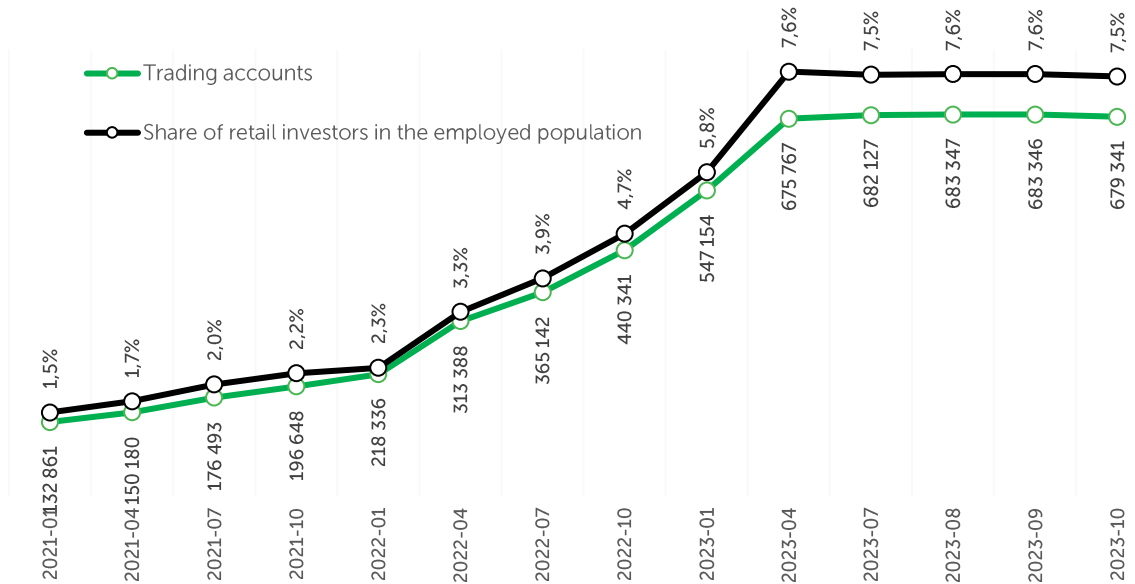
GREEN BONDS

SOCIAL BONDS

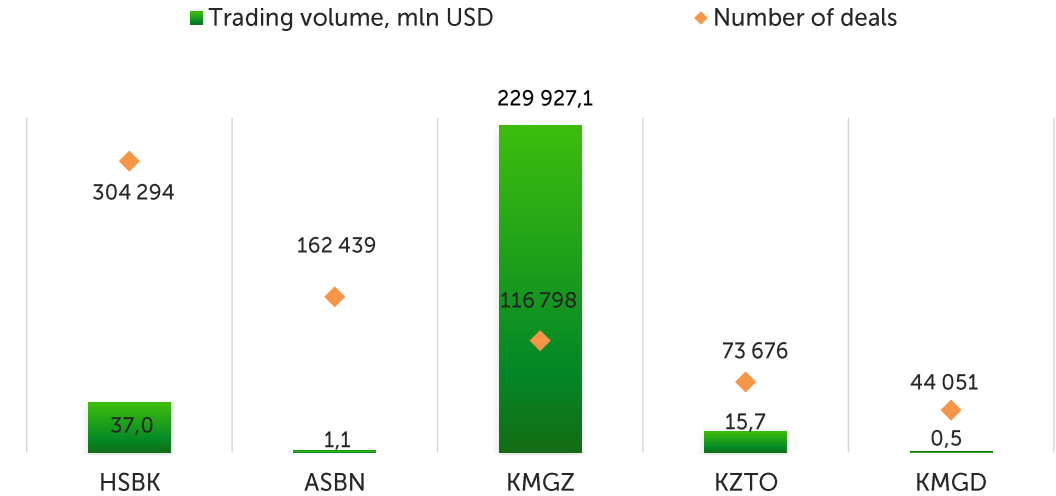
		Issue volume	Placed volume	Rate		Issue volume	Placed volume	Rate
	1 issue	20,0 bn KZT	20,0 bn KZT	10,50%	1 issue	20,0 bn KZT	–	–
	4 issues (2 погашены)	26,3 bn KZT	26,3 bn KZT	10,10% - 16,65%	3 issues	35,7 bn KZT	35,7 bn KZT	10,15% - 14,10%
	3 issues	47,0 bn KZT	10,0 bn KZT	2% + TONIA		–		
	1 issue	35,0 bn KZT	32,1 bn KZT	3% + TONIA		–		
		–			1 issue	1,0 bn KZT	1,0 bn KZT	11,90%
		–			1 issue	20,0 bn KZT	10,6 bn KZT	22,60%
	1 issue	3,0 bn KZT	3,0 bn KZT	21,75%		–		

Growth in the Number of Retail Investors

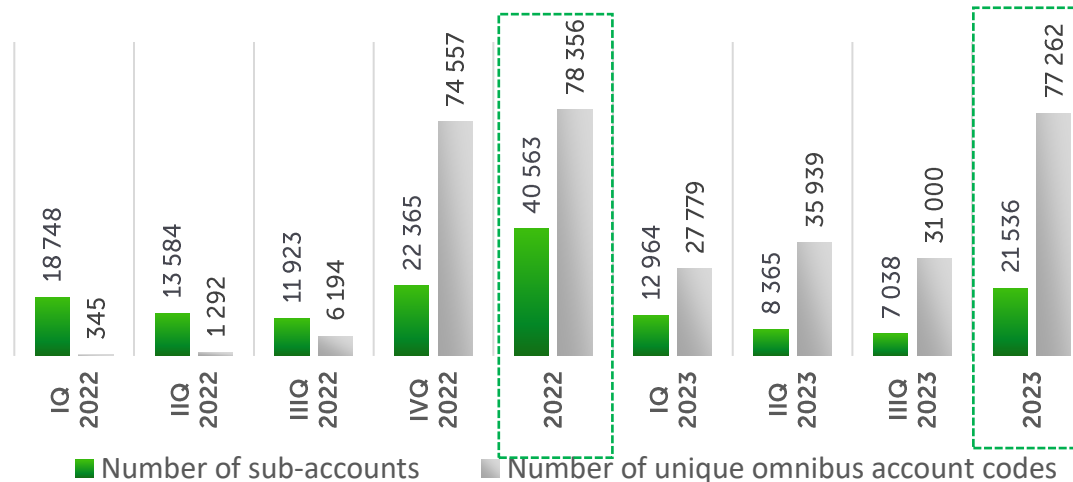
The number of Accounts of individuals in the CSD



Top-5 most popular stocks among retail investors for 9M2023



Active Accounts of individuals in the Stock Market



Top-5 companies with the most active accounts



+147 th.
new accounts for 9M 2023

+132 th.
increase in accounts 9M 2023

≈7.5%
of the employed population of
Kazakhstan are retail investors

FX Market

Key Facts and Numbers

- + **26** commercial and development **banks** are members of the KASE FX market
- + **9 brokerage companies** admitted to the market
- + **7 currency** pairs are traded on T+0, T+1, T+2 basis
- + extended trading day
- + average daily volume of spot operations for 9M2023 – **USD 269.8 mln (+63%)**
- + average volume of one deal for 9M2023 ~ **USD 485.0 th. (-3%)**
- + **60%** of total spot market volume represented by USD/KZT transactions

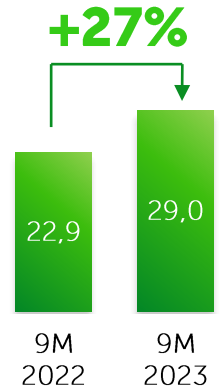
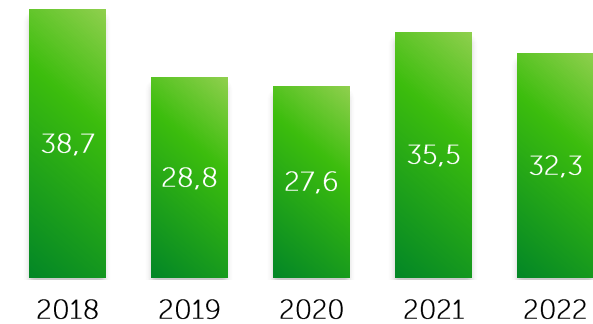
USD/KZT exchange rate dynamics, KZT per currency unit



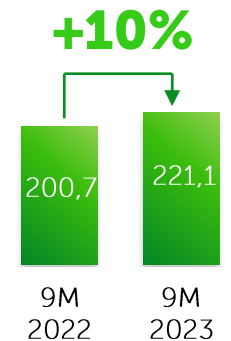
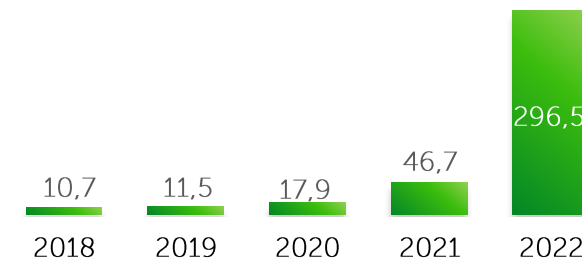
Note: USD/KZT exchange rate dynamics based on the weighted average rate at the end of the trading day

Source: KASE

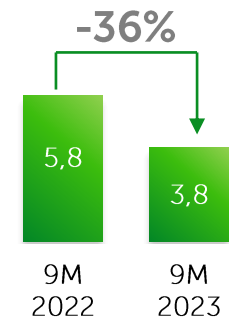
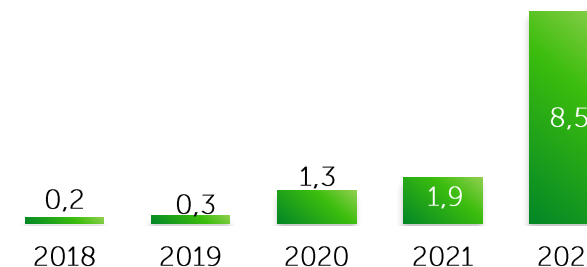
Trading amount, USD bn



Trading amount, RUB bn



Trading amount, CNY bn

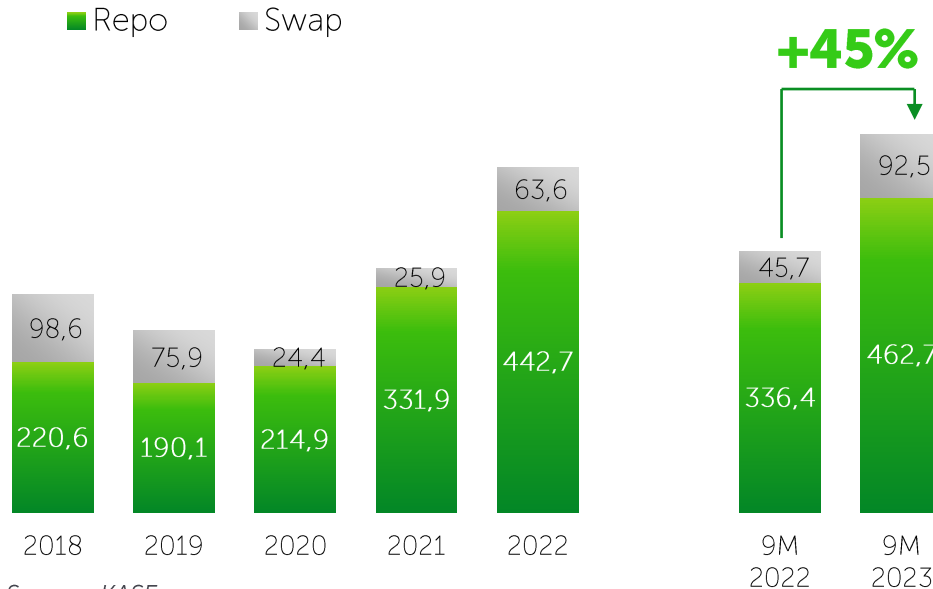


Money market

Key Facts and Numbers

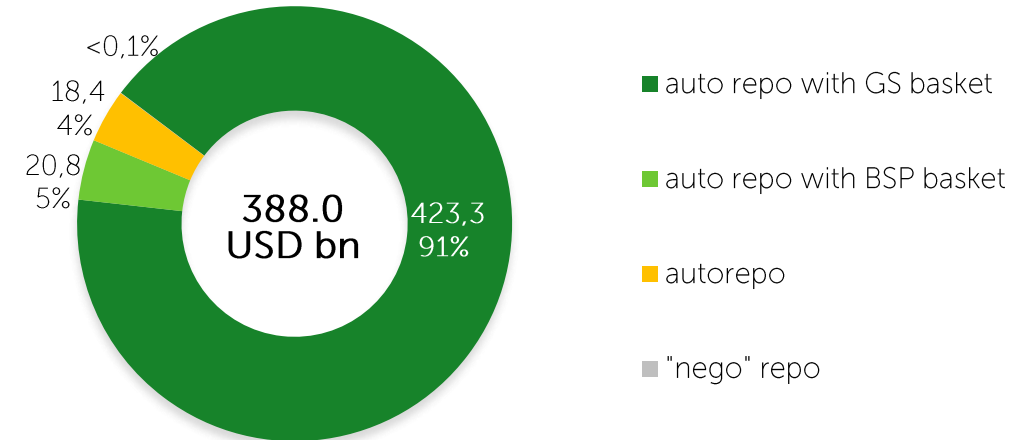
- + government securities, corporate bonds and equities can be used as collateral
- + **~91 %** of the total volume of repo transactions are transactions with a basket of GS
- + average daily volume of repo operations – **USD 2.5 bn (+37 %)**
- + average volume of one repo deal ~ **USD 2.0 mln (-5 %)**
- + average daily volume of swap operations – **USD 505.4 mln (x2.0)**
- + average volume of one swap deal ~ **USD 21.5 mln (+80 %)**

Trading volume, USD bn

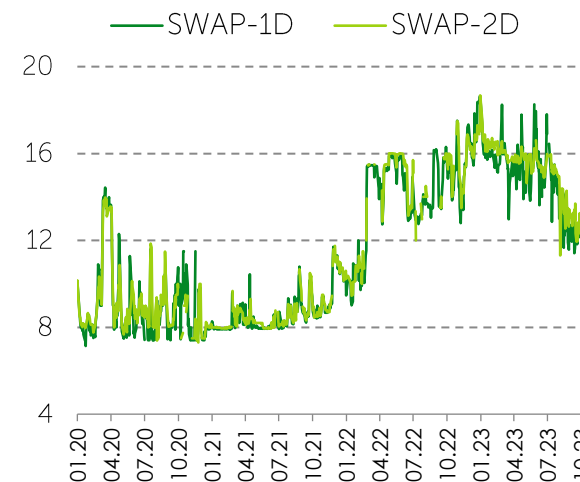


Source: KASE

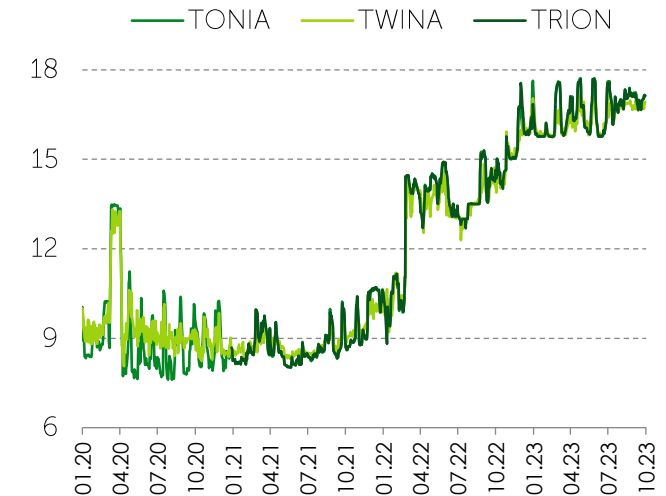
Repo market instruments, USD bn



Swap market indicators, %



Repo market indicators, %





04

Key Projects of KASE

KASE Development Strategy 2022-2024



Increasing liquidity on the KASE exchange markets

- ▲ Implementation of new instruments
- ▲ Establishment of trading and clearing links
- ▲ Development of the derivatives market
- ▲ Introduction of additional incentives for SMEs to enter the stock market
- ▲ Expansion of the investor base

Development of the CCP as a key infrastructure element

- ▲ Separation of the CCP into a separate subsidiary organization
- ▲ Improvement of activities in accordance with the IOSCO PFMI
- ▲ Alignment with ESMA/EMIR standards
- ▲ Establishing links with international CCPs and depositories
- ▲ Obtaining a credit and/or operational rating
- ▲ Launch of clearing certificates of participation

Implementation of innovation and technological modernization

- ▲ Ensuring high fault tolerance of IT infrastructure
- ▲ Pilot projects for the introduction of digital financial instruments
- ▲ Implementation of technology for detecting suspicious behavior of trading participants
- ▲ Expansion of the list of services for subscribers
- ▲ Promotion of the new version of IRIS Finance

Increasing KASE investment value for stakeholders

- ▲ Increasing the level of corporate governance
- ▲ Implementation of new approaches to dividend policy
- ▲ Improving management reporting
- ▲ Application of new approaches to project evaluation taking into account their marginality

Key projects for 2023

- ▲ **Increasing the liquidity of exchange markets for** Kazakh shares, foreign securities, government securities, derivatives by attracting market-makers under sponsored market-making programs
- ▲ **Expanding the retail investor base** – modernization and filling the content of the training portal on KASE website
- ▲ **Formation of an SME funding channel on the regulated market**
 - improving the financial literacy of companies – issuers, including SMEs
 - development of the Concept of raising venture capital and development of the Startup platform
 - Equalization of financing conditions between the banking system and the stock market in terms of funding sources and borrowing costs
- ▲ **Development of the ESG financing line**
 - improvement of ESG disclosure requirements for listed companies
 - development of the segment of "green", social and other bonds of sustainable development, attraction of issuers
 - proposals for developing a methodology for calculating ESG indices
- ▲ **Opening of trading on new currency pairs and new instruments on the derivatives market**
- ▲ **Creation of an infrastructure for trading in digital instruments**
- ▲ **Development of the institution of the central counterparty as a subsidiary of KASE**
obtaining licenses, establishing correspondent relations, developing internal documents and other activities



Clearing Participation Certificates

Opportunity for trading participants to make repo transactions with Clearing Participation Certificates (CPC).

The Exchange, as a clearing organization, issues CPC in exchange for assets contributed by clearing participants to the asset pool.



New currency pairs

In March 2023, trading was opened for new currency pairs with settlements T+0, T+1 и T+2:

- USD/CNY – US dollar trading with Chinese yuan settlements
- EUR/CNY – euro trading with settlements in Chinese yuan



Bonds indexed to Tonia

Issuance by Kazakhstani issuers (including the Ministry of Finance of Kazakhstan) of bonds linked to the risk-free money market rate - Tonia

Central counterparty

Project objective

The separation of clearing and CCP functions into a separate legal entity will make it possible to provide CCP services for various financial instruments traded not only on KASE, but also on other exchange and over-the-counter markets

Since September 25, 2023 KASE has transferred clearing and settlement activities on the stock market and repo to its 100th subsidiary organization - KASE Clearing Center (KACC).

42 financial organizations are the clearing participants of CASS.

More than 1,500 instruments were accepted for clearing services, including 989 issues of securities from 253 issuers.

Transition of the central counterparty functionality to KACC is carried out in the following stages:

- stock market – September 25, 2023
- foreign exchange and derivatives market – after opening correspondent accounts in foreign banks - 2024.

Bringing the CC activity in compliance with ESMA requirements and assigning MRA ratings is planned to be implemented in 2024-2025.

The clearing center is designed to:

- ✓ ensuring participant risk mitigation
- ✓ guarantee the completeness of settlements on trades
- ✓ reducing transaction costs of participants through cross-margining and netting



ESG Agenda

Legislation

Doctrine (strategy) of achieving carbon neutrality of the Republic of Kazakhstan until 2060

The new Environmental Code, effective from July 1, 2021

Green taxonomy to classify green projects to be financed through green bonds and green loans

Business Roadmap 2025: subsidizing ESG Bonds

Rules of the Financial Regulator on the issue, circulation and redemption of ESG bonds

Recommended

Methodology for assessing ESG risks in the financial market (the ARDFM together with the IFC)

Methodology for compiling an ESG report (KASE together with the IFC)

Rules for disclosing information on sustainable development in the annual report (KASE)

Projects of International Organizations in Kazakhstan

Project to create the "SDG Platform in Central Asia" of the United Nations Environment Program (UNEP)

IFC Corporate Governance Project in Europe and Central Asia

Supporting Kazakhstan's Green Development Path to Carbon Neutrality and Climate Resilience (EBRD)

Supporting the Development of Innovative Green Housing Finance (ADB)

Renewable energy



134 operating renewable energy facilities with a total capacity of 2010 MW

2021 – renewable energy generation of 4.2 bn kWh.

2022 – 10 new renewable energy sources for 290.6 MW

The Exchange

- ▲ KASE has been a partner of the UN Initiative "Sustainable Stock Exchanges" since 2015
- ▲ Market for ESG bond placements
- ▲ Sustainability Disclosure of listed companies
- ▲ Trainings for investors and businesses
- ▲ Promoting responsible investing principles

Issue of ESG bonds on KASE

In total, 16 issues of ESG bonds for 208 billion tenge were included in the official list, of which 138.7 billion tenge were placed. At the moment, there are 14 bond issues in the official list, 2 issues have been repaid

ESG events



International conference "ESG – a new paradigm for the development of the financial market"

as part of the X Congress of Financiers of Kazakhstan (November 2022)

40+ speakers
from 9 countries

300+ members

1,000+ listeners
online

- ✓ Annual training webinars on responsible investing and ESG compliance
- ✓ Annual Opening of Trades Ceremony **Ring the Bell for Gender Equality** and Conference "Gender Inclusion and Sustainable Development"
- ✓ Yrealy Annual Report competition "**Best Sustainable Development Disclosure**"

Launch Stages

2023

Demonstration of the technology platform

2024

Creation of regulatory environment and testing of business processes

2025

Project launch

Pilot project on securities tokenization "KASE Digital"

- ✓ Registration, issuance, and circulation of tokenized securities
- ✓ Distributed Ledger Technology (DLT)
- ✓ Real-time gross settlements
- ✓ Trading in the current KASE trading system, which allows easy onboarding of broker clients
- ✓ Settlement in Digital Tenge



Thank You!

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