

# CAPITAL MARKET OVERVIEW KAZAKHSTAN

**GLOPAC**, 2018

Section 1 Current state

## NATIONAL BANK OF KAZAKHSTAN



The National Bank is the entity that reports to the President of the Republic of Kazakhstan

### Functions:

- development and implementation of the state's monetary policy
- ensuring the functioning of payment systems
- implementation of foreign exchange regulation and foreign exchange control
- promotion of the stability of financial system
- regulation, control and supervision of the financial market and financial institutions and also other parties, within its competence
- ensuring a due level of protection of the rights and legitimate interests of consumers of financial services
- carrying out statistics activities in the area of monetary statistics and external sector statistics

## NATIONAL BANK OF KAZAKHSTAN (2)



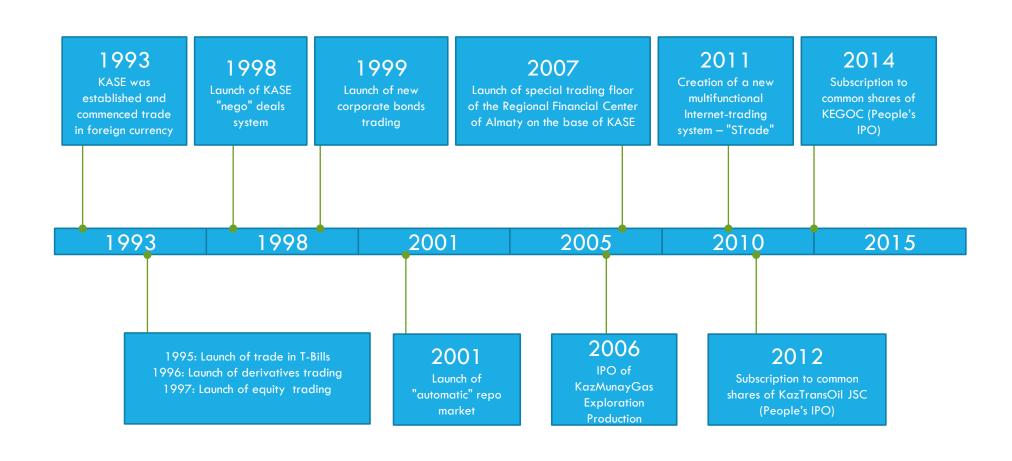
- ❖ 48 brokers and/or dealers
- 23 investment portfolio managers
- ❖ 10 custodians
- 2 transfer agents
- 1 stock exchange
- 1 organization engaged in clearing on transactions with financial instruments
- 1 integrated securities registrar
- 1 central securities depository

Regulator Shareholder NBK

- Kazakhstan Deposits Insurance Fund
- Center of activities' maintenance of the National Bank of Kazakhstan
- The Integrated Securities Registrar
- National Investment Corporation of National Bank of Kazakhstan
- ❖ The State Credit Bureau
- Central Securities Depository
- Kazakhstan Stock Exchange
- Training Center of National Bank of the Republic of Kazakhstan
- Rating Agency of Regional Financial Center of Almaty city
- The Bank Service Bureau of the National Bank of Republic of Kazakhstan
- Kazakhstan Sustainability Fund

## KAZAKHSTAN STOCK EXCHANGE (KASE)





## **KASE (2)**



Market sector	Volume (USD mln)	%
Repo transactions	167,564	60.7
Foreign currency	104,863	38.0
Government securities	1,608	0.6
Corporate bonds	1,490	0.5
Shares	744	0.3
Investment funds securities	1.6	<0.1
Futures contracts	<0.1	<0.1

Section 2 Vision: Overview of the future

## ASTANA INTERNATIONAL FINANCIAL CENTRE (AIFC) STRATEGIC PILLARS



### **Capital Market**

Increasing domestic
Capital Market
liquidity and attracting
more foreign
investments



### **Asset management**

Asset management
of private and state
funds by established
international asset
management
companies within
AIFC



### **Private Banking**

Developing Private
Banking expertise on
the basis of based
within AIFC
international asset
management
companies



### **Islamic Finance**

Creating local Islamic
Finance market
supported by local,
international Islamic
banks & financial
institutions



## Financial Technologies

The introduction and development of Financial Technology to companies improve efficiencies and decrease costs

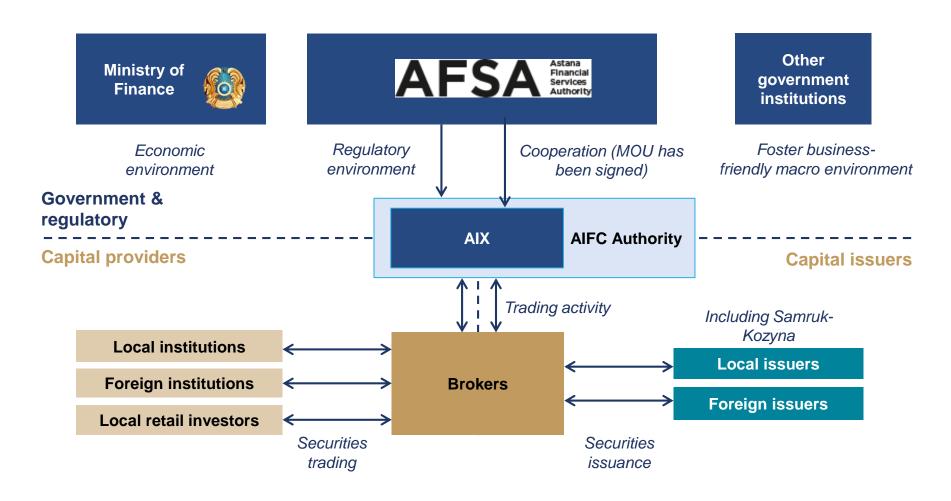
## ASTANA FINANCIAL SERVICES AUTHORITY AFSA Astana Financial Services Authority

The Astana Financial Services Authority (AFSA) was launched on 1 January 2018 as the independent regulator of the Astana International Financial Centre (AIFC).

## Objectives:

- the regulation, control and supervision of financial activities in the AIFC by Centre Participants
- ensuring that financial markets in the AIFC are fair, efficient, transparent and orderly
- creating fair, transparent and non-discriminatory conditions for Centre Participants
- \*fostering and maintaining confidence in the AIFC's financial system and regulatory regime
- \*fostering and maintaining the financial stability of the AIFC's financial services
- preventing, detecting and restraining actions that may cause damage to the reputation of the AIFC
- protecting interests of investors and users of financial services
- implementing in the AIFC a regulatory regime that complies with international standards in the sphere of regulation of financial services
- fostering the development of financial technologies in the AIFC.

## PLAYERS IN THE EXCHANGE ECOSYSTEM



## ASTANA INTERNATIONAL EXCHANGE



#### **Products & services**

- Wide range of asset classes: equities, debt, ETFs, derivatives, commodities, Islamic, securitisation
- Dedicated platforms for financing junior and private companies
- Full market data offering
- Full clearing, settlement and CSD services offered after 3-5 years of operations

### Astana International Exchange

## Strategic partners Exchan

- Large core partner to bring international capabilities to the exchange
- Significant financial partners to support exchange setup & growth
- Potential to establish regional trading links to boost liquidity and market access

#### Clients

- Government and corporate issuers from Kazakhstan and abroad
- Privatised national assets offered through IPO
- Source of return for national institutional investors (UAPF, NIC)
  - Opening investment opportunities for retail and foreign investors

### Geographic coverage

- Listed products in KZT, RUB, USD, CNY
- Compelling incentive program to grow international participation
- Healthy competition between local and foreign institutions
- All participants operate under same regulation based on international standards

### **Key benefits**

#### For issuers...

- Access to extensive local & foreign capital in one location
- Diverse financing options

#### For investors...

- Liquid trading environment to lower transaction costs
- Trust through compliance and transparency
- Diverse investment options to manage risk
- High quality services

#### For partners...

- Financially attractive proposition
- Exposure to financial hub of Central Asia and EAEU

## AIX STRATEGIC PARTNERS





The AIFC has signed a Shareholders
Agreement with the Shanghai Stock
Exchange. As terms of this agreement, the
Shanghai Stock Exchange cooperates with
the AIFC on strategy and technology
consulting, business planning, product design,
market expansion and liquidity growth. SSE
will also work closely with AIX to support the
"Belt and Road" Initiative.

Nasdaq is a strategic partner and the technology provider of AIX. Nasdaq has delivered its state of the art trading technology to AIX which will provide international and domestic investors with easy and comfortable access to AIX's attractive financial instruments. The Nasdaq Matching Engine system offers exceptional performance and functionality.

## **SOURCES**

- http://www.nationalbank.kz/?docid=164&switch=english
- http://kase.kz/en/
- http://afsa.kz
- http://aix.kz