

## PRESS RELEASE

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### **KASE holds annual general meeting of shareholders and determines new composition of the Exchange's Board of Directors**

On May 31, 2021, Kazakhstan Stock Exchange JSC (KASE, Exchange) summed up the results of the annual general meeting of shareholders (AGM), which was held through absentee voting.

During the meeting, shareholders of the Exchange made a number of decisions, including:

- to take note of the information on the Exchange's activities for 2020, set out in KASE's 2020 Annual Report;
- to approve separate and consolidated annual financial statements of the Exchange for 2020;
- not to distribute net income, spending it on the Exchange's development;
- to choose BDO Kazakhstan LLP as an auditing organization of the Exchange in order to audit the consolidated and separate financial statements of the Exchange for 2021;
- to take note of the information on the absence in 2020 of shareholders' appeals against actions of the Exchange and its executives on issues regarding its activities.

KASE's shareholders also determined the composition of the Board of Directors (BoD) of the Exchange – 10 people, also setting the term of office of the elected members of the BoD – from the date of their election until the AGM of the Exchange, dedicated to the consideration of the annual financial statements of KASE for 2023:

- three non-elected members of the BoD (a representative of the authorized body for regulation, control and surveillance of the financial market and financial organizations, a representative of the National Bank of the Republic of Kazakhstan on the basis of item 4 of Article 84 of the Act of the Republic of Kazakhstan "On the Securities Market" and the Chairman of the Management Board of the Exchange (ex officio) on the basis of sub-item 2) item 3 of Article 17 of the Exchange's Charter);
- four representatives of the Exchange's shareholders' interests;
- three independent directors of the Exchange.

Members of the BoD, representing interests of KASE's shareholders, were elected – Y. Abdrazakov, A. Dronin, I. Marich, Y. Salimov.

Yeldar Abdrazakov, CEO and shareholder of the Centras group of companies, heads Kazakhstan Growth Forum, Private Sector Initiative on Economy Transformation and the Council for Enhancing Competitiveness under the National Chamber of Entrepreneurs of the Republic of Kazakhstan.

Aleksandr Dronin, Deputy Chairman of the Management Board of BCC Invest JSC, more than 20 years in the financial market, including in executive positions. He was a member of the BoD – an independent director of LIC "Standard Life" JSC.

Igor Marich, Member of the Management Board – Managing Director for Sales and Business Development of Moscow Exchange MICEX-RTS PJSC. Chairman of the Supervisory Board of the National Commodity Exchange JSC.

Yertai Salimov, member of the Management Board, deputy chairman of the Management Board of Halyk Savings Bank of Kazakhstan JSC.

KASE's shareholders elected members of the BoD, independent directors of the Exchange – Jan Willems, Izraeli Doron, A. Yelemessov.

Jan Willems, executive director of Global Markets, Clearstream (Luxembourg), formerly Vice-president of the Unit "CIS and the Netherlands". He worked for Deutsche Bank (Scotland), BISYS Fund Services (Ireland) and Euroclear Bank (Belgium).

Doron Izraeli, professor at the Graduate School of Business at Nazarbayev University. He holds a PhD from Stanford University. Certified Auditor (CPA, Israel), worked in the Israel Securities Authority (ISA).

Askar Yelemessov, Chairman of the Committee for Strategic Planning and Corporate Development of Kazakhstan Housing Company JSC, previously served as a Deputy Chairman of the National Bank of the Republic of Kazakhstan, Vice-Minister of the Ministry of Finance of the Republic of Kazakhstan.

According to the audited consolidated financial statements for 2020, the financial and economic activities of the KASE Group in 2020 are characterized by the following indicators:

- revenues amounted to 5.6 billion tenge, which is higher than the result of last year by 1.3 billion tenge or 32.5 %. Revenue from services and commissions amounted to 3.2 billion tenge, having increased by 682.9 million tenge, or 27.6 %, interest income increased by 699.5 million tenge, or 39.4 %, and amounted to 2.5 billion tenge;
- expenses amounted to 2.5 billion tenge and increased by 656.4 million tenge, or 35.9 %, compared with last year;
- net income of 2.9 billion tenge was earned, which is by 32.0 % higher than the result of the last year;
- assets compared with 2019 increased 21.2 times and amounted to 1,505.8 billion tenge. A significant increase in assets and liabilities is due to the fact that the Exchange performs the functions of the central counterparty (CCP) in all markets, being a party to each participant in all deals concluded during exchange trading and guarantees their execution on a net basis.
- the amount of liabilities increased 24.9 times by 17.0 billion tenge and amounted to 1,490.0 billion tenge, of which 95.6 % (1,423.7 billion tenge) are the CCP's liabilities on repo transactions in the stock market, 4.3 % (64.7 billion tenge) are guarantee fees and collateral of clearing participants allocated on the accounts of KASE as the central counterparty, and 0.09 % (1.4 billion tenge) – the CCP's liabilities on foreign exchange transactions.

Based on results of KASE's activities in 2020, the total trading volume for 2020 relative to 2019 remained stable and amounted to 118 trln tenge.

The securities market showed positive dynamics, increasing by 49 % compared with 2019 and reached 7.9 trillion tenge. The number of concluded deals almost doubled (~ 205 thousand deals).

A confident growth in the trading volume was observed in the unit investment trusts market; by results of the year, its value increased 22 times to 20.3 billion tenge. The volume of deals in the GS market increased 2.6 times, while it should be noted that the secondary government securities market has become more active, where a 2.4 times growth was observed.

On the stock market, the volume of trade deals increased by almost 35 billion tenge, or 17 %, to 238 billion tenge, the number of deals increased 1.9 times. The capitalization of the share market grew by 11 % over the year and amounted to 19.1 trillion tenge, the volume of corporate debt traded on KASE increased by 21.2 % to 14.7 trillion tenge.

In 2020, the Exchange implemented a number of significant projects, including:

- trading on the stock market was transferred to the ASTS + trading and clearing system, including all financial instruments of the stock market in the buy-sell and repo market modes, netting of buy-sell and repo transactions became available to traders;
- a project on transition to the ASTS+ trading and clearing system in the foreign exchange market was implemented. On the foreign exchange market, a mode of negotiated transactions appeared, which is an analogue of the over-the-counter market and deliverable futures for the US dollar;
- the KASE Mobile application with the ability to view market data and indices and conduct training trades as part of the "Exchange Simulator" project was successfully launched;
- the updated main indicator of the money market TONIA was introduced, which is a new risk-free benchmark in Kazakhstan's money market;

- a Sustainable Development Policy has been developed to determine the fundamental norms, principles, rules and approaches that the Exchange must adhere to in building a sustainable development management system;
- an electronic method of subscription for clients of the information product of the Exchange "Web-Quotes" – viewing trades in real time on KASE's website was introduced;
- during the year, training events were held for entrepreneurs, the broad public, representatives of the media in order to increase financial literacy.

### **For reference**

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the sixth rank in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

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