

KAZAKHSTAN STOCK EXCHANGE

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On the expiry of term of office of KASE President K. Damitov

On June 30, 2013 the term of office of KASE President Kadyrzhan Damitov expires, who in May this year notified the Exchange Board of Directors that he was not planning to turn to members the Exchange Board of Directors with regard to possible extension of his powers as KASE President.

On May 31, 2013 meeting of the Exchange Board of Directors K. Damitov announced that he would not suggest his candidature for the post of KASE President for a third term. Kadyrzhan Damitov was appointed the President of KASE on April 30, 2009 and re-appointed on April 28, 2011. From 2009 to 2013 KASE headed by K. Damitov implemented a range of important projects including strategic ones aimed at development of KASE operations and bringing it in line with international standards.

The indicated period was marked by a serious impact of the crisis' consequences on Kazakhstan's stock market which was followed by corresponding measures on the part of regulators and the exchange. Within the anti-crisis course KASE implemented a range of projects, of which the introduction of the buffer category in the official securities list and reforming of the repo market were the most important. After the risk minimization act became effective, the exchange in less than half a year brought its normative and technological base in compliance with it. In addition, the work on the launch of the remote backup center was finished.

In terms of developing exchange and information technologies, a block of projects was implemented during K. Damitov's term of office, also related to an unprecedented for Kazakhstan subscription under the government-run "People's IPO" program. A range of software and hardware novelties were designed and implemented, e.g. the securities trading and settlement system based on T+0 with full collateral, the electronic document flow system at disclosure of information by issuers of securities and exchange members towards investors, closing auctions of exchange trading in securities, re-launch of the derivatives market. In 2012 the exchange started developing a new trading system which should almost hundred times speed up the order processing, thus pushing this indicator to close to international standards of exchange operations. Simultaneously with this set of measures new documents and procedures were drawn up relating to the risk management system and professional ethics on the stock market, as well as the existing listing rules and other documents and mechanisms were substantially improved. All efforts taken by the exchange were aimed at creating a modern, technological and adjustable regulated securities market.

It should be noted that in spite of the unfavorable stock market conditions during the said period and a considerably fallen volume of trade on the exchange secondary market, investments and development projects were increased. At the same time KASE remained a profitable company trying to increase the value of its shares and the welfare of its shareholders. Also, KASE continued to successfully carry out one of its main functions – provision of investor money to the economy's real sector through stock market instruments, since the turnover on KASE primary market was steadily increasing.

Over the past four years KASE managed to establish business relations with foreign stock exchanges on a bilateral basis and as part of membership of international associations – IAEs of CIS, Federation of Euro-Asian Stock Exchanges (FEAS) and World Federation of Exchanges (WFE). Prices of some shares included in KASE official list are used by international agencies for calculation of globally popular stock indexes, and KASE market data are broadcasted by Thomson Reuters and Bloomberg in real time all over the world. In 2011 KASE was granted the honor of conducting the 17th General

Assembly of the Federation of Euro-Asian Stock Exchanges (FEAS) in Kazakhstan which witnesses of success achieved by the exchange in its international operations.