

KAZAKHSTAN STOCK EXCHANGE

PRESS RELEASE

Almaty

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KASE and Bank of China limited signed Memorandum of Mutual Understanding

Kazakhstan Stock Exchange (KASE, the Exchange) and Bank of China limited concluded a Memorandum of Mutual Understanding. Cooperation under the memorandum will promote further interaction between national financial markets of both countries. The memorandum was signed during the international conference "Settlements in national currencies of the Republic of Kazakhstan and People's Republic of China: current situation, trends and outlooks" on September 14, 2017 in Almaty.

Partnership of Kazakhstan Stock Exchange (KASE) and Bank of China limited is crucially important for extending the use of national currencies in settlements between companies of China and Kazakhstan.

"Along some lines KASE and SB Bank of China in Kazakhstan (subsidiary of "Bank of China limited" in Kazakhstan, *note – KASE*) have been cooperating for many years, and we are glad to develop the cooperation promoting an extension of mutual settlements in national currencies of both countries and the yuan-denominated product range. This is also an important step complying with interests of development of financial markets of both Kazakhstan and China. The Exchange and Bank of China limited will jointly work on projects that in future will allow Kazakh and Chinese investors to use a broader range of financial instruments denominated in the tenge and yuan", – pointed out KASE's CEO Alina Aldambergen.

"Our Bank believes that a joint conference and signing of the Memorandum of Mutual Understanding will promote the strengthening of our cooperation, as well as give a new impulse to the development of trading and settlements in the national currencies of China and Kazakhstan. That is especially important in the light of the government program of infrastructure development "Nurly Zhol" and Initiative "One Belt – One Way", – emphasized CEO of SB Bank of China in Kazakhstan Mr. Liu Wei.

Development of conversion transactions CNY/KZT and extension of the range of traded instruments are the direct contribution of KASE and Bank of China limited to the development of the goods turnover between our countries and implementation of joint investment projects. The popularity of such instruments is clearly shown by the growing volume of deals in instruments CNY/KZT on KASE. In particular, over 8 months of 2017 the volume grew by 59 % on the similar period of last year.

Cooperation between KASE and Bank of China began in 1999, when SB Bank of China in Kazakhstan became a member of KASE. Currently, Kazakhstan-based subsidiary of Bank of China limited is the market-maker for all instruments of the currency pair KZT/CNY, the settlement bank of the Exchange on yuan.

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For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region and the only exchange in Kazakhstan, carrying out its activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions 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.

In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, as well as in the top 5 in terms of capitalization among the FEAS exchanges.

Bank of China Limited was established in 1912 and has been for more than 105 years one of the largest banks not only in the People's Republic of China, but also worldwide. In 2006 году Bank of China limited became the first Chinese commercial bank whose shares began circulating simultaneously on exchanges of Shanghai and Hong Kong. In 2016 году Bank of China limited for the six time in a row received the status of a global backbone bank. Bank of China limited has branches and subsidiaries in 51 countries and regions worldwide. SB Bank of China in Kazakhstan, is a 100 % subsidiary of Bank of China limited, has been operating in Kazakhstan over 24 years and is the market-maker for trading in the currency pair CNY/KZT on KASE from the very beginning of trading in that currency pair. The main goal of SB Bank of China in Kazakhstan is the promotion of economic, trade and financial cooperation between the People's Republic of China and Republic of Kazakhstan.

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