

# KAZAKHSTAN STOCK EXCHANGE JSC

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## PRESS-RELEASE

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### **Kazakhstan Stock Exchange to move to T+2 settlement cycle in 2015**

Kazakhstan Stock Exchange is pleased to announce that it plans to adopt a universally accepted by investors worldwide T+2 settlement cycle this year.

Currently, settlement of transactions with securities takes place on a trade-by-trade basis under the same day settlement scheme. During the first stage of migration to universally accepted settlement cycle T+2, it will apply to the most liquid securities – shares of KASE Index. Later T+2 will be gradually introduced to other financial instruments traded on KASE.

The change in the settlement period is in line with the Concept for Development of the Financial Market of Kazakhstan 2030 and within the scope of the strategic vision of KASE to create a favorable environment for trading and settlement that both serves the needs of trade participants and investors and complies with best international standards and practices.

In order to mitigate risks associated with an extended settlement period KASE will use globally recognized risk management system that includes partial margining, price change limits, and clearing funds. Currently KASE works on updating its trading and clearing systems together with the Central Securities Depository.

Prior to migrating to a new settlement cycle KASE will offer its trade participants and investors an opportunity to test the new cycle in a real-time actual trading environment. Information on specific dates will be further announced.

The new settlement cycle will positively impact Kazakhstan's market position in global Country Classification indices and raise further awareness of shares traded on KASE among international investors that rely on such classifications in making their investment decisions.

#### Reference information

Kazakhstan Stock Exchange (KASE) is one of the leading stock exchange in CIS region with more than 130 companies having their securities listed and more than 50 brokers trading in these securities. KASE is the single exchange in Kazakhstan operating the financial market. This is a universal floor trading repo market instruments, foreign currencies, government and corporate securities of Kazakh and foreign issuers, bonds of international financial institutions.

KASE is a member of the World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS) and other internal and international professional associations. Kazakhstan, being a leading financial market on the territory of Central Asia is aimed at developing a financial center and promotes development in many areas, including Islamic financing. KASE's goal in Kazakhstan is development of a strong and active capital market able to attract attention of international market participants and prospective issuers from all regions of CIS.

As of January 1, 2015 the volume of trade on KASE reached an equivalent of USD 260 bn, including shares market – USD 961 m. KASE-operated shares market's capitalization was estimated at about USD 25 bn; corporate bond market – USD 36 bn.

Additional information on KASE is available in Russian, Kazakh and English on [www.kase.kz](http://www.kase.kz)