



НАЦИОНАЛЬНАЯ ПАЛАТА
ПРЕДПРИНИМАТЕЛЕЙ КАЗАХСТАНА



International
Finance Corporation
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Kazakhstan Stock Exchange JSC

PRESS RELEASE

Almaty

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KASE and NCE of RK and IFC held Discussion Club meeting on a mechanism to implement state programs aimed at privatization and financing of private sector through capital market

On February 20, 2015, The Ritz-Carlton, Almaty, hosted a Discussion Club meeting related to "Mechanisms of implementation of state programs aimed at privatization and financing of private sector through capital market" jointly organized by Kazakhstan Stock Exchange (KASE), National Chamber of Entrepreneurs of Kazakhstan (NCE) and International Finance Corporation (IFC).

The event gave an opportunity to representatives of the stock market, public and private sectors to have a constructive discussion on privatization of companies of FNB Samruk-Kazyna JSC which were not part of the program "People's IPO" and consideration of making stock market infrastructure available for government programs aimed at diversifying the economy and support of the private sector through acquisition by NMH Baiterek JSC of low-interest secured bonds of companies participating in these programs. Professional securities market participants, real economy representatives, representatives of the regulator, international financial institutions and global consulting firms were actively involved in the debate.

During the event, a report was presented prepared by Yerlan Burabayev, Managing Director of the Association of Financiers of Kazakhstan, on privatization of companies which were not part of the program "People's IPO" through the stock exchange. There was a motion to consider an alternative mechanism of privatization consisting of several stages involving a strategic investor.

In the second part of the meeting Amina Turgulova, KASE Director of Business Development Department, gave a presentation to the participants of the Discussion Club regarding potential exchange products for government programs to support a private sector offered by National Managing Holding Baiterek JSC.

At the end of the event, Saule Imanova, IFC Investment Specialist, gave details about the global practice and experience of IFC in backing of bond loans of companies in emerging markets.

During the discussion the advantages and disadvantages, conditions and specific mechanisms for the placement of part of the quasi-public sector packages in the trading floor have been considered. The participants proposed to consider an alternative mechanism for privatization of companies consisting of several stages. It was suggested to analyze regulations of Samruk-Kazyna governing privatization issues, and submit proposals for amendments in order to use various privatization mechanisms.

With regards to the possibility of funding the private sector through the stock market, It was decided that KASE and Entrepreneurship Development Fund Damu JSC shall develop possibilities of bond loans subsidizing and backing and inclusion of this feature to the program "Business Road Map-2020".

Background

National Chamber of Entrepreneurs of Kazakhstan is a non-profit, self-governing organization founded on September 9, 2013 based on a joint decision of Kazakhstan's Government and the National Economic



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Chamber of Kazakhstan (NECK). The objectives of the National Chamber of Entrepreneurs of Kazakhstan are protecting the rights of and interests of entrepreneurs and ensuring broad coverage and involvement of all entrepreneurs in the process of development of legislative and other regulatory business rules.

KASE is the only Exchange in Kazakhstan serving the financial market. It is a versatile platform for trading in repo market instruments, foreign currencies, government and non-government securities of Kazakhstan and foreign issuers, bonds of international financial organizations.

International Finance Corporation (IFC), a member of the World Bank Group, is a large global development institution whose activities are aimed solely to support the private sector.

KASE Discussion Club is a regular professional event representing an open and constructive discussion of the key issues of the stock market of Kazakhstan. Discussion Club participants have a unique opportunity of a direct dialogue with representatives of KASE, regulator, issuers and professional securities market participants.