



## PRESS-RELEASE

Almaty

May 30, 2018

### KASE held Annual General Meeting of shareholders

The Annual General Meeting of shareholders of Kazakhstan Stock Exchange (KASE) was held on May 30, 2018. KASE 2017 performance results were presented at the event.

In 2017, KASE continued to implement its development strategy for 2016-2018 within the following key areas: development of the stock market, improving client focus of the Exchange and its services, improving the efficiency and competitiveness of the Exchange's business.

In 2017, trading volume of all financial instruments on KASE grew to a record KZT151.5 trillion, which is 60.3% higher than in 2016. All markets showed positive dynamics: securities market grew three times (volume KZT3.45 trillion), money market increased 64% (volume - KZT135.72 trillion), foreign currency market grew 17.6% (volume - KZT12.32 trillion). Volume of transactions on derivatives market amounted to KZT22.1 bn against KZT1.8 mln in 2016. Equity market capitalization reached KZT17 trillion and volume of corporate debt traded on the Exchange amounted to KZT9.2 trillion. There are securities of 174 issuers on KASE lists and the total number of financial instruments available for trading has reached 800. KASE Index was up 59% in 2017 having renewed its nine-year maximum thus making it to the world's top 3 fastest growing stock indices.

Three new members representing the EEU (Eurasian Economic Union) were admitted to trading on the Exchange over the past year. Interstate Bank has been operating on foreign currencies market since February 2017 and the Eurasian Development Bank was admitted to trading on the stock market. The UNIVER Capital LLC became the first foreign broker to be admitted to the stock market since April 2017.

The Exchange has signed a memorandum of understanding with the Bank of China Limited aimed at developing interaction between national financial markets of the two countries, launched trades in Chinese yuan with settlements T+1 in tenge (CNYKZT\_TOM) on February 20, 2017 and opened trades in Chinese yuan with settlements T+2 in tenge (CNYKZT\_SPT) on September 14, 2017.

The Exchange has transformed its listing since June 1, 2017. As a result, the structure of the KASE official list is now divided into three markets: Main, Alternative and Mixed. Disclosure requirements for alternative market issuers were set only within the limits established by the legislation of Kazakhstan and listing fees were reduced.

As a follow up to its work on transforming its listing, KASE started calculating main market indicators (KASE\_BM\* series) i.e. KASE\_BMC "clean" price index and KASE\_BMY yield indicator as well as alternative market indicator (KASE\_BA\* series) i.e. KASE\_BAC "clean" price index and KASE\_BAY yield indicator since October 2, 2017.

In 2017, the implementation of the project on modernization of risk management system and gradual launch of the central counterparty function at the foreign currencies market was approved.

The Exchange has signed a memorandum on mutual cooperation with leading Kazakhstan business incubators on creating a platform for raising funds by young companies to finance startup projects.

In 2017, the Exchange offered 12 information products. Six new information products were introduced including use of trading data in Non-Display system/Derived information, providing information to KASE members, IRIS Finance information terminal, KASE news and information channel in Telegram @KASEInfoBot.

The Exchange conducted more than 50 consultation meetings with companies from various regions of Kazakhstan since the beginning of 2017 as part of the work with potential investors and issuers. There are about 1,072 companies in total in the database of which over 100 companies have been included in the database of potential issuers that meet KASE listing requirements.

Also, KASE held a competition among retail investors on the stock market, which is has been conducted since 2015. A total of 1,808 persons participated in the competition (there were 1,046 people in 2016). Over 12,224 transactions for the amount of over KZT1.5 bn (753 mln in 2016) were concluded by the participants during competition, which represents 42% of the total number of deals with shares of the KASE index representative list concluded during the same period in the KASE trade system.

According to the audited consolidated financial statements, KASE Group assets totalled KZT10.009 mln as at December 31, 2017 and increased 28.2% (KZT2.200 mln) compared to the last year. Shareholders' equity increased by 10.6% (KZT767.1 mln) to 8.012 million over the reporting year due to net income received and shown in the retained earnings item.

Consolidated income of the Exchange Group amounted to KZT2,522 mln as at the end of the reporting year, which is by KZT366.8 mln or 17.0% higher than the last year results. Income from services and commission fees amounted to KZT1,939 mln having increased by KZT432.5 mln or 28.7%. Interest income fell by KZT95.7 mln or 14.7%. Income from commission fees (35.5%), listing fees (33.7%) and membership fees (18.6%) represent the largest share of the Exchange's operating revenue structure.

According to the results of 2017, net profit amounted to KZT792.9 mln, which is 9.8% higher than the last year results. The increase in operating income of the Exchange is due to the increased income from services and commission fee.

The Annual General Meeting of KASE shareholders decided not to allocate the Exchange's net income for 2017 and spend it for development.

### **For reference**

Kazakhstan Stock Exchange (KASE) is the 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 the 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 ranks second among the CIS exchanges on the volume of trading in securities, and it also ranks sixth on equity market capitalization among FEAS stock exchanges.

For additional information, please contact: +7 (727) 237 5342, pr@kase.kz