



PRESS RELEASE

Almaty

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KASE held annual general meeting of shareholders

On May 30, 2019 Kazakhstan Stock Exchange (KASE, the Exchange) held the annual general meeting of shareholders who considered key issues of the Exchange's operations.

In 2018 KASE successfully completed the implementation of its three-year development strategy focused on the development of the exchange market, increasing the focus of the Exchange and its services on clients, as well as on improving the efficiency and competitiveness of the exchange business.

During 2018 the Exchange continued implementing projects aimed at development of all segments of the exchange market and implementation of its development strategy.

In particular, trading in Eurobonds with settlements T+2 in US dollars was launched, in order to provide participants with access to trading and settlements of debt securities, denominated in foreign currency, without conducting additional currency conversion procedures; new risk management systems were introduced – concentration limits on the repo market, in general, and mandatory discounts in the "nego" repo sector to limit the risk of failure to meet obligations on that market; brokerage companies got access to trading on KASE's currency market.

The Exchange continued its practice of conducting counseling, info ration and training events maintaining its presence in all regions of Kazakhstan. In six regions of the country counseling meetings were conducted, as well as 13 training programs on issues of the stock market, interaction with investors and corporate governance. Events are conducted with support from the National Entrepreneurship Chamber "Atameken", Fund "DAMU", local executive bodies, partners of the Exchange from professional partners of the market, international financial organizations, auditing and consultancy companies.

In 2018 the "KASE Startup" platform was launched – to establish communications between start-ups and investors, as well as KASE Private Market – to provided limited liability partnerships from SME with an alternative funding source without the need to acquire the status of a public company; trading in shares of the segregated sub-fund FinEx FFIN Kazakhstan Equity ETF, registered under European laws, was opened.

In 2018 KASE and Moscow Exchange (MOEX) signed an Agreement on strategic partnership. The main purposes of the cooperation between the two exchanges are provision to trading participants and investors from Kazakhstan and Russia of mutual access to both countries' markets; increasing the reliability of the infrastructure and reducing market risks on account of development of the central counteragent institute; utilization of the expertise and trading clearing technologies of MOEX.

In the period under review macroeconomic conditions were favorable, cost of financing fell for all market participants, with all that bringing to record figures on the stock market.

The amount of trading on the securities market increased by 41.2 %, based on the year's results, KASE Index increased by 7 % to 2,304.94 points. Capitalization of the equity market made up KZT15.5 trln, and the amount of corporate debt circulating on KASE reached KZT10.8 trln. Overall, 630 securities of 178 issuers were quoted on the Exchange as of December 31, 2018.

The total amount of trading in all financial instruments on KASE in 2018 made up KZT127.84 trln.

The year under review was marked as the 25-th anniversary of the Exchange, whereby various events were conducted: a series of open lessons KASE Talks was launched, and continued in 2019; the book named "How the future was built" was published; interviews of market participants were gathered for the open online project "KASE: history in persons"; the first Kazakhstan exchange forum was held and KASE museum was opened.

According to audited consolidated financial statements as of December 31, 2018, assets of KASE group compared with 2017 increased by KZT41.6 bn (5 times) reaching KZT51.6 bn. From October 1, 2018 the Exchange acts as the central counteragent on the exchange market of foreign currencies.

The total revenues of the Exchange group in 2018 made up KZT3.1 bn, which is by KZT559.3 mln, or 22.2 % higher than in the previous year, also on account of income from services and commissions which reached KZT2.4 bn, increasing by KZT421.3 mln, or 21.7 %, as well as interest income that increased by KZT117.4 mln, or 21.2 %.

The net income in 2018 made up KZT965.3 mln, which is by 21.8 % higher than last year.

The general meeting of shareholders approved audited financial statements of the Exchange for 2018 and took a decision not to distribute the net income for 2018, to spend it on the Exchange's development.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region 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). KASE joined the UN Sustainable Stock Exchanges initiative. KASE ranks the second among the CIS exchanges regarding the volume of trading in securities, and it also ranks the sixth regarding equity market capitalization among FEAS stock exchanges.

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