



Қазақстан қор биржасы
Казахстанская фондовая биржа
Kazakhstan Stock Exchange

Республика Казахстан, г. Алматы
БЦ "Алматы Тауэрс", 8 этаж
Тел.: +7 (727) 237 5342, email: pr@kase.kz

PRESS - RELEASE

city of Almaty

June 14, 2019

KASE adopts development strategy for 2019-2021

On May 28, 2019, the Board of Directors of the Kazakhstan Stock Exchange approved the KASE Development Strategy for 2019-2021. According to the Strategy, the main goal of the Exchange is to maintain leading position of KASE in Kazakhstan's stock exchange area.

The Exchange will continue developing an effective mechanism for raising financing by the Kazakh companies at the domestic stock market, creating attractive conditions for local and international investors and providing full range of exchange services in accordance with accepted international standards.

The development strategy of KASE identifies four key areas: IT- modernization of trading and clearing systems and related information systems, launching services of the central counterparty (hereinafter, the CCP) in all exchange markets in order to guarantee the completion of settlements on exchange transactions, increasing the liquidity of the exchange markets by attracting new participants, introducing wider range of financial instruments and using new technologies and introducing sustainable development principles to increase investment attractiveness of the Exchange.

In order to implement these objectives, a number of activities within the framework of strategic cooperation with the Moscow Exchange (MOEX) have been singled out. IT-modernization of the Exchange's software will be carried out by switching to MOEX's trading and clearing systems (TCSs) at the stock market, derivatives and FX markets. This will significantly improve the technical reliability and productivity of the exchange infrastructure, reduce operational risks, introduce new trading regimes, use standardized channels of connection to TCSs in order to increase the number of trade participants and to implement certified market data exchange protocols.

The switch to MOEX's TCS will promote integration of the KASE market within the framework of EuroAsian Economic Community (EurAsEC) and significantly simplify the admission of Russian investors to Kazakhstan's organized financial market.

The purpose of launching the CCP services in all exchange markets of KASE is to promote the growth of markets' liquidity, to reduce participants' credit risk, to guarantee the completion of settlement of transactions, to reduce the transaction costs of participants using cross margining and netting and to introduce unified risk management system.

As a result of the CCP implementation, the Exchange expects an increase in the number of trade participants and clearing members, the possibility to separate clearing and trading participants and the expansion of KASE's client base.

The third strategic direction envisages the restart of the securities market aimed at increasing liquidity in the equity market, stimulating the development of the bond market as an alternative to bank lending, increasing the involvement of the population in investing in the stock market, expanding investment opportunities of institutional investors and attracting foreign participants. This task will be addressed by further development of the money market, the foreign exchange market and the

activation of the derivatives market aimed at the introduction of hedging instruments and the use of instruments in repo transactions.

The improvement of the corporate governance system, introduction of standards of environmentally friendly business practices and social responsibility are new vectors for the development of the exchange business under the Strategy. It will contribute to the sustainable development of KASE and to its investment attractiveness.

Improving risk management, internal controls and internal audit, implementing environmentally friendly business standards, increasing transparency and increasing social responsibility will help strengthen strategic and competitive advantages of the Exchange.

Successful implementation of the Strategy will contribute to the achievement of the Kazakhstan stock market of international industry standards, will help the Exchange to become an effective platform for attracting financing by domestic companies, will contribute to the growth of trading volume at all KASE markets and to the increase in confidence in these markets of all stakeholders.

For reference

Kazakhstan Stock Exchange (KASE) is the 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 International Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS), and the Exchange has joined the UN Initiative "Fund Exchanges for Sustainable Development." 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