

KAZAKHSTAN STOCK EXCHANGE JSC

PRESS-RELEASE

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Kazakhstan Stock Exchange started testing T+2 settlement cycle with participants

Kazakhstan Stock Exchange is pleased to announce that on May 27, 2015 members of KASE stock market received training on operating in KASE trading system under the new T+2 scheme and started testing T+2 settlement cycle.

KASE rules regulating T+2 scheme became effective on June 01, 2015. On the same day KASE and Central Securities Depository (CSD) signed an agreement regulating issues between KASE as a clearing organization and CSD as a settlement body. This Agreement will become effective on June 29, 2015.

Initially KASE will apply universally accepted settlement cycle T+2 to the most liquid securities – shares of KASE Index. Later T+2 will be gradually introduced to other financial instruments traded on KASE. Upon completion of the testing period and during transition period that will begin at the end of June 2015 in order to facilitate smooth transition to T+2 settlement cycle, KASE will provide its trade participants an opportunity to trade with KASE Index securities in both T+0 and T+2 settlement cycles simultaneously. At the end of the transition period T+0 settlement cycle will be deactivated for KASE Index securities and only T+2 settlement cycle will remain.

The change in the settlement period is in line with the Concept for Development of the Financial Market of Kazakhstan 2030, Joint Plan of the Government of the Republic of Kazakhstan and National Bank of the Republic of Kazakhstan for Development of Astana International Financial Centre (AIFC) 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.

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

Reference information

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

KASE is the member of the World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS) and other internal and international professional associations. Kazakhstan, being the leading financial market on the territory of Central Asia is aimed at developing Astana International Financial Centre that will be launched on January 01, 2016 and promotes development in many areas including Islamic financing. KASE goal in Kazakhstan is the 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 May 01, 2015 the volume of trade on KASE was an equivalent of USD 205 bn including shares market – USD 104 m. KASE-operated shares market's capitalization was estimated at about USD 23 bn; corporate bond market – USD 36.7 bn. Additional information on KASE is available in Russian, Kazakh and English on www.kase.kz