

KAZAKHSTAN STOCK EXCHANGE JSC

PRESS - RELEASE

Almaty

June 19, 2015

KASE announces launch of the KASE Index shares trading using the T+2 scheme

Kazakhstan Stock Exchange (further – KASE) is pleased to announce that starting in June 29, 2015 trade participants will have an opportunity to trade shares of KASE Index under the new T+2 scheme. At the same time trading of KASE Index shares under the current scheme T+0 will remain available for a short period of time. As soon as the participants obtain full familiarity with the new scheme, trading under the current scheme will be abandoned.

Clearing of deals executed with KASE Index shares under T+2 scheme will be conducted by KASE, and settlements – by Central Securities Depository JSC (further – CSD). To mitigate risks associated with an extended settlement period KASE will use risk management system that includes margining, price change limits, and clearing (guarantee and reserve) funds.

In order to provide trade participants with means to obtain assets required for settlement and to execute securities lending a new type of financial instruments – repo with netting – will be available starting from June 29, 2015.

The detailed information about the new T+2 scheme, clearing mechanism, risk management system and features of the new financial instrument "repo with netting" is available in the following documents:

- 1) Procedure of execution of deals on the stock market according to scheme T+2;
- 2) Rules of execution of clearing activities on transactions with financial instruments;
- 3) Regulations on clearing participants;
- 4) Rules of repo transactions execution.

The above mentioned documents are available on the web-site of KASE under "KASE Rules" section at http://www.kase.kz/en/rules_kase.

The change in the settlement period is in line with the goal for development the Astana Financial Center (AIFC) 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 raise further awareness of shares traded on KASE among international investors that rely on such classifications in 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 40 broker organizations 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, 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 as the financial centre and as a space for Islamic financing. KASE goal in Kazakhstan is the development of a strong and active domestic capital market able to attract attention of market participants and prospective issuers from all regions of CIS.

As of June 01, 2015 the volume of trade on KASE was an equivalent of USD 235.5 bn, including shares market – USD 114.9 m. KASE-operated shares market's capitalization was estimated at about USD 22.8 bn; corporate bond market – USD 36.3 bn.

Additional information on KASE is available in Russian, Kazakh and English on www.kase.kz.