



PRESS RELEASE

Almaty

August 23, 2022

KASE launches General Collateral Certificates

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange) has launched from August 22, 2022 an entirely new product on the stock market, which has no equivalents ever created in Kazakhstan – General Collateral Certificates. This product provides new opportunities for the Exchange's participants and their clients.

General Collateral Certificates (GCC) are non-equity collateralized perpetual securities issued by the Exchange (with securities or cash pledged as the collateral) – a collateral pool provided by trading participants to the Exchange as the central counterparty for repo transactions with GCC.

Issued GCCs are handed over to trading participants who deposited assets in the collateral pool.

KZT or USD-denominated cash, as well as securities can be used as contributions to the collateral pool of a GCC issue. The current list of assets allowed to be included in the collateral pool will be released daily on KASE's website.

A GCC holder can use it as collateral for repo transactions, as well as as a pledge on stock exchange transactions in other securities.

The use of GCC as underlying asset of repo transactions provides trading participants with the following benefits:

- the ability to effectively manage collateral and replace assets previously deposited in the pool before the expiration of the repo transaction;
- when making transactions with GCC repo, the collateral pool is stored in a separate section on the account of the trading participant in the Central Securities Depository and the trading participant directly receives dividend and coupon payments on his securities;
- trading participants do not need to independently evaluate the collateral for repo transactions with GCC, the collateral is evaluated by the Exchange as the central counterparty.

In order to ensure the issuance and circulation of GCC, a number of relevant amendments and new internal documents of the Exchange were approved by decisions of the Board of Directors and the Management Board of KASE, with effect from August 22, 2022. The complete list of such documents is available on KASE's website.

Information on GCC issue parameters, transactions in GCC, as well as on the current volume of a GCC issue and the estimated value of the collateral pool objects will be available on KASE website.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the fifth rank in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock

Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

Additional info: +7 (727) 237 5342, pr@kase.kz

The International Organization of Securities Commissions (IOSCO) is an organization that unites national authorities for regulation and surveillance of securities markets in order to develop standards for the regulation of national stock markets and the exchange of information, including surveillance data, between IOSCO member regulators.

Additional info: +7 (727) 237 5342, pr@kase.kz