

KAZAKHSTAN STOCK EXCHANGE JSC

PRESS – RELEASE

Almaty

September 25, 2014

Ceremony of opening of trades in currency pair Kazakhstan tenge / Chinese yuan took place on Kazakhstan Stock Exchange

On September 25, 2014 at 10:15 o'clock (Astana time) the trading hall of Kazakhstan Stock Exchange (KASE) hosted a ceremony of opening of trading in currency pair Kazakhstan tenge / Chinese yuan.

The event coincided with the meeting of Kazakhstan-China Sub-committee on Financial Cooperation held in Almaty from September 24 to 25, 2014.

The opening ceremony of trades were attended by:

- from KASE
President M. Kabashev
First Vice-president I. Sabitov
Vice-president N. Khoroshevskaya
Vice-president A. Tsalyuk
- from National Bank of Republic of Kazakhstan
Deputy Chairman D. Galieva
Advisor of Chairman A. Baimagambetov
deputy Director of Department for International Relations and Public Relations N. Dutbaev
- from People's Bank of China
Assistant of Chairman (Co-chairman of Kazakhstan-China Sub-committee on Financial Cooperation) Ms. Jin Qi
- on behalf of market-makers for this instrument the following persons attended the event
Chairman of Management Board of Subsidiary Bank "Bank of China in Kazakhstan" JSC Tyan Wei
Deputy Chairman of Management Board of Subsidiary Bank "Sberbank of Russia" JSC

Also, other representatives of the mentioned organizations took part in the event.

The opening of trading in the yuan on KASE became a result of the work which was conducted following an initiative of the National Bank of Republic of Kazakhstan and KASE taking into account recommendations of Kazakhstan-China Sub-committee on Financial Cooperation. Due to permanent growth of turnover of commodities between China and Kazakhstan there was a long-felt need for introduction of a market mechanism of exchanging the tenge against yuan. By means of launching the trade in Chinese yuan on KASE it is planned to simplify the mutual conversion, which is an important factor against the background of Kazakhstan's plans to increase the trade with China.

As Deputy Chairman the National Bank of Republic of Kazakhstan Mrs. Galieva pointed out in her welcoming speech: "The launch of trade is a very important step towards strengthening Kazakhstan-China relations. This is one of mechanisms which eases the people's life: it will allow a reduction of costs of trading transactions between companies of the two countries and to strengthen on the whole

financial relations between our economies. This promising instrument has been positively accepted by market participants".

In the run up for the launch of yuan trading Kazakhstan banks – members of the exchange-based currency market – were polled to study their interest in the new instrument and intention to take part in proposed exchange-based trading. Results of the poll have shown that the majority of those questioned intend to participate in the trade. Already in the initial stage Subsidiary Bank "Bank of China in Kazakhstan" JSC expressed its wish and readiness to become a market-maker for the Chinese yuan and to participate in preparation of the launch of respective exchange-based trades.

Subsidiary Bank "Sberbank of Russia" JSC will also be a market-maker for Chinese yuan on KASE trades.

"We are pleased that our market-makers actively assist in developing the homeland market in terms of support of financial instruments. Without an interest and cooperation on the part of the professional community it is impossible to promote something new", – pointed out President of KASE M. Kabashev – "The most important role of market-makers for the launch of instruments can hardly be overestimated altogether".

The trade in currency pair Chinese yuan / Kazakhstan tenge will be conducted on the following terms:

- code of financial instrument on trades – CNYKZT_TOD;
- lot size – 50 000 CNY;
- price measurement unit – in Kazakhstan tenge (KZT) per CNY with accuracy of up to four decimal places;
- settlements on deals – on the deal conclusion day;
- in the initial stage the trades will be conducted according to advance payment terms.

The ceremony of opening was finished by KASE's trading gong with applause from those attending.

Reference information

KASE is the single exchange in Kazakhstan operating the financial market. This is a universal floor trading repo market instruments, foreign currencies, government and corporate securities of Kazakh and foreign issuers, bonds of international financial institutions.

KASE is a member of the World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS) and other internal and international professional associations. Kazakhstan, being a leading financial market on the territory of Central Asia is aimed at developing as a financial center, also in the field of Islamic financing. KASE's goal in Kazakhstan is development of a strong and active internal capital market able to attract the attention of participants and prospective issuers from all regions of Central Asia.

As of September 1, 2014 the volume of trade on KASE reached an equivalent of USD149.2 bn, including on the shares market – USD175.9 mln. KASE-operated shares market's capitalization was estimated at USD29.7 bn; that of the corporate bond market – at USD34.2 bn. Additional information on KASE is available in Russian, Kazakh and English on www.kase.kz