



KASE development strategy for 2016 – 2018

Kazakhstan Stock Exchange JSC

Mission, goal, vision



MISSION

Promotion of sustainable economic growth of Kazakhstan through its technological infrastructure enabling domestic state and private companies to raise funds while offering a reliable, stable and transparent investment environment to local and foreign investors

GOAL

Technology modernization, which along with the marketing initiatives, transparent information policy and increased focus on the interests of investors and securities issuers, shall vastly increase the stock market volume and liquidity, as well as activate the business financing using the stock market instruments

VISION

The Exchange in 2019 intends to become a customer-focused advanced high-tech platform open to innovation and dialogue to efficiently meet demands of local issuers and investors, as well as foreign investors

Stock market development

- Attracting new issuers
- Attracting new investors
- Developing FX market
- Developing clearing

Exchange and its services focus on customers

- Interacting with market participants and members of KASE
- Upgrading corporate website
- Improving KASE image and increasing public awareness of its operations
- Improving service quality

Focus on stock business efficiency and competitive ability

- Market data services
- Developing IT-systems
- Enhancing operational risk management system

Stock market development (1)

Attracting new issuers of securities to the stock market

Tasks

- Listing transformation with an alternative platform allocated for mid-cap companies
- Attracting companies with the focus being on local mid-cap companies
- Improving the cooperation with securities issuers and investors, extending the advice on funding through stock market instruments
- Developing and listing new financial instruments
- Offering a flexible tariff policy to issuers

Result

- Increasing the number of listed companies to 172
- Listing at least 170 corporate securities issues
- Boosting the equity market capitalization from 13.2 to 15.7 trln tenge, or to 33 % of Kazakhstan's target GDP
- Offering a more comprehensible listing structure for investors

Attracting new investors

Tasks

- Ensuring an increase in institutional investment
- Active involvement of retail investors in marketplace trading
- Implementing measures aimed at protecting investors' interests
- Upgrading the Kazakhstan market's rankings in MSCI, S&P and FTSE classifications systems
- Attracting remote members from the Eurasian Economic Union

Result

- At least a 30 % increase in the number of members of KASE, including foreign professional participants
- Boosting the trading volume and stock market liquidity

Stock market development (2)

Developing FX market

Tasks

- Extending the number of market participants, including local brokerage firms and their clients
- Attracting remote participants from the Eurasian Economic Union
- Implementing the «direct access» to trading for the second-tier participants (DMA-clients)
- Improving the FX market risk management system
- Introducing the FX market Central Counterparty (CCP)

Result

- Increased FX market liquidity and depth
- Concentration of forex transactions on the stock exchange market
- A 30 % increase in the number of FX market members

Developing clearing

Tasks

- Introducing margin and guarantee fees for foreign exchange market participants
- Setting up an FX market reserve fund
- Improving the margining system on the stock market
- Introducing the CCP elements in FX trading

Result

- Stock market risk mitigation
- Market settlements guaranteed by CCP
- Encouraging foreign customers involvement
- Focus on higher profit of KASE
- Enhancing KASE competitive advantage

Customer focus (1)

Interacting with market participants and members of KASE

Tasks

- Improving communication with listed companies and current members of KASE
- Integration with the website of the Financial Statements Depository
- Improving the information disclosure system for securities issuers and members of KASE
- Eliminating the duplication of similar reports on corporate events sent by issuers to KASE and Financial Statements Depository

Result

- Improving service quality for listed companies and members of KASE
- Lowering operating costs of KASE, its members and listed companies

Upgrading corporate website

Tasks

- Changing the structure and design of the website
- Extending the functionality of the website and increasing its user friendliness
- Updating the contents, adding information on KASE products and services

Result

- A modern, dynamic website with fast download, focused on main users' needs and shaping KASE image as a transparent and high-tech company

Customer focus (2)

Improving image

Tasks

- Positioning KASE as a transparent and open company with active use of media scene
- Keeping up a strong brand and increasing the target audience' loyalty
- Delivery of up-to-date and accurate information on KASE activities
- Raising the current and new users' interest to KASE activities

Result

- Recognizable brand having the positive image as a platform providing its clients with broad opportunities

Improving service quality

Tasks

- Development and implementation of service level agreement
- Formalization and optimization of main business processes
- Improving the corporate culture and responsibility of KASE employees
- Regular customer satisfaction survey

Result

- Improved performance of KASE employees
- Generation of reliable service quality statistics
- Achieving a 90% customer satisfaction target by the end of 2018

Better business performance



Better business performance

Tasks

- Extending KASE market data services
- Introducing new market data products
- Advanced technologies used for market data services
- Increasing the Exchange Data Center reliability
- Updating the operational risk management system

Result

- A 30 % growth of the number of market data subscribers and an increase of the number of data vendors by at least 12 companies
- Increased reliability of the IT infrastructure with the availability of KASE key systems rising to 99.98 %
- Improving failure safety of equipment and IT systems, reduced operational risks