

INTERNATIONAL ACTIVITIES



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PARTICIPATION IN INTERNATIONAL EXCHANGE ASSOCIATIONS

For purposes of learning international practices and increasing awareness of foreign issuers and investors about domestic stock market, the Exchange continues its activities in the international arena.

As a member of international exchange associations like the World Exchange of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and the International Association of Exchanges of CIS (IAEx of CIS), the Exchange takes an active part in activities of these organizations.

The Exchange is a member of the WFE's working groups on financial technologies, small and medium-sized businesses, emerging markets and sustainable development. In order to learn about developing clearing activities and functionality of the Central Counterparty, the Exchange's employees took part in the annual clearing and derivatives conference "IOMA: WFE's 36th Clearing & Derivatives Conference 2019" (Mumbai, India).

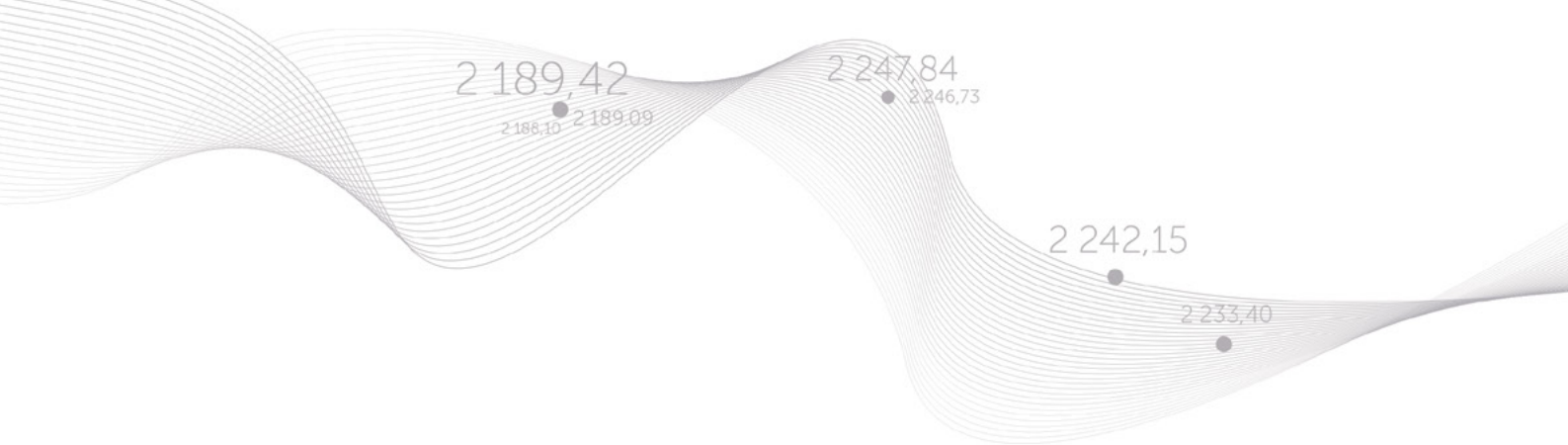
In June 2019, in the city of Zurich (Switzerland), the Exchange took part in the development of action plans for these directions. During the annual conference of WFE members (Singapore) in October 2019, the chairperson of the Exchange's Management Board took part in a panel discussion on the fragmentation of market liquidity.

As a member of the FEAS, the Exchange is part of a number of working groups on regulatory issues, investor relations systems and sustainable development. In June 2019, the Exchange participated in the annual conference ConFEAS 2019

in Bucharest (Romania), where topics concerning the development of financial technologies, the growing role of sustainable development issues, the development of the settlement infrastructure, and issues of attracting the retail investor to the stock market were discussed. Additionally, the results of the competition held among professional participants of exchanges of FEAS-member countries were announced at the conference. According to the results of the competition, Freedom Finance, a Kazakh company, ranked third in the equity market among brokers of exchanges of FEAS-member countries.

Active participation in the FEAS is accompanied by the study of international practices, and allows strengthening the Exchange's international relations with foreign exchanges and their participants. In this regard, the Exchange's employees participated in a series of events organized by the FEAS during 2019.





KASE employees took part in the training event "FEAS Onsite Training" in Tehran organized by the FEAS for the Republican Stock Exchange Tashkent and Iran Fara Bourse as speakers on issues concerning provision of access to KASE's exchange markets.

The Exchange takes an active part in meetings of the IAEx of CIS as a member of the Council of IAEx and working groups of the association. The Exchange took part in the conference "Integration Processes in Financial Markets: Eurasia and the Global Economy" organized by the Association of Central Depositories of Eurasia and the International Association of Exchanges of the Commonwealth of Independent States in September 2019 in Bishkek (the Kyrgyz Republic). During the event, conference participants discussed issues of integration in financial markets and issues related to the role of the financial market infrastructure in integration processes.

INTERACTION WITH FOREIGN INVESTORS

In 2019, the Exchange conducted a series of events to increase the share of foreign participants in KASE's stock market and to attract foreign brokerage firms and investment banks to Kazakhstan's market by obtaining remote membership.

The target audience for the mentioned events were asset management companies, institutional investors and professional stock market participants.

KASE Day in Tashkent took place on September 11, 2019. The event was attended by more than 60 participants. Among them were representatives of exchange markets of Uzbekistan, Uzbek brokerage companies, commercial banks of Uzbekistan, major companies and brokerage firms of Kazakhstan.

KASE Day in Minsk and KASE Day in Moscow took place on November 5 and November 6. The key issues discussed during the events were the current status and development prospects of KASE, the main trends in Kazakhstan's financial market, the range of KASE's financial instruments and services, as well as investment opportunities of Kazakhstan.



On December 5, a conference "Kazakhstan: Local Markets Development" was held in London, organized by KASE jointly with the National Bank of the Republic of Kazakhstan and Citibank N.A. The event was aimed at informing foreign institutional investors about the potential of Kazakhstan's stock market and how to gain access to it. During the event, discussions were held on the topics "Macroeconomic review and investment opportunities of Kazakhstan" and "Instruments in local currency and development of the market infrastructure". The speakers at the conference were representatives of KASE, the National Bank, Citi, European Bank for Reconstruction and Development, Clearstream Banking S.A. and Amundi Asset Management. The speakers shared with participants the information about the macroeconomic situation in Kazakhstan and KASE markets, the investment potential of the real sector of the economy, the advantages of the stock and money markets and changes in the infrastructure of Kazakhstan's capital market. The participants also discussed the issues of gaining access to Kazakhstan's capital market for foreign participants.

SUPPORTING CROSS-BORDER RELATIONS

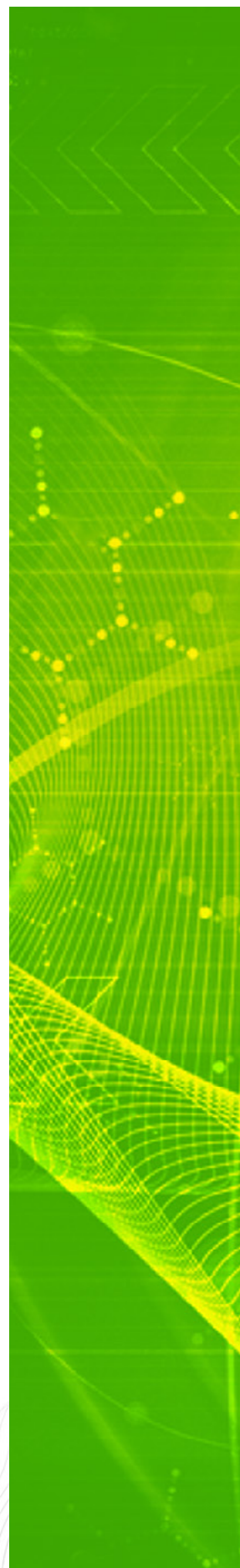
In 2019, the Exchange carried out work under the project to create a common exchange area of the Eurasian Economic Union (EAEU) and to develop cross-border settlements between the Republic of Kazakhstan and the People's Republic of China.

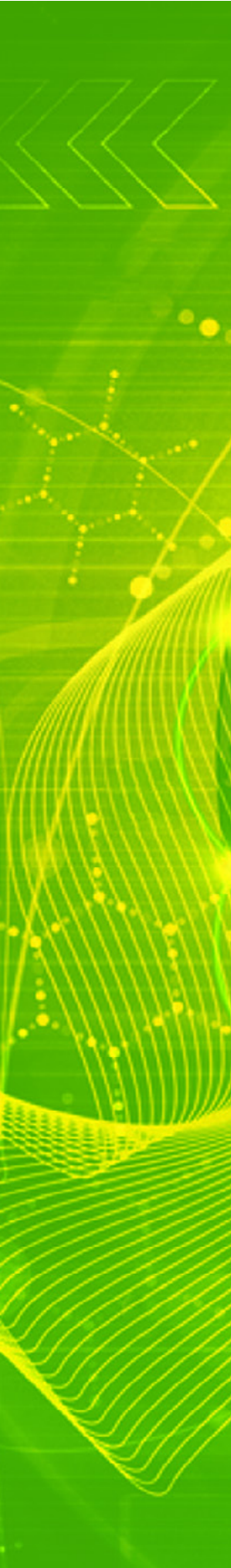
The Exchange takes an active part in the development and discussion of documents within the EAEU: "Agreement on admission of brokers and dealers of one EAEU member country to participation in regulated trading on exchanges of other member countries" and "Agreement on mutual admission to offering and circulation of securities on regulated trades in EAEU member states".

KASE took part in the 10th Exchange Forum in Moscow and the 5th International FX & MM Forum in Sochi, as well as organized roundtables with professional participants of the Republic of Kazakhstan and the Russian Federation in order to discuss issues of cooperation, development of KASE's technologies and expansion of the range of instruments of Kazakhstan's exchange market and entry thereon for participants from Russia.

As part of the efforts to increase the liquidity of trading in regional currencies, KASE participated in the working group organized by Eurasian Development Bank, which focuses on practical steps to increase the share of direct currency conversions in the region. In particular, opening of trading in these currencies on exchanges of the region, establishment of inter-exchange relations, development of the correspondent network to optimize settlements in these currencies. The Exchange also took part in the 15th Annual International Conference "Eurasian Economic Integration", where a representative of KASE acted as a speaker and reported about measures to increase the liquidity of the tenge-ruble currency pair.

In May of the reporting year, KASE jointly with Subsidiary Bank "Bank of China in Kazakhstan", with the assistance of the People's Bank of China, organized a conference in the territory of the Khorgos International Center for Cross-Border Cooperation on the topic "Successful future in close cooperation: cross-border settlements in national currencies of Kazakhstan and China". Representatives of the National Bank, the Exchange, the People's Bank of China, China's Currency Trading Center and representatives of commercial banks took part in the event and acted as speakers. Participants discussed relevant issues related to cross-border





settlement between the Republic of Kazakhstan and the People's Republic of China.

In the summer of 2019, representatives of the Exchange took part in the 10th meeting of the Subcommittee on Financial Cooperation of the Kazakhstan-China Cooperation Committee and in the seminar of the Bank of China's head office "International Financial Cooperation".

Based on results of the meeting of the Subcommittee, an action plan was adopted, which includes measures on exchanging information about the volumes of national currency conversions, cooperation in the field of disseminating market data, as well as on identifying and removing barriers while raising funds in national currencies to finance projects in the territories of the two countries.



SUPPORTING INTERNATIONAL INITIATIVES

Since September 24, 2015, Kazakhstan Stock Exchange has been a member of the United Nations' Sustainable Stock Exchanges Initiative (UN SSE). The initiative provides for exchange of experience in promoting ESG standards for issuers to disclose information, as well as in sustainable development of exchange activities and gender equality issues.

On March 7, 2019, the Exchange jointly with the UN-Women in Kazakhstan, the World Bank and the International Finance Corporation (IFC), as part of the UN SSE initiative, held the trading opening ceremony "Ring the Bell for Gender Equality". The event was conducted on the eve of the International Women's Day and was designed to emphasize the importance of promoting gender equality, extending rights and economic opportunities for women.

On September 19, 2019, Kazakhstan Stock Exchange, jointly with the UN-Women, organized a roundtable "Principles of Women's Economic Empowerment as part of the Implementation of the Gender-Linked Goals of the 2030 Agenda for Sustainable Development".

On October 4, 2019, at an event organized on the occasion of the announcement of the winner of the competition among retail investors in the equity market, the ceremony "Ring the Bell for Financial Literacy" was conducted as part of the IOSCO's initiative "World Investors Week".

