Section 1 | Current state
The National Bank is the entity that reports to the President of the Republic of Kazakhstan

Functions:
- development and implementation of the state’s monetary policy
- ensuring the functioning of payment systems
- implementation of foreign exchange regulation and foreign exchange control
- promotion of the stability of financial system
- regulation, control and supervision of the financial market and financial institutions and also other parties, within its competence
- ensuring a due level of protection of the rights and legitimate interests of consumers of financial services
- carrying out statistics activities in the area of monetary statistics and external sector statistics
NATIONAL BANK OF KAZAKHSTAN (2)

- 48 brokers and/or dealers
- 23 investment portfolio managers
- 10 custodians
- 2 transfer agents
- 1 stock exchange
- 1 organization engaged in clearing on transactions with financial instruments
- 1 integrated securities registrar
- 1 central securities depository

Regulator

NBK

Shareholder

- Kazakhstan Deposits Insurance Fund
- Center of activities' maintenance of the National Bank of Kazakhstan
- The Integrated Securities Registrar
- National Investment Corporation of National Bank of Kazakhstan
- The State Credit Bureau
- Central Securities Depository
- Kazakhstan Stock Exchange
- Training Center of National Bank of the Republic of Kazakhstan
- Rating Agency of Regional Financial Center of Almaty city
- The Bank Service Bureau of the National Bank of Republic of Kazakhstan
- Kazakhstan Sustainability Fund
KAZAKHSTAN STOCK EXCHANGE (KASE)

1993: KASE was established and commenced trade in foreign currency

1995: Launch of trade in T-Bills
1996: Launch of derivatives trading
1997: Launch of equity trading

1998: Launch of KASE “nego” deals system

1999: Launch of new corporate bonds trading

2001: Launch of “automatic” repo market

2005: IPO of KazMunayGas Exploration Production

2007: Launch of special trading floor of the Regional Financial Center of Almaty on the base of KASE

2006: Creation of a new multifunctional Internet-trading system – "STrade"

2009: Launch of KASE “nego” deals system

2010: Launch of special trading floor of the Regional Financial Center of Almaty on the base of KASE

2011: IPO of KazMunayGas Exploration Production

2012: Subscription to common shares of KazTransOil JSC (People’s IPO)

2014: Subscription to common shares of KEGOC (People’s IPO)
<table>
<thead>
<tr>
<th>Market sector</th>
<th>Volume (USD mln)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repo transactions</td>
<td>167,564</td>
<td>60.7</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>104,863</td>
<td>38.0</td>
</tr>
<tr>
<td>Government securities</td>
<td>1,608</td>
<td>0.6</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,490</td>
<td>0.5</td>
</tr>
<tr>
<td>Shares</td>
<td>744</td>
<td>0.3</td>
</tr>
<tr>
<td>Investment funds securities</td>
<td>1.6</td>
<td>&lt;0.1</td>
</tr>
<tr>
<td>Futures contracts</td>
<td>&lt;0.1</td>
<td>&lt;0.1</td>
</tr>
</tbody>
</table>
Section 2  Vision: Overview of the future
ASTANA INTERNATIONAL FINANCIAL CENTRE (AIFC) STRATEGIC PILLARS

Capital Market
Increasing domestic Capital Market liquidity and attracting more foreign investments

Asset management
Asset management of private and state funds by established international asset management companies within AIFC

Private Banking
Developing Private Banking expertise on the basis of based within AIFC international asset management companies

Islamic Finance
Creating local Islamic Finance market supported by local, international Islamic banks & financial institutions

Financial Technologies
The introduction and development of Financial Technology to companies improve efficiencies and decrease costs
The Astana Financial Services Authority (AFSA) was launched on 1 January 2018 as the independent regulator of the Astana International Financial Centre (AIFC).

Objectives:
- the regulation, control and supervision of financial activities in the AIFC by Centre Participants
- ensuring that financial markets in the AIFC are fair, efficient, transparent and orderly
- creating fair, transparent and non-discriminatory conditions for Centre Participants
- fostering and maintaining confidence in the AIFC’s financial system and regulatory regime
- fostering and maintaining the financial stability of the AIFC’s financial services
- preventing, detecting and restraining actions that may cause damage to the reputation of the AIFC
- protecting interests of investors and users of financial services
- implementing in the AIFC a regulatory regime that complies with international standards in the sphere of regulation of financial services
- fostering the development of financial technologies in the AIFC.
PLAYERS IN THE EXCHANGE ECOSYSTEM

- Ministry of Finance
- AFSA
- AIFC Authority
- Other government institutions
- Economic environment
- Regulatory environment
- Cooperation (MOU has been signed)
- Foster business-friendly macro environment
- Capital providers
- AIX
- Capital issuers
- Government & regulatory
- Local institutions
- Foreign institutions
- Local retail investors
- Brokers
- Trading activity
- Securities trading
- Securities issuance
- Local issuers
- Foreign issuers
- Including Samruk-Kozyna
- 10
**ASTANA INTERNATIONAL EXCHANGE**

**Products & services**
- Wide range of asset classes: equities, debt, ETFs, derivatives, commodities, Islamic, securitisation
- Dedicated platforms for financing junior and private companies
- Full market data offering
- Full clearing, settlement and CSD services offered after 3-5 years of operations

**Clients**
- Government and corporate issuers from Kazakhstan and abroad
- Privatised national assets offered through IPO
- Source of return for national institutional investors (UAPF, NIC)
  - Opening investment opportunities for retail and foreign investors

**Strategic partners**
- Large core partner to bring international capabilities to the exchange
- Significant financial partners to support exchange setup & growth
- Potential to establish regional trading links to boost liquidity and market access

**Geographic coverage**
- Listed products in KZT, RUB, USD, CNY
- Compelling incentive program to grow international participation
- Healthy competition between local and foreign institutions
- All participants operate under same regulation based on international standards

**Key benefits**

**For issuers…**
- Access to extensive local & foreign capital in one location
- Diverse financing options

**For investors…**
- Liquid trading environment to lower transaction costs
- Trust through compliance and transparency
- Diverse investment options to manage risk
- High quality services

**For partners…**
- Financially attractive proposition
- Exposure to financial hub of Central Asia and EAEU
The AIFC has signed a Shareholders Agreement with the Shanghai Stock Exchange. As terms of this agreement, the Shanghai Stock Exchange cooperates with the AIFC on strategy and technology consulting, business planning, product design, market expansion and liquidity growth. SSE will also work closely with AIX to support the "Belt and Road" Initiative.

Nasdaq is a strategic partner and the technology provider of AIX. Nasdaq has delivered its state of the art trading technology to AIX which will provide international and domestic investors with easy and comfortable access to AIX’s attractive financial instruments. The Nasdaq Matching Engine system offers exceptional performance and functionality.
Sources

- http://www.nationalbank.kz/?docid=164&switch=english
- http://afsa.kz
- http://aix.kz