



NATIONAL BANK OF KAZAKHSTAN

PUBLIC INFORMATION NOTICE

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On joint project with Clearstream Banking S.A. Luxembourg

The National Bank of Kazakhstan in cooperation with the post-trade services provider Clearstream Banking S.A. Luxembourg (Clearstream) has started implementation of a joint project to ensure local government securities of the Republic of Kazakhstan, including short-term notes of the National Bank, are eligible in Clearstream's system.

The project envisages measures on setting up a link with the Kazakh market. Implementation of the joint project will allow settlement of all government securities issued under the Kazakh legislation in tenge through the international clearing system of Clearstream and will expand the access of foreign investors to the Kazakh stock market.

Making local government securities eligible in Clearstream will increase the demand for Kazakh government bonds from foreign investors, and thereby increase their liquidity and attractiveness in the foreign market. The launch of the settlement system for government bonds through Clearstream will expand the sources of long-term funding, reduce the cost of borrowing for the government, and will positively impact the yield curve formation and further development of the Kazakhstan stock market.

Governor of the National Bank of Kazakhstan Daniyar Akishev noted that enabling settlement of government securities in tenge in Clearstream's system is a significant step towards the in-depth integration of the Kazakh market into the world financial system. The project implementation will significantly increase the openness of the Kazakh market for global investors due to improved mobility of financial flows and will provide foreign investors with new opportunities in Kazakhstan.

"We are delighted to partner with the National Bank of Kazakhstan to support the internationalisation of local capital markets. This cooperation is in line with our broader strategy in the CIS and Central Asian region: for more than 20 years, we have enabled Emerging Capital Markets in the region to connect to international investors, increasing their investment appeal by providing a low-risk, efficient post-trade environment. This strategy has already proven successful in Armenia and Georgia and we are convinced that we will be able to provide the same benefits to the Kazakh capital markets.", - Clearstream Co-CEO Philip Brown commented.

The link is expected to be launched by the end of the first half of 2018.

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