

PRESS RELEASE

Almaty

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KASE presents results of the exchange market operation for the first quarter of 2021

Kazakhstan Stock Exchange JSC (KASE, the Exchange) informs you about the main results of its operations in the first quarter of 2021:

- The total volume of trades on KASE in three months of 2021 amounted to KZT35.6 trln increasing by 11.1%, or KZT3.6 trln.
- The value of KASE Index grew by 16.3 % to 3,112.32 points, fixing another historical maximum in the first quarter.
- The equity market capitalization increased by 12.2 %, or KZT2.3 trln, to KZT21.4 trln.
- Since the beginning of the year, securities of 15 titles of ten issuers have been included in KASE official list, with two of them having undergone the listing procedure for the first time.
- As of April 1, 2021, there were 466 corporate securities of 186 issuers in KASE's trading lists.
- As of April 1, 2021, the Central Securities Depository maintained 150,180 personal accounts opened for individuals, which is by 17,319 more than at the beginning of 2021.

KEY PROJECTS AND EVENTS

As part of the implementation of KASE'S development strategy for 2019–2021, in the first quarter of 2021, the Exchange implemented the following projects and carried out the following activities:

- in January 2021, KASE presented a mobile application "KASE Mobile" for a wide range of users. The application supplements the list of information products of the Exchange and is intended primarily to simplify access to exchange information for retail and professional investors. The application also provides the function of participation in educational trades on KASE.
- the Exchange launched a new version of the system for exchanging documents with issuers and members of the Exchange "Issuers to investors" (is2in system), which implements an electronic format for providing services for listing securities, accrediting audit organizations, and granting membership of the Exchange to professional market participants.
- KASE has increased the term of automatic repo transactions from 30 to 90 days in order to ensure the availability of instruments for raising funds collateralized by securities for longer periods.
- Educational events

In order to raise awareness about the activities of KASE's exchange market, as well as about the possibilities of raising capital in Kazakhstan's stock market, the Exchange continued to air the training program "Stock Market with KASE" on the radio "Business FM" and the news program "Exchange News from KASE".

The Exchange held a webinar called "Fundamentals of the Stock Market" as part of the global project "Global Money Week" aimed at improving the financial literacy of schoolchildren and students. The webinar was attended by students from KIMEP University, Almaty Technological University, Turan University, Kazakh-British Technical University, Kazakh Al-Farabi National University, International University of Information Technologies, Eurasian L.N. Gumilyov National University, Kazakh-German University, Almaty Management University.

From April 1 to May 31, 2021, the Exchange is holding the first stage of the "Exchange Simulator" competition, in which 1,669 students from more than 40 universities registered in the first week and registration continues. The "Exchange Simulator" project has been implemented since 2008. For

12 years, more than 8.5 thousand students from 80 universities of Kazakhstan, as well as countries of near and far abroad, took part in it.

Open lectures were held as part of the "KASE Talks" project with the participation of Nurdaulet Aidosov and Sergey Lukyanov.

– Events for businesses

As part of the "Issuer Day" project, KASE organized online meetings of officials of the Akimdik of Shymkent, executives of Asian Development Bank with investors, professional participants in the securities market and media representatives, dedicated to the issue of securities.

In order to develop the KASE StartUp market, a meeting was held with 1Fit LLP, which received admission to this market.

Based on results of 2020, KASE handed awards to members of the Exchange who demonstrated the best results on KASE's exchange markets, listed companies – for striving for transparency, as well as media representatives – for active coverage of the stock market in print media and on Internet resources.

– International cooperation

As part of the UN Sustainable Stock Exchanges Initiative, this year for the fourth time, the Exchange held the opening ceremony "Ring the Bell for Gender Equality", as well as an online event called "Inclusive Leadership: A New Business Reality".

EQUITY MARKET

Capitalization of the equity market has grown by 12.2 %, or KZT2.3 trln, since the beginning of the year and amounted to KZT21.4 trln, (USD50.4 bn) due to a significant increase in prices of shares of some titles, in particular shares of NC Kazatomprom JSC by 48 % and KAZ Minerals PLC – by 41 %.

As of the end of March 2021, KASE's trading lists included shares of 138 titles of 122 issuers, including shares of three companies on the unlisted market.

In 2021, common shares of a new issuer Zhaltyrbulak JSC were included in KASE official list. At the same time, common shares of five titles were excluded from the Exchange's trading list: common shares of Tiffany & Co were excluded from the official list since the initiator of admission of these shares applied for voluntary delisting due to the takeover of the issuer of the said shares by LVMH MOET HENNESSY; common shares of "Fincraft Capital" JSC – at the initiative of their issuer; common shares of AsiaCredit Bank JSC – due to the revocation of the bank's license for conducting banking and other transactions and carrying out activities in the securities market; from the sector "non-listed securities" – common shares of Kazakhstan Magtasy JSC and National Company Food Contract Corporation JSC due to the lack of deals with these shares.

The volume of trading in shares in three months of 2021 amounted to KZT46.4 bn, increasing by 82.9 %, or KZT21 bn, YoY. The average daily volume of trades amounted to KZT814.5 mln, the average daily number of deals – 1,381, the average volume of one deal – KZT589.8 th.

The volume of the primary market is estimated at KZT852 mln. In terms of investors, 87.1 % of the trading volume fell on legal entities and 12.9 % – on individuals. The participation of non-residents is estimated at 14.9 %.

The volume of trades in the secondary market of shares increased by 79.5 %, YoY, and amounted to KZT45.6 bn.

Among the main categories of investors in the secondary market, the share of individuals was 48.3 % of the total turnover of deals with shares. The share of broker-dealers amounted to 14.6 %, the share of other institutional investors – 5 %, the share of other legal entities reached 32.1 %. Second-tier banks (STBs) did not take part in deals on the secondary market for shares. The participation of non-residents is estimated at 3 %.

KASE INDEX

Since the beginning of the year, KASE Index has grown by 16.3 %, or 436.74 points, to 3,112.32 points, for the first time during its existence, exceeding the mark of 3,000 points and renewing the absolute historical maximum. Previous peak values of KASE Index were recorded in August 2007 and March 2008 at the levels of 2,800–2,900 points.

The total volume of trading in index shares amounted to KZT14 bn, or 31% of the total trading volume.

Change in prices of shares included in KASE index universe

Issuer	Ticker	Price change		
		01.01.2021	01.04.2021	since the beginning of year
Kazatomprom JSC	KZAP	7,150.00	10,599.91	+48.3 %
KAZ Minerals PLC	GB_KZMS	3,502.00	4,940.00	+41.1 %
Halyk Savings Bank of Kazakhstan JSC	HSBK	123.99	150.24	+21.2 %
KazTransOil JSC	KZTO	970.00	1,117.00	+15.2 %
Bank CenterCredit JSC	CCBN	215.64	235.60	+9.3 %
Kazakhtelecom JSC	KZTK	26,700.00	27,040.00	+1.3 %
KEGOC JSC	KEGC	1,697.00	1,677.11	-1.2 %
Kcell JSC	KCEL	2,760.00	2,398.00	-13.1 %

During the reporting period, the growth leaders among the representatives of the index basket were common shares of **Kazatomprom JSC**, which increased in price by 48.3 %, to KZT10,599.91 per share. The shares of the nuclear company were growing consistently throughout the analyzed period amid positive corporate news from the company. In March, Kazatomprom JSC provided financial results for 2020, according to which the company's net profit in accordance with IFRS for 2020 increased by 3.6 % and amounted to KZT221.4 bn. The group's consolidated revenue amounted to KZT587.5 bn, an increase of 17% compared with 2019, mainly due to an increase in the average realized price associated with an increase in the spot price for U3O8. Operating profit at the end of 2020 amounted to KZT223.899 bn, an increase of 47% due to an increase in the average sales price and an increase in the share of own uranium produced by the consolidated subsidiaries and joint operations of the company.

The second place in terms of growth rates is occupied by ordinary shares of **KAZ Minerals PLC**, which have risen in price by 41.1% to KZT4,940 per share since the beginning of the year. Shares of the copper mining company were winning back positive background until the end of February, caused by the growth of copper futures to the levels of 10-year highs. KAZ Minerals also provided unaudited results for 2020, according to which the company increased its EBITDA by 5.6% to \$ 1.431 billion during the reporting year. In addition, the group's net debt decreased by 5.7% to \$2.601 bn due to strong cash flow from operating activities in the second half of the year and a lower than expected level of capital expenditures for the whole year – \$584 mln.

High growth rates are also demonstrated by the shares of **Halyk Savings Bank of Kazakhstan JSC**, which rose in price by 21.2 % to KZT150.24 per share in the first quarter. The fundamental factor for the growth in the bank's share prices were the published consolidated financial results for 2020, according to which net income increased by 5.4% to KZT352.7 bn compared with KZT334.5 bn in 2019. Net income increased mainly due to an increase in net revenue from insurance activities and profits from derivatives and securities, the company said. The bank's assets in 2020 increased by 12.5 % to KZT10.388 trln due to the growth of deposits and capital. Liabilities increased by 12.2% to KZT8.895 bn, equity capital by 14.2% to KZT1.493 bn, the authorized capital did not change and amounted to KZT209.027 bn.

A 13.1% price decrease was recorded for ordinary shares of **Kcell JSC**. The company's shares began a downtrend in the first trading week of February and continued it almost until the end of the quarter. The market value of the company was declining despite the release of financial statements for 2020, according to which the telecom operator increased its net income under IFRS 1.8 times to KZT17.6 bn last year. However, the number of subscribers decreased by 2.7% to 8.055 million. Net sales increased by 11.5 % and amounted to KZT174.7 bn. Revenue from services increased by 1.8 % to KZT140.1 bn.

CORPORATE BONDS

The volume of outstanding corporate debt in circulation has decreased since the beginning of the year by 1.1%, or KZT164.4 bn, to KZT14.5 trln (USD34.3 bn.).

As of the end of March, there were 271 issues of corporate bonds of 69 issuers in KASE official list. Since the beginning of the year, ten issues of corporate bonds of six issuers (one new) have been included in KASE official list: one issue of NUH Baiterek JSC, Industrial Development Fund JSC, National Company Food Contract Corporation JSC, Microfinance organization aFinance, two bond issues of TechnoLeasing LLP and four issues of Kazakhstan Sustainability Fund JSC.

20 issues of corporate bonds were excluded from KASE official list: one issue of Halyk Savings Bank of Kazakhstan JSC, Kcell JSC, Kazakhstan Utility Systems LLP, four issues of Sovereign Wealth Fund "Samruk-Kazyna" JSC – in connection with expiration of the circulation period, two issues of Kazakhstan Housing Company JSC, National Management Holding "Baiterek" JSC and an issue of Amangeldy Gas LLP – due to their cancellation, an issue of international bonds of Eastcomtrans LLP and an issue of Halyk Savings Bank of Kazakhstan JSC – in connection with their early repayment, an issue of Halyk Finance JSC – at the initiative of their issuer, five issues of AsiaCredit Bank JSC – in connection with the revocation of the issuer's license to conduct banking and other transactions and conduct activities in the securities market.

The value of the yield index of corporate bonds KASE_BMY decreased by 11 basis points to 10.65 % per annum.

The volume of trades in corporate bonds on KASE increased relative to three months of 2020 by 98.7 %, or KZT285.5 bn, to KZT574.8 bn. The average daily trading volume amounted to KZT10.1 bn (in the secondary market – KZT4.6 bn), the average daily number of deals – 21 (in the secondary market – 15), the average volume of one deal – KZT485.9 million (in the secondary market – KZT303.6 mln).

In the first quarter, 14 bond issues of nine issuers were placed on the primary market in the sector of corporate bonds for a total of KZT312.2 bn, which is by 34.1 %, or KZT79.4 bn, higher than the corresponding indicator of the previous year:

- Kazakhstan Sustainability Fund JSC raised KZT158.1 bn by placing six bond issues (KFUSb4, KFUSb5, KFUSb8, KFUSb9, KFUSb10, KFUSb11) with a yield to maturity of 10.00–10.77 % per annum (the weighted average yield on issues varied in the range of 10.16–10.70 % per annum);
- KEGOC JSC raised KZT8.6 bn by placing bonds with an average weighted yield to maturity of 11.62 % per annum and a maturity period of 14.3 years;
- Kazakhstan Housing Company JSC raised KZT29.2 bn by placing five-year bonds with a yield to maturity of 11.00 % per annum;
- National Managing Holding "Baiterek" JSC raised KZT50.0 bn by placing ten-year bonds with a yield to maturity of 11.00 % per annum;
- Industrial Development Fund JSC raised KZT50.0 bn by placing ten-year bonds with a yield to maturity of 11.50 % per annum;
- National Company Food Contract Corporation JSC raised 1.75 billion rubles (KZT10.0 bn) by placing five-year ruble bonds at 8.99 % per annum;
- Capital Leasing Group LLP raised KZT1.3 bn by placing bonds with a yield to maturity of 18.00 % per annum and a maturity of 2.8 years;
- Agrarian Credit Corporation JSC raised KZT4.6 bn by placing bonds with a weighted average yield of 10.23 % per annum and maturity of 295 days;
- Microfinance Organization "R-Finance" LLP raised KZT400.7 mln by placing three-year bonds with a yield to maturity of 20.00 % per annum.

In the context of the main categories of investors in the primary corporate bond market, the share of STBs was 33.6 %, that of brokerage and dealer organizations – 5.8 %, other institutional investors – 20.3 %, other legal entities – 39.8%, individuals – 0.5 %. The share of participation of non-residents was 0.5 %.

The volume of trades in the secondary bond market increased 4.6 times, or by KZT206.1 bn to KZT262.6 bn.

In the context of the main categories of investors in the secondary corporate bond market, the share of STBs was 2.5 %, that of brokerage and dealer organizations – 3 %, that of other institutional investors – 34.2 %, that of other legal entities – 59.6 %, the share of individuals – 0.7 %. The share of non-residents was 6.1 %.

GOVERNMENT SECURITIES (GS)

The par value of government debt traded on KASE has grown since the beginning of the year by 6.8 %, or KZT1.1 trln, to KZT17.9 trln (USD42.1 bn).

In the first quarter, the volume of trades in the government securities market increased by 11.2 %, or by KZT93.2 bn, to KZT924.7 bn. The number of deals made up 536 (in the secondary market – 244), the

average volume of one deal – KZT1.7 bn (the average volume of one deal in the secondary market – KZT817.6 mln).

The volume of the primary market amounted to KZT725.2 bn, which is 35.9 % higher than the result of the same period last year. Of these, KZT702 bn were raised by the Ministry of Finance at 8.99–10.40 % per annum (weighted average yield on issues – 9.25–10.30 % per annum) within the framework of the offering of fifteen bond issues. In March, the Akimdik of Turkestan region, as part of the implementation of the state program "Employment Roadmap for 2020-2021" at 6.07 % per annum, raised KZT20.2 bn and the Akimdik of Shymkent to finance the budget deficit at 10.80 % per annum – KZT2.8 bn.

In terms of the main categories of investors in the primary market, STBs accounted for 70.9 %, brokers and dealers – for 0.2 %, other institutional investors – for 16.3 %, the share of other legal entities was 12.6 %. The share of non-residents in the total trading volume on the primary market was 2.9 %.

The volume of trades in the secondary market following the results of the first quarter decreased by 33 %, or by KZT98.3 bn, to KZT199.5 bn from KZT297.8 bn. The volume of trades with MEKAM amounted to KZT118.2 bn, or 59 % of the volume of trades in the secondary market for government securities, with notes of the National Bank – KZT75.2 bn, or 38 %. The remaining volume of KZT6 bn, or 3 %, fell on deals with Eurobonds of the Republic of Kazakhstan and government securities of foreign states.

In terms of the main categories of investors in the secondary market, STBs accounted for 48.3 %, brokers and dealers – for 2.3 %, other institutional investors – for 24.3 %, the share of other legal entities amounted to 24.9%, the share of individuals was 0.1 %. The participation of non-residents is estimated at 13.6 %.

BONDS OF INTERNATIONAL FINANCIAL ORGANIZATIONS

At the end of the reporting period, KASE's trading lists included 35 bond issues of four international financial organizations: Eurasian Development Bank, European Bank for Reconstruction and Development, International Finance Corporation (IFC) and Asian Development Bank.

In the first quarter of 2021, the Securities of International Financial Organizations sector of KASE official list was supplemented with two bond issues of Asian Development Bank, the purpose of which is to invest in projects aimed at reducing gender inequality and promoting the empowerment of women and girls. Also, in this period of due to the expiration of the circulation period, the issue of bonds of the International Finance Corporation was excluded from KASE official list.

Over the past period of 2021, the trading volume amounted to KZT31.9 bn, which is 39 times higher than the result of the same period in 2020, or by KZT31.1 bn.

The entire volume of the primary market fell on the offerings of the Asian Development Bank, which, within the framework of the subscription, placed two issues of its bonds at 9.95 % and 10.15 % per annum with maturities of 5.1 years and 9.8 years, respectively

In terms of the main categories of investors in the primary market, the share of STBs was 13 %, that of other institutional investors – 50.3 %, that of other legal entities – 36.7 %.

The volume of trades in the secondary market amounted to KZT14.4 bn, which is 18 times higher than the market volume in the first quarter of 2020.

In terms of the main categories of investors in the secondary bond market of IFOs, the share of STBs was 25%, that of brokers and dealers – 23.2 %, that of other institutional investors accounted for 50%, and that of other legal entities – for 1.8 %.

UNITS OF INVESTMENT FUNDS

As of April 1, in the sector "Securities of investment funds" were 13 investment funds managed by six asset managers and four ETFs.

The trading volume for three months of 2021 amounted to KZT17.3 bn and increased 28 times compared with the first quarter of 2020.

Instrument	Volume, mln KZT	Number of deals
RU_UKFFipo	14,842.1	4,054
FHJlag	818.5	20
CSECfe	352.8	37
FFIN_or	350.3	223
FHJlpc	310.4	14

CSECgm	189.8	32
IE_FXBF	137.0	556
US_BIL_	115.0	24
BCClrb	109.8	2
US_SPY_	52.3	226
US_GLD_	8.9	2
FHJllq	6.4	4
	17,295.6	5,307

In terms of the main categories of investors, 40.6 % fall on brokers and dealers, 0.2 % – on other institutional investors, 8.9 % – on other legal entities and 50.4 % – on individuals.

ACCOUNTS OF INDIVIDUALS ON THE SECURITIES MARKET

As of April 1, 2021, the Central Securities Depository maintained 150,180 personal accounts opened for individuals, which is by 17,319 accounts more than at the beginning of 2021.

FOREIGN CURRENCY MARKET

In the first quarter of 2021, 31 members of KASE took part in trading on the foreign currency market on KASE. In the reporting period, three brokers of Kazpost JSC, Freedom Finance JSC and CAIFC INVESTMENT GROUP JSC took part in the market, their share in the gross turnover was 0.5 %.

The volume of trades in the first quarter in the foreign exchange market amounted to KZT3.1 trln, which is lower than the same period last year by 3.2 %, or KZT99.7 bn. The average daily trading volume in the first quarter amounted to KZT53.8 bn, the average daily number of deals – 384, the average volume of one deal – KZT140.2 mln.

The following table shows the main characteristics of the currency pairs traded on KASE (the change in the indicator against the previous month is indicated in brackets, the change in the rate reflects the nominal change in the weighted average exchange rate of the foreign currency against the tenge).

Pair	Amount, mln currency units	Weight in the trading amount, %	Number of deals	Min. and max. rates, qty. of the quoted currency per base currency unit	Rate at the end of month (chg.%)
USD/KZT	7,128.40 (-10.0 %)	97.6 % (-1.0 %)	20,854 (+206)	414.10 – 425.90	424.97 (+1.0 %)
RUB/KZT	5,574.08 (-0.1 %)	1.0 % (+0.04 %)	598 (+385)	5.5430 – 5.7500	5.6142 (-1.3 %)
CNY/KZT	346.53 (x3.0)	0.7 % (+0.5 %)	344 (+207)	64.2100 – 65.6700	64.6687 (-0.1 %)
EUR/KZT	36.42 (x3.2)	0.6 % (+0.4 %)	70 (+13)	500.00 – 514.10	500.00 (-2.2 %)

MONEY MARKET

The total volume of trades in the money market amounted to KZT30.9 trln, having increased compared to the last month by 11.5%, or by KZT3.2 trln.

The MM_Index composite money market indicator, which is the average yield weighted through the volume of deals, on USD/KZT currency swaps and automatic repo transactions with government securities, opened for one business day, increased by 103 b.p. to 9.28 % per annum by the end of March 2021.

REPO transactions market

The trading volume in this segment in the first quarter of 2021 amounted to KZT27.7 trln, which is up 17.4 %, or KZT4.1 trln YoY. The average daily volume of deals amounted to KZT485.4 bn, the average daily number of deals – 433, the average volume of one deal – KZT1.1 bn.

The volume of trades in auto repo with a basket of government securities amounted to KZT24.7 trln, or 89.4 % of the total volume of repo, with a basket of BISP – KZT639.5 bn, or 2.3 %, with CS – KZT2.3 trln, or 8.3 %, direct repo with CS – KZT18.1 bn, or 0.1 % and direct repo with GS – KZT6.6 thousand.

By the end of March, the indicator TONIA (the weighted average interest rate on repo opening deals for one business day, concluded on the Exchange in the automatic repo sector with securities of the GS Basket) increased by 105 b.p. from 8.25 % to 9.3 % per annum.

The indicator TRION (the weighted average interest rate on repo opening deals for one business day, concluded on the Exchange during the day in the automatic repo sector with securities of the GS Basket, for which the Exchange carries out clearing activities using the services of the Central Counterparty) increased by 109 b.p. from 8.25 % to 9.34 % per annum.

The indicator TWINA (the weighted average interest rate on repo opening deals for seven business days, concluded on the Exchange in the automatic repo sector with securities of the GS Basket, for which the Exchange carries out clearing activities using the services of the Central Counterparty) increased by 30 b.p. from 8.6 % to 8.9 % per annum.

The volatility of the indicators of repo transactions TONIA, TRION and TWINA in the first quarter dynamically fluctuated within the corridor of the base rate of the National Bank of the Republic of Kazakhstan. The dynamics of volatility traditionally increased during tax periods and during periods of announcement of quarantine restrictions as a reaction to a decline in business activity in the future.

Currency swap transactions market

The trading volume in the first quarter of 2021 in the currency swap transaction market amounted to KZT3.2 trln, which is down by KZT931.7 bn, or 22.6 %, YoY. The average daily volume of deals in the first quarter of 2021 amounted to KZT56.1 bn, the average daily number of deals – 12, the average volume of one deal – KZT4.8 bn.

In the instrumental structure, 56.9% of the total volume on the currency swap market fell on deals with a one-day currency swap (USDKZT_0_001), 38.9% – on deals with a two-day currency swap (USDKZT_0_002), 3.7% – on deals with the one-month currency swap (USDKZT_0_01M) and 0.4 % – on deals with the one-week currency swap (USDKZT_0_01W).

The yield on the one-day dollar swap SWAP-1D (USD) reached 8.52 % per annum as of the end of March, having increased by 25 b.p. since the beginning of the year. The yield of the two-day currency swap SWAP-2D (USD) increased by 40 b.p. to 8.39 % per annum.

DERIVATIVES MARKET

In this sector of the exchange market, futures are available, the underlying assets of which are the US dollar, KASE index and particular titles of shares. By the beginning of April, there were no open positions of trading participants on the derivatives market, and no transactions were made in the first quarter of 2021.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the sixth rank in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

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