

KAZAKHSTAN STOCK EXCHANGE

PRESS RELEASE

Almaty

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KazAgroFinance 5-year bond placement reopened Kazakhstan debt capital market for private investors

As previously reported, on November 14, 2016 another bond issue of KazAgroFinance (KASE Ticker: KAFIb6) was placed in the trading system of Kazakhstan Stock Exchange (KASE). The auction allowed the issuer to place five-year bonds worth eight billion tenge at 15% per annum. The placement of these bonds was unique as it focused on private institutional and retail investors. 13 investors, including banks, brokerage firms and their clients, including one individual, submitted their orders to participate in the auction. The bid exceeded the ask by 23% and reached 9.9 billion tenge. 11 investors bought the bonds.

KASE believes this placement has reopened the Kazakhstan debt capital market for private investors after a long break caused by the crisis and weakening of the national currency.

"Corporate bonds are offered on KASE quite often, sometimes up to several times a week. Each placement is available for public investors, as these are open auctions. However, over the last two or three years the issuers being quasi-state companies tend to specifically target just one buyer being Single Accumulative Pension Fund or other government agencies. Neither financial advisers to such placements nor the issuer happen to be interested in other investors, though their participation in the special trading sessions is not restricted by any means. Whereas, KazAgroFinance and its financial adviser originally intended to offer the issue to private investors, taking care of the marketing activities, therefore the placement was a success," Andrey Tsalyuk, Deputy Chairman of the Management Board of KASE, commented on the placement. "With the base rate of the National Bank gradually decreasing and inflation rate falling, KASE recommends that market participants, both issuers and investors, pay attention to this case. The market indicates an interest in tenge instruments that can be currently offered under quite favorable conditions," he added.

Aynur Seytkassimova, First Deputy Chairwoman of the Management Board of KazAgroFinance, addressed the placement by saying that "it was a coherent strategy of the Company to offer public local bonds to public investors in order to increase the investment attractiveness of KazAgroFinance. The investor confidence is supported by stable financial position of the Company as well as the transparency of its activities. Within the recent years the Company has tried to diversify instruments and funding sources to develop the agro-industrial complex of the Republic of Kazakhstan. We hope that the success of our debut issue will attract the investors' attention to the Kazakhstan's agricultural sector, along with the oil and banking sectors."

Halyk Finance, Subsidiary of Halyk Savings Bank of Kazakhstan (Almaty), acted as a financial consultant of KazAgroFinance and underwriter of the bond issue.

Details

Kazakhstan Stock Exchange (KASE) is the leading stock exchange in the Central Asian region and the only exchange in Kazakhstan, carrying out their activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions as well as derivatives.

KASE is the member of the World Federation of Exchanges (WFE), Federation of European and Asian Stock Exchanges (FEAS) and other international and local professional associations. In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE is ranked as the 2nd CIS exchange in terms of securities trading volume, while being in the top 5 FEAS stock exchanges in terms of the stock market capitalization.

KazAgroFinance is a company founded by the decision of the Government of the Republic of Kazakhstan in 1999. Its main goal is to support the development of the agricultural sector of the

country and facilitate agricultural producers' access to finance, as well as to the agricultural machinery and technological equipment on a leasing basis.

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