

Separate
BALANCE SHEET
as of 1 January, 2007

Entity name: **Kazakhstan Stock Exchange**
 Business activity: organisation of trades in securities and other financial instruments
 Legal form: Joint-Stock Company
 Registered address: 67, Ayteke bi str., 050000, Almaty, Republic of Kazakhstan

KZT'000

	Line code	As of 01.01.07	As of 01.01.06 (partially adjusted, see Item 22 of Notes)
ASSETS			
I. CURRENT ASSETS			
Cash and cash equivalents	010	167.154	6.696
Financial investments	011	10.781	220.401
Including:			
securities held to maturity		–	176.333
securities available for sale		10.781	–
Trading securities		–	44.068
Receivables (net)	012	118.133	50.286
Inventories	013	1.856	1.857
Current tax assets	014	1.523	4.938
Other current assets	015	335	382
TOTAL CURRENT ASSETS	100	299.782	284.560
II. LONG-TERM ASSETS			
Long-term financial investments	020	649.439	326.146
including:			
investments in associates and subsidiaries		94.494	94.494
securities held to maturity		–	231.652
securities available for sale		496.906	–
securities charged to income or loss at fair value		58.039	–
Property, plant and equipment	021	72.368	53.338
Intangible assets	022	12.173	12.417
Deferred tax assets	023	–	2.936
TOTAL LONG-TERM ASSETS	200	733.980	394.837
BALANCE		1.033.762	679.397
LIABILITIES & EQUITY			
III. CURRENT LIABILITIES			
Income tax payable	030	7.927	–
Advance received	031	35.031	16.153
Other current liabilities	032	3.641	4.255
TOTAL SHORT-TERM LIABILITIES	300	46.599	20.408
IV. LONG-TERM LIABILITIES			
Deferred tax liabilities	040	4.391	–
TOTAL LONG-TERM LIABILITIES	400	4.391	–
V. EQUITY			

Share capital	050	160.252	111.113
Treasury shares	051	(2.934)	–
Retained earnings	052	825.454	547.876
including:			
previous years		547.876	375.354
reporting period		277.578	172.522
TOTAL EQUITY	500	982.772	658.989
BALANCE		1.033.762	679.397

President

A. Joldasbekov

Chief Accountant

L. Ryabushkina

Separate
INCOME STATEMENT
for 2006

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Items	Line code	2006	2005 ¹
Revenue from goods sold and services rendered	010	691,487	472,094
Cost of goods sold and services rendered	020	(164,285)	(130,784)
Gross profit	030	527,202	341,310
Realized gains from securities	040	28,548	26,486
Unrealized gains from securities	050	14,044	4,068
Other income	060	9,708	9,265
Administrative expenses	070	(173,023)	(127,257)
Other operating expenses	080	(7,407)	(5,267)
Income of the period from the continued activity	090	399,072	248,605
Income before taxation	100	399,072	248,605
Corporate income tax expenses	110	(121,494)	(76,083)
Net income	120	277,578	172,522

President

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¹ With account of other gains (see point 38 of the notes).

Separate
CASH FLOW STATEMENT
for 2006
(indirect method)

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KZT'000

Items	Line code	2006	2005 ¹
I. Cash flows from operating activities			
Income before taxation	101	399,072	248,605
Adjustment of income before taxation	102	(47,598)	(16,317)
including:			
depreciation and amortisation	103	14,643	22,284
unrealised gain from securities	104	(14,044)	(4,068)
Loss from property, plant and equipment disposals	105	1,902	281
Gain from donated non-repayable investments	106	–	–
Loss from impairment of intangible assets	107	159	3,820
(increase) decrease in inventories	108	1	(690)
Decrease in other current assets	109	47	531
Increase in receivables	110	(68,047)	(37,031)
Decrease in advances received	111	–	(2,817)
increase (decrease) in taxes assets	112	(523)	54
increase in advances received and other liabilities	113	18,264	1,319
Income tax paid	114	(102,302)	(75,003)
Total cash provided by operating activities	100	249,172	157,285
II. Cash flows from investing activities			
Purchases of equipment	201	(33,265)	(6,601)
Purchases of intangible assets	202	(2,659)	(840)
Proceeds from sale of property, plant and equipment and intangible assets	203	434	16,639
Purchases of investment securities	204	(267,223)	(168,673)
Redemption of investment securities	205	167,594	58,224
Increase in financial investments	206	–	(79,200)
Total cash used in investing activities	200	(135,119)	(180,451)
III. Cash flows from financing activities			
Proceeds from issue of shares	301	49,139	8,434
Purchase of treasury shares	302	(2,734)	–
Total cash provided by financing activities	300	46,405	8,434
Net increase (decrease) in cash	400	160,458	(14,732)

¹ With account of other expenses specification (see point 38 of the notes).

Cash at the beginning of the year	500	6,696	21,428
Cash at the end of the year	600	167,154	6,696
Cash flow	700	160,458	(14,732)

President

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Chief Accountant

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Separate
STATEMENT OF CHANGES IN EQUITY
for year of 2006

Entity name: **Kazakhstan Stock Exchange**
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 Registered address: 67, Ayteke bi str., 050000, Almaty, Republic of Kazakhstan

KZT'000

	Line code	Share capital	Treasury shares	Retained earnings	Total
Balance at 01 January, 2005	10	102.679		375.391	478.070
Changes in accounting policy and adjustments of substantial errors of previous periods	11			(37)	(37)
Adjusted balance at the beginning of reporting period	12	102.679		375.354	478.033
Issued own shares	13	8.434			8.434
Net income for the year	14			172.522	172.522
Balance at 01 January, 2006	20	111.113	–	547.876	658.989
Issued own shares	21	49.139			49.139
Treasury shares	22		(2.934)		(2.934)
Net income for the year	23			277.578	277.578
Balance at 01 January, 2007	30	160.252	(2.934)	825.454	982.772

President

A. Joldasbekov

Chief accountant

L. Ryabushkina

KAZAKHSTAN STOCK EXCHANGE

NOTES

to non-consolidated financial statements for year 2006

1. GENERAL INFORMATION

1. Organisation and operating activities

Kazakhstan stock exchange (hereinafter, the Exchange) was incorporated on 17 November, 1993 as Closed Joint-Stock Company (state registration certificate №3980 issued by Almaty Alatau district administration on 30 December, 1993) transforming from the Currency Exchange of Kazakhstan, which had been earlier the structural division of the National Bank of the Republic of Kazakhstan.

At the moment, the Exchange operates according to the Certificate of state re-registration of legal entity №54214-1910-AO, issued by Almaty Department of Justice on 7 January, 2004.

The Exchange's operations on the securities market are licensed by Kazakhstan Agency on regulation and supervision of financial market and financial organisations for conducting activities on organisation of trades in securities and other financial instruments on 2 February, 2004 and the license is №0409200037.

Besides, the Exchange has the license for making transactions provided by the banking legislation of the Republic of Kazakhstan in the national and foreign currencies dated 20 February, 2006 №3 issued by Kazakhstan Agency for regulation and supervision of financial market and financial organisations.

2. Economic Environment and Intrinsic Risks in Kazakhstan

The Exchange's operations are subject to specific economic, political, and social risks inherent in doing business in Kazakhstan including risks directly related to activities of the Exchange being organiser for securities, foreign currencies and money-market instruments trading. These risks include:

- 1) risks arisen from inflation, devaluation (revaluation) of Kazakhstani tenge and interest rates on deposits and borrowings;
- 2) risks related to the Exchange's competitive ability as compared to non-organised financial markets and other Kazakhstan and foreign organised financial markets;
- 3) risks related to changes in political situation and legislation, especially foreign currency, tax, pension, and financial market regulations;
- 4) risks related to social factors.

The accompanying financial statements reflect the management's estimates of the impact of Kazakhstani business environment on the operations and the financial position of the Exchange. The future business environment may differ from those management's estimates.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

3. Statement of compliance

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The Exchange keeps records and prepares financial statements according to the Law of the Republic of Kazakhstan (RK) On Accounting and Financial Reporting, Kazakhstan Code On Taxes and Other Obligatory Payments to Budget (Tax Code), IFRS, regulations of Ministry of

Finance of RK, National Bank of RK, and Kazakhstan Agency for regulation and supervision of financial market and financial organisations.

4. Functional and Reporting Currency

Kazakhstani national currency is Kazakhstani tenge (hereinafter, "tenge"), which is the Exchange's functional and reporting currency.

5. Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The recoverability of the Exchange's assets, as well as the future operation of the Exchange, may be significantly affected by the current and future economic environment. The accompanying financial statements do not include any adjustments should the Exchange be unable to continue as a going concern.

6. Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities at the date of the financial statements. Actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

7. Foreign Currency Transactions

The Exchange's transactions in foreign currencies are translated to Kazakhstani tenge at the official foreign exchange rate set by the National Bank of RK at the date of transaction.

The Exchange's assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Kazakhstani tenge at the official foreign exchange rate effective on that date.

Foreign exchange differences arising from translation are recognised in the income statement of the Exchange.

The relevant official exchange rates as of January 1, 2006 were as follows (in tenge per foreign currency unit):

	01.01.07	01.01.06
US Dollar	127,00	133,77
Euro	167,12	158,54
Russian Rouble	4,82	4,65

8. Financial Instruments

The Exchange's strategy for portfolio investments is focused on receiving additional investment gains from the use of temporarily redundant cash under minimal investing risks.

Based on this strategy the Exchange's funds were invested only in Kazakhstan government securities until mid-2003. Taking into consideration the positive experience of state regulation for pension system, in May 2003 the Exchange Counsel approved investing the Exchange's redundant assets in financial instruments (except for shares and deposits placed with the second-level banks) in the order similar to that for investing pension assets of private pension funds. In April 2005, the Exchange Counsel approved to place the Exchange's temporarily redundant assets with open mutual investment funds.

Investments of the Exchange with fixed maturity date, which its management intends and is able to hold until maturity, are classified as investments in securities held to maturity. Investments in securities which are to be left at the Exchange's disposal for an uncertain period and be sold if required, are classified as investments available for sale. The Exchange's investments in mutual investment funds are classified as trading investments.

Taking into account the subsequent events (namely the sale of part of securities held to maturity), as of 1 January, 2007 the whole portfolio of securities held to maturity was reclassified into the securities available for sale.

Securities available for sale are accounted for by the Exchange at fair value, the unrealized gain (unrealized loss) being charged to the Exchange's equity.

All transactions on purchase and sale of securities, comprising the Exchange's investment portfolio, are recognised at the date of relevant payments for them. Costs of transaction on purchase of such securities are included in their purchase cost. Securities available for sale are recorded in balance sheet at market prices; securities held to maturity are recalculated based on their maturity. Gains and losses, which arise from change in market prices of trading securities, are recognised in the income statement of the Exchange.

9. Investments in Associates and Subsidiaries

The strategy of the Exchange on share in other entities' equities is based on that it participates only in those entities, which activities are directly connected with the Exchange's activities.

For reporting purposes the Exchange's subsidiaries are recognised those entities, which are under control of the Exchange. This implies that the Exchange takes over the entity if the Exchange has directly or indirectly more than 50% of voting power in the entity, and the Exchange is able to determine financial and economic policy of the entity with the purpose to get benefits from its activity. Associates are those entities, on which the Exchange can influence, but not able to control financial and economic policy. The Exchange's investments in subsidiaries and associates are stated at cost in separate financial statements.

10. Property, Plant and Equipment

Property, plant and equipment (PPE) are the tangible assets with useful lives more than one year, which are accounted at historical cost less accumulated depreciation. If some Exchange's equipment consists of components with different useful lives such components are accounted for separately.

Property, plant and equipment depreciation is charged on straight-line basis with the following depreciation periods (useful lives):

	Years
Equipment and machinery	8–10
Vehicles	9
Other	8–10

11. Intangible Assets

Intangible assets include software and are accounted for at historical cost less any accumulated amortization. Intangible assets are amortized on straight-line basis over useful life period of 7 years.

12. Assets Impairment

The Exchange's assets having uncertain useful lives are not depreciated and annually evaluated for impairment. The Exchange assesses its assets subject to depreciation at each reporting date if there is any indication that the carrying amount of such assets may not be recoverable. The asset's recoverable amount is the higher of fair value less selling costs and its value in use.

The amount for which carrying amount exceeds the recoverable amount is recognized as an impairment loss.

The Exchange divides its assets into possible minimal groups with the purposes of assets' assessment for impairment.

13. Inventories

Inventories' costing is based on average-weighted method and includes cost of inventories purchase, and all other expenses, relating to their shipment to the place of destination and putting them into appropriate condition.

14. Receivables

Receivables are accounted for at historical cost less impairment losses with provision for doubtful debts.

15. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and on bank accounts.

16. Share Capital

According to the Exchange's Charter, the amount of its authorised (common only) shares is 450. The issue of authorised shares is registered with the Kazakhstan Agency for regulation and supervision of financial market and financial organisations on 14 November, 2005 and is filed in the State Securities Register under NoA1003.

As of 1 January, 2007 the following organisations were the shareholders of the Exchange:

	Stake in total number of floated shares, %
National Bank of the Republic of Kazakhstan	12,36
Bank Caspian JSC	6,86
Subsidiary Bank Kazakhstan-Ziraat International Bank JSC	4,12
banks and professional participants of securities market <i>(in total 56 organisations with stake in total issued shares less than 3% each)</i>	74,83
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<i>Note:</i>	
<i>The Exchange's Treasury Stock</i>	1,83

17. Dividends

According to the law of the Republic of Kazakhstan On Securities Market the Exchange is non-commercial organisation and under the law of the Republic of Kazakhstan On Joint-Stock Companies the Exchange does not accrue nor pay dividends on its shares.

18. Payables

The Exchange's payables are accounted for at historical cost.

19. Current and Deferred Corporate Income Tax

Corporate income tax amounts recognized in accompanying financial statements include current and deferred tax assets and liabilities.

Current corporate income tax is calculated according to the tax legislation of the Republic of Kazakhstan.

Current corporate income tax is calculated by balance sheet liability method in relation to all temporary differences which arise between carrying amount of assets and liabilities and their taxable bases¹. The Exchange does not recognize such temporary differences if they relate to initial recognition of an asset or liability which does not influence income either for financial statements preparation purposes or for taxation purposes.

Deferred corporate income tax is recognized by the Exchange as an asset if there is a possibility for future taxable income which may cover the stated temporary differences.

The tax rate applicable to deferred corporate income tax is 30%.

20. Pension contributions

¹ Property, plant and equipment are depreciated for accounting used straight line method and for tax purpose used diminishing balance method.

The Exchange makes compulsory contributions to pension funds on behalf of its employees according to State's defined contribution pension scheme. Pension fund amounts deducted are included with other salary costs in the financial statements.

4. NOTES TO FINANCIAL STATEMENTS

21. Cash and cash equivalents (line 010 of the Balance Sheet).

	at 01.01.07	KZT'000 at 01.01.06
on accounts in tenge	154,415	3,336
on accounts in foreign currency in Kazakhstan banks	6,301	748
on accounts in foreign currency in foreign banks	6,365	2,183
cash in hand	18	374
other cash (gold and silver coins)	55	55
TOTAL	167,154	6,696

22. Reclassification of financial investments (lines 011 and 020 of the Balance Sheet).

To improve comparability of the Exchange's financial investment data, reclassification of the corresponding assets was implemented as at 01 January 2006 (as compared to the Exchange's 2005 financial statement) in preparation of the accompanying financial statements by separation of coupon interest amounts on securities held to maturity. In 2005 such separation was not made due to insignificance of the stated amounts.

Reclassification of the Exchange's financial investments affected neither the currency of the Exchange's Balance Sheet as at 01 January 2006 nor the Exchange's 2005 total income.

	at 01.01.06 as per 2005 financial statements	at 01.01.06 as per 2006 financial statements	KZT'000 variance
Securities held to maturity (short-term financial investments)	170,669	176,333	5,664
Securities held to maturity (long-term financial investments)	237,316	231,652	(5,664)
TOTAL	407,985	407,985	—
Note:			
<i>balance sheet currency</i>	679,397	679,397	—
<i>total income for the period</i>	172,522	172,522	—

23. Financial investments (line 011 of the Balance Sheet).

1. Securities held to maturity:

	KZT'000	
	at 01.01.07	at 01.01.06
MEKKAM	–	146,420
notes of National Bank of RK	–	24,249
current part of securities (accrued coupon interest)	–	5,664
TOTAL	–	176,333

2. Securities available for sale:

	KZT'000	
	at 01.01.07	at 01.01.06
current part of securities (accrued coupon interest)	10,781	–
TOTAL	10,781	–

3. As at 01 January 2006 the Exchange recognized shares of the mutual investment funds for the amount of 44,068 thousand tenge as securities available for sale. In preparation of the accompanying financial statements the Exchange reclassified such investments as long-term financial investments in securities at fair value through profit or loss.

24. Long-term financial investments (line 020 of the Balance Sheet).

1. The Exchange's investments in subsidiaries and associates:

	KZT'000			
	at 01.01.07		at 01.01.06	
	KZT'000	Exchange's share, %	KZT'000	Exchange's share, %
RTRS LLP	65,000	50.0	65,000	50.0
Central Securities Depository JSC	18,800	38.7	18,800	38.7
Kyrgyz Stock Exchange CJSC (Kyrgyz Republic)	9,014	10.6	9,014	10.6
eTrade.kz LLP	1,000	51.4	1,000	51.4
Information agency for financial markets IRBIS LLP	680	80.0	680	80.0
TOTAL	94,494	X	94,494	X

2. Securities held to maturity:

	KZT'000	
	at 01.01.07	at 01.01.06
MEIKAM	–	13,221
MEOKAM	–	10,534
bonds of Kazakhstan local executive bodies	–	40,566
agency bonds	–	4,390

corporate bonds	–	168,605
current part of securities	–	(5,664)
TOTAL	–	231,652

3. Securities available for sale:

	KZT'000	
	at 01.01.07	at 01.01.06
MEIKAM	–	–
MEOKAM	374,368	–
bonds of Kazakhstan local executive bodies	17,156	–
agency bonds	4,115	–
corporate bonds	112,048	–
current part of securities	(10,781)	–
TOTAL	496,906	–

4. As at 01 January 2007 the Exchange recognized shares of the mutual investment funds for the amount of 58,039 thousand tenge as securities at fair value through profit or loss.

25. Receivables (line 012 of the Balance Sheet).

Short-term receivables are carried in the Balance Sheet net of provision for doubtful debts and include the following kind of receivables:

	KZT'000	
	at 01.01.07	at 01.01.06
commission fees	92,216	32,531
listing fees	2,932	5,282
provision for unpaid commission and listing fees	(560)	(963)
member fees	180	3,440
remote access services	21	165
S.W.I.F.T. operator's functions	77	95
other receivables	23,267	9,736
<i>including:</i>		
<i>settlements with suppliers and contractors</i>	2,279	9,221
<i>loans to the Exchange's employees</i>	–	84
<i>receivables from Exchange's employees</i>	761	431
<i>penalties imposed</i>	227	–
<i>financial aid to RTRS</i>	20,000	–
TOTAL	118,133	50,286

The Exchange rendered financial aid to RTRS LLP for the amount of 20,000 thousand tenge for construction of common depository building for the Exchange and Central Securities Depository JSC's. In 2007 RTRS LLP intends to repay this financial aid by means of sale of land lot belonging to it.

26. Inventories (line 013 of the Balance Sheet).

KZT'000

	at 01.01.07	at 01.01.06
Petroleum	12	11
supplies (stationeries, consumables for office equipment and vehicles)	1,844	1,846
TOTAL	1,856	1,857

27. Current tax assets (line 014 of the Balance Sheet).

Current tax assets of the Exchange (tax receivables) amounted at 01 January 2007 and 2006 1,523 and 4,938 thousand tenge, accordingly, including:

	at 01.01.07	KZT'000 at 01.01.06
value added tax	911	126
social tax	41	94
payments to the State Social Insurance Fund (social contributions)	–	2
land tax	48	48
contributions to retirement savings funds	–	30
payment for environmental emission	–	1
corporate income tax	–	3,937
corporate income tax for non-residents	68	40
personal income tax	142	486
property tax	312	160
transport tax	1	14
TOTAL	1,523	4,938

28. Other current assets (line 015 of the Balance Sheet).

As at 01 January 2007 and 2006 prepaid expenses are stated at Other current assets account in the Exchange's Balance Sheet, including:

	at 01.01.07	KZT'000 at 01.01.06
periodical literature subscription	–	24
Exchange's employees insurance	60	53
vehicle insurance	273	302
domain name maintenance	2	3
TOTAL	335	382

29. Property, plant and equipment (PPE) (line 021 of the Balance Sheet).

During 2005–2006 changes in the Exchange's property, plant and equipment were as follows:

	KZT'000				
	land	machines and equipment, transfer devices	vehicles	other PPE	TOTAL
<hr/>					

historical cost at 01 January 2005	16,639	120,518	19,143	38,042	194,342
<i>PPE acquired in 2005</i>	–	4,424	–	2,177	6,601
<i>PPE disposal in 2005</i>	(16,639)	(210)	–	(2,769)	(19,618)
historical cost at 01 January 2006	–	124,732	19,143	37,450	181,325
<i>PPE acquired in 2006</i>	–	26,888	4,550	1,827	33,265
<i>PPE disposal in 2006</i>	–	(59,651)	(1,362)	(3,820)	(64,833)
historical cost at 01 January 2007	–	91,969	22,331	35,457	149,757
accumulated depreciation at 01 January 2005	–	88,354	5,259	26,029	119,642
<i>Charge for 2005</i>	–	7,199	2,136	1,708	11,043
<i>accrued amortization of PPE disposal in 2005</i>	–	(162)	–	(2,536)	(2,698)
accumulated depreciation at 01 January 2006	–	95,391	7,395	25,201	127,987
<i>Charge for 2006</i>	–	7,791	2,345	1,763	11,899
<i>accrued amortization of PPE disposal in 2006</i>	–	(59,020)	(418)	(3,059)	(62,497)
accumulated depreciation at 01 January 2007	–	44,162	9,322	23,905	77,389
<i>Carrying amount at 01 January 2005</i>	16,639	32,164	13,884	12,013	74,700
<i>Carrying amount at 01 January 2006</i>	–	29,341	11,748	12,249	53,338
Carrying amount at 01 January 2007	–	47,807	13,009	11,552	72,368

In 2006 the Exchange's PPE were written-off in carrying amount of 2,336 thousand tenge, use of which will not bring future economic benefits.

30. Intangible assets (line 022 of the Balance Sheet).

The Exchange's intangible assets are represented by rights to use (licenses) and software.

During 2005–2006 changes in the Exchange's intangible assets were as following:

	KZT'000		
	licenses	software	TOTAL
historical cost at 01 January 2005	82	83,809	83,891
<i>intangible assets acquired in 2005</i>	–	840	840
<i>intangible assets disposal in 2005</i>	–	(64,542)	(64,542)
historical cost at 01 January 2006	82	20,107	20,189
<i>intangible assets acquired in 2006</i>	1,247	1,413	2,660
<i>intangible assets disposal in 2006</i>	(50)	(597)	(647)
historical cost at 01 January 2007	1,279	20,923	22,202

accumulated amortization at 01 January 2005	60	57,193	57,253
<i>accrued amortization for 2005</i>	10	11,231	11,241
<i>accrued amortization of intangible assets disposal in 2005</i>	–	(60,722)	(60,722)
accumulated amortization at 01 January 2006	70	7,702	7,772
<i>accrued amortization for 2006</i>	181	2,563	2,744
<i>accrued amortization of intangible assets disposal in 2006</i>	(70)	(417)	(487)
accumulated amortization at 01 January 2007	181	9,848	10,029
<i>Carrying amount at 01 January 2005</i>	22	26,616	26,638
<i>Carrying amount at 01 January 2006</i>	12	12,405	12,417
Carrying amount at 01 January 2007	1,098	11,075	12,173

During 2006 the Exchange's intangible assets were written-off in amount of 160 thousand tenge use of which will not bring future economic benefits.

31. Deferred tax assets and liabilities (lines 023 and 040 of the Balance Sheet).

Net negative tax effect of temporary differences between amounts stated in the financial statements and tax report of the Exchange in 2006 amounted 4,391 thousand tenge, including:

- 2,936 thousand tenge – deferred tax assets of the Exchange as at 01 January 2006;
- 7.327 thousand tenge – accrued deferred 2006 corporate income tax.

See also point 44 of these notes.

32. Advances received (line 031 of the Balance Sheet).

The Exchange's advances received arise in connection with advance payment of annual listing fees by the listing companies and amounted to 35,031 thousand tenge as at 01 January 2007 (at 01 January 2006 – 16,153 thousand tenge).

33. Other current liabilities (line 032 of the Balance Sheet).

The Exchanges current liabilities arise in connection with telecommunication and utility services, forward contracts marginal loans and services of Central Securities Depository JSC for execution and registration of transactions with nongovernmental securities. As at 01 January 2007 these liabilities amounted 3,641 thousand tenge (at 01 January 2006 – 4,255 thousand tenge) and were repaid in January 2007.

34. Share capital (line 050 of the Balance Sheet).

As at 1 January 2007 the Exchange's authorized capital amounted to 160,252 thousand tenge (as at 1 January 2006 – 111,113 thousand tenge) and it was formed by placing of 437 shares of the Exchange.

In 2006 as compared to 2005 the Exchange's authorized capital increased by 49,139 thousand tenge due to sale of 134 shares at offering price of 366,710 tenge to the following buyers:

	shares sold, pcs	proceeds from shares sold, tenge
BANK CASPIAN JSC	11	4,033,810
Bank CenterCredit JSC	6	2,200,260
VISOR Investment Solutions JSC	6	2,200,260
Kazkommerts Securities JSC (subsidiary of Kazkommertsbank JSC)	6	2,200,260
Kazkommertsbank JSC	6	2,200,260

Investment Portfolio Management Company Kompas JSC	6	2,200,260
Financial Company Alliance Capital JSC	5	1,833,550
Astana-Finance JSC	5	1,833,550
Valut-Transit Bank JSC	5	1,833,550
Global Securities (Kazakhstan) JSC	5	1,833,550
Financial Company Greenwich Capital Management JSC	5	1,833,550
DERBES SECURITIES JSC	5	1,833,550
Kazakhstan Financial Company JSC	5	1,833,550
First Brokerage House JSC	5	1,833,550
Register-Center JSC	5	1,833,550
Securities Registrar System JSC	5	1,833,550
CAIFC Company JSC	5	1,833,550
Temirbank JSC	5	1,833,550
SENIM-BANK JSC	4	1,466,840
Subsidiary Incorporated Bank ABN AMRO Bank Kazakhstan JSC	3	1,100,130
JSC Subsidiary of Bank CenterCredit JSC BCC Invest	3	1,100,130
Halyk Saving Bank of Kazakhstan JSC	3	1,100,130
Organization for investment management of pension assets Premier Asset Management JSC AO	3	1,100,130
Financial Company REAL-INVEST.kz JSC	3	1,100,130
RBNT SECURITIES CJSC	3	1,100,130
JSC Subsidiary of Bank TuranAlem JSC TuranAlem Securities	3	1,100,130
Halyk Securities JSC	3	1,100,130
JSC Accumulative Pension Fund of Halyk Bank of Kazakhstan	2	733,420
Investment Financial House RESMI JSC	2	733,420
Alliance Bank JSC	1	366,710
TOTAL	134	49,139,140

35. Treasury shares (line 051 of the Balance Sheet).

In 2006 the Exchange repurchased 8 treasury shares for 2,934 thousand tenge at their offering price – 366,710 tenge (the Exchange's shares repurchased from Tau Securities LLP were paid with cash for the amount of 2,000 thousand tenge, the rest – by this partnership's receivables offset).

	shares repurchased, pcs.	paid for shares, KZT
Alma-Ata International Bank JSC	2	733,420

Tau Securities LLP	6	2,200,260
TOTAL	8	2,933,680

36. Revenue from goods sold and services rendered
(line 010 of the Income Statement).

The Exchange's operations during 2006 resulted in proceeds of 691,487 thousand tenge (increment is 213,393 thousand tenge or 46.5% as compared to 2005), including:

	for 2006		for 2005	
	KZT'000	% of total	KZT'000	% of total
admission member fees	9,270	1.3	17,477	3.7
monthly member fees	70,838	10.2	63,698	13.5
commission fees	382,949	55.4	217,396	46.0
listing fees	218,290	31.6	165,156	35.0
remote access services	10,140	1.5	8,367	1.8
TOTAL	691,487	100.0	472,094	100.0

In the structure of the Exchange's revenues for 2006 the largest portion is represented by commission fees (55.4%), listing fees (31.6%), and monthly member fees (10.2%).

37. Cost of goods sold and services rendered
(line 020 of the Income Statement).

During 2005 cost of services rendered amounted to 164,285 thousand tenge (increment is 33,501 thousand tenge or 25.6% as compared to 2005), including:

	for 2006		for 2005	
	KZT'000	% of total	KZT'000	% of total
Salaries	84,971	51.7	62,936	48.1
Bonuses	20,252	12.3	13,309	10.2
year-end bonus	23,418	14.3	16,821	12.8
remuneration for Chairman of Listing Commission	649	0.4	996	0.8
telecommunication expenses	8,418	5.1	7,828	6.0
social tax	13,328	8.1	9,930	7.6
payments to the State Social Insurance Fund (social contributions)	846	0.5	524	0.4
depreciation of PPE	7,791	4.8	7,199	5.5
amortisation of intangible assets	2,529	1.5	11,241	8.6
remuneration for the Exchange Counsel Members	2,083	1.3	–	–
TOTAL	164,285	100.0	130,784	100.0

38. Other income (lines 040, 050 and 060 of the Income Statement).

In connection to reclassification of the Exchange's financial investments (see point 22 of these notes), the Exchange's other gains were detailed (carried in the Exchange's financial statements for the total amount of 39,819 thousand tenge) by separation of profit from securities, namely:

KZT'000

	for 2005 as per 2005 financial statements	for 2005 as per 2006 financial statements	variance
Realized gain from securities	–	26,486	26,486
unrealized gains from securities	–	4,068	4,068
other income	39,819	9,265	(30,554)
TOTAL	39,819	39,819	–

39. Realized gain from securities (line 040 of the Income Statement).

The Exchange's gain from securities in 2006 made 28,548 thousand tenge (increment is 2,062 thousand tenge or 7.8% as compared to 2005).

40. Unrealized gains from securities (line 050 of the Income Statement).

The Exchange's unrealized gains from securities in 2006 made 14,044 thousand tenge (increment is 9,976 thousand tenge or 245.2% as compared to 2005).

41. Other income (line 060 of the Income Statement).

During 2006 the Exchange's other gains (revenues from non-operating activities) amounted to 9,708 thousand tenge (increment is 443 thousand tenge or 4.8% as compared to 2005) including:

	for 2006		for 2005	
	KZT'000	% of total	KZT'000	% of total
penalties received	1,205	12.4	126	1.4
sum differences	1,281	13.2	1,804	19.4
S.W.I.F.T. operator's functions	772	8.0	575	6.2
income from information services	–	–	45	0.5
income from advertising	652	6.7	696	7.5
income from holding of seminars	–	–	4,558	49.2
income on correspondent accounts	5,489	56.5	989	10.7
dividends received	108	1.1	295	3.2
other revenues	201	2.1	177	1.9
TOTAL	9,708	100.0	9,265	100.0

42. Administrative expenses (line 070 of the Income Statement).

The Exchange's administrative expenses in 2006 made 173,023 thousand tenge (increment is 45,766 thousand tenge or 36.0% as compared to 2005), including:

	for 2006		for 2005	
	KZT'000	% of total	KZT'000	% of total
salaries	62,802	36.3	44,316	34.8
bonuses	12,030	7.0	7,632	6.0
year-end bonus	24,667	14.3	13,524	10.6
telecommunication expenses	3,537	2.0	3,033	2.4
maintenance expenses	12,553	7.3	16,952	13.4
rent	4,813	2.8	4,053	3.2
utilities	3,170	1.8	2,316	1.9

correspondent accounts maintenance	4,161	2.4	3,450	2.7
taxes	10,521	6.1	7,812	6.1
VAT offset	8,534	4.9	5,155	4.1
travelling expenses	7,254	4.2	4,372	3.4
training	794	0.5	255	0.2
auditing services	1,909	1.1	1,448	1.1
entertainments	9,931	5.7	6,781	5.3
amortisation expense	4,323	2.5	3,844	3.0
remuneration for market makers	56	0.0	180	0.1
insurance	898	0.5	1,104	0.9
member fees	1,070	0.6	1,030	0.8
TOTAL	173,023	100.0	127,257	100.0

43. Other operating expenses (line 080 of the Income Statement).

The Exchange's other expenses in 2006 made 7,407 thousand tenge (increment is 2,140 thousand tenge or 40.6% as compared to 2005), including:

	for 2006		for 2005	
	KZT'000	% of total	KZT'000	% of total
sum difference	5,345	72.2	1,166	22.1
PPE and intangible assets write-off	2,062	27.8	4,101	77.9
ИТОГО	7,407	100.0	5,267	100.0

44. Corporate income tax expenses (line 110 of the Income Statement).

Based on 2006 Exchange's financial performance, corporate income tax was assessed for the amount of 121,494 thousand tenge (increment is 45,411 thousand tenge or 59.7% as compared to 2005).

See also point 31 of these notes.

	KZT'000	
	for 2006	for 2005
current corporate income tax	114,167	76,083
deferred corporate income tax	7,327	–
TOTAL	121,494	76,083

45. Net income (line 120 of the Income Statement).

In 2005 the Exchange received total income for the amount of 277,578 thousand tenge (increment is 105,056 thousand tenge or 60.9% as compared to 2005).

In 2006 the Exchange maintained self-financing covering all its business and operations costs by its revenues.

46. Related-party transactions.

Related parties of the Exchange are the National Bank of the Republic of Kazakhstan (as the owner of the Exchange's "golden share"), subsidiaries and associated companies of the Exchange.

The Exchange's terms of settlement with its related parties do not differ from the terms applied by the Exchange for settlement with other organizations.

As at 01 January 2007 and 2006 the Exchanges related-party transactions are recognized in the financial statement for the following amounts:

	KZT'000			
	as at 01.01.06	services rendered/ received	paid with cash	as at 01.01.06
National Bank of the Republic of Kazakhstan (<i>receivables on commissions</i>)	–	2,297	2,293	4
Central Securities Depository JSC (<i>receivables for S.W.I.F.T. operator functions payment</i>)	95	887	905	77
eTrade.kz LLP (<i>receivables</i>)	34	72	70	36
Central Securities Depository JSC (<i>other current liabilities</i>)	117	1,626	1,522	221

47. Cash flow statement.

The cash flow statement is prepared using indirect method.

48. Key management benefits.

The Exchange's key management benefits (members of the Exchange's Management Board) made 69,653 thousand tenge in 2006 or 30.2% of the Exchange's total salary costs including current and year-end bonuses and benefits to the Listing Committee Chairman and the Exchange's Counsel members.

	for 2006		for 2005	
	KZT'000	% of total	KZT'000	% of total
key management benefits	69,653	30.2	43,672	27.4
other employee benefits	161,219	69.8	115,862	72.6
TOTAL	230,872	100.0	159,534	100.0

49. Subsequent events.

Events after the preparation and approving the Exchange's accompanying financial statements' date do not affect its assets and liabilities (taking into account the event described in point 8 of these notes).

President

A. Joldasbekov

Chief Accountant

L. Ryabushkina