

WEEK OF STOCK MARKET OF KAZAKHSTAN

February 6-10, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
03.02.2012	1,215.34	148.72	0.05	0.16	2.00
06.02.2012	1,212.53	148.66	0.08	0.29	2.00
07.02.2012	1,192.25	148.63	0.08	0.26	2.00
08.02.2012	1,209.75	148.59	0.17	0.31	2.00
09.02.2012	1,197.87	148.49	0.10	0.31	2.00
10.02.2012	1,218.15	148.37	0.07	0.19	2.00
Trend	2.81	-0.35	0.03	0.03	0
%	+0.2	-0.2	+52.4	+21.4	0

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

February 6 press service of the Ministry of Finance of the Republic of Kazakhstan reported that A. Dzhumadildaev has been appointed as the Chairman of the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan. Dzhumadildaev Anuar Serkulovich started working in taxation system from June 2005 as Deputy Chairman of the Tax Committee of the Western Kazakhstan region. From October - December 2008 he worked as chief of the monitoring information and telecommunications infrastructure and information security of the Department of Information Technology, Ministry of Finance of the Republic of Kazakhstan. From December 2008 to April 2009 he worked as the head of the Office of Administration Excise Tax Committee of the Ministry of Finance of the Republic of Kazakhstan.

February 6 press service of the Sovereign Wealth Fund "Samruk-Kazyna" reported that the Fund is in talks to buy out 49% stake in JSC "Air Astana" from BAE Systems. As reported, JSC "SK", which owns 51% stake of the national airline "Air Astana", is in talks with a second shareholder - the British BAE Systems, which owns 49% of the shares, to repurchase its share in the airline. According to the Chairman of the Board of Directors of "Air Astana", Managing Director of JSC "SK" N. Baydauletov, negotiations with the British company are maintained in connection with plans to withdraw 10-15% stake in the airline to "The People's IPO" despite the fact that the Kazakh side does not want to reduce its stake in the company below the control level.

February 7, 2012 "BTA Bank" (Bank) announced that by the results of meetings with holders of senior bonds, debt instruments with a special discount, subordinated debentures, recovery bonds, and participants of RCTFF conducted over the past two weeks, the Creditors' Committee was formed to represent the interests of various creditors of the Bank. The Creditors' Committee is representative of a group represented by the various creditors of the public and private sectors, in particular, organizations such as Ashmore Investment Management Limited, the Asian Development Bank, the DE Shaw Group, FFTW UK Limited - a BNP Paribas Investment Partner, Gramercy Funds Management LLC, JP Morgan Securities Ltd., Nomura International plc and VR Capital Group Ltd. In addition, seats in the Creditors' Committee submitted to the Board of the Swiss export credit guarantees - EKN (who participated in preliminary meetings on the formation of the Creditors' Committee), as well as representative members of RCTFF. Collectively, members of the Creditors' Committee are the holders of Senior bonds of the Bank, special debt instruments with a discount, subordinated bonds and recovery bonds. "In the process of formation of the Creditors' Committee, its members noted that their participation in the work of the committee did not constitute a waiver of any rights in respect of the Bank, Fund "SK" or other parties regarding any securities issued by the Bank, as well as any or other similar obligations of a contract of trust management", - was stated in the message.

February 7 Committee on Control and Supervision of Financial Markets and Financial Organizations of the National Bank of Kazakhstan informed that:

- **Total assets of banks as of January 1 amounted to KZT 12,809.4 billion, an increase from the beginning of the year by KZT 777.9 billion or 6.5%.** January 01, the total estimated net worth of the banking sector amounted to KZT 1,961.3 billion, an increase for the year by 139.9 billion or 7.8%. Assets denominated in foreign currency amounted to 34.5% of total assets or KZT 4,424.3 billion. Banks' loan portfolio (including interbank loans) as of January 1 was KZT 10,442.9 billion, an increase over the year by 1,377.0 billion or 15.2%. As of January 1 loans issued in foreign currencies accounted for 44.1% of the total loan portfolio, or KZT 4,604.4 billion. In the structure of banks' loan portfolio as of January 01, the share of standard loans was 25.8%, doubtful - 52.4%, bad - 21.8% (on January 1, 2011 the share of standard loans - 26.4%, doubtful - 53.5%, bad - 20.1%). The amount of loans related to the five categories of doubtful loans and bad (taking into account the provisions of homogeneous loans) amounted to KZT 3,651.8 billion or 35.0% of the total loan portfolio, an increase of this index for the year amounted to 697.4 billion tenge, or by 23.6%.

- **During 12 months of 2011 the total assets of insurance (reinsurance) companies increased by 13.0%**, amounting to 1 January of the year KZT 387.7 billion. Total equity capital increased by 10.8% to KZT 231.2 billion. The amount of insurance reserves amounted to 127.9 billion tenge. The volume of premiums taken under direct insurance contracts as of January 1, 2012 amounted to 175.5 billion tenge, or 25.4% more than in 2011. The volume of premiums for compulsory insurance was KZT 45.5 billion (an increase of 28.5% compared to the same date last year), on voluntary personal insurance premiums amounted to 53.5 billion (an increase of 52.4% compared with the same date last year), the voluntary property insurance, 76.5 billion (an increase of 10.2% compared with the same date of last year).
- **The number of accounts on mandatory pension contributions on January 1, 2012 amounted to 8,137,395, with total pension funds amounting to KZT 2,645.6 bln.** During January-December of 2011, the number of depositors' accounts, transfer mandatory pension contributions increased by 147,613 units (1.8%), pension funds have increased by 393.0 billion KZT (17.4%). The number of accounts of depositors (recipients) of voluntary pension contributions as of January 1, 2012 amounted to 38,318, with total pension funds amounted to 1.2 billion. From the beginning, the number of accounts of contributors who transfer voluntary pension contributions, reduced by 1,216 units (3.1%). Pension payments and transfers to insurance companies of pension funds as of January 1, 2012 amounted to 233.2 billion tenge. During January-December 2011 fund pension payments to recipients have undertaken the total amount of 70.8 billion tenge. Transfers of pension savings of depositors from one fund to another, as of January 1, 2012 amounted to 1,405.5 billion KZT.
- **As of January 1, 2012 the sum of the total assets of mortgage companies amounted to KZT 98.4 billion, decreasing from the beginning of 2011 by 24.4 billion tenge, or 19.9%.** Total liabilities compared with the data on January 1, 2011 decreased by KZT 11.8 billion or by 12.9% to \$ 79.7 billion. Shareholders' equity on the balance of the mortgage institutions amounted to 18.7 billion tenge.

February 7 the press service of the National Bank of Kazakhstan reported that the current account surplus of balance of payments of Kazakhstan in 2011 amounted to 13.6 billion U.S. dollars. "According to preliminary estimates, balance of payments of current account surplus of Kazakhstan in 2011 (reporting period) amounted to \$ 13.6 billion, an increase of almost 4.5 times compared with the corresponding figure for 2010 (base period). As reported, a significant increase in the positive balance of current operations in comparison with the base period is also provided with the rise of the cost of merchandise exports against the backdrop of high global energy prices. The average for 2011 world oil price of Brent crude was 110.9 dollars per barrel, or 39.3% above its average level in the base period (79.6 dollars per barrel). The most high oil prices are marked in the second quarter reporting period - 117.1 dollars per barrel (112.5 dollars per barrel in the third quarter and 109.3 dollars per barrel - in the fourth). As a result, exports of goods increased by 46.1% compared to same period of 2010 and on the assessment of the National Bank was \$88.9 billion. The volume of imports of goods also increased significantly (31.8%), exceeding 42.1 billion dollars (about 32.0 billion dollars in the base period). As a result, the trade balance for the period of evaluation of the National Bank was formed with a surplus of 46.8 billion dollars (growth by 61.9% compared with the base period of 28.9 billion dollars), compensating for the net outflow of resources arising from international services and investment income.

Stock exchange market

Primary market sector

February 6, 2012 in the trade system of KASE specialized trades on offering of common shares KZ1C54270018 (RGNL) of JSC "Regional" (Almaty) were held. JSC "Renaissance Capital Investments Kazakhstan"(Almaty) acted as an authorized dealer in specialized trades. The total number of authorized common shares of "Regional" now stands at 3,629,300 units, of which hosts 52,000 units were placed. The seller had planned to place 20,000 ordinary shares (38.5% of the total number of shares). The auction was attended a member of KASE - broker-dealer organization acting on behalf of his client. One application was filed to buy 2,500 shares at a price of KZT 190,000.00 per share. Following the auction, the seller has satisfied this application in full. The amount of the purchase amounted to KZT 475,000,000.00 (equivalent to 3,195,210.55 U.S. dollars at the current exchange rate).

Secondary market sector

During the study period at KASE on the secondary market sale 283 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	848.4	2.0 times	+28.8%
Average daily volume. KZT m.	126.0	1.9 times	+28.8%
Stake of nego deals. number (%)	0.01	+0.01 pp	-0.004 pp
Stake of nego deals. volume (%)	0.04	+0.04 pp	+0.02 pp
KASE members	29	+16.0%	+11.5%
Number of shares denominations*	17	+6.3%	-10.5%
Stake of pension funds. gross (%)	0	0	0
on purchase	0	-1.7 pp	-1.1 pp
on sale	1.3	+1.3 pp	+1.3 pp
Stake of individuals. gross (%)	44.1	-4.2 pp	+9.6 pp
on purchase	27.9	-13.4 pp	-0.1 pp
on sale	60.3	+5.0 pp	+19.2 pp
Stake of nonresidents. gross (%)	4.1	+1.4 pp	-16.8 pp
on purchase	1.6	-0.2 pp	-18.3 pp
on sale	6.6	+3.0 pp	-15.4 pp

*on which the deals on KASE have been conducted

In the described period fall of average daily prices was detected for 9 instruments, growth was demonstrated by five instruments involved in the transaction; prices of 3 instruments have not changed. The negative change in the weighted average share price was fixed at the levels from 0.19% (ZERDp) to 41.47% (BTAS), positive - from 1.18% (HSBKp) to 29.22% (KZTKp).

Past week for Kazakhstani stock market was negative. Despite the fact values of index KASE have virtually unchanged, quotations of securities of representative list have fell significantly. The most serious decrease was demonstrated by Kazakhmys and ENRC, quotations of which fell by 6.3% and 7.1%. On the international raw materials market sales of main metals rose due to their excess in USA. Quotations of shares of Kazkommertsbank JCS failed to keep previously taken positions and fell by 5.6% under negative external background.

Negative affect of those papers on KASE index was compensated by rush of prices for Kazakhtelecom shares by 19.5% in expectations for good dividends.

Detailed information on share trades at KASE is given in the table below:

Results of share trades on KASE, including STF of RFCA within February 6-10, 2012, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	Price, KZT per share:				Volume of deals Th. USD	Num. of deals	Best for The period:			
	Last deal:		for last 365 days:				Demand	Supply,		
	min	max	price	trend,%						
BSUL	640.00	640.00	640.00	0	629.99	640.00	22.0	4	640.00	640.00
BTAS	0.50	0.90	0.60	-36.8	0.20	6.39	3.3	11	1.00	0.50
CCBN	240.02	250.00	250.00	-2.2	233.00	665.96	5.3	9	250.00	240.02
GB_ENRC	1,590.00	1,748.89	1,590.00	-7.1	1,275.00	2,503.70	18.9	8	1,748.89	1,590.00
GB_KZMS	2,615.00	2,785.00	2,615.00	-6.3	1,780.00	3,700.00	68.7	27	2,785.00	2,615.00
HSBK	198.00	209.00	204.90	+2.5	185.01	425.00	126.5	26	209.00	198.00
HSBKp	155.46	155.46	155.46		153.64	185.24	0.0	1	155.91	155.00
KKGB	235.00	250.00	235.00	-5.6	185.00	616.00	16.1	6	260.00	235.00
KKGBp	148.00	148.00	148.00	0	142.00	225.00	69.1	4	148.00	148.00
KZTK	21,750.00	27,999.98	26,000.00	+19.5	16,800.00	27,999.98	654.0	78	27,999.98	21,750.00
KZTKp	17,195.00	22,500.00	22,500.00	+32.4	7,490.00	22,500.00	1,727.9	55	22,500.00	17,195.00
RDGZ	14,000.00	14,250.00	14,100.00	0	12,100.00	21,000.00	183.5	13	14,250.00	13,999.00
RDGZp	11,500.00	12,200.00	12,200.00	+7.9	11,000.00	20,510.00	50.9	9	12,200.00	11,500.00
SATC	49.99	61.99	49.99	-20.6	49.99	72.00	371.2	15	64.99	49.99
TEBNp	600.00	600.00	600.00		500.00	900.00	673.0	2	600.00	600.00
ZERDp	5.39	5.41	5.39	-0.2	5.00	5.56	64.8	11	5.41	5.39
17							4,055.6	280		

Notes: Trends are given relative to the last deal of the previous 30 days period. If deals were not made in the previous month the trend is not calculated.

Corporate bonds market

In this sector of KASE during the analyzed period 55 deals were made.

	current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	10,505.7	+7.6%	-35.5%
Average daily volume. KZT m.	1,560.2	+7.5%	-35.4%
Stake of nego deals. number (%)	0.04	+0.002 pp	-0.1 pp
Stake of nego deals. volume (%)	0.03	-0.1 pp	-0.05 pp
KASE members	23	+15.0%	0
Number of bonds denominations*	14	0	-39.1%
Stake of pension funds. gross (%)	25.3	+25.3 pp	+25.3 pp
on purchase	14.6	+7.5 pp	+14.6 pp
on sale	35.9	+35.9 pp	+2.9 pp
Stake of individuals. gross (%)	2.3	+1.5 pp	+1.4 pp
on purchase	0.5	-0.04 pp	-0.1 pp
on sale	4.2	+3.0 pp	+2.9 pp
Stake of nonresidents. gross (%)	0	-55.6 pp	-14.2 pp
on purchase	100.0	0	+77.8 pp
on sale	0	-11.3 pp	-6.1 pp

* on which deals were made at KASE

Following the period, growth of average net price on the open market bonds characterized 11 names, fall - 2 names. Yield to maturity on deals rose in the week for 6 bonds, declined - for 7. Positive changes in bond yield to maturity were in the range from 0.0001% (ZERDb1) to 1.41% (KKGBe4), negative - from 0.000004% (SKKZb22) to 2.96% (CSBNb6).

More detailed data on corporate bonds on KASE is shown in the table below:

Results of bond trades on KASE including STF of RFCA within February 6-10, 2012 (only on data of deals . made on secondary market of KASE by the methods of open trading):

Bond code	Yield to maturity for a buyer. % APR:						Amount of deals, th. USD	Number of deals	best for the period:	
	on the last deal:			for last, 365 days,:					demand	supply,
	min.	max.	yield	min.	min,	max,				
CSBNb6	9.00	9.98	9.00		9.00	13.00	44.0	6	8.00	11.68
CSBNb7	8.00	11.00	11.00		8.00	12.00	105.5	5	8.00	11.63
EXBNb1	15.49	15.49	15.49		12.50	17.00	5,361.6	14	15.49	15.50
EXBNb2	8.50	8.50	8.50	+0.0002	8.50	18.50	6.0	3	8.50	8.71
HSBkb13	9.31	10.00	9.31		8.00	12.20	4,981.1	5	9.30	10.00
KKGBb4	10.40	10.81	10.40	-0.6	10.40	12.50	8,902.7	2	10.40	12.00
KKGBb8	13.50	13.50	13.50		11.50	13.50	5,573.8	1	13.50	13.50
KKGBe4	10.30	10.31	10.31		7.14	10.80	15,805.8	9	10.30	10.31
KZAPe1	3.95	3.95	3.95		3.95	5.47	1,083.5	1	3.95	3.95
PRKRb2	5.00	5.75	5.00	-0.5	5.00	7.33	185.3	2	5.00	5.75
SKKZb22	5.70	5.70	5.70	-0.000004	5.25	6.00	1,387.6	2	5.70	5.70
TSBNb11	9.00	9.00	9.00		9.00	9.00	7,691.4	1	9.00	9.00
TSBNb2	7.50	7.50	7.50		7.40	14.02	0.7	1	7.50	7.50
ZERDb1	16.50	16.50	16.50	+0.0001	5.00	17.00	23.6	1	16.50	16.50
14							51,152.5	53		

Notes: Trends are given relative to the last deal of the previous 30 days period. If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

February 6 in the trade system of KASE repeated auction on placement of short-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEKKAM-12 of issue 122 (KZK1KY011222, MKM012_0122; 100 tenge, 10.01.12-10.01.13, actual/actual) was held, on which the Ministry of Finance planned to place 130.0 million of bonds. The subject of the auction was the net price of the bonds. The auction was attended by four primary dealers, which are primary members of KASE. Through these subjects, investors have filed five applications, of which the expiration time applications were four active warrants. The total amount of active applications (demand volume) amounted to 1,069.8 million tenge. **As a result of trade, the issuer granted the application for purchase of 10 million bonds in the amount of KZT 981,500,000.00 (7.7% of the planned volume of placement). Net price of bonds of satisfied bids totaled 98.1500%.**

Secondary market sector)

During the period, total volume of 13 deals made on KASE was 2,231.6 million tenge (\$15.0 million). Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 100.0%.

Parameters of Exchange's transactions in GS within February 6-10, 2012

Days till maturity	Yield to maturity for a buyer. % APR.				Volume, mln. KZT on discount	Number of deals
	min	max	last deal	weighted average		
Coupon (KZT): MEUKAM, MEOKAM, MEUJKAM				100.0% (71.7%) of purchase and sale sector net turnover		
Less than 730	1.60	1.60	1.60	1.60	452.63	2
1461 - 1825	3.50	3.85	3.50	3.67	648.42	2
More than 2191	4.20	5.33	4.20	5.33	1,130.55	9
Total					2,231.6 (1,261.9)	13 (14)
TOTAL					2,231.6 (1,261.9)	13 (14)

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