

## WEEK OF STOCK MARKET OF KAZAKHSTAN

May 21-25, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
18.05.2012	1,015.61	147.72	0.07	0.19	2.00
21.05.2012	1,045.93	147.99	0.16	0.17	2.00
22.05.2012	1,070.39	147.89	0.72	0.33	2.00
23.05.2012	1,048.25	147.78	5.37	4.78	2.00
24.05.2012	1,037.11	147.67	9.62	4.09	2.00
25.05.2012	1,027.38	147.62	2.44	3.38	2.00
<b>Trend</b>	<b>11.77</b>	<b>-0.10</b>	<b>2.36</b>	<b>3.20</b>	<b>0</b>
<b>%</b>	<b>+1.2</b>	<b>-0.1</b>	<b>+32.9 times</b>	<b>+18.2 times</b>	<b>0</b>

### MAIN NEWS OF KAZAKHSTANI MARKET

#### May 21 Halyk Bank of Kazakhstan JSC and its subsidiaries announced the interim

**consolidated financial results for the three months ended March 31, 2012.** Key financial figures for the three months of 2012 are as follows: net income rose 58.0% to 16.8 billion tenge, assets grew by 11.9%, loans to customers, gross, decreased by 2.1%, current accounts of customers increased by 41.7%; allocations to provisioning for impairment losses decreased by 36.3%, net interest income grew by 46.6%, net fee and commission income increased by 8.7%, operating expenses increased by 6.9%, net interest margin rose to 4.9% (4.3% for 3 months of 2011), the ratio of operating expenses and operating income before provisions for impairment amounted to 29.1%, return on average equity (ROAE) increased to 19.3% APR (13.0% pa for 3 months of 2011), return on average assets (ROAA) increased to 2.8% per annum (1.9% pa for 3 months of 2011).

**May 22 at the XXV plenary session of the Council of Foreign Investors President of Kazakhstan Nursultan Nazarbayev said that in Almaty international commodity exchange needs to be created in partnership with the stock exchanges of Asia and Europe.** "In partnership with the stock exchanges in Asia and Europe in Almaty we you need to create an international commodity exchange, which will serve all the traffic flows through Kazakhstan. Growth of trade turnover and trading operations should give impetus to the development of the Regional Financial Center of Almaty", - he said. In addition, as stated by the head of state, in Almaty the principle of "one stop shop" for foreign businessmen and investors will also be introduced.

#### May 22 Chairman of the Board of Halyk Savings Bank of Kazakhstan JSC Umut

**Shayakhmetove reported that closure of the deal on Halyk Bank's buyout of its own preferred shares from Samruk-Kazyna is planned by the end of 1H2012.** "Today we can say that ALMEX, the main shareholder, has decided to transfer the option to bank. This suggests that the bank will execute this option and if it is extinguished, preferred shares will be repurchased by the bank," - said the head of the bank. U. Shayakhmetova explained that such a scheme would be profitable for the bank, since these shares will be accounted for as treasury and will not participate in the capital. "Negotiations with the SK on redemption of preferred shares are already at a fairly advanced stage. We expect that the completion of the first part of the redemption of preference shares will be made in late May - early June, the full package will be completed by the end of the first half," - she said.

#### May 22 KASE reported that from April 26, 2012 NOMAD FINANCE JSC took up its operations on Kazakhstan Stock Exchange derivatives market.

Since changing its major shareholder, NF has been more active on the local market working on recruiting retails investors. The company conducts training workshops for individuals, takes part in marketing events and it has ambitious plans. Currently the company is focusing on KASE derivatives market where NF from May 8 began regularly quote the KASE Index futures with settlement on June 15, 2012 (F\_INKASE1206), not being its official market-maker. The quoting is carried out based on a spread of not higher than 0.3 %, and sometimes even less, which is unique for Kazakhstan. However the volume of quotations does not exceed five contracts, but in the nearest future NF intends to substantially increase that volume. For the time being NF carried out only one trial deal on KASE derivatives market concluded on May 8. But as NF's CEO Timur Turlov thinks, the situation will change very soon.

**May 23 the President of Kazakhstan urged upon approving the Address to the UN on holding Global anticrisis conference for developing global anticrisis plan.** The President told about this in his speech in Astana. "We offered the G-GLOBAL project aiming at making a step towards this era. A step towards the world without economic crises, with new effective global currency. Thus I urge the participants of Astana forum upon approving the Address to the UN on holding Global anticrisis conference for developing global anticrisis plan", - he said.

**May 24 Committee for the Control and Supervision of Financial Market and Financial Organizations of the National Bank of Kazakhstan reported that:**

- Total assets of banks as of May 1 were KZT 13,371.1 billion, an increase over the month by 72.1 billion or 0.5. As stated, on May 1 the total estimated net worth of the banking sector amounted to 1 162.1 billion, having decreased over the last month to 904.3 billion tenge, or 43.8%. Excluding the "BTA Bank" equity settlement was 1 697.5 billion KZT. Assets denominated in foreign currency amounted to 34.3% of total assets or KZT 4,582.9 billion. Banks' loan portfolio (including interbank loans) as of May 1 was KZT 10,712.8 billion, an increase over the month by 128.0 billion or 1.2%. As of May 1 loans issued in foreign currencies accounted for 42.3% of the total loan portfolio, or KZT 4,527.3 billion. In the structure of banks' loan portfolio as of May 1 the share of standard loans amounted to 27.1%, doubtful - 50.4%, loss - 22.5% (the proportion of non-performing loans, excluding "BTA Bank" in the loan portfolio is 16.8%). (As of 01.01.2012, the share of standard loans was 25.7%, doubtful - 52.3%, bad - 22.0%).  
The amount of loans related to the doubtful loans of the fifth category and bad loans (taking into account the provisions of homogeneous loans) amounted to KZT 3,529.4 billion or 32.9% of the total loan portfolio, an increase of this index for April was 27.2 billion or 0.8% (excluding the "BTA Bank" the figure was KZT 2,259.0 billion or 26.1% of the total loan portfolio).
- For 4 months in 2012 the total assets of insurance (reinsurance) companies increased by 6.9%, amounting to KZT 414.4 billion on May 1. As indicated, the total equity capital increased by 3.9% to KZT 240.3 billion. The amount of insurance reserves amounted to 149.1 billion tenge. The volume of premiums taken under direct insurance contracts as of May 1, 2012 amounted to 66.0 billion tenge or 13.3% more than in 2011. As of May 1 this year, the amount of insurance premiums ceded to reinsurance amounted to 19.3 billion tenge or 29.2% of the amount of premiums received on insurance contracts, while 23.0% of the amount of premiums made under insurance contracts was transferred to non-residents for reinsurance (on May 1, 2011 the share of insurance premiums ceded to reinsurance to non-residents amounted to 34.0%). The volume of insurance payments made under contracts of direct insurance for 4 months in 2012 amounted to 18.2 billion tenge, which is more than on the previous year by 65.4%. In particular, in mandatory insurance total insurance payments amounted to KZT4.7 billion (an increase of 20.5% as compared with the same date of last year), on voluntary personal insurance - KZT 10.1 billion (an increase of 87.0% compared to the same date last year) and on voluntary property insurance - KZT 3.4 billion (an increase of 2 times compared with the same date of last year).
- The total amount of pension savings over January-April 2012 rose by 160.9 billion tenge (6.1%), on May 1, 2012 amounting to KZT 2,812.3 billion. Total pension contributions for January-April 2012 amounted to 154.5 billion tenge. The amount of net investment income from the investment of pension assets (net of commissions) distributed to individual pension accounts of depositors as of May 1, 2012 amounted to 598.4 billion tenge. In the total amount of pension savings share of net investment income on May 1, 2012 was 21.3%. Pension payments and transfers to insurance companies of pension funds as of May 1, 2012 amounted to 268.2 billion tenge.  
on moderate investment portfolio:
- During January-April 2012 the funds carried out pension payments in the amount of KZT 35.0 bn. Transfers of funds from one fund to another amounted to KZT 1,616.5 bn as of May 1, 2012
- As of May 1, 2012 the sum of the total assets of mortgage companies amounted to 98.8 billion tenge, having decreased by 0.9 billion or 0.9% for April. Total liabilities as compared with the data on April 1, 2012 decreased by 0.6 billion or 0.7% to KZT 80.7 billion. Shareholders' equity on the balance of the mortgage institutions amounted to 18.1 billion tenge. At the reporting date the aggregate loan portfolio of mortgage companies amounted to 58.7 billion tenge, which is lower than that on April 1 by 0.2 billion or 0.3%.

## STOCK MARKET

### Secondary market section

During the study period at KASE on the secondary purchase market 529 deals were conducted.

	Current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	7,697.3	4.4 times	3.6 times
Average daily volume. KZT m.	1,137.9	4.4 times	3.6 times
Stake of nego deals. number (%)	0.002	-0.00004 pp	+0.002 pp
Stake of nego deals. volume (%)	0.02	+0.02 pp	+0.02 pp
KASE members	33	+3.1%	+10.0%
Number of shares denominations*	14	-17.6%	-12.5%
Stake of pension funds. gross (%)	6.6	+6.6 pp	+6.6 pp
on purchase	1.2	+1.2 pp	+1.2 pp
on sale	12.0	+6.2 pp	+5.4 pp
Stake of individuals. gross (%)	27.6	-17.0 pp	-26.7 pp
on purchase	13.9	-28.0 pp	-53.6 pp
on sale	41.2	-6.0 pp	+0.3 pp
Stake of nonresidents. gross (%)	7.63	-3.4 pp	+3.8 pp
on purchase	1.42	-11.9 pp	-2.7 pp
on sale	13.83	+5.2 pp	+10.2 pp

In the described period growth in average daily prices was detected for 7 instruments, fall was demonstrated by 5 instruments involved in the transactions; prices of 2 instruments remained unchanged. The negative changes in the weighted average share price were fixed in the range from 0.02% (SATC) to 5.71% (BTAS), positive - from 2.83% (HSBK) to 36.16% (TSBN).

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

**Results of share trades on KASE, including STF RFCA within May 21-25, 2012 only by data on deals made on the secondary market of KASE with open trading):**

Share code on KASE	KZT per share:		Last deal: price	Last deal: trend,%	KZT per share:		Amount of deals, th. USD	Num. of deals	Best for Period: D	Best for Period: S
	Min.	Max.			For last 365 days: min,	For last 365 days: max,				
BSUL	556.00	556.00	556.00	0	556.00	642.00	20.2	2	556.00	556.00
BTAS	0.66	0.85	0.66	-5.7	0.20	4.00	5.1	10	0.85	0.66
CCBN	220.00	230.00	230.00	+7.0	215.00	524.30	37.7	5	230.00	220.00
GB_ENRC	1,100.00	1,190.00	1,123.50	-0.8	1,090.00	2,100.00	113.7	31	1,190.00	1,100.00
GB_KZMS	1,600.10	1,750.00	1,650.00	-2.7	1,600.10	3,300.00	151.8	30	1,770.00	1,600.10
HSBK	215.00	229.99	215.00	+2.4	185.01	342.00	60.3	50	250.00	210.00
KKGB	185.11	201.16	198.00	+7.0	175.00	460.00	90.0	12	201.16	185.11
KZTK	12,800.00	18,100.00	13,500.00	-5.9	9,999.00	33,000.00	27,457.4	661	18,300.00	12,800.00
KZTKp	10,700.00	16,700.00	12,500.00	+13.6	7,490.00	27,500.00	6,282.1	209	16,700.00	10,700.00
MMGZp	5,900.00	5,900.00	5,900.00		4,000.01	7,500.00	0.7	1	5,004.00	5,900.00
RDGZ	16,350.00	17,000.00	16,400.00	-0.6	12,100.00	19,581.00	155.2	16	17,000.00	16,350.00
RDGZp	12,705.00	13,800.01	13,601.00	+5.4	11,000.00	18,344.00	506.0	46	13,800.01	12,705.00
SATC	39.99	39.99	39.99	-0.03	39.99	71.63	40.6	1	39.99	39.99
TSBN	1,001.01	1,005.00	1,002.00	+36.2	670.00	1,005.00	2,674.9	4	1,005.00	735.90
<b>14</b>							<b>37,595.9</b>	<b>1 078</b>		

**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

### Secondary market sector

During the study period at KASE on the secondary market 47 deals were made.

	Current	Change for	
	week	1 week	2 weeks
Average daily volume, USD th.	4,375.9	3.2 times	-11.3%
Average daily volume, KZT m.	647.2	3.2 times	-11.2%
Stake of nego deals, number (%)	0	0	0
Stake of nego deals, volume (%)	0	0	0
KASE members	31	+10.7%	+24.0%
Number of bonds denominations*	20	0	+42.9%
Stake of pension funds, gross (%)	38.5	+38.5 pp	+38.5 pp
on purchase	61.1	+61.1 pp	+61.1 pp
on sale	15.9	-0.9 pp	+9.4 pp
Stake of individuals, gross (%)	1.9	-3.3 pp	+0.7 pp
on purchase	1.6	+0.7 pp	+1.1 pp
on sale	2.3	-7.2 pp	+0.3 pp
Stake of nonresidents, gross (%)	0	0	0
on purchase	0	0	0
on sale	6.4	-9.2 pp	+6.4 pp

\* on which deals were made at KASE

Following the period yield to maturity rose for 12 bonds, declined - for 6 bonds. Positive changes in yields to maturity were in the range from 0.000001% (CCBNb9) to 2.75% (TSBNb6), negative - from 0.00001% (PRKRb5) to 4.02% (CCBNb14).

More detailed information on corporate bonds on KASE is shown in table.

### Results of bond trading on KASE within May 21–25, 2012

(only on data of deals made on secondary market of KASE by open trading excluding direct deals):

Code of the bond on KASE	Yield to maturity for a buyer. % APR:						Volume		Best for the	
			Last deal:		last 365 days,:		of deals, th. USD	Number of deals	period:	
	min.	max.	yield	trend, %	min.	max.			D	S
ATFBe6	9.99	9.99	9.99	+1.5	7.26	15.19	33.8	1	9.99	10.00
BTRb1	9.73	9.73	9.73		9.52	10.13	707.2	1	7.35	9.73
CBH_b1	19.50	19.50	19.50		17.00	40.02	11.0	1	19.50	19.50
CCBNb14	8.00	8.00	8.00		8.00	12.02	1,668.9	1	8.00	8.11
CCBNb9	8.75	8.75	8.75	+0.000001	8.75	11.00	1,946.9	1	8.75	5.50
CCBNb3	14.50	14.50	14.50	-0.2	6.21	16.35	676.8	2	14.49	15.19
CSBNb6	10.99	10.99	10.99		9.20	13.40	1,511.8	6	10.99	10.99
EUBNb3	9.00	9.00	9.00		8.00	10.80	35.5	1	9.00	9.00
EXBNb2	5.00	6.50	5.00	+0.002	5.00	18.50	21.2	3	5.00	16.24
HSBKe3	7.01	7.01	7.01	+0.03	6.42	8.10	202.7	1	7.01	7.01
KKGBb8	10.01	10.01	10.01	+0.02	9.01	11.16	284.0	5	10.01	10.01
KZIKb12	10.25	10.25	10.25		8.31	14.49	29.8	3	10.25	10.25
LOGCb2	11.00	11.00	11.00		10.60	11.00	677.4	1	11.00	12.10
MREKb5	6.38	6.38	6.38		6.38	7.00	1,430.7	1	6.38	6.58
ORDKb2	12.00	12.00	12.00	+0.0001	12.00	16.00	238.5	3	12.00	12.15
PRKRb5	7.50	7.50	7.50	-0.00001	6.80	7.50	10,470.9	1	7.50	7.50
RGBRb5	7.00	7.00	7.00		7.00	13.88	4.1	6	7.00	7.00
TEBNe1							1,388.1	1		
TSBNb2	6.00	6.00	6.00	+0.0003	6.00	9.00	1.4	1	6.00	6.12
TSBNb6	12.00	14.00	14.00	+2.5	8.50	14.00	538.5	7	11.50	14.00
<b>20</b>							<b>21,879.3</b>	<b>47</b>		

Notes: Trends are given in percentage points (1pp = 100 basis points) 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

May 23 in the KASE trading system specialized auction on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-108 of eighth issue (KZKDKY090089, MUM108\_0008; 1,000 tenge, 23/05/12, 23/05/21, 30/360) was held, on which the Ministry of Finance planned to involve KZT 20,000.0 mln. The subject of auction was the coupon rate. The auction was attended by 14 primary dealers, who were members of KASE. Through these subjects investors have filed 45 applications, of which by the expiration time 41 applications were active. The total amount of active applications (demand volume) was KZT 44,432.2 mln. Coupon submitted by active bids ranged from 4.70% to 6.00%, amounting to 5.1589% per annum in average terms. **As a result of trading, the issuer granted the application for the purchase of 29,432,200 bonds in the amount of KZT 29,432,200,000.00 (147.2% of planned volume of placement) at 4.90% per annum.**

### Secondary market sector

During the period total volume of 48 deals made on KASE was 8,159.6 million tenge (\$55.2 million). Share of exchange turnover in the overall volume of Kazakhstani secondary market for government securities on comparable sales and purchases in the analyzed period was 100.0%.

#### Parameters of transactions in GS within May 21-25, 2012

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln. tenge on discount	Number of deals
	min	max	last deal	average weighted		
<b>Coupon (KZT): MEUKAM, MEOKAM, MEUJKAM</b>				<b>100.0% (64.1%) of purchase and sale sector's turnover</b>		
731 - 1095	3.10	3.52	3.10	3.31	2,024.8	5
1096 - 1460	3.57	3.65	3.65	3.59 (3.74)	2,169.0	5
1461 - 1825	4.20	4.30	4.20	4.28 (3.78)	14.0	3
1826 - 2190	3.85	5.20	4.90	5.19 (3.84)	575.4	5
More than 2191	4.22	5.48	5.10	4.51 (4.63)	3,376.5	30
Total					8,159.6 (5,584.4)	48 (41)
<b>TOTAL</b>					<b>8,159.6 (5,584.4)</b>	<b>48 (41)</b>

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