



KAZAKHSTAN STOCK EXCHANGE



January 1, 2013

KASE – Coeval of Tenge



KASE was established on November 17, 1993 under the name of Kazakh Inter-bank Currency Exchange – two days after Tenge (the new national currency of Kazakhstan) had been introduced on November 15, 1993.

Currently, November 15 is observed as the official "Day of National Currency".

KASE Shareholders



KASE is a commercial joint-stock company with **56** shareholders (as of January 1, 2013).

Centras Invest MCO limited liability partnership and State Institution National Bank of the Republic of Kazakhstan are the largest shareholders.

Shareholders include banks, brokerage firms, asset management companies, pension funds and other professional financial institutions.

Voting method: one share – one vote.

KASE Shares and Capital



As of January 1, 2013

(according to the unaudited unconsolidated financial statements)

| | |
|-------------------------|--------------------------|
| own capital | KZT 2,469.9 m (\$16.6 m) |
| paid up charter capital | KZT 517.3 m (\$3.4 m) |
| authorized shares | 5,000,000 |
| outstanding shares | 544,999 |
| share balance value | KZT 4 ,581.51 (\$30.39) |

Yield Indexes



| | assets, m | net profit, m | return on assets, % | return on equity, % |
|------|-----------|---------------|---------------------|---------------------|
| 2012 | \$19.2 | \$1.4 | 7.5 | 8.6 |
| 2011 | \$17.9 | \$1.0 | 6.1 | 6.9 |
| 2010 | \$15.1 | \$2.1 | 15.1 | 16.0 |
| 2009 | \$12.2 | \$2.5 | 20.4 | 22.0 |
| 2008 | \$11.8 | \$1.0 | 8.0 | 10.0 |
| 2007 | \$11.9 | \$1.8 | 17.8 | 20.2 |

The total of members – 68 of which:

"Currency market member" category (with the right to participate in trades with foreign currencies) – 34;

"Stock market member" category (with the right to participate in trades with securities, admitted to circulation (trading) on KASE) – 60;

"Derivatives market member" category (with the right to participate in trades with derivatives) – 14.

Our History (1)



- 1993 – trade in foreign currency (*US dollars*)
- 1995 – launch of trade in T-bills
- 1996 – derivatives (*KZT/USD exchange rate futures*)
- 1997 – listed shares
- 1997 – state-owned shareholding
- 1997 – unlisted corporate securities
- 1998 – launch of KASE "nego" deals system (*to substitute the OTC securities market*)
- 1998 – Euro bonds of Kazakhstan

Our History (2)



1999 – listed bonds

1999 – municipal bonds (*prohibited for issue in 2005*)

1999 – launch of "nego" repo market

2001 – launch of "automatic" repo market (*currently the most massive and active sector of KASE market*)

2006 – foreign corporate bonds (*JP Morgan and Merrill Lynch*)

2006 – IPO of KazMunayGas Exploration Production through the KASE settlement system

2006 – KAZAKHMYS PLC (UK) secondary share offering by subscription through KASE

Our History (3)



2007 – the special trading floor of the Regional Financial Center of Almaty established on the base of KASE *(to attract foreign issuers and investors)*

2007 – launch of new share market index – **KASE Index with numerical series of KASE_Shares Index**

2007 – KASE becomes a commercial organization

2008 – implementation of new listing rules, reconstruction of unity through integration of MTF KASE and STF RFCA

2008 – first trade in affined ingot gold futures

2008 – launch of currency swap transaction market

Our History (4)



2009 – development and introduction of the new Listing Rules

2009 – restoration of market unity through union of the main trading floor of KASE and STF RFCA

2010 – launch of a new repo transactions market index – TWINA

2010 – putting into operation of a liabilities revaluation system and compensatory payments on the nego repo market

2010 – a consultancy project – "Kazakhstan Stock Exchange Capacity Building Project" – carried out within co-operation with EBRD

2010 – re-start of the futures market (trading in cash-settled futures on USD/KZT exchange rate and KASE Index were opened)

Our History (5)



2011 – inclusion of KASE into the list of members of Dow Jones FEAS Indices

2011 – the 17th General FEAS (Federation of Euro-Asian Stock Exchanges) Assembly. Within the event's programme, OECD in association with KASE conducted the first meeting of the Eurasian Group on Corporate Governance in the Stock Market Development and the first Marketing Fair of FEAS members

2011 – General Secretary of the World Federation of Exchanges (WFE) visits KASE

2011 – Memorandums on Mutual Co-operation signed with Tehran Stock Exchange and Stambul Stock Exchange

Our History (6)



2011 – transition to a secured system of settlements based on T+0

2011 – putting into operation of a transactional FIX-gateway for remote access to KASE trading system

2011 – creation of a new multifunctional Internet-trading system – "STrade"

2012 – implementation of a version of trading system "Subscription" under the "People's IPO" program

2012 – trial launch of electronic document management system is2in for securities issuers and Exchange members

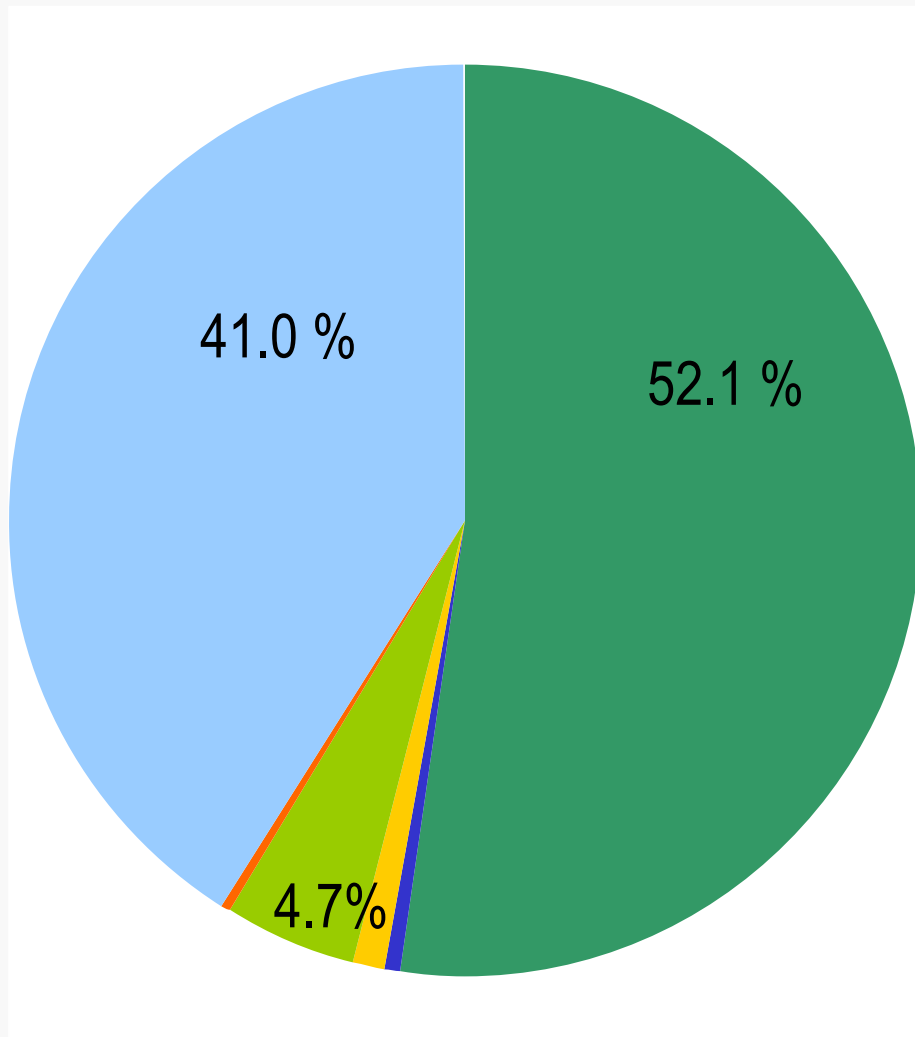
Our History (7)









2012 – obtaining of a license for performing of clearing of financial instrument transactions on the securities market

2012 – conducting of subscription to common shares of KazTransOil JSC under the "People's IPO" program

KASE Market Structure



| | | Volume, USD m | Stake of volume, % |
|---|-------------------------------|------------------|-----------------------|
|  | Currency | 96 063.7 | 52.1 |
|  | Shares | 1 377.6 | 0.7 |
|  | Corporate bonds | 2 099.4 | 1.1 |
|  | Government securities | 8 695.1 | 4.7 |
|  | Repo on corporate securities | 393.4 | 0.2 |
|  | Repo on government securities | 75 673.1 | 41.0 |

The total value of KASE trading for 2012 – **\$184 373.2 m**

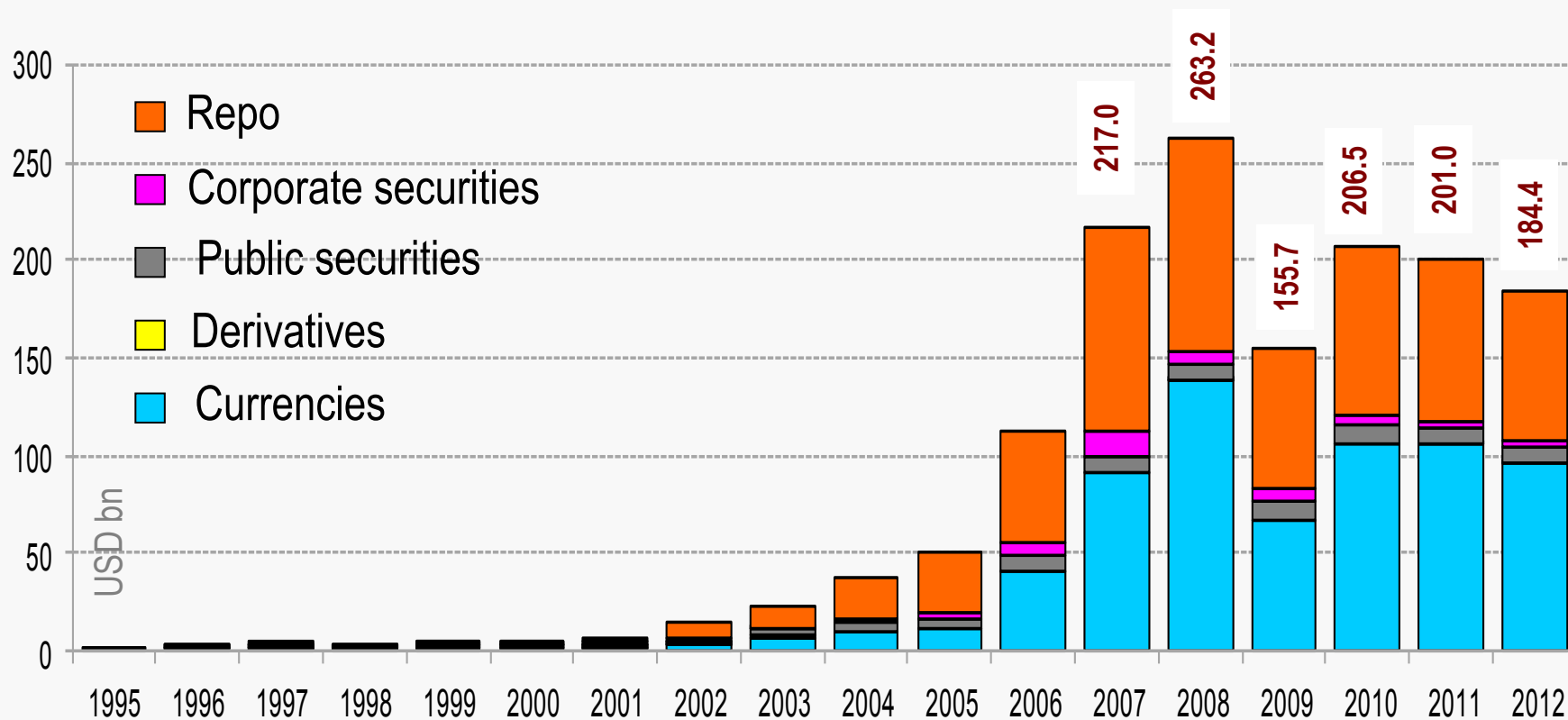
KASE – Universal Market



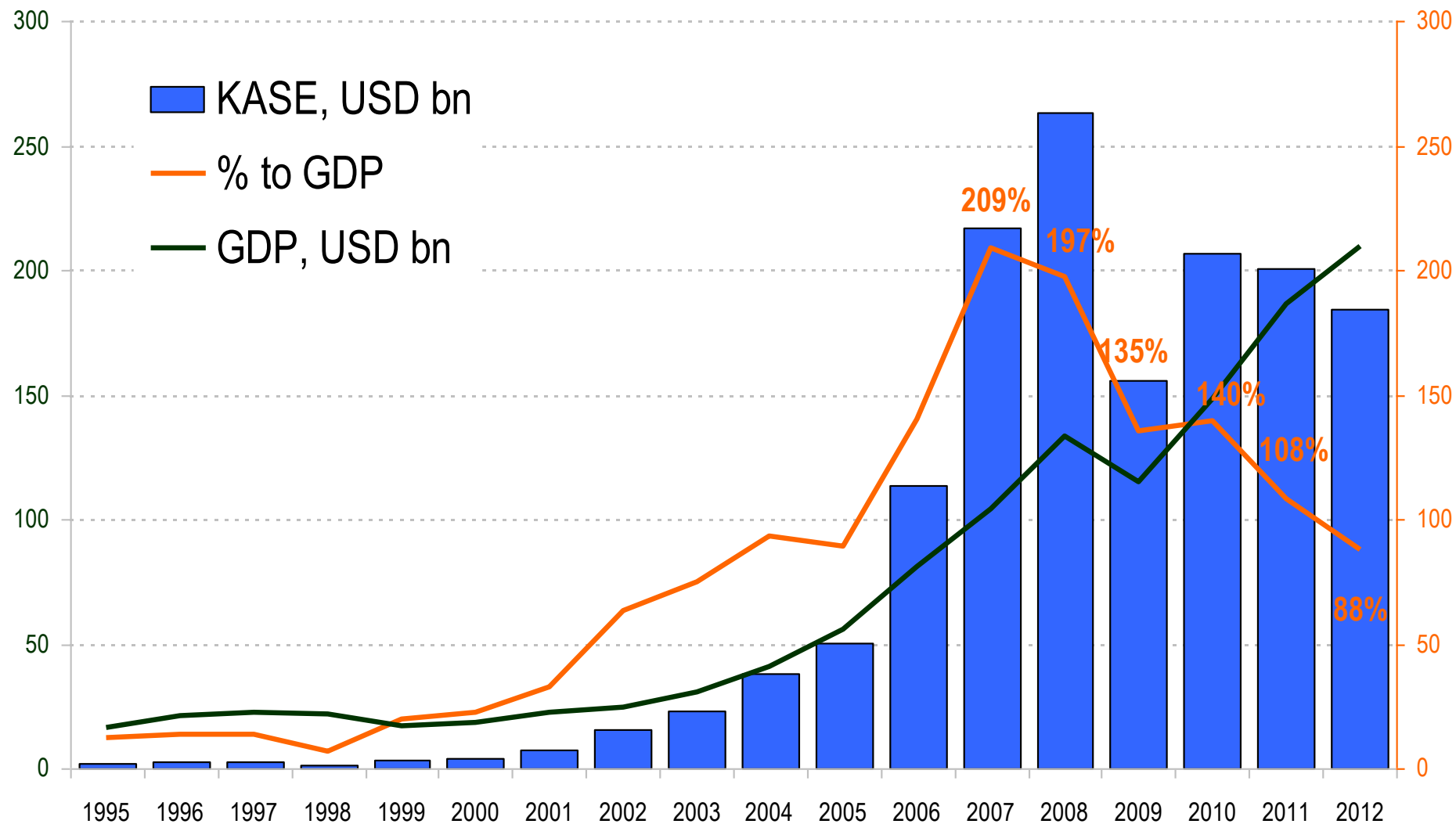
KASE serves a wide range of markets:

- ✓ "nego" and "automatic" repo with government and corporate securities
- ✓ foreign currency (US dollar, euro, Russian ruble)
- ✓ government securities issued by the National Bank, the Ministry of Finance (including Kazakhstan international bonds) and municipal bonds
- ✓ equities
- ✓ corporate bonds
- ✓ futures contracts

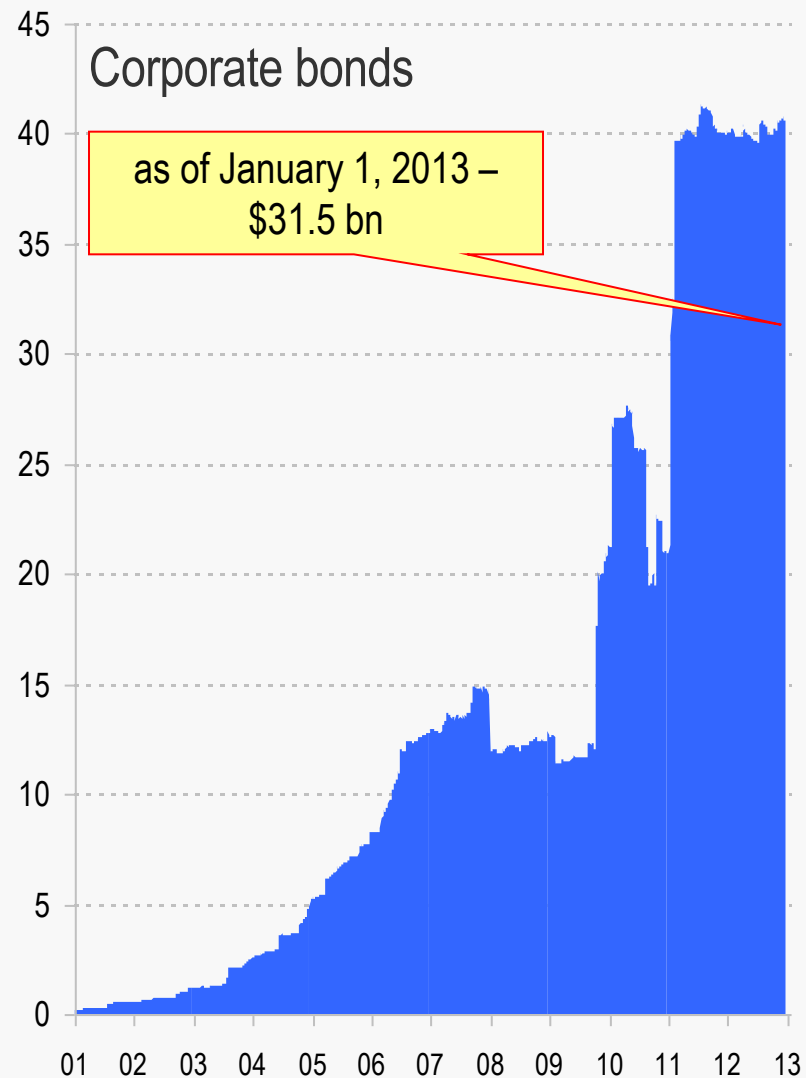
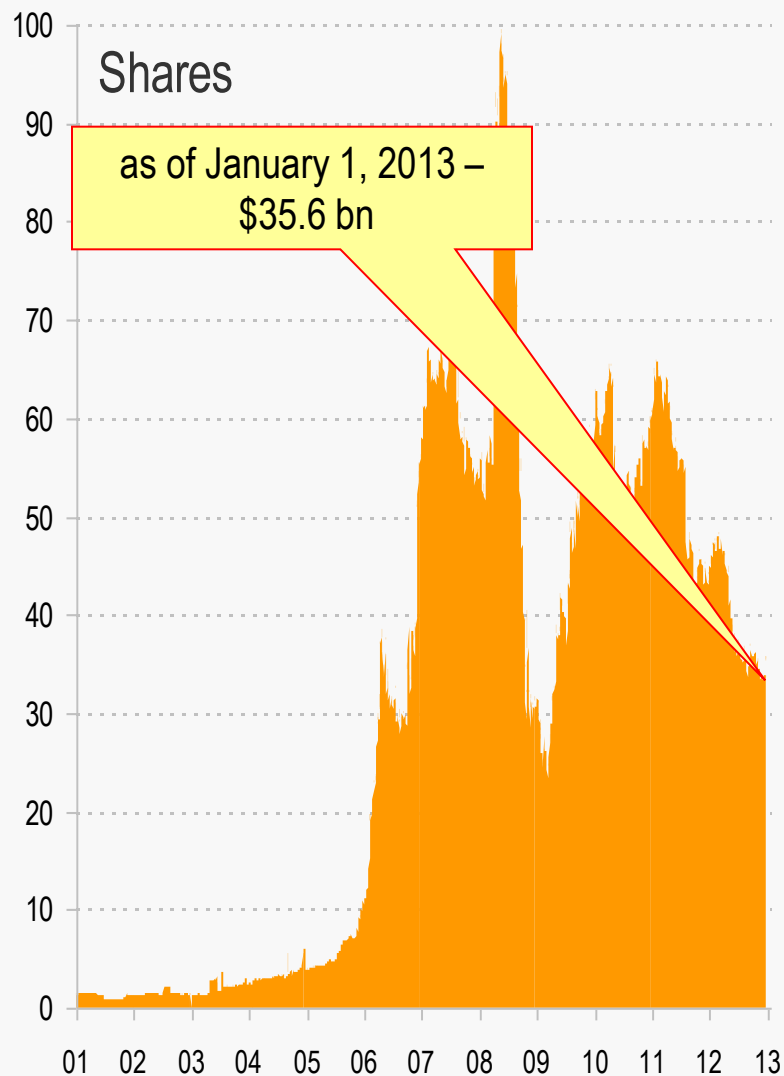
Value Traded



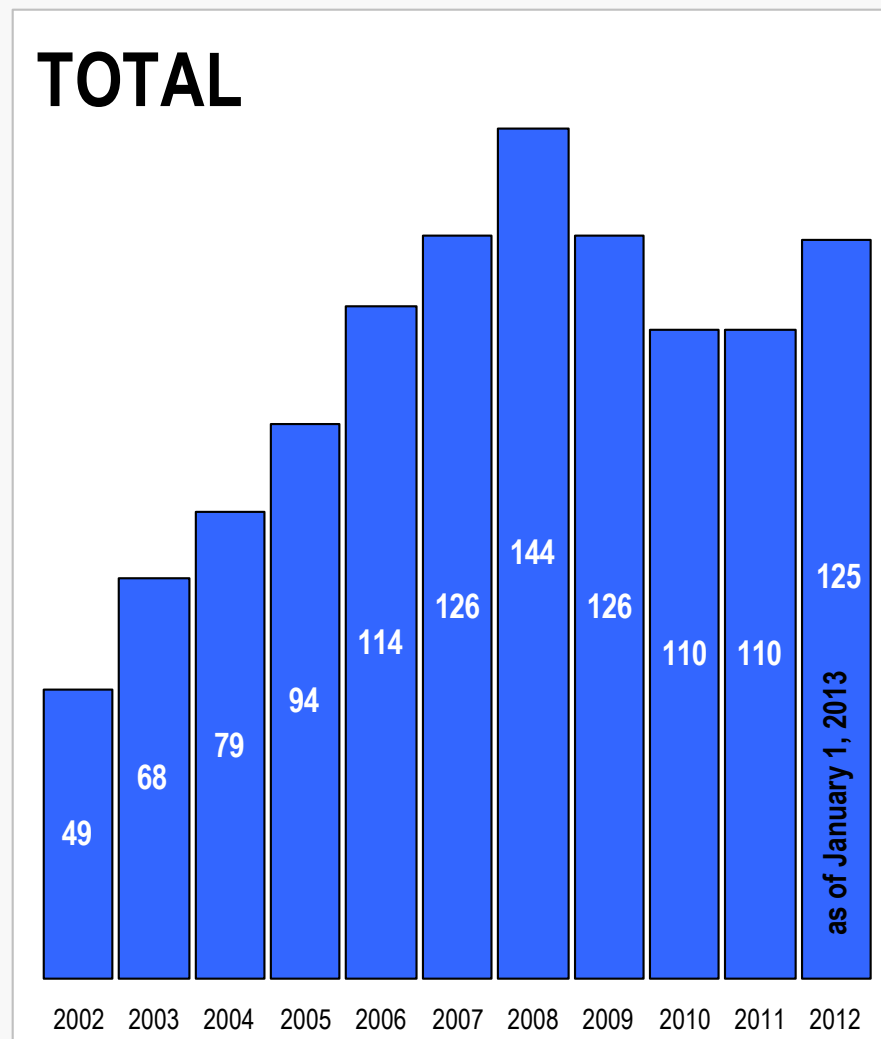
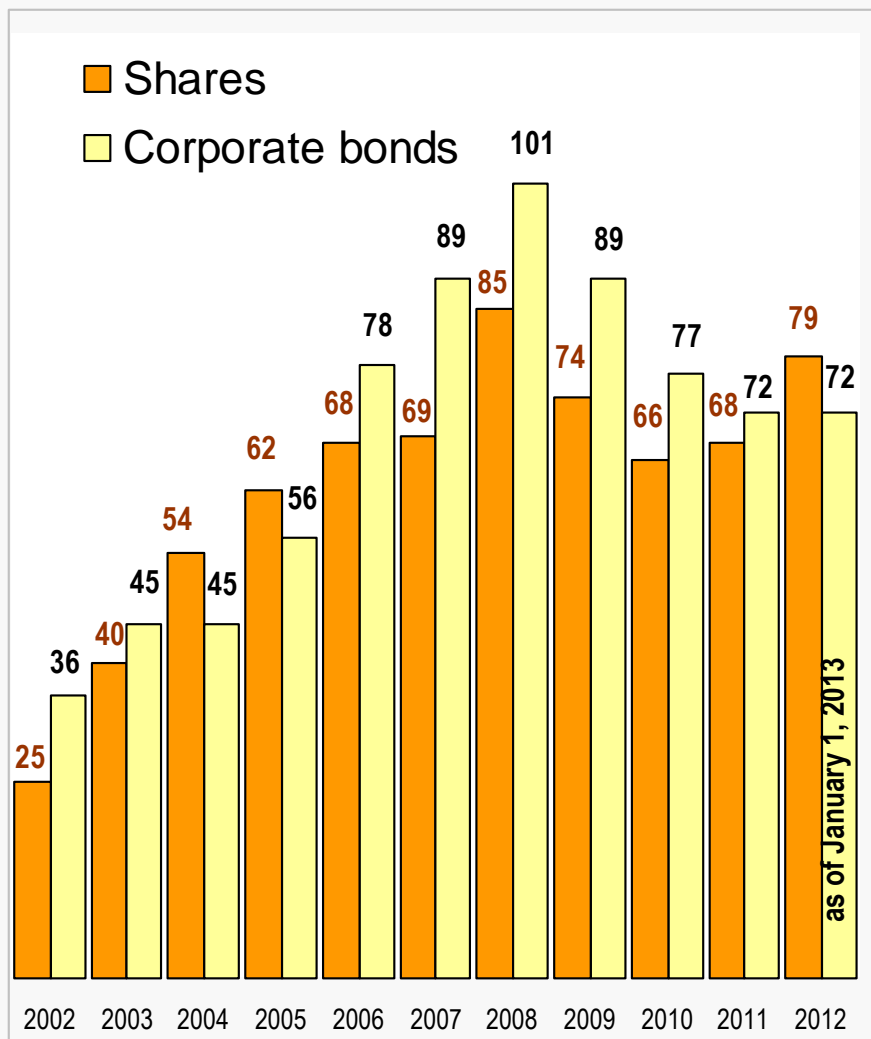
Value Traded and GDP



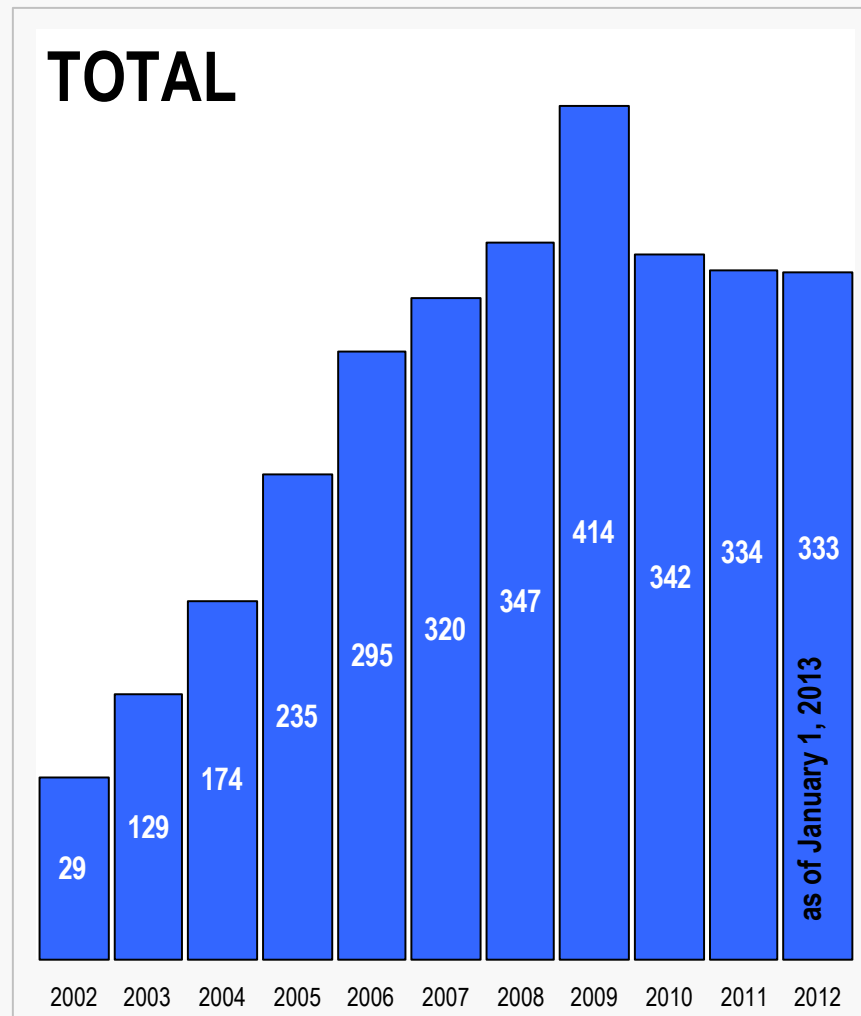
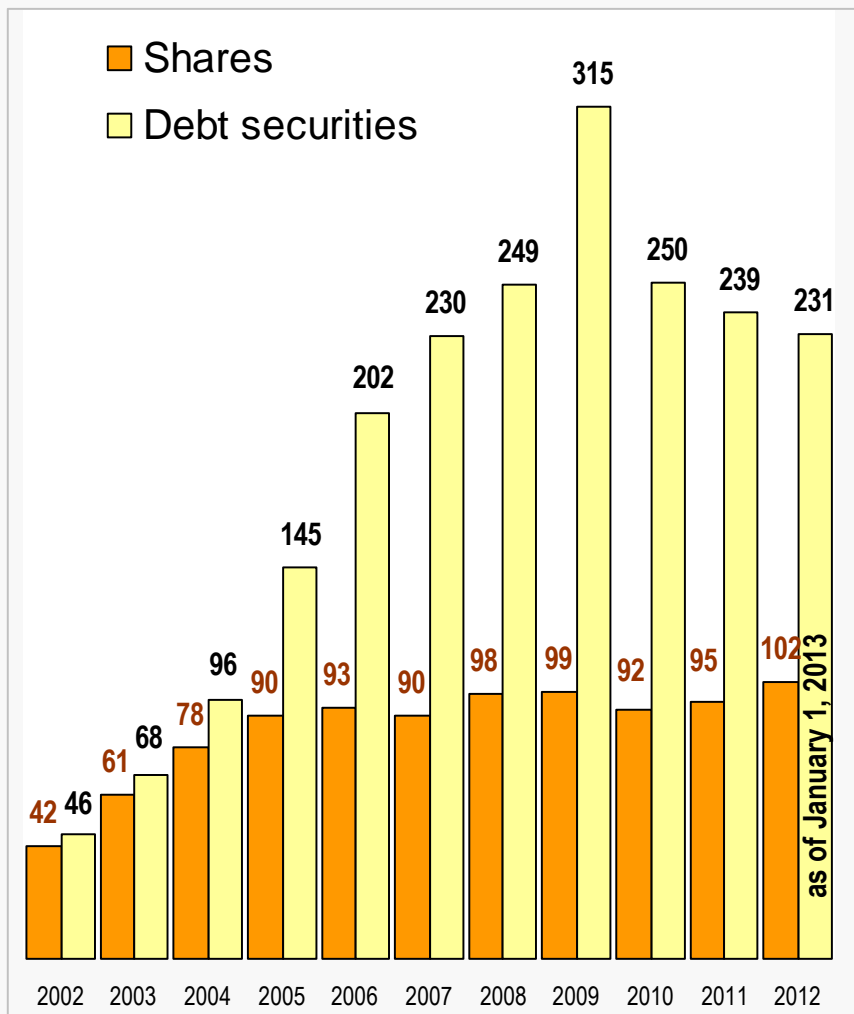
Market Capitalization



Listed Companies

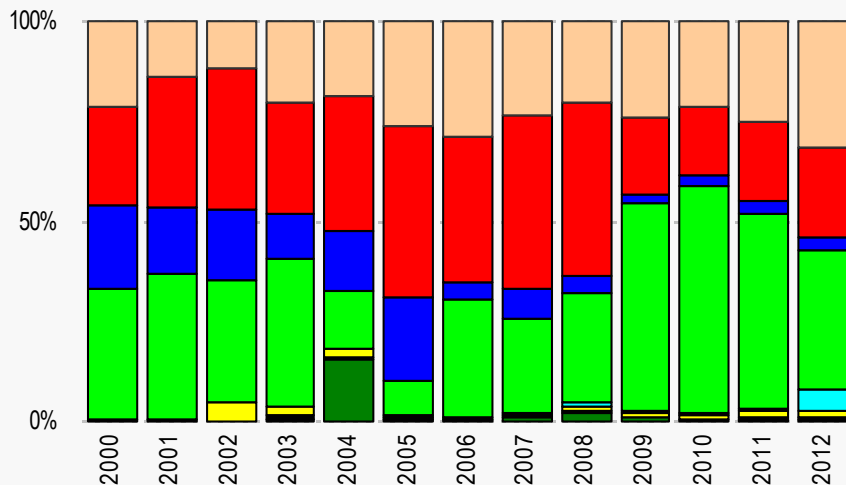


Securities

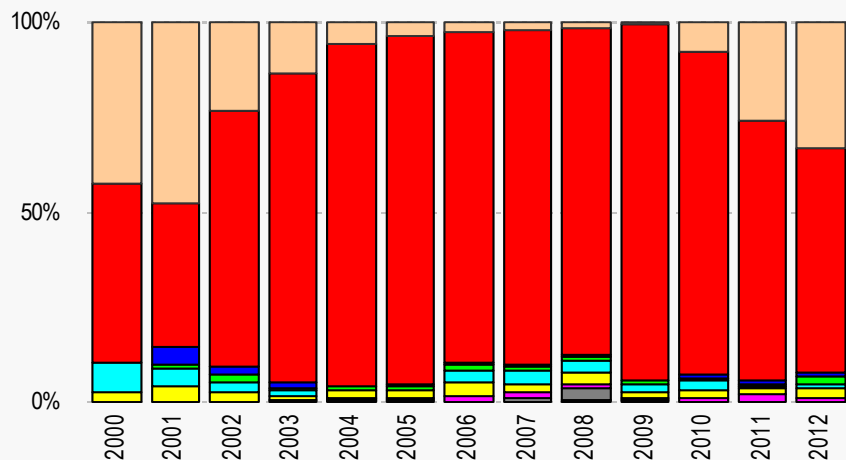


Industry Structure

Shares



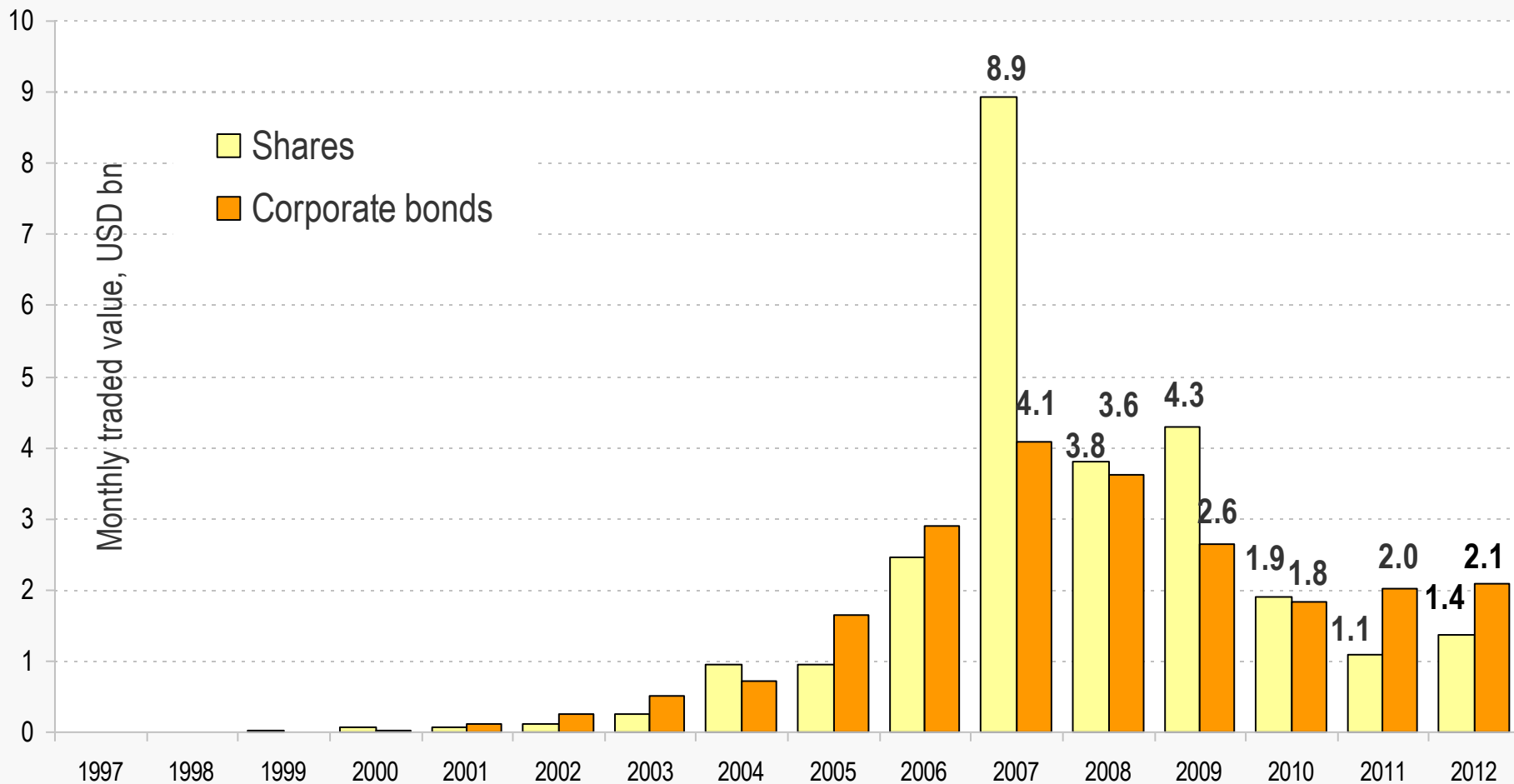
Bonds



Share in capitalization, %

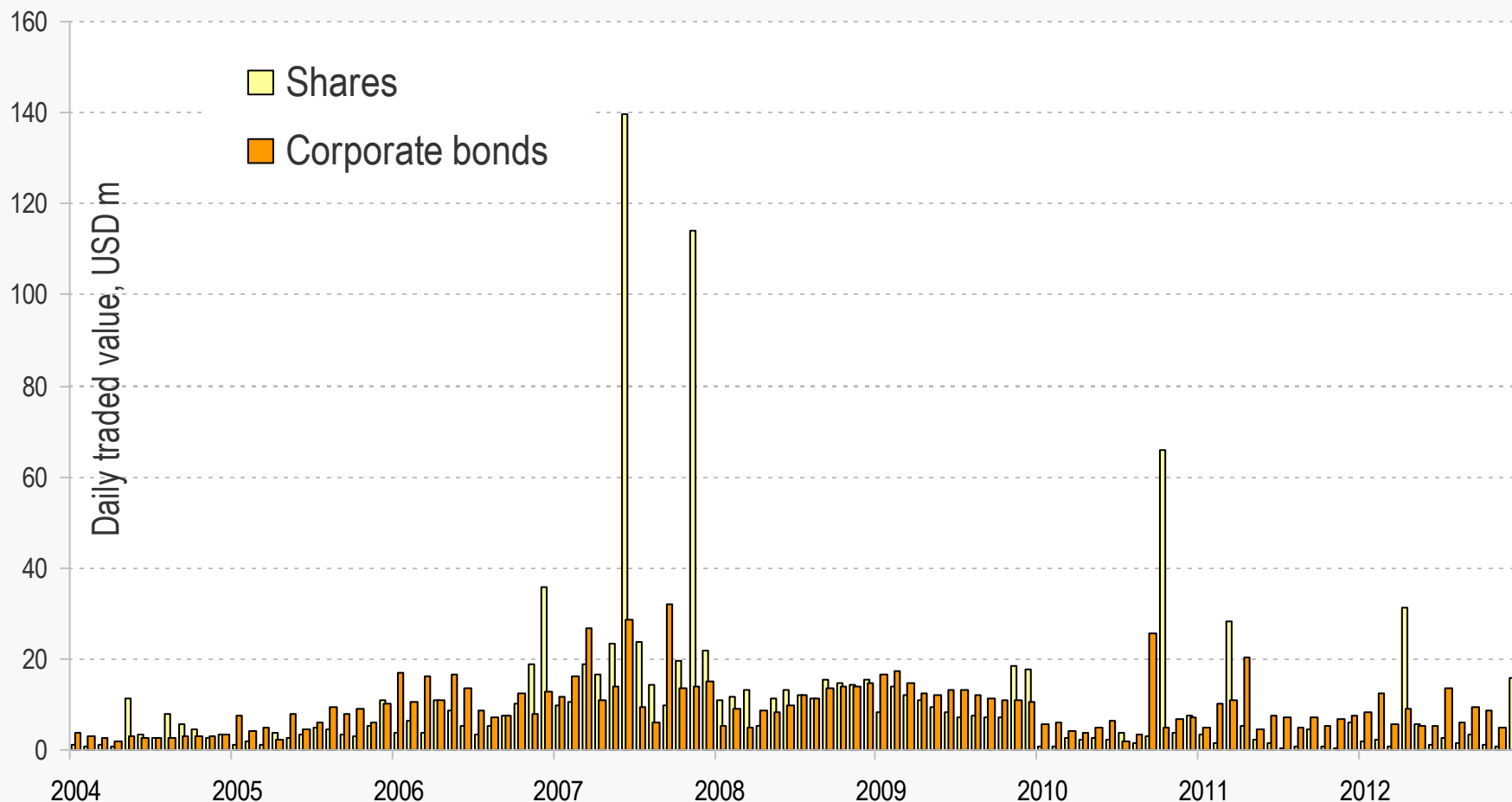
| | Shares | Bonds |
|--|--------|-------|
| Energy | 31.4 | 32.9 |
| Financials | 22.8 | 59.4 |
| Provision of telecommunications services | 3.0 | 1.0 |
| Materials | 34.8 | 2.0 |
| Industrials | 5.5 | 1.3 |
| Commodity | 1.5 | 2.4 |
| Provision of municipal services | 0.1 | 1.0 |
| Information Technology | 0 | 0 |
| Health Care | 0.1 | 0 |
| Minor consumer goods | 0.7 | 0.1 |

Liquidity Parameters



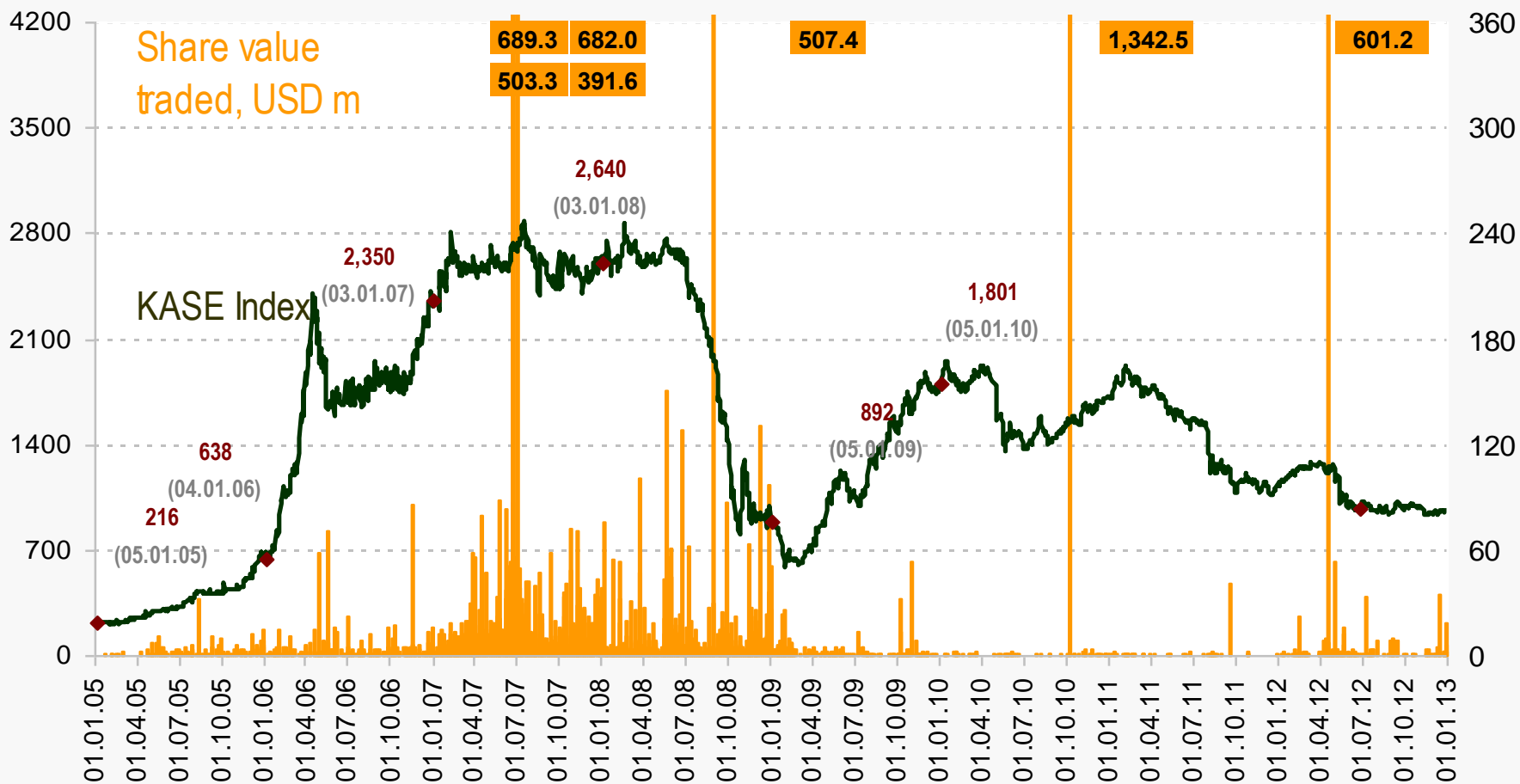
KASE total traded value for 2012 in shares – **\$1.377** bn,
in corporate bonds – **\$2.099** bn

Liquidity Parameters



KASE average **daily** traded value for 2012: in shares – **\$5.7** m,
in corporate bonds – **\$8.9** m

KASE Index



KASE uses its own trading platform:

- ✓ "Server – Client" electronic trading system
- ✓ remote access
- ✓ electronic signature and electronic document circulation
- ✓ traffic encryption
- ✓ on-line data preservation

Contact Information



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