

WEEK OF STOCK MARKET OF KAZAKHSTAN

April 16-20, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
13.04.2012	1,228.24	147.63	0.27	0.20	2.00
16.04.2012	1,203.13	147.50	0.07	0.21	2.00
17.04.2012	1,219.53	147.54	0.38	0.77	2.00
18.04.2012	1,213.67	147.64	0.18	0.17	2.00
19.04.2012	1,218.17	147.76	0.11	0.13	2.00
20.04.2012	1,213.34	147.96	0.05	0.17	2.00
Trend	-14.90	0.33	-0.23	-0.03	0
%	-1.2	+0.2	-82.8	-17.1	0

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

April 16 press service of the Ministry of Transport and Communications reported that from April 1, 2012 in Kazakhstan new format of licenses is in force. It is reported that on the new format the applicant may apply for a license or an application for a license both in traditional way, by contacting the appropriate state agency and himself - through the portal of electronic licensing www.elicense.kz. In the II-nd quarter of 2012 E-licensing will be launched in the local administrations in Karaganda, Mangistau and Aktobe regions, as well as in all provincial departments, tax and educational departments. As noted, within the site www.elicense.kz more than 1,200 users received service in 2010, in 2011 - 3,370, and in the 1st quarter of 2012 - 1,430. To date more than six thousand licences have been issued via the portal.

April 16 press service of the Agency on Statistics of the Republic of Kazakhstan reported that the volume of retail trade in January-March 2012 increased in comparison with the corresponding period of the previous year by 12% and reached KZT 920.9 billion. The volume of sales of goods by trading enterprises in January-March 2012 was KZT 499.3 billion or 11.6% more than in January-March 2011. In January-March 2012 the volume of trade in the markets and individual entrepreneurs has increased over the same period of last year by 12.6%; share of this channel of realization in total retail sales amounted to 45.8%. The structure of retailing is dominated by non-food products (63.8% of total retail sales). Retail sales of non-food products increased by 11.6% compared with the corresponding period of last year, food products - by 12.8%.

April 16 the press service of the Ministry of Transport and Communications reported the MTC is developing uniform standards for the provision of services for bus stations and carriers.

This was stated at a meeting with representatives of associations of trucking and bus stations. During the meeting it was reported that the Ministry of Transport and Communications has identified a set of measures for the development of passenger road transport solutions for these problems: scheduling and automation of paying, upgrading rolling stock fleet, increasing the liability of carriers and the decline in illegal traffic. Along with this, a draft law on amendments to the traffic laws has been developed, created the advisory council, comprising representatives of both public bodies and truckers themselves. It is reported that carriers support the measures taken by the transport department and asked for more work in terms of the fight against "illegal aliens" engaged in the carriage with numerous violations, and fix any places of natural sites that do not provide the necessary services for passengers.

April 17 the press service of the Ministry of Transport and Communications reported that first Kazakhstani small aviation airplanes were registered. Committee of Civil Aviation of Ministry of Transport and Communications issued the certificate on state registration of the first three light airplanes "Arai" produced by the Canadian license by small enterprise "Aviamaster Aircraft". As noted, the aircraft is capable of short takeoffs and landings from unprepared sites, range - more than 1,000 km. It operates on standard Kazakhstan automobile gasoline A-95. First three aircrafts which received certificates of state registration were already purchased by the Kazakh company "Grain Industry," which in the long term plans to acquire 10 more.

April 17 press service of BTA Bank JCS reported that the Board of Directors of "BTA Bank" at its first meeting in the new format with the participation of directors - representatives of the creditors agreed on the appointment of Balapanov Eric Zhumahanovich as the Chairman of the Board. Askhat Beisenbayev, who served the as Chairman of the Board since January 2012, was appointed First Deputy Chairman of the Board. In addition, by the decision of the Board of Directors three directors were elected into the Board of the Bank - Zhanna Ahmetzhanova (risk management), Natalia Loginova (financial power), Kunsulu Kapbasova (retail business). The same decision of the Board of Directors terminated the authority of the First Deputy Chairman of the Board Nicholas Varenkov, who submitted his resignation at his own request.

April 18 the bulletin of IMF "World Economic Outlook: resumption of growth, the preservation of the risks in April 2012" forecasted real GDP growth in Kazakhstan in 2012 by 5.9% compared to 7.5% in 2011. The IMF expects real GDP of Kazakhstan in 2013 to grow by 6.0%. According to the forecast, inflation in Kazakhstan in 2012 will be 5.5% with an increase to 7.0% in 2013. In this case, as expected, current account surplus of the balance of payments of the republic in 2012 will amount to 6.6% of GDP in 2013 and 5.6% of GDP in 2012. As noted by the IMF, weak exports to Europe, as well as the tightening of monetary policy in some countries will put pressure on growth in the CIS in 2012, even if commodity prices are expected to remain high. If the crisis in the euro area will increase, the drop in global demand coupled with a concomitant decline in commodity prices will be a significant barrier to economic growth in the region. Reflecting the much weaker projections of external markets, growth in the CIS countries is expected to slow to 4.25% in 2012 from 5% in 2011. This slowdown is expected to happen even if oil prices remain relatively high. In exporters of energy resources in the region growth forecast is moderate, to 5.75% in 2012 and 5.25% in 2013. Despite the weak external environment, growth in these countries will be supported by strong terms of trade and investment in the oil and mining industry sectors (Kazakhstan) and infrastructure (Kazakhstan, Uzbekistan). The most significant risk for the region is a possible escalation of the crisis in the euro area. Direct spillovers come through trade linkages. CIS countries with less direct impact of trade of the euro area will be affected by Russia, which is the largest trading partner (and source of remittances and foreign direct investment) for many countries in the region. An indirect, but potentially more important channel is the impact of the crisis the euro zone and the global economic downturn on commodity prices.

April 18 press service of the National Bank of Kazakhstan reported that:

- **Aggregate assets of banks as of March 1 totaled KZT 13,127.2 billion, increasing over the last month by 139.7 billion or 1.1%.** March 01, the total estimated net worth of the banking sector amounted to KZT 2,007.3 billion, an increase over the month by 25.0 billion or 1.3%. Assets denominated in foreign currency amounted to 34.9% of total assets or KZT 4,587.7 billion. Banks' loan portfolio (including interbank loans) as of March 1 was KZT 10,515.3 billion, an increase over the month by 69.2 billion or 0.7%. As of March 01, loans granted in foreign currency amounted to 43.3% of the total loan portfolio or KZT 4,552.8 billion. In the structure of banks' loan portfolio as of March 01, the share of standard loans amounted to 26.3%, doubtful - 51.8%, loss - 21.9%. (On 01.01.2012, the share of standard loans was 25.7%, doubtful - 52.3%, bad - 22.0%).
- **For two months in 2012 the total assets of insurance (reinsurance) companies increased by 5.5% amounting to KZT 409.0 bn.** Total equity capital increased by 2.0% to KZT 235.9 billion. The amount of insurance reserves amounted to 142.4 billion tenge. The volume of premiums taken under direct insurance contracts as of March 1, 2012 amounted to 36.8 billion tenge, or 15.0% more than in 2011.
- **The total amount of pension savings increased in January and February by KZT 89.4 billion (3.4%), amounting to KZT 2,740.8 bln on March 2012.** Total pension contributions for January-February 2012 amounted to KZT 76.0 billion. The amount of net investment income from the investment of pension assets (net of commissions) distributed to individual pension accounts of depositors (receivers) as of March 1, 2012 amounted to 590.4 billion tenge. In the total amount of pension savings share of net investment income as of March 1, 2012 was 21.5%.
- **As of March 1, 2012 the sum of the total assets of mortgage companies amounted to 99.1 billion tenge, increase in February by 0.2 billion or 0.2%.** Total liabilities compared with the data on February 1, 2012 increased by 0.4 billion or 0.5% to KZT 80.5 billion. Shareholders' equity on the balance of the mortgage institutions amounted to 18.6 billion tenge. At the reporting date the aggregate loan portfolio of mortgage companies amounted to 59.2 billion tenge, which is lower than February 1 of this year by 0.5 billion or 0.8%.

April 20, 2012 press service of the Ministry of Transport and Communications reported that the most popular and sought-after flights will be carried out by three air carriers – Air Astana, Scat and Irtysair. Given the growth in air up to 2011 the frequency of services increased by an average of 130%. As noted, this year the requirements for airlines regarding flight safety, regularity compliance, and especially the quality of services were tightened. And for the first time, in order to promote competition and gradual liberalization of air transport, three air carriers are allowed for one air route. In the future, the Ministry of Transport and Communications provides cancellation of the competition for the domestic air routes, the report stated. Corresponding changes are made to the Law "On the use of airspace and aviation" in the bill "On amendments and addenda to some

legislative acts of the Republic of Kazakhstan on the reduction of permits and optimize control and supervision functions of state bodies".

April 20 rating agency Fitch Ratings reported it has upgraded the Long-Term Issuer Default Ratings (IDRs) of Kazkommertsbank (KKB) to 'B' from 'B-', and Bank Centercredit (BCC) to 'B+' from 'B'. The agency has also affirmed the Long-term IDRs of three other Kazakh banks, namely ATF Bank at 'BBB', Halyk Bank of Kazakhstan at 'BB-' and Kaspi Bank at 'B-'. At the same time, Fitch has upgraded the Long-term IDR of BCC-Moscow, the Russian subsidiary of BCC, to 'B+' from 'B', and affirmed KKB's subsidiary Moskommertsbank (MKB) at 'B-'. All of the Long-term IDRs carry a Stable Outlook, with the exception of ATF, which has a Negative Outlook. Fitch continues to regard the Kazakh banking sector as weak, but stable, as reflected in the generally low rating levels and the prevailing rating Outlook. In Fitch's view, the benign macroeconomic environment and increasing government support for troubled industries could somewhat ease deep-seated asset quality problems, which remain the sector's major weakness. Nevertheless, reported non-performing loans are likely to remain volatile as previously restructured exposures mature, and banks in some cases take a tougher stance on problem borrowers. The domestic real estate market, which is the key asset quality driver for Kazakh banks, has been gradually stabilising as sales volumes and house prices have bottomed out. However, a stronger recovery, and hence a major improvement in banks' loan quality, is unlikely to happen soon given still weak demand for real estate assets.

STOCK EXCHANGE MARKET

Secondary market sector

During the study market period at KASE on the secondary market sale 339 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	123,284.2	48.6 times	50.6 times
Average daily volume. KZT m.	18,185.0	48.5 times	50.4 times
Stake of nego deals. number (%)	0.01	+0.01 pp	+0.01 pp
Stake of nego deals. volume (%)	0.001	+0.001 pp	+0.001 pp
KASE members	31	+10.7%	+6.9%
Number of shares denominations*	18	+20.0%	0
Stake of pension funds. gross (%)	0.03	+0.03 pp	+0.03 pp
on purchase	0.1	+0.1 pp	+0.1 pp
on sale	0.01	-7.8 pp	-1.20 pp
Stake of individuals. gross (%)	49.8	+2.6 pp	+6.3 pp
on purchase	0.6	-22.2 pp	-10.2 pp
on sale	99.0	+27.5 pp	+22.7 pp
Stake of nonresidents. gross (%)	0.04	-1.5 pp	-15.0 pp
on purchase	0.03	-0.9 pp	-16.4 pp
on sale	0.04	-2.0 pp	-13.6 pp

*on which the deals on KASE have been conducted

In the described period growth of average daily prices was detected for 3 instruments, fall was demonstrated by 12 instruments involved in the transactions; prices of 4 instruments have not changed. The negative change in the weighted average share price was fixed in the range from 0.01% (KZTC) to 10.13% (KZTK), positive - from 5.21% (BTAS) to 30.46% (KZTKp).

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

Results of share trades on KASE, including STF of RFCA within April 16-20, 2012, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	Last deal:				Price, KZT per share:		Volume of deals Th. USD	Num. of deals	Demand	Best for The period: Supply,
	min	max	price	trend,%	min	max				
BSUL	556.00	556.00	556.00	0	556.00	642.00	23.6	4.00	556.00	556.00
BTAS	0.68	0.70	0.68	-2.9	0.20	4.95	0.6	4.00	0.70	0.68
CCBN	240.00	252.63	240.00	-5.9	233.00	546.00	32.2	7.00	252.63	240.00
GB_ENRC	1,340.00	1,400.00	1,380.00	-1.1	1,275.00	2,250.00	42.0	6.00	1,400.00	1,340.00
GB_KZMS	2,050.00	2,120.00	2,050.00	-3.3	1,780.00	3,300.00	21.1	8.00	2,120.00	2,050.00
HSBK	225.00	246.00	240.00	+6.7	185.01	370.00	123.6	32.00	246.00	225.00
HSBKp	164.00	164.00	164.00		153.64	185.24	0.04	1.00	164.00	164.00
KKGB	208.00	215.10	208.01	-3.3	185.00	510.00	40.5	6.00	212.90	208.00
KZTC	3,750.00	3,900.01	3,900.01		2,500.00	3,900.01	174.3	2.00	3,900.01	3,750.00
KZTK	20,800.00	26,500.01	26,500.00	+0.2	16,800.00	27,999.98	6,084.8	148.00	26,500.01	20,800.00
KZTKp	21,500.00	23,499.99	23,400.00	+11.4	7,490.00	23,499.99	1,452.8	45.00	23,500.00	21,500.00
RDGZ	17,300.00	18,300.00	17,500.00	-4.4	12,100.00	19,750.00	311.3	17.00	18,300.00	17,227.00
RDGZp	12,600.00	13,200.00	12,700.00	-3.8	11,000.00	19,500.00	374.8	34.00	13,500.00	12,600.00
SATC	39.99	39.99	39.99	0	39.99	71.63	6,699.7	7.00	39.99	39.99
SHUK	33,576.40	34,490.87	33,576.40		33,576.40	34,500.00	600,549.2	2.00	34,490.87	33,576.40
TSBN	670.00	670.00	670.00	0	670.00	942.85	122.9	5.00	670.00	670.00
ZERDp	4.90	5.00	5.00		4.90	5.56	6.4	4.00	5.00	4.90
18							616,094.9	334		

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

In this sector of KASE during the analyzed period 69 deals were made.

	current	Change for	
	week	1 week	2 weeks
Average daily volume. USD th.	6,268.9	-22.2%	+15.8%
Average daily volume. KZT m.	925.5	-22.2%	+15.4%
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	29	+11.5%	-17.1%
Number of bonds denominations*	26	+12.0%	0
Stake of pension funds. gross (%)	22.1	-16.7 pp	+4.0 pp
on purchase	32.3	-45.1 pp	+3.9 pp
on sale	11.80	+11.8 pp	+4.1 pp
Stake of individuals. gross (%)	2.9	+2.6 pp	-3.2 pp
on purchase	5.37	+5.4 pp	+2.7 pp
on sale	0.5	-0.2 pp	-9.04 pp
Stake of nonresidents. gross (%)	2.4	+0.3 pp	-7.7 pp
on purchase	1.6	-1.2 pp	-6.0 pp
on sale	3.3	+1.9 pp	-9.4 pp

* on which deals were made at KASE

Following the period, growth of average net price on the open market of bonds characterized 16 names of bonds, fall - 9 names. Yield to maturity rose for 6 bonds, declined - for 16 bonds during the week. Positive changes in bond yield to maturity were in the range from 0.00001% (KZIKb17) to 2.00% (CBH_b1), negative - from 0.0001% (CCBNb17) to 3.88% (RGBRb5).

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

Results of bond trading on KASE within April 16-20, 2012

(only on data of deals . made on secondary market of KASE by the methods of open trading):

Bond code on KASE	Yield to maturity for a buyer. % APR:						Amount of deals, th. USD	Number of deals	best for the	
	on the last deal:			for last, 365 days,:					demand	supply,
	min.	max.	yield	min.	min,	max,				
ASBNe13	16.37	16.37	16.37		13.23	18.58	26.9	1	16.48	
ATFBe6	9.12	9.24	9.12		6.75	15.19	1,037.2	2	9.24	
BRKLb1	6.00	6.00	6.00		6.00	6.50	1,097.9	1	6.00	
CBH_b1	19.00	19.00	19.00		17.00	40.02	1.2	1	19.00	
CCBNb17	5.00	5.00	5.00	-0.0001	5.00	7.99	51.4	2	5.00	
CCBNb9	8.75	8.75	8.75		8.75	11.00	1,586.1	3	8.75	
CCBNe3	14.34	14.34	14.34	+0.2	6.21	16.35	675.7	1	14.34	
CSBNb6	9.62	9.62	9.62	-0.4	9.00	12.98	684.1	1	9.62	
CSBNb7	12.00	12.00	12.00		8.00	12.00	22.4	1	12.00	
CTECb1	13.85	13.95	13.95		13.85	14.00	3,355.5	7	13.85	
EUBNb6	9.50	9.50	9.50		9.50	9.50	6,184.2	7	9.49	
EXBNb2	6.00	7.00	6.00	-1.0	6.00	18.50	59.6	12	6.00	
HSBKb10	7.00	7.00	7.00		7.00	11.60	1,746.9	4	6.70	
HSBKb11	6.30	7.19	7.19		6.30	9.00	1,243.7	3	6.30	
IMSKb1	7.95	8.00	8.00	+0.00002	7.95	8.00	688.0	2	7.95	
IMSKb2	9.00	9.00	9.00		9.00	9.00	2.0	1	9.00	
IMSKb3	9.00	9.00	9.00		9.00	9.00	2.0	1	9.00	
KKGBe24							4.6	1	25.77	
KZAPe1	3.46	3.46	3.46	-0.01	3.35	5.47	464.8	1	3.46	
KZIKb17	11.50	11.50	11.50		10.00	13.00	22.6	1	11.50	
KZIKb3	10.00	10.00	10.00		8.20	11.70	32.6	2	10.00	
ORDKb2	12.00	12.00	12.00		12.00	16.00	136.3	4	12.00	
PRKRb2	6.85	6.85	6.85		5.00	7.33	687.7	2	6.85	
PRKRb5	7.50	7.50	7.50	+0.00001	6.80	7.50	6,995.1	2	7.50	
RGBRb5	10.00	10.00	10.00		9.00	13.88	22.0	1	10.00	
TXBNb6	6.60	6.65	6.60	-0.1	6.35	6.98	4,513.6	5	6.60	
26							31,344.3	69		

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

April 18 in the KASE trade system specialized trading on placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUKAM-192 of the second issue (KZKDKY160023, MUM192_0002; 1,000 tenge, 04/18/12, 18/04/28, 30/360) was held, on which the Ministry of Finance planned to involve KZT 10,000.0 mln. The subject of trading was the coupon rate. The auction was attended by 11 primary dealers, who were members of KASE. Through these subjects, investors have filed 42 applications, of which by the expiration time 26 warrants were active. The total amount of active applications (demand volume) was 59,152.0 million tenge. Coupon submitted by active bids ranged from 5.00% to 6.00%, amounting to 5.5718% in average terms. **As a result of trading, the issuer granted the application for purchase of 10 million bonds in the amount of 10,000,000,000.001 tenge (100.0% of planned volume of placement) at 5.00% per annum.**

Secondary market sector)

During the period, total volume of 19 deals made on KASE was 2,521.8 million tenge (\$17.1 million). Share of exchange turnover in the overall volume of Kazakhstan secondary market for government securities on comparable sales and purchases in the analyzed period was 100.0%.

Parameters of Exchange's transactions in GS within April 16-20, 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		
Discount (KZT): MEKKAM, National Bank notes					20.3% (68.6%) of purchase and sale sector net turnover	
15 - 28	0.79	0.79	0.79	0.79	510.8	2
Total					510.8 (6,985.4)	2 (4)
Coupon (KZT): MEUKAM, MEOKAM, MEUJKAM					79.7% (31.4%) of purchase and sale sector net turnover	
Less than 730	2.70	2.70	2.70	2.70 (2.45)	187.7	1
1096 - 1460	3.20	3.20	3.20	3.20 (3.50)	30.0	1
1826 - 2190	4.05	4.05	4.05	4.05 (3.90)	0.2	2
More than 2191	4.40	5.28	5.28	5.10 (4.95)	1,793.1	13
Total					2,011.0 (3,191.6)	17 (16)
TOTAL					2,521.8 (10,177.0)	19 (20)

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