

KAZAKHSTAN STOCK EXCHANGE

Approved

by decision No. 102 of Kazakhstan
Stock Exchange Board

of March 17, 2010

Effective

from April 1, 2010

NOTICE

The Methodology below has been translated by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the original version in Russian, the latter prevails.

METHODOLOGY

of Repo Transactions Market Indicators Calculation

Almaty

2010

This Methodology defines the repo transactions market indicators list, calculated by Kazakhstan Stock Exchange (hereinafter – the Exchange), and these indicators calculation order.

Article 1. Article 1. General Provisions

1. Concepts used in this Methodology are defined by Rules of Repo Transactions Execution and other Exchange internal documents.
2. The Exchange calculates the following repo transactions market indicators (hereinafter – Indicators):
 - 1) **TONIA**¹ – the weighted average one day repo percentage rate on the automatic repo market in government securities of the Republic of Kazakhstan;
 - 2) **TWINA**² – the weighted average seven days repo percentage rate on the automatic repo market in government securities of the Republic of Kazakhstan.
3. Used in this Methodology terms can also be used in other Exchange internal documents, office documents, the Exchange Council correspondence and information.
4. Changes and/or additions to this Methodology are the subject to publishing on the Exchange official Internet site not less than 7 days prior to these changes and/or additions become effective.

Article 2. Indicator Calculation General Terms

1. Indicators are calculated during each Exchange trading day on repo transactions as deals on repo transactions are concluded. Indicators each new value is calculated after conclusion of each new repo transaction opening deal on an appropriate instrument³.
2. The Exchange Council publishes Indicators accurate within the second decimal after comma according to mathematical rounding rules (figures up to five are rounded to zero, figures from five and above are rounded up to ten).
3. In case of deals absence during the trading day, parameters of which are necessary to calculate any Indicator, this Indicator is not calculated on this day.
4. The Exchange Risk Committee may adjust Indicators value to ensure Indicators value adequacy to the financial market unbiased characteristics. Article 5 of this Methodology defines such adjustment terms and order.

Article 3. TONIA Calculation

The TONIA indicator is being calculated beginning January 1, 2010⁴ based on parameters of opening of all with one day term repo transaction deals in government securities of the Republic of Kazakhstan, made in the automatic repo on the indicator calculation day towards its calculation by the following formula:

$$Y = \frac{\sum (V_i \times Y_i)}{\sum V_i}, \text{ where:}$$

- Y – a repo weighted average rate, % APR;
 V_i – a repo opening i deal volume, tenge;

¹ Tenge OverNight Index Average.

² Tenge Week INdex Average.

³ REPO_KZT_001 – for TONIA and REPO_KZT_007 – for TWINA.

⁴ From September 1, 2001 to December 31, 2009, the TONIA indicator was calculated daily at the Exchange repo transactions trading day end in compliance with the Methodology of Currency Market Indicators Calculation.

Y_i – a repo rate on repo opening i deal, % APR.

Article 4. TWINA Calculation

The TWINA indicator is being calculated beginning January 1, 2010 based on parameters of opening of all with seven days term repo transaction deals in government securities of the Republic of Kazakhstan, made in the automatic repo on the indicator calculation day towards its calculation by the following formula, specified in article 3 of this Methodology.

Article 5. The Exchange Risk Committee Indicator Related Special Authorities

1. The Exchange Risk Committee is entitled to adjust the indicator values, excluding them from those deals parameters calculation, which, in the Risk Committee judgment, unrepresentatively influence (influenced) on these values (e.g., unsatisfied deals; deals, at conclusion of which trades participants made technical mistakes; deals, prices of which are obviously discord with the market status and/or market dynamics of appropriate instruments prices).

If the Risk Committee decides to remove from any Indicator calculation parameters of any deal (deals) this Indicator is recalculated not later than the working day following the day, when this Indicator unrepresentative value was received.

2. When the Exchange Risk Committee exercise its special authorities in compliance with item 1 of this article, then its meeting minutes must contain reasons of such authorities and actions, undertaken by the Risk Committee in compliance with these authorities.

President

K. Damitov