

# **OFFERING PROSPECTUS**

**of**

**«KazExportGarant»**

**Export Insurance Corporation**

**JOIN-STOCK COMPANY**

**(KazExportGarant IC JSC)**

State registration of an issue of authorized shares by an authorized agency shall not mean provision of any recommendations to investors to acquire shares described in the prospectus. The authorized body which carried out state registration of the issue of authorized shares shall not be held liable for reliability of information contained herein. Offering prospectus was studied only to the extent of compliance with statutory requirements of the Republic of Kazakhstan. Officers of the joint-stock company shall be held liable for reliability of information contained in this prospectus and shall confirm that all the information set out herein is reliable and does not mislead investors with respect to the company and its shares to be placed.

Almaty City  
2014

## Section 1. General Information About the Joint Stock Company

### 2. Name of the joint stock company

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<b>Name:</b>	<b>Full</b>	<b>Short</b>
In the <u>Russian</u> language:	Акционерное общество Экспортно-кредитная страховая корпорация «КазЭкспортГарант»	АО «КазЭкспортГарант»
In the <u>Kazakh</u> language:	«КазЭкспортГарант» Экспорттық кредиттік сақтандыру корпорациясы» акционерлік қоғамы	«КазЭкспортГарант» СК» АҚ
In the <u>English</u> language:	«KazExportGarant» Export insurance corporation» Join-stock company	«KazExportGarant IC» JSC

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Name of the joint stock company for a period of its duration was changed once on 26 August 2010, its previous name:

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<b>Name:</b>	<b>Full</b>	<b>Short</b>
In the <u>Russian</u> language:	Акционерное общество «Государственная страховая корпорация по страхованию экспортных кредитов и инвестиций»	АО «Государственная страховая корпорация»
In the <u>Kazakh</u> language:	«Экспорттық кредиттерді және инвестицияларды Экспорттық кредиттік сақтандыру корпорациясы» акционерлік қоғамы	«Мемлекеттік сақтандыру корпорациясы» АҚ

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**3. Information about state (re)registration of the joint-stock company.**

Date of state registration – 08 August 2003.

Date of state re-registration – 26 August 2010.

Certificate of state re-registration N 57185-1910-AO.

Ministry of Justice of the Republic of Kazakhstan.

**4. Deleted subject to decree of the Management Board of Financial Supervision Agency of the Republic of Kazakhstan dated 28.05.07 N 155 (see a previous edition)**

**5. Information about location of the joint-stock company, contact telephone and fax, email address.**

Location: Almaty City, Zenkov str., 80.

Postal address: 050010, Almaty City, Zenkov str. 80, 2<sup>nd</sup> floor.

Telephone: (727) 2500021; Fax: (727)2938837; e-mail: info@keg.kz

**6. Banking details of the joint-stock company.**

Correspondent account N KZ626010131000096412 with Halyk Bank of Kazakhstan JSC, BIC HSBKKZKX, CBe 15

**7. Types of activities of the joint-stock company.**

Core business activities carried out by the Company are conduct of insurance activities:

Apart from insurance activities the Company shall have a right to carry out the following types of activities:

- 1) investment activities;
- 2) sale of dedicated software used for automation of activities of the joint-stock Company;
- 3) sale of dedicated literature related to insurance and insurance activities on any types of data carriers;
- 4) sale or lease out of property earlier acquired for own needs of the joint-stock company or received into its disposal in connection with entry into insurance contracts;
- 5) provision of consulting services on questions related to insurance activities;
- 6) arrangement and conduct of training with a view to improve qualification of specialists in (re)insurance;

- 7) insurance mediation as an insurance agent;
- 8) the joint-stock Company shall have a right to participate in establishment of a consortium or a simple partnership;
- 9) unconditional placement of funds with second-tier banks for lending by banks to small and medium sized enterprises.

**8. Information about available ratings assigned to the joint-stock Company or its issued securities by international rating agencies and/or rating agencies of the Republic of Kazakhstan. Information about assigned status of a financial agency.**

International rating agency Moody's Investors Service in November 2004 assigned to the Company insurance financial strength rating of Ba1 and in July 2005 confirmed the assigned rating. In August 2006 insurance financial strength rating of the Company was upgraded up to sovereign Baa1, stable outlook, and the outlook was confirmed in December 2007 and September 2008. In May 2009 rating of financial strength rating of the Company was downgraded to Baa2. On 27 March 2013 International rating agency Moody's Investors Service confirmed the rating.

**9. Names, registration dates, locations and postal addresses of all branches and representative offices of the joint-stock company.**

The joint-stock company has its representative office in Astana:

Name: Representative office of State Insurance Corporation for the Insurance of Export Credit and Investment of Kazakhstan Joint-Stock Company in Astana City;

Registration date: 02 July 2004, registration N 2814-1901-II-o;

Location: Republic of Kazakhstan, Astana City, Saryarka district, Samal microdistrict, building 12;

Postal address: 010000, Astana City, Almaly District, Left Bank, Independence str. 33.

**10. Full official name of auditors (family name, given name, patronymic name (if any) of an auditor) who audited (audit) financial statements of the joint-stock company with specification of their association with relevant bars (associations, chambers).**

Auditor of 2006 financial and business performance of the Company was Deloitte & Touche LLP (state license to audit (re)insurance organizations N IO-8 dated 04.03.2002). Deloitte & Touche Limited Liability Partnership is a member of the following associations:

- European Business Associations of Kazakhstan;
- American Chamber of Commerce in Kazakhstan;
- Association of Financiers of Kazakhstan;
- Chamber of Auditors of the Republic of Kazakhstan;
- Regional Financial Center of Almaty.

Auditor of 2007- 2009 financial and business performance of the Company was KPMG LLP (state license to audit (re)insurance organizations N IO-15 dated 09.04.2002). KPMG Limited is a member of the following associations:

- IFRS working group at the Ministry of Finance of the Republic of Kazakhstan;
- Working group on amendments to the Audit Activities Law of the Republic of Kazakhstan at the Ministry of Finance of the Republic of Kazakhstan;
- Chamber of Auditors of the Republic of Kazakhstan;
- European Business Association of the Republic of Kazakhstan (EUROBAK);
- American Chamber of Commerce in Kazakhstan;
- International Tax and Investment Center (ITIC);

Auditor of 2010-2012 financial and business performance of the Company was Ernst & Young LLP.

Auditor of 2013 financial and business performance of the Company was Deloitte LLP.

Deloitte Limited Liability Partnership is a member of the following associations:

- European Business Associations of Kazakhstan;
- American Chamber of Commerce in Kazakhstan;
- Association of Financiers of Kazakhstan;
- Committee for Development of Almaty Regional Financial Center of the National Bank of the Republic of Kazakhstan;
- Canada Eurasia Russia Business Association.

## **11. Date of adoption of corporate governance code by the Company.**

Corporate governance code was adopted on 22 August 2020 (minutes of the Board of Directors of Kazyna Fund of Sustainable Development JSC N 37 dated 22.08.08).

**11-1. Date of approval by the general meeting of shareholders or by the foundation agreement of a method for determination of value of shares upon their redemption by the Company.**

Method of determination of value of shares upon their redemption was approved on 21 September 2007 (minutes of the Board of Directors of Kazyna Fund of Sustainable Development JSC N 21 dated 21.09.07).

## **Section 2. Bodies of the Company and Founders (Shareholders)**

### **12. Board of Directors of the Company.**

Board of Directors of the Company consists of 5 (five) members of the Board of Directors each of which shall have one vote when voting.

	<b>Positions held for the past three years and currently in chronological order, including second jobs and date of their assumption of office</b>	<b>Interest ratio of held shares to the total number of shares placed by the joint-stock company</b>	<b>Interest ratio of held shares (shareholdings in charter capital) in subsidiaries and affiliated entities to a total number of placed shares of such entities</b>
Pazylkhairova Gulbanu Tazhybayevna	<i>05.11.2013 – currently – Chairman of the Board of Directors of the Company</i>	0	0
Chairman of the Board of Directors born in 1972	02.2012 – currently – Deputy Chairman of Management Board of Samruk-Energo JSC;  10.2010 – 02.2012 – General Director, New Smart Energy LLP  12.2008 – 05.2010 – Chairman of the Board of Directors of Insurance Company AMANAT INSURANCE JSC  05.2007 – 05.2010 – President, chief executive of supervisory body of		

Kazakhstan Utility Systems  
LLP;

06.2007 – 11.2009 –  
Chairman of Management  
Board of Ordabasy  
Corporation JSC;

09.2005 – 04.2010 –  
member of the Board of  
Directors of Ordabasy  
Corporation JSC;

01.2002 – 08.2005 – Vice  
President, Corporate  
Development, Ordabasy  
Corporation JSC;

06.1998 – 12.2011 – Vice  
President, Ak Niyet  
Pension Asset Insurance  
Company JSC;

10.1997 – 06.1998 – Senior  
Financial Analyst,  
Kazkommerts Securities  
JSC;

05.1996 – 10.1997 – Chief  
Executive, Collateral  
Evaluation and Sales  
Directorate, Halyk Saving  
Bank of Kazakhstan JSC;

05.1995 – 05.1996 – Chief  
Executive, Bylaw Analysis  
Directorate, Halyk Saving  
Bank of Kazakhstan JSC;

08.1994 – 05.1995 –  
Assistant of the Chair of  
Theory of Market  
Economy, Kazakh State  
National University named  
after al-Farabi

<p>Tuleushin Kanysh Amanbayevich</p> <p>Member of the Board of Directors</p> <p>born in 1983</p>	<p><b>25.06.2013 – currently – member of the Board of Directors of the Company</b></p> <p>08.2011 – currently – Vice Minister of Industry and New Technologies of the Republic of Kazakhstan;</p> <p>09.2011 – currently – member of the Board of Directors of National Innovation Fund JSC;</p> <p>2008 – 2011 – consultant, chief of sector; deputy chief of division of social and economic monitoring at the Administration of the President of the Republic of Kazakhstan;</p> <p>2007 – chief executive of the innovation policy directorate, Ministry of Industry and Trade of the Republic of Kazakhstan;</p> <p>2006-2007 – chief expert, Trade Policy Development Center JSC;</p> <p>2006 – consultant, National Center of Sci-Tech Information, (2006);</p> <p>2004-2005 – chief of settlement and cash division, accountant/ transactions officer, Temirbank JSC.</p>	<p>0</p>	<p>0</p>
<p>Sadykov Yerkin Tokmukhamedovich</p>	<p><b>28.02.2013 – currently – member of the Board of</b></p>	<p>0</p>	<p>0</p>



<p>Member of the Board of Directors born in 1964</p>	<p><b><i>Directors of the Company</i></b></p> <p>05.02.2013 – currently – Chairman of Management Board, KazExportGarant Export Insurance Corporation JSC;</p> <p>28.02.2013 – currently – member of the Board of Directors of the Company</p> <p>29.06.2012 – 04.02.2013 – Deputy Chairman of Management Board, KazExportGarant Export Insurance Corporation JSC;</p> <p>29.09.2011 – currently – Professor, Chair of Global and National Economy, Turan University;</p> <p>15.04.2009 – 23.09.2011 – Deputy Chairman of Management Board MO Kazakhstan Mortgage Company JSC.</p>		
<p>Khakimzhanov Sabit Temirkhanovich Member of the Board of Directors / Independent Director born in 1965</p>	<p><b><i>25.12.2013 – currently – member of the Board of Directors of the Company</i></b></p> <p>2013 – currently – member of the Management Board / Director of the Research Department, Halyk Finance JSC;</p> <p>2009-2013 – Director of the Research Department, Halyk Finance JSC;</p>		

	2008-2009 – Deputy Director of the Research Department, Halyk Finance JSC.		
Beysembayeva Nazira Dzhambulovna Member of the Board of Directors / Independent Director born in 1980	<b><i>06.12.2013 – currently – member of the Board of Directors of the Company</i></b>  2009-2011 – Chairman of the Board of Directors Insurance Company Amanat Insurance JSC, Chairman of Management Board,  2007-2008 – Deputy Director, Mynaral Cement Invest LLP, Almaty City;  2005-2007 – Managing Director for Legal Issues, UlarUmit Saving Pension Funds JSC;  2004-2005 – Managing Director, Kazakhstan Financial Corporation JSC, Almaty, Kazakhstan  2001-2004 – Lawyer, KAZKOMMERTSBANK JSC	0	0

For the previous two years there were the following changes in the composition of the Board of Directors:

- 1) Subject to decision of the sole shareholder N 52/10 dated 2 September 2010 (minutes of the Board of Directors of National Welfare Fund Samruk-Kazyna JSC N52/10) powers of the following members of the Board of Directors in the Board of Directors were terminate ahead of schedule: Sabyrbayev Timur Tamerlanovich, Klykova Akzharkyn Uteuovna.
- 2) Subject to decision of the sole shareholder N 44/11 dated 24 October 2011 powers of the following members of the Board of Directors were terminated ahead

of schedule Aitekenov Kairat Medybayevich, Amerkhodjayev Galym Tashmukhanbetovich, Zhdanova Tatyana Viktorovna. Karimullin Askar Amangeldiyevich – Chairman of the Board of Directors, Amerkhodjayev Galym Tashmukhabetovich – member of the Board of Directors, Zhdanova Tatyana Viktorovna – member of the Board of Directors / Independent Director, were elected to the Board of Directors from 24.10.2011.

3) Subject to Order of the Ministry of Industry and New Technologies N 90 sated 20 March 2012 powers of the following members of the Board of Directors Karimullin Askar Amangeldiyevich, Amerkhodjayev Galym Tashmukhanbetovich were terminated ahead of schedule. Amrin Askar Kemengerovich – Chairman of the Board of Directors, Dosmukametov Kanat Mukhametkarimovich, Izbastin Kuanysh Temirtayevich – members of the Board of Directors, Shakir Khanov Ardak Amangeldiyevich – member of the Board of Directors – Independent Director were elected to the Board of Directors from 20.03.2012.

4) Subject to Order of the Ministry of Industry and New Technologies of the Republic of Kazakhstan N 236 dated 17 July 2012 powers of the following member of the Board of Directors Dosmukametov Kanat Mukhametkarimovich were terminated ahead of schedule. Ryskulov Aidar Kairatovich – member of the Board of Directors was elected to the Board of Directors from 17.07.2012.

5) Subject to Order of the Ministry of Industry and New Technologies of the Republic of Kazakhstan N384 dated 19 October 2012 powers of Chairman of the Board of Directors Amrin Askar Kemengerovich were terminated ahead of schedule. Atankulov Beibut Bakirovich - Chairman of the Board of Directors was elected to the Board of Directors from 09.10.2012.

6) Subject to Order of the Ministry of Industry and New Technologies of the Republic of Kazakhstan N 407 dated 08 November 2012 powers of member of the Board of Directors Ryskulov Aidar Kairatovich were terminated ahead of schedule. Kazybayeva Saule Sovetovna – member of the Board of Directors was elected to the Board of Directors from 08.11.2012.

7) Subject to Order of the Ministry of Industry and New Technologies of the Republic of Kazakhstan N68 dated 04 February 2013 Sadykov Yerkin Tokmukhamedovich – member of the Board of Directors was elected to the Board of Directors.

8) Subject to decision of the sole shareholder N 8-B dated 25 June 2013 powers of the following members of the Board of Directors were terminated ahead of schedule Atankulov Beibut Bakirovich, Kazybayeva Saule Sovetovna, Izbastin Kanysh Temirtayevich, Shakir Khanov Ardal Beysenbayevich and Zhdanova Tatyana Viktorovna. Zhumagulov Aibatyr Nyshanbayevich – chairman of the Board of Directors, Tuleushin Kanysh Amanbayevich – member of the Board of

Directors, Yenkebayev Dossym Kobeily – member of the Board of Directors, Aldashov Mars Bakhtiyarovich – member of the Board of Directors/ Independent Director, Karashukeyev Yerbol Shyrakpayevich – member of the Board of Directors/ Independent Director, were elected to the Board of Directors from 25.06.2013.

9) Subject to decision of the Board of Directors N 72 dated 15 August 2013 terminate Powers of the Deputy Chairman of Management Board Khassenova G.A. as a member of the Management Board. Elect Deputy Chairman of Management Board Zhaksybayev Bakhyt Kalmurzayevich as a member of the Management Board from 15.08.2013.

10) Subject to decision of the sole shareholder N 06/13 dated 06 September 2013 terminate ahead of schedule powers of member of the Board of Directors Karashukeyev Yerbol Shyrakpayevich. Elect as a member of the Board of Directors Mazhitov Meirbek Sabyrovich – member of the Board of Directors/ Independent Director from 06.09.2013.

11) Subject to decision of the sole shareholder N12/13 dated 05 November 2013 terminate ahead of schedule powers of member of the Board of Directors – Chairman of the Board of Directors Zhumagulov Aibatyr Nyshanbayevoch. Elect Pazylkhairova Gulbanu Tajibayevna as a member the Board of Directors / Chairman of the Board of Directors from 05.11.2013.

12) Subject to decision of the sole shareholder N 17/13 dated 06 December 2013 terminate ahead of schedule powers of member of the Board of Directors – Mazhitov Meirbek Sabyrovich. Elect Beysembayeva Nazira Dzhambulovna – member of the Board of Directors/ Independent Director as a member of the Board of Directors from 06.12.2013.

13) Subject to decision of the sole shareholder N19/13 dated 25 December 2013 terminate ahead of schedule powers of member of the Board of Directors Aldashov Mars Bakhtiyarovich. Elect Khakimzhanov Sabit Temirkhanovich – member of the Board of Directors/ Independent Director as a member of the Board of Directors from 25.12.2013.

14) Subject to decision of the sole shareholder N 12/14 dated 23 April 2014 terminate ahead of schedule powers of member of the Board of Directors – Yenkebayev Dossym Kobeily from 8 April 2014.

#### **12-1. Committees of the Board of Directors of the Company (if any).**

HR & Remuneration Committee:

Chairman of the committee – Khakimzhanov Sabit Temirkhanovich;

Members of the committee – Pazylkhairova Gulbanu Tazhybayevna, Tuleushin Kanysh Amanbayevich

Secretary of the committee – Kabessov Nurlan Gabbassovich.

Competence of the HR & Remuneration Committee:

- develop recommendations for the Board of Directors related to policy of the Corporation in the area of human resources, motivation and remuneration for persons included into the Board of Directors, Management Board, Corporate Secretary and chief executive and employees of the Internal Audit Service and also other employees of the Corporation;

- develop recommendations for the Board of Directors related to implementation of policy of the Corporation in the area of human resources, motivation and remuneration, compliance of this Policy of the Corporation with development strategy of the Corporation, financial standing and also situation on the labor market;

- develop policy of the Corporation in the area of human resources, motivation and remuneration in subsidiaries and affiliates with respect to which the Board of Directors of the Corporation exercises functions of a shareholder.

Within development of recommendations for the Board of Directors related to policy of the Corporation in the area of human resources, motivation and remuneration for persons included into the Board of Directors, Management Board, Corporate Secretary and chief executive and employees of the Internal Audit Service and also other employees of the Corporation, key powers of the Committee shall be:

- determine criteria and qualification requirements to members of the Board of Directors of the Corporation;

- prepare an opinion for the Sole Shareholder with respect to candidates to the Board of Directors when the Sole Shareholder studies a question of formation of the Board of Directors;

- study in timely manner drafts of internal documents of the Corporation which regulate issues of evaluation of performance of the Board of Directors, motivation of members of the Board of Directors, to be submitted to the Sole Shareholder, bonus payments to employees of the Corporation;

- develop a policy of succession in operations of members of the Board of Directors;

- annual evaluation of operating efficiency of the Board of Directors and each of its members;

- develop extra criteria of independence of members of the Board of Directors and brief the Sole Shareholder, the Board of Directors of the Corporation about candidates to members of the Board of Directors of the Corporation who comply with independence criteria;

- arrange training of persons included into the Board of Directors, Management Board of the Corporation related to questions of corporate conduct and business ethics in terms of policy of the Corporation in the area of human resources, motivation and remuneration (in cooperation with other committees of the Board of Directors);

- develop a checklist (instruction) for a newly elected member of the Board of Directors not being a Chairman of Management Board of the Corporation, with description of his duties (in cooperation with other committees of the Board of Directors);

- carry out a comparative analysis related to questions of a system of remuneration of labor, compensation and bonus payment to members of the Board of Directors, members of the Management Board, Corporate Secretary, chief executive and employees of the Internal Audit Service and other employees as compared to Kazakhstan's and foreign companies similar in terms of scale and type of activities and brief the Board of Directors;

- develop a mechanism of payment of compensations to members of the Board of Directors of the Corporation, including which takes into consideration a need for a variable component that depends on quality of activities of a member of the Board of Directors and also compensatory payments connected with discharge of their duties;

- study in timely manner a corporate structure of the Corporation.

Within development of recommendations for the Board of Directors related to implementation of the policy of the Corporation in the area of human resources, motivation and remuneration, compliance of this policy of the Corporation with the development strategy of the Corporation, financial standing and also situation on the labor market key powers of the Committee shall be:

- determine qualification requirements to executive employees of the Corporation, Corporate Secretary and chief of the Internal Audit Service of the Corporation;

- prepare and submit to meetings of the Board of Directors a list of persons and relevant recommendations related to them, where they are appointed (dismissed) as agreed with the Board of Directors;

- evaluate in timely manner (prior to study at the Board of Directors) candidates for positions according to an approved list;

- study in timely manner questions about early termination of powers of persons where they are appointed (dismissed) as agreed with the Board of Directors;

- study in timely manner terms and conditions of employment contracts entered into with Chairman and members of the Management Board of the Corporation;

- arrange development and study in timely manner terms and conditions of remuneration of labor and bonus payments to members of the Management Board;

- study in timely manner questions of appointment, determination of a tenure of Corporate Secretary, early termination of his powers and also questions of determination of a size of official salary and terms and conditions of bonus payments to Corporate Secretary;

- develop a policy of continuity in operations of executive employees of the Corporation;

- arrange development of and study in timely manner Regulation on motivation of executive employees to be submitted to the Board of Directors;

- evaluate on an annual basis operating efficiency of the Management Board of the Corporation and each of its members;
- prepare recommendations for the Sole Shareholder/ Board of Directors with respect to taking decisions on suspension and termination of powers of members of the Management Board of the Corporation;
- develop criteria subject to which sizes of remuneration of members of the Board of Directors, members of the Management Board, Corporate Secretary, chief executive and employees of the Internal Audit Service and other chief executives of business subdivisions of the Corporation are determined;
- monitor implementation of decisions of the Sole Shareholder, the Board of Directors in terms of remuneration of members of the Board of Directors and the Management Board and also in case if a relevant decision is taken – about disclosure of information related to payment of remunerations and compensations to members of the Board of Directors and Management Board.

#### Audit Committee:

Chairman of the committee – Khakimzhanov Sabit Temirkhanovich;  
 Members of the committee – Pazylkhairova Gulbanu Tazhybayevna,  
 Secretary of the committee – Kabessov Nurlan Gabbassovich.

Competence of the Audit Committee shall be provide assistance to the Board of Directors of the Corporation through development of recommendations related to the following:

#### Issues of financial reporting:

- discuss with chief executives of the Corporation and an external auditor financial statements and also feasibility and acceptability of used principles of financial reporting, essential estimated figure in financial statements, made adjustments to statements;
- discuss with chief executives of the Corporation, external and internal auditors offered (expected) modifications in Accounting Policy of the Corporation and how such modifications will affect content of the statements;
- study any significant disagreements between an external auditor and chief executives of the Corporation related to financial statements of the Corporation;
- approve in timely manner Accounting Policy of the Corporation;
- approve in timely manner annual financial statements of the Corporation.

#### With respect to questions of internal monitoring and risk management:

- analyze reports of internal and external auditors about condition of systems of internal monitoring and risk management;
- analyze efficiency of means of internal monitoring and risk management systems of the Corporation and also give offers with respect to these and related questions;
- monitor implementation of recommendations of internal and external auditors of the Corporation with respect to systems of internal monitoring and risk management;

- carry out regular meetings with chief executives of the Corporation for study of significant risks and challenges of monitoring and relevant plans of the Corporation in risk management and internal monitoring;
- approve in timely manner policies and procedures of the Corporation related to systems of internal monitoring and risk management;
- analyze results and quality of performance of arrangements (adjustments) developed by the Corporation to improve system of internal monitoring and risk management.

With respect to questions of external audit:

- study questions of appointment and replacement of an external auditor of the Corporation and prepare recommendations with respect to that question;
- ensure obtaining from an external auditor of a list of all related services which the external auditor provides (plans to provide) to the Corporation and discuss it with the external auditor. Evaluate extent of compliance of related services with independence of the auditor. Recommend the Board of Directors of the Corporation to take measures which ensure independence of the external auditor;
- approve in timely manner receipt of related services from an external auditor;
- approve in timely manner significant terms and conditions of a draft agreement (contract) with an external auditor to audit annual financial statements of the Corporation;
- discuss with an external auditor extent of the offered plan and scope of audit to meet requirements of shareholders and the Board of Directors of the Corporation;
- study, together with an external auditor, results of annual and intermediary audits, including information of chief executives of the Corporation based on audit findings;
- hold, at least once every six months, meetings with an external auditor, without participation of representatives of chief executives of the Corporation.

With respect to questions of internal audit:

- supervise activities of the Internal Audit Service;
- offer proposals about quantitative composition, tenure of the Internal Audit Service, appointment of its chief executive and employees and also early termination of their powers, operating procedure of the Internal Audit Service;
- offer proposals to the Board of Directors about sizes and terms and conditions of remuneration of labor and bonus payment to employees of the Internal Audit Service, qualification requirements to employees of the Internal Audit Service;
- approve in timely manner regulation on internal audit service, policies, procedures of internal audit and other documents which regulate activities of the Internal Audit Service and also amendments thereto, ensure independence of the Internal Audit Service from chief executives of the Corporation;



- coordinate in timely manner candidates for chief executives and employees of the internal audit services of the Corporation and also offer proposals for early termination of their powers, if they do not have the board of directors and audit committee;

- approve in timely manner an annual audit plan, budget (estimate, expenses) of the Internal Audit Service;

- approve in timely manner regular reports of the Internal Audit Service which provide in consolidated form performance and most significant auditor's comments;

- study a question of existing restrictions which prevent the internal audit service from efficient implementation of assigned tasks and facilitate elimination of such restrictions;

- hold, at least once a quarter, meetings with a chief executive of the Internal Audit Service without participation of representatives of chief executives of the Corporation;

- carry out a preliminary evaluation of activities of the Internal Audit Service;

- initiate conduct by the internal audit service, in necessary cases, of independent inspections (evaluation) of points of interest;

In case if the executive body of the Corporation needs to have the internal audit service carry out an independent inspection (evaluation) of a point of interest, chief executive of the executive body of the Corporation shall approach the Audit Committee seeking a preliminary consent to conduct of such independent inspection (evaluation).

With respect to questions of compliance the laws:

- evaluate efficiency of internal procedures of the Corporation designed to ensure Corporation's compliance with laws;

- receive and study reports of authorized bodies (including tax), external and internal auditors, chief executives of the Corporation, with respect to compliance with laws;

- offer proposals related to a procedure of hot line by means of which employees of the Corporation can confidentially or anonymously deal with information about alleged violations of laws or abuses, including those related to completeness and reliability of financial reporting, and also proposals related to a procedure for study and response to such inquiries.

Performance reporting:

- regularly, at least once a year, report to the Board of Directors about its activities;

- prepare information about performance of the Audit Committee for entry to a report of the Board of Directors and its disclosure in the report to the Sole Shareholder (annual general meeting of shareholders).

Other duties:

- develop, as may be necessary, recommendations for the Board of Directors to carry out special investigations (inspections), including with engagement of independent consultants (experts);

- analyze and sum up cases of fraud and evaluate adequacy of measures taken by the executive body of the Corporation to prevent frauds in the future;

- discharge, on instruction of the Board of Directors, other duties related to competence of the Committee.

Strategic Planning Committee:

Chairman of the committee – Beysembayeva Nazira Dzhambulovna;

Members of the committee – Pazylkhairova Gulbanu Tazhybayevna, Tuleushin Kanysh Amanbayevich; Sadykov Yerkin Tokmukhamedovich;

Secretary of the committee – Kabessov Nurlan Gabbassovich.

Competence of the Strategic Planning Committee shall include the following questions:

- analyze policy of the Company in order to achieve parameters of provided support to foreign economic contracts of exporting enterprise;

- analyze and develop recommendations in priority directions of development of the Company, perspective plans, development strategies and programs of the Company which reflect government's tasks for development of national export;

- analyze and develop recommendations related to main parameters of efficiency and system of management of activities of the Company;

- monitor disclosure in Annual and Mid-Term development plans of targets for Strategic Development Plans of the Company;

- monitoring of implementation of strategic objectives and tasks of the Company;

- other questions related to the scope of its activities can be offered to the Committee for study by decision of the Board of Directors.

Social Committee:

Chairman of the committee – Beysembayeva Nazira Dzhambulovna;

Members of the committee – Tuleushin Kanysh Amanbayevich; Sadykov Yerkin Tokmukhamedovich;

Secretary of the committee – Kabessov Nurlan Gabbassovich.

Within development of recommendations for the Board of Directors related to social policy of the Corporation key powers of the Committee shall be:

- study in timely manner draft internal documents of the Corporation that regulate issues of social policy;

- analyze and inform the Board of Directors of the Corporation about main directions of development of social policy in the Republic of Kazakhstan;

- request and receive in manner fixed in the Corporation any information necessary for conduct of its activities, from members of executive bodies, chiefs of business subdivisions.

### 12- 3. Internal Audit Service

Internal Audit Service shall consist of a chief executive of the Service and an auditor.

Chief of the Internal Audit Service – Bassymbekova Aigul Orazbayevna, born in 1968.

- 15 July 2004 - currently – Chief of the Internal Audit Service, «KazExportGarant» Export insurance corporation» JSC;

Auditor Bukayev Adilbek Nurakhmetovich, born in 1989.

- 12 November 2012 - currently – auditor at the Internal Audit Service, «KazExportGarant» Export insurance corporation» JSC;

- 10 January 2011 – 1 June 2012 – audit service consultant, PriceWaterhouseCoopers.

### 13. Collegial (sole) executive body of the joint-stock company.

The collegial executive body of the Company shall be the Management Board and it shall consist of 3 (three) persons:

Full name and year of birth of a member of the Management Board	Positions held for the past three years and currently in chronological order, including second jobs and date of their assumption of office	Interest ratio of held shares to the total number of shares placed by the Company
Sadykov Yerkin Tokmukhamedovich Member of the Board of Directors born in 1964	<p><i>05.02.2013 – currently – Chairman of Management Board, KazExportGarant Export Insurance Corporation JSC;</i></p> <p>05.02.2013 – currently – Chairman of Management Board, KazExportGarant Export Insurance Corporation JSC;</p> <p>28.02.2013 – currently – member of the Board of Directors of the Company</p> <p>29.06.2012 – 04.02.2013 – Deputy Chairman of Management Board, KazExportGarant Export Insurance Corporation</p>	0

JSC;

29.09.2011 – currently – Professor,  
Chair of Global and National  
Economy, Turan University;

15.04.2009 – 23.09.2011 – Deputy  
Chairman of Management Board MO  
Kazakhstan Mortgage Company JSC.

***Powers of the Chairman of  
Management Board of the Company:***

- 1) arrange implementation of decisions of the Sole Shareholder of the Board of Directors;
- 2) without power of attorney act on behalf of the Company in relations with third persons;
- 3) issue powers of attorney to represent the Company in its relations with third persons;
- 4) hire, relocate and dismiss employees of the Company, apply incentives to employees of the Company and impose disciplinary punishments, fix sizes of official salaries of employees of the Company, market premiums to salaries subject to a job description of the Company, determine sizes of bonuses of employees of the Company, except for employees included into the Management Board and Internal Audit Service of the Company;
- 5) in case of his absence vest his duties in one of members of the Management Board;
- 6) allocate responsibilities and also competence and areas of responsibility between members of the Management Board;
- 7) carry out general management of the Company, supervise Deputy Chairmen of Management Board, Managing Director, HR Manager,

	<p>Advisor;</p> <p>8) exercise other functions as determined in the Charter of the Company, decisions of the Sole Shareholder and the Board of Directors, except for questions falling under the laws of the Republic of Kazakhstan and the Charter of the Company within exclusive competence of these bodies.</p>	
<p>Bekkhoshin Yerdan Yerlanovich Deputy Chairman of Management Board born in 1982</p>	<p><b><i>02 October 2014 – currently – Deputy Chairman of Management Board of the Company</i></b></p> <p>02.10.2014 – currently – Deputy Chairman of Management Board of KazExportGarant Export Insurance Corporation JSC;</p> <p>August 2012 – July 2014 – Kazinvestbank JSC, Executive Director, Corporate Banking;</p> <p>November 2010 – August 2012 – Director, Business Process Optimization Department, HSBC Bank of Kazakhstan JSC;</p> <p><b><i>Powers of the Deputy Chairman of Management Board of the Company:</i></b></p> <p>1) subject to regulation on corporate and functional management structure of the Company Deputy Chairman of Management Board shall supervise activities of Administration Department, HR Manager;</p> <p>2) if Deputy Chairman of Management Board is absent from work (in a business trip, vacation, temporary disability) discharge of duties of Deputy Chairman of Management Board shall be fixed by</p>	<p>0</p>

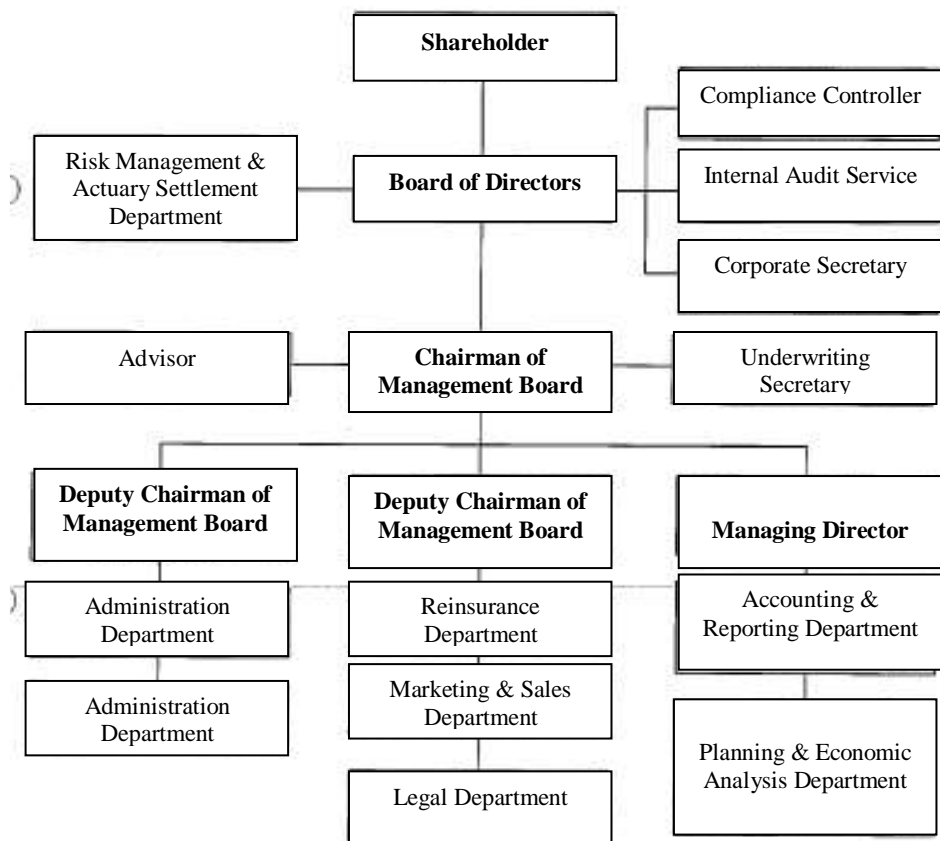
	an order of Chairman of Management Board.	
Iskakov Ruslan Viktorovich Deputy Chairman of Management Board born in 1980	<p><b><i>03 November 2014 – currently – Deputy Chairman of Management Board of the Company</i></b></p> <p>03.11.2014 – currently – Deputy Chairman of Management Board of KazExportGarant Export Insurance Corporation JSC;</p> <p>April 2011 – currently – Deputy Director, Major Client Department, SB Sberbank of Russia JSC;</p> <p>April 2010 – April 2011 – Chief, Corporate Client Division, AB of Sberbank of Russia JSC;</p> <p><b><i>Powers of the Deputy Chairman of Management Board of the Company:</i></b></p> <p>1) subject to regulation on corporate and functional management structure of the Company Deputy Chairman of Management Board shall supervise activities of the Reinsurance Department, Marketing &amp; Sales Department, Legal Department;</p> <p>2) if Deputy Chairman of Management Board is absent from work (in a business trip, vacation, temporary disability) discharge of duties of Deputy Chairman of Management Board shall be fixed by an order of Chairman of Management Board.</p>	0

**14. Remuneration payable to members of the Board of Directors, members of the executive body for a last financial year.**

Total amount of remuneration and salary paid to members of the Management Board for 2013 made 16 480 000 KZT and to members of the Board of Directors for 2013 totaled 2 599 000 KZT.

## 15. Corporate structure of the joint-stock company.

1) business subdivisions of the joint-stock company:



- 2) as of 24 February 2014 total headcount of the Company was 37 employees.
- 3) employees of the joint-stock company do not own its shares;
- 4) information about chief executives of subdivisions of the joint-stock company:
  - Director of the Marketing & Sales Department – Tleuberlin Zhaksybay Toleubayevich, born in 1984;
  - Director of the Reinsurance Department – Sembayeva Kenzhegul Nurbayevna, born in 1977.
  - Director of the Planning & Economic Analysis Department – Amangali Kairant, born in 1976.
  - Director of the Underwriting Department – Dyussenov Darkhan Abdukarimovich, born in 1970.
  - Chief Accountant – Botanbekova Zhanarkul Amankeldiyevna, born in 1969.

- Director of the Legal Department – Saitenov Daniyar Nurlanovich, born in 1984.
- Director of the Administration Department – Smatov Zhuldyz Zhenetovich, born in 1960.
- Director of the Risk Management and Actuary Settlement Department – Iskakov Batyrkhan Salekhanovich, born in 1984.
- Chief of the Internal Audit Service – Bassymbekova Aigul Orazbayevna, born in 1968.

5) information about chief executives of branches and representatives of the Company: as of 24 February 2014 the Company has no representative offices and branches.

#### **16. Founders/ shareholders of the joint-stock company.**

Sole shareholder of the Company is Baiterek National Management Holding, Republic of Kazakhstan, 010000, Astana City, Yessil District, Orynbor str., bldg. 10.

Shareholder of Baiterek National Management Holding JSC is Committee of State Property and Privatization at the Ministry of Finance of the Republic of Kazakhstan with a right of ownership and use transferred to the Ministry of Industry and New Technologies of the Republic of Kazakhstan.

Number of ordinary shares is – 84 500 pieces.

#### **17. Information about organizations where the Company holds ten and more per cent of shares in charter capital of the organization**

The Company does not hold ten and more per cents of placed shares (shareholdings in charter capital) of legal entities.

#### **18. Information about industrial, banking, financial groups, holdings, associations where the Company participates.**

Since 28 August 2013, the sole shareholder of the Company is Baiterek National Management Holding, Republic of Kazakhstan, 010000, Astana City, Yessil District, Orynbor str., bldg. 10.

Number of ordinary shares is – 84 500 pieces.

The Company is a member of:

- 1) Association of legal entities Association of Financiers of Kazakhstan, 050091, Almaty City, Aiteke bi str., 67;



- 2) Prague Club of the Berne Union – an association of export credit agencies from worldwide.

**19. Information about other affiliates of the Company.**

Information about other affiliates of the Company is set out in annex N 1 hereto.

**20. Transactions with affiliates of the Company: no**

**Section 3. Description of activities of the joint-stock company**

**21. Summary of core activities of the joint-stock company, information about competitors of the joint-stock company.**

Core business activities of the Company are insurance activities.

Tasks of the Company are:

- 1) stimulate export of goods, works and services through risk insurance and reinsurance;
- 2) stimulate investments to the Republic of Kazakhstan and abroad through risk insurance and reinsurance;
- 3) insure financial risks connected with manufacture of export goods;
- 4) insure financial risks connected with commerce in the Republic of Kazakhstan;
- 5) reinsurance activities only in the area general insurance.

The following insurance companies can be referred to competitors of the Company:

<b>Legal entity</b>	<b>Contact data</b>	<b>Licenses</b>
Insurance Company Eurasia JSC (subsidiary of Eurasian Bank JSC)	Almaty City, Zheltoksan str. 59 tel: 8 (727) 258-43-36 fax: 8 (727) 258-43-38 e-mail: info@theeurasia.kz	N2.1.6, dated 03.08.09 (including ПД)
Subsidiary Organization of BTA Bank JSC Insurance Company London-Almaty JSC	Almaty City, Al-Farabi ave., 19/1, Nurlıy Tau, Block 3B, 9 <sup>th</sup> floor tel: 8 (727) 311-07-77 fax: 8 (727) 311-07-77 e-mail: info@laic.kz website: <a href="http://www.laic.kz">www.laic.kz</a>	N 18-14/1 dated 23.09.08 (including ПД)
IC Kazkommerts-Policy JSC (Subsidiary of Kazkommertsbank JSC)	Almaty City, Dostyk ave., 38 (registered office), Satpayev str., 24 (visiting address) tel: 8 (727) 258-48-08, 258 48 07 fax: 8 (727) 292-73-97 e-mail: info@kkp.kz	ОС, ДООС N 13-11/2 dated 13.04.07, ПД N13-2/1 dated 06.10.2004.

	website: <a href="http://www.kkp.kz">www.kkp.kz</a>	
Subsidiary company of Bank Turan Alem BTA Insurance JSC	Almaty City, Aiteke bi str., 187 tel: 8 (727) 295-22-33 fax: 8 (727) 250-14-87 e-mail: <a href="mailto:info@btainsurance.kz">info@btainsurance.kz</a>	N2.1.21 dated 23.10.2009.
Subsidiary Insurance Company of Halyk Bank of Kazakhstan Halyk-Kazakhinstrakh JSC	050004, Almaty City, Nauryzbay batyr str. 17 tel: 8 (727) 259-98-48, 244-81-83 fax: 8 (727) 244-81-82, 244-81-92 e-mail: <a href="mailto:info@.kis.com.kz">info@.kis.com.kz</a>	N 11-12/1 dated 21.08.08 (including ПД)
Oil Insurance Company JSC	Almaty City, Kabanbay batyr str., 186 (visiting address), Astana City, Almaty District, Republic ave. 16 (registered office) tel: 8 (727) 258 18 01 fax: 8 (727) 285 18 01 (ext. 203) e-mail: <a href="mailto:admin@nsk.kz">admin@nsk.kz</a>	OC, ДОС N10-9/1 dated 13.02.2007,  ПД, N10-1/1 dated 27.06.2006.
IC Amanat insurance JSC	050010, Almaty City, Aiteke bi str, 27 tel: 8 (727) 244 33 44, 244 33 43, 244 33 45 fax: 8 (727) 244 33 50 (ext.107) e-mail: <a href="mailto:mail@amanat-insurance.kz">mail@amanat-insurance.kz</a>	N 15-1/1 dated 27.06.06, N 15-10/1 dated 21.01.08 (including ПД)
Subsidiary of Nurbank JSC IC Nurpolicy JSC	Almaty City, Ablay khan str., 51/53, 8 <sup>th</sup> floor tel: 8 (727) 266-40-90 fax: 8 (727) 266-40-94 e-mail: <a href="mailto:info@nurpolisy.kz">for info@nurpolisy.kz</a>	N34-13/1 dated 21.02.2008 (including ПД)
IC NOMAD Insurance JSC	Almaty City, Dzhumaliyev str. 110 (registered office), Almaty City, Timiryazev str. 15 , b (visiting address) tel: 8 (727) 250-81-89 fax: 8 (727) 250-81-88	OC, ДОС N38-9/1 dated 05.04.2007, ПД N38-1/1 dated 12.06.2006.

## **22. Factors which positively and negatively affect profitability of sales (goods, services) under core types of activities of the joint-stock company.**

Key external factors which significantly affect or exert indirect influence on dynamics of changes in key performance parameters of the Company are:

1) Condition of a sectoral structure of Kazakhstan's economy. Increase in share of non-primary sector in structure of economy of the Republic of Kazakhstan will positively affect activities of the Company since flow of non-raw export from the Republic of Kazakhstan will grow which allow to boost volume of undertaken obligations and charged premiums.

2) Change in a number of enterprises which export non-primary goods. Increase in the number of such enterprises will allow to significantly expand a client base of the Company.

3) Condition of financial sector of Kazakhstan. This factor entirely affects business activities of business in Kazakhstan, with improving condition of financial sector of the Republic of Kazakhstan it is expected that volume of investments in foreign countries and in Kazakhstan will go up.

4) Increase in investments carried out by Kazakhstan's investors outside Kazakhstan and by foreign investors to Kazakhstan. Increasing flow of investments will allow the Company to boost volume of undertaken obligations under investment projects.

5) Government policy in regulation of foreign economic activities. In case of exemptions by the government in the form of concessional taxation or cut in customs tariffs for non-primary exporters, significant growth of non-primary exports is expected which will allow the Company to increase both its client base and volumes of undertaken obligations.

6) Condition of the global financial market. Downturn of the global financial market will lead to outflow of foreign capitals from the country which will cut a flow of non-primary export and decrease volume of investments to the country from foreign investors. Therefore, there will be a decline in volume of undertaken obligations and number of insured projects.

7) Changes on foreign commodity markets. In case of an increase in demand for non-primary goods on foreign markets, it is expected to see an increase in volume of undertaken obligations and number of insurance contracts.

### **23. Information about licenses (patents) available to the Company and period of their validity, costs of research and development, including research developments sponsored by the Company.**

Agency of the Republic of Kazakhstan for Regulation and Supervision of Financial Markets and Financial Organizations has issued the following licenses:

1. License to carry out insurance activities in voluntary general insurance series ДООС N 35-2/1 dated 4 October 2006 (termless);
2. License to carry out reinsurance insurance activities series ПД N 35-1/1 dated 29 December 2004 (termless).

List of permitted classes of voluntary insurance in the sector of general insurance:

- 1) insurance against miscellaneous financial risks;
- 2) insurance of guarantees and warranties.

Based on the existing license the Company carries out reinsurance activities in the following insurance classes:

- 1) accident insurance;
- 2) sickness insurance;
- 3) motorcar insurance;
- 4) railway transport insurance;
- 5) air transport insurance;
- 6) water transport insurance;
- 7) cargo insurance;
- 8) property damage insurance except for classes set out in sub-clauses 1)-7) hereof;
- 9) vehicle owners' public liability insurance;
- 10) aircraft owners' public liability insurance;
- 11) water transport owner's public liability insurance;
- 12) public liability insurance except for classes set out in clauses 9)-11) hereof;
- 13) loan insurance;
- 14) mortgage insurance;
- 15) insurance of guarantees and warranties;
- 16) insurance against miscellaneous financial losses;
- 17) legal expenses insurance;
- 18) compulsory insurance classes.

**24. Volumes of sold products (performed works, services) for past two years or for period of actual existence.**

Item	2012	2011
1	3	4
Insurance premiums, total	565 163	506 318
Insurance premiums received under insurance contracts	147 205	78 823
Insurance premiums received under reinsurance contracts	417 958	427 495
Insurance premiums transferred for reinsurance	28 600	130 854
Net amount of insurance premiums	536 563	375 464

**25. Activities of the Company for arrangement of sale of its products (works, services).**

- 1) consumers of goods (works, services) of the Company in volume making five and more per cents:

Development Bank of Kazakhstan JSC, Subsidiary of BTA Bank JSC Insurance Company London-Almaty JSC, Oil Insurance Company JSC, Subsidiary of BTA Bank JSC BTA Insurance JSC, Subsidiary Insurance Company of Halyk Bank of Kazakhstan Kalyk-Kazakhinstrach JSC, IC NOMAD Insurance JSC.

- 2) suppliers of goods (works, services) of the Company in volume making five and more per cents:

Transsib Re OJSC, Subsidiary Insurance Company of Halyk Bank of Kazakhstan  
Kalyk-Kazakhinstrach JSC, Capital Insurance OJSC.

## **26. Factors which affect activities of the Company.**

- 1) Analysis of activities of the company demonstrates almost full absence of dependence on seasonal factors;
- 2) The Company has not raised funds from foreign investors and does not depend on import of capital.
- 3) Currently, the Company does not participate in legal proceedings outcomes of which may cause discontinuation or modification of core activities of the joint-stock company, collection of monetary or other obligations from it.
- 4) The Company was imposed an administrative sanction in the amount of 60 monthly calculation indices which totaled 70,080 (seventy thousand eighty) KZT subject to a decree of the Agency of the Republic of Kazakhstan for Regulation of Financial Market and Financial Organizations dated 17 January 2008 (minutes of administrative offences dated 29.12.2007 N 304-305).
- 5) Description of key risk factors connected with activities of the Company:  
*Industry risk.* The following risks are deemed to be key risks of Kazakhstan's insurance market which affect activities of the Company:
  - 1) insufficient demand from clients;
  - 2) high unprofitability of a number of products;
  - 3) limitation of competition on separate segments of market.

In portfolio of the Company there is a dominance of risks of major industrial enterprises which carry out pro-active export and import activities and switch to western management standards which treat insurance as a vital element of the risk mitigation system.

The Company has a quality approach to underwriting questions. In development of the Company, focus is made on the most stable types of insurance.

The Company diversifies a sales structure of its insurance products.

*Country and region related risks.* The following risks are treated as key country and region related risks of activities of the Company:

- 1) political and economic risks of foreign countries;
- 2) legislative changes in foreign countries.

In insurance portfolio of the Company there is dominance of risks of Kazakhstan's industrial enterprises, demand for insurance risks which are less exposed to impact of external factors than individuals or SMEs. Moreover, portfolio of the Company is well-balanced which mitigates its dependence on macroeconomic changes.

Placement by the Company of insurance reserves compliances with statutory requirements. Size of own funds of the Company and their ratio to obligations

determine absence of a risk connected with modifications in normative standards and new requirements to a size of charter capital. The Company places funds into high liquid investment instruments which determines impact of a risk of possible modifications in statutory requirements to structure of placement of insurance reserves and equity capital on its activities as insignificant. Experience of the Company on the market in case of further liberalization of terms and conditions for activities of foreign insurers will allow it to preserve the existing positions.

Upon entry into insurance contracts for insurance of industrial risks, deep analysis of risks of catastrophic losses is carried out and all reinsurance contracts are signed given drawn conclusions. Maximum prospective loss evaluated by specialists per insurance case or catastrophe in a region is significantly less than a size of liquid assets which the Company has. Moreover, currently the Company is expanding its geographic coverage which mitigates risks of shock losses, *Financial risks*. The following risks are treated as key financial risks of activities of the Company:

- 1) risk of changes in security prices;
- 2) risk of changes in an exchange rate;
- 3) risk of default on obligations by counterparties.

1) The Company carries out a diversified investment policy investing in a wide range of issuers and engaging professional participants of the stock marketing management of its own portfolio. This drastically reduces risks connected with fluctuations in value of securities of separate issuers.

2) The Company does its best to balance its currency liabilities and currency assets, changing, if necessary, a share of currency instruments (deposits and bank bills denominated in currency) in its investments.

Moreover, all significant risks in terms of their value are transferred for reinsurance to leading international reinsurers currency risks for which are minimum. Along with that, significant parameters of value of net assets and liquid assets will allow the Company to discharge its obligations under contracts where liability is fixed in foreign currency or at replacement cost even in case of drastic fluctuations in exchange rate.

3) The Company stakes on cooperation with the most reliable financial institutions. Funds on the stock market are deposited with leading investment companies. Within its cooperation with banks the Company places stake on a conservative policy. Partners of the Company include only leading banks with ratings from international agencies.

## **Section 4. Financial Standing of the Company**

### **27. Investments**

As of 1 January 2013, the Company does not have any long-term investments into capital of other legal entities.

Total size of a security portfolio makes 14 578 040 000 KZT.

Trading security portfolio:

N	Issuer	Security type	National identification number	Book value	Acquired on
1	2	3	4	5	6
1	Public securities of the Republic of Kazakhstan			10 289 510	
1.1	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY120019	497 425	05.05.2010
1.2	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090014	633 442	29.10.2009
1.3	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090030	632 316	21.01.2010
1.4	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090030	210 772	22.01.2010
L5	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKBKY060027	1 054 877	18.09.2008
1.6	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090022	798 026	20.01.2010
1.7	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090022	372 412	21.01.2010
1.8	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090048	20 091	26.04.2010
1.9	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY090048	191 244	26.04.2010
1.10	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY120043	528 240	01.08.2011
1.11	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY120043	880 401	07.03.2012
1.12	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY150040	1 866 674	07.03.2012
1.13	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY130034	962 889	07.03.2012
1.14	Ministry of Finance	Public debt	KZKDKY150065	857 833	10.04.2012

	of the Republic of Kazakhstan	obligation			
1.15	Ministry of Finance of the Republic of Kazakhstan	Public debt obligation	KZKDKY150065	782 868	06.04.2012
2	Non-government issuable securities of organizations of the Republic of Kazakhstan			2 288 732	
2.1	Second-tier banks			1 043 864	
2.1.1	Eurasian Bank JSC	Bond	KZ2CKY07B915	891	11.05.2007
2.1.2	Bank Center Credit JSC	Bond	KZP13Y15B657	694 037	20.03.2009
2.1.3	SB Sberbank of Russia JSC	Bond	KZP02Y09C172	348 936	02.12.2010
2.2	Legal entities except for second-tier banks			1 244 868	
2.2.1	BTA Ipoteka JSC	Bond	KZPC3Y10B648	82 301	14.04.2006
2.2.2	Kazakhstan Mortgage Company JSC	Bond	KZ2C0Y10B319	227 948	11.04.2007
2.2.3	Kazakhtelecom JSC	Share	KZ1C12280018	129 793	03.10.2008
2.2.4	SAT & Company JSC	Bond	KZ2C0Y07C826	305 818	19.08.2011
2.2.5	Batys Transit JSC	Bond	KZ2CKY13B996	499 008	21.04.2008
2.3	Bonds of Development Bank of Kazakhstan CJSC				
3	Securities of foreign states			551 086	
3.1	Republic of Austria	Bond	US052591AS38	131 976	21.06.2011
3.2	Government of Australia	Bond	AU3TB0000135	419 110	11.01.2012
4	Non-government securities of issuers non-residents of the Republic of Kazakhstan			914 172	
4.1	Russian Railways OJSC	Bond	XS0609017917	456 210	05.08.2011
4.2	Electricite de France	Bond	FR0010961581	457 962	26.03.2012
5	Securities of			534 540	



	international financial organizations				
5.1	Eurasian Development Bank	Bond	XS0426508627	534 540	26.05.2009
6	Stakes in investment funds				
7	Miscellaneous				
8	Total			14 578 040	

### **28. Receivables.**

As of 1 January 2013 the Company does not have any accounts receivable connected with conduct of core activities to the extent of five and more per cents of book value of assets of the Company.

### **29. Assets.**

As of 1 January 2013 the Company does not have any property to the extent of five and more per cents of book value of assets of the Company.

### **30. Information about charter and equity capital of the Company.**

Charter capital of the joint-stock company totals 9 200 000 000 KZT.

Equity capital of the Company as of 1 January 2013 makes 12 856 806 000 KZT.

### **31. Loans.**

The Company is not an active participant of the market of inter-bank funds.

### **32. Payables connected with Company's conduct of core activities (debt to suppliers, received down payments):**

As of 1 January 2013 the Company does not have any accounts payable connected with conduct of its core activities to the extent of five and more per cents of book value of assets of the Company.

## **Section 5. Financial Standing of Financial Organizations**

### **33. Interbank loans (to be filled into by banks).**

KazExportGarant Export Insurance Corporation Join-Stock Company is not a bank.

### **34. Deposits (to be filled into by banks).**

KazExportGarant Export Insurance Corporation Join-Stock Company is not a bank.

**35. Description of a structure of each existing issue of bonds registered subject to the laws of a foreign state (information about placed, cancelled and redeemed quantity of bonds, charged coupons and also repaid (repaid ahead of schedule) issues of bonds for the past three years).**

The Company did not register any bond issues from a start of its activities and as of 1 January 2013.

**36. Information about terms and conditions of existing international loans.**

The Company has not raised any international loans.

**37. Information about available opened credit facilities received by the joint-stock company from other organizations.**

The Company does not have an open credit facilities from other organizations.

**38. Analysis of financial performance.**

Parameters are calculated based on financial statements submitted to the Agency of the Republic of Kazakhstan for Regulation and Supervision of Financial Market and Financial Organizations.

(000 KZT)

<b>Parameter</b>	<b>01.01.2011</b>	<b>01.01.2012</b>	<b>01.01.2013</b>
<b><i>Assets</i></b>	<b><i>12 853 301</i></b>	<b><i>19 711 894</i></b>	<b><i>17 852 617</i></b>
Cash	932 708	5 332 720	121 971
Securities	11 629 971	11 730 594	14811 410
Reverse REPO transaction	0	0	170 103
Fixed assets and intangible assets	16 295	18 206	22 805
Miscellaneous assets	0	5 172	4 496
<b><i>Liabilities</i></b>	<b><i>1 720113</i></b>	<b><i>7568 644</i></b>	<b><i>4 995 811</i></b>
Insurance reserves	231 492	333 461	449 734
REPO transaction	1 456 359	1 186 199	0
Miscellaneous obligations	0	0	0

<b>Equity capital</b>	<b>133 188</b>	<b>12143 250</b>	<b>12 856 806</b>
Charter capital	8 733 200	9 200 000	9 200 000
Reserve capital	914 478	1 334 155	1 766 433
Revaluation results	84 481	202 782	-1 360 764
Retained income	1 401 029	1 367 654	1 474 571

### 39. Structure of income and expenses for past two years

More than sixty per cents of income received by the Company are investment income, including interest on securities in portfolio of the Company, and under reverse REPO transactions.

<b>Parameter</b>	<b>01.01.2012</b>	<b>01.01.2013</b>
Insurance income	280 613	520 673
Investment income	972 059	923 340
Income from other activities	3 293	5 035
<b>Total income</b>	<b>1 255 965</b>	<b>1 449 048</b>

Expenses of the Company are mainly connected with maintenance of the Company.

	(000 KZT)	
<b>Parameter</b>	<b>01.01.2012</b>	<b>01.01.2013</b>
<b>Operating and other expenses, including:</b>		
Net expenses to make insurance payments	44 079	12515
Costs of regulation of insurance losses	0	0
Expenses to pay commission fee under insurance activities	17819	17 623
Net amount of changes in insurance reserves	9 238	112 835
Costs of provisions for doubtful debts	0	0
General and administrative expenses, including:	302 831	355 556
costs of remuneration of labor and travelling expenses	190 445	228 806
amortization charges and wear and tear	7 968	9 299
Miscellaneous expenses	0	0

<i>Total expenses</i>	<i>392 124</i>	<i>495 339</i>

#### **40. Calculation of financial coefficients.**

<b>Parameters</b>	<b>01.01.2011</b>	<b>01.01.2012</b>	<b>01.01.2013</b>
<b>ROA</b>	7,5%	5,3%	5,1%
<b>ROE</b>	8,3%	6,9%	7,2%

#### **41. Values of prudential standards and other compulsory standards and limits fixed by the laws of the Republic of Kazakhstan as of 1 January 2013.**

Assets given classification in terms of quality and liquidity (amount for calculation) – 17 073 235 000 KZT

Assets given classification in terms of quality and liquidity (amount in balance) – 17 447 777 000 KZT

Liabilities except for an amount of insurance reserves – 4 546 077 000 KZT

Minimum size of guarantee fund – 1 000 000 000 KZT

Minimum size of solvency margin – 1 191 608 000 KZT

Actual solvency margin – 12 065 275 000 KZT

Regulatory standard of sufficiency of actual solvency margin – 10.13

Amount of assets in balance less reinsurer's interest – 17 827 156 000 KZT

#### **42. Volume and quantity of issued guarantees.**

The Company has not issued any guarantees for the past six months before decision is taken to issue shares.

#### **43. Other information related to possible obligations of the joint-stock company which may result from guarantees it issued, suits.**

The Company has not issued any guarantees and no claims were made to it.

### **Section 6. Information About Securities Issue**

#### **44. Information about all registered issues of securities.**

1) On 22 August 2003 the National Bank of the Republic of Kazakhstan registered first and currently the only issue of shares for an amount of 7 700 000 000 (seven billion seven hundred million) KZT of ordinary registered shares of face value – 100 000 (one hundred thousand) KZT each issued in book-entry form. The issue was divided into 77,000 (seventy seven thousand) pieces with assigned

national identification number KZ1C50620018. Certificate of state registration of securities issue dated 22 August 2003 N A5062.

2) Deleted subject to decree under Rules of the Agency of the Republic of Kazakhstan for Regulation and Supervision of Financial Market and Financial Organizations dated 25.03.06 N 73 (see a previous edition).

3) start of placement under first issue – registration date of issue of shares, final placement – 05 September 2003 (notice from the National Bank of the Republic of Kazakhstan dated 17 October 2003);

4) the Company does not have any internal documents about conditions and procedure of tenders and subscription. Rights of ownership and use of one hundred per cent shareholding of the Company were transferred to the Ministry of Industry and Trade of the Republic of Kazakhstan subject to Decree of the Government of the Republic of Kazakhstan N442 dated 12 May 2003;

5) the Company does not have any facts of default on its obligations to its shareholder under a registered shares issue;

6) issue of securities of the Company was not suspended or recognized as invalid;

7) the Company has not issued bond;

8) the Company has not paid 2007 dividends, size of 2008 dividends on ordinary registered shares totaled 13 354 000 (thirteen million three hundred fifty four thousand) KZT, 173,31 (one hundred seventy three) KZT thirty one tiyns per share;

9) shares of the Company were placed at the founder (sole shareholder) on an unorganized market

#### **44-1. Information about circulation of shares on organized securities market.**

Shares of the Company do not circulate on an organized securities market.

### **Section 7. Information About Issue of Declared Shares**

#### **45. Information about shares:**

1) total number of authorized ordinary shares is 92,000 (ninety thousand) pieces. The Company has not issued preference shares.

2) 77 000 (seventy seven thousand) ordinary shares have been placed among founders;

3) face value of one share paid by a founder is – 100 000 (one hundred thousand) KZT;

4) the Company has not issued preference shares.

#### **46. Convertible securities of the Company.**

Securities of the Company are not convertible.

**47. Information about payment agent.**

No payment agent is provided for.

**48. Information about registrar of the joint-stock company.**

Formation, maintenance and storage of a register of shareholders are carried out by Sole Securities Registrar JSC located at:

050000, Almaty City, Abylay khan ave. 141, telephone/fax: 8 (727) 2724760.

Subject to clause 1 article 64-1 of the Securities Market Law of the Republic of Kazakhstan activities of the sole registrar to maintain registers of shareholders shall not be licensed by an authorized body.

Date and number of contract with registrar: Contract N 00114-AO dated 21 September 2012.

**Section 8. Extra Provisions**

**49. Deleted subject to decree of the Management Board of Financial Supervision Agency of the Republic of Kazakhstan dated 28.11.08 N181 (see a previous edition).**

**50. Information for investors.**

Potential investors can get acquainted with a copy of the Charter of the Company, offering prospectus with amendments thereto, with reports about results of share placement at: Almaty City, Zenkov str. 80, 2<sup>nd</sup> floor. For release of information about activities of the Company, the Company shall use one of the following mass media: *Zan Gazety, Yuridicheskaya Gazeta.*

Chairman of Management  
Board, KazExportGarant  
Export Insurance

Corporation Join-Stock  
Company

[signed]

Ye.T.Sadykov

Chief Accountant,  
KazExportGarant Export  
Insurance Corporation  
Join-Stock Company

[signed]

Zh.A.Botanbekova

Chief of the Internal  
Audit Service,  
KazExportGarant Export  
Insurance Corporation  
Join-Stock Company

[signed]

A.O.Bassymbekova

/S/ Official seal affixed:  
[Republic of Kazakhstan. Almaty City. KazExportGarant Export Insurance  
Corporation Join-Stock Company]

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<b>List of affiliates of KazExportGarant Export Insurance Corporation Join-Stock Company</b>					
<b>State registration of share issue N A5062 dated 22 August 2003</b>			<b>As of 01/06/2014</b>		
<b>Individuals</b>					
<b>N</b>	<b>Surname Given name Patronymic name (if any)</b>	<b>Date of birth</b>	<b>Grounds to recognize affiliation</b>	<b>Affiliation from</b>	<b>Notes</b>
1	Akhmetov Serik Nygmetovich	25.06.1958	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	25.06.2013	Prime Minister of the Republic of Kazakhstan - Chairman of the Board of Directors of Baiterek National Management Holding JSC
2	Yergozhin Daulet Yedilovich	26.04.1979	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	30.12.2013	Chief of the Social & Economic Monitoring Division, Administration of President of the Republic of Kazakhstan/ member of the Board of Directors of Baiterek National Management Holding JSC
3	Sultanov Bakhyt Turlykhanovich	29.11.1971	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	25.06.2013	Deputy Prime Minister of the Republic of Kazakhstan Minister of Finance of the Republic of Kazakhstan/ member of the Board of Directors of Baiterek National Management Holding JSC
4	Isekeshv Asset Orentayevich	17.08.1971	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	25.06.2013	Deputy Prime Minister of the Republic of Kazakhstan/ Minister of Industry and New Technologies / member of the Board of Directors of Baiterek National Management Holding JSC
5	Sagintayev Bakytzhan Abdirovich	13.10.1963	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	25.06.2013	Senior Chief Executive of Prime Minister of the Republic of Kazakhstan / member of the Board of Directors of Baiterek National Management Holding JSC
6	Bishimbayev Kuandyk Valikhanovich	11.04.1980	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	25.06.2013	Chairman of Management Board of Baiterek National Management Holding JSC/ member of the Board of Directors of Baiterek National Management Holding JSC
7	Dossayev Yerbolat Askarbekovich	21.05.1970	sub-clause 3) clause 1 article 64 of the JSC	25.06.2013	Minister of Economy & Budget Planning of the Republic of Kazakhstan / member of the



			Law of RoK		Board of Directors of Baiterek National Management Holding JSC
8	Dostiyarov Askar Abayevich	18.06.1976	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	23.07.2013	Managing Director / member of the Management Board of Baiterek National Management Holding JSC
9	Aldambergen Alina Otemiskyzy	11.01.1973	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	23.07.2013	Deputy Chairman of Management Board / member of the Management Board of Baiterek National Management Holding JSC
10	Seidzhaparova Dinara Nurlanovna	01.07.1975	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	23.07.2013	Managing Director / member of the Management Board of Baiterek National Management Holding JSC
11	Pazylkhairova Gulbanu Tazhybayevna	13.07.1972	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	05.11.2013	Chairman of the Board of Directors of IC KazExportGarant JSC
12	Pazylkhairov Tazhybay Kaziyevich	08.12.1942	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	05.11.2013	Father
13	Baybaktiyeva Raissa Mirzakhmetovna	24.04.1942	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	05.11.2013	Mother
14	Pazylkhairov Yerken Tazhybayuly	18.08.1988	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	05.11.2013	Brother
15	Sadykov Yerkin Tokmukhamedovich	04.01.1964	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	29.06.2012	Chairman of Management Board, member of the Board of Directors IC KazExportGarant JSC
16	Sadykova Mira Zhenissovna	10.12.1966	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	spouse
17	Tokmukhamedov Salmen Yerkinovich	21.08.1993	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	son
18	Tokmukhamedov Syzdyk Yerkinovich	23.02.1996	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	son
19	Tokmukhamedov Nurmukhamm	19.05.2004	sub-clause 2) clause 1 article 64 of the JSC	29.06.2012	son

	ed Yerkinovich		Law of RoK		
20	Kelimbetova Fatima Tokhmukhamedovna	01.05.1967	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	sister
21	Shokybayev Zhenis Akimbekovich	30.10.1942	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	spouse's father
22	Shokybayev Askar Akimbekovich	24.02.1974	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	spouse's brother
23	Shokybayev Yermek Akimbekovich	16.02.1994	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	29.06.2012	spouse's brother
24	Tuleushin Kanysh Amanbayevich	06.12.1983	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	23.07.2013	Member of the Board of Directors IC KazExportGarant JSC
25	Kuzhagaliyeva Aliya Askarovna	24.03.1986	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	spouse
26	Amanbay Almansur Kanyshuly	27.06.2010	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	son
27	Tuleushin Amanbay	01.11.1952	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	father
28	Karabassova Raushan	19.10.1950	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	mother
29	Tuleushin Kuanysh Amanbayevich	19.10.1976	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	brother
30	Tuleushin Shyngys Amanbayevich	12.03.1978	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	brother
31	Kuzhagaliev Askar Urynassarovich	15.04.1957	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	spouse's father
32	Tuleussariyeva Kulyan	02.07.1961	sub-clause 2) clause 1 article	23.07.2013	spouse's mother

	Unayevna		64 of the JSC Law of RoK		
33	Kuzhagaliyev Ilyat Askarovich	12.0.8.1984	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	spouse's brother
34	Kuzhagaliyev Aslan Askarovich	07.09.1995	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	23.07.2013	spouse's brother
35	Katekova Dina Zeynelovna	18.09.1978	sub-clause 3) clause 1 article 64 of the JSC Law of RoK	28.05.2014	Deputy Chairman of Management Board of IC KazExportGarant JSC
36	Katekov Zeynelkozha Abdullayevich	20.01.1951	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	28.05.2014	father
37	Zhakupova Mayra	20.05.1951	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	28.05.2014	mother
38	Katekova Zhuldyz Zeynellovna	20.07.1976	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	28.05.2014	sister
39	Abdulla Uzak Zeynelkozha-uly	05.09.1984	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	28.05.2014	brother
40	Bayzhanova Kamila Zhanatovna	21.11.1996	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	28.05.2014	daughter
41	Katekova Zarina Azamatovna	07.06.2009	sub-clause 2) clause 1 article 64 of the JSC Law of RoK	28.05.2014	daughter
	<b>Full corporate name of legal entity</b>	<b>Date and number of state registration of legal entity, postal address and visiting address of legal entity</b>	<b>Grounds to recognize affiliation</b>	<b>Affiliation from</b>	<b>Notes</b>
42	Baiterek National Managing Fund JSC	25.05.2013 46193-AK, BIN 13054 0020197,	sub-clause 1) clause 1 article 64 of the JSC Law of RoK	29.05.2013	Sole shareholder

		Republic of Kazakhstan, 010000 Astana City, Yessil District, Orynbor str., bldg. 10			
43	Goodwill Partners LLP	25.04.12, 1467-1910-01-TOO, BIN1204400 23186, Republic of Kazakhstan, Almaty City, Miras microdistrict, bldg. 157, office 1-2-Y-3, 900	sub-clause 6) clause 1 article 64 of the JSC Law of RoK	28.05.2014	Officer is a co-founder (50%)

Chairman of Management Board  
KazExportGarant Export Insurance  
Corporation Joint-Stock Company

[signed]

Ye.T.Sadykov

/S/ Official seal affixed:

[Republic of Kazakhstan. Almaty City. KazExportGarant Export Insurance Corporation Joint-Stock Company]

Numbered and bound on 37 sheets

[signed]

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