



CENTRAS CAPITAL

TURNING LOCAL STRATEGY INTO GLOBAL VALUES

General Presentation

March 2009

FOR INFORMATION ONLY:

THIS DOCUMENT IS NOT A PROSPECTUS AND THESE PROPOSALS ARE SUBJECT TO OBTAINING ALL NECESSARY REGULATORY CONSENTS IN APPROPRIATE JURISDICTIONS

OVERVIEW

BRINGING CULTURE OF PERFORMANCE, COMPETENCE AND INNOVATION

2

STABLE POLITICAL & MACROECONOMIC ENVIRONMENT	<ul style="list-style-type: none">→ Kazakhstan recovered from its post-Soviet Great Depression on the back of natural resources-rich economy and a proactive government.→ Stable political regime allowed executing structural reforms and building up external reserves cushion. The country is assigned investment-grade ratings.→ Prolonged economic growth led to bank-financed speculative capital investment boom. The global financial contagion has hit commercial banking, property & construction, consumer cyclicals.
SEASONED MANAGEMENT TEAM	<ul style="list-style-type: none">→ Centras, established in 2004, is a spin-out from KKB's Investment Banking.→ A start-up, the Company managed to exploit its strengths pursuing niche market strategy and growing in Capital Markets, Insurance and Private Equity.→ Team manages the country's first buyout fund (EBRD & CDC) and largest venture fund (National Innovation Fund).
RECOGNIZED FRANCHISE	<ul style="list-style-type: none">→ Centras, among few others, stayed prudent through the speculative boom by sticking to conservative business approach and focused strategy.→ Centras maintains leading market positions in Mutual Funds, Equity Brokerage, Retail Insurance, Venture Capital and Private Equity.→ Centras Insurance and Kommesk-Omir, jointly employing 400 officers, provide nationwide business coverage both corporate and retail.

CENTRAS MILESTONES

A FOCUSED START-UP BUILDING FRANCHISE IN NICHE FINANCIAL SERVICES

3

- 2004** – Start of operations of Centras Securities, an independent **licensed broker-dealer**
Centras introduces Corporate Governance Initiative with Association of Financiers
- 2005** – Acquisition of Terra Insurance, being renamed Centras Insurance
Launch of the **country's first open-ended mutual fund** – Treasury
- 2006** – Launch of Centras Venture Fund, **the country's largest venture fund**, in partnership with National Innovation Fund
Centras Capital launches a private equity fund
- 2007** – First closing of **Centras Private Equity Fund**, EBRD acts as anchor investor
Acquisition of Kommesk-Omir, a retail insurer
Centras initiates Best Market Practices Task
- 2008** – Centras Securities appointed to advise Tabys Venture Fund for National Nuclear Park
CDC invests in Centras Private Equity
Moody's assigns **debut B3 rating** to Centras Insurance

THREE CORE BUSINESSES

COMPANY MAINTAINS STRONG FOCUS ON NON-BANK FINANCIAL SERVICES AND PROFESSIONALIZING FINANCIAL INTERMEDIATION

VISION

Centras, a spin-out from KKB Group, seeks to further professionalize niche non-bank financial services.

Hangover from the speculative boom lacking management skills & expertise and impairing specialist competences emphasized a market need to Focus and Operational Efficiency.

Bringing its performance and competence-based culture, Centras is well-positioned to further grow its market positions in targeted industries.

1.

CAPITAL MARKETS

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Centras Securities, employing **20 professionals**, focuses on Emerging Growth Equity and seeks to position itself as the market leader in

- » **Full-service Brokerage**
- » **Mutual Funds**
- » **Investment Banking**

2.

INSURANCE

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Centras Insurance of **180 professionals** seeks to bring more world-class insurance products to the local market by actively using reinsurance and western-style distribution nation-wide:

- » **Compulsory**
- » **Property & Casualty**
- » **Medical**

3.

PRIVATE EQUITY

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Centras Capital's investment team of **18 professionals** pioneers private equity in Kazakhstan with focus:

- » **Venture Capital**
- » **Small-cap Buyouts**
- » **Growth Capital**
- » **Turnarounds**

KAZAKHSTAN ECONOMY

STRATEGIS SHIFT FROM 'DISTRIBUTION TO SHAREHOLDERS' TO MARKET CAPITALISATION

Kazakhstan's economy enjoying *investment-grade* ratings is still highly concentrated in 40 major companies of natural resources, banks and public utilities. We segment it into three tiers:

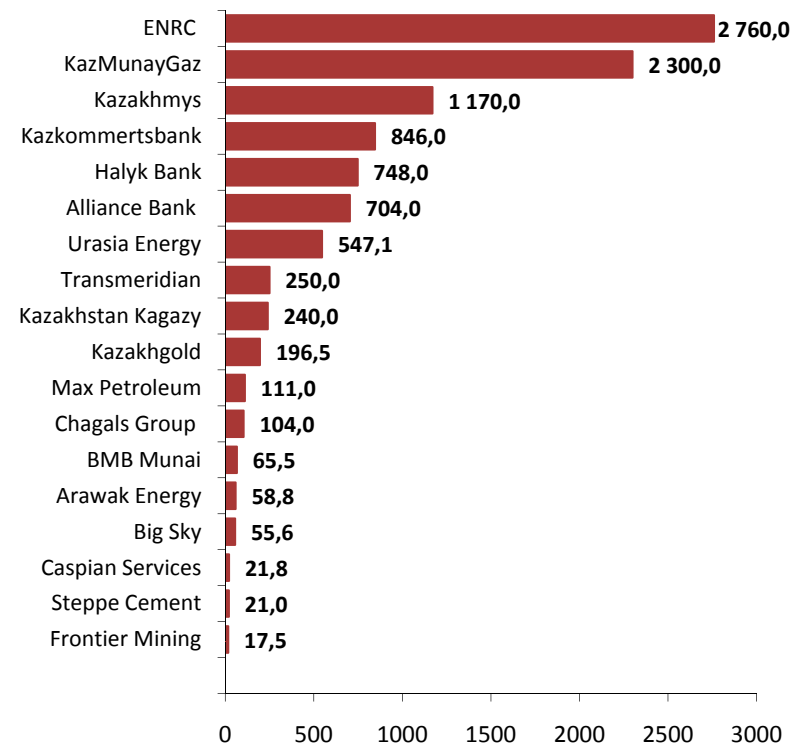
- **Foreign Majors** commands 1/3 GDP
- **National Champions** representing ½ GDP
- **Juniors** of 1/6 GDP

National Champions are mainly built on foundations of public assets. Their competitive advantages are *devalued historic investments*. They lack competitive market strengths and operational efficiency.

The recent global commodity boom let local natural resources exporters and banks raise capital through **international IPOs for \$10B**. The IPO successes in raising *shareholders' values* sparked mass move to capital markets raising importance of public equity and corporate governance.

The Junior Economy benefits from *increasing disposable income* and inefficiencies of larger businesses. Lacking access to capital, its growth has been financed through bank loans and is **highly leveraged**.

Kazakh IPOs in 2005-2007, \$MM

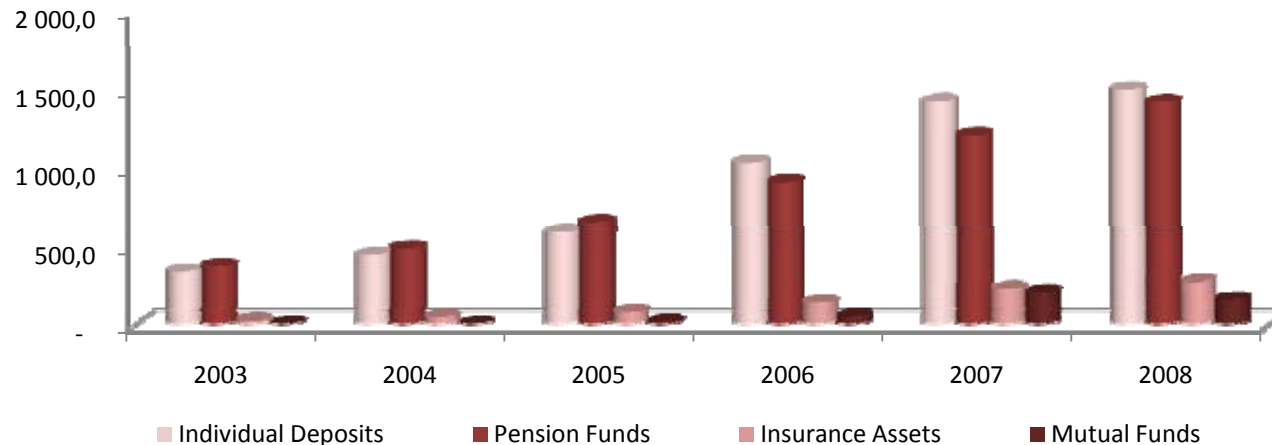


NATURAL RESOURCES AND BANKS DOMINATE EQUITY MARKETS
ACCESS TO CAPITAL FOR JUNIOR ECONOMY LIMITED TO BANK LOANS

LOCAL REAL-MONEY INVESTORS

6

PROACTIVE FINANCIAL REGULATION ESTABLISHED SOUND
DOMESTIC INSTITUTIONAL INVESTORS



DOMESTIC INSTITUTIONAL INVESTORS FORM SUSTAINABLE
SOURCES OF LIQUIDITY AND DEVELOP EQUITY CULTURE

The introduction of Defined Contributions Pension System gave a start to institutional investors in 1998. The Government of Kazakhstan made one-time transfers to personalized accounts. Now employers make compulsory contribution of 10% of employee's payroll to **privately-managed pension funds**.

Over past ten years, the local investors have accumulated aggregate funds under management for **T3,344B**:

- Pension Funds for T1,420B
- Insurance Assets for T269B
- Mutual Funds for T154B

Insurance companies had a late start but fast growth thanks to compulsory insurance and favorable tax regime. Over past five years local banks have been channeling their interest income into their insurance subsidiaries. Their investments are limited to local listed securities and investment-grade foreign investments.

The regulations on mutual funds were introduced at end-2004. Centras launched the **country's first open-ended mutual fund** – Treasury – in January 2005. Collective investment schemes suffer from stock market crash, but are expected to benefit from increased higher fixed income yields. Mutual fund investments have tax-exemptions for individual investors.

CENTRAS SECURITIES

BRIDGING LOCAL FINANCE AND GLOBAL SOLUTIONS

7

BROKERAGE

- Centras ranked #3 in 2008 KASE Equity Trading
- Leading retail broker
- Listing agent & market-maker for foreign-listed and domestic stocks
- Head of Trading & Sales elected as KASE Chairman

MUTUAL FUNDS

- Company first in Kazakhstan introducing open-ended money-market funds
- Centras-managed mutual fund Treasury ranked #2 Best-performing Mutual Fund
- Capitalizing on international market expertise and access
- Funds under management grown 5x to \$70M over past 3 years

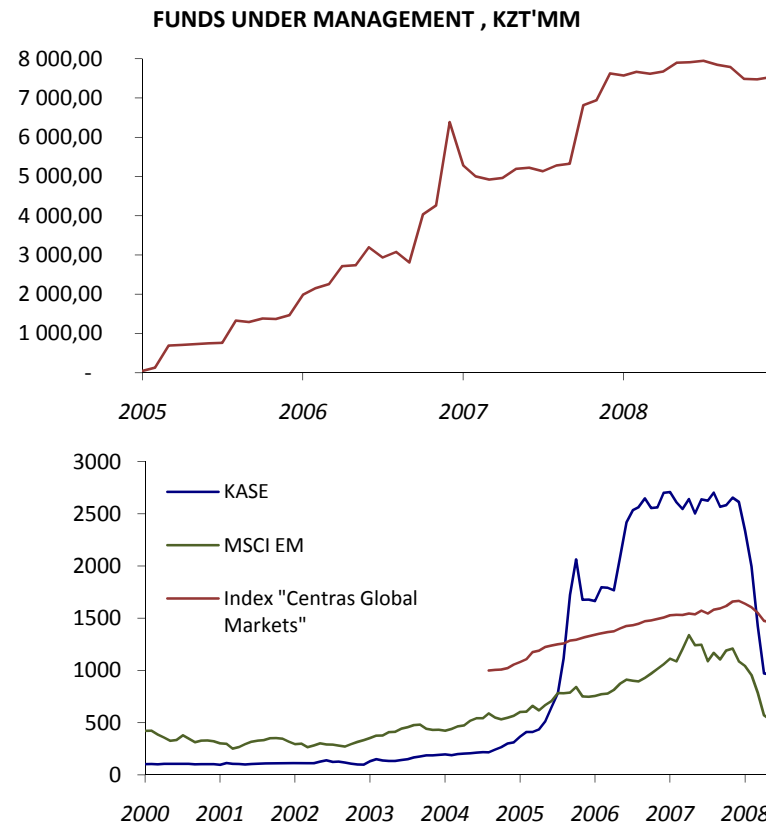
INVESTMENT BANKING

- Centras mandated to manage KASE's IPO, the local market first capital-raising exercise
- Specialists in M&A and Growth Capital
- Commercial paper programs pioneered as alternative financing for industrials
- Advocates for Best Practices & Corporate Governance, Practitioners in Corporate Defense

KASE Equity		Best-performing Mutual Funds	
1	BTA Securities	21,58%	Bond Fund, BTA Securities
2	Tengri Finance	10,44%	Treasury, Centras Securities
3	Centras Securities	9,60%	Income Fund, BTA Securities
4	Visor Capital	7,50%	Kazyna, AIM
5	AIM	6,41%	Nasip, AIM
Source: KASE		Source: Investfunds	

FUND MANAGEMENT

PIONEERING BUSINESS APPROACH AND BUILDING EARLY FRANCHISE IN CONSERVATIVE MONEY-MANAGEMENT MARKET



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Centras Securities pioneered three mutual funds:

- Treasury for Money –market conservative strategy
- Global Markets for Moderate balanced strategy
- Terra Cognita for Aggressive Russian equity strategy


The Company seeks to launch a new mutual fund for Fixed Income and target high-yielding local companies' Eurobonds disfavored by foreign investors.

Prioritizing asset management business, Centras intends to beef up its operations by offering new strategies and products for emerging high-net worth.

SPECIALISTS IN MONEY MANAGEMENT, CENTRAS SECURITIES RUN MUTUAL FUNDS INVESTING IN MAJOR ASSET CLASSES

SELECTED TRANSACTIONS

DEVELOPING NEW FINANCIAL SOLUTIONS FOR EMERGING HIGH-GROWTH CORPORATES

<p>Financial Advisor</p>  <p>КАЗАКТЕЛЕКОМ</p> <p>Commercial Paper Program KZT 237,511,518</p> <p>2004, 2005, 2006</p>	<p>Financial Advisor and Underwriter</p>  <p>Issue and listing on KASE (Listing B) KZT 182,000,000</p> <p>2006</p>	<p>Financial Advisor and Underwriter</p>  <p>VOSTOK CEMENT</p> <p>Commercial Paper Program KZT 400,000,000</p> <p>2005</p>	<p>Financial Advisor and Underwriter</p>  <p>KAZAKHALTYN Commercial Paper Program KZT 567,270,558</p> <p>2005, 2006</p>	<p>Underwriting</p>  <p>КАЗНАБАНК</p> <p>JSC "Tsesnabank" Bonds KZT 5,000,000,000</p> <p>2006</p>	<p>Underwriting</p>  <p>КАЗНЕФТЕХИМ</p> <p>JSC "Kazneftehim" Bonds KZT 755,800,000</p> <p>2006</p>	<p>Underwriting</p>  <p>DETT LUX</p> <p>Bonds KZT 187,000,000</p> <p>2007</p>
<p>Financial Advisor</p>  <p>СТОМЕД</p> <p>LLP Stomed</p> <p>2007</p>	<p>Financial Advisor</p>  <p>Cconfectionery plant</p> <p>2007</p>	<p>Financial Advisor</p>  <p>Ассеты</p> <p>Assets sale</p> <p>2007</p>	<p>Underwriting</p>  <p>КИБ kib.kz КазИнвестБанк</p> <p>Listing on KASE and underwriting of the 3rd issue \$ 50,000,000</p> <p>2007</p>	<p>Financial consulting</p>  <p>INVEST COMPANY</p> <p>Investment company</p> <p>2008</p>	<p>Financial consulting</p>  <p>ENRC</p> <p>Investment company</p> <p>2008</p>	<p>Financial consulting</p>  <p>KASE</p> <p>Kazakhstan Stock Exchange</p> <p>2007</p>

ON THE BACK OF ITS OWN EXPERIENCE, CENTRAS SEEKS TO BRING **GLOBAL** BANKING SOLUTIONS ADJUSTED FOR **LOCAL** BUSINESSES

CENTRAS INSURANCE

BUSINESS MODELED TO AGRESSIVELY PENETRATE MASS MARKET BY ACTIVELY USING FOREIGN OBLIGATORY REINSURANCE

10

Generating T2.2B in gross premiums, Centras Insurance is ranked **#16 in General and #15 in Core Insurance** (Compulsory, Motor, Property, Cargo, Casualty) in 2008. The Company has established national distribution and commissioned the first in Kazakhstan western operational system.

Obligatory reinsurance is obtained from a pool of first-class foreign reinsurers:

- Lloyd's
- Hannover Re
- Partner Re
- CCR

Moody's assigned debut **B3 rating** in 2008. The Company is the second rated in Kazakhstan after Eurasia Insurance (being B1). Diversification and reinsurance coverage are considered strengths. Weaknesses:

- » Active growth
- » Small capital base
- » Investments with local banks

Retail insurer **Kommesk-Omir** was acquired in August 2007 strengthening national distribution.

	Core Insurance	2008	2007	2006
1	Евразия	16 735 242	8 489 991	8 528 536
2	Казкоммерц-Полис	7 464 093	6 415 432	4 475 907
3	Казакхистрах	7 349 110	6 902 962	5 764 559
4	Виктория	5 803 052	10 220 224	5 061 301
5	НСК	5 412 559	4 936 643	3 760 475
6	Алтын-Полис	4 715 712	3 148 127	2 579 629
7	БТА Страхование	4 316 646	2 824 674	2 183 272
8	Amanat insurance	3 985 035	6 812 425	5 262 109
9	ЭйАйДжи Казахстан	3 590 519	4 207 873	2 728 258
10	АМСГ	3 028 558	4 953 676	6 020 064
11	Лондон-Алматы	2 334 566	2 707 000	1 543 717
12	Альянс-Полис	1 848 869	2 630 233	2 954 828
13	Атланта-Полис	1 684 964	1 185 933	359 504
14	НОМАД Иншуранс	1 648 313	1 349 722	589 829
15	Сентрас Иншуранс	1 574 366	769 828	653 347
16	ТрансОйл	1 409 128	920 427	665 185
17	Allianz Kazakhstan	1 340 894	1 117 474	1 233 125
18	Коммеск-Омир	1 319 103	982 960	851 758
19	PREMIER СТРАХОВАНИЕ	1 246 307	1 306 249	1 150 405
20	ЦАСО	1 205 510	756 251	373 357

Source: FSA, KZT'000

**CENTRAS INSURANCE AND KOMMESK-OMIR COMMAND #11
JOINT POSITION IN CORE INSURANCE**

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CENTRAS PRIVATE EQUITY

**EXTENDING FINANCIAL EXPERTISE AND MANAGEMENT SKILLS
ONTO NON-BANK JUNIOR COMPANIES**

COUNTRY'S LARGEST VENTURE CAPITAL FIRM	<ul style="list-style-type: none">→ Centras run the country's largest venture fund for T1.3B.→ Centras Venture Fund focus on seed investments in innovations and commercial start-ups.→ The Funds made investments into eight companies in Renewable Energy, New Materials, New Business Models.→ Centras manages a venture fund for the National Nuclear Park.
FIRST LOCAL BUYOUT TEAM	<ul style="list-style-type: none">→ Centras established the country's first private equity fund for \$42.5M in 2007.→ The Fund seeks control investments in Financial Services, Consumer and Basic Materials.→ The investment strategies focus on Small-cap Buyouts, Growth Capital and Turnarounds.→ The team target investments in Kazakhstan (min. 70%), Central Asia and Russia.→ EBRD and CDC supported the team identified as a first-time managers.

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CENTRAS PRIVATE INITIATIVES

SEEKING TO IMPROVE CURRENT MARKET PRACTICES AND TO BUILD SUSTAINABLE BUSINESS ENVIRONMENT

Corporate Governance

- Working Group under Association of Financiers
- Changes into Law on Securities introduced to enforce better corporate governance
- Corporate Governance Code mandatory for KASE listing
- OECD & IFC launched their corporate governance programs
- Corporate Governance Board established by large corporates

Best Market Practices

- Establishment of High Level & Business Standards (Market Conduct, Conflict of Interest, etc.)
- Introduction of well-established world practices (ISMA, ISDA, etc.)
- Supported by Kazakh FSA