

# FEASBOOK

FEDERATION OF EURO-ASIAN STOCK EXCHANGES ANNUAL REPORT 2015



---

## ABOUT FEAS



**ESTABLISHED ON 16 MAY 1995, THE FEDERATION OF EURO-ASIAN STOCK EXCHANGES (FEAS) TODAY HAS 33 FULL MEMBERS, 9 AFFILIATE MEMBERS, 5 BILATERAL MEMBERS AND 3 OBSERVERS IN 30 COUNTRIES.**



### FULL MEMBERS

#### South East Europe

- Banja Luka Stock Exchange
- Belgrade Stock Exchange
- Borsa Istanbul
- Bucharest Stock Exchange
- Bulgarian Stock Exchange
- Georgian Stock Exchange
- Macedonian Stock Exchange
- Moldova Stock Exchange
- Montenegro Stock Exchange
- Sarajevo Stock Exchange
- Tirana Stock Exchange
- Zagreb Stock Exchange

#### Middle East

- Abu Dhabi Securities Exchange
- Amman Stock Exchange
- Bahrain Bourse
- Damascus Securities Exchange
- Egyptian Exchange
- Iran Fara Bourse
- Iran Mercantile Exchange
- Iraq Stock Exchange
- Muscat Securities Market
- Palestine Exchange
- Tehran Stock Exchange

#### Central Asia

- Baku Interbank and Currency Exchange (BBVB)
- Baku Stock Exchange
- Belarus Currency and Stock Exchange
- Karachi Stock Exchange
- Kazakhstan Stock Exchange
- Kyrgyz Stock Exchange
- Lahore Stock Exchange
- NASDAQ OMX Armenia
- National Depository Center of Azerbaijan
- Toshkent Republican Stock Exchange

### AFFILIATE MEMBERS

- Central Securities Depository (CSD) of Iran
- Central Securities Depository (CSD) - Macedonia
- Istanbul Settlement and Custody Bank (Takasbank)
- Merkezi Kayıt Kuruluşu (MKK)
- Misr for Clearing, Settlement & Central Depository
- Securities and Exchange Brokers Association (SEBA) of Iran
- Securities Depository Center (SDC) of Jordan
- Tehran Securities Exchange Technology Management Company
- Turkish Capital Markets Association (TCMA)

### BILATERAL MEMBERS

- African Securities Exchanges Association (ASEA)
- Arab Federation of Exchanges (AFE)
- Association of Futures Markets (AFM)
- South Asian Federation of Exchanges (SAFE)
- Swiss Futures Options Association (SFOA)

### OBSERVERS

- Eurasian Trade System Commodity Exchange, Kazakhstan
  - Mongolian Stock Exchange
  - MSM Brokers Association
-

# TABLE OF CONTENTS

FEAS Executive Board and Secretariat	2	Iraq	26	<b>Affiliate Members</b>	
From the Secretariat	3	Iraq Stock Exchange	27	Central Securities Depository (CSD) - Macedonia	48
FEAS Markets in Numbers	4	Jordan	28	Merkezi Kayıt Kuruluşu (MKK)	49
Dow Jones Index	8	Amman Stock Exchange	29	Securities Depository Center (SDC) of Jordan	50
		Macedonia	30	Takasbank	51
<b>Country Reports and Member Updates</b>		Macedonian Stock Exchange	31	Turkish Capital Markets Association (TCMA)	52
<b>Full Members</b>		Montenegro	32		
Armenia	10	Montenegro Stock Exchange	33		
NASDAQ OMX Armenia	11	Oman	34		
Azerbaijan	12	Muscat Securities Market	35		
Baku Stock Exchange	13	Pakistan	36		
Belarus	14	Karachi Stock Exchange	37		
Belarusian Currency and Stock Exchange	15	Palestine	38		
Bulgaria	16	Palestine Exchange	39		
Bulgarian Stock Exchange	17	Romania	40		
Croatia	18	Bucharest Stock Exchange	41		
Zagreb Stock Exchange	19	Serbia	42		
Egypt	20	Belgrade Stock Exchange	43		
Egyptian Exchange	21	Syria	44		
Iran	22	Damascus Securities Exchange	45		
Iran Fara Bourse	23	Turkey	46		
Iran Mercantile Exchange	24	Borsa Istanbul	47		
Tehran Stock Exchange	25				



Borsa Istanbul Building,  
Emirgan 34467 Istanbul, Turkey

**Tel:** (90 212) 298 2160

**Mobile:** (90 530) 735 0742

**Fax:** (90 212) 298 2209

**E-mail:** [secretariat@feas.org](mailto:secretariat@feas.org)

**Web address:** [www.feas.org](http://www.feas.org)

**Contacts:** Mr. Mustafa Baltaci, Secretary General

Ms. Ege Adalioglu, Deputy Secretary General

The Federation of Euro-Asian Stock Exchanges Annual Report 2015 is published by the Federation of Euro-Asian Stock Exchanges.

All editorial material was collated and edited by the Federation of Euro-Asian Stock Exchanges. The design, production and distribution was coordinated by the Federation of Euro-Asian Stock Exchanges.

**Designed by:** Tayburn

Although every care has been taken to ensure the accuracy of the information contained within the publication, the Secretariat cannot be held liable for any inaccuracies, errors or omissions, nor held liable for any actions taken on the basis of the information provided herein.

© The Federation of Euro-Asian Stock Exchanges

## FEAS EXECUTIVE BOARD



Dr. Mohammed Omran  
(Egyptian Exchange)  
Chairperson



Ivan Takev  
(Bulgarian Stock Exchange)  
Vice Chairperson



Eszhan Birtanov  
(Kazakhstan Stock Exchange)  
Working Committee Chair

(In alphabetical order)



Tuncay Dinç  
(Borsa İstanbul)  
Board Member



Elena Jakimovska Petrovska  
(Macedonia CSD)  
Board Member



Ivan Steriev  
(Macedonia Stock Exchange)  
Board Member



Ahmed Saleh Al-Marhoon  
(Muscat Securities Market)  
Board Member



Tarik Kurbegovic  
(Sarajevo Stock Exchange)  
Board Member



Hassan Ghalibaf Asl  
(Tehran Stock Exchange)  
Board Member



İlkey Arıkan  
(Turkish Capital Markets Association)  
Board Member



Ivana Gazic  
(Zagreb Stock Exchange)  
Board Member

## FEAS SECRETARIAT



Mustafa Baltacı  
Secretary General



Ege Adalioglu  
Deputy Secretary General

## FROM THE SECRETARIAT



FEAS is now 20 years old with every year full of energy, development and eagerness to do better.

Mustafa Baltacı  
Secretary General

Our annual report has a history of 18 years. But this year, it comes with a bonus, a complete makeover of its layout and content. The old version was an in-depth analysis of every single market within the FEAS broad-band community. It was rich in content, however, a bit too long to keep the reader's attention alive to the very end. Instead, we have reframed the content to make sure that FEAS members have an opportunity to present what their markets offer but in an easy-to-digest mode. Readers now will find all key data of FEAS markets as they will enjoy short reads of recent developments and latest news. The idea is to portray FEAS region as an asset class falling more often into the screen of international investors.

This mantra is also one of the drivers in renewing other corporate materials. FEAS website has been restructured by supplying a more consistent and broadband market data covering all FEAS markets. Our database is perhaps the only reliable source that market participants can collate info on regional capital markets. Google search statistics provide evidence that our corporate website has been searched and accessed from all around the world by thousands of users.

FEAS has contributed to the ever-evolving capital markets through peculiar reports, surveys and publications. Our landmark guideline "Exchange Handbook" and only of its kind "Best Practices of Investor Complaints" are only two of pieces published this year. Our magazine "InterFeas" comes out with a different topic at every issue as the last one focused on "Related-party Transactions". We have debuted a new publication to brief on our member markets. FEAS Newsletter has been posted and circulated by hosting Bulgaria and Palestine at the first two issues. We look into two further issues this year. You may want to check out our website to access to all FEAS publications.

Our fellowship program which aims to solidify spirit of FEAS fraternity by enrolling junior to mid-level employees of our members is a distinct success. The Egyptian Exchange hosted the program this year with 12 participants. Muscat Securities Market will be the generous host next year.

FEAS is a broad region which gives us the leverage to rotate around it at every gathering. This year, we convened in Yerevan, Armenia for the spring meetings in May, and we will meet in Isfahan, Iran

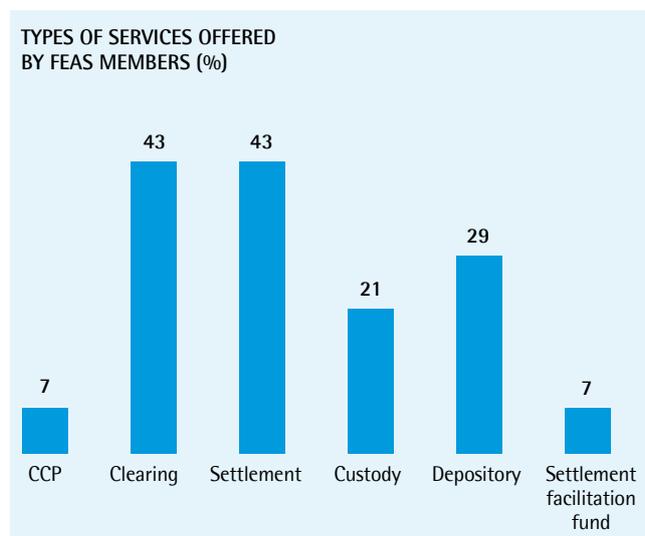
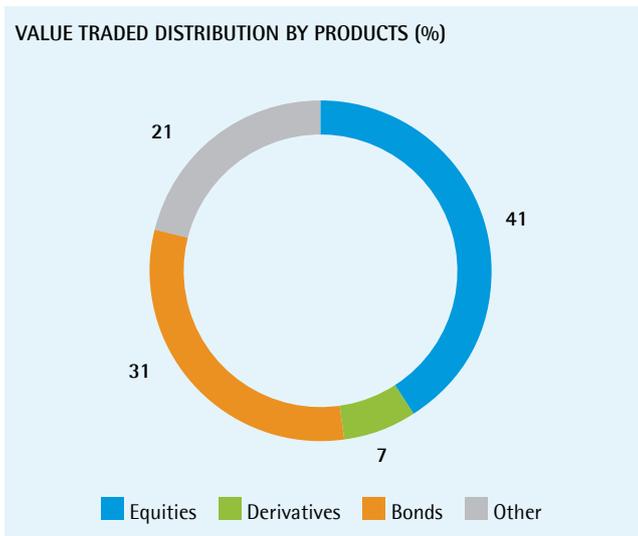
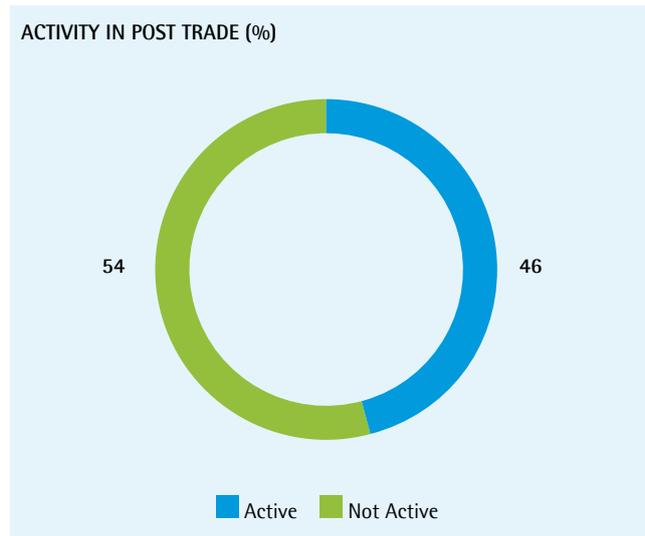
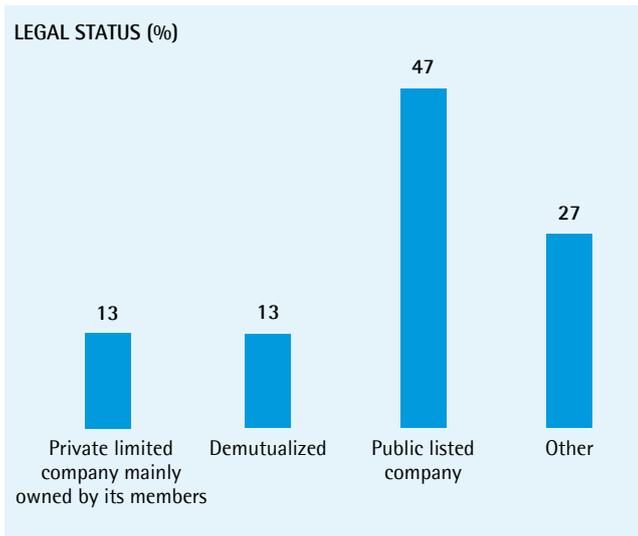
for the annual meetings in November. My sincere gratitude goes to both NASDAQ OMX Armenia and Tehran Stock Exchange for hosting the events. I am also delighted to announce that 2016 spring meetings will be in Bucharest, Romania and annual meetings in Bahrain.

It is also our pleasure to welcome new members every year that encourages us to perform our jobs better than ever.

Let us take this opportunity to celebrate our anniversary. FEAS is now 20 years old with every year full of energy, development and eagerness to do better.

Happy 20th anniversary FEAS!

# FEAS MARKETS IN NUMBERS



Source: 2014-15 Revenue & Expense Report

## DOMESTIC MARKET CAPITALIZATION (USD MILLIONS – AS OF SEPTEMBER 2015)

	January	February	March	April	May	June	July	August	September
Abu Dhabi Securities Exchange	111,438	117,523	113,186	116,308	114,042	118,895	122,928	114,286	115,585
Amman Stock Exchange	25,145	25,213	24,297	23,956	25,523	24,958	25,129	25,355	24,334
Bahrain Bourse B.S.C	22,095	23,003	22,652	21,493	21,311	21,376	20,811	20,305	19,942
Baku Stock Exchange	27	25	68	68	79	79	79	79	78
Banja Luka Stock Exchange	2,359	2,359	2,359	2,359	2,359	2,359	2,359	2,359	2,359
Belarusian Currency and Stock Exchange	418	426	425	410	415	427	473	389	520
Belgrade Stock Exchange	1,951	1,983	1,814	2,010	2,045	1,985	1,956	1,937	1,906
Borsa Istanbul	256,076	237,587	217,673	227,625	223,206	216,004	203,281	185,173	177,568
Bucharest Stock Exchange	20,508	20,528	19,512	21,496	20,950	20,408	21,443	19,918	19,795
Bulgarian Stock Exchange	4,989	4,904	4,800	4,805	4,748	4,832	4,579	4,668	4,561
Damascus Securities Exchange	681	635	608	563	552	523	523	503	493
Egyptian Exchange	70,097	68,031	67,394	66,539	65,992	64,591	64,510	57,681	58,203
Georgian Stock Exchange	812	752	716	698	708	728	721	502	520
Iran Fara Bourse	22,170	21,304	20,819	21,745	20,120	19,341	19,794	16,122	15,195
Iraq Stock Exchange	7,345	6,519	7,622	7,433	7,632	8,940	8,390	8,270	8,129
Karachi Stock Exchange	77,365	75,179	66,608	71,978	70,494	73,114	75,879	72,635	66,726
Kazakhstan Stock Exchange	21,110	20,611	20,562	21,181	21,091	21,158	20,183	47,430	41,781
Kyrgyz Stock Exchange	158	182	142	156	163	149	170	170	168
Macedonian Stock Exchange	1,828	1,800	2	2	2	2	1,646	2	1,716
Montenegro Stock Exchange	2,315	2,342	2,312	2,381	2,337	2,530	2,295	2,324	2,349
Muscat Securities Market	38,549	38,748	38,258	38,564	38,427	39,033	39,474	38,064	37,907
NASDAQ OMX Armenia	34	32	33	31	31	50	48	48	49
Palestine Exchange	3,129	3,122	2,993	3,038	3,009	3,017	3,043	3,041	3,057
Tehran Stock Exchange	108,771	104,973	104,535	104,224	97,007	96,383	96,735	93,807	87,841
Zagreb Stock Exchange	19,031	18,765	18,388	18,870	18,704	19,366	19,737	19,722	18,884
<b>Total</b>	<b>818,401</b>	<b>796,546</b>	<b>757,778</b>	<b>777,933</b>	<b>760,947</b>	<b>760,248</b>	<b>756,186</b>	<b>734,790</b>	<b>709,666</b>

Source: FEAS

## VALUE OF SHARE TRADING (USD MILLIONS – AS OF SEPTEMBER 2015)

	January	February	March	April	May	June	July	August	September
Abu Dhabi Securities Exchange	1,153	1,187	1,359	2,123	1,360	1,146	1,104	1,302	1,276
Amman Stock Exchange	247	329	304	278	256	347	344	405	276
Bahrain Bourse B.S.C	9	22	15	39	42	19	13	13	57
Baku Stock Exchange	24	3	49	26	29	6	8	3	8
Banja Luka Stock Exchange	1	1	1	1	1	1	1	1	1
Belarusian Currency and Stock Exchange	1	0	0	1	0	1	1	1	0
Belgrade Stock Exchange	9	7	46	7	8	5	11	9	6
Borsa Istanbul	41,854	38,380	38,542	33,125	31,645	31,632	27,278	22,862	19,034
Bucharest Stock Exchange	143	135	149	159	88	147	192	178	96
Bulgarian Stock Exchange	36	14	13	7	18	13	7	4	5
Damascus Securities Exchange	0	1	1	0	0	0	0	1	0
Egyptian Exchange	1,600	1,454	1,353	1,215	1,456	1,114	1,157	1,169	927
Georgian Stock Exchange	1	1	1	1	1	1	1	1	1
Iran Fara Bourse	261	213	577	437	840	225	390	135	101
Iraq Stock Exchange	13	32	52	34	48	50	26	38	10
Karachi Stock Exchange	3,609	2,632	1,918	3,078	1,734	2,896	2,937	2,508	1,557
Kazakhstan Stock Exchange	10	9	6	77	10	148	23	4,347	24
Kyrgyz Stock Exchange	0	0	0	0	0	0	0	0	13
Macedonian Stock Exchange	1	2	3	3	2	2	1	3	2
Moldovan Stock Exchange	2	0	0	0	0	0	0	0	0
Montenegro Stock Exchange	2	7	5	5	1	3	3	2	2
Muscat Securities Market	270	455	335	282	194	283	184	227	171
NASDAQ OMX Armenia	1	1	0	0	0	0	0	0	0
Palestine Exchange	9	25	59	21	15	13	27	19	15
Sarajevo Stock Exchange	2	2	18	3	2	2	1	8	8
Tehran Stock Exchange	689	762	958	1,326	629	619	860	820	570
Zagreb Stock Exchange	31	66	28	25	24	28	36	40	35
<b>Total</b>	<b>49,978</b>	<b>45,740</b>	<b>45,790</b>	<b>42,271</b>	<b>38,404</b>	<b>38,700</b>	<b>34,603</b>	<b>34,094</b>	<b>24,195</b>

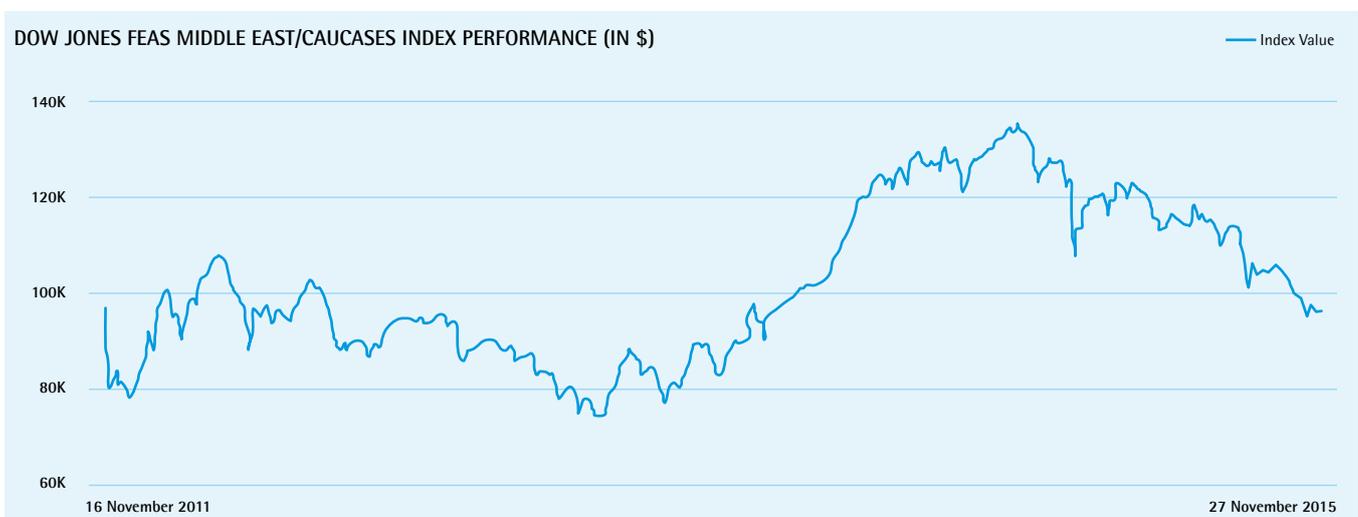
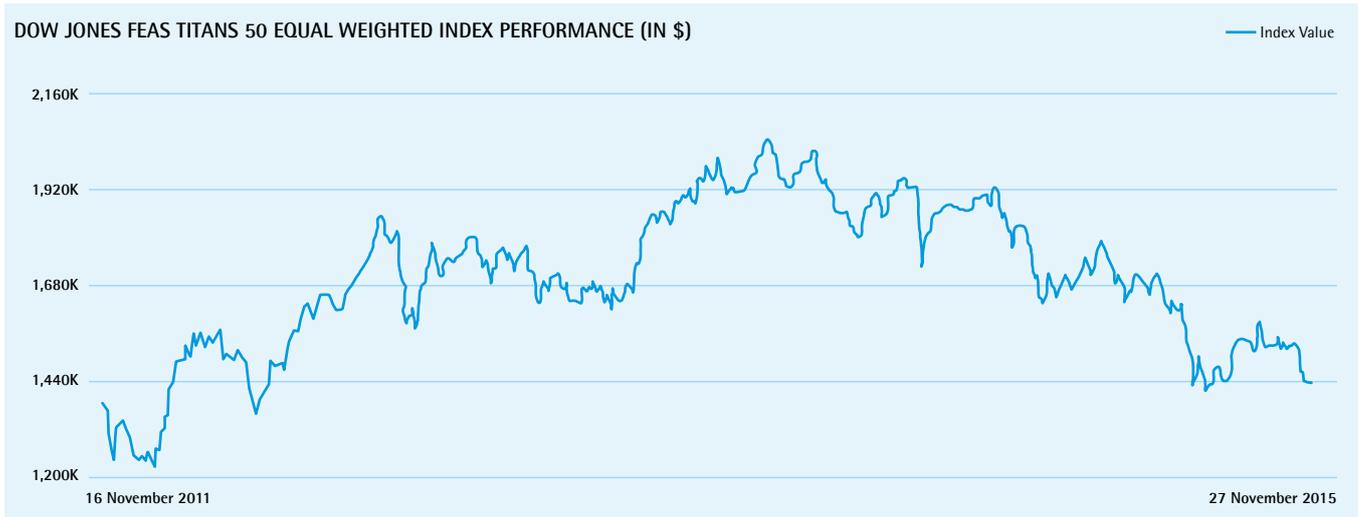
Source: FEAS

## NUMBER OF LISTED COMPANIES (AS OF SEPTEMBER 2015)

	January	February	March	April	May	June	July	August	September
Abu Dhabi Securities Exchange	67	67	67	67	67	67	67	67	68
Amman Stock Exchange	236	236	236	236	236	236	233	233	233
Bahrain Bourse B.S.C	47	47	47	47	46	46	46	46	46
Baku Stock Exchange	71	71	71	71	71	71	71	71	71
Banja Luka Stock Exchange	636	636	636	636	636	636	636	636	636
Belarusian Currency and Stock Exchange	67	67	67	67	62	62	62	62	62
Belgrade Stock Exchange	8	8	8	8	8	8	8	8	8
Borsa Istanbul	256	257	256	255	254	253	253	257	257
Bucharest Stock Exchange	83	80	81	81	80	81	81	82	82
Bulgarian Stock Exchange	372	371	369	369	369	367	366	366	365
Damascus Securities Exchange	24	24	24	24	24	24	24	24	24
Egyptian Exchange	249	247	251	252	252	254	254	251	251
Georgian Stock Exchange	4	4	4	4	5	5	5	6	6
Iran Fara Bourse	126	126	124	125	126	124	124	121	128
Iraq Stock Exchange	67	67	71	72	75	72	67	67	58
Karachi Stock Exchange	558	560	560	561	559	560	559	560	556
Kazakhstan Stock Exchange	77	77	78	79	78	78	79	78	79
Kyrgyz Stock Exchange	21	21	20	20	20	20	21	21	23
Macedonian Stock Exchange	114	114	114	114	114	114	114	114	114
Moldovan Stock Exchange	9	9	9	9	48	48	16	18	20
Montenegro Stock Exchange	61	61	60	61	61	61	60	60	60
Muscat Securities Market	117	117	117	117	117	118	118	118	117
NASDAQ OMX Armenia	15	15	15	15	16	16	11	11	10
Palestine Exchange	48	48	48	48	48	49	49	49	49
Sarajevo Stock Exchange	319	320	321	322	322	323	323	324	324
Tehran Stock Exchange	315	313	314	316	316	316	317	318	318
Zagreb Stock Exchange	193	187	188	187	189	189	190	192	188
<b>Total</b>	<b>4,160</b>	<b>4,150</b>	<b>4,156</b>	<b>4,163</b>	<b>4,199</b>	<b>4,198</b>	<b>4,154</b>	<b>4,160</b>	<b>4,153</b>

Source: FEAS

## FEAS INDEXES (\*)



# COUNTRY REPORTS AND MEMBER UPDATES

# ARMENIA

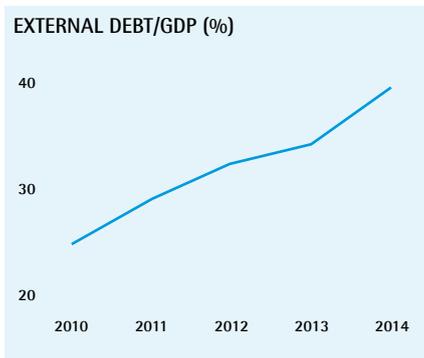
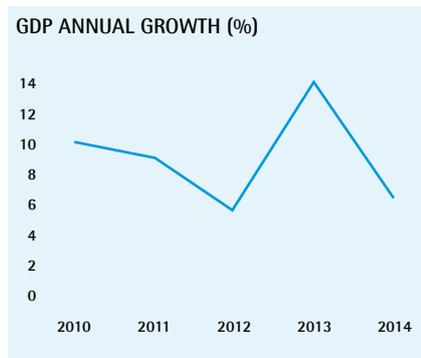
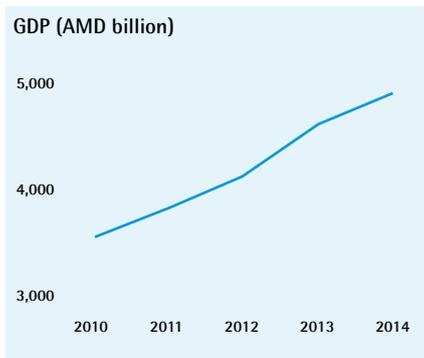
## COUNTRY FACTS

Country	Armenia
Capital	Yerevan
Area (km <sup>2</sup> )	29,743
Population (thousand)	3,017
GDP (USD million)	10,197
Currency	Armenian Dram (AMD)
Exchange rate (1 USD)	474.97
Time Zone	UTC+4
Calling code	+374

## KEY CAPITAL MARKETS INFORMATION

Regulator	Central Bank of RA
Stock exchange	"NASDAQ OMX Armenia" OJSC
CSD	"Central Depository of Armenia" OJSC
Settlement	T+0
Taxes	
- Dividends	Legal Entity: Residents No; Non-resident 10% Individuals: Residents No; Non-resident No
- Interest Income	Income on Corporate Bonds Legal Entity: Residents 20%; Non-resident 10% Individuals: Residents 10%; Non-resident 10% Income on Government Bonds Legal Entity: Residents 20%; Non-resident 10% Individuals: Residents No; Non-resident No
Capital gains	Legal Entity: Residents No; Non-resident 10% Individuals: Residents No; Non-resident No
Listed companies	16
Average daily trading turnover (USD million)	56.16

## KEY ECONOMIC DATA



## ECONOMIC DEVELOPMENT AND OUTLOOK

Growth of Armenia's economy slowed to 2.6% in the first half of 2014 from 3.5% in the same period of 2013, while it accelerated to 7.5% in the first quarter of 2013 from 5.4% in the same period in 2012 and to 7.2% for 2012 as a whole. An 0.8% drop in industry and growth at only 0.7% in construction and 1.9% in agriculture contributed to the slowdown; services grew by 3.7%.

Acceleration over the whole of 2014 is expected to come on the supply side mainly from faster growth in services, and on the demand side mainly from a recovery in private consumption supported by public sector wage hikes, according to Asian Development Outlook (ADO) 2014.

Considering current trends and the effects of the slowdown in the Russian Federation, growth projections are trimmed by 0.8 percentage points for 2014 and half as much for 2015. Inflation eased in the first half of 2014 to an annual rate of 4.0%, down from an average of 5.8% in the full year 2013, as the remaining effects of electricity and gas

price hikes in July 2013 were fully absorbed. The 12-month inflation rate declined further to 1.8% in June from 5.6% in December 2013, well below the central bank's target band of 2.5%-5.5%. As ADO indicates, inflation forecasts are retained for both 2014 and 2015, as expansionary fiscal policy, the easing of monetary conditions and a 10% electricity price increase in August 2014 are expected to exacerbate inflationary pressures during the second half of 2014.

Data show that the current account deficit narrowed markedly to 8.0% of gross domestic product (GDP) in 2013 from 11.1% in 2012, reflecting improvements in all components. However, slower economic growth in the Russian Federation—Armenia's largest trading partner and main source of remittances—has weakened the outlook for the external sector<sup>1</sup>.

According to the World Bank overview of Armenia, growth is expected to slow to 1.6% in 2015, before recovering to 2.3% in 2016.

<sup>1</sup> Asian Development Bank: Asian development outlook 2014 update. Asia in global value chains.

## NASDAQ OMX ARMENIA



The year 2014 can be named one of the most fruitful and active in the history of NASDAQ OMX Armenia.

**Konstantin Saroyan**  
Chief Executive Officer

The year 2014 can be named one of the most fruitful and active in the history of NASDAQ OMX Armenia (NOA). Starting from the beginning of the year a number of important events occurred. One of the most remarkable was the start to service transactions in foreign securities through the link with Clearstream banking Luxembourg.

In February, 2014 NOA held an important International Conference co-organized with EBRD and the Central Bank of Armenia. The conference aimed to stimulate further development of the financial infrastructure, and attract both issuers and investors of the Armenian capital market.

Starting with the listing and trading of IFC and EBRD bonds we recorded significant rise in corporate bonds and stock market volumes. Stock market saw more than 19 times increase of value traded and amounted to USD 60.58 million which exceeded the total value of past 13 years, since the establishment of stock exchange. Corporate bonds trading amounted to USD 10.17 million, performing more than 2 times increase compared with the previous year.

It is worth mentioning that last year, after continues work together with the Government and the Central Bank the Central Depository of Armenia (CDA), Daughter Company of NOA launched second pillar pension system in Armenia.

In December, 2014 CDA became a full member of the Association of National Numbering Agencies (ANNA). Since the partnership with ANNA in June, 2009 CDA has assigned more than 1400 identification numbers.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	14	15
Number of new listings	7	7
Capitalization (USD million)	152.2	157.69
<b>Trading</b>		
Value of shares trading (USD million)	3.68	60.58
Number of shares traded	555,819	259,775
Value of corporate bonds trading (USD million)	7.13	11.17
Number of corporate bonds traded	403,344	811,125
Value of government bonds trading (USD million)	37.21	71.54



**STARTING WITH THE LISTING AND TRADING OF IFC AND EBRD BONDS WE RECORDED SIGNIFICANT RISE IN CORPORATE BONDS AND STOCK MARKET VOLUMES.**



### ABOUT NASDAQ OMX ARMENIA

Established: 2001

Chairman: Henri Bergström

Address: 5b, Mher Mkrtchyan str., Yerevan 0010, Armenia

Contact name: Hasmik Salnazaryan

E: [hasmik.salnazaryan@nasdaqomx.am](mailto:hasmik.salnazaryan@nasdaqomx.am)

W: [www.nasdaqomx.am](http://www.nasdaqomx.am)



# AZERBAIJAN

## COUNTRY FACTS

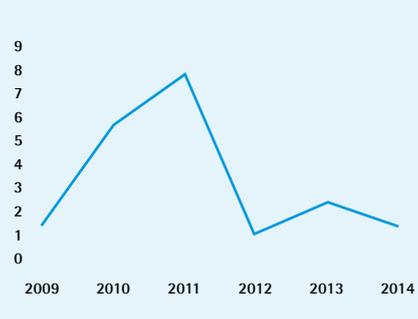
Country	Azerbaijan
Capital	Baku
Area (km <sup>2</sup> )	86,600
Population (million)	9.6
GDP (USD billion)	68.5
Currency	Azerbaijani Manat (AZN)
Exchange rate (1 USD)	0.7844
Time zone	GMT+4
Calling code	+994

## KEY CAPITAL MARKETS INFORMATION

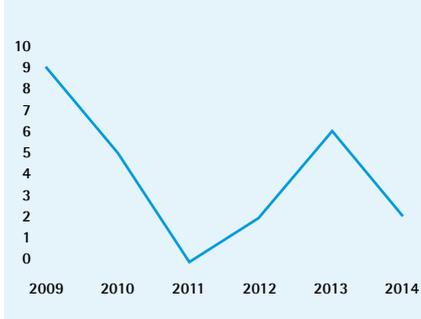
Legal	Special statutes within the law
Regulation	Self-regulated institution
Securities market regulations	Baku Stock Exchange (BSE) and State Committee for Securities of the Republic of Azerbaijan (SCS) regulations harmonized with the legislation
Trading rules	Trading rules existing in the BSE
Surveillance	BSE and SCS regulations harmonized with the legislation
Corporate actions	According to the BSE & SCS Regulations
Trading halts regulations	According to the BSE & SCS Regulations
Investor protection	According to BSE & SCS Regulations

## KEY ECONOMIC DATA

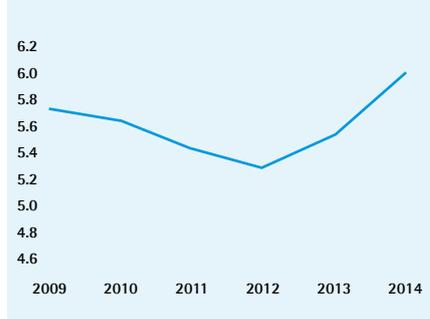
INFLATION (%)



GDP GROWTH (%)



UNEMPLOYMENT (%)



## BEST INTERNATIONAL EXPERIENCE

The year of 2014 was symbolical with the implementation of the Capital Market Modernization Project funded by the government of Azerbaijan, World Bank and State Secretariat for Economic Affairs of Switzerland (SECO) and managed by the State Committee for Securities of Azerbaijan Republic. The main objective of this 3-year project is to increase the use of equity and corporate debt as financing and/or investment instruments through the adoption of an effective capital markets regulatory framework and infrastructure. One of the main components of this project is Listing Advisory Programme. It is aimed at

increasing the demand for investment capital and/ or supply of investment opportunities and securities on the Baku Stock Exchange (BSE), as part of processes to build and deepen the capital markets in Azerbaijan. It aims to introduce companies and other potential issuers to the BSE and to the process and advantages of listing and using the stock exchange to raise long-term risk capital. Through LAP, we have prepared the interested companies to get introduced to capital markets as viable financing alternative, assisted with advisory services together with our partner companies, and consulted them for finding new financing resources. As a result of implementation of this program, within 1.5-2 years BSE will have increased the number of listed companies to 12.

“  
**THE YEAR OF 2014 WAS SYMBOLICAL WITH THE IMPLEMENTATION OF THE CAPITAL MARKET MODERNIZATION PROJECT.**  
 ”

## BAKU STOCK EXCHANGE



2014 has been a positive year in terms of the trading volumes and development in the corporate sector.

Fariz Azizov  
Chairman of Baku Stock Exchange

Significant quantitative and qualitative results were achieved on the capital market of the country in 2014. First, it has been a positive year in terms of the trading volumes and development in the corporate sector. The BSE has ended the last year with AZN 12,930 million of total turnover.

Secondly, trading platform of derivative financial instruments began operating on July 21. As a result, the volume of transactions on commodity and foreign currency derivatives reached AZN 4.3 billion within six months. This is one-third of the total volume of transactions on the securities market.

Third, we were able to finally launch the liquidity mechanisms on the secondary market and competitive pricing on the exchange trading. This means that we created a market making institution in 2014. The number of financial instruments provided with liquidity reached 13 in 2014.

As a result, the liquidity of these securities and the demand for them increased on the secondary market, and subsequently on the primary market, especially on the corporate securities market. As a result, transactions in this market segment increased by 2.2 times.

Until 2014, the income of BSE was mainly formed due to the transactions with the state securities, including repo transactions and reverse repo with notes of the Central Bank of Azerbaijan. Starting from 2014, the transactions of the private corporate sector began to dominate and reached two-thirds of the transactions in the securities market.

Transactions with bonds have also started in the stock market for financing such regional projects as Southern Gas Corridor. This was the first time not only in Azerbaijan's but also in the region's capital markets when such a large regional project was

financed with the financial instruments that were issued in the regional platform of the financial markets.

Although such external economic factors like drop in oil prices by more than half within several months and recent devaluation of local currency manat inevitably affected us and have led to significant decrease in our income, we possess quite a serious financial and institutional platform to resist the challenges. We have quite optimistic goals for 2015 towards which we are consistently moving. The improvement of the legislation and specific tax regime for transactions in the stock market, conducting debut IPO, the formation of the first stock index, the further development of the market maker institute, the expansion of trade in derivatives, etc. are among these goals.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2014	30.09.2015
<b>Companies and market capitalization</b>		
Number of listed companies	1	71
Domestic companies	1	64
Foreign companies	0	4
Number of new listings	0	3
Domestic market capitalization (USD million)	26,786,000	78,028,321.27
<b>Trading</b>		
Value of share trading (USD million)	1,312,607,985.51	7,885,643,845.41
Number of share trades (thousand)	5,477	2,068
Value of bond trading (USD million)	4,392,296,526.06	5,377,583,643.41
Number of bond trades (thousand)	0.483	0.5

“  
SIGNIFICANT QUANTITATIVE  
AND QUALITATIVE RESULTS  
WERE ACHIEVED ON THE  
CAPITAL MARKET OF THE  
COUNTRY IN 2014.”

### ABOUT BAKU STOCK EXCHANGE

Established: 2000  
Chairman: Fariz Azizov  
Address: Baku, Sabail, Bulbul 27  
Contact name: Nurana Heydarova  
E: nurana.heydarova@bse.az  
T: (+994 12) 498 98 20  
W: www.bfb.az



# BELARUS

## COUNTRY FACTS

Country	Belarus
Capital	Minsk
Area (km <sup>2</sup> )	207,600
Population (million)	9.48
GDP (USD billion)	75.9 (31.12.2014)
Export of goods and services to GDP	61%
Currency	Belarusian Ruble (BYR)
Exchange rate (1 USD)	11,900
Time zone	GMT+3
Calling code	+375

## KEY CAPITAL MARKETS INFORMATION

Legal status of BCSE	Open joint-stock company
Main shareholder	National Bank of the Republic of Belarus
Securities market regulator	Securities Department of the Ministry of Finance
Settlement depository	RUE "Republican Central Securities Depository"
Other exchanges	OJSC "Belarusian Universal Commodity Exchange"

## KEY ECONOMIC DATA

CAPITALIZATION/GDP (%)



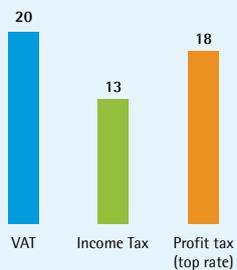
INFLATION (%)



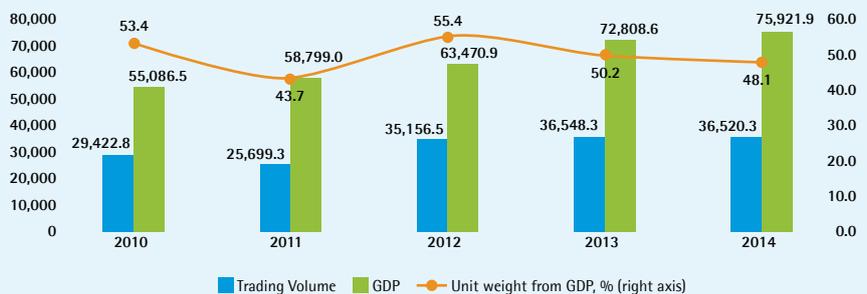
REFINANCING RATE (%)



GENERAL TAXATION RATES (%)



BCSE TOTAL TRADING VOLUME AND BELARUSIAN GDP DYNAMICS FOR 5 YEARS, (USD MILLION)



## KEY SOLUTIONS OF THE GOVERNMENT ON THE SECURITIES MARKET DEVELOPMENT

- Tax liberalization for operations in bonds;
- Simplification of bond issue procedure;
- Introduction of "exchange-traded bonds" as a separate type of bonds;
- Cancellation of the moratorium on free circulation of stocks since 2011;
- Transition to exchange market circulation for all stocks of open joint-stock companies;
- Municipal bond market formation

## BELARUSIAN CURRENCY AND STOCK EXCHANGE



The mission of the BCSE is to become the main power on the way of reforming the Belarusian organized financial market and to make it the basic source of investments for Belarusian enterprises.

Pavel Tsekhanovich  
Chairman

The mission of the BCSE is to become the main power on the way of reforming the Belarusian organized financial market and to make it the basic source of investments for Belarusian enterprises.

Main objective - formation of the highly efficient organized financial market in Belarus to meet the requirements of banks, professional participants of the securities market, investors and the state.

Up-to-date technologies, client orientation, outreach services are the defining factors to achieve this purpose.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	67	67
Domestic companies	67	67
Foreign companies	0	0
Domestic market capitalization (USD million)	3,688	574.8
<b>Trading in securities</b>		
Value of share trading (USD million)	57.3	46.6
Number of share trades (thousand)	7.0	5.8
Value of bond trading (USD million)	4,707.6	6,424.4
Number of bond trades (thousand)	3.4	3.7
<b>Other trading</b>		
Value of foreign currency trading (USD million)	31,771.3	30,044.3
Value of futures trading (USD million)	6.1	4.98
<b>Index (Government bonds)</b>		
GS/STB	436.11	22.49

### FUTURE OUTLOOK FOR 2015

- Introducing a "continuous double auction" mode for foreign currency trading
- Introducing new trading modes and instruments on the stock market
- Further development of BCSE website
- Elaborating standards for becoming a Settlement and Clearing Organization in order to introduce modern exchange technology and instruments used on the financial markets of the Eurasian Economic Union countries
- Upgrading hardware and software IT-platform

### FUNCTIONS OF THE BCSE

- Organization of exchange trading in foreign currencies, futures and securities
- Clearing Center in Belarusian settlement clearing system
- Depository functions for corporate securities
- Registration of all types of OTC transactions in corporate securities using the electronic system IQS "The OTC Market"
- Information Center functions

### BCSE AIMS TO

- minimize risks and transaction charges from capital formation in the organized market;
- provide transparency of transactions;
- protect investors' legal rights and their interests;
- implement programs on financial resources formation necessary for their development;
- develop state monetary and credit policy market mechanisms;
- create necessary conditions for effective controlling functioning of the State

### INSTRUMENTS IN THE STOCK MARKET

- Government bonds of the Ministry of Finance
- Short-term bonds of the National Bank
- Mortgage bonds
- Investment bonds
- Municipal loan bonds
- Exchange-traded bonds
- Shares

### ABOUT BELARUSIAN CURRENCY AND STOCK EXCHANGE

Established: 1993

Chairman: Pavel Tsekhanovich

Address: 48a, Surganov str., 220013 Minsk  
Republic of Belarus

Contact name: Olga Blusson

E: [blusson@bcse.by](mailto:blusson@bcse.by)

W: [www.bcse.by](http://www.bcse.by)



## BULGARIA

### COUNTRY FACTS

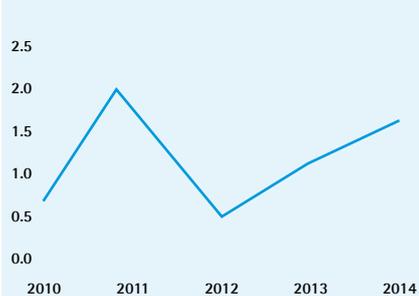
Country	Bulgaria
Capital	Sofia
Area (km <sup>2</sup> )	111,000
Population (million)	7.36
GDP (USD billion)	51
Currency	Bulgarian Lev (BGN)
Exchange rate (1 USD)	1.6035
Time zone	GMT+2
Calling code	+359

### KEY CAPITAL MARKETS INFORMATION

Legal	Special status within the law
Regulation	Self-regulated and Financial Supervision Commission (FSC)
Securities market regulations	BSE-Sofia rules and FSC regulations harmonized with the EU legislation
Trading rules	Trading rules existing in BSE-Sofia rules
Surveillance	BSE-Sofia rules and FSC regulations harmonized with the EU legislation
Corporate actions	BSE-Sofia rules & EU regulations
Trading halts regulations	BSE-Sofia rules
Investor protection	BSE-Sofia rules & EU regulations

### KEY ECONOMIC DATA

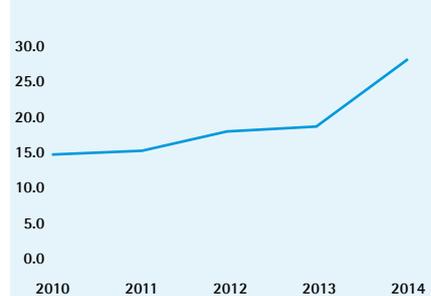
ANNUAL GDP GROWTH (%)



INFLATION (%)



GOVERNMENT DEBT/GDP (%)



“

**IN 2015 BSE-SOFIA LAUNCHED A NEW PROJECT TOGETHER WITH 19 OF THE STOCK EXCHANGE MEMBERS: EQUITY DAY.**

”

### IMPROVING THE INVESTMENT CULTURE IN BULGARIA EQUITY DAY

In 2015 BSE-Sofia launched a new project together with 19 of the stock exchange members, aiming at improving the investment culture and increasing the knowledge of equity instruments as a form of investment. The initiative, called Equity Day provides for retail investors the opportunity to trade free of all charges for up to 15 executed orders, EUR 1000 each. This year it was held on June 10th and was a major success. The number of executed orders increased more than twice in comparison with the YTD daily average, much of which could be attributed precisely to individual investors. Given the broad support that we received from our members and its good acceptance by the investors, BSE-Sofia plans to hold an Equity Day every year.

### STUDYING AND SCREENING POTENTIAL ISSUERS IPO PROJECT

Aiming at more listings on the exchange in the mid-run, BSE-Sofia started a very comprehensive project for studying and screening thousands of private companies in 2015. By analyzing all available sources of public data about all major non-listed business enterprises in Bulgaria BSE-Sofia managed to select those that may reasonably need non-banking financing for their activities. After a careful review of the shortlisted potential issuers, the Exchange has conducted detailed financial and non-financial analysis of the target companies, to which management in person BSE-Sofia could present the growth potential for their companies via capital market's funding.

## BULGARIAN STOCK EXCHANGE



In 2014, all main indices of the BSE remained on positive territory throughout the year, registering slight increase at the end of the 12-month period.

Ivan Takev  
CEO

The year 2014 was a challenging one for the Bulgarian Stock Exchange. From a financial point of view Bulgaria went through a very difficult period - the political instability and banking sector turbulence had a negative impact on investors' confidence, especially in the second half of the year. Liquidity on the stock market was very low and trading volumes fell by 50% compared to 2013. Nevertheless, all main indices of the BSE remained on positive territory throughout the year, registering slight increase at the end of the 12-month period.

Bulgarian stocks started 2015 on a positive note. The ruling government coalition seems stable, the country economic performance is improving and investors' confidence is returning. Financial analysts believe there is a significant upside potential in the local stock market and that the recovery from the previous crisis years will continue.

The Bulgarian Stock Exchange will continue with its efforts to attract new, well-performing companies for listing. The upcoming IPO of the leading software company Sirma Group Holding will send positive signals to the investors. The

intended privatization of larger state-owned energy companies through the stock exchange would surely give the market new momentum and catch the attention of global institutional investors.

On a regional level the Bulgarian Stock Exchange will further promote the co-operation with all the exchanges in South-East Europe. A good example of fruitful partnership is the EBRD financed project whose objective is the creation of a common regional infrastructure for trading of securities, listed on the Bulgarian, Macedonian and Zagreb stock exchanges.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	381	372
Domestic companies	381	372
Foreign companies	0	0
Number of new listings	8	2
Domestic market capitalization (USD million)	6,972	6,084
<b>Trading</b>		
Value of share trading (USD million)	873	399
Number of share trades (thousand)	81	107
Value of bond trading (USD million)	143	101
Number of bond trades	492	433
<b>Index</b>		
SOFIX	491.52	522.1



**THE BULGARIAN STOCK EXCHANGE WILL CONTINUE WITH ITS EFFORTS TO ATTRACT NEW, WELL-PERFORMING COMPANIES FOR LISTING.**



### ABOUT BULGARIAN STOCK EXCHANGE

Established: 1991

CEO: Ivan Takev

Address: 6 Tri ushi Str., floor 5, 1000 Sofia, Bulgaria

Contact name: Panteley Karassimeonov

E: [bse@bse-sofia.bg](mailto:bse@bse-sofia.bg)

W: [www.bse-sofia.bg](http://www.bse-sofia.bg)



BULGARIAN  
STOCK EXCHANGE  
SOFIA



# CROATIA

## COUNTRY FACTS

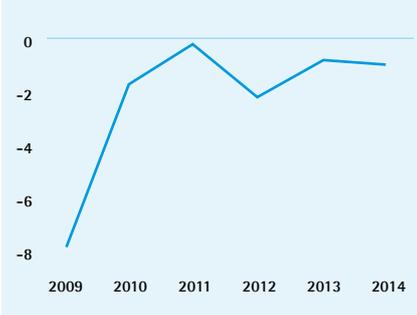
Country	Croatia
Capital	Zagreb
Area (km <sup>2</sup> )	56,594
Population (million)	4.2
GDP (USD billion)	57.3
Currency	Croatian Kuna (HRK)
Exchange rate (1 USD)	6.3021
Time zone	GMT+ 2
Calling code	+385

## KEY CAPITAL MARKETS INFORMATION

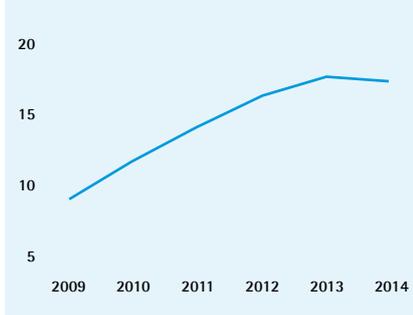
Legal	Special rules within the law
Regulation	Self-regulated institution
Securities market regulations	ZSE rules and Croatian Financial Services Supervisory Agency regulations harmonized with EU legislation
Trading rules	Trading rules existing in the ZSE rules
Surveillance	ZSE rules and Croatian Financial Services Supervisory Agency regulations harmonized with EU legislation
Corporate actions	According to the ZSE rules and EU regulations
Trading halts regulations	According to the ZSE rules
Investor protection	According to the ZSE rules and EU regulations

## KEY ECONOMIC DATA

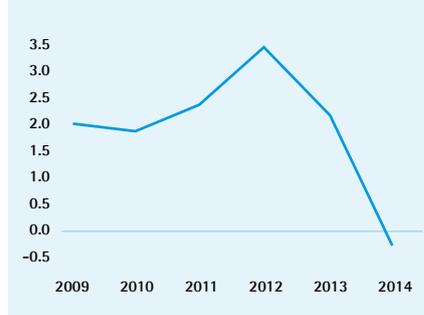
### GDP GROWTH (%)



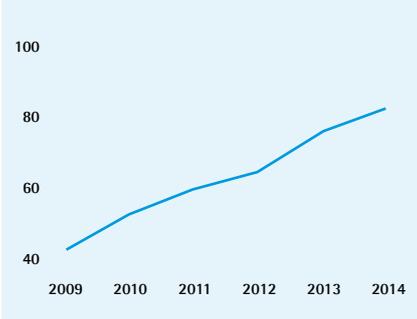
### UNEMPLOYMENT (%)



### INFLATION (%)



### DEBT/GDP RATIO (%)



## 2014 OVERVIEW

### 2014 trading at the level of the previous year

Trading on the Zagreb Stock Exchange in 2014 was to a large extent at the level of the previous year: order book trading in shares was of almost identical in turnover, trading in structured products halved while turnover in order book bond trading improved 65.1%. Ultimately, total turnover exceeded that of the year earlier by 2.4%, with order book trading volume up 10.8% and total market capitalisation growing 10%. Bonds had the largest share in this growth after rising 17.2% through the year, while the market capitalisation of bonds rose 6.1% and of structured products 24.8%.

Of the total 2014 turnover, share trading accounted for 79.2%, bonds for 18.4% and structured products for 2.5%.

### CROBEX Total Return index introduced

Indices had a varied performance: The CROBEX suffered a correction by -2.7% even though it had vaulted over the level of 1,900 points in the course of the year, representing growth by almost 6% over the end of 2013 at the time. The CROBEX Total Return was introduced in February 2014 as the ninth ZSE index and it includes dividend payment of its constituents: it recorded a minor 0.6%-percent advance, indicating that investment in shares did not have a negative return in 2014 after all. Also, the CROBEX10 rose 1.2%. Among other indices, the CROBEXtulist should be noted for its advance by as much as 79.1%. That index embarked on the year with just two constituents only to end it with as many as six.

### SEE LINK project - connecting markets

The SEE LINK project of regional trading integration of Zagreb, Bulgarian and Macedonian exchanges was launched in July 2014, with a joint stock company domiciled in Macedonia established for that purpose. The goal of this project is to create regional infrastructure necessary to enable trading in shares of the companies listed on the three exchanges. The European Bank for Reconstruction

and Development provided a grant to help set up a technical solution of an IT platform which would facilitate order routing, and the project is planned to be implemented in the beginning of 2016.

An agreement on data vending with the Vienna Stock Exchange was signed in October 2014, making the Zagreb Stock Exchange a member of the network supplying price information and master data from 13 markets to international clients via a single interface. This cooperation is in line with long-term goals of increasing visibility of the local and regional capital market, and facilitating access to foreign investors.

Furthermore, in cooperation with the Central Depository and Clearing Company, a shorter settlement cycle (T+2) was introduced. The year 2014 was also marked by several important international events: the first joint investment conference of the Ljubljana and the Zagreb Stock Exchange was organised in Zagreb in May, featuring 150 one-on-one meetings held in a single day.

The third joint conference of the Exchange and investment fund industry entitled "The Challenge of Change" was held in Rovinj in October with more than 350 local and foreign participants and 23 distinguished speakers. The Zagreb Stock Exchange also hosted 20th Annual Meeting of the Federation of Euro-Asian Exchanges.

## ZAGREB STOCK EXCHANGE



We will continue to strive towards improving the corporate governance level and enabling further education of issuers as well as improving capital market efficiency so that it may yield new successful investment projects, listings and privatisation.

Ivana Gazic  
President of the Management Board

Stagnation in the Croatian capital market has extended beyond our expectations. Nevertheless, the very fact that trading indicators for the past few years have shown a relatively even course, without sharp declines, can be a reason for optimism.

In the political sense, the year 2015 will be marked by elections, so certain deviations from the course centred on relevant economic topic may be

expected, further hindering vital changes that need to be introduced in the economy and financial system changes.

However, hoping that the economic indicators will recover, we will continue to strive towards improving the corporate governance level and enabling further education of issuers as well as improving capital market efficiency so that it may

yield new successful investment projects, new listings and privatisation.

Hopefully, that may stimulate greater government involvement in the revival of both the economy and capital market, which needs to be assigned an adequate position and role in the country's economy to help generate growth.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	152	165
Domestic companies	n/a	n/a
Foreign companies	n/a	n/a
Number of new listings	2	0
Domestic market capitalization (USD million)	20,027	21,441
<b>Trading</b>		
Value of share trading (USD million)	429	489
Number of share trades (thousand)	32,805	40,354
Value of bond trading (USD)	59,004	40,646
Number of bond trades (thousand)	73,434	67,232
<b>Index</b>		
CROBEX	1,745.44	1,794.28
CROBEX10	1,007.14	994.85
CROBEXplus	940.18	987.83
CROBEXtr®	1,009.78	1,003.99



**IN MAY 2014, EUROMONEY FINANCIAL MAGAZINE AWARDED THE PRESTIGIOUS TITLE OF THE BEST FINANCIAL EXCHANGE IN CEE TO THE ZAGREB STOCK EXCHANGE IN THE CATEGORY OF BEST MANAGED COMPANIES IN CEE.**



### ABOUT ZAGREB STOCK EXCHANGE

Established: 1991

Chairman: Ivana Gazic

Address: Ivana Lucica 2a, 10000 Zagreb, Croatia

Contact name: Sanda Kuhtic Nalis

E: sanda.kuhtic@zse.hr

W: www.zse.hr



# EGYPT

## COUNTRY FACTS

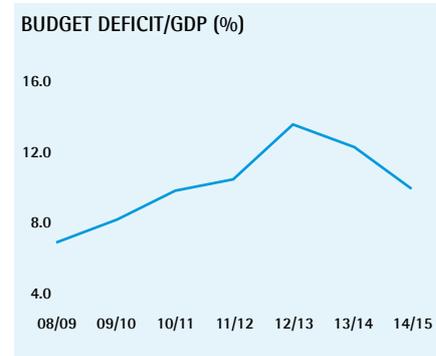
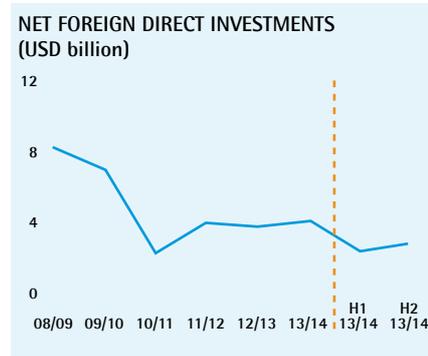
Country	Egypt
Capital	Cairo
Area (km <sup>2</sup> )	1,001,450
Population (million)*	86.7
GDP (USD billion)	287
Currency	Egyptian Pound (LE)
Exchange rate (1 USD)	7.14
Time zone	UTC/GMT+2 hours
Calling code	(+20)

\* Excluding Egyptians living abroad

## KEY CAPITAL MARKETS INFORMATION

Legal	Special status within the law
Regulation	Semi self-regulatory organization
Securities market regulations	Egyptian Financial Supervisory Authority (EFSA)
Trading rules	Shared regulatory responsibility
Surveillance	Yes (MilleniumIT surveillance system)
Corporate actions	Yes
Trading halts regulations	Yes
Investor protection	Yes

## KEY ECONOMIC DATA



## KEY HIGHLIGHTS OF THE YEAR

### Improvements in the Disclosure & Governance Levels

The year 2014 has witnessed significant structural developments regarding investors' protection, starting the year with new listing & disclosure rules to ensure more investors' protection & to move toward a wider application of corporate governance rules. The year also witnessed a strategic move made by EGX management in dealing with a number of crises facing the market, by enforcing the company to disclose more about its financial & operational.

### Contributing in Improving Egypt's Investment Climate

The World Bank and the International Finance Corporation (IFC) annual 2014 Doing Business report showed an improvement in Egypt's ranking, moving forward by one place. Despite the decline of Egypt's ranking in some indicators that are used in the assessment, this has been offset by getting a high score in minority investor protections indicator, rising up by 18 points.

### International Community Praises EGX

EGX has attained an impressive international recognition and appreciation during the Year 2014, on top of that came choosing EGX as the Most Innovative Stock Exchange in Africa for the Year 2014. This was followed by the intense movements of EGX to grab the post of the President of the Federation of Euro-Asian Stock Exchanges (FEAS). EGX has ended the year with a new appreciation of African stock markets, electing EGX-for the third time in a row- as a member of the Executive Committee of ASEA.

### Deepening the Legislative & Regulatory Infrastructure

The year 2014 has witnessed many of the legislative & regulatory developments, which targeted the development and improvement of the trading environment in the Egyptian Exchange, starting the year with the issuance of the new listing & disclosure rules to ensure more investors' protection and a wider application of corporate governance as well.

### EGX Effective and Significant Contribution in the Economic Growth

Within the framework of EGX continued efforts to support the Egyptian economy through providing necessary funds for companies, helping them to expand and grow, the capital increases surged dramatically in 2014, jumping to LE 9.3 billion, the highest record since 2011. Additionally, EGX has approved the capital increases of other companies, with a total value of LE 2.5 billion.

From another perspective, the number of companies that have already increased their capital or admitted for capital increase & attained the approval has reached 72 companies during the year 2014.

### Extensive Promotional Activities & EGX First IPO Summit

EGX promotional strategy has been shifted significantly during this year toward intensive promotional activities to attract solid companies to get listed. EGX has also worked on changing the perception the business community has about the Egyptian market. On the other hand, EGX organized for the first time the EGX IPO Summit to give the companies a better insight about listing and its benefits.

## EGYPTIAN EXCHANGE



Market capitalization jumps during 2014 to its highest level in five years.

Dr. Mohammed Omran  
Chairman

In a year that full of challenges whether internal, external, political & economic challenges, EGX has continued to reinforce and improve its position and was able to exhibit strong performance in 2014.

Undoubtedly, the year 2014 is considered "The Egyptian Exchange Year". Our market indices surged noticeably, pushing the Egyptian market to come as one of the best performers compared to the world's markets as per Morgan Stanley indices. Additionally, EGX registered high trading records; the market capitalization has surpassed LE 500 billion during the year 2014, reaching its highest level since 2009. The market has also witnessed increasing liquidity levels, whereby the trading

volume has jumped to 57 billion securities; the highest -ever in EGX history. On the other hand, at the end of the year, Fitch raised Egypt's credit rating for the first time since 2011, which is considered a good sign of Egypt's economic recovery, indicating its ability to return back to its former strength, given the continued economic development and modernization programs & political stability.

The capital increases and IPOs have also witnessed vigorous upsurge during the year, which came within the framework of our continued efforts in supporting the Egyptian economy through providing necessary funds for companies, helping them to expand and grow.

On the international front, EGX has attained an impressive international recognition and appreciation during the year 2014, attaining several international positions, which come within the framework of our plan to restore Egypt's prominence regionally & internationally.

We're very satisfied with what we have achieved and the challenges we have faced, it's been a tough ride no doubt but we are looking forward to more achievements in the coming years.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Market capitalization (USD million)	70,181	61,713
Number of traded companies	231	227
Number of listed companies	247	236
Domestic companies	246	235
Foreign companies	1	1
Number of new listings	13	9
<b>Trading</b>		
Total value traded (USD million)	40,726	23,331
Total volume traded (million)	57,229	29,190
Total number of transactions (thousand)	7,327.12	4,790.28
Turnover ratio (%)*	38	21
<b>Index</b>		
EGX 30 Index (Main index)	8,926.58	6,782.84

\* for the main market (after excluding deals)



**THE RESULT OF THE GOOD MARKET PERFORMANCE, THE MARKET CAPITALIZATION HAS SURPASSED LE 500 BILLION DURING THE YEAR 2014, REACHING ITS HIGHEST LEVEL SINCE 2009.**



### ABOUT THE EGYPTIAN EXCHANGE

Established: 1883

Chairman: Dr. Mohamed Omran

Address: 4A, El Sherifien St., Postal Code 11513

P.O. Box 358 Mohamed Farid, Downtown, Cairo

Contact name: Sara Magdy

E: sara.magdy@egx.com.eg

W: www.egx.com.eg



# IRAN

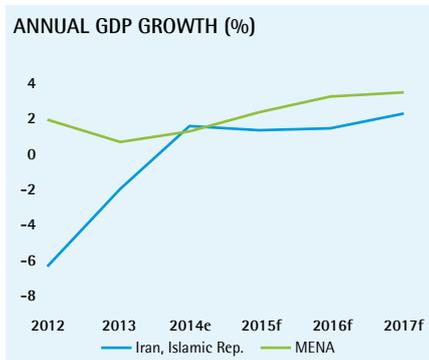
## COUNTRY FACTS

Country	Iran
Capital	Tehran
Area (million km <sup>2</sup> )	1.65
Population (million)	78.2
GDP	USD 401.2 billion
Currency	Iranian Rial (IRR)
Exchange rate (1 USD)	27,238
Time Zone	GMT+3.5
Calling Code	+98

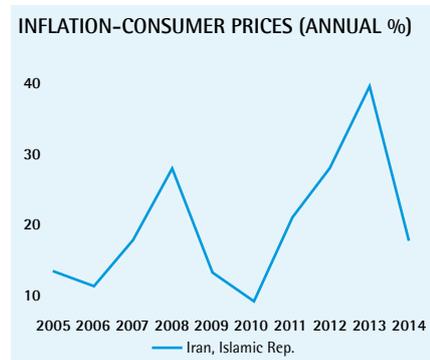
## KEY CAPITAL MARKETS INFORMATION

Regulation	Self-regulated institution
Market regulator	Securities and Exchange Organization (SEO)
Trading hours	8:30-9:00 (Pre-opening); 9:00-12:30 (Trading)
Trading days	Saturdays to Wednesdays
Foreign investment	Allowed
Foreign ownership	Each foreign investor: 10%
Total foreign investors: 20% of any listed company	Yes
Daily price fluctuation	±5%

## KEY ECONOMIC DATA



Forecast (2014, 2015, 2016, 2017)



Data from World Bank



Data from World Bank

**“ ANTI- INFLATIONARY POLICY OF THE NEW GOVERNMENT IN 2013-2014 LED TO THE DECLINE OF THE INFLATION AND THE REAL ECONOMIC GROWTH IS POSITIVE AFTER TWO YEARS BEING IN RED. ”**

## ECONOMY

Iran has the second and the fourth largest natural gas and oil resources respectively, and holds 1st, 12th and 13th largest mineral resources of zinc, manganese and steel, as well as 2nd, 11th and 12th reservoirs of copper, lead and iron in the world. This is a prominent country regarding agricultural products and remarkably supplies pistachio, saffron, date and caviar with renowned standards, and is also the 8th largest producer of fruits in the world. Moreover, the country is among 7 top outperformers of nanotechnology.

Anti-inflationary policy of the new government in 2013-2014 led to the inflation's decline to 17.2%, much less than its previous period (29.6%), and the real economic growth is positive (2.6%) after two years being in red.

During 2014, the payments balance was positive and stood at 6.4% of GDP, which was less than its previous period (7.8%). The decrease in petroleum exports and increase in goods imports was the main reason behind this situation.

The foreign debts decreased to about USD 5,527 million. The unemployment rate at the end of 2014 was around 10.5%. The exchange rates were stable during 2014, and each dollar was trading at almost IRR 27,000 by the Central Bank. However, the market rate was above IRR 32,000 level, and the government has planned to drive its policies towards a single exchange rate in 2015.

The administration has taken some steps based on the improved perspective of the Iranian economy, including providing more independence to the central bank, reforming the country's taxing regime, stabilizing the exchange rate, reducing inflation, offering the "package of anti-inflation to get out of recession", reestablishing the Management and Planning Organization, and opening the petroleum sector, as well as others to foreign investors.

## IRAN FARA BOURSE



In 2014 in spite of sanctions against Iran, IFB as a young Stock Exchange in Iran continued its major role in supporting the Iranian economy through providing the required financing for companies to expand and grow.

Amir Hamooni  
CEO

In 2014 in spite of sanctions against Iran, IFB as a young Stock Exchange in Iran continued its major role in supporting the Iranian economy through providing the required financing for companies to expand and grow.

In the 6th year of operation, IFB accomplished noteworthy projects including launching Intellectual Property Market where IP terms such as inventions, trademarks, industrial designs, etc can be traded and also launching Construction Fund to gather small and big savings to allocate for the specific construction projects.

In 2015 the IFB will focus on the following activities:

- Launch of a separate board for SMEs;
- Launch of VC and PE, Gold Fund, Charity Fund;
- Issuance of Islamic Treasury Bills at Ministry of Economic Affairs & Finance via IFB;
- Selling incomplete projects of government through IFB auction market;
- Exploring possibilities for introducing new debt instruments like Repos to the market;
- Exchange trading the EDALAT Stock;
- Increase of trading hours and days at Modern Financial Instruments Market;

- Creating new indices;
- Seek more cooperation with stock exchanges worldwide, with the aim of exchanging information and expertise;
- Pursuing strategic partnerships in different areas with stock exchanges, financial entities and technology providers;
- Developing the bank network connected to online trading platform of IFB;

I highly appreciate our shareholders, customers and partners for their confidence and support in the development of our projects.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	96	126
Domestic companies	96	126
Foreign companies	0	0
Market capitalization of listed companies (USD million)	29,254	23,548
Market capitalization of all IFB markets (USD million)	40,975	34,803
<b>Trading</b>		
Trading value of listed shares (USD million)	5,500	3,468
Trading value of unlisted shares (USD million)	2,082	2,846
Trading volume of listed shares (thousand)	21,874,549	22,682,854
Trading volume of unlisted shares (thousand)	17,371,526	28,560,240
Trading value of fixed-income instruments (USD million)	2,813	4,679
Trading volume of fixed-income instruments (thousand)	69,586	126,045
<b>Index</b>		
IFX	817	776

(USD 1= IRR 27,138 - December 2014)

(USD 1= IRR 24,774 - December 2013)



**IN THE 6TH YEAR OF OPERATION, IFB ACCOMPLISHED NOTEWORTHY PROJECTS INCLUDING LAUNCHING INTELLECTUAL PROPERTY MARKET.**



### ABOUT IRAN FARA BOURSE

Established: 2008  
 CEO: Amir Hamooni  
 Address: No.1, North Didar St., Haghani Hwy, Tehran, Iran  
 Contact name: Mehrnaz Najafi  
 E: Najafi@ifb.ir  
 Tel: +98 (21) 42150323  
 W: www.ifb.ir



## IRAN MERCANTILE EXCHANGE



The major objectives for the upcoming years are to securitize IME and then create novel instruments and markets so that we can, on the one hand, add diversity to the current instruments and, on the other hand, manage the potential risks for the participants.

Dr. Hamed Soltani Nejad  
CEO

As the new CEO of Iran Mercantile Exchange (IME), I would like to greet all the members of FEAS and I hope that IME stands out in terms of its participation in FEAS. Developing international cooperation and relations with our foreign counterparts is on the agenda of our company and we will do our best to turn our international activities into practice. Iran Mercantile Exchange, starting its activities since 2007, has become one of the main entities in the capital market. IME's main mission is to create mechanism required

for the formation of organized markets for a fair and transparent price discovery in a competitive context. This company, enjoying almost 8 years of experience, is an appropriate underpinning for trading more than 185 basic commodities in metals and minerals, oil and petrochemicals, as well as agricultural groups in form of cash, credit and forward contracts in spot and secondary markets. Moreover in this exchange, derivative contracts including gold coins, cumin seed and soybean meal futures contract, besides iron ore standard parallel

forwards are ongoing. The major objectives for the upcoming years are to securitize IME and then create novel instruments and markets so that we can, on the one hand, add diversity to the current instruments and, on the other hand, manage the potential risks for the participants.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	345	380
Domestic companies	271	295
Foreign companies**	74	85
<b>Trading</b>		
Total trading value (USD million)*	14,842.9	14,601.0
Domestic trading floor (USD million)	12,834.0	12,842.6
International trading floor (USD million)	2,008.9	1,758.4
Total trading volume (KT)	24,564	23,527
Domestic trading floor	18,869	18,863
International trading floor	5,695	4,664

\* CBI Currency Exchange Rate on 16 June 2015: IRR 29.050

\*\* Foreign Companies Products are listed by local traders.



**DEVELOPING INTERNATIONAL COOPERATION AND RELATIONS WITH OUR FOREIGN COUNTERPARTS IS ON THE AGENDA OF OUR COMPANY AND WE WILL DO OUR BEST TO TURN OUR INTERNATIONAL ACTIVITIES INTO PRACTICE.**



### ABOUT IRAN MERCANTILE EXCHANGE

Established: 2007  
Chairman: Hossein Panahian  
Address: No.351, Taleghani Ave.,  
Tehran, Iran  
Contact name: Farhad Morsali  
E: international@ime.co.ir  
Tel: +9821 85641024,28  
W: www.ime.co.ir



## TEHRAN STOCK EXCHANGE



Several measures were taken in order to increase liquidity at Tehran Stock Exchange for initial public offerings, launching new instruments and removing some of the trading limitations.

Hassan Ghalibaf Asl  
Chief Executive Officer

Iran's economy, in general and Tehran Stock Exchange, more specifically had fluctuating developments in 2014.

Based on international forecasting institutes, Iran's GDP is forecasted to grow about 1% in 2015; moreover, the country's ranking in political stability, anticorruption activities and economic liberalization upgraded last year.

Several measures were taken in order to increase liquidity at Tehran Stock Exchange for initial public offerings, launching new instruments and removing some of the trading limitations. During the last

year, 4 new companies were listed at the Exchange and 3 companies were transferred to TSE from the junior Exchange, Iran Fara Bourse.

Among different instruments, equities, single stock futures, embedded put options, mutual funds and ETFs units, as well as CDs and Sukuks are tradable at Tehran Stock Exchange, and investors have the option to buy/sell with their on-line trading access.

This is still hoped that the recent studies in the market will help encourage the regulators to curb more trading restrictions in 2015.

The required approvals have been issued to launch the stock option market, which should be equipped with new trading engine before establishment.

The country's expecting and promising international cooperation have considerably grown foreign investment disposition to Iran's capital market. It is envisaged that once the deal is made, potential investors will be able to practically participate in our market.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	314	315
Domestic companies	314	315
Foreign companies	-	-
Market capitalization (USD billion)	173	117
<b>Trading</b>		
Value of share trading (USD million)	35,029	23,972
Number of share trading (million)	174,040	166,767
Index (TEDPIX)	87,452	68,973



**THE COUNTRY'S PROMISING INTERNATIONAL COOPERATION HAVE CONSIDERABLY GROWN FOREIGN INVESTMENT DISPOSITION TO IRAN'S CAPITAL MARKET.**



### ABOUT TEHRAN STOCK EXCHANGE

Established: 1968  
Chairman: Mohamad Ebrahim Pourzarandi  
Address: 192, Hafiz Avenue, Tehran, 1138964161 Iran  
Contact name: Hamid Rouhbakhsh  
E: [int@tse.ir](mailto:int@tse.ir)  
Tel: +98 (21) 6673 0776  
W: [www.tse.ir/en](http://www.tse.ir/en)



# IRAQ

## COUNTRY FACTS

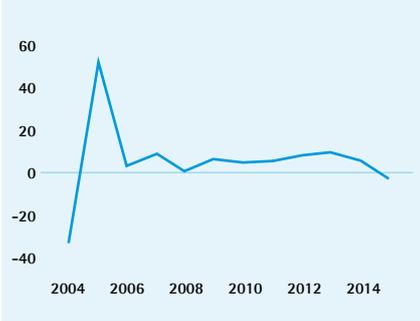
Country	Iraq
Capital	Baghdad
Area (km <sup>2</sup> )	438,466
Population (million)	29.7
GDP (USD billion)	222.88
Currency	Iraqi Dinar (IQD)
Exchange rate (1 USD)	1,200
Time Zone	GMT+3
Calling code	+964

## KEY CAPITAL MARKETS INFORMATION

Legal	Special statutes within the law
Regulation	Self-regulated organization
Securities market regulations	Iraqi securities
Trading rules	ISX trading rules
Surveillance	ISX & ISC regulation
Corporate actions	According to ISC regulation
Trading halts regulations	According to ISC regulation
Investor protection	According to ISX & ISC regulation

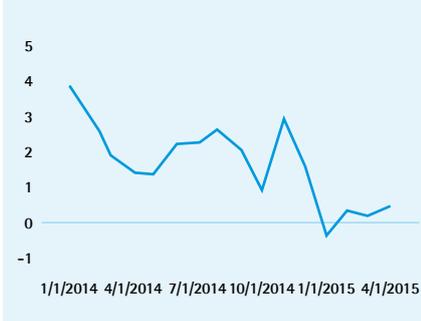
## KEY ECONOMIC DATA

### GDP ANNUAL GROWTH (%)



Source: Central Bank of Iraq

### INFLATION (%)



## IRAQ GDP 1960-2015

The Gross Domestic Product (GDP) in Iraq was worth USD 222.88 billion in 2013. The GDP value of Iraq represents 0.36% of the world economy. GDP in Iraq averaged USD 42.58 billion from 1960 until 2013, reaching an all-time high of USD 222.88 billion in 2013 and a record low of USD 1.70 billion in 1960. GDP in Iraq is reported by the World Bank Group

## IRAQ GDP ANNUAL GROWTH RATE 1991-2015

The Gross Domestic Product (GDP) in Iraq contracted 2.40% in 2014 from the previous year. GDP Annual Growth Rate in Iraq averaged 7.71% from 1991 until 2014, reaching an all-time high of 54.16% in 2004 and a record low of -56.40% in 1991. GDP Annual Growth Rate in Iraq is reported by the Central Bank of Iraq.

## IRAQ INFLATION RATE 2005-2015

The inflation rate in Iraq was recorded at 0.50% in April of 2015. Inflation Rate in Iraq averaged 13.70% from 2005 until 2015, reaching an all-time high of 76.55% in August of 2006 and a record low of -6.37% in October of 2009. Inflation Rate in Iraq is reported by the Central Bank of Iraq.

## IRAQ GOVERNMENT DEBT TO GDP 2004-2015

Iraq recorded a Government Debt to GDP of 37.02% of the country's Gross Domestic Product in 2014. Government Debt to GDP in Iraq averaged 106.60% from 2004 until 2014, reaching an all-time high of 334.85% in 2004 and a record low of 32.10% in 2013. Government Debt to GDP in Iraq is reported by the Central Bank of Iraq.

## IRAQ EMPLOYED PERSONS 1994-2015

The number of employed persons in Iraq increased to 924397 in 2001 from 880756 in 2000. Employed Persons in Iraq averaged 870725.33 from 1994 until 2001, reaching an all-time high of 924397 in 2001 and a record low of 831523 in 1994. Employed Persons in Iraq is reported by the Central Statistical Organization Iraq (COSIT).

## IRAQ STOCK EXCHANGE



Iraq Stock Exchange aims encouraging savings by listing companies.

**Taha A. Abdulsalam**  
Chief Executive Officer

Iraq Stock Exchange was established under the law No. (74) Issued on April 18, 2004 and officially opened on June 24 2004. It is an independent self-regulatory organization administratively and financially non-profit owned by the members. Subject to the supervision of the Iraqi Securities Commission (ISC) and operates in accordance with the instructions and rules issued by the market itself and to the rules of procedure.

### 1- Aims

Iraq Stock Exchange Foundation is a non-profit, self-regulated organization (SRO) administratively and financially independent owned by the members. Its dealings are commercial and does not contradict with the temporary law (which is permanent when approved), the internal regulation of ISX and the instructions issued by ISC, subject to the censorship of ISC.

#### Aims:

- Regulates stocks trading, surveillance, financial clearing and equity settlement.
- Encourage savings by listing companies.
- Helping companies to build their capitals and disclosure their data and financial position.

**2- Regulates and monitors trading operations systematically for five trading sessions per week for listed companies - according to the instructions and rules of electronic trading.**

### 3- Trading Sessions

Trading sessions are organized according to the X-STREAM trading system for the regular market and the 2nd market. Traders are allowed to execute orders through the stations at ISX trading hall and at brokerage firms' headquarters. The execution instruction allowed the traders to buy no more than the Cap Formula as the system verifies the existence of deposited money and deposit shares.

## KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	83	83
Domestic companies	83	83
Foreign companies	-	-
Number of new listing	1	-
Domestic market capitalization (USD million)	9,563,333	7,955,000
<b>Trading</b>		
Value of share trading (USD)	2,371	751
Number of share trades (thousand)	743,852,399	871,182,103
Value of bond trading (USD)	-	-
Number of bond trades (thousand)	-	-
Index ISX 60	-	998.207

“  
IRAQ STOCK EXCHANGE HELPS COMPANIES TO BUILD THEIR CAPITALS AND DISCLOSE THEIR DATA AND FINANCIAL POSITION.  
”

### ABOUT IRAQ STOCK EXCHANGE

Established: 2004

CEO: Taha A. Abdulsalam

Address: Iraq - Baghdad - Al-Karada Al-Sharqia Al-Alwiya - near saidat Al-Nagat Church

Contact name: Zinah Hamza

E: info-isx@isx-iq.net

W: www.isx-iq.net



# JORDAN

## COUNTRY FACTS

Country	Jordan
Capital	Amman
Area (km <sup>2</sup> )	88,794
Populations(million)	6.7 (2014)
GDP(US\$ billion)	33.6 (2014)
Currency	Jordanian dinar (JD)
Time zone	GMT+2
Calling code	+962

## KEY CAPITAL MARKETS INFORMATION

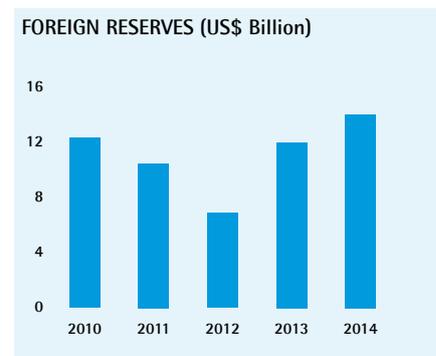
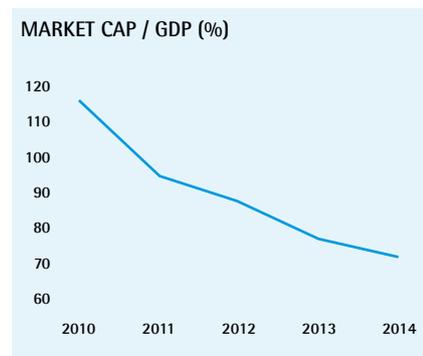
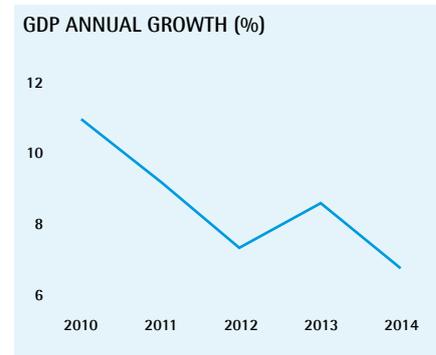
Legal	Special statues within financial and administrative autonomy
Regulation	Self- regulated institution
Regulator	Jordan Securities Commission (JSC)
Exchange	Amman Stock Exchange (ASE)
Securities market regulations	The Securities Law for the Year 2002, complemented by rules and regulations issued by JSC and ASE
Markets	<ul style="list-style-type: none"> <li>• Equity Market                             <ul style="list-style-type: none"> <li>- First Market</li> <li>- Second Market</li> <li>- Third Market</li> </ul> </li> <li>• Bond Market</li> <li>• Rights issues and funds</li> </ul>
Clearing and settlement	Delivery vs. Payment
Trading rules	They are accessible at <a href="http://www.ase.com.jo/en/trading-directives">www.ase.com.jo/en/trading-directives</a>
Surveillance	Using electronic system by the JSC Inspection Department and by the ASE Surveillance and Inspection Department
Corporate actions	Managed by issuer and disclosed on public disclosure platform, <a href="http://www.ase.com.jo/en/disclosures">www.ase.com.jo/en/disclosures</a>
Trading halts regulations	If it is necessary according to the trading directives (Articles 26 and 39)
Investor protection	Investor protection guarantee fund
Capital restrictions	There are no taxes on cash dividends and capital gains for foreign investors, and there are no restrictions on the transfer of funds.



**AT YEAR-END 2014, THE MARKET CAPITALIZATION OF LISTED SHARES AT THE ASE CONSTITUTED 75.8% OF THE GDP.**



## KEY ECONOMIC DATA



## AMMAN STOCK EXCHANGE



The ambitious strategic plan that the ASE adopted for the years (2016-2018) will surely give the ideal momentum to the ASE to maintain and sustain its position among the most successful exchanges in the Middle East.

Nader Azar  
Chief Executive Officer

In 2014, the ASE achieved a positive performance for the second consecutive year. The ASE free float price index increased by 4.82%. The market capitalization of listed shares at the ASE decreased by 0.8% compared with the closing of last year, constituting 75.8% of the GDP. The trading value for the ASE decreased by 25.2% reaching JD 2.3 billion compared with 2013.

In 2014 the ASE has witnessed a number of improvements. On the legislative level; the ASE reviewed, amended and issued several internal regulations and bylaws. The ASE has also applied the procedures issued by the Jordan Securities Commission for the year 2014 regarding the listed companies in the market, of which accumulated losses reach 50% or more of their capital. On the technical level; the ASE started a joint project with Muscat, Beirut and Tunisia stock exchanges aiming to upgrade their electronic trading system to a new version developed by the Euronext Technologies Company and an agreement was signed in this regard. This version is characterized by a variety of advanced technical and functional features.

In order to modernize the market according to international standards, increasing the ASE competitiveness, enhancing the investors' confidence in the market, and raising public awareness, the ASE is currently developing an ambitious strategic plan for the coming three years (2016-2018). The plan will include a number of projects such as:

- Transforming the legal status of the ASE to a for-profit public shareholding company.
- Upgrading the ASE classification in the MSCI Market classification from Frontier to Emerging Market
- Upgrading the trading system to a new version which will include variety of advanced technical and functional features;
- Implementing new surveillance system that will enable the ASE to monitor trading activities in the market on real time basis by providing early warning signs through the use of alerts;
- Implementing XBRL disclosure system in both Arab and English languages. It will improve transparency at the ASE.

- Motivating family businesses to go public and list their shares in the ASE.
- Organizing campaigns to raise public awareness including journalists, students, and other interested parties; and organizing road shows outside Jordan to introduce investment opportunities at the ASE.
- Calculating a branded index for the ASE;
- Motivate companies to issue bonds and Sukuk; and
- Establishing special markets, e.g. markets for new financial instruments and SMEs.

In 2016, the ASE is looking forward to complete its privatization and become a for-profit public shareholding company. This step will lead the ASE to have a clearer focus on the needs of customers; a fast and more effective approach in decision-making; flexibility to respond swiftly to changes in international business arena; a fully commercial basis of operation; an understanding of the needs of its stakeholders; and a better motivated staff.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of Listed Companies	240	236
Domestic companies	240	236
Foreign companies	0	0
Number of new Listings	2	3
Domestic Market Capitalization (US\$ million)	25,717.2	25,504.4
<b>Trading</b>		
Value of share trading (US\$ million)	4,269.8	3,192.4
Number of share trades (thousand)	1,074	956
Value of bond trading (US\$ million)	2.88	0.028
Number of bond trades	2,058	20
<b>Index</b>		
ASE 100 Index	2,065.8	2,165.5

### ABOUT AMMAN STOCK EXCHANGE

Established: 1999

Chairman: Marwan Batayneh

Address: Arjan Area, Near Ministry of Interior, Amman-Jordan

Contact name: CEO / Nader Azar

E: [info@ase.com.jo](mailto:info@ase.com.jo)

W: [www.exchange.jo](http://www.exchange.jo)



“  
IN 2014, THE ASE ACHIEVED A POSITIVE PERFORMANCE FOR THE SECOND CONSECUTIVE YEAR.”



# MACEDONIA

## COUNTRY FACTS

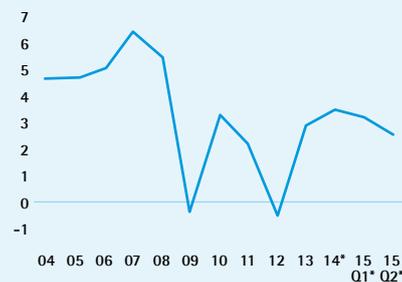
Country	Macedonia
Capital	Skopje
Area (km <sup>2</sup> )	25,713
Population (million)	2.1
GDP (USD billion)	11.324
Currency	Macedonian Denar (MKD)
Exchange rate (1 USD)	50.56
Time zone	CET (UTC+1)
Calling code	+389

## KEY CAPITAL MARKETS INFORMATION

Legal	For profit-joint stock company
Regulation	Self
Securities market regulations	Regulatory institutions, SEC and Exchange
Trading rules	Exchange, government institution
Surveillance	Yes
Corporate actions	Centralized
Trading halts regulations	Yes
Investor protection	Yes

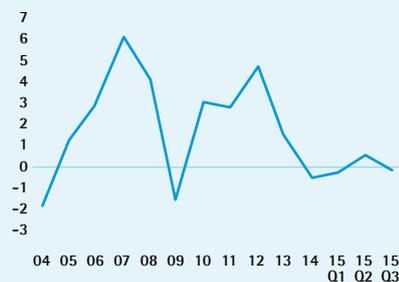
## KEY ECONOMIC DATA

### GDP ANNUAL GROWTH (%)



\* Preliminary data for 2014 and estimated data for 2015

### INFLATION (%)



### PUBLIC DEBT TO GDP (%)



## MACROECONOMIC PERFORMANCE

The economy has recovered well after the 2012 recession. In contrast to 2012, when GDP contracted by 0.4% on the back of weak export growth and reduced private consumption, growth in 2013 was relatively strong, the GDP rose by about 3%, owing primarily to public investment, along with the recovery of exports and private consumption. However, the more vibrant economy has not been reflected on the labor market, the level of unemployment remained high (nearly 30%). These trends have continued into 2014, the GDP grew by about 3.8% in 2014, along with low inflation.

Fiscal policy has loosened considerably over the past few years. The budget deficit rose from 2.5% in 2011 to nearly 4% of GDP in 2012, 4.1% in 2013 and about 4% in 2014. It is expected to remain elevated in the coming years on account of the government's continued high capital expenditures. Public debt (including guaranteed debt of public enterprises and state-owned companies), however, still remains relatively moderate by regional standards at an estimated 46.8% of GDP at the end of 2014.

## MAJOR STRUCTURAL REFORM DEVELOPMENTS

High-level accession dialogue with the European Union continues but formal EU accession negotiations remain stalled. In October 2014 the European Commission issued a recommendation to open accession talks with Macedonia for the sixth year in a row. However, thus far the European Council has not upheld this recommendation. The high-level accession dialogue between the EU and Macedonia, initiated in 2012 and aimed at maintaining the country's reform momentum in five key areas (rule of law, public administration, freedoms, electoral reform and the economy), is ongoing.

Further enhancements to the business environment have been made over the past year. In recent years, Macedonia has consistently out-performed other countries in the region for its ease of doing business. The country currently ranks 30th (out of 189 countries) in the World Bank Doing Business 2015 report. Further measures taken in the past year to ease the burden on enterprises include a new Law on Financial Discipline, effective May 2014, which aims to improve liquidity in the private sector.

Reform efforts to attract foreign direct investment are paying off. FDI jumped more than three fold in 2013 relative to the previous year, and was followed by a 43% year-on-year increase in the 2014. This reflects the strong pro-FDI policies of the previous years. The source of FDI is quite diverse, covering both EU countries as well as partners from the Middle East, the United States and Turkey, among others. Macedonia has also become a producer of car components and there are several investments in this growing sector.

Transport infrastructure upgrades continue. Two key road projects have been approved in Macedonia: the Skopje-Stip highway and the highway from Kicevo to Ohrid. The value of the two projects is estimated to be above 0.5 billion.

Financial sector stability has been preserved. The market is dominated by foreign banks, which account for over 90% of total banking assets. However, banks have relied primarily on domestic deposits to fund lending and less on parent bank capital (the loan-to-deposit ratio of the private sector is about 93%), so they were not as affected by deleveraging pressures during the crisis as their regional peers. The non-performing loan ratio has been declining somewhat since mid-2013 (when it was at its post-crisis maximum of 11.8%) to 10.6% as of end of 2014.

## MACEDONIAN STOCK EXCHANGE



Currently, the Macedonian Stock Exchange is engaged with two very important projects. The first one is SEE LINK, an order routing platform. The second one is a micro project for technology and software modernization of our members.

Ivan Steriev  
CEO

Statistically 2014 was much better compared to 2013. The total turnover increased by significant 169% due to, among other things, the public offering of the issuer "Arcelor Mittal". Also, we had significant increase in block transactions, about 90%, but this is because we had few block transactions in 2013. It is very important to monitor trading in "BEST" system (MSE electronic trading system), especially with shares, because primarily the trading on MSE is with shares, and here we had significant increase for 42%.

However, it is quite clear that in the past few years we have entered in a new development phase - we are operating in a new reality and we have to acknowledge our position that is appropriate for a small open economy such as Macedonia, with this level of GDP and living standard, these performance and organizational and ownership structure of the domestic joint stock companies and in the current social-political environment.

The Stock Exchange is an infrastructure that should be maintained and upgraded on a continuously basis. That is our main task. Currently, the

Macedonian Stock Exchange is engaged with two very important projects. The first one is SEE LINK, an order routing platform, a joint project of the Macedonian, Bulgarian and Zagreb Stock Exchanges. We believe this project would give investors easier access to the regional markets and will increase the visibility of our markets. Success of this project will mean a lot and will have quite positive implications as it will show benefits of the integration synergies. The second one is a micro project for technology and software modernization of our members which will give our investors option for trading via internet from any location they choose.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	116	115
Domestic companies	116	115
Foreign companies	0	0
Number of new listings	84	0
Domestic market capitalization (USD million)	2,193	2,282
<b>Trading</b>		
Value of share trading (USD million)	56.2	183.1
Number of share trades (thousand)	11.7	11.9
Value of bond trading (USD)	16.3	12.1
Number of bond trades (thousand)	1.8	1.4
<b>Index</b>		
MBI10	1,738.86	1,844.20



**STATISTICALLY 2014 WAS MUCH BETTER COMPARED TO 2013. THE TOTAL TURNOVER INCREASED BY SIGNIFICANT 169%.**



### ABOUT MACEDONIAN STOCK EXCHANGE

Established: 1995

President of the Board: Lidija Trajkovic

Address: Orce Nikolov 75, 1000 Skopje, Republic of Macedonia

Contact name: Evita Ivanova

E: [evita@mse.org.mk](mailto:evita@mse.org.mk)

W: [www.mse.mk](http://www.mse.mk)



# MONTENEGRO

## COUNTRY FACTS

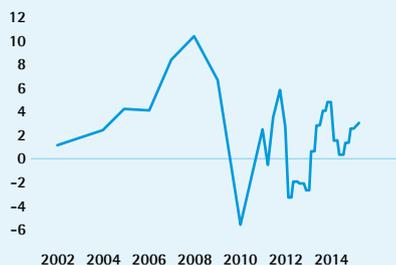
Country	Montenegro
Capital	Podgorica
Area (km <sup>2</sup> )	13,812
Population (million)	0.621
GDP (USD billion)	4.126
Currency	Euro (EUR)
Exchange rate (1 USD)	1.216
Time zone	CET+1
Calling code	+382

## KEY CAPITAL MARKETS INFORMATION

Legal	Joint Stock Company
Special statues within the law	Self
Regulation	Securities Commission of Montenegro
Securities market regulations	Securities Commission of Montenegro
Trading rules	Prescribed by the Rulebook of the Montenegro Stock Exchange (approved by SEC)
Surveillance	Law and Rulebook of the Montenegro Stock Exchange (approved by SEC)
Corporate actions	According to laws
Trading halts regulations	Rulebook of the Montenegro Stock Exchange (approved by SEC)
Investor protection	According to laws

## KEY ECONOMIC DATA

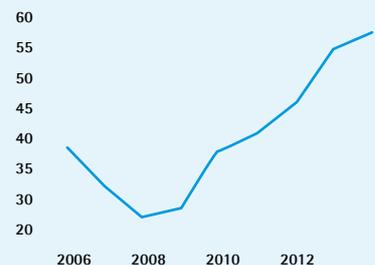
### GDP ANNUAL GROWTH (%)



### INFLATION (%)



### DEBT TO GDP (%)



## GOVERNMENT AND CORPORATE BONDS

The successfully implemented issuance of government bonds stands out as one of the activities special attention was paid to and which had the greatest impact on the overall Montenegro Stock Exchange operating. About USD 52 million turnover was realized during the auction for the mentioned issuance, and for entire 2014 turnover that was realised in both government and corporate bonds amounts approximately USD 70 million.

## CONFERENCE

MNSE hosted a regional conference on capital market entitled "Regional cooperation and integration for a more successful capital market" in mid-October. The conference was attended by 150 most eminent figures of the capital market from Montenegro and the region, as well as many experts from the European financial market. The business part of the Conference was divided into two panels with more different but equally interesting topics. During the first panel, the participants had the opportunity to listen about the modalities of networking, the development of the capital market and the networking of stock exchange markets at the regional level. In the second part, the focus was

put on the Montenegrin regulations as well as the experience and the importance of the application of the EU legislation on capital markets.

## PROMOTIONAL ACTIVITIES

The CEO of the Montenegro Stock Exchange, Mr. Gojko Maksimovic, together with the delegation of the Ministry of Finance, headed by the Minister Mr. Radoje Zugic and the President of the Securities Commission of Montenegro Mr. Zoran Djikanovic, participated in Montenegro Investment Day held in Istanbul, where the participants from Montenegro presented investment activities and products from the capital market (local government bonds) to Turkish investors.

The Montenegro Stock Exchange actively promoted Montenegrin capital market also by participating in Investment Road Show in London, held in early April under the direction of FEAS and HSBC Bank. In front of many UK investors, Chairman of the Board of Directors, Mr. Djordje Djurdjic and CEO Mr. Gojko Maksimovic, presented the investment opportunities of the Montenegrin market and informed the audience about the characteristics of the main financial instruments.

Chairman of the Board, Mr. Djordje Djurdjic, participated in the work of the symposium

"Improving trade and economic relations between Turkey and Montenegro", organized by the Foundation for Economic Research from Turkey. At the mentioned symposium, Mr. Djurdjic had a work entitled "Borsa Istanbul - partner of the Montenegro capital market".



**PARTNERSHIP BETWEEN MONTENEGRO STOCK EXCHANGE AND BORSA ISTANBUL IS AN IMPORTANT POSITIVE SIGN ON THE MONTENEGRIN CAPITAL MARKET.**



## MONTENEGRO STOCK EXCHANGE



We will intensify the activities of potential listing of new financial instruments in the market.

Gojko Maksimovic, MSc  
Chief Executive Officer

### Situation in Financial Sector Suitable for Montenegro Stock Exchange Operations

The previous year for the Montenegro Stock Exchange can be considered as a very successful.

Besides achieved profit, the results achieved in the market make us even more proud. The successful realisation of the government bonds issue was a joint activity of the Montenegro Stock Exchange and the Ministry of Finance, which provided the cheapest borrowing terms. Public offering - primary sale of corporate bonds of the issuer "Hipotekarna Banka" Podgorica has been held for

the first time in Montenegrin market. Its activity has had an enormous importance for Montenegrin capital market since no sustainable system and development is possible without creating new financial instruments.

We will intensify the activities of potential listing of new financial instruments in the market - we will seek to stimulate the issue of debt securities by companies established as LLC, as well as to promote the creation of an environment for the realisation of the first initial public offering of shares on the Montenegrin capital market.

The partnership between MNSE and Borsa Istanbul is an important positive sign on the Montenegrin capital market. MNSE will organise the Road Show in Istanbul, where the best companies from our market will be presented to investors from Turkey and we will try to encourage Turkish investors to invest in the Montenegrin capital market. The dissemination of MNSE data will be implemented through Borsa Istanbul starting from July 2015.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	416	389
Domestic companies	416	389
Foreign companies	0	0
Number of new listings	2	3
Domestic market capitalization (USD million)	3,912.95	3,600.18
<b>Trading</b>		
Value of share trading (USD million)	39.80	61.68
Number of share trades (thousand)	5.43	5.92
Value of bond trading (USD million)	2.61	69.84
Number of bond trades (thousand)	1.01	0.30
<b>Index</b>		
MONEX20	9,850	11,356



**THE MONTENEGRO STOCK EXCHANGE ACTIVELY PROMOTES THE CREATION OF AN ENVIRONMENT FOR THE REALISATION OF INITIAL PUBLIC OFFERINGS ON THE MONTENEGRIN CAPITAL MARKET.**



### ABOUT MONTENEGRO STOCK EXCHANGE

Established: 1993

Chairman: Gojko Maksimovi, MSc

Address: Moskovska 77, 81000 Podgorica, Montenegro

Contact name: Sandra Vučević

E: [sandra.vucevic@mnse.me](mailto:sandra.vucevic@mnse.me)

W: [www.mnse.me](http://www.mnse.me)



# OMAN

## COUNTRY FACTS

- Total area of Oman is about 309,500 square kilometers, the second largest country in the GCC region after Saudi Arabia and has a long coastline of over 1,700 kilometers
- Oman borders Saudi Arabia and UAE in the west; Yemen in the south; the Strait of Hormuz in the North and the Arabian Sea in the East. The capital of the country is Muscat
- Strategic location adjacent to Strait of Hormuz, vital transit point for world crude oil movement
- Natural resources includes Petroleum, Natural Gas, Copper, Marble, Limestone, Chromium, Gypsum etc.,
- Major Industries are Crude oil production/ refining, Natural gas, LNG, Cement, Copper, Steel, Chemicals, Agriculture, Fisheries etc.,

**Population:** 4.092 million (Mid Year 2014) and the country's literacy rate is 87%

**Political system:** Monarchy (Sultanate) advised by council of ministers

**Constitution:** Basic Law issued in 1996; latest amended by royal decree in 2011

**Currency:** Omani Rial (OMR), pegged to US Dollar, 1 OMR = 2.6 USD

Oman is a member of GCC, UN, IMF, IBRD, Islamic Development Bank, FAO, WTO, WHO, NAM etc.

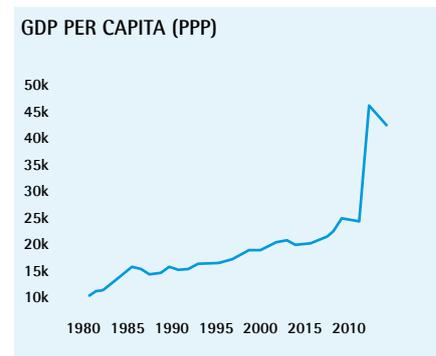
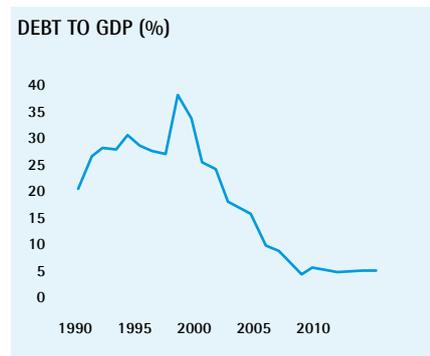
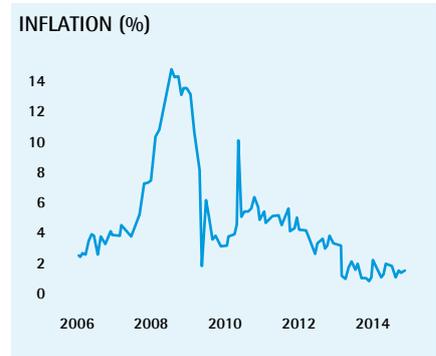
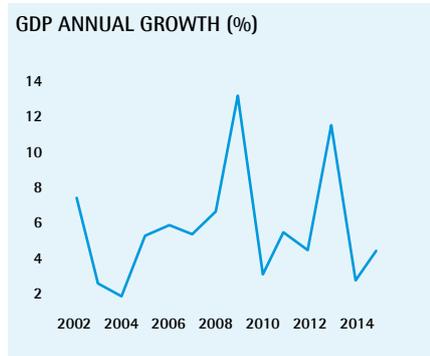
Oman is an open economy with oil and gas forming a significant portion in public finance. As per official figures, the real GDP has increased by 4.4% in 2014.

The country has a well regulated banking system and an established capital markets.

## KEY CAPITAL MARKETS INFORMATION

Market	Regular market, parallel Et bond markets, third market, OTC
Legal	Government independent legal entity
Regulation	Self
Post-trade institutions	Muscat Depository & Reg. Co SAOC (MDSRC)
Instruments	Shares, commercial Et government bonds, Mutual funds
Settlement and clearing	Book entry / Electronic clearing linked with MDSRC
Securities Market Regulations	Regulatory institutions, exchange, and market participants jointly
Surveillance	Electronic
Trading Rules	Exchange responsibility

## KEY ECONOMIC DATA



## MUSCAT SECURITIES MARKET



Muscat Securities Market celebrated its 25th year anniversary in the year 2014 and is now in its 26th year of its running. We are very proud to have achieved this important milestone under the light of many credits MSM has acquired over the years.

Mr. Ahmed Saleh Al-Marhoon  
Director General

Today MSM is one of the most transparent SE's in GCC and is proud to be using one of the leading trading software's systems developed by Euronext (NYSE Euronext).

Although the liquidity, the number of listed companies, the number of brokerage companies and even the regulatory compliance has improved immensely over the years in our exchange, however, we at MSM believe that there is always a room for further improvement.

Therefore, MSM is taking many steps towards even better liquidity and stronger investor confidence by creating more IPOs to attract more investment in order to make MSM play an even bigger role in the prosperity of the country and provide more investment options.

We are also now in discussions with CMA to transfer MSM from being a government owned institution into a more flexible, and dynamic entity.

The initial state of which would be a closed company which will later be converted in to a wide ownership to include major financial institutions.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	116	117
Domestic companies	116	117
Foreign companies	-	-
Number of new listings	3	4
Domestic market capitalization (USD million)	36,767	37,830
<b>Trading</b>		
Value of share trading (USD million)	5,736	5,805
Number of share trades (thousand)	455	412
Value of bond trading (USD million)	122	88
Number of bond trades (thousand)	1.9	1.7
<b>Index</b>		
MSM30 Index	6,835	6,343
Financial Index	8,154	7,710
Industrial Index	10,407	8,366
Services Index	3,669	3,475
MSM SHARIAH INDEX	1100	966



**MSM IS TAKING MANY STEPS TOWARDS EVEN BETTER LIQUIDITY AND STRONGER INVESTOR CONFIDENCE BY CREATING MORE IPOs TO ATTRACT MORE INVESTMENT.**



### ABOUT MUSCAT STOCK MARKET

Established: 1988

Director General: Mr. Ahmed Saleh Al-Marhoon

Address: P.O. Box 3265 Ruwi Postal Code 112  
Sultanate of Oman

Contact name: Munadhel al Ghafri

E: munadhel.ghafri@msm.gov.om

Tel: (968) 24823606

W: www.msm.gov.om



# PAKISTAN

## COUNTRY FACTS

Country	Pakistan
Capital	Islamabad
Area (km <sup>2</sup> )	796,100
Population (million)	188 (approx.)
GDP (USD billion)	247 (approx.)
Currency	Pakistani Rupee (PKR)
Exchange rate (1 USD)	100.3
Time Zone	GMT+5
Calling Code	+92

## KEY CAPITAL MARKETS INFORMATION

Market	4 MARKETS / Debt market
Legal	Public limited company
Regulation	Self
Post-trade institutions	Central depository
Instruments	Ordinary shares, modaraba certificates, preference shares, TFCs, government bonds / securities
Settlement and clearing	Book entry and physical / National Clearing & Settlement System
Securities market regulations	Regulatory institutions, exchange, and market participants jointly
Surveillance	Yes
Trading rules	Each trading segment has its own trading rules

### GDP GROWTH (%)



### INFLATION (%)



**THE REAL GDP GROWTH IN THE OUTGOING FY14-15 WAS RECORDED AT 4.24% AND IS TARGETED AT 5.5% FOR THE FY 2015-16.**



## ECONOMIC OUTLOOK

GDP growth was recorded at above 4%, driven by improved production of major crops, fall of oil prices, increase in home remittances, issue of Sukuk, privatization proceeds and receipts of the tranche from donors.

The real GDP growth in the outgoing FY14-15 was recorded at 4.24% and is targeted at 5.5% for the FY 2015-16. Pakistan's economy has strong capacity to overcome the challenges originated from internal and external economic environment while struggling towards achieving long term sustainable growth. Government has also decided to continue the privatization of the public entities and determination to cut in subsidies to reduce the fiscal deficit

## HISTORY AND DEVELOPMENT

The KSE is the biggest and most liquid exchange amongst the three exchanges of Pakistan. It came into existence on 18 September 1947. It was later converted and registered as a company limited by guarantee on 10 March 1949. From August 27, 2012, KSE's corporate structure was changed from a 'company limited by guarantee' and it was

re-registered with the name and style of "Karachi Stock Exchange Limited" as a public company limited by shares, signifying the demutualization of the Exchange. In 1991 the secondary market was opened to foreign investors on an equal basis with local participants. This measure, along with a policy of privatization, has resulted in rapid growth of the market since 1991.

## MANAGEMENT

The KSE has an independent Board of Directors (10 directors) with representation from the Members of the Exchange & from the Corporate Community. Five directors are elected from amongst the 200 members of the Exchange and four non member directors are nominated by Regulator i.e., SECP, the Chairman is elected by Board from amongst non member Directors whereas, Managing Director is ex-officio member of the board.

## KARACHI STOCK EXCHANGE



KSE plans to introduce new products into the market, to further cater to the growing needs of its investors and help develop Pakistan's capital markets.

Nadeem Naqvi  
Managing Director

Karachi Stock Exchange's main index, the KSE-100 rose by 27% in US terms during January 01, 2014.- December 31, 2014 with market capitalization reaching USD 73.5 billion. KSE 100 Index opened at 25261 points on January 1, 2014 and closed at 32131 points, showing a gain of around 6870 points over this period. The benchmark index touched historical high of 32148 points on December 04, 2014. The average daily traded volume in the Ready market for the Jan - Dec 2014 was 219 million shares.

The market performance was driven not only by the fundamental strength of the listed corporate sector - where earnings grew by 19% in FY14

(nonfinancial companies with June Year End) and RoE was 23% amongst the best in Asia - but also valuation expansion as improving political and macro economic climate led to reduction in risk perceptions. The sharp fall in crude oil prices along with inflation added further impetus to lower interest rates and improved economic growth which is valuation positive.

The average daily value traded of T+2 rose to USD 93.4 million versus USD 76 million. During the year six new companies raised equity and listed at the Exchange with the listed capital of USD 268.39 million. In order to broaden the investor base, Trading in Government Securities also started at

Karachi Stock Exchange from January 2014. The bull rally has continued in the new calendar year 2015 with KSE -100 index gained 7% up to June 30, 2015 and market capitalization reached at USD 73.8 billion

### Introduction of New Products and New Measures

KSE plans to introduce new products into the market, to further cater to the growing needs of its investors and help develop Pakistan's capital markets. KSE will be introducing new derivative products - options, fixed income derivatives, etc and introduction of SME board and cross border listing, etc.

## KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	560	557
Domestic companies	560	557
Number of new listings	3	6
Domestic market capitalization (USD billion)	57.7	73.5
<b>Trading</b>		
Value of share trading ( USD million)	17,886	23,057
Number of share traded (million)	58,950.4	53,957.6
<b>Index</b>		
KSE 100 index	25,261	32,131.3

“  
**KARACHI STOCK EXCHANGE'S MAIN INDEX, THE KSE-100 ROSE BY 27% IN US TERMS DURING JANUARY 01, 2014 - DECEMBER 31, 2014 WITH MARKET CAPITALIZATION REACHING USD 73.5 BILLION.**”

## ABOUT KARACHI STOCK EXCHANGE

Established: 1947

Chairman: Muneer Kamal

Address: Stock Exchange Building  
Stock Exchange Road Karachi - 74000

E: info@kse.com.pk

W: www.kse.com.pk



# PALESTINE

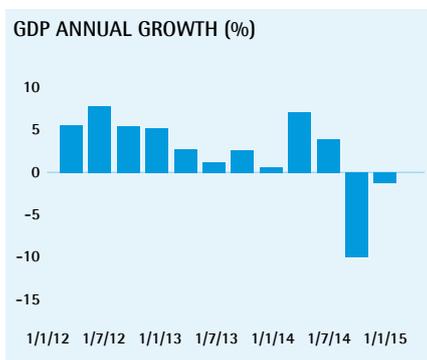
## COUNTRY FACTS

Country	Palestine
Area (km <sup>2</sup> )	6,220
Population (million)	4.55
GDP (USD billion)	7.45
Currencies used	USD, JOD, ILS
Exchange rate (1 USD)	1 (USD)
Time zone	GMT+3
Calling code	+970

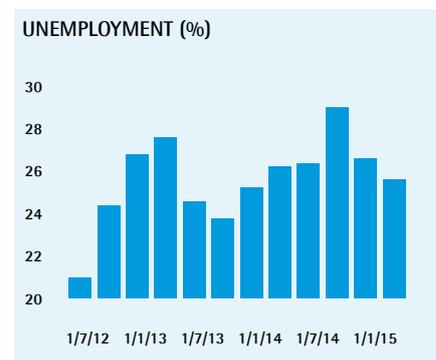
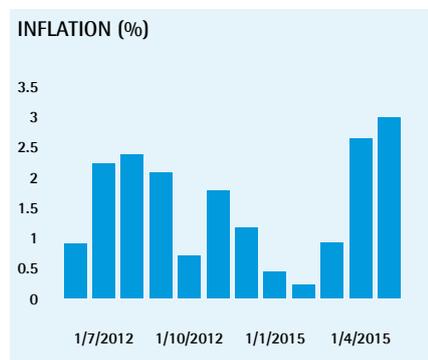
## KEY CAPITAL MARKETS INFORMATION

Legal	Public Shareholding Company
Regulation	Regulated by the Palestinian Capital Market Authority
Securities market regulations	1. Securities law # 12 of 2004 2. PEX regulations: listing, disclosure, membership, trading and dispute settlement.
Trading rules	Exchange
Surveillance	SMARTS system
Corporate actions	Centralized (except cash dividends)
Instruments	Stocks & bonds
Foreign investors	Allowed
Clearing and settlement period	T+2

## KEY ECONOMIC DATA



Source: www.tradingeconomics.com/palestine/indicators



### PEX JOINS FTSE INDICES "WATCH LIST"

In September 2014, PEX was added to the Financial Times Stock Exchange (FTSE) Indices 'watch list' for possible promotion to Frontier market status. A new milestone in putting PEX on the international investment radar, hoping that it will attract further foreign investment into PEX.

### PEX LISTS ITS FIRST FIXED INCOME SECURITY

Palestine Commercial Bank (PCB) listed USD 10 million of bonds under the symbol (PCB01) on 01/09/2014. It will be converted into shares upon maturity in 2019. PEX paved the way for its first bond listing by establishing appropriate trading, settlement and IT infrastructures in accordance with international best practices.

### ARAB PALESTINIAN INVESTMENT COMPANY (APIC) LISTS ON PEX

Shares of APIC, a large holding company with a variety of investments and a paid up capital of USD 60 million, began trading on 2 March 2014 under the symbol (APIC).

### CAIRO-AMMAN BANK BECOMES SECOND PEX CUSTODIAN

In August, PEX signed an agreement authorizing Cairo-Amman Bank to be a custodian for local and foreign PEX investors. Cairo-Amman Bank is the second custodian at PEX, in addition to HSBC Middle East.

### SETTLEMENT CYCLE SHORTENED

At the beginning of 2014, in accordance with the global principle of delivery versus payment (DVP), PEX cash and securities settlement moved from T+3 to T+2 cycle.

### 2014 LONDON ROAD SHOW

In partnership with Palestine Trade Centre (Paltrade), PEX led a delegation of Palestinian corporate and securities industry leaders on a two-day road show to London in January 2014. Some 30 meetings were held with UK-based investment fund managers and financial analysts to present the investment opportunities in Palestine.

### PANORAMA EXCHANGE E-BULLETIN

PEX launched its specialized quarterly electronic bulletin that report on Palestinian capital market

issues. It is available at [www.pex.ps/panorama/default.asp](http://www.pex.ps/panorama/default.asp)

### INVESTMENT AWARENESS

In 2014, PEX continued its efforts in enhancing investor awareness among different community segments, and held number of workshops, seminars, and training courses. PEX focused on the academic community, and held the 7th round of the stock simulation contest, which benefits 240 students from 10 national universities, and welcomed more than 1500 students from schools and universities whose visits include an introduction to financial market concepts.

### PALESTINE CHAPTER OF THE MIDDLE EAST INVESTOR RELATIONS SOCIETY

Headed by the PEX, the Chapter held number of meetings for members and listed companies and continued to promote best practices in investor relations among listed public companies, and held two specialized seminars presented by international experts, covering important topics related to IR best practices.

## PALESTINE EXCHANGE



The PEX is one of the most rewarding exchanges in the region, with a dividend yield of 6.16% in 2014, and an average of 6.34% over the past five years.

Ahmad Aweidah  
CEO

The Palestine Exchange (PEX) is the gate to investment in Palestine; it has 49 listed companies, with market capitalisation of USD 3.1 billion.

The grand majority of our listed companies were profitable in 2014. The PEX is one of the most rewarding exchanges in the region, with a dividend yield of 6.16% in 2014, and an average of 6.34% over the past five years.

Palestine enjoys a friendly and encouraging legal and regulatory environment vis-à-vis foreign investment. There are no restrictions on foreign ownership, no capital gain taxes or foreign

exchange restrictions; our country has reliable infrastructure, modern telecom services, and a well-regulated and liquid banking sector.

The PEX is also attractive for institutional investors who seek long-term rewards; it uses best-of-breed technologies and enjoys high transparency and good compliance with disclosure rules.

The PEX is listed on the MSCI E&S&P on their stand alone indices and is on the "Watch List" of FTSE international indices for possible promotion to Frontier market status.

Facts that investors have been taking into account include the attractive valuation of PEX-listed stocks, low multiples, and high-dividend yields as well as the consistently good financial performance of Palestinian listed companies.

Finally, we are constantly focused on our strategic goal to build a world-class national stock exchange.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	49	48
Foreign companies	0	0
Number of new listings	1	1
Domestic market capitalization (USD million)	3,247.48	3,187.26
<b>Trading</b>		
Value of share trading (USD million)	340.8	353.9
Number of share trades (thousand)	202,965.9	181,545.2
Value of bond trading (USD)	0	0
Number of bond trades (thousand)	0	0
<b>Index</b>		
Al-Quds Index	541.45	511.77



**THE PALESTINE EXCHANGE (PEX) IS THE GATE TO INVESTMENT IN PALESTINE; IT HAS 49 LISTED COMPANIES, WITH MARKET CAPITALISATION OF USD 3.1 BILLION.**



### ABOUT PALESTINE EXCHANGE

Established: 1995

Chairman: Dr. Farouq Zuaiter

Address: Fourth floor- Trust building- Amman street, Nablus, Palestine, P.O. Box 128

Contact name: Mr. Mohammad Khraim

E: momhammad.khram@pex.ps

W: www.pex.ps



# ROMANIA

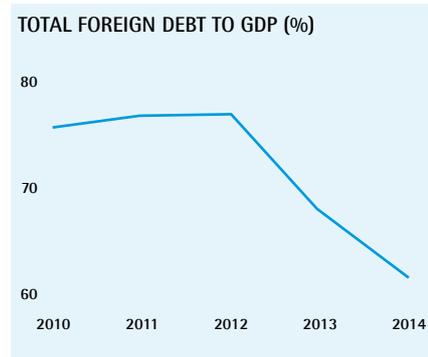
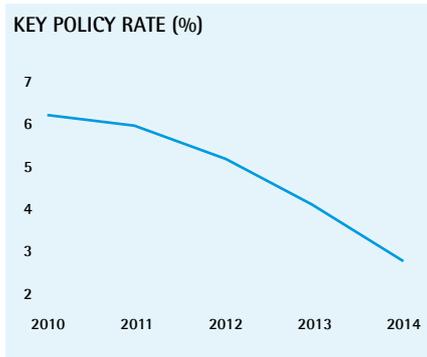
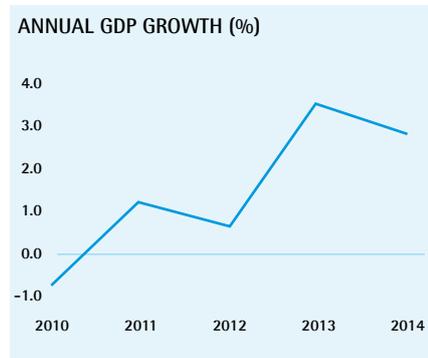
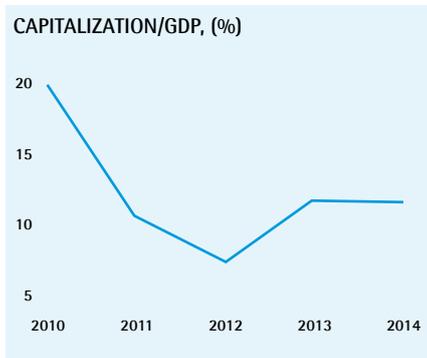
## COUNTRY FACTS

Country	Romania
Capital	Bucharest
Area (km <sup>2</sup> )	238,391
Population (million)	21.79
GDP (USD billion)	199.04 (2014)
Currency	Romanian Leu (RON)
Exchange rate (1 USD)	3.6885
Time zone	UTC+2
Calling code	40

## KEY CAPITAL MARKETS INFORMATION

Legal status of BVB	Open joint-stock company
Main shareholder	6 private shareholders with ownership of at least 4.32%
Securities market regulator	Romanian Financial Supervision Authority
Settlement depository	Romanian Central Depository
Other exchanges	SIBEX

## KEY ECONOMIC DATA



Analysts expect the Romanian economy to accelerate in the mid-run on the back of the fixed investments' re-launch, supported by lowest ever financing costs, high exports, the good momentum of private consumption and higher public investments. The decline of the financing costs is expected to continue, as Romania converges towards the Euro Area and the European Banking Union standards. At the same time, the banking sector is stabilizing, as the non-performing loans ratio declined to 15.3% in October 2014 (after the National Bank of Romania (NBR) urged the banks to write-off their bad assets), and the loans/deposits ratio decreased below 1.

## BUCHAREST STOCK EXCHANGE



It's worth looking at Romania not as a stereotype, but to see it as it is: increasingly modern and prosperous, offering potential for growth and development for business above the average at European level.

Ludwik Sobolewski  
CEO

Attracting new companies to be listed on the market and building a strong investors base are top priorities for BVB. With these matters addressed, BVB targets to become a source of companies' financing, thus generating a multiplication effect in the economy. Romania's objective to be classified as an emerging market is more urgent and the involvement of all important market stakeholders is needed. And this perspective of the local capital market is closely monitored by the international investment community. Even though there were reached significant improvements at the qualitative

criteria imposed by global index providers on becoming an emerging market, the quantitative criteria are impossible to be reached without continuing the SOEs privatization through the capital market. The major quantitative criteria is the existence of 3 large blue-chip companies, which have to cumulatively fulfill a series of size and liquidity conditions.

The new law on the capital market has removed a series of provisions which kept Romania far behind the emerging economies in Eastern Europe. The new

legal framework simplifies the way investors and shareholders express their votes. It also introduces a safer and faster way of distributing the dividends for the companies listed on the stock exchange.

However, I trust that the new regulations on taxing dividends and the gains from trading on the stock market are going to be improved soon. The capital market needs to be and to be seen as an engine for growth. That's why it should be proactively regulated.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	83	83
Domestic companies	81	81
Foreign companies	1	1
Number of new listings	1	2
Domestic market capitalization (USD million)	35,233	41,232
<b>Trading</b>		
Value of share trading (USD million)	3,901	3,390
Number of share trades (thousand)	11,615,242	13,087,904
Value of bond trading (USD)	294,321,396	415,895,139
Number of bond trades (thousand)	170	203
<b>Indices</b>		
BET	7,083.00	6,493.79
BET-TR	7,734.89	6,755.90
BET-XT	638.20	600.27
BET-FI	30,283.31	31,291.82

Energy and utilities shares are among the most traded on BVB. They account for a combined 53% of BET Plus index capitalization (see the chart above). The largest companies (OMV Petrom, Romgaz, Nuclearelectrica, Transgaz, Tranelectrica and Conpet) have traditionally paid dividends over the past years, with an average dividend yield of more than 9% in 2014 (calculated at using ex-date prices and dividends paid in 2014 from 2013 net profits). In addition, a similar analysis based on Bloomberg estimates revealed an average dividend yield of 7.2% for 2015 (based on dividends to be paid in 2015 out of 2014 net profits and prices as of February 6th, 2015).

Three new companies were privatized starting with the third quarter of 2013. The Romanian Government sold 10% in Nuclearelectrica (nuclear power generation), 15% in Romgaz (natgas production) and 51% in Electrica (electricity distribution). A pipeline of several other companies is under preparation.

### ABOUT BUCHAREST STOCK EXCHANGE

Established: 1995

CEO: Ludwik Sobolewski

Address: 34-36 Carol I Blvd, 14th Floor, Bucharest 020922, Romania

Contact name: Mariana Ciurel

E: mariana.ciurel@bvb.ro

W: www.bvb.ro



# SERBIA

## COUNTRY FACTS

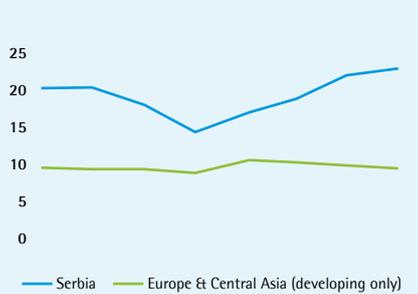
Country	Serbia
Capital	Belgrade
Area (km <sup>2</sup> )	88,407
Population (million)	7.2
GDP (USD billion)	45,519
Currency	Serbian Dinar (RSD)
Exchange rate (1 USD)	99.46
Time Zone	GMT+1
Calling Code	381

## KEY CAPITAL MARKETS INFORMATION

Legal	According to the Law on Companies and Law on Capital Market
Regulation	Law, By-Laws, Belex rules and regulation
Securities market regulations	Securities and Exchange Commission
Trading rules	Trading rules within the BELEX Rules of Business Operations
Surveillance	Rules of Business Operations and SEC regulations
Corporate actions	According to the Law on Companies, Law on Capital Market and Law on Audit and Accounting
Trading halts regulations	According to the BELEX Rules of Business Operations
Investor protection	According to the Law and BELEX Rules of Business Operations
Clearing and settlement period	T+2

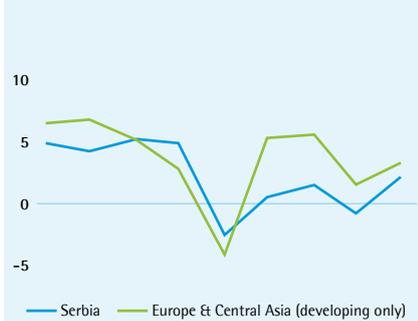
## KEY ECONOMIC DATA

UNEMPLOYMENT, TOTAL (% OF TOTAL LABOR FORCE)



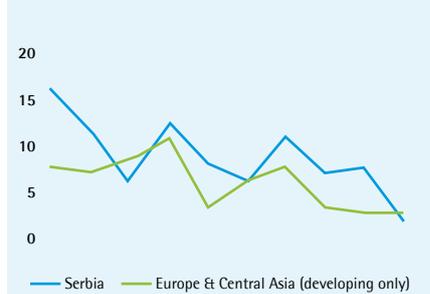
Source: World Bank

GDP GROWTH (ANNUAL %)



Source: World Bank

INFLATION, CONSUMER PRICES (ANNUAL %)



Source: World Bank

## COUNTRY OUTLOOK

Previous decade has been very dramatic in terms of vibrant political activity. Spillover of the international financial crisis along with the local factor contributed to the slowdown of necessary reforms. Nevertheless, two major steps have been made toward greater fiscal responsibility and reengagement on critical issues such as state owned enterprise reform and public sector efficiency. In January 2014, Serbia started membership talks with the European Union (EU) after making significant progress in negotiations with Kosovo<sup>1</sup> officials.

Serbia's economy moved back into a recession in 2014, which could primarily be contributed to the disastrous floods in May, hitting Central and Western Serbia, leading to an estimated annual decline in real GDP of 1.8% in 2014. Nevertheless, true reasons could be found in the poor economic ambience and growing macroeconomic uncertainties. A drop in the private consumption and private investment contributed to almost all of the contraction in activity. Although exports still contributed positively to growth, their weakening performance was offset by imports, resulting in a small negative net contribution of external demand

to growth. Industrial output fell by 6.5% in 2014, with the energy sector particularly hit by the floods.

Throughout 2014 inflationary pressures from dinar depreciation were neutralized by the low demand. Hence, inflation remained below the targeted corridor of the NBS of 4±1.5%, averaging around 2%. Core inflation averaged 0.5% in 2014. The central bank decreased the key rate to 8%.

Unemployment rates remain high. As the pace of economic contraction moderated throughout 2014, the average unemployment rate declined from 22.1% in 2013 to 18.9% in 2014. However, only two-thirds of the improvement in 2014 was the result of increased employment; the rest was due to an increase in the inactive population and a declining labor force participation rate. Youth unemployment rate remains particularly high at 47%.

Serbia has initiated reforms while struggling to recover from the impact of the international financial crisis - which led to an increase in poverty. Positive effects from the fiscal consolidation along with the IMF arrangement confirm intention aimed at strengthening public finances and providing sustainable recovery. Following that, more favorable

investor perception and growing interest for investing in Serbia could be expected to help translating a weak economic recovery into new employment and poverty reduction in a tight fiscal environment. In order to achieve so imperative is to implement and follow through comprehensive structural reforms and create more competitive and productive environment that could propel the country's economic growth, with positive impulses also coming from the international community in terms of increasing global liquidity, due to the ECB quantitative easing program, and more favorable oil prices.

<sup>1</sup> This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

## BELGRADE STOCK EXCHANGE



In 2014 the BSE continued efforts on reinvigorating Serbian capital market by intense promotion of domestic issuers. Forth Regional Investor Conference was organized with the intention of shifting the regional markets into the focus of international market participants.

Gordana Dostanic  
CEO

Underperformance of the local stock market reflected complex geopolitical and financial situation on the global market as well as domestic macroeconomic inefficiencies and burning issues. As a result of a country slowdown, the total turnover on the Belgrade Stock Exchange in 2014 reached only EUR 173 millions, which is 32.8% lower in comparison to 2013. Share trading remained dominant. Nevertheless, following increasing risk aversion, low liquidity and a lack of good equity material, debt securities increased its share and reached history high portion of the total turnover since the introduction of electronic trading in 2004, reaching 23%.

Average daily turnover in 2014 was EUR 670 thousands. Weak performance in terms of trading activity was contrasted by the good performance of both indices BELEX15 and BELEXline. The leading

index BELEX15 ended the year at 667.02, posting 19.5% increase year-on-year. Broad market index BELEXline increased by 21.71% in comparison to the previous year. Market Cap at the year-end stood at EUR 6.6 billion, due to a significant number of companies excluded from the stock market. Foreign investors accounted for 42.16% of the total turnover, including block trades.

Year 2014 was eventful in terms of industry gatherings. Traditional XIII Annual Conference of the Belgrade Stock Exchange was held in mid November. More than 200 participants were involved in a vibrant discussion on up-to-date topics tackling stock market industry.

For the first time, IR Award was lift one step higher and awarded on a regional level. T-HT from Croatia was recognized as a company with the highest

standards in the region when it comes to investor relations and disclosure of material information.

Fourth Regional Investor Conference brought together fund managers and top executives from leading investment companies managing over EUR 100 billion in assets. More than 125 B2B meetings were held. Foreign investors were especially interested in domestic companies, such as Airport Nikola Tesla, Aik Banka, Energoprojekt Holding, NIS Novi Sad, Komercijalna banka, Jedinstvo Sevojno and Metalac Gornji Milanovac.

Further development and dynamics of Serbian stock market will remain highly dependent on the over-all recovery of main macroeconomic indicators and issues such as first IPOs, liquidity and new trading material.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	8	8
Domestic companies	8	8
Foreign companies	0	0
Domestic market capitalization (USD million)	7,986.79	7,184.34
<b>Trading</b>		
Value of share trading (USD million)	334.73	178.23
Number of share trades (thousand)	341.59	236.67
Value of bond trading (USD million)	19.65	54.48
Number of bond trades (thousand)	2.52	1.35
<b>Index</b>		
BELEX15	557.97	667.02
BELEXline	1,104.92	1,344.82

“  
**IN 2014 THE LEADING INDEX BELEX15 BOASTED A GAIN OF 20%, WHILE BELEXLINE CLOSED THE YEAR WITH A GAIN OF 22%.**  
 ”

### ABOUT BELGRADE STOCK EXCHANGE

Established: 1989

CEO: Gordana Dostanic

Address: Omladinskih brigade 1, 11070 Belgrade, Serbia

Contact name: Marija Babic

E: marija.babic@belex.rs

W: www.belex.rs



# SYRIA

## COUNTRY FACTS

Country	Syria
Capital	Damascus
Area (km <sup>2</sup> )	185,000
Population (million)	23
Currency	Syrian Pound (SYP)
Exchange rate (1 USD)	181.43
Time zone	GMT+2
Calling code	963

## KEY CAPITAL MARKETS INFORMATION

Legal	Legal identity with financial and administrative autonomy
Regulation	Syrian Commission on Financial Markets and Securities (SCFMS)
Securities market regulations	Decree number /55/ for the year 2006
Name of stock exchange	Damascus Securities Exchange (DSE)
Number of listed companies	24
Rates of taxes	Exempted
Trading rules	Trading rules existing in DSE rules
Surveillance	Surveillance rules existing in DSE rules
Disclosure	According to DSE rules and SCFMS rules
Corporate actions	Trading rules existing in DSE rules
Trading halts regulation	Trading rules existing in DSE rules
Investor protection	Trading rules existing in DSE rules

## KEY ECONOMIC DATA

The economy has witnessed a dramatic contraction since the beginning of the conflict. According to figures from the CBS, annual GDP growth before the crisis between 2004 and 2009 averaged 5.7%. Since 2012, the estimates diverged with EIU offering a more optimistic perspective than SCPR's and ESCWA's. SCPR and ESCWA converge in their projection that economic contraction has significantly slowed in 2014, with GDP falling to 38% (SCPR) or 48% of 2010 GDP (ESCWA). EIU, on the other hand, projects that the economy has bottomed out, with growth averaging a modest 0.5% in 2014, driven by the economy's adjustment to the military stalemate in addition to the considerable migration of businesses to more stable coastal areas.

The conflict has caused a drop in government revenues and a spike in spending, sending the fiscal balance into severe deficit. ESCWA estimates a 2013 budget deficit of -26.3% of GDP. EIU estimates a deficit of -12.9 % in 2013 and projects deficits of -10.7% of GDP in 2014. SCPR estimates a deficit close to 20% during 2013 and 2014 and almost doubles its estimates to 35.7% and 40.5% after adding off-budget subsidies. SCPR projects foreign debt increased tenfold from 7% of GDP in 2010 to 71% at end-2014, whereas domestic debt increased from 16 to 76% of GDP. This implies a total debt of 147% of GDP by end-2014. Meanwhile EIU estimates external debt in 2014 at a much lower 40% of GDP. Syria's GDP had remained dependent on the oil and agriculture sectors, themselves

subject to fluctuating oil prices and rainfall. Main sources of foreign earnings were oil exports, exports of services, and foreign transfers of income and remittances; however these sources are now seriously curtailed by the crisis.

Once the situation stabilizes, Syria will have to grapple with immediate economic challenges. It will also need to support the return of internally displaced people and refugees in neighboring countries, rebuild the country's infrastructure, enhance the provision of public services including health and education, and rebuild the social fabric of the country.

## DAMASCUS SECURITIES EXCHANGE



Damascus Securities Exchange scoring the first place of the index performance in the second quarter of 2014 according to the Arab Federation of Exchanges, the index increased from 1,249 in 2013 to 1,271 in 2014.

Dr. Mamoun Hamdan  
CEO

Damascus Securities Exchange scoring the first place of the index performance in the second quarter of 2014 according to the Arab Federation of Exchanges, the index increased from 1,249 in 2013 to 1,271 in 2014.

It has been four years that Syria is facing a difficult crisis which affected all the Economic and social sections including the Exchange. Even though; DSE decided to transform the situation to a stimulus to work harder, and in spite of the economic

sanctions on Syria, the Exchange improved its strategies through depending on its own experts in house to develop necessary electronic systems, and this would make the stopping of the trading sessions impossible. In addition, DSE continued the simplifying of all its procedures.

DSE did not stop any trading session and continued in offering its services for all entities in high quality, the traded value increased from USD 16 million in 2013 compared to USD 18 million in 2014.

Damascus Securities Exchange is promoting its methods of awareness through diversifying and publishing information for all whom interested, and by participating in either local or international conferences and lectures to strengthen the relationship with all entities, and that aims to give a clear image about all steps of investing, DSE team was and will always be making their best to develop the market of all levels.

### KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization</b>		
Number of listed companies	22	24
Market capitalization (USD million)	836	730
<b>Trading</b>		
Value of share trading (USD million)	16	18
Number of trades (thousand)	11	7
<b>Index</b>		
Damascus Securities Exchange index	1,249	1,271



**THE TRADED VALUE INCREASED FROM USD 16 MILLION IN 2013 COMPARED TO USD 18 MILLION IN 2014.**



### ABOUT DAMASCUS SECURITIES EXCHANGE

Established: 2009

Chairman: Mohammad Ghassan Qala'a

Address: Barzh - Damascus - Syria

Contact name: Osama Hasan

E: ohasan@dse.sy

W: www.dse.sy



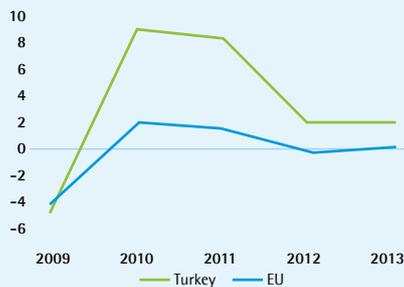
# TURKEY

## COUNTRY FACTS

Country	Turkey
Capital	Ankara
Area (km <sup>2</sup> )	783,562
Population (million)	77.7 (2014)
GDP (USD billion)	800 (2014)
Currency	Turkish Lira (TRY)
Exchange rate (1 USD)	2.33
Time zone	GMT+2
Calling code	90

## KEY ECONOMIC DATA

### ANNUAL GDP GROWTH RATE (%)



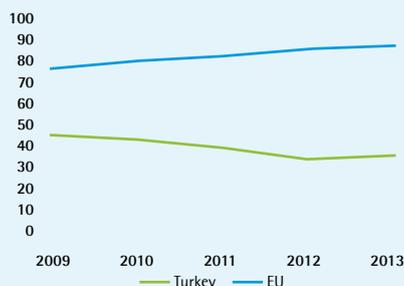
Source: World Bank

### ANNUAL INFLATION (%)



Source: World Bank

### GOVERNMENT CONSOLIDATED GROSS DEBT (%)

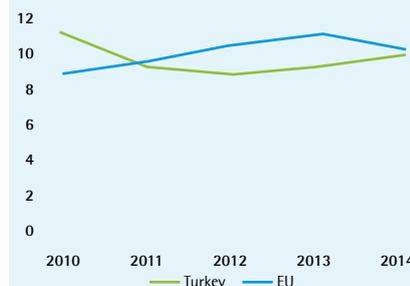


Source: Eurostat

## KEY CAPITAL MARKETS INFORMATION

Legal	Joint stock company, subject to private law
Regulation	Self-regulated institution
Regulator	Capital Markets Board of Turkey (CMB)
Exchange	Borsa İstanbul
Memberships	<ul style="list-style-type: none"> <li>Federation of European Securities Exchanges, FESE</li> <li>Federation of Euro-Asian Stock Exchanges, FEAS</li> <li>Futures Industry Association, FIA</li> <li>London Bullion Market Association, LBMA</li> <li>World Federation of Diamond Bourses, WFDB among others.</li> </ul>
Securities market regulations	Capital Market Law (No.6362), complemented by secondary regulations imposed by national regulator, CMB
Markets	<ul style="list-style-type: none"> <li>Equity Market</li> <li>Emerging Companies Market</li> <li>Debt Securities Market</li> <li>Derivatives Market</li> <li>Precious Metals and Diamond Markets</li> <li>Private Market</li> </ul>
Number of traded securities	<ul style="list-style-type: none"> <li>437 traded securities</li> <li>217 listed companies</li> <li>159 unlisted companies</li> <li>61 collective products incl. 15 ETFs</li> </ul>
Traded value	Incl. listed and unlisted equities: USD 399.145 billion
Post-trade institutions	<ul style="list-style-type: none"> <li>İstanbul Custody and Settlement Bank, Takasbank</li> <li>Central Securities Depository, MKK</li> </ul>
Settlement and clearing standard	Delivery vs. payment
Disclosure	All traded companies and investment firms are subject to CMB disclosure regulations. Public Disclosure Platform, managed by MKK is accessible at <a href="http://www.kap.gov.tr">www.kap.gov.tr</a>
Trading rules	Each market has its own trading rules, they are all accessible at <a href="http://borsaistanbul.com/en/products-and-markets/markets">borsaistanbul.com/en/products-and-markets/markets</a>
Surveillance	Surveillance activities regulated by Capital Market Law, CMB communiqués, exchange self-regulations
Corporate actions	To be disclosed on Public Disclosure Platform, <a href="http://www.kap.gov.tr">www.kap.gov.tr</a>
Trading halt regulations	Possible according to exchange rules
Investor protection	According to Capital Market Law, Investor Compensation Center managed by CMB
Types and rates of taxes	For every instrument, a different tax regime is applied.
Capital restrictions	There is no capital restriction for foreign investors.

### UNEMPLOYMENT, TOTAL (% OF TOTAL LABOR FORCE)



Source: Eurostat

“  
**DESPITE INCREASED VOLATILITY IN EMERGING MARKETS, OUR MARKET CAPITALIZATION WAS UP BY 14% TO USD 270 BILLION IN 2014.**  
 ”

# BORSA İSTANBUL



Year 2014 has been a successful period for Borsa İstanbul during which we achieved strong results in terms of traded value, further enlarged our product mix and established new linkages with global exchanges and institutions to become a point of attraction in the region.

Mr. Tuncay Dinç  
CEO

Year 2014 has been a successful period for Borsa İstanbul during which we achieved strong results in terms of traded value, further enlarged our product mix and established new linkages with global exchanges and institutions to become a point of attraction in the region.

Despite increased volatility in emerging markets, our market capitalization was up by 14% to USD 270 billion in 2014. Moreover, Borsa İstanbul ranked 7th among developing markets with its USD 399 billion equity traded value while USD 3.5 billion turnover in fixed income markets made Borsa İstanbul world's

5th biggest bond market. In 2014, we also witnessed a new record in corporate bonds as well. While the number of issues was 517, total value rose to USD 30.3 billion, which shows that our diversifying product range has started to pay off.

Borsa İstanbul has also continued to extend the services and products it offers. To facilitate the access of early-stage companies to much needed funds, we introduced Private Market where qualified investors can meet start-up companies. Dollar/TRY currency option contracts and mini index option contracts are now traded on Borsa

İstanbul to strengthen our position as a financial supermarket.

In 2014, Borsa İstanbul has taken a significant step to open its doors to global investors as well. We cooperated with London Stock Exchange Group for the trading of BIST derivatives in London and index partnership which will contribute significantly to our derivatives volume and brand value.



**BORSA İSTANBUL WAS VERY ACTIVE DURING THE YEAR 2014.**



- During 2014, Borsa İstanbul signed agreements with Karachi Stock Exchange, the European Trade Association for Business Angels, Seed Funds and Other Early Stage Market Players and Business Angels Association - Turkey and The World Diamond Mark® Foundation.
- Borsa İstanbul began to offer new instruments and practices in 2014. USD/TRY currency option contracts and Sarajevo Stock Exchange SASX 10 Index Futures were introduced. BIST Sustainability Index began to be calculated.
- Management of Public Disclosure Platform, which allows traded companies and investment firms to disclose information, was transferred to Central Securities Depository.
- Borsa İstanbul's new platform, Private Market started to operate in November. It is a web-based and member-based platform bringing companies and investors together for trading shares without going public.

## KEY HIGHLIGHTS OF THE YEAR

	31.12.2013	31.12.2014
<b>Companies and market capitalization*</b>		
Number of traded companies	438	437
Domestic companies	437	436
Foreign companies	1	1
Number of new listings - equities	19	13
Number of new listings - corporate debt instruments	330	517
Domestic market capitalization (USD million)	237,641	269,799
<b>Trading</b>		
Value of share trading (USD million)*	431,272	399,145
Number of share trades (thousand)*	198,857,864	207,100,459
Value of bond trading (USD million)	3,624,007	3,493,312
Number of bonds trades (thousand)	1,397.4	1,466.0
<b>Indices</b>		
BIST 100 (Broad, USD)	1,853.3	2,145.2
BIST 30 (Blue chip, USD)	2,253.62	2,656.41

\* incl. unlisted equities

## ABOUT BORSA İSTANBUL

Established: 1985

Chairman: Talat Ulussever, Ph.D.

Address: Reşitpaşa Mahallesi Tuncay Artun Caddesi 34467 Sarıyer Emirgan İstanbul, Turkey

Contact name: Alpaz Aykut

E: [investorrelations@borsaistanbul.com](mailto:investorrelations@borsaistanbul.com)

W: [www.borsaistanbul.com](http://www.borsaistanbul.com)



## CENTRAL SECURITIES DEPOSITORY (CSD) - MACEDONIA



Central Securities Depository AD Skopje (CSD) is a company that has been one of the institutional pillars of the capital market in the Republic of Macedonia for more than a decade, and it provides ongoing contribution to the capital market stability and development.

Elena Jakimovska Petrovska  
CEO

CSD activities in year 2015 are organized to provide:

- Efficient, safe, timely and effective execution of our core services: registration of issuances and transfers of securities issued in the Republic of Macedonia in electronic form, settlement of trade transactions according to the "delivery versus payment" principle and other core services. Furthermore, we will dedicate ourselves to increase the IT standards in our work and to the development of risk-management framework for comprehensively managing risks.
- Improvement of services offered to its target user groups by introduction of new methods and techniques in the work processes:
  - Development of electronic data distribution system
    - For issuers
    - For owners of securities
  - Improvement of client services
    - Technical improvements
    - New services and products
- Undertaking activities aimed at capital market development:
  - Compliance with international standards
  - Catching up with international trends
  - Effective cooperation with international associations, participation in initiatives related to the field of development of systems for settlement of securities.

### GENERAL INFORMATION

Central Securities Depository AD Skopje (CSD) is a company that has been one of the institutional pillars of the capital market in the Republic of Macedonia for more than a decade, and it provides ongoing contribution to the capital market stability and development.

CSD is a joint stock company, 100% privately owned by financial institutions, established as a company for maintaining a register of securities and holders of securities, settlement of trade transactions and execution of non-trade transfers of securities.

Presently, CSD is the only depository institution for securities operating in the Republic of Macedonia, on the basis of a license issued by the Securities and Exchange Commission of the Republic of Macedonia.

CSD has a sophisticated software that supports the performance of its functions as specified in the law. This software is owned by the Depository, and its maintenance and upgrades are regularly carried out by a team of dedicated professionals employed by CSD.

Under the Law on Securities, only banks, brokerage houses, insurance companies or investment funds can be Depository's shareholders.

CSD acts as a self-regulating organization in accordance with the law and adopts rules that are mandatory for its members. Members of the CSD can be brokerage houses, banks or subsidiaries of a foreign brokerage house, with permission to work given by SEC. The CSD adopts Rules of Conduct and Discipline, which closely regulate the implementation of the Depository acts by its members. The Rules of Conduct and Discipline set grounds for the authorities of the Depository to take measures and/or temporarily or permanently suspend the right of Depository's members to take part in the work if the member fails to comply with the regulations or fails to meet the obligations arising from the securities transactions.

The mission of the CSD is to provide, through constant improvement of services offered to its target user groups:

- Stability: safe and effective services that support and stimulate domestic and foreign investors to invest on the Macedonian capital market;

- Non-discrimination: equal treatment of all groups of participants in the work of the depository;
- Innovation: application of new methods and techniques in the processes in order to increase the quality of the processes and to tailor Depository's services to customers' needs;
- High operational standards: acceptance and application of international standards and practices in the post-trading activities with securities;
- Development of the capital market: undertaking activities aimed at capital market development through individual activities, as well as undertaking activities in cooperation with other institutions and bodies;
- Reliability: continuous development of risk management systems;
- Institutional development: Promotion of international cooperation and improvement of the depository's visibility, on a national, as well as on a regional and international level.

### ABOUT CENTRAL SECURITIES DEPOSITORY (CSD) - MACEDONIA

Established: 2001

CEO: Elena Jakimovska Petrovska

Address: Josifovski Pitu bb, Skopje, Republic of Macedonia

Contact name: Sofija Vidovic

E: vidoviks@cdhv.mk

W: www.cdhv.mk



## MERKEZİ KAYIT KURULUŞU (MKK)



In 2014, MKK has transformed its business model as a sole provider of core CSD services into a fully fledged technology company.

Assoc. Prof. Yakup Ergincan  
CEO and Board Member

In 2014, MKK has transformed its business model as a sole provider of core CSD services into a fully fledged technology company. In this new phase of MKK's history, which we define as "MKK 3.0", we aim to enhance our portfolio of value-added products and services, besides operating an efficient and cost effective capital market infrastructure for the benefit of our stakeholders. One other main objective of MKK, in line with the Istanbul International Financial Center Project, will be to export its in-house developed software and applications, and implement these systems in foreign markets through international agreements and integration projects.

MKK's agreement with NASDAQ OMX last year for the sales and marketing of our Electronic General Meeting System (e-GEM) to 17 countries will play a pivotal role in achieving our strategic objectives. As one of the most advanced corporate governance applications in the world, e-GEM has proved its merit and the system attracted attention of participants from major global capital markets. Operations of the primary information platform on publicly traded companies in Turkey, the "Public Disclosure Platform", was transferred from Borsa Istanbul to MKK in March 2014 as per CMB's authorization. This move has created a great opportunity for us to initiate a new project, PDP 4.0, to improve the PDP system and integrate it with e-MKK platforms. The project, when completed, will enable us to establish a fully automated system for the distribution of corporate actions notifications to end-investors in XBRL format and via ISO 15022 and 20022 based messages.

MKK continued to raise the level of its value added services in 2014. Following the issuance of electronic warehouse receipts on cotton in 2013, we issued e-warehouse receipts on wheat, barley and unshelled rice. As part of the Capital Markets Data Bank project (e-DATA), we initiated development

of new market indices through agreements signed with two universities.

One major project MKK initiated in 2014 was about establishing a trade repository to monitor systemic risk and maintain financial stability of our capital markets. We will initially begin with reporting over-the-counter derivatives and extend our repository services for transactions in other capital market instruments. MKK concluded the year with the initiation of two other major projects, namely the Electronic Share Registry System (e-SRS), which aims to dematerialize the shares of all joint stock companies, and the Leasing Registry System (e-LRS), with which our organization will become a technology-based solution provider on financial leasing contracts.

These developments provide MKK an opportunity to introduce its services to other markets in the world and become a global brand name in value-added services and products in post-trade industry. In this regard, we are determined to stay on the course to minimize our revenues from core CSD services hence greatly contribute to the growth of our capital markets and economy.

### GENERAL INFORMATION

#### Form of Securities

Dematerialized

#### Legal Status

Joint stock company

#### Type of Commercial Entity

For-profit, user-owned joint stock company

#### Regulated by

MKK's overall functions are subject to the oversight and approval of the CMB.

As an operator of a securities settlement system (SSS) MKK is under supervision of the Central Bank of Turkey.

#### Ownership

30.1% Borsa Istanbul A.S.  
64.9% Istanbul Settlement and Custody Bank (Takasbank)  
5% Turkish Capital Markets Association

#### Board of Directors:

9 Members;  
Takasbank: 2, Borsa Istanbul A.S.: 3, Turkish Capital Markets Association: 1, Ministry of Customs and Trade: 1, Independent Member: 1, MKK: 1 (CEO of MKK)

#### Memberships to International Organizations

ECSDA, ISSA, FEAS, AMEDA, AECSD

### FUTURE OUTLOOK

In 2015 MKK plans to achieve the following:

- A Trade Repository platform will be established for reporting of transactions between financial companies in OTC derivative instruments.
- The Public Disclosure Platform (PDP 4.0) will be upgraded with new modules that will improve the system and implement a fully automated system in corporate actions notifications via ISO 15022 and 20022 messages.
- In scope of the letter of intent signed with NASDAQ OMX on the global sale of e-GEM, MKK plans to implement the system in at least one foreign market. The Electronic Board of Directors Meeting System (e-BDS) project will be resumed.
- New links will be established with foreign CSDs where MKK will act as the issuer CSD.

### ABOUT MERKEZİ KAYIT KURULUŞU

Established: 2001

Chairman: Murat Ulus

Address: Askerocagi Cad. Suzer Plaza No: 34367  
Kat:3 Sisli-Istanbul Turkey

Contact name: Mr. Bora Karaagacli

E: bora.karaagacli@mkk.com.tr

W: www.mkk.com.tr



## SECURITIES DEPOSITORY CENTER (SDC) OF JORDAN



In 26th May, 2015, the Securities Depository Center has connected to the SWIFT and become a direct member in the RTGS-JO

**Khalil Naser**  
Acting Chief Executive Officer

As part of Jordan's vision towards establishing a progressive economy and a dynamic investment environment, the Securities Depository Center (SDC) was established for the purpose of registering, depositing, transferring ownership, safekeeping,

and clearing and settlement of securities. The SDC plays a vital role in supporting transparency through an initiative known as "Data For All, Not Just For Sale", from this initiative the SDC provides a lot of information that is updated in a timely,

accurate such as board members' names, holdings and trades, major shareholders, financial figures and statistical data.

### GENERAL INFORMATION

The Securities Depository Center of Jordan is a non-profit public utility institution established in the Hashemite Kingdom of Jordan by virtue of the Securities Law. The SDC commenced operation in May 1999 and is the only entity in Jordan that is legally empowered to oversee the registration of securities, deposit of securities, transfer of ownership, safekeeping of securities and clearing and settlement of securities transactions. Accordingly, the SDC built Securities Central Operation Registry Processing and Information Online (SCORPIO)<sup>®</sup> system in order to provide various services to investors and its members.

#### Participants

Public shareholding companies, brokers, custodians, and any other entity determine by the Board of Commission of JSC.

#### Ownership

Registered under the name of beneficial owner where all securities are dematerialized.

#### Services Provided

The SDC is providing the following services to the participants and investors:

- Holding the ownership register of all issuers.

- Executing the transfers of all securities including transfers of transactions excluded from trading, and transfers of the ownership of non-traded securities.
- Providing investors with many services including identification in the SDC's systems, account set-up, statements of securities ownership, and the ability to freeze the securities in the central registry.
- Executing the corporate actions.
- Providing E-services: online account viewing, electronic initial public offering (e-IPO), web services for extracting statistical data and members' services including mailbox and members' area
- Allocating ISIN and CFI for all issued securities.

#### Memberships in International Organizations

- Association of National Numbering Agencies (ANNA)
- Africa & Middle East Depositories Association (AMEDA)
- Federation of Euro-Stock Exchanges (FEAS)
- Society for Worldwide Interbank Financial Telecommunication (SWIFT)

#### International Cooperation

- Association of Global Custodian (AGC)
- Thomas Murray (TM)

#### Regulated by

Jordan Securities Commission

#### Settlement

Form: Book Entry  
Cycle: T+2

Model: Settlement of trades on the delivery-versus-payment (DVP) principle (Gross Settlements of Securities Transfers is simultaneous with Net Settlement of Funds Transfers)

#### Turnaround Trades

Allowed provided the same broker in the same settlement cycle

#### Taxation

No capital gains tax, this includes cash & stock dividends

### FUTURE OUTLOOK 2015

The most prominent project that will be implemented in 2015 is developing the SDC's clearing and settlement system, and the main goal of this development is to minimize the counterparty risk between brokers and custodians by making the custodian a part of the settlement process. To support the implementation of this project, the SDC is in process of reviewing the related legislations and developing the technological infrastructure.

#### ABOUT SECURITIES DEPOSITORY CENTER (SDC) OF JORDAN

Established: 1997

Chairman: Mr. "Moh'd Said" Ahmad Al-Hammami

Address: P.O. Box 212465, Amman 11121, Jordan

Contact name: Khalil Naser

E: ceo@sdc.com.jo

W: www.sdc.com.jo

مركز الودائع المالية  
Securities Depository Center



# TAKASBANK



Takasbank continued to provide efficient and effective services for the capital markets as well as its stakeholders and customers throughout 2014.

**Murat ULUS**  
General Manager & Board Member

Diversifying its service range with the restructuring and infrastructure development projects it had accomplished and undertaking an important role in the attempts to attain a more stable and sustainable structure for Turkish capital markets in the recent years; Takasbank continued to provide efficient and effective services for the capital markets as well as its stakeholders and customers throughout 2014.

In this context, Takasbank being a "Central Counterparty" in the Securities Lending Market in 2013, undertook the same function in Borsa İstanbul Futures and Options Market as of March 2014. Accordingly, upon the implementation and the launching of BISTECH system at Borsa İstanbul Equity Market, risk and collateral management shall be carried out by Takasbank. This system will introduce some fundamental changes such as pre-

trade, post-trade and at-trade risk management to be implemented and applied real-time. Parallel with these developments in 2014, Takasbank also executed primary data center transfer project which aims to operate Borsa İstanbul, MKK and Takasbank networks under the same roof.

Also, Takasbank was granted ISO 22301-Business Continuity Standard Certification and ISO 27001 - Information Security Management System Standard Certification in 2014.

Furthermore, Takasbank was authorized by the Capital Markets Board to provide portfolio custody services to collective investment schemes as of July 2014. As a year full of novelties, the development practices to provide real-estate title deed transfer services were started for the execution of the trading transactions over a web-based system.

2014 was also a fruitful year for Takasbank in terms of its activities towards the development of its international relations. Within this context, Takasbank membership to the European Association of Central Counterparty Clearing Houses (EACH) was approved as of October 2014. Furthermore, in line with the vision of becoming a preferred settlement and custody institution in the international markets; with the launching of the International Settlement and Custody System in two phases; access to more than 65 markets was achieved globally.

Within the context of its efforts of sharing accumulated knowledge and experience with its peers, Takasbank hosted the authorized persons coming from Jordan and Macedonia within the scope of the FEAS Bilateral Training Program in the year 2014.

## GENERAL INFORMATION

Takasbank is incorporated as a sector specific investment bank with a purpose to provide clearing, settlement and custody services as well as rendering banking services.

### Services Provided

- Central clearing and settlement services for Borsa İstanbul spot markets and CCP services for derivatives markets,
- Operator and central counterparty (CCP) for the Securities Lending Market (SLM)
- Settlement bank for Turkish Electricity Market,
- Custody services for Private Pension Funds and collective investment schemes,

- Global and local custody services,
- National numbering agency for securities issued in Turkey (ISIN, CFI) and pre-LOU allocating LEI codes.

### Brief History

Takasbank started to operate as a department within Borsa İstanbul in 1988. In 1996, it was transformed into a bank and renamed as Takasbank.

### Regulated by

Capital Markets Board of Turkey  
Banking Regulation and Supervision Agency  
Central Bank of Turkey

### Ownership (As of December 2014)

Borsa İstanbul: 52.25%  
Banks (14): 17.78%  
Brokerage Houses (46): 19.97%

## FUTURE OUTLOOK

In 2015, Takasbank intends to:

- Continue its infra-structure development practices to provide CCP services for Borsa İstanbul equities market in Q2, 2016 and for Borsa İstanbul debt securities market at in Q4, 2016,
- Carry out risk and collateral management upon the implementation and the launching of BISTECH system at Borsa İstanbul Equity Market.

## ABOUT TAKASBANK

Established: 1988

Chairman: Tuncay Dinç

Address: Şişli Merkez Mahallesi, Merkez Caddesi,  
No: 6 34381 Şişli-İstanbul-Turkey

Contact name: Aylin Sumru

E: international@takasbank.com.tr

W: www.takasbank.com.tr

Takasbank



## TURKISH CAPITAL MARKETS ASSOCIATION (TCMA)



2014 was a year in which transformations were brought to completion and we moved closer to a stronger structure in the capital markets.

**İlhami Koç**  
Chairman

2014 was a year in which transformations were brought to completion and we moved closer to a stronger structure in the capital markets. The enactment of the new Capital Market Law and secondary regulations brought along highly pleasing developments for our industry. Our Association underwent a transformation in 2014 and became the biggest professional organization of the financial services industry with its new structure. Our responsibility has increased significantly as our membership base was extended.

As the Association, we want to help increasing the domestic savings by improving financial literacy. Since the last quarter of 2012, we have been

running a comprehensive programme based on behavioural finance principles. We run various financial education events and conferences. We are reaching our target audience mainly through social media channels. We have also launched an e-learning program in 2014. Our focus will remain on strengthening financial education through various activities including e-learning programmes, mobile applications, contests and workshops in 2015.

Increasing the number of better-equipped market professionals, is also among our priorities. In that regard, strengthening the workforce of the investment industry is one of the main

responsibilities of our Association. In 2014, nearly 4,000 people participated to the training programs organised by our Association, thanks to the wide range of topics offered.

TCMA continued to serve as the information hub of the industry in 2014. We improved our new in-house developed software through which we are collecting data from our members. We proudly observe that all our publications serve as a rich source of reference for our industry.

Looking forward, in 2015, we will keep working toward a stronger economy, a larger capital market and happier investors.

### HISTORY AND DEVELOPMENT

Turkish Capital Markets Association has been established as the self-regulatory organization in the Turkish capital markets in 2001. The Association was initially established under the name of "The Association of Capital Market Intermediary Institutions of Turkey". After the New Capital Markets Law came into effect, the name of the Association was revised to "Turkish Capital Markets Association (TCMA)" in 2014.

According to this new regulatory framework, in addition to investment firms and banks authorized for capital market operations, asset management companies and investment trusts became members of the TCMA. Membership to the Association is compulsory. TCMA oversees the industry and contributes to its members through publications, training programs, events and conferences.

#### The Association aims to:

- Cater to the common needs of its members,
- Facilitate professional activities of its members,
- Help improve the profession in line with common interests.
- Uphold professional discipline and ethics.

#### The main functions of the Association are to:

- Establish professional rules and regulations;
- Set safety measures to prevent unfair competition;
- Monitor professional developments, changes in rules and regulations and inform members;
- Evaluate complaints against its members;
- Impose disciplinary action on members, when necessary;
- Assist in the resolution of disputes arising from off-exchange transactions among its members or between its members and investors;
- Appoint arbitrators upon the request of concerned parties;
- Conduct research on Turkish and international capital markets;
- Offer training programs;
- Co-operate with related foreign institutions.

#### Legal Status

Non-profit association.

#### Regulated by

Capital Markets Board.

#### Board of Directors

The Board of Directors is composed of eleven members. Eight of them are elected by different member categories. One representative member from the Appraisal Experts Association of Turkey and two independent members serve on the Board.

#### Memberships at International Organizations

AFIE (Asia Forum for Investor Education):

[www.afie.asia](http://www.afie.asia)

ASF (Asia Securities Forum):

[www.asiasecuritiesforum.org](http://www.asiasecuritiesforum.org)

FEAS (Federation of Euro-Asian Stock Exchanges):

[www.feas.org](http://www.feas.org)

ICSA (International Council of Securities Associations):

[www.icsa.bz](http://www.icsa.bz)

IFIE (International Forum for Investor Education):

[www.ifie.org](http://www.ifie.org)

IOSCO (International Organization of Securities Commissions):

[www.iosco.org](http://www.iosco.org)

### ABOUT TURKISH CAPITAL MARKETS ASSOCIATION (TCMA)

Established: 2001

Chairman: İlhami Koç

Address: Büyükdere Caddesi No 173 1. Levent Plaza  
A Blok Kat: 4 1. Levent 34394 Istanbul Turkey

Contact name: Alparslan Budak

E: [research@tspb.org.tr](mailto:research@tspb.org.tr)

W: [www.tspb.org.tr/eng](http://www.tspb.org.tr/eng)

**TCMA** | TURKISH CAPITAL  
MARKETS ASSOCIATION



## VISIT THE FEAS WEBSITE



- Trading statistics
- Company data
- Price information
- Ratios
- and much, much more...

[www.feas.org](http://www.feas.org)

Subscribe to FEAS RSS Feed at  
[www.feas.org/feed/index.aspx](http://www.feas.org/feed/index.aspx)  
for the latest news

[www.feas.org](http://www.feas.org)