

WEEK OF STOCK MARKET OF KAZAKHSTAN

May 25 - 31

1 US dollar = **142.35** tenge at official rate for the end of the period
1 US dollar = **142.30** tenge at weighted average rate of the Exchange for the end of the period

Yield of stock exchange financial instruments

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during analyzed period. In parentheses – figures of previous period. Instruments are given in descending order, based on their attractiveness.

Investment attractiveness of financial instruments at KASE from May 25 through 31

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
MEKKAM, notes	KZT	*14.05 (14.04)	1,247.4 (1,440.0)	8,765.4 (10,115.2)
ALKSb	USD	15.41 (14.96)	0 (0)	0 (0)
KOMBb	USD	13.89 (13.89)	0.6 (0)	3.9 (0)
KKGBb	USD	12.40 (12.66)	0 (0)	0 (0)
Euronotes-3	USD	10.97 (11.00)	652.2 (720.7)	4,583.0 (5,062.5)
Euronotes-2	USD	10.18 (10.07)	583.4 (254.4)	4,099.5 (1,787.0)
MEKAVM	USD	*9.67 (7.21)	18.5 (7.7)	130.0 (54.1)
KZT (SS repo)	KZT	*7.11 (10.19)	1,768.0 (1,687.2)	12,423.6 (11,851.6)

Notes: yield of ALKSb, KKGBb – average for offer quotations, KOMBb – average of the deals.

Tenge devaluation rate is estimated in the week by a trend of **negative 1.96% APR** (tenge revalued).

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

Initial offerings

From May 23 and 26 primary auction for offering **common inscribed shares of OJSC “Astana-finance”** (official list of securities, category “B”, KZ1C7671418, trade code in regular mode - ASFI) was conducted among the population of Astana on the trade floor of KASE. In four days the issuer was able to sell **548 shares for a total of KZT548 th.** Total of 39 deals were made. All the deals were made at face value of a share – KZT1000.00. As a result of the offering OJSC “Astana-finance” now has **373 new shareholders.**

The auction was held **using the Internet.** Thanks to the net potential investors – residents of Astana – were able to monitor the quotations at the Exchange in real time mode and make bids to purchase the shares. In order to make the offering more effective internal network of OJSC “Halyk Bank of Kazakhstan” was exploited. It took 3-5 minutes to fill out necessary forms to prove the conclusion of the deal (Main postal office, Central settlement office, savings bank #62 in fifth microdistrict of Astana).

Implementing the project meant achieving several goals. KASE, OJSC “Halyk Bank of Kazakhstan” and its branch brokerage company CJSC “Fondovyi servis” were perfecting the retail sales of the securities at the Exchange, using the Internet technologies. The issuer of the shares – OJSC “Astana-finance” – was interested in getting new shareholders for further development of the company.

In general, in the opinions of the organizers, the project was successfully implemented. There were no serious malfunctions in the trade system. Organizers note that the auction showed that the population can really have an access to the trades at KASE. Brokerage companies can and should work with the population whose free funds, or savings are the reserves for further development of the country’s economy.

Trades in corporate securities

During observed period 14 deals were made in the sector of private issue securities (PIS) on trade floors of Kazakhstan stock exchange (KASE) amounting to **\$399.2 th.** Relative to previous period (\$109.5 th., 4 deals) weekly turnover of PIS grew 1.7 times.

Results of the trades in shares from May 25- 31

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
OJSC «Almaty Kus»	ALKS			0	0.15	0.31
OJSC «Bank TuranAlem»	BTAS	76.32		0	75.88	78.16
OJSC «Bank CenterCredit»	CCBN	1.27		0	0.98	1.42

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Results of the trades in shares from May 25- 31

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
OJSC «KAZKOMMERTSBANK»	KKGB	0.70		0	0.22	
OJSC «Temirbank»	TEBN	7.39		0		7.41
OJSC «Aliuminii Kazakhstana»	ALKZp	0.49	0.49	35 190	0.49	0.49
OJSC «Mangistaumunaigas»	MMGZp	3.50	3.35	4 738	3.50	3.20
OJSC «Aktiubneftsvyaz»	AKNS	0.14	0.14	1	0.14	0.14
OJSC «Bailanys»	BAIL	0.70	0.70	1	0.70	0.70
JSC «AZ Etalon»	ETLN	132.82	158.26	2 073	185.56	132.82
OJSC «Kaspil Munai Bailanys»	KMUB	0.14	0.14	1	0.14	0.14
OJSC «KazTransGas»	KZTG	0.70	0.70	1	0.70	0.70
OJSC «Ontustikmunaigas»	ONGZ	2.81	2.81	157	2.81	2.81
JSC «ULBA»	ULBAp	10.00	10.00	3 358	10.00	10.00

Results of the trades in bonds from May 25 - 31

yield for the buyer in % APR till maturity, unless otherwise specified

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
OJSC «Almaty Kus»	ALKSb	USD	14.96	–	0	16.63	15.42
OJSC «KAZKOMMERTSBANK»	KKGBb	USD	12.37	–	0	14.21	12.73
OJSC «Komirbank»	KOMBb	USD	13.89	13.89	3.94	13.89	13.96

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

Common shares of JSC “AZ Etalon” (Almaty, “Non-listed securities” sector, second admittance level, **ETLN**) were the leaders in terms of volumes of the deals, and they are back on the trade floor after a long break (since Sep.1, 98). Their proportion in weekly turnover of PIS equaled 82.2% (\$328.1 th., 4 deals). Last week preferred shares of **OJSC “Mangistaumunaigas”** were the leaders (Aktau, official list of the securities, category “B”, **MMGZp**).

Compared to previous successful trading day: price of **MMGZp** (based on the last deal of the period) fell 55.8%, **ETLN** – 88.6%, price of **ALKZp** did not change. Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

In PIS repo sector no deals were made during the week. Six indexed (in U.S. dollars) PIS repos are still opened for a total of **\$1,445.4 th.** on the trade floor of the Exchange. The following were used as an object of repo: the shares of OJSC “Bank CenterCredit”, OJSC “UKTMK”, JSC “Kazakhstanaspishelf”, OJSC “Halyk Bank of Kazakhstan”. The repo rates vary from 12.97% to 16.00% APR for 61-260 days.

Capitalization of the stock market for PIS

For May 31, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$1,689.1 mln** or KZT240.4 bln at tenge to dollar rate of the Exchange, effective on that date. Despite the fact that common shares of four Kazakhstani issuers were entered into the trade lists of the Exchange (see below), capitalization decreased \$8.3 mln in terms of dollars relative to the end of previous period, which was caused by a significant decrease in the prices of JSC “AZ Etalon” common shares and OJSC “Mangistaumunaigas” preferred shares (see above).

In May of current year capitalization of the stock market for PIS of Kazakhstan **rose \$63.4 mln**, or 3.9% in terms of dollars. Change in the capitalization in May was caused mainly by **a growth in market values of the shares** from official list of KASE under category “A”: common inscribed shares of OJSC “SHNOS” (trade code **SYRG**) and preferred inscribed shares of “Kazakhtelecom” (trade code **KZTKp**).

Within a month **the shares of OJSC “SHNOS”** rose from \$1.05 to \$1.63, or 55.2%. It increased the market capitalization of the company from \$86.8 mln to \$134.8 mln and total capitalization of the market by 3.0%.

It is worth to note, that the deals at \$1.05 and \$1.63 were made in the trade system of KASE using the counter auction mode, that is they were made by purely market methods. Moreover, the last price of SYRG shares was registered with the volume of the deal at \$211.8 th. – quite large for local market.

In May **preferred shares of “Kazakhtelecom”** grew from \$4.0 to \$8.88, or 122.0%. For some deals the price of KZTKp reached \$14.36 per share in May. Resulting change in the price of the securities caused the capitalization of the company to increase by \$5.9 mln, from \$314.8 mln to \$320.8 mln, and total market capitalization of the market by 0.4%. Like with OJSC “SHNOS”, the last price of KZTKp in May was registered with noticeable (for preferred shares) volume of the deal – \$33.7 th. Total monthly turnover in this financial instrument equaled \$88.6 th.

The second reason for the capitalization of PIS market to grow in May was **the restructuring the securities lists of the Exchange**. Removal of OJSC “Neftechimbank” shares from “B” listing (the market capitalization at the removal time – \$1.8 mln) was fully compensated by an appearance of the securities from OJSC “VALUT-

TRANZIT BANK" (nominal capitalization – \$7.0 mln). The shares of OJSC "Aktiubneftesvyaz", OJSC "Atraumunaionimderi", OJSC "Bailanys", OJSC "Jairemskii GOK", OJSC "Kaspil Munai Bailanys", OJSC "KazTransGas", OJSC "Munaiaspap", and OJSC "Ontustikmunaigas" have appeared on non-listed securities trade floor. However, appearance of new securities on organized market of the country caused its capitalization to grow only \$6.3 mln, or 0.39%. It should be noted that new securities come from the companies of oil and gas sector.

It should be noted also that decrease in value of JSC "AZ Etalon" shares ("Non-listed securities" sector, second admittance level, trade code **ETLN**) had a negative impact on the market capitalization in last month. After a long break (from September 1998) a series of direct deals (made on preliminary agreement) for \$328.1 th. were made at KASE. Based on the last series of deals (\$142.5 th.) the price of ETLN was registered at \$132.82 per share, and as a result, the capitalization of the company fell from \$11.8 to \$1.3 mln.

As of late May (corresponding figures for late April, 2000 are given in parentheses) **in trade lists of KASE** there were: 68 (59) PIS of 48 (39) issuers and 4 (4) state blocks of shares.

Trades in state securities

In **purchase and sale sector** for SS of KASE total volume of **71 deals** reached **KZT2,501.4 mln**. In previous analyzed period the volume reached KZT2,476.5 mln with 84 deals made.

Parameters of stock exchange transactions in SS from May 25 - 31

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discounted SS: MEKKAM-3, 6, 12, notes of NB				49.9% (58.2%) of purchase and sale sector's turnover		
less than 8	7.81	8.33	8.33	8.30 (9.41)	83.07	2
8 - 14	8.87	11.00	8.87	10.05 (11.45)	162.12	6
15 - 28	9.99	12.75	9.99	10.65 (12.53)	59.88	5
29 - 36	12.22	14.88	12.22	14.82 (-)	166.56	2
57 - 63	12.42	12.42	12.42	12.42 (-)	20.00	2
64 - 91	12.50	13.52	13.44	13.05 (13.83)	226.80	12
92 - 181	14.16	16.45	14.16	15.40 (15.18)	245.82	6
182 - 364	14.83	16.92	14.83	15.81 (16.11)	283.11	4
Total					1 247.4 (1 440.3)	39 (60)
Discounted indexed SS: MEKAVM-6, 12				0.7% (0.3%) of purchase and sale sector's turnover		
92 - 181	9.51	9.51	9.51	9.51 (-)	15.30	1
182 - 364	9.29	9.41	9.29	9.38 (9.01)	3.20	3
Total					18.5 (7.70)	4 (4)
Euronotes of Kazakhstan, USD				49.4% (41.5%) of purchase and sale sector's turnover		
*857 - 861	10.07	10.33	10.31	10.18 (10.07)	583.39	13
**1,591 - 1,597	10.93	11.19	11.19	10.97 (11.00)	652.18	15
Total					1 235.5 (1 028.5)	28 (20)
SUBTOTAL					2 501.4 (2 476.5)	71 (80)

Notes: for euronotes (* - second issue, ** - third issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic SS are calculated considering official rate of USD/KZT.

No principal changes are being observed in this sector. Both the activity of the participants, and the turnover structure are constant. It was caused by a general stability of the country's financial market and steadiness of the currency market conjuncture.

During the period **90 repo deals** were registered **for a total of KZT3,975.6 mln in SS repo sector** of KASE. Of this number 46 deals (for KZT1,768.0 mln) were repo opening deals and 44 (KZT2,207.6 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT1,687.2 mln. As it can be noticed by the amounts of funds raised, despite a relatively low investment attractiveness of "short" tenges as a financial instrument (please, see the table at the beginning of the review), the dealers got more active in the sector. It can be explained by the lack of the banks for free resources that was felt on the market at the beginning of observed period. Moreover, the end of each month requires the limits to be reallocated, which traditionally makes the market of short money to become more active.

Parameters of repo opening deals in SS at KASE from May 25- 31

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
May 25.00	1	KZT	700.6	7.32	6
May 25.00	4	KZT	7.0	6.00	1
May 26.00	3	KZT	317.3	5.11	8
May 26.00	4	KZT	144.2	5.03	6

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Second part of the table

Parameters of repo opening deals in SS at KASE from May 25- 31

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
May 26.00	7	KZT	25.0	10.00	2
May 26.00	10	KZT	76.6	7.00	5
May 29.00	1	KZT	155.3	7.55	4
May 29.00	2	KZT	10.9	6.00	2
May 30.00	1	KZT	9.5	5.00	2
May 30.00	6	KZT	126.8	8.50	3
May 30.00	9	KZT	134.0	7.50	4
May 31.00	8	KZT	60.9	7.70	3
TOTAL			1,768.0 (1,687.2)		46 (36)

After closing of the trades on May 31 total amount of opened repo equaled **KZT958.6 mln**.

Current weighted average rates as of May 31 (% APR, KZT, unless otherwise specified) equaled:

- 6 days (KZT126.0 mln) – **8.50%**;
- 7 days (KZT25.0 mln) – **10.00%**;
- 8 days (KZT60.88 mln) – **7.70%**;
- 9 days (KZT153.8 mln) – **8.08%**;
- 10 days (KZT76.6 mln) – **7.00%**;
- 30 days (KZT315.5 mln) – **10.50%**;
- 35 days (KZT200.0 mln) – **12.42%**.

Total of 161 deals amounting to **KZT6,476.9 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 145 deals was KZT5,296.3 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for SS for comparable operations (including euronotes and repo operations) equaled **68.7%**, for last week it was 79.7%.

Changes in trade lists

From May 26 of current year, based on the application of the trade member of KASE, common inscribed shares of following companies were admitted to the trades in “Non-listed securities” sector with the second level of admittance: OJSC “Kaspil Munai Bailanys” (Atyrau, KZ1C11750717, trade code - KMUB); OJSC “Aktiuneftsvyaz” (Aktobe, Zarechnyi community, RK1C01540315, trade code – AKNS); OJSC “Bailanys” (Pavlodar, KZ1C06621519, trade code – BAIL); OJSC “KazTransGas” (Almaty, KZ1C41310409, trade code – KZTG).

Information about the companies

According to listing requirements, “**SHNOS**” (Shymkent, Almaty, official list of securities, category “A”) provided Kazakhstan Stock Exchange (KASE) with its consolidated financial statements for the first quarter 2000: balance sheet and income statement.

Following are the results of the company in the first quarter 2000 by the data of the issuer (in th. KZT):

Ratio	As of April 1 '99	As of April 1 '00	Change, %
Authorized capital (announced)	83,097	100,000	+20.3
Authorized capital (paid up)	83,097	83,096	0
Shareholders' equity	10,894,540	17,974,976	+65.0
Total assets	13,367,462	22,452,187	+68.0
Net working capital	3,294,827	9,942,477	+201.8
Accounts receivable (net basis)	3,386,383	10,483,154	+209.6
Accounts payable	1,540,171	3,165,561	+105.5
Sales (services offered)	2,722,688	11,722,125	+330.5
Cost of goods sold (services offered)	2,117,289	7,678,277	+262.6
Net income (loss)	(463,840)	3,691,474	+895.9
Book value of a share, KZT	131.11	287.54	+119.3

Compared to the first quarter of 1999:

- shareholders' equity rose by KZT7.08 bln, or 65.0% (including increases in fixed assets revaluation fund - KZT4.30 bln, total undistributed profit -KZT2.80 bln, and decrease caused by withdrawal of a capital - KZT20.78 mln);

- assets grew by KZT9.08 bln, or 68%;
- liabilities rose by KZT2.00 bln, or 81.0%.

Sales (services offered) increased by KZT9.00 bln, or 4.3 times. Cost of goods and services sold increased by KZT5.56 bln, or 3.6 times. Total expenses for the period declined by KZT68.25 mln, or 6.6%.

As a result, net income of SHNOS, by results for the reported period, totaled KZT3.69 bln against losses KZT463.84 mln occurred in the same period of 1999.

For the reported date, KZT463.68 mln of provisions for possible loan losses were formed. Provisions for outdated materials totaled KZT47.00 mln. According to the commentary given by OJSC "SHNOS", the loss and income statement was composed without consideration of special provisions. It is possible that auditing report conducted by "Deloitte & Touch" will require a creation of special provision on the sum of KZT1.3 bln. This will lead to lowering of financial results of the company by the corresponding amount.

OJSC "Astana-finance" (Astana, official list of the securities, category "B"), in accordance with the listing requirements presented Kazakhstan stock exchange (KASE) with its financial statements for the first quarter of the year 2000: balance sheet, income and cash flow statements.

Following are the results of the issuer's activities in the first quarter of the year 2000 (in th. KZT):

Ratio	As of Jan.1,00	As of Apr.1,00
Authorized capital (issued)	3,100,000	3,100,000
Authorized capital (paid)	102,436	206,545
Shareholders' equity	2,298,229	2,408,274
Total assets	12,796,996	15,728,153
Loan portfolio	9,547,455	8,948,631
Funds raised	8,750,386	9,242,692
Income from operating activities	6,266,610	197,241
General expenses	4,747,298	191,305
Net income of the period	1,519,312	5,936
Book value of a share, KZT	22,435.76	11,659.80

It is hard to compare the figures of this period with that of similar period of 1999, since from January 1, 2000, fulfilling the requirements of the National Bank of Kazakhstan, OJSC "Astana-finance" has changed the format of its financial statements (by the constitutive documents, the company is a non-banking institution conducting certain banking operations).

According to listing requirements, **OJSC "Aliuminii Kazakhstana"** (Pavlodar, Almaty, official list of securities, category "B") provided Kazakhstan Stock Exchange (KASE) with its initial (not audited) financial statements for year 1999: balance sheet and income statement.

Following are the results of the company in 1999 by the data of the issuer (in th. KZT):

Ratio	As of January 1 '99	As of January 1 '00	Change, %
Authorized capital (announced)	5,827,175	6,000,000	+3.0
Authorized capital (paid up)	5,827,175	5,834,811	+0.1
Shareholders' equity	6,956,317	12,356,051	+77.6
Total assets	12,282,161	18,826,076	+53.3
Net working capital	2,083,952	6,258,269	+200.3
Accounts receivable (net basis)	2,025,491	2,989,454	+47.6
Accounts payable	3,459,790	2,148,489	-20.7
Sales (services offered)	14,103,257	18,303,173	+29.8
Cost of goods sold (services offered)	11,529,333	12,255,882	+6.3
Net income (loss)	98,381	5,440,442	+5,430.0

Calculated based on the issuer's data:

Ratio	As of January 1 '99	As of January 1 '00	Change, %
Return on sales (ROS), %	18.25	33.04	+81.0
Return on capital (ROE), %	1.41	44.03	+3.013.3
Return on assets (ROA), %	0.80	28.90	+3.507.8
Earnings per share (EPS), KZT	0.84	102.92	+12.182.6
Price/earnings index(P/E)	316.27	-	-
Book value per share, KZT	119.38	212.04	+77.6

Earnings per share (EPS) for 1999 is given without dividends on preferred shares, which have been not determined yet.

According to the balance for 1999 presented by OJSC "Aliuminii Kazakhstana", following indicators registered an increase in comparison to the previous year:

- shareholders equity rose by KZT5.40 bln or 77.6% (including increase in total undistributed income by KZT5.23 bln, reserve capital - KZT116.80 mln, paid-up part of authorized capital - KZT7.64 mln and decrease in additional unpaid capital - KZT43.67 mln);

- Assets increased by KZT6.54 bln or 53.3%;
- Liabilities increased by KZT1.14 bln or by 21.5%.

Sales (services offered) increased by KZT4.20 bln, or 29.8%. Cost of goods and services sold increased by KZT726.55 mln, or 6.3%. Total expenses for the period declined by KZT22.45 mln, or 1.4%.

As a result, net income of the company in 1999 grew by KZT5.34 bln or 55.3 times and totaled KZT5.44 bln.

Following are the quarterly data of sales and income volumes of Aliuminii Kazakhstanana for 1999 (mln. KZT).

Index	I-99	II-99	Changes, %	III-99	Changes, %	IV-99	Changes, %
Sales volume	3,521.2	4,359.9	+23.8	4,832.4	+10.8	5,589.7	+15.7
Net income	213.9	1,435.2	+570.8	1,718.3	+19.7	2,073.0	+20.6

According to the available documents, General meeting of shareholders that was held on December 3, 1999 approved a statement on increase of announced authorized capital of the company to KZT6.0 bln. The meeting also canceled the third and fourth emissions of shares and registered the fifth emission on the sum of KZT5,834,810,776. However, KASE does not possess documents that could confirm a registration and floatation of the fifth emission (as a ground for increasing of paid-up part of authorized capital).

According to the listing requirements, **OJSC "Temirbank"** (Almaty, official list of securities, category "A") provided KASE with the documents of General annual meeting of the shareholders, held on April 28, 2000 (minutes of the meeting, the report of the Board and the conclusion of the Revision commission), as well as with auditing report of "Arthur Andersen" (Almaty, Kazakhstan), made by 1999 results of the issuer, and with its financial statements for the I quarter of the year 2000 (balance sheet and income statement).

Based on the published agenda, the shareholders of OJSC "Temirbank":

- approved annual financial statements, conclusion of the Revision commission, and the report of the Board of the bank for the year 1999;
- approved the distribution of net income received in 1999 that amounted to KZT98,687 th., of which: dividends to preferred shares equaled KZT2,499 th. (25% of face value), to common shares – KZT9,513 th. (1% of face value), allocation to the account "Undistributed net income (uncovered loss) of previous years" – KZT86,675 th.;
- approved a new edition of the bank's Charter with the changes and amendments made in it to make it in conformity with current legislature.
- made a decision to issue the company's own bonds to raise additional funds for certain projects (volume and structure of the issue will be determined by the Board of directors later);
- dismissed previous Board of directors and elected a new one (with the purpose of raising the proportion of "independent" directors up to 50% in accordance with the Law "On joint stock companies" for people's companies) with the following members: Dosmakova S.A., Guslyakov V.G., Tashpulatova S.A., Ryskojaev N.S., Dildyaev Ya.G., Redko N.D.

Besides, the shareholders elected new members of the Revision and Accounting commissions of the bank.

The chairman of the Board, Tashpulatova S.A. noted that presently, OJSC "Temirbank" is one of the biggest private banks in Kazakhstan, with the fourth place by the number of branches (25) and settlement-cashier departments (8). The bank was placed into the first group of banks who are going to switch to international standards, is a member of the system of mandatory collective insurance of the deposits of private persons. In 1999 international rating agency Thomson Bank Watch confirmed long-term credit rating of the banks at "B", at sovereign rating of Kazakhstan. In 1999 the bank conducted the 10th issue of its shares, increasing its authorized capital to KZT1.40 bln.

As of January 1, 2000, loan portfolio of OJSC "Temirbank" was more than KZT5.7 bln, and grew 2.3 times relative to 1998. In 1999 the bank granted loans for KZT14.3 bln, 83% more than in previous year.

It is also said that in 1999 the bank had worked actively with international financial institutions such as:

- Asian development bank (agricultural producers support program);
- Central Asian American Fund for Supporting Entrepreneurship (small business financing program);
- CJSC "Fond razvitya malogo predprinimatelstva";
- European bank for reconstruction and development (small and mid-sized business support program).

Moreover, the bank has credit lines of foreign banks, that can be used to receive a confirmation on letters of acceptance and warrantees, including: Commertzbank AG for \$1.0 mln, Demir Kazakhstan Bank – for \$2.0 mln, ABN AMRO Bank Kazakhstan – for \$1.0 mln, Citibank – for \$1.0 mln, HSBC – for \$500 th.

The bank became the fourth authorized bank under the program of the government to support domestic producers which has already financed 4 projects for a total of 1,592.5 th. U.S. dollars:

- Construction of a cable plant – JSC “Kazenergokabel”;
- Cold galvanizing line at Shymkent plant of electric items – JSC “Electromontaj”;
- Production of oriental sweets and sunflower oil – LLP “Agroprodukt”;
- Production of pills at Pavlodar pharmaceutical plant – LLP FK “Romat”.

Using the funds provided by Asian development bank the project “Complex of freezing and cooling equipment for processing and selling fish and fish products” was financed – LLP “Aktilek” (Uralsk).

The development of the bank is based on the expansion of deposits base. The volume of transactions with the deposits increased 4.5 times in 1999, and total amount of deposits grew 1.7 times, at more than KZT6 bln. Remaining amounts on deposits of private persons increased by 81.4% relative to 1998, which shows increasing trust in the bank.

In 1999 OJSC “Temirbank” opened two branches in Jezkazgan and Karagandy, and one settlement-cashier department in T.Ryskulov community. The number of employees as of January 1, 2000 is 897, including 272 in the head office.

Based on the data of an independent auditor, who finished working on the report on March 24, 2000, following are the results of the issue as of December 31, 1998 and 1999 (in th. KZT):

Indicator	1998	1999
Authorized capital (announced)	1,000,000	1,400,000
Treasury stock	4,474	4,474
Outstanding shares	995,526	995,526
Shareholders' equity	1,317,820	1,292,359
Total assets	5,403,488	9,176,708
Total liquid assets	783,173	1,202,860
Funds and loans granted (net)	2,217,484	2,126,095
Liabilities to the banks and credit institutions	1,389,843	2,344,158
Loans and advances to the clients (net)	2,020,813	5,198,564
Liabilities to the clients	2,635,146	5,443,591
Income from operating activities	1,256,359	1,635,604
Total expenses	1,067,409	1,516,647
Net income	188,950	73,957
Calculated on the basis of auditing report:		
Return on equity (ROE), %	14.34	5.72
Return on assets (ROA), %	3.50	0.81
Earnings per share (EPS), KZT	189.41	75.42
Price earnings ratio (P/E)	–	13.80
Book value of a share, KZT	1,323.74	1,298.17

“Arthur Andersen” has conducted its auditing in accordance with International accounting standards. Since OJSC “Temirbank” keeps its accounts and makes its financial statements in accordance with the Kazakhstani accounting standards, as well as with the banking legislature, instructions and regulations of the National Bank of Kazakhstan (NB RK), the auditor had to make a number of corrections and regroupings of the articles to make the financial statements of the bank in conformity with the requirements of International accounting standards. As a result, there are some noticeable discrepancies in financial ratios calculated by the data of the company and that of independent auditor.

By the data of the auditor, capital sufficiency ratios as of December 31, 1998 and 1999, calculated in accordance with the requirements of NB RK and International requirements, exceeded the minimum level – at least 8% of the assets weighed at risk levels. Capital sufficiency ratios, calculated by international requirements, as of December 31, 1998 and 1999 equaled 38% and 17%, respectively.

Based on the data of the auditing report, volume of loans granted to the clients increased 148.8% relative to 1998, reserve for the coverage of possible losses on granted loans was increased by 81.7%. Financing of private companies in 1999 equaled 99.8% of total volume, state – 0.2%, corresponding figures of 1998 – 99.5% and 0.5%. In 1999 loans granted to the clients were distributed among the sectors of the economy in the following proportion (in parentheses comparable figures in 1998): wholesale trade – 38.6% (24.0%) of total volume, production – 16.6% (4.4%), agriculture – 15.3% (1.3%), food – 10.6% (6.8%), construction, transportation and communication – 5.4% (1.2%), loans to private persons – 5.3% (12.2%), energy – 1.7% (3.9%), textile – 3.2% (0%), others – 1.8% (445.7%).

In the opinion of the auditor, financial statements of OJSC “Temirbank” give a reliable and objective picture of the company’s financial situation as of December 31, 1998 and 1999 in all respects, as well as that of its results and cash flows as of indicated dates in accordance with International accounting standards.

Following are the results of the issuer in the I quarter of 2000 (in th. KZT):

Ratio	As of Apr. 1 '99	As of Apr. 1 '00	Change, %
Authorized capital (announced)	1,000,000	1,400,000	+40.0
Authorized capital (paid)	991,047	1,202,247	+21.3
Shareholders' equity	1,351,061	1,749,954	+29.5
Total assets	4,874,743	10,198,424	+109.2
Liquid assets	1,391,097	2,614,566	+87.9
Loans granted	2,378,452	6,355,453	+167.2
Loans and deposits	3,420,867	7,547,502	+120.6
Income from operating activities	353,977	697,214	+97.0
General expenses	402,964	621,363	+54.2
Net income (loss)	(48,987)	75,851	+254.8
Book value of a share	1,363.27	1,455.57	+6.8

In comparison with similar period of 1999 during the reporting period growth took place in:

- shareholders' equity – by KZT398.89 mln, or 29.5% (authorized paid capital – by KZT211.20 mln, income – by KZT124.84 mln, accumulations in the funds and in the reserves – by KZT62.85 mln);
- assets – by KZT5.32 bln, or 109.2%;
- liabilities – by KZT4.93 bln, or 140.2%;
- deposits attracted – by KZT3.88 bln, or 123.2%;
- operating income – by KZT343.24 mln, or 97.0%;
- expenses – by KZT218.40 mln, or 54.2%.

As a result of quickly growing income over the expenses, net income, received by OJSC “Temirbank” during the first quarter of the year 2000 equaled KZT75.75 mln against KZT48.99 mln loss incurred during corresponding period of last year.

According to listing requirements, **OJSC “KAZKOMMERTSBANK”** (Almaty, official list of securities, category “A”) provided KASE with the documents of shareholders annual general meeting (minutes, the report of the Board and the conclusion of the Revision commission), as well as with its financial statements for the I quarter of the year 2000) (balance sheet and income statement).

Based on the agenda of the meeting, held on April 24, 2000, the shareholders of OJSC “KAZKOMMERTSBANK” decided to:

- approve annual financial statements, the report of the Board and the conclusion of the Revision commission of the bank for the year 1999;
- not to pay dividends for the year 1999; to allocate the net income of KZT2,199,465 th. following way: KZT5,137 th. for the replenishment of reserve fund; KZT2,194,328 th. for the replenishment of undistributed net income;
- approve the changes and amendments to the Charter of the bank in order to make it in conformity with the law “On making changes and amendments in some legislative acts of Kazakhstan” of July 16, 1999;
- approve the reorganization program of the bank by creating new subdivisions.

Also, the meeting dismissed the bank's previous Board of directors and elected a new one with the following members: Bizakov N.S., Gukasov E.Kh., Klebanov A.Ya., Sembaev D.Kh., Sukhanberdin N.S.

At the end of the meeting Abdrazakov E.S. (the chairman of OJSC “Central Asian investment company”) informed the shareholders that presently the banks has assigned lead managers to organize and to launch the second issue of the bank's eurobonds in this year, not exceeding the volumes approved by shareholders general meeting of January 25, 99.

On behalf of the Board of the bank Voziublennaya L.P., the managing director of OJSC “KAZKOMMERTSBANK”, made a speech. She noted that despite unfavorable tendencies of the beginning of 1999 related to the devaluation of the tenge and overcoming the consequences of the Russian crisis of 1998, the banks had managed to confirm its financial stability and to increase its assets noticeably. By the year-end results, OJSC “KAZKOMMERTSBANK” kept its leading position in the banking sector of Kazakhstan: its assets account for 21% of total assets of the banking sector, capital – 16% of total capitalization, loans to the clients – 32% of all loans granted by the Kazakhstani banks.

Growth in mid-term assets by 41.9% by 1998 (up to KZT64.642 bln) was caused by 55.2% increase in loan portfolio, credits to the banks – 51.1%, investments into the shares – 25.2%, investments into fixed and intangible assets – 54.2%, other assets – 102.9%.

Relative to 1998 mid-term liabilities of the bank grew 48.6% (up to KZT54.009 bln). Interest liabilities rose 47.4% (up to KZT50.617 bln) mainly due to 30.9% increase in the deposits of the clients, including mid-term – 80.9%. Increase in attracted funds equaled 117.4%, caused by an increase in goal financing of the Ministry of finance of Kazakhstan and that of the Fund for small entrepreneurship support, by getting new syndicated loans

from international financial institutions, as well as by servicing the credit lines of the German state fund KFW (development of small entrepreneurship) and that of EBRD (development of the industry).

Relative to 1998 operating income of the bank grew 99.2%, expenses – 38.1%. As a result of quickly growing operating income over the expenses, net profit of the bank in 1999 exceeded that in 1998 by 110%, at KZT2.199 bln.

In 1999 OJSC “KAZKOMMERTSBANK” retained the highest level of shareholders’ equity among the Kazakhstani banks. As of January 1, 2000, the shareholders’ equity of the bank equaled KZT2.942 bln, first level capital (less participation in the capitals of other legal entities) – KZT6.271 bln, the bank’s own capital (net) – KZT9.437 bln.

Following are the results of the issuer’s activities in the first quarter of the year 2000 (in th. KZT):

Ratio	As of Jan.1,00	As of Apr.1,00	Change, %
Authorized capital (nominal value)	2,854,288	2,942,200	+3.1
Shareholders’ equity	10,020,475	12,851,018	+28.2
Total assets	49,040,149	67,263,224	+37.2
Liquid assets	7,130,068	8,025,151	+12.6
Loans and deposits	36,697,876	49,108,989	+33.8
Loans granted	31,606,913	46,080,990	+45.8
Income from operating activities	2,944,252	4,146,978	+40.8
General expenses	2,467,915	2,991,617	+21.2
Net profit	476,337	1,155,361	+142.6
Book value of a share, KZT	35.11	45.02	+28.2

Compared to the same period of 1999 growth has been observed in:

- shareholder’s equity – by KZT2.83 bln or 28.2% (including, increase in authorized capital – by KZT87.91 mln, fund accumulations - by KZT103.75 mln, total undistributed income – by KZT2.64 bln, and additional capital – by KZT0.10 mln);
- assets – by KZT18.22 bln or 37.2%;
- liabilities – by KZT15.39 bln or 39.4%;
- operating income – by KZT1.20 bln or 40.8%;
- expenses – by KZT523.70 mln or 21.2%.

As a result, net profit of OJSC “Kommertsbank” in 1999 equaled KZT1.16 bln, that is 2.4 times more than in comparative period of 1999.

New members of KASE

By the decision of the Board of KASE, dated May 24, 2000, **CJSC “RBNT SECURITIES”** was admitted to the members of the Exchange again under categories “K”, “P”, “H” and **from June 1, 2000** it was permitted to participate in the trades in SS, PIS and in state blocks of shares of the companies being privatized. CJSC “RBNT SECURITIES” is the successor of CJSC “Regent European Securities” (Kazakhstan), who previously was the member of KASE.

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