

WEEK OF STOCK MARKET OF KAZAKHSTAN

August 3 - 9

1 US dollar = **142.65** tenge at official rate for the end of the period
 1 US dollar = **142.58** tenge at weighted average rate of the Exchange for the end of the period

YIELD OF STOCK EXCHANGE 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 August 3 - 9. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
ALKSb	USD	15.20 (15.22)	0 (0)	0 (0)
KOMBb	USD	13.50 (13.50)	0 (0)	0 (0)
HSBkb	USD	12.00 (12.74)	0 (50.2)	0 (351.7)
TMJLb	USD	10.82 (11.30)	43.9 (71.1)	308.1 (498.2)
KZOLb	USD	10.78 (11.75)	0 (18.6)	0 (130.1)
Euronotes-4	USD	9.93 (10.06)	201.5 (636.3)	1,413.6 (4,461.0)
KKGBb	USD	9.77 (10.23)	0 (0)	0 (0)
Euronotes-3	USD	9.76 (9.81)	1,059.0 (573.8)	7,428.2 (4,023.0)
Euronotes-2	USD	9.19 (9.83)	60.9 (38.7)	426.8 (271.0)
MEKAVM	USD	*9.01 (4.54)	954.0 (177.8)	6.7 (1,246.2)
MEKKAM, notes	KZT	*9.55 (7.77)	613.4 (3,057.1)	4,302.8 (21,432.1)
GS repos	KZT	*7.18 (6.86)	4,264.7 (6,990.1)	29,915.0 (49,005.1)

Notes: yield of TMJLb is calculated as average of the deals; for other corporate bonds – as average of offer quotations.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **0.06% APR**.

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.

INDICATORS OF INTERBANK DEPOSIT MARKET

During analyzed period the participants of the memorandum on creation of Kazakhstani interbank deposit market indicators continued to put out regular quotations of the deposits in the trade system of KASE.

Indicators of Kazakhstan interbank deposit market
 as of August 9, 4:00 PM ALT and changes during the week

KASE code	Term	Currency	KIBOR		KIBID		KIMEAN	
			rate	trend	rate	trend	rate	trend
KZT007D	1 week	KZT	6.75	0	3.69	+0.01	5.22	+0.01
KZT014D	2 weeks	KZT	7.59	-0.05	4.19	-0.13	5.89	-0.09
KZT030D	1 month	KZT	8.81	-0.15	5.38	-0.16	7.09	-0.16
KZT060D	2 months	KZT	9.90	-0.46	6.25	0	8.08	-0.22
KZT090D	3 months	KZT	11.38	-0.02	7.16	-0.16	9.27	-0.09

KIBOR – average of placing rates; **KIBID** – average of offering rates; **KIMEAN** – average between placing and offering rates. Trend shows the indicator's change relative to the previous day. Minimal volume of quotations is KZT15 mln. Quotations are indicative meaning that participants do not have to conclude deals on given terms.

From given table it becomes clear that general gradual decrease trend of the money on Kazakhstani interbank market continued during this week. It is in line with general market development concept which is characterized by all-round decline in the yields of financial instruments after the reduction in refinancing rate and mandatory reserve requirements for the banks of the second tier.

THE SECURITIES SECTOR (SS)

Secondary market

During observed period 6 deals amounting to **\$398.8 th.** were made in **purchase and sale sector** of the securities on trade floors of Kazakhstan stock exchange (KASE). Relative to previous period (\$1,461.7 th., 13 deals) weekly turnover of the sector decreased in 3.7 times.

In terms of volume of deals **discounted bonds of Kazakhstan Temir Joly RGP** (Astana, official list of securities, category "A", TMJLb) were the leaders of the week again, with their proportion in weekly turnover reaching **77.3%**.

The price of CCBN, in comparison with the previous resulting trade, did not changed, MMGZp increased by 101.7%, KZZN - by 4.8%, CHPV – by 0.2%. Yield of TMJLb decreased from 11.30 to 10.82% APR.

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

Results of the trades in shares from August 3 - 9

USD per share, unless otherwise specified						
Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.15	0.31
Bank TuranAlem OJSC	BTAS	82.67		0	80.51	82.92
Bank CenterCredit OJSC	CCBN	0.98	0.98	2,245	0.99	0.98
SHYMKENTPIVO CJSC	CHPV	3.51	*3.51	18,000	*3.51	*3.51
Halyk Bank of Kazakhstan OJSC	HSBK	0.91		0	0.91	1.82
KAZKOMMERTSBANK OJSC	KKGB	0.70		0	0.25	0.50
Kazakhtelecom	KZTK	15.00		0	12.00	18.00
Kazakhtelecom	KZTKp	10.00		0	6.00	8.50
Kazzinc OJSC	KZZN	4.82	*4.82	4,900	*4.82	*4.82
Mangistaumunaigaz OJSC	MMGZp	7.06	*7.06	250	*7.06	*7.06
SHNOS OJSC	SYRG	1.63		0	1.30	
Temirbank OJSC	TEBN	7.39		0	0.70	7.36
UKTMK OJSC	UTMK	50.00		0	5.00	145.00
UKTMK OJSC	UTMKp	35.00		0	5.00	

Results of the trades in bonds from August 3 - 9

yield for the buyer in % APR till maturity, unless otherwise specified							
Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb	USD	15.50		0.00	16.73	15.21
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	12.74		0.00	13.30	12.00
KAZKOMMERTSBANK OJSC	KKGBb	USD	12.76		0.00	12.52	10.23
Komirbank OJSC	KOMBb	USD	14.50		0.00	19.47	13.50
NOC Kazakh oil CJSC	KZOLb	USD	11.34		0.00	11.60	10.78
Kazakhstan temir joly RGP	TMJLb	USD	10.82	10.82	308.09	10.82	10.82

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.

In securities repo sector 1 deal was made during analyzed week, which was repo closing for 29 days with coupon bonds of Halyk Bank of Kazakhstan OJSC for an amount of **\$7,069.37**. Actual yield of the transaction calculated in U.S. dollars equaled **11.31% APR**, in tenge at the rate of the Exchange – 10.04% APR.

At the end of analyzed period **five** indexed securities repos were opened for a total of **\$2,079.4 th.** on the trade floor of the Exchange. As an object of repo were used: the common shares of Bank CenterCredit OJSC and the bonds of Halyk Bank of Kazakhstan OJSC.

Capitalization

For August 9, 2000 total capitalization of the companies, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,334.2 mln** or KZT190.2 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number fell by \$1.3 mln notwithstanding the growth in the values of almost all the shares traded in this week (see above), which was due to a change in official rate of tenge to Kyrgyz som (there are the shares of biggest Kyrgyz companies in trade lists of KASE– Kyrgyzenergo JSC, and Kyrgyztelecom JSC, and no deals were made in their shares yet, only their face values are used to calculate the capitalization in U.S. dollars by using the official rate mentioned above).

The capitalization of the exchange market of corporate bonds (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$100.3 mln** as of August 9 or **KZT14,297.9 mln**. This figure grew by \$5.0 mln within a week due to entering coupon bonds of Temirbank OJSC into official list of securities (see below).

List of securities

By the decision of KASE Board #72/0 dated Aug. 07, 2000 and on the basis of Exchange Council resolution of the same date, **registered coupon bonds of TEMIRBANK OJSC (Almaty)** were admitted to trade in official list of KASE securities category “A”.

TEBNb trade code was given to the notes (National Identification number - KZ75KAMJ8A57). Quotations are made up to four decimal points. Trades will be opened since **Aug. 21, 2000**.

At the same time the market-maker status of **TEBNb** was given to the member of the Exchange – **KBS SECURITIES LLP (Almaty)**. **KBS SECURITIES LLP** was granted a status of market -maker for registered coupon bonds of **TEMIRBANK OJSC (KZ75KAMJ8A57, official list of KASE securities, trade code - **TEBNb**)**. Minimal volume of mandatory quotations for these securities is set for the **KBS SECURITIES LLP at 30 bonds**. This number of securities could be freely accessible for deal during the trades. Market-maker will start to execute its responsibilities on putting out **TEBNb** quotations at KASE as soon as the trades start.

General information on bond issue

Issue registration date – July 31, 2000. Type of the securities – coupon bonds indexed by the change in KZT/USD exchange rate. National identification number – KZ75KAMJ8A57. Face value – \$100,00. Issue volume – \$5 mln (50 th. bonds). During the first year of circulation 11% APR coupon is paid to the owners, and in following years the yield will be determined by the decision of the issuer's Board depending on the market situation, but not less than 5% APR. Coupon is semiannual. Coupon is paid to the owners twice a year – on February 19 and August 19.

The issuer's register is maintained by Kazregistr LLP (Almaty), the license №0406200022 of the National securities commission issued on August 3, 1999.

Floatation and maturity terms of the bonds

Floatation and circulation term of the bonds – after 20 calendar days from the date they were registered or since **Aug. 19, 2000**. Floatation period of bonds is one year from the date of floatation. Maturity date - **Aug. 19, 2005**. Circulation term - 5 years.

The payments for the bonds are to be made in tenges at weighted average rate of the KASE, effective on the payment date.

Interest repayments will be executed:

- considering **360/30** time base (360 days in a year, 30 days in a month) twice a year after 6, 12, 18, 24, 30, 36, 42, 48, 54, and 60 months starting form date of circulation;
- in tenge at weighted average rate of the KASE, effective on the payment date;
- considering persons who bought bank bonds not later than 30 days to redemption date.

Bonds floatation rules and conditions consist of following. Annually not later than 20 calendar days before the end of next circulation year, the bank announces interest rate through one of the regular issues, which are approved by Decision of National Securities Commission #79 dated Apr. 07 and #96 dated May 4, 2000. In case if interest rate is not suitable to bonds holder, he could apply for selling of bonds to the bank at nominal price. In the first day of a next year, banks repurchase bonds at nominal price at weighted average rate of KASE, effective on the payment date.

Bonds redemption will be executed at nominal price simultaneously with repayment of last coupon in tenge at weighted average rate of KASE, set on morning session. Money will be transferred to a holder's account registered in holders-registrar before **10 days** to redemption day.

Special conditions:

- bank could repurchase bonds ahead of schedule at current market or agreed price if mutual agreement will be reached;
- in case if date of coupon payment, repurchase or redemption date fall at holiday the payment will be conducted on the next business day. The bonds holder does not have right to demand compensation for a such kind of delays.

Fund raising goals

The raised money will be directed to broadening of banking services and trade credit expansion.

General information

Date of initial registration of TEMIRBANK OJSC - March 26, 1992. Date of latest government registration - March 21, 1996. Juridical form - Open joint-stock company. Type of ownership - private. Legal address of the office: 80, Shevchenko St., 480091, Almaty, Kazakhstan. Actual address - 68/74 Abay av. 480008 Almaty.

Type of activity - banking services.

Bank is a member of KASE, Securities Depository, System of large payments of Kazakhstan interbank settlement center (KISC), Banking Association, GATU (REMART) electronic system, S.W.I.F.T. international payment system. Number of employees as of July 01, 2000 - 950.

Licenses

- NBK license on conduction of banking operation in tenge, forex, and refined precious metals #107 dated Feb. 11, 2000.
- License of NSC to conduct broker dealer activity on the securities market with account maintaining right as a nominal holder, #0401100243 (first category license) dated Apr. 21, 2000.
- NSC license on conduction of custodian activity on the securities market, #20060006 dated Feb. 13, 2000.

Capital and shareholders

As of July 1, 2000 announced authorized capital is KZT1.4 mln and is fully paid up. Total number of shares of KZT1000.0 face value is 1,400,000 including ordinary registered - 1,390,000 and preference registered - 10,000. Kazregister LLP is executing maintenance of the company's registrar.

As of Aug. 1, 2000 total number of shareholders reached 26,891 including 324 legal entity and 26,567 individuals. Stakes of following companies exceeding 5% limit: Technomarket LLP (Almaty, Kazakhstan, 300,000 shares for 21.4%), DOSTAR-CAPITAL (Almaty, Kazakhstan, 200,000 shares for 14.3%), Kobda LLP (Almaty, Kazakhstan, 200,000 shares for 14.3%), KFK Medservice Plus LLP (Almaty, Kazakhstan, 160,000 shares for 11.4%).

History and brief outline

Temirbank OJSC, originally – joint stock commercial railroad bank. Temirbank (Temirbank JSRB) was founded on March 26, 1992 as a specialized bank for financial servicing of Kazakhstan railroads and related enterprises. Founders of Temirbank JSRB were 20 large state enterprises such as Administration of Alma-Ata, Western Kazakhstan, Tzelinaya railroads, Akmola flying order, «Alma-Atagiprotrans» Institute and others. During the first year of banking 15 branches were opened, and by 1994 a branch network, which covered practically all regions of the Republic and embodying 23 branches, have been formed. By the end of 1995, bank privatization was finished and on March 21, 1996 bank was re-registered with justice bodies as Temirbank OJSC. After the privatization the bank was developing as a universal financial institution providing wide range of services and serving clients from different sectors of the economy. Owing to an individual approach and high quality of services, Temirbank significantly enlarged its clientele in short notice. Among the clients of the bank are large enterprises of transportation, power, oil, mining industries and trade, and from other sectors of the economy.

By the resolution of the National Securities Commission of Kazakhstan of August 11, 1999 Temirbank OJSC was given a status of people's open joint stock company.

On Dec. 11, 1998 Thomson Bank Watch given "B" long term credit to the bank. On Nov. 22, 1999 Thomson Bank Watch confirmed international credit rating of LC-3 (short-term in local currency) and "B" long term.

TEMIRBANK OJSC is the fourth among private banks in number of branch offices (25) and cash-settlement departments (8). Bank takes part in obligatory deposit insurance scheme. In June 2000, the bank was included by NBK in the list of banks which can hold on their deposits pension assets.

Main source of deposit attraction for TEMIRBANK OJSC is clients deposits. Volume of deposit operations increased 4.5 times for 1999. Total amount of raised deposits increased 1.7 times and amounted to KZT6 bln. (in the first six months deposits grew by 25.4% and amounted KZT8 bln.). Accounting balances of individual depositors grew by 81.4% in 1999 (first six month by 40.3%).

As of Jan. 1, 2000 volume of loan portfolio amounted KZT5.7 bln and increased 2.3 times. Loan portfolio as of July 1, 2000 is more than KZT7.7 bln. During 1999 bank distributed KZT14.3 bln of loans that is 83% higher than in 1998. Data on loan portfolio are presented in the table:

Loans	As of		As of	
	July. 1, 1998	Jan. 1, 1999	Jan.1, 2000	July 1, 2000
Standard	66,91%	66,90	61,15%	69,43%
Sub-standard	21,14%	23,04	34,16%	24,06%
Non-satisfactory	9,22%	2,73	2,50%	4,37%
Doubtful high risk	1,12%	1,36	0,49%	0,45%
Bad debts	1,61%	5,97	1,70%	1,69%

Temirbank OJSC makes its financial statements in accordance with the Kazakhstan accounting standards (KAS) as well as banking regulation and normative documents of NBK.

International auditing of the bank started in 1997. For year 1997, auditing was made by Price Waterhouse (Almaty, Kazakhstan), for 1998-99 by Arthur Andersen (Almaty, Kazakhstan).

Financial statements data presented by the issuer

Following is the table created by the KASE specialists based on financial statements of TEMIRBANK OJSC (in th. KZT, unless otherwise specified). Statements were compiled according to the NBK requirements. The amount of liquid assets was determined by the instructions of the National Bank of Kazakhstan.

Index	As of		As of	
	Jan.1 '98	Jan.1 '99	Jan.1 '00	July.1 '00
Authorized capital (minus bought out shares)	500,000	991,047	991,047	1,391,250
Shareholders' equity	1,057,956	1,406,048	1,489,633	1,969,543
Total assets	3,245,904	5,467,137	9,346,572	10,866,876
Amount of liquid assets	1,264,414	2,582,514	3,097,788	2,459,320
Credits granted	1,602,916	2,300,398	5,472,301	7,454,450
Loans and deposits	2,152,067	3,999,803	7,031,915	8,747,536
Income from operating activities	1,042,090	1,323,562	1,753,394	1,348,625

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Index	As of	As of	As of	As of
	Jan.1 '98	Jan.1 '99	Jan.1 '00	July.1 '00
Net profit	104,824	208,694	98,687	110,316
Earnings per share (EPS), tenge	211.38	210.40	98.05	–
Book value of one share, tenge	2,115.91	1,418.75	1,503.09	1,415.45
Return on assets (ROA), %	3.23	3.82	1.06	1.02
Return on equity (ROE), %	9.91	14.84	6.62	5.60

Auditing report data

Following is the table created by the KASE specialists based on auditing report of "Price Waterhouse" and "Arthur Andersen" (in th. KZT, unless otherwise specified).

Index	As of	As of	As of
	Jan.1 '98	Jan.1 '99	Jan.1 '00
Authorized capital (paid)	500,000	1,000,000	1,000,000
Shares bought out from shareholders	–	4,474	4,474
Shareholders' equity	980,629	1,317,820	1,292,359
Total assets	3,155,970	5,403,488	9,176,708
Loans and other floatation to banks	432,553	2,217,484	2,126,095
Debt to credit institutions	193,480	1,389,843	2,344,158
Loans and advances to clients	1,515,311	2,020,813	5,198,564
Deposits	1,952,650	2,635,146	5,443,591
Net profit	(44,770)	188,950	73,957
Book value of one share, tenge	1,961.26	1,323.74	1,298.17
Earnings per share (EPS), tenge	–	189.41	72.51
Return on assets (ROA), %	–	3.50	0.81
Return on equity (ROE), %	–	14.34	5.72

In opinion of auditing reports, financial statements of TEMIRBANK OJSC give reliable representation of the company's financial situation in all aspects as of December 31, 1997-1999, of its income statements and cash flow statements in accordance with International Accounting Standards.

Comparative features

Below is comparative characteristic of TEMIRBANK OJSC with other banks in thousand tenge as of July 01, 2000. Comparison was made by IRBIS specialists on the base of 4 comparable banks (in terms of shareholders equity). Average indicators were estimated according to the financial statements submitted to KASE by banks of category "B" (forex trades).

Index	TEMIRBANK OJSC	Average ration in other banks
Shareholders' equity	2,097,768	2,114,333
ASSETS	10,868,876	14,652,250
Net profit	110,316	119,500
k1 (min 0,04)	0.16	0.11
k2 (min 0,08)	0.16	0.27
k4 (min 0,20)	0.37	2.23
ROA, %	1.01	0.98
ROE, %	5.26	5.80

Compliance with "A" listing requirements of KASE

Based on the balance sheet as of July 1, 00, shareholders' equity of Temirbank OJSC equaled KZT1,969,543 th. or USD13,812.00 th. (at KZT142.60 per U.S. dollar).

As an independent legal entity Temirbank OJSC has been existing for more than three years.

The bank has a report of an independent auditor Price Waterhouse made on 1997 financial statements and by Arthur Andersen on 1998-1999 financial statements.

According to the financial statement made in compliance with the Kazakhstani accounting standards, both during the last reporting year and in three years Temirbank OJSC was profitable, which is also confirmed by auditing report of Arthur Andersen.

Temirbank OJSC shares were entered into official list of KASE securities on October 8, 1998.

Temirbank OJSC has registered 50,000 bond issue for an amount of 5,000,000 U.S. dollars.

The register is maintained by an independent registrar Kazregistr LLP.

The market-maker of the bonds is KBS SECURITIES LLP.

Constitutive documents of Temirbank OJSC do not contain norms discriminating or limiting the rights of the owners to transfer (alienate) the securities.

Remarks of KASE listing commission

KASE listing commission draws the attention to existing significant discrepancy between the terms of the assets and the liabilities and equity. Particularly, as of July 1, 2000, 59.4% of all deposits made in Temirbank OJSC were call deposits. On the same date the amount of loans granted to the clients equals KZT7,454,450 th., while total volume of attracted deposits is KZT8,027,398 th.

SECTOR OF GOVERNMENT SECURITIES (GS)

Secondary market

In **GS purchase and sale sector** of KASE total volume of **75 deals** did not exceed **KZT1,985.7 mln**. In previous period the volume reached KZT4,483.6 mln with 76 deals made. Such a noticeable decline in the volumes of deals, as it becomes apparent from the table given below, was due to a shrinkage of the country's domestic securities segment. During the period investors were giving preference to these bonds on primary market, where total volume of the bids satisfied by the Ministry of finance and the National Bank grew from KZT3,894.0 mln in last week to **KZT4,574.7 mln** in this week. Moreover, the banks had to slow down their operations with the government securities under the influence of their clients' budgetary payments by the results of July.

Another reason for the decline in volume of deals at KASE is the decline in the proportion of the Exchange in total volume of deals made on the Kazakhstani secondary market of government securities (see below).

Parameters of stock exchange transactions in SS from August 3 - 9

(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 GS: MEKKAM-3, 6, 12, notes					30.9% (67.2%) of purchase and sale sector's turnover	
less than 8	5.00	5.00	5.00	5.00 (6.31)	7.2	2
8 - 14	6.50	6.50	6.50	6.50 (7.77)	3.3	3
15 - 28	6.81	7.07	7.07	6.86 (15.72)	26.9	3
29 - 36	7.96	7.96	7.96	7.96 (8.07)	99.4	1
43 - 56	8.34	9.70	9.65	9.01 (4.10)	82.4	15
57 - 63	8.44	9.30	8.44	8.59 (9.65)	178.9	2
64 - 91	9.10	9.52	9.52	9.40 (11.46)	119.8	3
92 - 181	12.77	12.77	12.77	12.77 (6.77)	95.5	2
Total					1,0 (177,8)	1 (7)
Discounted indexed GS: MEKAVM-12					0.1% (4.0%) of purchase and sale sector's turnover	
182 - 364	9,01	9,01	9,01	9,01 (-)	1,0	1
Total					177.8 (174.4)	7 (9)
Coupon GS: MEOKAM-24					2.5% (0%) of purchase and sale sector's turnover	
713 - 717	17.02	17.17	17.17	17.04 (-)	50.0	3
Total					50.0 (0)	3 (0)
Euronotes of Kazakhstan, USD					66.5% (27.9%) of purchase and sale sector's turnover	
*779	9.19	9.19	9.19	9.19 (9.83)	60.9	1
**1,509 - 1,515	9.63	10.15	9.71	9.76 (9.81)	1,058.9	33
***2,432 - 2,438	9.86	10.02	9.86	9.93 (10.06)	201.5	6
Total					1,321.3 (1,248.8)	40 (28)
SUBTOTAL					1,985.7 (4,483.6)	
					75 (76)	

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

In **GS repo sector 40 deals for a total of KZT6,625.7 mln** was made during the period. Of this number 24 deals (for KZT4,264.7 mln) were repo opening deals and 16 (KZT2,361.0 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT9,801.4 mln.

Parameters of repo opening deals in SS at KASE from August 3 - 9

(in parentheses – comparable figures for previous period)

Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
Aug. 03, 00	1	KZT	11.0	4.52	1
Aug. 03, 00	21	KZT	1 000.0	7.00	2
Aug. 03, 00	29	KZT	1 000.0	7.50	2
Aug. 03, 00	36	KZT	150.8	8.00	1
Aug. 07, 00	2	KZT	75.8	4.00	4
Aug. 07, 00	4	KZT	104.2	5.50	2
Aug. 07, 00	14	KZT	600.0	7.00	2
Aug. 08, 00	1	KZT	32.1	2.60	2
Aug. 08, 00	30	KZT	1 200.0	7.00	2
Aug. 09, 00	1	KZT	52.9	3.50	4
Aug. 09, 00	2	KZT	37.9	3.50	2
TOTAL			4,264.7 (6,990.1)		24 (41)

After closing of the trades on August 09 total amount of opened repo equaled **KZT9,343.5 mln**. Current weighted average rates as of August 09 (% APR) equaled: for **1** day (KZT52.9 mln) – **3.50**; for **2** days (KZT37.9 mln) – **3.50**; for **4** days (KZT104.2 mln) – **5.50**; for **14** days (KZT2,200.0 mln) – **7.00**; for **21** days (KZT2,000.0 mln) – **7.00**; for **29** days (KZT1,000.0 mln) – **7.50**; for **30** days (KZT3,400.0 mln) – **7.80**; for **36** days (KZT150.9 mln) – **8.00**; for **49** days (KZT371.6 mln) – **12.50**; for **55** days (KZT26.1 mln) – **11.00**.

Total of 115 deals amounting to **KZT8,611.4 mln** were made in GS on trade floors of KASE during last period (purchase and sale and repo sector). Last week volume of 164 deals was KZT14,285.0 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations (including euronotes and repo operations) equaled **71.7%**, for last week it was 85.6%.

CHANGES IN NORMATIVE BASE

By the decision of the Board of KASE, dated August 2, 2000, and on the basis of the decision of the Exchange council, dated August 1, new KASE normative documents will go into effect.

From August 15, 2000 – new normative document on “**Rights and commitments of KASE members of category “K” holding local executive bonds market makers status**”.

This document is composed and confirmed according to “Market makers activity rules”, which were approved on meeting of KASE members holding “K”, “P”, “H” category (report #7, Oct. 14, 1999) and ratified by the decision of NSC Board of Directors #462 dated Oct. 26, 2000 (Appendix 2).

Market makers status includes responsibilities for support of at least single fixed quotation on purchase and another one on sale of municipal government securities (obligatory quotation). At the same time, market makers have to maintain minimal possible spread of an obligatory quotation, which must not exceed 2000 basic points. This is also conditioned by minimal volume of quotations of \$3,000 or KZT400,000 at nominal price. The basic point is equal to 0.01% of net bonds price (without accumulated interest).

Market makers are also supposed to put new quotation during one minute if the old one had been satisfied.

Market makers hold a right to change prices of earlier announced obligatory quotations only in case of compliance with above-mentioned requirements to the spread. He could refuse to put obligatory quotations in case if the volume of purchased securities minus sold one (or volume of sold one minus the volume of purchased) exceeded \$6,000 or KZT800,000 at nominal price.

In case of market of extreme market situation, market maker could take a one-hour time-out. During time-out he has a right to take off all quotations. Time-out right could only be executed once. Market maker or his representative must notify KASE broker about time-out.

The important feature of market makers is their exemptions from fees on deals with local executive bonds.

Responsibility of municipal GS market maker is regulated by new normative documents and implies penalty fees of \$100-1000. Besides he could be deprived of the status.

The release of market maker’s responsibility could be executed only according to the appropriate notification from KASE. It could be done in following cases:

- situations, which could result in uncertainty on the GS market;
- the government bodies amend existing legislation that significantly affects domestic market;
- internal and external imbalances that could significantly affect domestic GS market;
- local executive body refuses to meet liabilities;

The decision on release of municipal GS market makers commitments before Exchange Council meeting is taken by KASE Board.

From October 1, 2000 – new wording of “**Standard document on estimation of the listing duty**” will come in effect at KASE **on October 1, 2000**. The previous edition has been in force since Nov. 17, 1998.

According to the new edition, listing duty will be applied not only to issuers of shares and bonds, whose admission into official list of securities are regulated by “Securities listing regulation” but also **to the local executive bodies**. The admission of these issuers is currently regulated by “Government securities listing admission rules”. This is conditioned by the volume of prior preparations to the admission of municipal GS, which is the same as for corporate securities.

New instruction sets two types of listing duties: **entrance and annual duty**.

Entrance duty is set as 0.025% of face value of the security admitted to trade at KASE. Minimal amount for duty is tenge equivalent of \$500. Maximal amount must not exceed tenge equivalent of \$20,000.

Annual listing duty is compounded on all securities of a company or local executive body, beginning from their admission to trade lists of KASE. Its amount is estimated as follows.

Among all issues of securities of an issuer admitted to trade at official list (or GS list), the issue with largest total nominal volume has to be defined. Nominal value of registered announced authorized capital is taken for assessment of duty on securities. It means that all securities emissions of the listing company are considered as a single issue. Annual listing duty of 0.025% from face value is applied to a maximal issue of securities. The limit for this duty is \$500-\$10,000.

The rest issues will be charged off at fixed rate of \$500.

The old wording contained single listing duty and different estimation methodology.

According to the new document, **payment of entrance duty** is carried out during 5 business days from the time of bill's drawing. Listing company or local executive body that paid off entrance duty is exempted from commission fee for conduction of primary floatation auctions on the same security during three months.

The first **payment of annual listing duty** is executed simultaneously with payments for entrance duty. The next payments are carried out on terms of prepayment. The payment of annual duty of minimal size conducted once for a whole year. Annual duties of significant amount could be paid off quarterly.

Information on the companies

Astana-finance OJSC (Almaty, official list of securities, category "B") in accordance with the listing requirements provided KASE with auditing report made by Arthur Andersen (Almaty, Kazakhstan) on the issuer's 1999 financial statements.

Based on the data of an independent auditor, following were the results of the company as of December 31, 1998 and 1999 (in th. KZT):

Comparable ratios of Astana-finance OJSC financial and economic activities in 1999 – data presented by Arthur Andersen

in th. KZT, unless otherwise specified

Indicator	1998	1999
Authorized capital (registered)	100,000	3,100,000
Authorized capital (paid up)	100,000	102,436
Shareholders' equity	102,886	113,166
Total assets	7,829,597	10,615,162
Raised funds	7,640,842	9,781,210
Loan portfolio (net)	7,472,856	7,322,007
Reserve for loan losses	131,732	513,594
Operating income	252,238	910,208
Total expenses	252,238	902,364
Net income	0	7,844
Calculated based on the data of the auditor:		
Return on equity (ROE), %	0	6.93
Return on assets (ROA), %	0	0.07
Earnings per share (EPS), KZT	0	76.57
Book value of a share, KZT	1,028.86	1,104.75

The auditing was conducted by Arthur Andersen in accordance with International accounting standards. Since Astana-finance OJSC keeps its records and makes financial statements based on the Kazakhstan accounting standards, as well as banking legislature, instructions and regulations of the National Bank of Kazakhstan, the auditor had to make some adjustments and regroupings of the balance sheet articles to make them in conformity with the requirements of the International committee on accounting standards. As a result, there are some discrepancies in the ratios calculated by the bank and those of independent auditor. Some information regarding previous years was reclassified to make it in line with 1999 financial statements.

Presently Astana-finance is the agent of Administrative Council of Astana FEZ and the Ministry of Finance. Most of the loans are distributed on the basis of agent agreements. The company does not bear any risks on these loans. Besides, the company participates in credit program under the Small Scale Business Association.

Loans are mostly granted in Astana city. According to the auditing report, the sectional division of the company's loans is following (the comparative figures for 1998 are given in brackets): power sector - 32% (34%), air transport - 29% (17%), manufacturing - 14% (3%), agriculture - 6% (34%), construction - 11% (0%), services - 8% (7%), housing utilities - 0% (5%), commerce - 0.6% (0.5%), individuals - 0.2% (0.1%), the rest 0.4% (0.6%). The most loans granted in 1998 were non-interest bearing assigned for end-borrowers. In 1999 interest rates were varying from 8-25%.

In the opinion of the auditor, financial statements of the company as of Dec. 31, 1999 includes advance payment for KZT758,900,851 relating to construction projects or 75% of total contract cost. No independent examination was conducted to check the true cost of the project. Also. The auditor could not find confirmation that the project will not be delayed any further without additional costs.

Auditors also reported that as of Dec. 31, 2000 Astana-Finance held 98% shares of daughter energy company. The investment was accounted at cost price (IAS#27). Besides, there were no estimations for potential decrease in value of required reserve.

In the opinion of the auditor, financial statements of Astana-finance OJSC give a reliable and objective picture of the company's financial situation as of December 31, 1999, 1998, as well as the results and cash flows as of indicated dates in accordance with International accounting standards.

Astana-finance is non-banking financial organization. Main activities: investment activity, some kind of banking activity, financing of economic and social projects aimed at the development of special economic zone of Astana, as well as other activities outlined in the Charter and by existing licenses.

Neftebank OJSC (Aktau, official list of securities, category "B") in accordance with the listing requirements provided Kazakhstan Stock Exchange (KASE) with its financial statements for six months of 2000: balance sheet and income statement.

By the data of the issuer, following are the results in 6 months of the year 2000 (please, table).

**Comparable ratios of Neftebank OJSC financial and economic activities
in I half year of 2000**

Indicator	in th. KZT		
	As of July 1,99	As of July1,00	Change, %
Authorized capital (paid)	551,141	700,597	+27.1
Shareholders' equity	992,231	1,018,054	+2.6
Total assets	1,989,171	2,443,340	+22.8
Liquid assets	496,495	477,410	-3.8
Loans and deposits	963,404	1,357,727	+40.9
Loans granted	1,137,543	1,443,422	+26.9
Operating income	284,500	261,259	-8.2
General expenses	238,435	250,862	+5.2
Net income of the period	46,065	10,397	-77.4
Book value of one share, tenge	1,800.32	1,453.12	-19.3

Compared to similar period of 1999:

- shareholders' equity of the bank grew by KZT25.8 mln, or 2.6% (paid portion of the authorized capital – by KZT149.5 mln, fund for re-evaluation of fixed assets – by KZT41.8 mln, additional capital – by KZT0.01 mln, with the decrease in final amount of undistributed income by KZT165.3 mln and re-evaluation reserve – by KZT0.11 mln);
- assets grew by KZT454.2 mln, or 22.8%;
- liabilities rose by KZT428.4 mln, or 43.0% (KZT241.5 mln – growth in deposits);
- operating income shrank by KZT23.2 mln, or 8.2% (gain of the percentage incomes by KZT101.4 mln or by 139.9% was blocked by shrank of the not percentage incomes as a result of reduction of incomes on reassessment by KZT150,64 or by 100.4%);
- expenses grew by KZT12.4 mln, or 5.2%.

By the results for six months of 2000 net income Neftebank OJSC has decreased by KZT35.7 mln, or 77.4% in comparison with the similar period of last year and has made KZT10.4 mln.

HALYK BANK OF KAZAKHSTAN OJSC (Almaty, official list of securities, category "A") in accordance with the listing requirements provided Kazakhstan Stock Exchange (KASE) with its financial statements for six months of 2000: balance sheet and income statement.

By the data of the issuer, following are the results in 6 months of the year 2000 (please, table).

**Comparable ratios of Halyk Bank of Kazakhstan OJSC financial and economic activities
in I half year of 2000**

Indicator	in th. KZT		
	As of July 1, 99	As of July1, 00	Change, %
Authorized capital (paid)	3,011,900	3,615,067	+20.0
Shareholders' equity	4,842,085	5,517,880	+14.0
Total assets	46,623,720	70,558,858	+51.3
Liquid assets	16,858,808	30,661,578	+81.9
Loans and deposits	39,219,896	57,051,657	+45.5
Loans granted	19,747,871	28,346,449	+43.5
Operating income	8,426,160	6,546,139	-22.3
General expenses	7,991,620	6,467,798	-19.1
Net income of the period	434,540	78,341	-82.0
Book value of one share, tenge	160,77	152,64	-5.1

Compared to similar period of 1999:

- shareholders' equity of the bank grew by KZT675.8 mln, or 14.0% (as a result of distribution of forth emission's shares – by KZT603.2 mln, increase of additional capital – by KZT247.3 mln, accumulations in funds - by KZT46.9 mln, at that the total amount of undistributed income decreased by KZT221.6 mln);
- assets grew by KZT23.9 bln, or 51.3%;
- liabilities rose by KZT23.3 bln, or 55.7% (KZT19.2 bln – growth in deposits);
- operating income decreased by KZT1.9 bln, or 22.3% (as a result of reducing of incomes at the overestimation by 93.5%);
- expenses grew by KZT12.4 mln, or 5.2% (the assignments decreased by 88.6%).

Net income of the HALYK BANK OF KAZAKHSTAN has amounted to 78.3 mln tenge, that is by 356.2 mln or 82.0% less than for the corresponding period of the previous year.

KEGOC OJSC (Almaty, official list of securities, category "A") has sent an official notification to KASE that it plans to conduct the offering of its bonds **later than previously indicated date** since it has sufficient funds now. Such decision does not contradict with the issue terms of the bonds, where it is said that the company can offer its securities **within 80 days** after August 1, 2000. Therefore, the information on the date when the offering of the bonds will start will be given by KEGOC OJSC additionally.

KEGOC OJSC registered its first issue of the bonds to provide itself with working capital during a favorable climatic period to conduct repair works at power lines, power substations, and to complete construction works at production facilities.

As it was informed earlier, by the decision of the Exchange council, dated June 23, 2000, **discounted bonds of open joint stock company KEGOC OJSC** (KZ73LAIVAA09, KASE trade code – KEGCb) were entered into official list of the Exchange's securities under category "A". The face value is 100.00 U.S. dollars, planned issue volume – equivalent of \$2.5 mln at KZT/USD official rate set by the National Bank of Kazakhstan on payment dates when the bonds are purchased and repaid. In issue terms the issuer declared that the bonds would be offered and begin to circulate on August 1, 2000. Offering term – 80 days. Circulation term – 91 days from the date when the offering began. The bonds will cease to circulate 5 business days prior to their maturity date.

Kazakhtelecom (Astana, official list of securities, category "A") informs the KASE that the annual General meeting of shareholders will be held on August 17, 2000. The agenda includes:

- Assertion of the annual financial reporting and auditor conclusion for 1999.
- About the advance authorities termination of all Board of directors members.
- About election of Board of directors.
- About preference shares distribution.
- About reserve capital formation.

The list of the qualified voters will be arranged on July 17 of the current year. In case of quorum absences the repeated meeting will be held on August 18, 2000.

The meeting will be held to the address: boardroom of the Ministry of transport and communications of Kazakhstan, Abai Ave., 49, Astana. The agenda can be changed in the order, established by the legislation.

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