

# WEEK OF STOCK MARKET OF KAZAKHSTAN

## July 13 - 19

1 US dollar = **142.70** tenge at official rate for the end of the period  
 1 US dollar = **142.76** 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 July 13 through 19. In parentheses – figures of previous period. Instruments are given in descending order, based on their attractiveness.

#### Investment attractiveness of financial instruments at KASE from July 13 through 19

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
ALKSb	USD	15.26 (15.50)	0 (2.9)	0 (20.5)
KOMBb	USD	14.50 (13.93)	27.6 (0)	191.8 (0)
MEKKAM, notes	KZT	*12.46 (13.19)	629.9 (805.9)	4,413.4 (5,643.8)
HSBKb	USD	12.00 (12.78)	0 (14.0)	0 (97.9)
TMJLb	USD	11.49 (11.49)	509.5 (94.6)	3,569.9 (13,503.2)
KZOLb	USD	11.42 (11.35)	48.7 (0)	341.4 (0)
Euronotes-3	USD	10.52 (10.64)	187.2 (1,099.4)	1,311.8 (7,699.6)
KKGBb	USD	10.23 (10.22)	0 (0)	0 (0)
Euronotes-4	USD	10.19 (10.41)	53.8 (68.4)	377.1 (479.2)
Euronotes-2	USD	9.58 (10.64)	529.0 (1,099.4)	3,706.4 (7,699.6)
MEKAVM	USD	*9.36 (8.34)	97.5 (146.0)	683.1 (1,022.7)
KZT (repo SS)	KZT	*7.06 (5.87)	3,500.2 (3,247.7)	24,523.2 (22,744.1)

**Notes:** yield of KOMBb, KZOLb, TMJLb is calculated as average of the deals, including initial offering; for ALKSb, HSBKb, KKGBb, – 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 **negative 1.09% APR** (tenge revalued against the dollar).

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.

### SECTOR OF PRIVATE ISSUE SECURITIES (PIS)

During observed period 19 deals amounting to **\$4,230.1 th.** were made in **purchase and sale sector** of private issue securities (PIS) on trade floors of Kazakhstan stock exchange (KASE). Relative to previous period (\$1,234.0 th. 11 deals, excluding initial offering of RGP “Kazakhstan temir joly” bonds) weekly turnover of PIS increased 3.4 times.

In terms of volume of deals **discounted bonds of RGP “Kazakhstan temir joly”** (Astana, official list of securities, category “A”, TMJLb) were the leaders of the week, with their proportion in weekly turnover of PIS reaching 84.4%. Last week common shares of “Kazakhtelecom” (Astana, official list of securities, category “A”, KZTK) were the leaders in terms of turnover.

Distinctive feature of the week is the minimal change in prices and yields of the bonds being traded. The prices of ALKSp, SSGPp, EAECp and KZCRp did not change, though the volumes of trades were large, which is explained by non-market nature of the deals made in them (only direct deals were made in these securities). VTBN got into the focus of the brokers for the first time. Yield of KOMBb grew from 14.46 to 14.50% APR; TMJLb (relative to initial offering parameters) – practically did not change, and KZOLb – increased from 11.35 to 11.41%. Taking into account the fact that the market-makers are constantly working with the bonds, ensuring their market prices, some growth in the yields of corporate bonds can be explained by resulting firming of the tenge against the dollar during analyzed period, since the bonds are denominated in USD.

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 July 13 - 19

Issuer	Securities	Close	WA price	Volume	USD per share, unless otherwise specified	
					Best bid	Best offer
OJSC “Almaty Kus”	ALKS			0	0.15	0.31
OJSC “Aluminii Kazakhstana”	ALKZp	0.42	*0.42	5 300	*0.42	*0.42
OJSC “Bank TuranAlem”	BTAS	77.81		0	75.88	78.16
OJSC “Bank CenterCredit”	CCBN	0.98		0	0.98	1.42
OJSC “Evroaziatskaya energeticheskaya korporatsiya”	EAECp	2.45	*2.45	235	*2.45	*2.45

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## Results of the trades in shares from July 13 - 19

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
OJSC "Halyk Bank of Kazakhstan"	HSBK	0.91		0	0.91	1.82
OJSC "KAZKOMMERTSBANK"	KKGB	0.70		0	0.25	0.50
OJSC "TNC "Kazchrome"" "Kazakhtelecom"	KZCRp KZTK	2.80 15.00	*2.53	2 765	*2.80	*2.45 19.20
"Kazakhtelecom"	KZTKp	10.00		0	5.50	8.00
JSC "SSGPO"	SSGPp	2.80	*2.80	1 791	*2.80	*2.80
OJSC "SHNOS"	SYRG	1.63		0	1.30	
OJSC "Temirbank"	TEBN	7.39		0	0.70	6.00
OJSC "UKTMK"	UTMK	50.00		0	5.00	145.00
OJSC "UKTMK"	UTMKp	35.00		0	5.00	
OJSC "VALUT-TRANZIT BANK"	VTBN	2.28	2.28	49 231	2.28	2.28

## Results of the trades in bonds from July 13 - 19

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	15.50		0	16.69	15.27
OJSC "Halyk Bank of Kazakhstan"	HSBKb	USD	12.78		0	13.30	12.00
OJSC "KAZKOMMERTSBANK"	KKGBb	USD	12.76		0	13.22	10.23
OJSC "Komirbank"	KOMBb	USD	14.50	14.50	191.9	14.50	14.50
CJSC "NOC "Kazakhoil"	KZOLb	USD	11.41	11.42	341.4	11.41	11.46
RGP "Kazakhstan temir joly"	TMJLb	USD	11.50	11.49	3 569.9	11.37	11.50

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 PIS repo sector no deals were made during analyzed week. At the end of analyzed period **five** indexed PIS repos were opened for a total of **\$1,416.6 th.** on the trade floor of the Exchange. The following shares were used as an object of repo: OJSC "Bank CenterCredit" and OJSC "Halyk Bank of Kazakhstan".

## CAPITALIZATION

For July 19, 2000 total capitalization of the stock market for PIS of Kazakhstan (A+B+N without SBS) equaled **\$1,315.0 mln** or KZT187.7 bln at tenge to dollar rate of the Exchange, effective on that date. \$3.1 mln increase in capitalization in terms of dollars relative to the last day of previous period was caused by fixing the market value of OJSC "VALUT-TRANZIT BANK" common shares, as well as due to a change in tenge to U.S. dollar exchange rate.

## SECTOR OF STATE SECURITIES (SS)

In SS purchase and sale sector of KASE total volume of **71 deals** reached **KZT1,497.5 mln.** In previous period the volume equaled KZT2,231.6 mln with 70 deals made.

It becomes clear after looking at the table that the activity of all the sectors has declined during the week. The turnover structure remained almost the same. The IRBIS analysts could explain this only by the beginning of the summer calmness on the market, as well as by a noticeable activation of the secondary circulation of corporate bonds, and first of all, the securities of RGP "Kazakhstan temir joly", that were traded at KASE for a few days during the week. Moreover, it should be noted that the investors got active at initial offering auction of the National Bank notes lately. It is hard to buy the securities with very short circulation term, since their owners are unwilling to sell such "commodity", by preferring to wait for the maturity due to constantly declining yields.

## Parameters of stock exchange transactions in SS from July 13 - 19

(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		
<b>Discounted SS: MEKKAM-3, 6, 12, notes</b>						
	<b>42.1% (36.1%) of purchase and sale sector's turnover</b>					
less than 8	6.07	9.00	7.50	7.82 ( -)	61.92	4
8 - 14	8.29	10.03	8.50	8.81 ( -)	40.21	4
15 - 28	9.23	12.19	9.82	9.91 (9.87)	121.57	8
29 - 36	10.00	10.00	10.00	10.00 ( -)	12.28	2
37 - 42	10.26	21.97	21.97	15.28 ( -)	85.76	3
57 - 63	13.71	13.71	13.71	13.71 ( -)	78.23	1
64 - 91	15.77	15.77	15.77	15.77 (12.75)	3.00	1
92 - 181	12.26	12.71	12.26	12.58 (12.66)	206.10	5
182 - 364	14.07	14.14	14.07	14.13 (14.01)	20.84	5
Total					629.9 (805.9)	33 (30)

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Second part of the table

Parameters of stock exchange transactions in SS from July 13 - 19

(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		
<b>Discounted indexed SS: MEKAVM-6, 9, 12</b>				<b>6.5% (6.5%) of purchase and sale sector's turnover</b>		
15 – 28	5.17	5.17	5.17	5.17 (5.15)	7.69	2
92 – 181	8.91	9.41	9.41	9.40 (8.48)	67.28	4
182 – 364	9.26	9.79	9.26	9.74 ( – )	22.53	3
Total					97.5 (146.0)	9 (10)
<b>Euronotes of Kazakhstan, USD</b>				<b>51.4% (57.3%) of purchase and sale sector's turnover</b>		
*794 - 799	9.53	9.72	9.72	9.58 (9.62)	529.0	19
**1,530 - 1,535	10.04	10.69	10.67	10.52 (10.64)	187.2	8
***2,453 - 2,457	10.13	10.55	10.13	10.19 (10.41)	53.8	2
Total					770.1 (1,279.7)	29 (30)
<b>SUBTOTAL</b>					<b>1,497.5 (2,231.6)</b>	<b>71 (70)</b>

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 SS are calculated considering official rate of USD/KZT.

In SS repo sector **136 deals for a total of KZT8,523.4 mln was made during the period**. Of this number 71 deals (for KZT3,500.2 mln) were repo opening deals and 65 (KZT5,023.2 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT5,972.7 mln. The figures show that most of the deals were repo closing deals, since “short money” were the least attractive under current situation (please, see the first table of the review). However, based on the volume of opened repos, this financial instrument is still very popular, mostly because of the great demand for it.

Parameters of repo opening deals in SS at KASE from July 13 - 19

(in parentheses – comparable figures for previous period)					
Opening date	Term of repo, days	Currency	Amount raised, mln KZT	WA yield, % APR	Number of deals
July 13.00	1	KZT	438.2	4.65	9
July 13.00	49	KZT	371.6	12.50	8
July 14.00	3	KZT	380.1	4.56	10
July 17.00	1	KZT	150.4	4.67	3
July 17.00	2	KZT	54.4	5.00	4
July 17.00	3	KZT	36.0	5.50	6
July 17.00	10	KZT	90.0	8.30	2
July 18.00	1	KZT	435.3	4.45	9
July 18.00	8	KZT	51.8	8.70	4
July 18.00	30	KZT	1,000.0	9.11	6
July 19.00	1	KZT	459.4	4.00	6
July 19.00	2	KZT	33.0	4.50	4
<b>TOTAL</b>			<b>3,500.2 (3,247.7)</b>		<b>71 (48)</b>

In general, these data show the constancy of the rates in this sector of the market and even their some decrease for short borrowing terms compared to the last day of previous period.

After closing of the trades on July 19 total amount of opened repo equaled **KZT4,963.0 mln**. Current weighted average rates as of July 19 (% APR) equaled: for **1 day** (KZT459.4 mln) – **4.00%**; for **2 days** (KZT33.0 mln) – **4.50%**; for **3 days** (KZT36.0 mln) – **5.50%**; for **8 days** (KZT51.8 mln) – **8.70%**; for **10 days** (KZT90.0 mln) – **8.30%**; for **14 days** (KZT401.1 mln) – **7.00%**; for **21 days** (KZT2,500.0 mln) – **6.80%**; for **25 days** (KZT20.1 mln) – **12.00%**; for **30 days** (KZT1,000.0 mln) – **9.11%**; for **49 days** (KZT371.6 mln) – **12.50%**.

**Total of 207 deals** amounting to **KZT10,020.9 mln** were made **on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 164 deals was KZT8,204.3 mln. As it was shown above, increase in total turnover was caused solely due to an activation of the traders in repo sector.

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 82.0%, for last week it was 70.1%.

## INFORMATION OF THE COMPANIES

**OJSC “Corporation Kazakhmys”** (Jezkazgan, official list of securities, category “B”) in accordance with the listing requirements provided Kazakhstan stock exchange (KASE) with its 1999 financial statements (balance sheet, income and cash flow statements) and its financial statements for the I quarter of 2000 (balance sheet, income and cash flow statements).

By the data of the issuer, his financial and economic results **in 1999** were as follows.

**Comparable ratios of OJSC “Corporation Kazakhmys”  
financial economic results in 1999**

in th. KZT, unless otherwise specified

Indicator	As of Jan.1,99	As of Jan.1,00	Change, %
Authorized capital (announced)	98,231	98,231	0.0
Authorized capital (paid)	98,231	98,231	0.0
Shareholders' equity	32,186,039	32,673,397	+1.5
Total assets	74,895,409	90,448,664	+20.8
Net working capital	-16,617,078	-18,154,031	-9.2
Accounts receivable	11,636,887	22,086,239	+89.8
Accounts payable	25,366,601	30,544,304	+20.4
Sales (services offered)	49,562,842	74,479,467	+50.3
Cost of goods sold (services offered)	36,702,170	39,616,491	+7.9
Net income (loss)	(4,047,649)	4,554,772	+212.5
Calculated based on the data of the issuer:			
Return on sales (ROS), %	25.95	46.81	+80.4
Return on equity (ROE), %	-	13.94	-
Return on assets (ROA), %	-	5.04	-
Earnings per share (EPS), KZT	-	1,030.40	-
Price earnings ratio (P/E)	-	1.26	-
Book value of a share, KZT	6,53.16	6,652.38	+1.5

Earnings per share in 1999 was given without dividends to preferred shares, which are not set yet.

Based on 1999 balance sheet, presented by OJSC “Corporation Kazakhmys” compared to 1998 growth took place in: shareholders' equity – by KZT487.36 mln, or 1.5% (resulting undistributed income – by KZT548.72 mln, with the decrease in additional unpaid capital by KZT61.36 mln); assets – by KZT15.55 bln, or 20.8%; liabilities – by KZT15.07 bln, or 35.3%; sales – by KZT24.92 bln, or 50.3%; cost of goods sold – by KZT2.91 bln, or 7.9%; expenses of the period – by KZT2.38 bln, or 16.4%.

Net income of the company in 1999 grew by KZT8.60 bln, or 212.5% relative to KZT4.1 bln loss in 1998, at **KZT4.6 bln**.

**The dynamics of sales volumes of OJSC “Corporation Kazakhmys”  
in 1999 on a quarterly, non-accruing basis.**

in mln KZT

Indicator	I-99	II-99	Change, %	III-99	Change, %	IV 99	Change, %
Sales	12,596.6	16,207.0	+28.7	21,479.2	+32.5	24,196.7	+12.7
Net income	-175.1	-3,206.8	-1,731.9	4,365.2	+236.1	3,571.4	-18.2

By the data of the issuer, his financial and economic results **in the I quarter of 2000** were as follows.

**Comparable ratios of OJSC “Corporation Kazakhmys”  
financial economic results in the I quarter of 2000**

in th. KZT

Indicator	As of Apr.1,99	As of Apr.1,00	Change, %
Authorized capital (announced)	98 231	98 231	0,0
Authorized capital (paid)	98 231	98 231	0,0
Shareholders' equity	32 193 158	45 884 213	+42,5
Total assets	76 802 156	100 431 203	+30,8
Net working capital	-15 714 345	-5 251 725	+66,6
Accounts receivable	14 809 605	28 889 693	+95,1
Accounts payable	26 589 210	31 484 751	+18,4
Sales (services offered)	12 596 584	29 366 982	+133,1
Cost of goods sold (services offered)	9 458 113	12 330 807	+30,4
Net income (loss)	(175 051)	11 082 324	+6 430,9

Compared to similar period of 1999 growth took place in: shareholders' equity – by KZT13.7 bln, or 42.5% (resulting undistributed income – by KZT13.7 bln, with the decrease in additional unpaid capital by KZT4.8 mln); assets – by KZT23.6 bln, or 30.8%; liabilities – by KZT9.9 bln, or 22.3%; sales – by KZT16.8 bln, or 133.1%; cost of goods sold – by KZT2.9 bln, or 30.4%; expenses of the period – by KZT1.0 bln, or 39.8%.

Net income of OJSC “Corporation Kazakhmys” in I quarter of 2000 equaled **KZT11.1 bln** against KZT175.1 mln loss in similar period of 1999.

**OJSC “Komirbank”** (Ekibastuz, official list of securities, category “A”) in accordance with the listing requirements provided Kazakhstan stock exchange (KASE) with its financial statements for the I quarter of 2000 – balance sheet and income statement, as well as auditing report of Arthur Andersen (Almaty, Kazakhstan) made on 1999 financial statements of the issuer and documents of General annual meeting of the shareholders, held on May 30, 2000, (proceedings of the meeting, the Board's report and the conclusion of the Revision commission).

By the data of the issuer, his financial and economic results in the I quarter of 2000 were as follows.

**Comparable ratios of OJSC “Komirbank”  
financial economic results in the I quarter of 2000**

Indicator	As of	As of	in th. KZT
	Apr.1,99	Apr.1,00	Change, %
Authorized capital	1,000,000	1,500,000	+50.0
Shareholders' equity	1,055,581	1,564,201	+48.2
Total assets	1,295,856	4,241,658	+227.3
Liquid assets	129,923	749,951	+477.2
Total liabilities	240,275	2,677,457	+1 014.3
Loans and deposits	410,649	2,081,908	+407.0
Loans granted	1,028,102	2,833,206	+175.6
Operating income	95,646	183,069	+91.4
Total expenses	93,754	178,520	+90.4
Net income of the period	1,892	4,549	+140.4

Compared to similar period of 1999 growth took place in: shareholders' equity – by KZT508.6 mln, or 48.2% (increase in authorized capital as a result of a merger with OJSC “Latur Alliance Bank” by KZT500.0 mln, resulting amount of undistributed income – by KZT38.0 mln, with the decrease in accumulations in the funds by KZT29.4 mln); assets – by KZT2,945.8 mln, or 227.3%; liabilities – by KZT2,437.2 mln, or 1,014.3%; deposits attracted – by KZT1,805.4 mln, or 795.9%; operating income – by KZT87.4 mln, or 91.4%; expenses – by KZT84.8 mln, or 90.4%.

As a result of an income growing faster than expenses, net income of OJSC “Komirbank” in I quarter of 2000 equaled KZT4.5 mln, or by 2.7 mln or 2.4 times more than in similar period of 1999.

OJSC “Komirbank” (Ekibastuz, official list of securities, category “A”) in accordance with the listing requirements provided Kazakhstan stock exchange (KASE) with.

Based on the data of an independent auditor, who finished working on the statements on May 10, 2000, following are the results of the bank as of December 31, 1999 (please, the table).

**Comparable ratios of OJSC “Komirbank”  
financial economic results in 1999 – data of Arthur Andersen**

Indicator	in th. KZT, unless otherwise specified	
	1998	1999
Authorized capital (paid)	1,000,000	1,500,000
Number of paid shares	1,000,000	1,500,000
Shareholders' equity	1,007,473	1,463,527
Total assets	1,360,553	3,673,108
Liquid assets	175,892	310,495
Loans and other outflows to the banks	136,523	639,267
Liabilities to other banks	50,000	180,115
Loans and advances to other clients	1,053,712	2,005,176
Liabilities to the clients	293,069	1,708,296
Operating income	245,409	546,350
Total expenses	259,422	536,171
Net income	-14,013	10,179

**Calculated based on the data of the auditing report:**

Return on equity (ROE), %	-	0.70
Return on assets (ROA), %	-	0.28

Auditing of “Arthur Andersen” was carried out in accordance with International accounting standards. Since OJSC “Komirbank” keeps its accounts and financial records based on the Kazakhstani accounting standards, and banking legislature, the auditor had to make a number of adjustments and regroupings to make the articles of the balance sheet in compliance with International accounting standards (IAS). As a result, there are some discrepancies between financial and economic indicators of the company and those of an independent auditor.

Based on the data of the auditor, capital sufficiency coefficient equaled 38% as of December 31, 1999, which exceeds 8% minimum set by the Basel agreement.

The valuation of the market values of financial instruments (cash, liabilities of credit institutions and liabilities to credit institutions, loans to the clients and less than one month old liabilities to the clients) is considered by the auditor reasonable.

Regarding the deals, made by two parties, the auditor notes that they were made on market and bank terms.

In December 1999 OJSC “Komirbank” bought all the shares issued by OJSC “Latur Alliance Bank” in exchange for 500,000 its own shares. This deal was regarded as pooling the stakes. Based on IAS #21, financial statements of merging companies, regarded as pooling the stakes, should be rearranged to reflect the joint activities of the companies as if the pooling took place at the earliest date when the financial statements were rearranged. Since until 1999 OJSC “Latur Alliance Bank” did not have an auditing by International standards, financial statements of OJSC “Komirbank” were rearranged as if the merger took place on January 1, 1999.

In the opinion of the auditor, except for inability to present rearranged financial statements as it was mentioned above, financial statements of OJSC "Komirbank" give a reliable and objective picture of the bank's financial situation as of December 31, 1999, its financial economic activities and cash flow statements as of indicated date in accordance with International accounting standards published by the International accounting standards committee.

According to the listing requirements, **OJSC "Komirbank"** (Almaty, official list of securities, category "A") provided KASE with its.

At annual general shareholders meeting annual financial statements were approved and the Board's work of the bank were considered satisfactory. Besides, following decisions were made by shareholders:

- approval of **the order of net profit distribution for 1999** in the amount of KZT44,090 th., of which KZT90 th. are preference share dividends (30% APR of pretax payments), the rest will go to reserve capital and, consequently, the dividends on ordinary shares will not be paid.
- approval **of the date of dividend payments** on preference shares - July 5, 2000. Only registered holders of the shares (on the moment of repayment) have the right to receive dividend payments;
- dismissing of previous Board of directors and election a new one with the following members: Sherrbovicha V.V., Bekturova G.Kh., Philatova M.B., Gainullina R.Kh, Sansyzbayeva S.N., Sarsekeyeva A.K., Tkachenko V.M.;
- dismissing of previous Revision commission election a new one with following members: Teploukhov A.A., Lazovskaya U.V., Vasilenko S.V.;
- approval of increase in announced authorized capital up to KZT2 bln; this will be conducted through issue of 500,000 ordinary shares at face value of 1,000 on the total amount of KZT500,000,000;
- approval of amendments in the Bank's regulation due to increase in announced authorized capital to fully comply with current legislation;

The chairman of the Board, Sansyzbayev S.N. made a report on the bank's activity in 1999. The report notes that the bank continued to work on expansion and development of banking services. 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. The bank installed REUTERS information and dealing system. The fixed assets were considerably upgraded, for instance, the bank acquired new hardware and software systems. The bank also considers a SWIFT membership by year 2000.

In 1999 OJSC "Komirbank" opened 4 branches in: Almaty, Petropavlovsk, Pavlodar, and Shymkent cities. The reorganization in the form of OJSC "Latur Alliance Bank" merger was conducted as well. As a result, bank's assets grew by KZT1,406.8 mln up to 4,582.7 mln. This growth was accompanied by changes in the assets structure. The loan portfolio, i.e. major source of profit, increased by KZT911.3 mln up to KZT2,017.3 mln.

The share of credits to the industry and agriculture increased from 42.1% to 14.7%. At the same time the credits to service and trade sectors made up 6.4 and 11.2% consequently. Along with that, the amount of credits to natural persons increased by KZT71.3 mln.

The quality of credits also improved. The share of standard credits grew up by 6.6 times and totaled 47.5% against 7.2% in 1998. The level of reserves decreased by 50.8%.

In 1999, the bank has continued to work on the market of Government Securities (GS). In total, KZT314.4 mln was invested in GS. Aggregate profit from these securities was KZT472.8 th.

The bank's liabilities increased from KZT353.1 mln to KZT3,005.2 mln during 1999. The growth in bank's deposits was also observed (by KZT1,097.4 mln and totaled KZT1,390.4 mln). Current deposits grew most rapidly (by KZT632 mln or 9.9times). At the same time the share of deposits in total liabilities fell down from 83.0 to 46.3%, mostly due to decreases in: debentures by 10.0%, obligation on the outstanding accepts by 12.4%, and other liabilities by 10.3%.

In December 1999, OJSC "Komirbank" registered the first issue of coupon bonds on the sum of KZT2.0 mln with 12% coupon rate. The part of emission (\$1,430.7 mln) was distributed among domestic investors and the rest was put for sale at official list of KASE securities, category "A".

As a result of 1999, the bank's net profit was KZT44.2 mln that is KZT25.1 mln or 131.5% more than in 1998.

Besides, the Board's Chairman explained to the shareholders the need for moving of the payment center to Almaty. The decision was preconditioned by economic reasons. As the account's department is not a managing body of the bank its reallocation will not adversely affect the bank's activity. Almaty accounting office will provide less cost for co-operation between the regional branches and simplification of reporting activity to the National Bank of Kazakhstan. The moving of the Board's office to Almaty is not planned.

**OJSC "Bank TuranAlem"** (Almaty, official list of securities, category "A") in accordance with the listing requirements provided Kazakhstan stock exchange (KASE) with its financial statements for the I quarter of 2000: balance sheet, income and cash flow statements.

By the data of the issuer, his financial and economic results **in the I quarter of 2000** were as follows.

**Comparable ratios of OJSC “Bank TuranAlem”  
financial economic results in the I quarter of 2000**

Indicator	As of	As of	in th. KZT
	Apr.1,99	Apr.1,00	Change, %
Authorized capital (announced)	8,870,230	12,870,230	+45.1
Authorized capital (paid)	8,870,230	10,013,750	+12.9
Shareholders' equity	4,622,727	6,289,621	+36.1
Total assets	20,731,622	51,071,014	+146.3
Liquid assets	4,214,226	12,310,973	+192.1
Loans and deposits	14,727,648	38,584,742	+162.0
Loans granted	13,127,641	31,854,388	+142.7
Operating income	1,326,499	3,527,259	165.9
Total expenses	1,067,302	3,121,710	+192.5
Net income	259,197	405,549	+56.5

Compared to similar period of 1999 growth took place in: shareholders' equity – by KZT1,666.9 mln, or 36.1% (as a result of offering the 5<sup>th</sup> issue of bank shares – by KZT1,143.5 mln; increase in undistributed income – by KZT496.9 mln; excess of offering price of the shares over their face values – by KZT26.5 mln); assets – by KZT30,339.4 mln, or 146.3%; liabilities – by KZT28,672.5 mln, or 178.0%; operating income – by KZT2,200.8 mln, or 165.9%; expenses – by KZT2,054.4 bln, or 192.5%.

Net income of OJSC “Bank TuranAlem” in I quarter of 2000 equaled **KZT405.5 mln**, or by 146.4 mln or 56.5% more than in similar period of 1999.

**Prepared by the agency «IRBIS»**