

## WEEK OF STOCK MARKET OF KAZAKHSTAN

### May 17 - 23

1 US dollar = **146.10** tenge at official rate for the end of the period  
 1 US dollar = **146.15** 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 May 17 - 23. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

#### Investment attractiveness of stock exchange instruments from May 17 through 23

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
Securities repo	KZT	*14.94 (14.96)	54.9 (62.7)	375.4 (428.8)
VITAb2	USD	12.75 (12.10)	0 (0)	0 (0)
RGBRb2	USD	12.00 (12.00)	0 (0)	0 (0)
KZASb1	USD	11.26 (11.50)	0 (0)	0 (0)
Securities repo	USD	*10.48 (15.75)	19.5 (191.9)	133.4 (882.2)
CCBNb1	USD	10.22 (10.40)	0 (0)	0 (0)
KZTOb	USD	10.21 (10.04)	26.9 (295.0)	184.4 (2,021.5)
KARMb1	USD	10.19 (10.99)	0 (33.5)	0 (229.6)
BTASb1	USD	10.18 (11.20)	0 (0)	0 (0)
KZOLb	USD	9.97 (9.90)	38.9 (7.2)	266.3 (49.3)
KKGBe2	USD	9.50 (9.50)	0 (0)	0 (0)
ATFBb	USD	9.25 (9.25)	1.5 (0)	10.2 (0)
TEBNb	USD	9.09 (9.23)	0 (0)	0 (0)
SYRGb1	USD	8.50 (8.50)	0 (0)	0 (0)
HSBKb	USD	8.41 (8.50)	0 (0)	0 (0)
Euronotes-4	USD	7.24 (7.27)	1,362.0 (251.6)	9,321.9 (1,721.6)
Euronotes-3	USD	7.14 (7.12)	3,110.2 (1,564.4)	21,286.6 (10,704.2)
GB repo	KZT	*7.66 (5.28)	8,523.8 (5,555.6)	58,338.4 (38,010.4)
TMJLb	USD	6.19 (6.25)	0 (0)	0 (0)
Euronotes-2	USD	5.97 (6.04)	808.0 (39.5)	5,503.0 (270.5)
KKGBb	USD	5.47 (5.31)	0 (0)	0 (0)
MEKKAM, notes	KZT	*4.51 (5.61)	56.3 (637.3)	385.2 (4,360.5)

**Notes:** yields of AFTb, KZOLb and KZTOb are calculated as average of the deals, yields of other corporate bonds are calculated as average of offer bids.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **0.87% 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

Following is the table of mean values of interbank offering rates (KIBOR), calculated by the quotations put out by the banks in the trade system of KASE. The trend reflects the change of the indicator relative to the last day of previous period. Minimum quotation volume is KZT15 mln. The quotations are indicative meaning that participants do not have to conclude deals on given terms.

#### Indicators of Kazakhstan interbank deposit market as of May 23, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	9.60	-0.10
2 weeks	KZT	10.20	+0.20
1 month	KZT	11.10	+0.30
2 months	KZT	11.60	+0.40
3 months	KZT	12.40	+0.70

The dynamics of indicative interbank deposits was not so representative during this week, since they were poorly correlated with the change in real value of more shorter money. In general, it can be said that the market was short of liquidity, caused by the latest budgetary payments of the bank clients and active purchases of the dollars by the BST on domestic market. Therefore, all offering rates were tend to grow. Weekly KIBOR rate trend only reflects a rare cases, since on May 24 this indicator grew by reacting to current market situation, up to 11.00% APR.

## THE SECURITIES SECTOR (SS)

### Secondary market

During observed period 16 deals amounting to **\$615.0 th.** (KZT89.8 mln) were made in **purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$2,631.5 th., KZT384.1 mln, 20 deals) weekly turnover of the sector decreased 4.3 times, which reflects the market liquidity decline. The most traded were **coupon bonds of NOC KAZAKHOIL CJSC** (43.3% of sector's turnover). Then, there were coupon bonds of KazTransOil CJSC (30.0%) and common shares of Bank CenterCredit OJSC (17.1%). Last week bonds of NOTC KazTransOil CJSC were the leaders.

By the last deals of the period the price of BTAS increased by 2.4% relative to the previous successful trades, CCBN fell by 7.6%, KZCRp – by 65.0%, KZTK – by 4.0%. The value of ALKZp did not change during the week at \$0.41. The yields of KZOLb grew from 9.90% to 10.00% APR. The yields of ATFBb fell from 9.50% to 9.25% APR, KZTOb – from 9.90% to 9.87% APR.

**The index** KASE\_Shares fell symbolically by 0.0424 (0.04%) during the week, at **104.0090** at May 23 closing. The values of the indexes of corporate bonds market (changes during the week are in parentheses) are: **KASE\_BY – 11.61 (-1.72%)**, KASE\_BP – 112.34 (+0.44%), KASE\_BC – 103.69 (+0.33%). Last week KASE\_BY index increased by 0.21%. May24, which is not in this period, proved that this change in the values of the index of corporate bonds yields (KASE\_BY) should be considered a decline trend of the rates, since on this day the index gained back to 11.81, demonstrating a stability of the indicator, which is observed from late March.

On May 23, 2001 **the capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,327.2 mln** or KZT194.0 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number decreased **by \$7.6 mln** in terms of dollars is explained mainly by a decrease in the values of CCBN, KZCRp and KZTK (see above), though common shares of Zerde OJSC were entered into the trade lists (see below).

**The capitalization of corporate bonds market of the Exchange by their best ask prices**, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$252.1 mln** as of May 23, or KZT36,839.9 mln. In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$282.3 mln** as of this check date, or KZT41,254.3 mln.

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

#### Results of the trades in shares from May 17 - 23

USD per share, unless otherwise specified						
Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.1540	0.3080
Aliuminii Kazakhstana OJSC	ALKZp	*0.4105	0.4105	13 518	0.4105	0.4105
Bank TuranAlem OJSC	BTAS	72.10	72.10	436	72.10	72.15
Bank CenterCredit OJSC	CCBN	1.2659	1.3666	77 084	1.3755	1.2659
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324		0	0.9000	1.8000
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0.2500	0.5000
TNC Kazchrome OJSC	KZCRp	*2.394	2.394	673	2.394	2.394
Kazakhtelecom	KZTK	*12.000	12.000	850	12.000	12.000
Kazakhtelecom	KZTKp	11.200		0	7.000	11.500
Raushan OJSC	RAUS			0		*4.1500
SAUR OJSC	SAYR			0		*0.3400
SHNOS OJSC	SYRG			0	1.3000	
TEMIRBANK OJSC	TEBN	*1.095		0	0.684	7.184
ULBA JSC	ULBAp	*10.0000		0		*10.2700
UKTMK OJSC	UTMK	35.000		0	15.000	35.000
UKTMK OJSC	UTMKp	*4.3100		0		40.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5032		0	1.3689	2.4974
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	1.4031	2.7711

#### Results of the trades in bonds from May 17 - 23

yield for the buyer in % APR till maturity, unless otherwise specified								
Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer	
AMB CJSC	ATFBb	USD	9.2471	9.2471	10.18	9.2471	9.2494	
Bank TuranAlem OJSC	BTASb1	USD	11.5000		0	11.2036	11.0035	
Bank CenterCredit OJSC	CCBNb1	USD	11.6998		0	11.7303	10.2524	
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.2702		0	13.2718	8.5000	
Karazhanbasmunai OJSC	KARMB1	USD	10.9895		0	11.2936	10.3608	

To be continued on the page 3

Second part of the table

### Results of the trades in bonds from May 17 - 23

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

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
KAZKOMMERTSBANK OJSC	KKGBb	USD	7.00		0	10.60	5.53
KAZKOMMERTSBANK OJSC	KKGBe2	USD			0	11.5027	9.5020
DAGOK Kustanaiasbest OJSC	KZASb1	USD	12.0000		0	12.2005	11.2990
NOC Kazakhoil CJSC	KZOLb	USD	10.0032	9.9659	266.28	9.8016	10.0032
NOTC KazTransOil CJSC	KZTOb	USD	9.8713	10.2050	184.37	9.8713	10.2857
RG Brands OJSC	RGBRb2	USD	12.0000		0	12.5000	12.0000
SHNOS OJSC	SYRGb1	USD			0	11.9974	8.5004
Temirbank OJSC	TEBNb	USD	6.6943		0	21.2689	9.1552
Kazakhstan Temir Joly NSE	TMJLb	USD	6.3626		0	7.1484	6.2488
VITA LLP	VITAb2	USD	*14.0093		0	13.4654	12.9483

Notes: bid and ask 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 the securities repo sector 3 deals were made during the week for a total of \$877.9 mln (KZT128.3 mln).** Of this number, 2 deals (\$508.8 th) were repo opening deals, and 1 (\$369.1 th) was repo closing deal. Last week volume of deals exceeded \$2,598.3 th (KZT380.2 mln). In the evening of May 23 nineteen securities repos in tenge and U.S. dollars were opened on the trade floor of the Exchange for a total of **\$5,738.1 th**. Common and preferred shares of VALUT-TRANZIT BANK OJSC, common shares of Bank TuranAlem OJSC, common shares of Bank CenterCredit OJSC, preferred shares of Kazakhtelecom and bonds of VITA LLP were used as the object of repo deals. The terms vary from 28 to 30 days, and rates from 14.94% to 14.97% APR for tenge denominated repos, and 28 to 123 days, 7.92 to 14.96% APR for USD denominated repos.

**Total of 19 deals** amounting to **\$1,492.9 th (KZT218.1 mln)** were made in securities **on trade floors of KASE** during last week (purchase and sale and repo sector). A week ago volume of 31 deals was \$5,229.8 mln.

### Changes in trade lists

Based on the application of the trade members of the Kazakhstan Stock Exchange (KASE), **from May 23, 2001 common inscribed shares (KZ1C43150415, trade code – ZERD) of Zerde OJSC (Almaty) to be admitted to the trades in “Non-listed securities” sector.** Announced and paid authorized capital of the company is **KZT75.0 mln**. The company registered single issue of shares with face value of 1 tenge (75,000,000 shares). The report on floatation of bonds was approved on Jan.18, 2001. Primary activities of the company are professional activity on the securities market (registration activity). Presently, the company conducts preparatory work on obtaining a license over registration activity.

## SECTOR OF GOVERNMENT BONDS (GB)

### Secondary market

**In GB purchase and sale sector** of KASE total volume of 87 deals equaled **KZT6,575.2 mln**. Last week the turnover equaled KZT4,948.1 mln with 96 deals made.

The most distinctive feature of the period – is the deformation of the turnover structure, which seems to be principal this time. The data shown in the table indicate that trading frequency of discounted bonds of the Ministry of Finance and the National Bank has sharply declined, which, in the opinions of IRBIS analysts, is the result of continuing decline in their returns. Considering current inflation rate, real returns of these securities are negative, and therefore, these instruments are not in much interest of Pension Assets Management Companies (PAMC). Mid-term non-indexed bonds of the Ministry of Finance have also been pushed away by sovereign euronotes of Kazakhstan on secondary market due to a decline in the returns. In general, this change in the turnover structure is explained by a return of the investors to the market of euronotes after an unsuccessful search for acceptable returns in MEOKAM and MEAKAM sectors. In late April - early May the restructuring of the portfolios of pension funds was carried out towards the reduction of low return euronotes proportions and increase more attractive MEIKAM and MEOKAM at that time. However, due to reemerging demand the Ministry of Finance was able to lower the yields of mid-term debt on primary market. Then, the interests shifted to MEAKAM, which were first offered by the National Bank in purchase and sale sector in late April. Here also, the great demand played a part: the yields of MEAKAM fell from 13.14 to 12.72% in less than a month. As a result, PAMC had nothing to do than to return to the market of euronotes, hoping for high returns of these bonds and restructuring the portfolios of the funds. It immediately affected the prices of sovereign debt. By the results of the week the dynamics of the KASE indexes that indicate the condition of the market of Kazakhstani sovereign debt at the Exchange is as follows (in parentheses - weekly changes): **KASE\_EY – equaled 7.03 (-0.18%); KASE\_EP – 126.48 (+0.15%); KASE\_EC – 113.15 (-0.02%)**. Last week KASE\_EY increased by 1.29%.

**Parameters of stock exchange transactions in GB from May 17 - 23**

(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 GB: MEKKAM-12, notes</b>					<b>0.9% (12.9%) of purchase and sale sector's turnover</b>	
15 - 28	4.01	5.21	4.01	4.42 ( - )	56.3	4
Total					56.3 (637.3)	4 (20)
<b>Coupon GB: MEOKAM-24, 36, MEAKAM</b>					<b>18.9% (49.6%) of purchase and sale sector's turnover</b>	
421 - 525	7.77	9.08	7.77	8.38 (8.64)	442.0	6
860 - 997	8.63	9.51	8.63	9.03 (9.32)	226.5	5
1,000 - 2,418	8.90	12.72	9.02	10.30 (10.86)	574.2	14
Total					1,242.7 (2,455.0)	25 (31)
<b>Euronotes of Kazakhstan, USD</b>					<b>80.2% (37.5%) of purchase and sale sector's turnover</b>	
489 - 495	5.94	5.99	5.99	5.97 (6.04)	804.0	7
1,225 - 1,231	7.06	7.26	7.12	7.14 (7.12)	3,110.2	47
2,149 - 2,154	7.21	7.30	7.30	7.24 (7.27)	1,362.0	4
Total					5,276.2 (1,855.7)	58 (45)
<b>SUBTOTAL</b>					<b>6,575.2 (4,948.1)</b>	<b>87 (96)</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 GS are calculated considering official rate of USD/KZT.

**In GB repo sector 148 deals for a total of KZT15,401.5 mln** were made during the period. Of this number 77 deals (for KZT8,523.8 mln) were repo opening deals and 71 (KZT6,877.7 mln) were repo closing deals. Last period the turnover of this sector of the market was registered at KZT9,383.6 mln. Comparing the turnover figures, it can be said that declining liquidity of the market had classically reflected on the dynamics of this sector, both on the dynamics of the rates. After closing of the trades on May 23 total amount of opened repo equaled **KZT6,341.8 mln**. Current weighted average rates as of May 23 (% APR) equaled: for 1 day – 7.21; for 5 days – 8.47; for 7 days – 6.41; for 15 days – 7.98; for 17 days – 6.30; for 21 days – 6.83; for 25 days – 5.98; for 28 days – 7.09; for 29 days – 7.80; for 30 days – 7.41; for 60 days – 11.97.

**Total of 235 deals** amounting to **KZT21,976.7 mln** were made in GB on trade floors of KASE during last week (purchase and sale and repo sector). A week ago volume of 232 deals was KZT14,331.6 mln. This week **the proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GB for comparable operations equaled **88.9%**, for last week it was 87.6%.

**INFORMATION ON COMPANIES**

**KAZKOMMERTSBANK OJSC** (Almaty) provided the KASE with its financial statements for the first quarter of 2001: balance sheet and income statement. Following are the results of the company in first quarter of 2001 by the data of the issuer.

**Comparable figures of financial and economic activities of KAZKOMMERTSBANK OJSC in I quarter of 2001**

(in th. KZT)

Ratio	As of Apr.1 '00	As of Apr.1 '01	Change, %
Authorized capital (nominal value)	2,942,200	2,942,200	0.0
Shareholders' equity	12,851,018	15,694,082	+22.1
Total assets	67,263,224	116,025,699	+72.5
Liquid assets	8,025,151	26,519,970	+230.5
Loans and deposits (including bonds)	49,835,048	94,340,312	+89.3
Loans granted	46,080,990	78,107,681	+69.5
Income from operating activities	4,146,978	4,829,154	+16.4
General expenses	2,991,617	3,717,677	+24.3
Net income of the period	1,155,361	1,111,477	-3.8
Book value of a share, KZT	45.02	54.98	+22.1

Compared to similar period of 2000 the company registered **growth** in: **shareholders' equity** of the bank increased by KZT2.8 bln or by 22.1% (final amount of undistributed profit - KZT2.9 bln and decline of accumulation in reserves fund – by KZT32.6 mln); **assets** of the bank - KZT48.8 bln or 72.5% (including: loan portfolio – by KZT32.1 bln); securities portfolio - KZT6.9 bln; correspondent accounts - KZT9.7 bln); **liabilities** - KZT45.9 bln, or 84.4%, (debt to banks and other organizations - KZT6.1 bln; bonds issue - KZT2.6 bln; and deposits); **deposits** - KZT35.8 bln or 2.4 times (time deposits - KZT20.9 bln); **operational profit** - KZT682.2 mln or 16.4% thanks to growth of loan portfolio; **expenses** - KZT726.1 mln or 24.3%. **Net income** of Kazkommertsbank OJSC for the reported period equaled KZT1.1 bln that is 43.9 mln or 3.8% lower against corresponding period of last year.

**Temirbank OJSC** (Almaty) provided the KASE with its financial statements for the first quarter of 2001: balance sheet and income statement. Following are the results of the company in first quarter of 2001 by the data of the issuer.

**Comparable figures of financial and economic activities of Temirbank OJSC in I quarter of 2001**

(in th. KZT)

Ratio	As of Apr.1 '00	As of Apr.1 '01	Change, %
Authorized registered capital	1,000,000	1,400,000	+40.0
Authorized paid-up capital	991,047	1,374,418	+38.7
Shareholders' equity	1,749,954	1,982,041	+13.3
Total assets	10,198,424	14,673,655	+43.9
Liquid assets	2,614,566	4,033,394	+54.3
Loans and deposits	7,547,502	12,009,799	+59.1
Loans granted (net)	6,355,453	9,813,305	+54.4
Income from operating activities	697,214	902,671	+29.5
General expenses	621,363	768,308	+23.6
Net income of the period	75,851	134,363	+77.1
Book value of a share, KZT	1,765.76	1,442.09	-18.3

Compared to similar period of 2000 the company registered **growth** in: **shareholders' equity** of the bank increased by KZT232.1 mln (paid-up part of the capital KZT172.2 mln, final amount of undistributed profit - KZT58.5 mln, additional capital – by KZT20.0 mln, and decline of accumulation in reserves fund – by KZT18.6 mln); **assets** of the bank - KZT4.5 bln (including: loan portfolio – by KZT3.5 bln); **liabilities** - KZT4.2 bln, or 50.2%, (deposits - KZT3.1 bln); **operational income** - by KZT205.5 mln; **expenses** - KZT146.9 mln. **Net income** of Temirbank OJSC for the reported period increased by 58.5 mln or 77.1%.

**Aliuminii Kazakhstana OJSC** (Pavlodar; production and sale of aluminum, alumina and fluorides; extraction and concentration of aluminum containing raw material; generation of heat and electricity) provided the KASE with its financial statements for the first quarter of 2001: balance sheet, income statement. By the data of the issuer following are the results of the company during reporting period.

**Comparable figures of financial and economic activities of Aliuminii Kazakhstana OJSC in I quarter of 2001**

(in th. KZT unless otherwise specified)

Ratio	As of Apr.1 '00	As of Apr.1 '01	Change, %
Authorized capital	5,827,176	5,834,811	+0.1
Shareholders' equity	14,037,493	17,563,554	+25.1
Total assets	23,913,110	27,744,896	+16.0
Net working capital	12,084,935	6,212,437	-48.6
Accounts receivable	5,086,689	7,298,879	+43.5
Accounts payable	1,831,378	8,174,132	+346.3
Sales (services)	5,942,460	7,912,506	+33.2
Cost of goods sold	3,615,481	4,391,278	+21.5
Net income (loss)	1,784,719	2,693,902	+50.9
Book value of a share, KZT	240.90	301.01	+25.0

Compared to similar period of year 2000 **growth** took place in: **shareholders' equity** of the company by KZT3.5 bln, or 25.1% (including, reserve capital – by KZT3.2 bln, final amount of undistributed income – by KZT414.0 mln, paid-up part of authorized capital due to a registration of new issue – by KZT7.6 mln, with a decrease in additional unpaid capital by KZT72.9 mln); **assets** – by KZT3.8 bln, or 16.0%; **liabilities** – by KZT4.9 bln, or 91.1%; **sales** – by KZT2.0 bln, or 33.2%; **cost of goods sold** – by KZT775.8 mln, or 21.5%. **Net income** of the company in the first quarter of 2001 increased by KZT909.2 mln against similar period of last year, or by 50.9%.

**CHANGE IN NORMATIVE BASE**

Kazakhstan Stock Exchanges (KASE) informs that from May 21 it enforces new method of accrued interest estimation for deals over MEOKAM issued after April 02. Changes in the methods are made in accordance to requests of the professional participants of the financial market and government resolution #437 dated April 02, 2001.

As it had been informed, the Ministry of Finance (MOF) changed settlement basis over its securities from actual/364 to actual/365. After this modification, the KASE introduced new methodology of accrued interest estimation. On this basis, annual interest rate of MEOKAM is halved, then, resulted interest rate is used in estimation of interest payment amount fixed to given coupon. Finally, this amount is used to estimate accrued interest at each day.

According to the new methodology, accrued interest, transferable from the seller to buyer, is defined as quotient of division of the annual coupon interest over MEOKAM by 365 with consequent multiplication on number of days passed from last coupon payment (or interest accrual date of security) to date of deal's conclusion.

It should be noted that planned introductions reflect only beginning of "problem 365" solving at KASE that arose from MOF introduction of new estimation basis. For instance, new methodology means that amount of daily accrued interest for different coupon period will be also different (odd coupon period - 182 days, even period - 183 days). This could be hardly accepted. Nevertheless, the KASE agreed that such methodology is better than methods stipulating constant daily accrued interest at different amount of interest payments over even and odd coupons. However, "Friday problem" is still unsolved. This problem arises when date of coupon payment (first "odd" period 182 days, second "even" - 183 days) falls on Saturday. In this case, according to the MOF's methodology, coupon payment is made day before, i.e. on Friday. As a result, over the deal concluded on Friday, i.e. the actual day of coupon payment, the KASE transfers accrued interest to buyer. In fact, there is a day before payment date.

Presently, KASE intends to propose MOF to coordinate all problems arising with MEOKAM issued after April 02 and to put accrued interest estimation methodology to full compliance with actual servicing schedule of the MOF bonds.

## KASE NEWS

**On May 16, 2001** General shareholders meeting of Kazakhstan Stock Exchange CJSC (KASE, Almaty) for 2000 was held. Based on the agenda, the shareholders made following decisions.

Financial statements of the Exchange for year 2000 were approved. Financial result of a non-commercial organization Kazakhstan Stock Exchange CJSC is a net income of KZT2,287 th, with KZT204,858 th shareholders' equity, KZT215,216 th assets and KZT10,358 th liabilities. Financial statements of the Exchange were confirmed by Deloitte & Touche (Almaty). The main result of the KASE in 2000 is an increase in the volumes of trades up to an equivalent of **\$5,077.8 mln**, or KZT725.2 bln, which corresponds to 27.9% of GDP. Compared to 1999 (\$3,535.3 mln, or KZT442.1 bln – 21.9% of GDP) dollar equivalent increased 1.44 times.

The report of the Supervision commission was approved.

The distribution of net income of KASE by the results of the year was approved: 30% of the income was allocated to pay premiums to the employees and 70% – to the development of the KASE.

By majority of votes the Board of the KASE was elected in previous constitution for the next two years: **Karasayev D.B.** – president, **Sabitov I.M.** – vice-president. New Exchange council of the KASE was approved consisting of **Abdukhaliqov T.S.** – director of the department of Almaty Merchant Bank OJSC (Almaty); **Mameshtegi S. Kh.** – deputy chairman of the Board of Bank TuranAlem OJSC (Almaty); **Muldashev T.Z.** – first deputy chairman of the Board of Bank CenterCredit OJSC (Almaty); **Sembaev D.Kh.** – chairman of the Board of directors of KAZKOMMERTSBANK OJSC (Almaty), chairman of the Association of financiers of Kazakhstan; **Tsurkan O.G.** – deputy chairman of the Board of ABN AMRO BANK KAZAKHSTAN (Almaty). **Elemesov A.P.** – president of DB SECURITIES (KAZAKHSTAN) (Almaty); **Erimbetov I.M.** – general director of Kazkommerts Securities OJSC (Almaty); **Kanafin A.B.** – director of KBS Securities (Almaty); **Kyshpanakov V.A.** – executive director of KIB ASSET MANAGEMENT Ltd (Almaty); **Sabalakov M.D.** – chairman of the Board of directors of RG Securities (Almaty). The representative of the National Bank of Kazakhstan was entered into the Exchange council (exact person will be determined by the NBK itself) and president of KASE. Based on the law of Kazakhstan "On the stock market", the representative of the National Securities Commission of Kazakhstan was entered into the Exchange council without voting rights (exact person will be determined by the NSC itself). As an observer from the Central Depository of Securities CJSC (Almaty) the president of this organization, **Kapyshev B.Kh.**, was entered into the Exchange council. Supervision commission was elected in the following constitution: **Churbanov I.A.** – deputy director of the investment banking of KAZKOMMERTSBANK OJSC, **Madieva G.K.** – general director of CAIFC CJSC (Almaty), **Majenova B.M.** – head of currency regulation and control department of the National Bank of Kazakhstan.

It was decided that for the financial statements of the year 2001 the Board of the KASE can select among "big five" companies.

By the decision of the meeting the previous decision of the extraordinary meeting of the KASE shareholders, dated January 6, 1999 on the creation of **The Committee of the Exchange council on currency market** and the Regulations on its activities is considered invalid.

Also, the KASE shareholders approved the contract on purchasing by the Exchange two shares from Dom tsennykh bumag EASTBROKERS LLP (Almaty) due to its liquidation and purchase and sale agreement on six shares of R.G. Securities and six shares of Fondovyi service (Almaty); approved changes and amendments to the Exchange's charter.

The first meeting of a new Exchange council of the KASE will be held on May 25. It was decided to elect the chairman of the Exchange council and discuss the matter on the resumption of the trades in first issue bonds of

SHAKHARMUNAIGAS OJSC and transfer of the shares of Astana-finance OJSC into official list of the Exchange under category "A".

**KASE informs** that it fully executed injunction of the General Prosecutor Office (GPO) stated in the resolution N7-23-1231-2001. According to the GPO, resolution N787 of the Directorate of National Securities commission, "On approval of stock exchange trade rules" dated March 02, 2001, should not be applied as having no legal power. The prosecutor office states that the resolution must be put in conformance to current legislation. The enforcement of the resolution will also depend on its legal expertise and registration in the Ministry of Justice of Kazakhstan. The mentioned resolution of NSC approved and amended main legal document of the KASE - "Listing Securities Regulation." New wording was enforced on April 02, 2001.

KASE notes that injunction of the Prosecutor Office has been executed prior to receiving of the official notification. According to the GPOs' resolution "On suspension of illegitimate legal document" dated Apr.25, 2001, decision of the Board of KASE #38/1 dated April 27, 2001, suspended authority of amendments and modifications put into Securities Listing Regulation until completion of the prosecutor's examinations.

To present day, KASE has not received an official notification of the GPO about completion of the examination. Presently, the Exchange tries to clarify whether the GPO's injunction dated May 7 was a final document of the examination or not. Nevertheless, KASE started to apply former wording of Securities Listing Regulation since April 26. This wording is published at the official site of KASE:

<http://www.kase.kz/GenInfo/NormBase/listing.asp>.

**Prepared by the agency «IRBIS»**