

# WEEK OF STOCK MARKET OF KAZAKHSTAN

February 28 - March 6

## Money market rates as of March 6 and weekly changes

Term	Currency	Rate	Trend
<b>"Overnight" on autorepo at KASE(TONIA)</b>			
1 day	KZT	4.57	-0.06
<b>Repo opening at KASE (WA, % APR)</b>			
1 day	KZT	4.55	-1.98
5-7 days	KZT	4.90	-2.08
15 days	KZT	5.50	-1.50
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	7.80	-0.33
2 weeks	KZT	8.50	-0.38
1 month	KZT	9.40	-0.35
2 months	KZT	10.30	-0.45
3 months	KZT	11.10	-0.40

## Stock market indicators as of March 6 and their weekly change

Index	Value	Trend
<b>Shares of "A" listing</b>		
KASE_Shares	110.7919	+0.94%
<b>Corporate bonds of "A" listing</b>		
KASE_BP	120.93	+0.33%
KASE_BC	105.55	+0.12%
KASE_BY	10.26	-0.27%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	137.64	-0.38%
KASE_EC	116.27	-0.67%
KASE_EY	5.11	+4.30%

US dollar = **152.05** tenge at official rate for the end of the period

US dollar = **152.13** tenge at weighted average rate of the Exchange for the end of the period

Weekly rate of tenge devaluation at the Exchange's rate – **0.40% APR**

## THE CORPORATE SECURITIES SECTOR (CS)

### Primary market

**On March 5, 2002** in the trade system of the Kazakhstan Stock Exchange (KASE) a special trades on **initial offering of first issue bonds of Development Bank of Kazakhstan CJSC**

(Astana) were held. The bonds were admitted into the official list of KASE securities under category "A" on February 19, 2002. Based on the issue terms of the bonds, their face value is indexed towards KZT/USD rate of the Exchange.

The trades were held over the "clean" price of the bonds (excluding accumulated interest), expressed in percents of the indexed face value of the securities. The bids were satisfied at the trades by the issuer at a single price – cut-off price which has been set on March 5.

Following are the issue parameters and complete results of the offering.

### Issue parameters

Type of the securities:	indexed inscribed coupon bonds
Type of debt:	unsubordinate unsecured
Issue currency:	Kazakhstani tenge (KZT)

## Investment attractiveness of stock exchange instruments from February 28 through March 6

Financial instrument	Currency of transaction	Yield, % APR value	trend
<b>Instruments denominated in national currency, tenge</b>			
TXBNb1	KZT	15.00	0
MEOKAM, MEAKAM	KZT	8.18	-0.11
MEKKAM, notes	KZT	*5.38	-0.11
GS repo	KZT	*4.90	-0.99
<b>Instruments indexed to KZT/USD rate fluctuation</b>			
SMGZb1	USD	13.18	+0.18
ALKSb2	USD	11.97	0
VTBNb1	USD	11.59	+0.04
KARMB1	USD	11.48	-0.11
RGBRb2	USD	11.01	-0.21
KZASb1	USD	10.97	-0.01
BTASb1	USD	10.85	+0.01
TEBNb2	USD	10.80	0
ASFIb1	USD	10.01	-0.01
TMJLb2	USD	10.00	-0.16
TEBNb	USD	10.00	0
CSBNb1	USD	9.97	0
KZTKb1	USD	9.95	+0.26
BRKZb1	KZT	9.10	–
CCBNb1	USD	8.83	-0.01
ARU060.003	USD	8.54	+0.16
SYRGB1	USD	8.50	0
HSBKb	USD	8.41	-0.02
KZTOb	USD	7.34	-0.08
ASU036.003	USD	7.24	-0.33
VKU036.001	USD	6.77	0
ARU024.002	USD	6.76	+0.02
ASU012.002	USD	1.37	-1.32
KZOLb	USD	1.02	-0.95
<b>Instruments, denominated in foreign currency</b>			
BTASe1	USD	10.59	+0.32
KKGBe2	USD	9.20	0
KZTOe1	USD	8.69	+0.11
ENU07.05	USD	5.78	-0.24
ENU04.10	USD	4.07	+0.13
Supranational bonds	DEM	2.96	+0.03
Supranational bonds	USD	1.74	-0.65
ENU02.10	USD	3.55	–

The yields at which the deals have been made (volume of deals is not zero) are calculated as average of the deals, for other corporate bonds – as average of offer bids. The correspondent ratio of last week is given in the parentheses. Securities marked by an asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given).

Servicing currency:	Kazakhstani tenge (KZT)
National identification number:	KZ2CKY05A473
KASE trade code:	BRKZb1
Face value in issue currency:	1,000.00
Issue volume in issue currency:	4,500,000,000
Circulation starts on (issue date):	Feb 15.02
Floatation term:	5 years from the circulation starting date
Circulation term:	5 years
Maturity date:	Feb 15.07
Coupon:	8,5% APR of indexed face value
Coupon payment dates:	each year on August 15 and February 15
Time basis for all settlements:	30/360
Register fixing term for coupons:	30 days to payment date
Register fixing term for maturity:	30 days to maturity date
Financial consultants of the issuer:	Halyk Bank of Kazakhstan OJSC (Almaty), AMB OJSC (Almaty)

### Parameters of trades

Trading date:	March 5, 2002, 11:30AM – 5:30PM ALT
Announced offering volume:	KZT1,500,000,000.00 at face value
Satisfaction share of market bids:	70% of actually satisfied bids
Payment date for purchased bonds:	March 6, 2002, 4:00PM ALT
Exchange rate on floatation date:	KZT152.20 for \$1
Exchange rate on issue date:	KZT151.96 for \$1
Indexation coefficient of face value on floatation date:	1.001579363
Accumulated interest on floatation date:	0.495833% of indexed face value

### Demand parameters

Number of participants - members of KASE:	9
Number of submitted bids:	12
Volume of submitted bids:	
securities	3,650,993
in tenge at face value	3,650,993,000.00
in tenge discounted	3,521,053,719.94
Demand to offer:	234.7%
Bid price (yield at semiannual basis):	
min	92.0000%,(10.62%,APR)
max	97.7978%,(9.06%,APR)
WA	95.8274%,(9.58%,APR)

### Floatation results

Volume of satisfied bids:	
securities	1,525,793
in tenge at face value (floatation volume)	1,525,793,000.00
in tenge discounted (borrowing volume)	<b>1,499,771,077.66</b>
Cut-off price:	<b>97.6437</b>
Yield to maturity for buyer:	<b>9.1004%,APR,(semiannual basis)</b>
Effective yield:	9.3074%,APR,(annual basis)

Since these prices were expressed in percents of the indexed face value of the bonds, calculated yield reflects potential return in equivalent of the currency.

The banks expressed the most of the interest towards the bonds, and accounted for 55.48% of the total demand. The entities of the pension market took 34.13%, and clients of brokerage-dealing companies accounted for 10.39% of the demand. Other investors did not participate in the offering.

After the cut-off procedure five bids submitted by five members of the Exchange were satisfied. By the results of the auction 59.9% of the offered volume of the debt at face value was bought by the banks, 24.9% by the clients of the brokerage-dealing companies, 15.2% by the entities of the pension market. And the issuer has floated all planned volume.

### Secondary market

In CS purchase-sale sector of KASE a total of 28 deals were concluded amounting to **\$7,916.6 th.** or KZT1,203.6m. Compared to previous week (30 deals, \$5,741.0 th., or KZT872.9m) the sector's turnover decreased by 37.9%. A total of 11 instruments were used to make the deals, including 7 bonds. Last week the brokers were also focused on 11 securities, including 7 bonds.

Indisputable leaders of the Exchange during this week were the bonds of Kazakhstan Temir Joly NSE, which accounted for 67.0% of sector's all turnover. As against previous week, not only initial offerings of bonds were

held at KASE, but also there were their secondary reallocation. There were 8 participants involved in making deals in TMJLb2. Such a rare occurrence for the local market implies that the liquidity of these securities is quite high. In general, the deals in corporate debt were made at KASE at a declining price. During the week the yields to the buyer of KZTOe1 grew from 8.56% to 8.69% APR, TMJLb2 – from 9.50% to 10.20%, KARMB1 – from 10.36% to 12.57%, KZTKb1 – from 9.69% to 9.95%, SMGZb1 – from 13.62% to 14.02%, VTBNb1 – from 11.55% to 11.88% APR. The only instrument of this market segment, which had a price increase, was the euronotes of TuranAlem Finance B.V. (BTASe1). Their yields to the buyer for one concluded single deal fell from 10.5940% to 10.5854% APR.

Observed growth of yields – the result of the corporate market “overheat”, which happened under the deficit of new instruments. It is not accidental that KASE\_BY index is fluctuating around the historical minimums second week already and not willing to go below. High offer prices of market-makers and specialists do not allow it to loose contact with 10.2% APR level. It is enough to note that one of the most frequently traded bonds lately – KZOLb – were offered at 0.95% APR on average in this week (the table of investment attractiveness). The yields have never fallen to a such a low level. An indirect evidence of the achievement of the maximum prices by the market is the great demand for new securities – bonds of Development Bank of Kazakhstan CJSC, which were bought by the investors of different categories at initial offering. Thanks to this demand the issuer was not only able to float all planned volume, but make it at the yield that is much lower on average on the market in terms of indexes.

In the opinions of IRBIS specialists, the yields of corporate bonds will tend to grow in upcoming month, since the number of new instruments will increase and the factor of deficit of instruments will not be so critical, as it was in previous two months of this year.

Capitalization figures of the Exchange’s market of bonds, which was estimated at **\$630.0m** at the end of the week, grew by \$6.9m increase in 7 days caused by the admittance of Subsidiary bank Alfa-Bank OJSC into the official list of KASE securities under category “A” (see below).

In the shares trading sector – still calmness. On isolated concluded deals the price of CCBN grew by 3.8%, ATFBp – by 31.2%; price of BTAS fell by 1.2%, and MMGZp unchanged (\$3.15 per share). On March 6 the capitalization of the companies, whose shares are traded within official list of KASE, reached **\$1,230.9m** (KZT187.3bn) and fell by \$0.2m in seven days as a result of exchange rate difference and resulting change in values of traded securities.

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 February 28 through March 6

Issuer	Securities	Last price	Volume, #	USD per share, unless otherwise specified		
				Volume, USD th.	Best bid	Best offer
Almaty Kus OJSC	ALKS		0	0	0.1540	0.3080
Almaty Kus OJSC	ALKSp		0	0	0.0900	0.1700
Almaty Kus OJSC	ALKSp3		0	0	0.0680	0.0700
Astana-finance OJSC	ASFI	6.632	0	0	4.000	8.000
AMB OJSC	ATFBp	7.150	14,400	103.0	7.150	7.140
Bank TuranAlem OJSC	BTAS	94.21	1,100	103.6	94.21	94.21
Bank CenterCredit OJSC	CCBN	1.3666	218,465	298.6	1.3666	1.3460
Halyk Bank of Kazakhstan OJSC	HSBK	1.2200	0	0	1.0000	1.3400
KAZKOMMERTSBANK OJSC	KKGB	*0.4500	0	0	0.2500	0.5000
KAZKOMMERTSBANK OJSC	KKGBp		0	0	0.2900	0.5800
Corporation Kazakhmys OJSC	KZMS	*61.000	0	0	60.000	120.000
Corporation Kazakhmys OJSC	KZMSp	119.990	0	0	60.000	120.000
Kazakhtelecom	KZTK	17.400	0	0	13.000	23.000
Kazakhtelecom	KZTKp	*14.999	0	0	11.000	20.500
Mangistaumunaigas OJSC	MMGZp	*3.1500	14,280	45.0		*3.1500
SHNOS JSC	SYRG	1.6300	0	0	1.8000	
Temirbank OJSC	TEBN	*1.095	0	0	3.290	6.570
Temirbank OJSC	TEBNp		0	0	3.290	6.570
ULBA JSC	ULBAp	*10.00	0	0		*7.89
UKTMK OJSC	UTMK	39.000	0	0	28.000	56.000
UKTMK OJSC	UTMKp	45.0000	0	0	23.0000	46.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.6617	0	0	1.4517	2.7714
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033	0	0	1.7156	3.0683
<b>TOTAL</b>	<b>23</b>		<b>248,245</b>	<b>550.2</b>		

## Results of the trades in bonds from February 28 through March 6

(% APR, unless otherwise specified)

Issuer	Code	Last Volume, th. USD		Best bid	Best offer
Almaty Kus OJSC	ALKSb2	12.3903	0	12.7316	11.9763
Astana-finance OJSC	ASFib1	10.9595	0	11.4982	10.0385
Bank TuranAlem OJSC	BTASb1	10.8333	0	11.4656	10.8612
TuranAlem Finance B.V.	BTASe1	10.5854	259.9	10.5854	10.5854
Bank CenterCredit OJSC	CCBNb1	11.0190	0	12.3230	8.8350
Bank Caspian OJSC	CSBNb1	*9.8960	0	11.0156	9.9757
Halyk Bank of Kazakhstan OJSC	HSBKb	11.0249	0	13.4956	8.4156
Karazhanbasmunai OJSC	KARMb1	12.5735	171.4	10.9777	12.5735
KAZKOMMERTSBANK OJSC	KKGBe2		0	11.2017	9.2047
DAGOK Kustanaiasbest OJSC	KZASb1	11.3981	0	11.9972	11.0044
NOC Kazakhoil CJSC	KZOLb	6.5007	0	5.9020	1.5182
Kazakhtelecom	KZTKb1	9.9478	319.5	9.9478	9.9478
NOTC KazTransOil CJSC	KZTOb	7.7559	0	9.0002	7.4832
NOTC KazTransOil CJSC	KZTOe1	8.6913	502.6	8.6913	8.6913
RG Brands OJSC	RGBRb2	*11.2230	0	12.0000	11.0370
SHAHARMUNAIGAS OJSC	SMGZb1	14.0230	608.6	13.0073	14.0230
SHNOS OJSC	SYRGb1	10.8001	0	11.9952	8.5035
Temirbank OJSC	TEBNb	10.4300	0	11.0039	9.9974
Temirbank OJSC	TEBNb2	10.9815	0	11.1987	10.8049
Kazakhstan Temir Joly NSE	TMJLb2	10.2000	5,306.5	9.4991	10.2001
TexaKaBank OJSC	TXBNb1		0	17.0000	15.0030
VALUT-TRANZIT BANK OJSC	VTBNb1	11.8831	198.0	11.3047	11.8831
<b>TOTAL</b>	<b>22</b>		<b>7,366.5</b>		

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 the repo sector of CS 2 deals were made amounting \$493.7 th. (KZT75.2m). All deals were repo closing deals. No repos were opened on the trade floor. Last week the sector was idle. Despite of the opportunity given to the entities of the pension market on March 4 to make repo deals in CS at KASE using counter trade method, no bids were made to Risk committee of the Exchange for market valuation of the securities for the admittance to repo deals.

In all CS trade floors of KASE (purchase-sale and repo sectors) a total of 35 deals were concluded amounting to \$18,264.3 th. (KZT2,778.5m). Last week volume of 28 deals reached \$5,741.0 th. (KZT872.9m).

## Changes in KASE trade lists

From February 28, 2002 by a decision of the Exchange council of KASE first issue indexed un subordinate inscribed coupon bonds of Subsidiary Bank Alfa-Bank OJSC (SB Alfa-Bank OJSC, Almaty; KZ2CKY06A497; KZT1.5bn; KZT15,000; Feb 28,02 – Feb 28,08; semiannual coupon at 9.0% APR) were included into official list of securities of KASE under category "A". Date of bonds trades opening at KASE and admittance of bonds into representative list for calculation of indexes KASE\_BP, KASE\_CP and KASE\_BY will be announced additionally. Detailed information on the securities and their issuer is given by IRBIS in [special issue](#) (see below).

## February results

As the next month ended the agency IRBIS has analyzed the results of February in all sectors of the CS trades at the Exchange. Total volume of 95 deals amounted to \$35,668.5 th. (KZT5,420.1m at current rate of the Exchange effective on the day the deals were made on). In comparison with previous month sector's turnover decreased by \$6,870.9 th. (KZT1,020.2m) or 16.2% (15.8% in tenge). Relative to February 2001 transactions volume rose by \$22,854.6 th. (KZT3,558.6m) or by 2.8 times (2.9 times in tenge). As IRBIS analysts assumed the market volume continues to be negatively influenced by a prohibition from January 11 on making deals in counter repo with participation of pension assets via only open trades method. A possibility of trade in automatic repo sector using CS will be given to traders only from March 4 and volumes of the market have to restore. Low issue activity of Kazakhstan issuer has had a bad influence. Only in the last decade of February new issues of corporate bonds appeared in the market (Development Bank of Kazakhstan OJSC and SB Alfa-Bank OJSC) adapted to requirements of Civil Code of the RK. However, trades on these bonds haven't been opened yet.

Following are the tables showing the corporate securities market at the Exchange in February 2002.

Table of major indicators of CS market of the Exchange in February 2002

Date	Capitalization of the share market,		The KASE index	Capitalization of the bond market,		Bond value index, including accum interest	Volume of deals, th. USD
	m, USD	Share index		m, USD			
Jan 31.02	1,203.2	107.1910	585.576	10.3546	119.4402	6,778.8	
Feb 01.02	1,203.1	107.1879	585.576	10.3651	119.4464	0	
Feb 04.02	1,203.1	107.1879	585.556	10.3749	119.5085	197.7	
Feb 05.02	1,203.3	107.1875	585.556	10.4055	119.4537	13.7	
Feb 06.02	1,203.5	107.2072	587.670	10.3767	119.5699	1,226.0	
Feb 07.02	1,203.6	107.2072	587.673	10.3696	119.6352	777.8	
Feb 08.02	1,209.9	107.2073	587.425	10.3559	119.7036	1,957.2	
Feb 11.02	1,209.8	107.2063	587.415	10.4286	119.5454	0	
Feb 12.02	1,209.9	107.2068	587.430	10.4248	119.5899	92.4	
Feb 13.02	1,209.7	107.2063	587.430	10.4291	119.6094	2.0	
Feb 14.02	1,209.7	107.2068	588.030	10.3859	119.7557	1,624.0	
Feb 15.02	1,211.5	107.2080	587.904	10.3642	119.7621	1,384.0	
Feb 18.02	1,212.0	107.8856	587.907	10.3835	119.8392	2,283.3	
Feb 19.02	1,212.0	107.1232	615.775	10.4337	119.5176	8,382.0	
Feb 20.02	1,211.6	107.3959	616.470	10.3024	120.3153	760.7	
Feb 21.02	1,209.9	109.2252	616.274	10.3379	120.2597	621.2	
Feb 22.02	1,209.9	107.3957	621.754	10.1934	120.6283	1,280.4	
Feb 25.02	1,209.6	109.8943	621.804	10.2869	120.4481	473.1	
Feb 26.02	1,227.0	109.8899	621.665	10.2045	120.9527	2,040.7	
Feb 27.02	1,231.1	109.7631	623.092	10.2914	120.5372	1,325.5	
Feb 28.02	1,231.8	109.8994	631.284	10.2414	120.7018	2,274.3	
<b>Trend</b>	<b>+28.6</b>	<b>+2.7084</b>	<b>+45.708</b>	<b>-0.1132</b>	<b>+1.2616</b>		
	<b>+2.37</b>	<b>+2.53</b>	<b>+7.81</b>	<b>-1.09</b>	<b>+1.06</b>		

Most tradable securities at the KASE in February 2002 (including repo sector)

Code	Brief title of the issuer	Volume of deals, th. USD	Volume of deals, m, KZT	Volume of deals in securities	Number of deals
KZOLb	NOC Kazakhoil CJSC	7,315.9	1,111.7	71,340	2
TMJLb2	RSE Kazakhstan Temir Joly	5,921.7	899.4	61,350	14
KZASb1	DAGOK Kustanaiasbest OJSC	5,396.1	819.9	53,400	2
BTASe1	TuranAlem Finance B.V.	5,154.4	783.5	4,990,000	8
CCBN	Bank CenterCredit OJSC	3,009.1	457.4	2,388,076	12
VTBNb1	VALUT-TRANZIT BANK OJSC	2,130.8	323.9	20,420	8
KZTOe1	KazTransOil CJSC	1,511.0	229.8	1,500,000	4
BTAS	Bank TuranAlem OJSC	1,264.3	192.4	13,972	4
KZTOb	KazTransOil CJSC	1,013.9	154.0	9,880	3
BTASb1	Bank TuranAlem OJSC	604.3	91.9	5,780	2
KZTKb1	Kazakhtelecom	382.7	58.0	3,703	5
ALKSb2	Almaty Kus OJSC	370.2	56.1	4,000	1
ASF1b1	Astana-finance OJSC	295.2	44.8	3,000	1
KARMb1	Karazhanbasmunai OJSC	292.7	44.5	2,900	7
RGBRb2	RG BRANDS LLP	187.2	28.4	1,820	3
NFBN	Neftebank OJSC	176.0	26.8	20,000	1
KZMSp	Corporation Kazakhmys OJSC	120.0	18.2	1,000	2
SMGZb1	SHAKHARMUNAIGAS OJSC	105.2	16.0	1,063	1
ATFBp	AMB OJSC	93.0	14.1	13,900	8
KZTK	Kazakhtelecom	86.5	13.2	5,000	2
ALKZp	Aluminii Kazakhstana OJSC	72.6	11.0	110,359	1
ALKZ	Aluminii Kazakhstana OJSC	72.6	11.0	110,359	1
TEBNb	Temirbank OJSC	50.1	7.6	500	1
KZEMp	Kazakhoil-Emba OJSC	42.8	6.5	10,645	1
ZHENp	Zhyluenergiya OJSC	0.2	0.0	10	1

**Comments:** The securities were sorted in descending order based on the volumes of deals expressed in U.S. dollars. Small letters in the securities codes have the following meanings: "p" - preferred inscribed share; "b" - bond; "e" - eurobond; the rest - common inscribed share. The figure shows the number of the bond issue. If there is no figure (old code) it implies that it is the first issue.

## SECTOR OF GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE (including euronotes of Kazakhstan) a total volume of 104 deals reached **KZT17,421.6m** (\$114,479.4 th.). Corresponding figure of last week did not exceed KZT3,709.4m

(\$24.374.1 th.). Such a considerable volume of the market in this week was due to a number of deals made in third and fourth issue euronotes of Kazakhstan by only two traders for a total of KZT13,548.6bn. Results of the analysis made by IRBIS specialists do not allow them to classify these deals as market deals, though they have been made using open counter trade method. It is more likely a thoroughly evaluated plan implemented by three investors which resulted in securities returning to their portfolios. In other words, "hidden repo" deals were made on the market, which led to a significant deformation of the turnover structure and noticeably influenced the dynamics of KASE\_E\* series indexes. Notably, the assets of accumulative pension funds were used in these deals.

In other respects, the market was resembling to that of previous week.

#### Parameters of Exchange's transactions in GS from February 28 through March 6

(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 GS (KZT): notes</b>						
<b>1.1% (10.0%) of purchase and sale sector's turnover</b>						
less than 8	5.05	5.39	5.05	5.20 (4.88)	79.93	5.00
8 - 14	5.06	5.06	5.06	5.06 (5.26)	49.94	1.00
29 - 36	5.36	5.42	5.36	5.36 (5.41)	48.98	2.00
43 - 56	5.51	5.51	5.51	5.51 (5.46)	6.54	1.00
57 - 63	5.60	5.60	5.60	5.60 (5.72)	13.37	1.00
Total					198.8 (369.1)	10 (15)
<b>Coupon GS (KZT): MEOKAM-24, 36, 48, MEAKAM</b>						
<b>17.4% (32.1%) of purchase and sale sector's turnover</b>						
less than 730	6.25	8.40	8.02	7.99 (8.03)	1,835.09	47
731 - 1,095	7.50	8.30	7.99	8.21 (7.97)	917.45	7
1,096 - 1,460	8.40	8.40	8.40	8.40 ( -)	96.52	2
1,826 - 2,190	9.74	9.97	9.74	9.81 (10.18)	182.88	3
Total					3,031.9 (1,191.9)	59 (28)
<b>Euronotes of Kazakhstan (USD)</b>						
<b>81.5% (57.9%) of purchase and sale sector's turnover</b>						
*206 - 211	3.21	3.59	3.21	3.55 ( -)	336.42	8
**942 - 947	3.92	4.10	3.92	4.07 (3.94)	5,104.14	17
***1,865 - 1,873	5.69	5.90	5.71	5.78 (6.02)	8,750.36	10
Total					14,190.9 (2,148.5)	35 (12)
<b>GRANDTOTAL</b>					<b>17,421.6 (3,709.4)</b>	<b>104 (55)</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, over domestic devaluation indexed bonds - official KZT/USD exchange rate.

In GS repo sector 338 deals were made for a total of KZT57,188.2m (including automatic repo sector) during the period. Of this number 156 deals (for KZT27,140.8m) were repo opening deals and 182 (KZT30,047.4m) were repo closing deals. Last period the turnover of this market sector equaled KZT62,780.7m. After closing of the trades on March 6 total amount of opened repo reached KZT17,504.0m. Parameters of automatic repo market are given in the table.

#### Major parameters of automatic repo market from February 28 through March 6

(in parentheses – comparable figures of previous period)

Instrument (currency, term or repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %	
	at first deal	MIN	MAX	at last deal				weighted average
KZT_001	4.70	3.00	7.50	5.50	4.71 (5.54)	14,075.0	97	70.8
KZT_002	5.00	5.00	5.20	5.10	5.04 (5.58)	1,545.0	11	7.8
KZT_003	5.50	4.50	6.00	4.50	4.93 ( -)	755.0	7	3.8
KZT_007	5.00	5.00	6.00	6.00	5.24 (7.20)	1,700.0	5	8.6
KZT_014	6.30	6.30	6.30	6.30	6.30 (7.10)	300.0	1	1.5
KZT_028	7.00	6.50	7.00	7.00	6.83 (6.71)	1,495.0	9	7.5
<b>TOTAL</b>						<b>19,870.0 (19,020.0)</b>	<b>130</b>	<b>100.0</b>

Total of 442 deals were made amounting to KZT74,609.8m in GS on trade floors of KASE during the week (purchase-sale and repo sector). A week ago volume of 371 deals equaled KZT66,490.1m. This week the proportion of the Exchange's turnover in total volume of deals on Kazakhstani secondary market for GS for comparable operations reached 89.1%, for last week it was 92.3%.

#### February results

In February of year 2002, 1,409 deals in GS at KASE in all sectors of the market amounted to KZT203,903.9m (\$1,340.8m). In last month at 1,325 deals the volume reached KZT204,641.0m (\$1,349.5). For the month exchange turnover of GS decreased by 0.36%.

**In the sale-purchase sector** 228 deals were made for total amount of **KZT13,544.8m**. In comparison with previous month a turnover in the sector decreased by 9.13% that is explained through a fall of yield of most popular bonds as a result of their market overheating.

**In repo sector** of KASE 1,181 deals were registered for a total of **KZT190,359.0m** in February. Corresponding figure for the previous month – 1,006 deals for KZT180,780.1m. The market continues expanding. A share of automatic repo sector in February was 74.7% of total volume of made repo deals, in January – 68.4%.

**The share of the Exchange's turnover** in total volume of the deals made on the Kazakhstan secondary market of GS based on comparable operations (including euronotes and repo deals) equaled **92.0%** (in January 2002 - 93.0%).

As the next months ended the KASE defined list of companies - leading operators of the KASE government securities market for February 2002. In total, **20 companies** participated in trades with GB at KASE in February excluding the National Bank of Kazakhstan (banks, broker-dealer companies, pension assets management companies and SAPF). Below is the list of 10 the most active operators given in descending order of their shares in total deals volume.

**The most active operators of the GS market of KASE in February 2002**

Position in Feb 2001	Position in Jan 2001	Brief title of a company	Share in gross volume of trades, %
1	1	Bank TuranAlem OJSC (Almaty)	25.3
2	2	PAMC ZHETISU CJSC (Almaty)	10.8
3	3	AMB OJSC (Almaty)	10.0
4	4	Bank CenterCredit OJSC (Almaty)	7.7
5	8	Temirbank OJSC	5.8
6	7	Eurasian bank CJSC (Almaty)	5.0
7	5	State Accumulative Pension Fund CJSC (Almaty)	4.8
8	6	Pension Assets Management Company of Halyk Bank Kazakhstan CJSC (Almaty)	4.4
9	10	KAZKOMMERTSBANK OJSC (Almaty)	2.8
10	11	Halyk Bank of Kazakhstan OJSC (Almaty)	2.1

**INFORMATION ON ISSUERS**

**Kazakhtelecom** (Astana) informed KASE about holding extraordinary general meeting of shareholders **on April 19,2002** with following day agenda: On before the appointed time termination of rights of all members of the Board of Directors of Kazakhtelecom. On defining of a qualitative composition of the Board of Director of Kazakhtelecom and appointment its members. Other. The meeting will be held at 3PM of local time to the address: conference room of the Ministry of transport and communication, 49, Abai avenue, Astana. A list of shareholders having a right to take part in General meeting will be composed as of March 19,2002. If quorum is absent, next meeting of shareholders will be held on April 20,2002 at 11AM to the abovementioned address.

**TEXAKABANK OJSC** (Almaty) presented to KASE an explanatory note to non-audited annual financial reporting in which reasons for a decrease of net income of the bank by results of activity for 2001 relative to 2000 are mentioned. According to presented information, following affected net income of TEXAKABANK OJSC for the year 2001. Fixed assets of the bank relative to the year 2000 increased by KZT336.8m that was conditioned by: building of a new office; renewal of personal computers fleet; opening of one subsidiary and 9 settlement divisions (SD) and their equipment; acquisition of equipment for plastic cards business development. Interest expenses increased by KZT103.4m in comparison with 2000 including: Personnel expenses – by KZT17.3m in connection with staff growth by 42% as a result of new subsidiary and settlement divisions opening; Office and equipment expenses – by KZT39.2m that was conditioned by a repair of subsidiaries in Astana and Uralsk, rise of transport expenses, expenses on security and signaling; Taxes and other mandatory payments to budget expenses – by KZT24.7m in connection with building of a new office; Other expenses (commissions for different services, advertisement, contributions of a participant of natural persons deposits guarantee system and different associations) – by KZT22.3m. In explanatory note it is mentioned that expenses of TEXAKABANK OJSC in 2001 are strategically important since they are concerned with technological and technical improvement and provide the bank with further development as in qualitative as well as in real expression.

Also, TEXAKABANK OJSC provided KASE with a copy of a new license#199 of the National Bank of Kazakhstan for making transactions provided by banking legislation in tenge and foreign currency from

December 07,2001. New license in addition to before existing rights gives to TEXAKABANK OJSC a right for making following bank transaction in tenge and foreign currency:

- Trust transactions: money, refined precious metals and securities management in the interests and on behalf of the principal;
- Clearing activity in stock market.

Also TEXAKABANK OJSC informed KASE that on March 01,2002 the bank in a strict compliance with issue terms and servicing schedule of its subordinated bonds of the first issue (KZ2CKY05A416; trade code KASE - TXBNb1; 1,000 tenge, 1.5bn tenge; Sep 01,01 – Sep 01,06; semiannual coupon at 15.0% APR) has paid the first coupon. Amount of payment totaled KZT63,723,375.00. As of February 01,2002 (a date of register fixing for coupon payment) according to the issuer information there were floated 849,645 bonds (56.6% of registered issue volume). As of March 01,2002 this number increased up to 1,001,645 bonds (66.8%).

**Zhyluenergiya OJSC** (Aktobe; production, transmission and realization of heat energy and hot water provision) shares of which are traded in official list of KASE securities under category “B” with official letter informed KASE that it has become a member of legal entities union Production association “Kazenergotrans” (Aktobe, Kazakhstan). This association was created with the purpose of working out and realization of unique policy in its members’ activity and also improvement of enterprises management system, coordination of work of management bodies in enterprises-members. Apart from Zhyluenergiya OJSC the association includes other enterprises of Aktobe: Akbulak OJSC; Aktobe TETS CJSC; Aktobegas CJSC and Obltransgas CJSC.

**Bank TuranAlem OJSC** (Almaty) provided the KASE with its preliminary (non-audited) financial statements for 2001: balance sheet and income and cash flows statements.

**Comparable figures of financial-economic activities of Bank TuranAlem OJSC in 2000 and 2001**

(m KZT unless otherwise specified)

Ratio	As of	As of	Change, %
	Jan 1 '01	Jan 1 '02	
Authorized capital (paid)	12,870.2	17,137.5	+33.2
Shareholders' equity	10,892.2	17,415.9	+59.9
Total assets	79,585.5	162,399.7	+104.1
Liquid assets	16,563.6	43,034.2	+159.8
Loans granted (net)	55,149.3	110,003.7	+99.5
Liabilities, total	68,693.3	144,983.7	+111.1
Loans and deposits (including bonds)	62,121.1	132,787.0	+113.8
General incomes	14,798.6	22,776.7	+53.9
General expenses	12,649.0	20,556.7	+62.5
Net income	2,149.6	2,220.1	+3.3
<b>Calculated based on the issuer's data:</b>			
Return on equity (ROE), %	19.74	12.75	-35.4
Return on assets (ROA), %	2.70	1.37	-49.4
Earnings per 1 common share (EPS), KZT	1,670.21	1,724.98	+3.3
Price to earnings ratio (P/E)	6.18	8.67	+40.3
Book value of 1 share, KZT	8,463.11	10,162.50	+20.1

Earnings per 1 common share (EPS) and price to earnings ratio (P/E) have been calculated without taking into account dividends on privileged shares that will be determined on General annual meeting of shareholders of the bank.

Compared to the year 2000 **growth** took place in: **shareholders' equity** of the company – by KZT6.5bn as a result of floatation of sixth issue privileged shares – by KZT4.3bn, increase of final amount of undistributed income – by KZT2.2bn, accumulations in reevaluation reserves – by KZT30.4m; **assets** – by KZT82.8bn, of which: increase in loan portfolio – by KZT54.8bn, securities in the bank's portfolio – by KZT18.4bn, correspondent account – by KZT7.1bn, while other assets increase – by KZT2.5bn; **liabilities** – by KZT76.3bn, which is caused by a growth in: deposits – by KZT63.9bn, credits attracted – by KZT3.2bn, and other liabilities – by KZT5.6 bn and the bank's bonds floatation – by KZT3.5bn; **income** – by KZT8.0bn as a result of an increase of lending transactions income – by KZT6.1bn, commission income – by KZT1.1bn and other sources of income; **expenses** – by KZT7.9bn in connection with an increase and assignation for reserves (provisions, by KZT3.0bn), deposits payments (by KZT2.9bn) and other expenses. **Net income** of the bank for 2001 equaled KZT2.2bn, which is KZT70.5m more than in 2000.



**Dynamics of some parameters of Bank TuranAlem OJSC for year 2001 on a quarterly, non-accumulating sum basis**

(m KZT)							
Indicator	I-2001	II-2001	Change, %	III-2001	Change, %	IV-2001	Change, %
Change of deposits	14,570.3	-861.7	-105.9	34,862.0	+4,145.8	15,336.9	-56.0
Total income	5,187.1	5,404.7	+4.2	5,995.9	+10.9	6,189.1	+3.2
Net income	677.3	976.2	+44.1	281.3	-71.2	285.2	+1.4

**NEFTEBANK OJSC** (Aktau) provided the KASE with its non-audited financial statements for 2001: balance sheet and income statement.

**Comparable figures of financial-economic activities of NEFTEBANK OJSC in 2000 and 2001**

(th. KZT unless otherwise specified)			
Ratio	As of Jan 1 '01	As of Jan 1 '02	Change, %
Authorized capital (paid)	678,365	847,841	+25.0
Shareholders' equity	1,043,880	1,177,796	+12.8
Total assets	3,395,240	3,689,417	+8.7
Liquid assets	816,635	451,973	-44.7
Liabilities, total	2,351,360	2,511,621	+6.8
Loans and deposits	2,240,124	2,478,486	+10.6
Granted credits	2,052,210	2,571,286	+25.3
Revenues	554,992	552,225	-0.5
Total expenses	496,580	531,332	+7.0
Net income (loss) of the period	58,412	20,893	-64.2
<b>Calculated based on issuer's data</b>			
Return on assets (ROA), %	1.72	0.57	-67.1
Return on equity (ROE), %	5.60	1.77	-68.3
Earnings per share (EPS), KZT	113.75	32.55	-71.4
Price to earnings ratio (P/E)	—	34.73	—
Book value of 1 share, KZT	2,032.78	1,835.09	-9.7

Compared to the year 2000 the changes took place: **shareholders' equity** of the company increased by KZT133.9m as a result of the increase of the paid authorized capital up by KZT169.5m and accumulations in funds and reserves – by KZT14.8m at a decline of final amount of undistributed income by KZT50.4m; **assets** increased by KZT294.2m, including: net-volume of the loan portfolio – by KZT519.1m; residual value of fixed assets – by KZT105.1m; other assets –by KZT31.2m at a decline of amounts on correspondent accounts – by KZT361.2m; **liabilities** increased by KZT160.1m as a result of attraction of subordinated loan for the amount of KZT375.5m at a decrease of deposits by KZT89.0m, liabilities before the National Bank and the Government of the Republic of Kazakhstan – byKZT48.1m, other liabilities – byKZT78.1m; **revenues** decreased by KZT2.8m in connection with a decrease of revenues from financial transactions and a rise of losses from re-estimation; **expenses** rose by KZT34.8m; By the results of 2001 Neftebank OJSC **income** decreased by KZT37.5m than for the same period of 2000.

**Dynamics of some parameters of NEFTEBANK OJSC for year 2001 on a quarterly, non-accumulating sum basis**

(m KZT)							
Ratio	I-2001	II-2001	Change, %	III-2001	Change, %	IV-2001	Change, %
Deposits change	25.1	230.0	+815.9	-457.3	-298.8	113.2	+124.8
Gross income	149.6	152.5	+2.0	113.8	-25.4	134.5	+18.2
Net income	-11.7	18.8	+261.1	1.9	-90.1	11.9	+540.3

**Astana-Finance OJSC** (Astana) provided the KASE with its non-audited financial statements for 2001: balance sheet and income statement.

**Comparable figures of financial-economic activities of Astana-finance OJSC in 2000 and 2001**

(th. KZT unless otherwise specified)			
Ratio	As of Jan 1 '01	As of Jan 1 '02	Change, %
Authorized capital (issued)	3,100,000	2,000,000	-35.5
Authorized capital (paid)	1,808,320	1,832,592	+1.3

Ratio	As of		Change, %
	Jan 1 '01	Jan 1 '02	
Shareholders' equity	2,173,558	2,436,035	+12.1
Total assets	12,713,231	8,929,744	-29.8
Accounts receivable	6,877,608	767,818	-88.8
Loan portfolio	2,965,098	6,797,089	+129.2
Liabilities, total	10,539,673	6,493,709	-38.4
Attracted credits	9,393,607	4,701,193	-50.0
Issued bonds	–	1,475,672	–
Total incomes	7,256,077	1,064,244	-85.3
Total expenses	7,070,839	787,562	-88.9
Net income	185,238	276,682	+49.4
<b>Calculated based on issuer's data</b>			
Return on assets (ROA), %	8.52	11.36	+33.3
Return on equity (ROE), %	1.46	3.10	+112.7
Earnings per share (EPS), KZT	102.44	150.98	+47.4
Book value of 1 share, KZT	1,201.98	1,329.28	+10.6

Compared to the year 2000: **shareholders' equity** of the company increased by KZT262.5m as a result of the increase: the paid authorized capital by KZT24.3m; reserve capital – by KZT144.5m and final amount of undistributed income by KZT93.7m; **assets** decreased by KZT3.8bn, including: accounts receivable – by KZT6.1bn, participation in authorized capital of other legal entities – by KZT1.1bn and other assets - by KZT415.1m at growth of loan portfolio by KZT3.8bn; **liabilities** decreased by KZT4.0bn that was conditioned by a decrease of attracted credits – by KZT4.7bn and accounts payable – by KZT837.4m at floating of bonds of the first issue for the amount of KZT1.5bn; **revenues** decreased by KZT6.2bn; **expenses** fell by KZT6.3bn. By the results of 2001 Astana-Finance OJSC **income** totaled KZT276.7m that is KZT91.4m more than in 2000.

**Dynamics of some parameters of Astana-finance OJSC for year 2001 on a quarterly, non-accumulating sum basis**

Ratio	(m KZT)						
	I-2001	II-2001	Change, %	III-2001	Change, %	IV-2001	Change, %
Attracted credits	249.6	-4,156.1	-1,765.0	17.4	+1 087.1	-803.4	-4,711.0
Loan portfolio	2,073.3	34.5	-98.3	1,178.0	+3 317.7	546.2	-53.6
Gross income	276.1	248.0	-10.2	256.4	+3.4	283.7	+10.7
Net income	13.4	96.7	+624.4	-46.6	-148.2	213.2	+557.3

**RG Brands OJSC** (Almaty; production and sale of natural juices and beverages, marketing services) provided the KASE with its financial statements for 2001: balance sheet and income statement.

**Comparable figures of financial-economic activities of RG Brands OJSC in 2000 and 2001**

Ratio	(th. KZT unless otherwise specified)		
	As of Jan 1 '01	As of Jan 1 '02	Change, %
Authorized capital	705,000	705,000	0.0
Shareholders' equity	727,042	806,375	+10.9
Total assets	1,250,003	1,804,636	+44.4
Net working capital	655,566	812,246	+23.9
Accounts receivable	585,638	539,882	-7.8
Total liabilities (incl. bonds)	522,961	998,262	+90.9
Accounts payable	268,058	277,302	+3.4
Issued bonds	–	600,800	–
Loans attracted	254,902	120,160	-52.9
Sales	485,616	845,141	+74.0
Cost of goods sold	350,035	621,141	+77.5
Net income of the period	20,614	28,589	+38.7
<b>Calculated by data of issuer:</b>	20,614	28,589	+38.7
Return on sales (ROS), %	27.92	26.50	-5.1
Return on equity (ROE), %	2.84	3.55	+25.0
Return on assets (ROA), %	1.65	1.58	-3.9

Compared to 2000 **growth** took place in: **shareholders' equity** of the company – by KZT79.3m as a result of an increase in additional unpaid capital by KZT50.7m and final amount of undistributed income by KZT28.6m; **assets** – by KZT554.6m, including: investments into securities – by KZT450.9m (KZT449.5m – shares of Bank TuranAlem OJSC, KZT1.4m – government securities), inventory – by KZT168.3m with a decrease in current

accounts receivable by KZT45.8m and other assets by KZT18.8m; **liabilities** – by KZT475.3m, which is due to the floatation of bonds for KZT600.8m, growth in accounts payable by KZT9.2m with a decrease in volume of attracted loans by KZT134.7m; **sales** – by KZT359.5m; **cost of goods sold** – by KZT271.1m; **expenses of the period** – by KZT54.3m or 41.8% (as a result of an increase in interest expenses). **Net income** of RG Brands OJSC in 2001 equaled KZT28.6m in 2001, which is KZT8.0m more than in last year.

**Dynamics of some parameters of RG Brands OJSC for year 2001 on a quarterly, non-accumulating sum basis**

Ratio	(m KZT)						
	I-2001	II-2001	Change, %	III-2001	Change, %	IV-2001	Change, %
Sales	193.4	213.9	+10.6	202.9	-5.2	235.0	+15.9
Net income	7.0	4.6	-33.9	27.2	+491.0	-10.2	-137.4

**Halyk Bank of Kazakhstan OJSC** (Almaty) provided the KASE with a copy of minutes of the extraordinary general shareholders meeting which was held on January 29, 2002. Based on approved agenda, Halyk Bank of Kazakhstan OJSC shareholders made the following decisions by a majority of votes.

- Increase announced authorized capital of the bank by KZT1.8bn and issue 18,000,000 preferred shares without voting rights at KZT100 each.
- To make changes in the bank's charter that will equal the announced authorized capital (including new issue – *comm. KASE*) to KZT7,222,599,900 and contain 54,225,999 common shares and 18,000,000 preferred shares at KZT100 each.
- Approve the terms and order of the bond issue, which means that the volume of the second issue of indexed subordinate coupon bonds will equal KZT2,042m, circulation term – 5 years, coupon – 8% APR based on indexed face value to be paid semiannually. The issue terms provide for premature or partial repayment of the bonds with the approval of the National Bank of Kazakhstan.
- Cease the previous Board of directors consisting of 9 people and elect a new Board of directors consisting of 7 people, including: Saidenov A.G. – chairman; Abuov M.G., Amanbaev M.N., Arstanbekova K.V., Karibjanov A.T., Moldakhmetov N.S., Satylganov K.A.
- Dismiss the chairman of the Board of the directors, Saidenov A.G. and elect Satylganov K.A. as the chairman of Halyk Bank of Kazakhstan OJSC.
- Approve the assignment of Deloitte & Touche (Almaty, Kazakhstan) as an auditor of Halyk Bank of Kazakhstan OJSC (to conduct audit of 2001 financial statements – *comm. KASE*).

Now, following securities of Halyk Bank of Kazakhstan OJSC circulate within official list of KASE under category "A":

- from September 30, 1998 – common inscribed shares (KZ1C33870410, trade code – HSBK, from July 29.98 through Sept 30.98 were traded on non-listed trade floor);
- from June 27, 2000 – first issue inscribed subordinate coupon bonds (KZA7KAKK6A78, trade code – HSBKb, \$100; \$16m; June 20.00 - June 20.07; semiannual coupon at 11.8% APR).

**BANK CASPIAN OJSC** (Almaty) provided the KASE with a copy of minutes of the extraordinary general shareholders meeting which was held on February 14, 2002. Based on approved agenda, BANK CASPIAN OJSC shareholders made the following decisions unanimously:

- dismiss previously elected members of Board of directors consisting of: Nikitenko V.N., (chairman), Bekbulatov Sh.Kh., Miovidov D.K., Shardinov A.B., Gorodetskii I.F., Krupin V.Yu.
- set the constitution of the Board of directors at 7 people;
- elect a new Board of directors consisting of: Tskhai Yu.A., Kim I.V., Rasulov A.O., Kim V.K., Bekbulatov Sh.Kh., Shardinov A.B., Urkumbaev M.F.

## KASE NEWS

By a decision of the Board of KASE **from March 01, 2002** in automatic repo sector of the exchange there was introduced a standard lot in the amount of KZT1,000,000 and minimal multiple number of lots specified in bids equal to five. The decision was made with a purpose of improvement of traders' work in trade system of KASE.

By a decision of the Board of KASE **from March 04, 2002** trades with promissory notes are opened at the exchange. In connection with it new market will be opened in trade system of KASE – “Promissory notes”. Trades with promissory notes will be held from 11:30AM to 5:30PM ALT on working days. On a basis of internal document of KASE “Rules of deals making in promissory notes”, approved by a decision of the Exchange council from February 08, 2002 into the List of payers on promissory notes there were included following: Kazakhtelecom OJSC (Astana, trade code KASE – N\_KZTK); NAK Kazatomprom CJSC (Almaty, code – N\_KATP); RSE Kazakhstan Temir Joly (Astana, code – N\_TMJL); KEGOC OJSC (Astana, code – N\_KEGC).

**From March 4, 2002**, based on the decision of the Board of KASE, dated February 28, 2002, trades are opened in corporate securities (CS) as an object of repo deals. For this purpose, based on the internal document of the Exchange “Rules for making repo deals” that was approved at the meeting of KASE members holding “K”, “P” and “H” categories dated March 16, 2001, a special sector will be opened on repo market – Sector of CS automatic repo. The trades in this sector will be held using uninterrupted counter open trades method from 11:30AM till 5:00PM Almaty time on business days. Instruments in the Sector of CS automatic repo are grouped based on the issuers and the types of securities according to a new version of the KASE internal document “Specifications of automatic repo market”, which is approved by the decision of the Board of KASE and enacted on February 28, 2002. The specifications can be found in Internet at [http://www.kase.kz/eng/geninfo/normbase/repo\\_avt.asp](http://www.kase.kz/eng/geninfo/normbase/repo_avt.asp).

From March 4, 2002 due to the opening of the trades in the Sector of CS automatic repo “Valuation method of corporate securities” (Method) was enacted, which was approved by the Risk committee of the KASE on February 28, 2002. The Method regulates the valuation order of the CS value, which is used to determine the number of securities needed to meet the obligations of the members of the Exchange on the concluded automatic repo deals before other participants of the trades. The Method sets that the revaluation of the corporate securities are made by the decision of the Risk committee of the KASE each month, except for the securities assessed each day, or on any other day. In latter case the Method sets that the Risk committee of the KASE retains the right to determine the market value of the securities by itself not judging by the market value calculation order rules specified by the Method. The shares are generally valued based on average bid price of the market-maker for the month that precedes the valuation date, the bonds – based on average yields of the bid prices put out by the market-makers for the same period of time. Details of the Method can be found at KASE web site at [http://www.kase.kz/eng/geninfo/normbase/met\\_nzb.asp](http://www.kase.kz/eng/geninfo/normbase/met_nzb.asp).

**From April 1, 2002** by a decision of the Exchange council of KASE **third issue common shares of Shymkentnefteorgsintez OJSC** (SHNOS OJSC, Shymkent; `KZ1C37400310, trade code of KASE – SYRG) will be transferred from category “A” to category “B” of the official list of KASE securities in case of non-performance by the market-maker of these shares of his obligations in a full volume. The market-maker of SYRG at the exchange is Kazkommerts Securities OJSC (Almaty). Its obligations according to existing exchange rules include regular quoting of mentioned shares in trade system of the exchange for purchase as well as for sale. Currently, market-maker in trade system presents only quotations for purchase of shares.

## PARAMETERS OF THE EXCHANGE’S MARKET IN FEBRUARY 2002

In 2001 total volume of transactions made in all sectors of the KASE reached an equivalent of In February 2002 total volume of transactions made in all sectors of the KASE reached an equivalent of **\$1,565.0m, or KZT238.1bn**. Compared to similar month of 2001, turnover **increased 3.10 times** measured in dollars and 3.25 times measured in tenges. Meanwhile, relative to previous month – January 2002 – turnover declined by 4.7% in dollars, and 4.4% in tenges.

Following is the table of volumes of deals made at KASE in February 2002, as well as dynamics of the turnover structure of the Exchange (m USD unless otherwise indicated). The calculation was made in terms of dollars.

Market sector	February 2002	To relative month of 2001:			To relative month:		
		February 2001	trend:		January 2002	trend:	
KASE		2001	m USD	%	2002	m USD	%
Foreign currency	139.5 8.9%	133.3 26.4%	+6.2	+4.6	151.8 9.2%	-12.3	-8.1
Futures contracts	49.0 3.1%	0 0%	+49.0	+100.0	97.8 6.0%	-48.8	-49.9
GS	1,340.8 85.7%	355.0 70.4%	+985.8	+277.7	1,349.5 82.2%	-8.6	-0.6

Market sector	February		To relative month of 2001:		To relative month:		
	2002	February 2001	trend:		January 2002	trend:	
KASE			m USD	%		m USD	%
CS	35.7 2.3%	12.8 2.5%	+22.9	+178.4	42.5 2.6%	-6.9	-16.2
Supranational bonds	0 0%	3.0 0.6%	-3.0	0	0 0%	0	0
<b>TOTAL</b>	<b>1,565.0</b> 100%	<b>504.1</b> 100%	<b>+1,060.9</b>	<b>+210.4</b>	<b>1,641.5</b> 100%	<b>-76.6</b>	<b>-4.7</b>

As it's seen from these data, in February decline in volumes of deals was registered at the Exchange in all sectors against previous month.

The most of the contraction (49.9%) was typical to the market of futures contracts, which is traditionally the least steady and strongly influenced by the market condition.

The most of the decline, 16.2%, was due to a decline in turnover of the corporate securities (CS) as a result of low issuing activity of their issuers, temporary impossibility of making repo deals using CS by the entities of the pension market, as well as low yields of the most of the most liquid corporate bonds.

Quickly growing sector of government securities (GS), thanks to the development of the automatic repo sector, also enjoyed good times in February, though the decline was minimal – 0.64%. Increase in turnover was observed only in repo deals. However, the shrinkage of the monetary base by the National Bank prevented more quicker growth. In GS purchase-sale sector the volume of deals declined almost two times against previous month. The market of the most liquid bonds, euronotes of Kazakhstan, was “overheated” at the beginning of the year, as a result, the prices of the sovereign debt reached the psychological maximum and it had a negative impact on the volumes of trades.

General picture of February is completed by a 8.1% decline in volume of foreign currency deals. It seems traditional as budgetary payments are made for the last year and due to a seasonal low activity of the importers. Besides, new methods of the monetary regulation on repo market, finally introduced by the National Bank in February, considerably declined the speculations of the American currency, which was low anyway, and it did not stimulate the growth of the volumes of deals.

The positive trends of February at KASE were three. It is clear from the table that against similar period of 2001 the Exchange is growing faster. In February the proportion of securities deals at KASE was the highest in a whole history of the Exchange – 88.0%. Besides, in February KASE worked actively towards the development of the normative base and software of the trade system. Thanks to these, the trades in bills will be opened at KASE in March, and traders will be able to work with CS in automatic repo sector (it allows to make deals in CS using pension assets), as well as to extend the repo independently through the trade system of KASE. Besides, from March 1 the Exchange enacts new Listing regulations. As a result of joint work of the KASE, the National Bank, the issuers and their financial consultants in January and February most of the matters were settled regarding the negative impact of the changes in the Civil code of Kazakhstan. As a result, two issuers – Development Bank of Kazakhstan CJSC and Alfa-Bank OJSC, launched their bonds into the official list under category “A”. Several new issues of other issuers are on the way. All these cases leave hope for a noticeable activation of the Exchange in spring.

Following is the table with the dynamics of the turnover of the Exchange in last 13 months, which is grouped by months and market sectors. Turnover structures of the sectors were calculated in terms of dollars.

Month	Forex		Futures		GS		CS		Supranat-Is		TOTAL
	volume	%	volume	%	volume	%	volume	%	volume	%	
<b>Est. bn KZT</b>											
02-01	19.4	26.4	0	0	51.6	70.4	1.9	2.5	0.440	0.601	73.3
03-01	21.1	24.1	0	0	63.3	72.1	3.3	3.7	0.086	0.098	87.7
04-01	18.9	20.6	0	0	69.9	76.2	3.0	3.2	0.026	0.029	91.8
05-01	23.5	25.4	0	0	66.2	71.4	3.0	3.3	0	0	92.8
06-01	20.9	27.2	0	0	51.9	67.5	4.1	5.3	0	0	76.9
07-01	24.2	26.0	0	0	61.8	66.4	7.1	7.6	0	0	93.2
08-01	17.9	18.5	0	0	73.3	75.7	5.6	5.8	0.011	0.012	96.8
09-01	23.1	20.4	0	0	82.8	73.4	6.7	6.0	0.260	0.230	112.9
10-01	33.7	21.0	0	0	118.3	73.8	8.2	5.1	0.040	0.025	160.3
11-01	30.3	13.8	0	0	174.3	79.1	15.7	7.1	0	0	220.3
12-01	37.5	12.3	79.7	26.0	173.7	56.7	15.2	5.0	0	0	306.1
01-02	23.0	9.2	15.0	6.0	204.6	82.2	6.4	2.6	0	0	249.1
<b>02-02</b>	<b>21.2</b>	<b>8.9</b>	<b>7.5</b>	<b>3.2</b>	<b>203.9</b>	<b>85.7</b>	<b>5.4</b>	<b>2.3</b>	<b>0</b>	<b>0</b>	<b>238.1</b>

Month	Forex		Futures		GS		CS		Supranat-Is		TOTAL
	volume	%	volume	%	volume	%	volume	%	volume	%	
<b>Est. bn USD</b>											
02-01	133.3	26.4	0	0	355.0	70.4	12.8	2.5	3.028	0.601	504.1
03-01	145.2	24.1	0	0	434.8	72.1	22.4	3.7	0.592	0.098	603.0
04-01	129.7	20.6	0	0	480.1	76.2	20.4	3.2	0.180	0.029	630.4
05-01	160.9	25.4	0	0	453.0	71.4	20.8	3.3	0	0	634.7
06-01	142.4	27.2	0	0	354.1	67.5	28.0	5.3	0	0	524.5
07-01	165.1	26.0	0	0	421.2	66.4	48.4	7.6	0	0	634.7
08-01	121.7	18.5	0	0	498.3	75.7	37.9	5.8	0.077	0.012	658.0
09-01	156.2	20.4	0	0	560.6	73.4	45.7	6.0	1.758	0.230	764.3
10-01	227.7	21.0	0	0	799.2	73.8	55.7	5.1	0.267	0.025	1 082.9
11-01	204.1	13.8	0	0	1,173.1	79.1	105.5	7.1	0	0	1 482.6
12-01	249.5	12.3	520.9	25.7	1,156.1	57.0	101.4	5.0	0	0	2 027.9
01-02	151.8	9.2	97.8	6.0	1,349.5	82.2	42.5	2.6	0	0	1 641.5
<b>02-02</b>	<b>139.5</b>	<b>8.9</b>	<b>49.0</b>	<b>3.1</b>	<b>1,340.8</b>	<b>85.7</b>	<b>35.7</b>	<b>2.3</b>	<b>0</b>	<b>0</b>	<b>1 565.0</b>

Supranat-Is – bonds of international financial organizations.

Prepared by the agency IRBIS

## First issue bonds of Subsidiary Bank Alfa-Bank CJSC passed KASE listing under category “A”

Special issue based on materials of SB Alfa-Bank CJSC, KIB ASSET MANAGEMENT Ltd, Kazakhstan Stock Exchange (KASE)

From February 28, 2002 by a decision of the Exchange council of KASE first issue indexed unsecured inscribed coupon bonds of Subsidiary Bank Alfa-Bank OJSC (SB Alfa-Bank OJSC, Almaty) were included into official list of securities of KASE under category “A”.

### BONDS

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Type of securities:	Inscribed coupon indexed bonds
Indexation type:	par value at a change of rate of tenge to USD
Debt type:	Insubordinate unsecured
Issue currency:	Kazakhstan tenge (KZT)
Servicing currency:	Kazakhstan tenge (KZT)
Credit ratings of issue:	absent as of issue date
Credit ratings of issuer:	absent as of issue date
National identification number:	KZ2CKY06A497
Issue number in state register:	A49
Register maintenance:	Center DAR LLP (Almaty)
Date of issue registration:	Feb 26,02
Par value in issue currency:	KZT15,000.00
Issue volume in issue currency:	1,500,000,000.00
Issue volume in securities:	100,000
Date of circulation start (issue date):	Feb 28,02
Floatation term:	6 years from date of bonds admittance into KASE official list
Circulation term:	6 years
Maturity date:	Feb 28,08
Coupon rate (interest rate):	9% APR of indexed par value during the first 18 months of circulation, then – based on decision of The Board of the issuer but not less than 12-month LIBOR in USD
Date of coupon payment (interest rate):	August 28 and February 28 each year
Time basis at all settlements:	30/360
Register fixation term at coupon payment:	30 days to payment date
Register fixation date for coupon payment:	July 28 and January 28 each year
Register fixation term at maturity:	30 days to maturity date
Register fixation date at maturity:	Jan 28,08
Financial consultants:	KIB ASSET MANAGEMENT Ltd LLP (Almaty)
Date of admittance in trade lists of KASE:	Feb 28,02
Date of first trades:	Will be determined later
Trade code of KASE:	ALBNb1
Accuracy of price change at quoting:	Four decimals
Market-makers at KASE:	KIB ASSET MANAGEMENT Ltd LLP
Minimal volume of obligatory quotation:	30 bonds

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**Special terms.** Each one and a half year not later than 20 calendar days prior to the end of eighteenth month of bonds circulation the issuer announces interest rate for the next one and a half year through publication of information in newspapers “Kazakhstanskaya Pravda” and “Egemen Kazakhstan” and through information to KASE. A size of rate is determined by a decision of the Board of the issuer and cannot be less than LIBOR rate and 6-month monthly interbank deposits in USD set for a date of announcement of interest rate for the next eighteen months. In case of disagreement with announced interest rate a bondholder has a right not later than 10 calendar days prior to the end of eighteenth month of circulation present to SB Alfa-Bank OJSC a written application with a request on repurchase of its bonds. On a first day of the next eighteen months of bonds circulation the bank buys out securities from persons in time submitting application on bonds repurchase at par value indexed to the level of devaluation for the period from bonds circulation start taking into account accumulated interest for the date of repurchase. In case if repurchase date is day off or holiday then the issuer is obliged to repurchase bonds on the first working day next to day off or holiday.

**Indexed par value** of a debt is calculated as a multiplication of par value by devaluation temp coefficient (revaluation) of tenge.

**Coefficient of devaluation (revaluation) temp** (Kd) is calculated as a ratio of current weighted average exchange rate of USD (Xt), specified at morning (main) session of KASE, to analogous rate (Xo) for date bonds circulation start ( $Kd=Xt/Xo$ ).

**Coupon payment** is calculated as a multiplication of indexed for payment date coupon of par value of bonds, coupon rate and number of days in coupon accrual period divided by 360. Persons who acquired bonds not later than 30 days prior to coupon payment date have a right for receiving of coupon payments on bonds and par value of debt. If date of coupon payment or maturity date is not working day then payment is made on next working day. Holder has no right to demand compensation for such delay in payment.

**Bonds repayment** will be realized at indexed for maturity date par value of debt.

Funds raised through bonds issue will be directed to a realization of a range of projects connected with crediting of large corporate clients and servicing of cash flows between Kazakhstan and Russia. A part of these funds will be directed to development of new types of services offered by SB Alfa-Bank OJSC in financial market and also – to improvement of clients servicing quality.

## **ISSUER**

The following information is published by agency IRBIS on the issue of these bonds, taken from the conclusion of the KASE Listing commission. The management of SB Alfa-Bank OJSC and its financial consultant assume all the responsibility for the reliability of the information presented below. The agency IRBIS has not rechecked the data.

## **General information**

Date of initial state registration – Dec 9, 1994. Date of last re-registration – Apr 19, 1999. Legal status – open joint stock company. Primary activities – banking services. The legal and actual address: 57a, Masanchi St., Almaty, 480012, Kazakhstan. Tel.: (8-3272) 920012, 920021, fax: 507803. Email: [alfabank@nursat.kz](mailto:alfabank@nursat.kz).

## **Licenses**

SB Alfa-Bank OJSC has two licenses:

- State license #236 to conduct banking transactions in tenge and foreign currency and other transactions specified in the banking law of June 4, 2001.
- The license #0401100292 of the National Securities Commission of Kazakhstan to engage in brokerage and dealing activities on the stock market with the right to handle client accounts as a nominal holder of Aug 17, 2000 with no expiration term.

## **Activities**

SB Alfa-Bank OJSC was established on Dec 9, 1994 as a subsidiary bank of Alfa-bank OJSC (Moscow, Russia), which is one of the three major commercial banks of Russia and has a wide network of branches in its territory. SB Alfa-Bank OJSC is the bank with foreign stake.

The bank offers a wide range of banking services, including financing in tenge and foreign currency, settlement and documentary operations, servicing the plastic cards, acceptance of deposits, and other services. The competitive advantage of the bank is the ability of making settlements and transfers in Russian roubles to any place in Russia using the network of Alfa-bank OJSC and Sberbank RF JSC.

Now, SB Alfa-Bank OJSC serves more than 3,500 Kazakhstani and joint companies. The bank clients are the companies of all legal statuses, from different industries and in various activities. The bank is focused on major corporate clients: trade companies, industrial producers, financial institutions etc.

The bank has correspondent relations with a number of foreign banks –Bankers Trust Company (USA), Deutsche Bank AG (Germany), Commerzbank AG (Germany), as well as – banks of Kazakhstan (KAZKOMMERTSBANK OJSC, Temirbank OJSC, Halyk Bank of Kazakhstan OJSC, Bank CenterCredit OJSC, Nauryz Bank Kazakhstan OJSC).

SB Alfa-Bank OJSC is a member of Kazakhstan interbank clearing, S.W.I.F.T. international payment system, and Western Union money transfer system.

As of January 1, 2002 the bank had a head office in Almaty and 3 branches in Astana, Karagandy, Oskemen. Staff of the bank, including branches is 209 people.

## **Assets**

Assets of SB Alfa-Bank OJSC grew by KZT4.2bn or 3.4 times from 1999 to 2001 (by KZT0.7bn or 1.4 times in 1999 against 1998, by KZT2.6bn or 2.1 times in 2000 to 1999, by KZT0.8bn or 1.2 in 2001 to 2000). More than 90% of them are profitable assets. Except for 1999 most of the assets growth was attributable to the loan



portfolio of the bank (in 1999 – a KZT0.3bn decline, in 2000 – KZT2.7bn increase, in 2001 – KZT0.5bn increase).

## Loan portfolio

Loan portfolio of SB Alfa-Bank OJSC increased by KZT2.9bn or 5.2 times from 1999 to 2001. Its proportion increased from 39.7% (1998) to 60.9% (2001) within total assets. Financing of lending activities is conducted by the bank through time deposits of the clients and its own funds.

### Structure of SB Alfa-Bank OJSC loan portfolio based on terms

	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of Jan 1.02	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Short-term	984,745	99.9	171,238	38.1	2,806,632	88.0	3,487,708	91.9
Mid-term	1,222	0.1	277,759	61.9	384,256	12.0	275,573	7.3
Long-term	0	0	0	0	0	0	33,435	0.9
<b>Total</b>	<b>985,967</b>	<b>100.0</b>	<b>448,997</b>	<b>100.0</b>	<b>3,190,888</b>	<b>100.0</b>	<b>3,796,716</b>	<b>100.0</b>

In 2001 most of the financing was used in trade (29.1%), agriculture and food industry (22.0%), industry (18.1%), construction (11.5%) and others (19.3%).

### Quality of SB Alfa-Bank OJSC loan portfolio

Loan type	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of Jan 1.02	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Standard	843,924	85.6	59,958	13.3	2,037,620	63.9	1,686,081	43.9
Substandard	142,043	14.4	208,107	46.1	928,702	29.1	1,368,098	35.7
Substandard with payment deferral	0	0	0	0	0	0	241,176	6.3
Unsatisfactory	0	0	175,719	38.9	180,192	5.6	519,715	13.5
Doubtful with high risk	0	0	8,077	1.8	42,856	1.3	21,479	0.6
Unprofitable	0	0	0	0	0	0	0	0
<b>Total</b>	<b>985,967</b>	<b>100.0</b>	<b>451,861</b>	<b>100.0</b>	<b>3,189,368</b>	<b>100.0</b>	<b>3,836,549</b>	<b>100.0</b>

**Comments:** volume of loan portfolio is given with guarantees

### Provisions created by SB Alfa-Bank OJSC

Type of liabilities	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of Jan 1.02	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Standard	0	0.0	0	0.0	0	0.0	0	0
Substandard	7,102	100.0	10,405	21.0	46,435	44.7	68,405	33.0
Substandard with payment deferral	0	0	0	0	0	0	24,118	11.6
Unsatisfactory	0	0	35,144	70.9	36,038	34.7	103,943	50.2
Doubtful with high risk	0	0	4,039	8.1	21,428	20.6	10,739	5.2
Unprofitable	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7,102</b>	<b>100.0</b>	<b>46,818</b>	<b>100.0</b>	<b>103,901</b>	<b>100.0</b>	<b>207,205</b>	<b>100.0</b>

**Comments:** volume of loan portfolio is given with guarantees

The most of the financing are standard loans that do not require provisions. From 1999 there are no unprofitable loans in loan portfolio of the bank. The change in proportion of the provisions is not clear, though it increased by 99.4% as loan portfolio increased by 20.3%, which is considered a positive factor.

## Equity

From 1999 to 2001 equity of SB Alfa-Bank OJSC, calculated by the instructions of the National Bank, increased by KZT1.4bn or 3.4 times. In 1999 the growth of the equity by KZT397.3m or 1.7 times was mainly due to the increase in supplementary capital by KZT393.2m. In 2000 the increase in equity of SB Alfa-Bank OJSC by KZT77.8m or 7.8% was a result of a growth in core capital by KZT94.6m and KZT16.8m decline in supplementary capital. In 2001 the growth of core capital was KZT944.5m or 88.2% to 2000, which is due to an increase in KZT602.7m growth of core capital and KZT341.8m of supplementary capital.

**Equity of SB Alfa-Bank OJSC (th. KZT)**

	as of Jan 1.99	as of Jan 1.00	as of Jan 1.01	as of Jan 1.02
Core capital	574,538	578,686	673,269	1,275,924
Supplementary capital	21,318	414,519	397,742	739,575
<b>Equity</b>	<b>595,656</b>	<b>993,005</b>	<b>1,070,811</b>	<b>2,015,299</b>

**Liabilities**

Liabilities of SB Alfa-Bank OJSC increased by KZT3.3bn or 3.9 times from 1999 to 2001, including deposits – KZT2.7bn or 4.8 times. By the information of the bank, in late 2001 deposits of individuals reached KZT1.3bn (growth against the beginning of 1999 by KZT1.2bn or 13.2 times), legal entities – KZT2.2bn (growth against the beginning of 1999 by KZT1.6bn or 3.5 times).

As of January 1, 2002 attracted deposits reached 78.4% of total liabilities or KZT3.5bn, including 20.0% of time deposits, 58.4% of call deposits.

**Structure of SB Alfa-Bank OJSC liabilities**

	as of Jan 1.00		as of Jan 1.01		as of Jan 1.02	
	th. KZT	%	th. KZT	%	th. KZT	%
<b>Provisions</b>						
Call deposits	883,224	49.9	2,225,240	50.6	2,572,610	58.4
Time deposits	346,529	19.6	401,268	9.1	882,072	20.0
Liabilities to banks and other organizations	502,743	28.4	1,539,829	35.0	787,874	17.9
Other liabilities	37,701	2.1	229,459	5.2	165,216	3.7
<b>Total</b>	<b>1,770,197</b>	<b>100.0</b>	<b>4,395,796</b>	<b>100.0</b>	<b>4,407,772</b>	<b>100.0</b>

From January 1, 2000 through January 1, 2002 the growth of time deposits reached KZT472.4m or 2.2 times in absolute terms, with their proportion increasing from 19.6% to 20.0% of total volume. Call deposits increased by KZT2.3bn or 8.2 times during the same period.

**Proportion of SB Alfa-Bank OJSC assets and liabilities by terms as of January 1, 2002 (th. KZT)**

<b>Assets / Liabilities</b>	<b>Till 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-3 years</b>	<b>More than 3 yrs</b>	<b>TOTAL</b>
Cash	1,317,527	–	–	–	–	–	1,317,527
Deposit accounts in other banks	–	–	–	–	–	–	–
Securities	194,000	102,000	–	–	218,573	169,132	683,704
Loans to clients, gross	284,284	693,834	1,127,650	1,439,833	4,481	33,346	3,583,428
Others	95,878	36,368	–	–	–	171,623	303,869
<b>Total assets</b>	<b>1,891,690</b>	<b>832,202</b>	<b>1,127,650</b>	<b>1,439,833</b>	<b>223,054</b>	<b>374,100</b>	<b>5,888,529</b>
Liabilities to other banks	161,541	–	–	–	–	–	161,541
Client deposits	2,728,121	167,342	257,534	301,607	77	–	3,454,681
Subordinate loans	–	–	–	–	–	510,680	510,680
Other liabilities	212,071	68,345	–	–	453	–	280,869
<b>Total liabilities</b>	<b>3,101,733</b>	<b>235,687</b>	<b>257,534</b>	<b>301,607</b>	<b>530</b>	<b>510,680</b>	<b>4,407,771</b>

**Income and expenses**

Excepting the year 2000, operating incomes of SB Alfa-Bank OJSC have been increasing ((1998 – KZT337.4m, 1999 – KZT498.7m, 2000 – KZT447.3m, 2001 – KZT888.7m).

The biggest share in a total volume of the bank's income belongs to interest incomes that for last three years have increased by KZT305.5m or 2.2 times, which has been conditioned, first of all, by a growth of loan portfolio. Incomes from financial transactions for last three years has grown by KZT56.3m or 3.7 times, commission revenues has risen for the same period by KZT119.3m or 3.3 times.

Expenses of SB Alfa-Bank OJSC for 1999-2002 have grown by KZT560.1m or 3.4 times. By the end of 2001 operating expenses of the bank had totaled KZT791.8m.

The largest share in a total amount of operating expenses of the bank belongs to personnel and administrative expenses that have increased for 1999-2001 years by KZT205.7m or 2.9 times that has been conditioned by an expansion of client base and extension of the staff. Growth of interest expenses for 1999-2001 years by KZT97.0m or 3 times has occurred in the result of deposit base expansion.

Net income of SB Alfa-Bank OJSC for 1999 totaled KZT98.5m (growth to 1998 by 7.8%), for 2000 – KZT10.6m (decline to 1999 by 89.3%), for 2001 – KZT141.9m (growth to 2000 - 12.4 times).

## Financial indices

SB Alfa-Bank OJSC prepares financial reporting in compliance with Kazakhstan accounting standards and also banking legislation, instructions and provisions of the National bank of the Republic of Kazakhstan.

Following are data of financial reporting (in th. KZT, unless otherwise is specified) presented to KASE by the issuer and indicators calculated by the exchange on their basis. Total amount of liquid assets and own equity are determined in accordance with the National Bank instruction.

Indicator	As of Jan 01,99	As of Jan 01,00	As of Jan 01,01	As of Jan 01,02
Authorized capital (paid)	339,681	339,681	339,681	1,000,000
Shareholders' equity	595,656	993,005	1,070,811	2,015,299
Total assets	1,720,882	2,451,890	5,084,124	5,888,530
Liquid assets	927,188	1,897,370	1,757,567	2,001,231
Credits granted	682,857	403,448	3,075,984	3,583,428
Loans and deposits	1,116,834	1,732,496	4,166,337	4,242,556
Incomes from operating activity	337,379	498,714	447,264	888,720
Nat income	91,326	98,489	10,577	141,856
Return on assets (ROA), %	5.31	4.02	0.21	2.41
Return on equity (ROE), %	15.76	14.45	1.54	9.58

SB Alfa-Bank OJSC has been performing international audit of financial reporting from 1997. Audit of financial reporting of the bank for 1997 and 1998 was performed by PricewaterhouseCoopers (Almaty, Kazakhstan), for 1999 and 2000 – Arthur Andersen (Almaty, Kazakhstan).

Following is a table composed based on data of audit conclusions (in th. KZT, unless otherwise is specified).

Indicator	As of Jan 01,99	As of Jan 01,00	As of Jan 01,01
Authorized capital (paid)	339,681	339,681	339,681
Shareholders' equity	577,061	676,950	678,431
Total assets	1,706,086	2,449,875	5,076,526
Liquid assets	916,890	1,897,370	1,869,728
Floating and loans to clients	671,552	402,144	3,070,644
Banks' indebtedness	5,929	1,673,219	779,927
Indebtedness to banks and other credit organizations	376,921	205,632	1,178,579
Subordinated debt	17,664	297,111	361,250
Nat income (loss)	84,594	105,437	1,481
Return on equity (ROE), %	4.96	0.16	0.00
Return on assets (ROA), %	14.66	0.04	0.00

According to PricewaterhouseCoopers, financial reporting of SB Alfa-Bank OJSC for 1998 in all significant aspects reflects financial position of the bank as well results of its financial and economic activity and cash flows for given period in compliance with International accounting standards.

According to Arthur Andersen, balance reports for 1999 and 2000 years in all significant aspects reflect truly financial position of the bank as well as results of financial and economic activity and cash flows for given period in compliance with International accounting standards.

Auditors confirm that as of December 31 of 1999 and 2000 years liquidity level of SB Alfa-Bank OJSC and other indicators correspond to prudential norms stated by the National Bank of Kazakhstan.

### Data on performance by SB Alfa-Bank OJSC of prudential norms

Ratio	Jan 01,99	Jan 01,00	Jan 01,01	Jan 01,02
Core capital K1, th. KZT	574,538	578,686	673,269	1,275,924
Supplementary capital K2, th. KZT	21,318	414,519	397,742	739,575
Shareholders' equity K, th. KZT	595,656	993,005	1,070,811	2,015,299
Capital sufficiency ratio k1 (allowed min = 0.04)	0.33	0.24	0.13	0.22
Capital sufficiency ratio k2 (allowed min = 0.12)	0.77	0.50	0.28	0.44
Maximum risk for one borrower k3 (allowed max = 0.25)	0.24	0.18	0.24	0.19
Maximum risk for one borrower k3 (allowed max = 0.10)	0.01	0.00	0.00	0.04
Current liquidity ratio k4 (min = 0.2)	2.96	2.17	0.51	0.58
Ratio of investments to shareholders' equity k5 (allowed max = 0.5)	0.18	0.11	0.10	0.07

Following is a comparison of indicators of SB Alfa-Bank with average indicators on four comparable on a size of shareholder's equity Kazakhstan's banks. Average values of indicators were calculated based on data of

financial reporting presented to KASE by banks that are members of the exchange of category “B” (participation in trades with foreign currency).

**Comparable data as of February 2002 with other commercial banks (th. KZT, unless otherwise is specified)**

<b>Indicator</b>	<b>SB Alfa-Bank OJSC</b>	<b>Average value</b>
Shareholder's equity	2,071,465	1,717,555
Assets	6,338,742	7,319,581
Net income	32,371	13,942
k1 (min 0.04)	0.26	0.22
k2 (min 0.08)	0.47	0.68
k4 (min 0.20)	0.67	1.28
ROA, %	0.51	0.19
ROE, %	1.56	0.81

### **Capital, shares, shareholders**

As of January 01, 2002 issued and paid authorized capital of SB Alfa-Bank OJSC had totaled KZT1.0 billion. Total five issues were registered by the bank, from which acting for now are fourth and fifth, within which 100,000,000 units of common shares with par value of KZT10.00 were issued. Shares issue was in non-documentary form. The issuer itself maintains register.

So far in compliance with decisions of the annual General meetings of shareholders dividends on bank's shares were not paid in monetary form, undistributed income was directed to re-capitalization.

Main shareholder of SB Alfa-Bank OJSC is a parent Alfa-Bank OJSC (Russia) owning 99.54% shares.

### **Comments of KASE Listing commission**

At the admittance of the first issue indexed inscribed coupon bonds of SB Alfa-Bank OJSC (SB Alfa-Bank OJSC, Almaty) into official list of the Kazakhstan Stock Exchange (KASE) under category “A” the Listing commission of the exchange considered necessary to draw attention of potential investors to following aspects.

Own equity of SB Alfa-Bank OJSC in needed amount was formed less than one year ago (in November 2001) mainly due to increase of paid part of authorized capital by KZT660,319 th.

Net income for 2000 in non-audited financial reporting of SB Alfa-Bank OJSC prepared based on Kazakhstan accounting standards was KZT10,577 th. In audited by Arthur Andersen financial reporting prepared based on International accounting standards this indicator was KZT1,484 th. A difference in the amount of KZT9,096 th. was formed mainly as a result of deducting by the auditor of general provisions for possible losses and reversing an income on re-evaluation of foreign currency.

**Prepared by the agency IRBIS**