

XII. FINANCIAL STATEMENTS

NATIONAL BANK OF KAZAKHSTAN

Consolidated Financial Statements

December 31, 2001



Consolidated Balance Sheets for 2000 and 2001 as of December 31

Thousand Tenge

	Note	2001	2000
Assets			
Monetary gold	15	77,211,754	72,577,598
Assets in foreign financial institutions	16	68,945,353	77,306,456
-less: provisions (general)		(17,229)	
Assets denominated in foreign currency		105,091	135,174
Investment in foreign debt securities	17	231,390,747	154,094,654
-less: provisions on securities		(45,735)	
Assets in domestic financial institutions, net	18	2,153,758	9,211,503
Investment in domestic government debt securities	19	22,566,241	35,901,866
-less: provisions on securities		(2,903,923)	(8,873,150)
Accrued income receivable	20	353,047	1,137,263
Fixed assets, net	21	13,259,358	11,763,550
Intangible assets, net	22	558,171	305,440
Other assets	23	7,335,501	3,343,996
-less: provisions		(458,083)	(206,767)
Total assets		420,454,051	356,697,583
Liabilities			
Banknotes and coins in circulation	24	145,476,531	116,341,513
Liabilities of foreign credit institutions	25	421,571	590,636
Liabilities of the National Fund of the Republic of Kazakhstan	26	2,622,784	
Liabilities of the Ministry of Finance of the Republic of Kazakhstan	27	64,564,921	45,270,473
Liabilities of domestic credit institutions	28	48,136,242	27,163,241
Kazakhstani individuals' deposit insurance fund		1,359,748	428,890
Clients' holdings	29	1,232,826	3,969,345
Issued debt securities	30	17,480,480	48,807,773
Accrued and postponed expenses	31	587,871	19,572
Other liabilities	32	9,827,116	831,066
Total liabilities		291,710,090	243,422,509
Minority share		179,109	181,477
Equity capital			
Authorized capital	33	15,465,643	10,000,000
Reserve capital and general provisions	34	3,428,954	4,268,267
Special reserve fund	34	90,190,274	87,155,402
Retained net earnings from previous years	34	7,339	185,387
Retained net earnings of reporting period	34	19,472,642	11,484,541
Total capital		128,564,852	113,093,597
Total liabilities and equity capital		420,454,051	356,697,583

Governor

G. A. Marchenko

Accountant general

N. T. Shalgimbaeva

March 29, 2002
Almaty, Republic of Kazakhstan

The attached notes form an integral part of these consolidated financial statements



Consolidated income statements for 2000 and 2001

	Notes	2001	Thousand Tenge 2000
Interest income		29,372,017	17,126,081
Interest expenses		11,453,598	5,791,845
Net interest income	5	17,918,419	11,334,236
Reserves on possible losses	7	3,499,328	15,926,765
Net interest income (loss) after deduction reserves on possible losses		14,419,091	(4,592,529)
Dealing income, net	8	774,021	2,315,253
Foreign currency revaluation gains, net			13,518,030
Gross income of organizations, net	9	8,682,229	942,781
<i>Production</i>	10	713,635	545,766
<i>Services</i>		433,822	397,015
Other operational income	11	2,374,847	506,137
Non-interest revenue		12,978,554	17,282,201
Staff wages and payments	6	2,859,414	2,219,989
Administrative expenses	6	2,614,049	2,112,202
Commissions		35,672	37,609
Depreciation		735,008	1,418,015
Other reserves		439,228	82,844
Non-interest expenses		6,683,371	5,870,659
Profits before taxes		20,714,274	6,819,013
Taxes		152,152	114,354
Profits after taxes		20,562,122	6,704,659
Minority share		423	2,866
Net profit		20,561,699	6,701,793

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Consolidated capital statement for 2000 and 2001, completed on December 31

	Authorized capital	Reserve capital	General reserves	Special reserve funds	Retained income	thousand Tenge Total capital
December 31, 1999 (NBRK)	10,000,000	2,266,760	1,247,632	101,648,845	3,215,403	118,378,640
Consolidation effect	-	10,159	-	19,913	267,728	297,800
Net loss of organizations	-	-	-	-	(32,799)	(32,799)
Minority share in net income	-	-	-	-	(12,904)	(12,904)
December 31, 1999 – Group	10,000,000	2,276,919	1,247,632	101,668,758	3,437,428	118,630,737
Transfer to the Government of Kazakhstan	-	-	-	-	(3,201,905)	(3,201,905)
Capitalized reserves	-	-	682,895	-	(682,895)	-
Unrealized revaluation gains, net	-	-	-	(14,508,757)	5,465,643	(9,043,114)
Net profits	-	-	-	-	6,349,641	6,349,641
December 31, 2000 (NBRK)	10,000,000	2,266,760	1,930,527	87,140,088	11,145,887	112,483,262
Consolidation effect	-	-	70,980	15,314	-	86,294
Net income of organizations from past years	-	-	-	-	171,889	171,889
Net income of organizations for 2000	-	-	-	-	355,018	355,018
Minority share in net income	-	-	-	-	(2,866)	(2,866)
December 31, 2000 (Group)	10,000,000	2,266,760	2,001,507	87,155,402	11,669,928	113,093,597
Transfer to the Government of Kazakhstan	-	-	-	-	(5,680,244)	(5,680,244)
Capitalized reserves	5,465,643	(54)	1,089,057	-	-	6,554,646
Capitalized reserves	-	-	(1,930,527)	-	-	(1,930,527)
Unrealized revaluation gains, net	-	-	-	3,039,478	-	3,039,478
Revaluation of Rehabilitation Fund's credit	-	-	-	-	(5,451,096)	(5,451,096)
Revaluation of withdrawn fixed assets	-	-	-	-	(14,547)	(14,547)
Net income	-	-	-	-	19,081,693	19,081,693
December 31, 2001 (NBRK)	15,465,643	2,266,706	1,089,057	90,179,566	19,081,693	128,082,665
Consolidation effect	-	-	73,191	10,708	-	83,899
Net income of organizations for past years	-	-	-	-	7,339	7,339
Net income of organizations for 2001	-	-	-	-	391,372	391,372
Minority share in net income	-	-	-	-	(423)	(423)
December 31, 2001 (Group)	15,465,643	2,266,706	1,162,248	90,190,274	19,479,981	128,564,852

Pursuant the forms of financial statements approved by the Board Decree dated 03.01.02 № 2, reserve fund of 2000 of Kazakhstani Individuals' Deposit Insurance Fund in the amount of 428,890 thousand Tenge is taken out from section "Equity capital" and shown in section "Liabilities of the National Bank of Kazakhstan".

The attached notes form an integral part of these consolidated financial statements



Consolidated cash flow statement for 2000 and 2001 completed on December 31

	2001	2000
Thousand Tenge		
Operation cash flows		
Net income	20,561,699	6,701,793
Net income adjustments:		
Provisions on possible losses	3,938,556	7,136,459
Devaluation of securities		1,016,647
Domestic debt securities discount		8,873,150
Other non-cash items		
Realized difference in exchange rates in reporting period	(8,682,229)	(6,226,296)
General provisions for 1997-1999	(1,930,527)	
Depreciation	735,008	1,414,125
Accounts receivable	(353,047)	
Accounts payable	587,871	
Operational income before changes in net operational assets	14,857,331	18,915,878
(Increase) decrease of operational assets		
Monetary gold	(4,634,156)	(218,323)
Investment in foreign debt securities	(77,296,094)	(20,138,076)
Assets in foreign credit institutions	38,478,080	(13,592,543)
Investment in domestic government debt securities	16,239,548	9,189,794
Assets of domestic credit institutions	6,976,105	(6,019,754)
Other assets	(2,985,352)	(944,227)
(Increase) decrease of operational liabilities		
Banknotes and coins in circulation	29,135,019	5,926,970
Liabilities of foreign credit institutions	(169,066)	(64,236,181)
Liabilities of the Ministry of Finance of Republic of Kazakhstan	21,917,232	22,109,909
Liabilities of domestic credit institutions	20,973,002	1,196,743
Kazakhstani individuals' deposit insurance fund	930,858	428,890
Clients' liabilities	(2,736,520)	2,201,625
Other liabilities	8,711,103	(1,268,104)
Cash flows in operations	70,397,090	(46,447,399)
Cash flows in investment activities		
Capital investment		
	(1,400)	(2,600)
Acquired fixed assets and intangibles	(2,981,484)	(539,211)
Cash flows in investment activities	(2,982,884)	(541,811)
Cash flows in financial activities		
Issued debt securities	(31,327,293)	42,659,466
Transfers to the Government of Kazakhstan	(6,081,660)	(3,201,905)
Cash flows in financial activities	(37,408,953)	39,457,561
Change in cash volumes and equivalents	30,005,253	(7,531,649)
Cash and its equivalents as of beginning of the year	15,535,240	23,066,893
Cash and its equivalents as of end of the year	45,540,493	15,535,244

The attached notes form an integral part of these consolidated financial statements



NOTE 1 – MAIN ACTIVITIES

The National Bank of the Republic of Kazakhstan (“National Bank”) was established by Decree of the Supreme Council of the Republic of Kazakhstan № 2134-XII on April 13, 1993. Pursuant this Decree, the State Bank of the Kazakh SSR was renamed into the National Bank of the Republic of Kazakhstan (hereinafter “National Bank”).

The National Bank carries out monetary policy through managing monetary base and reserves as well as implementing regulatory and supervisory functions over the commercial banks of the Republic of Kazakhstan.

The National Bank carries out its activities as a bank, financial consultant and agent of the Republic’s Government and other government institutions based on mutual agreements.

Pursuant the adopted Edict of the President of Kazakhstan “On measures to establish a single system of financial market state regulation” dated July 11, 2001 № 654, the National Bank ensures policy in the area of state regulation and state control over the relations in the securities market, protection of rights and legislatively guarded investors’ interest in the stock market, and is engaged in policy’s implementation.

Head office of the National Bank is located in Almaty city. The National Bank has 18 branches and 9 subsidiaries located in Kazakhstan. The Decree of Government of Kazakhstan dated October 5, 2000 № 1501 “On organization of state bodies”, had merged “Center for interbank and financial telecommunications” CJSC with “National Information Technologies” CJSC in 2001. An average number of employees in the National Bank and its subsidiaries in 2001 was 3,538 persons (in 2000 – 3,359) and it reached 3,695 by the end of 2001 (3,541 – by the end of 2000).

As of December 31, 2001, the National Bank made investment in the following companies, which allowed it carrying out control and affect these companies considerably:

Organization	Establishment date	Main activities	% share
RSE “Kazakhstani Mint” (KM)	1998	Coin manufacturing	100%
RSE “Kazakhstani Center for Interbank Settlements” (KCIS)	1996	Money electronic transfers	100%
RSE “NBK’s Motor vehicle depot” (Motor depot)	1999	Transport services	100%
RSE “Banking Service Bureau” (BSB)	1996	Services on bank software	100%
“National Information Technologies” CJSC (NIT)	2001	Telecommunication services	71.8%
“Kazakhstani Individuals’ Deposits Insurance Fund” (Fund) CJSC	1999	Guarantee for individuals’ deposits	100%
“Kazakhstani Mortgage Company” CJSC (KMC)	2000	Development of mortgage crediting and secondary market for mortgage securities to ensure fast return rate of banks’ credits	100%
“Processing Center” CJSC (PC)	2000	Services on processing transactions via payment cards	100 %
“Actuary Center” CJSC	2001	Development of actuary activities in the Republic of Kazakhstan	100 %

As of December 31, 2001 and 2000 the financial statements of these companies were consolidated in a financial statement of the National Bank to reflect consolidated position in a duly manner. The enterprises were consolidated item by item.

Reclassification of financial statement items

Pursuant the financial statement forms for 2001 approved by National Bank’s Board Decree № 2 dated 03.01.02, the changes were brought in classification of items in the balance sheet and income statement for 2000.

The changes put into balance sheet classification are following:

An amount of foreign currency securities of the Government of Kazakhstan 339,792 thousand Tenge worth is moved from item “Investment in foreign debt bonds” to the item “Investment in domestic government debt securities”;

Items “Other receivable accounts”, “Loans and bills” and “Capital investment” are united in one item “Other assets”;

The amounts of claims in national and foreign currencies to domestic banks and financial institutions and on obligations to the authorities, to local banks and financial institutions and to clients are incorporated in one item;



The reserve capital of “Kazakhstani individuals’ deposit insurance fund” CJSC in the amount of 428,890 thousand Tenge is moved from item “Equity capital” to a section “Liabilities”.

Changes made in income statement:

Securities revaluation in the amount of 1,016,647 thousand Tenge is moved from section “Non-interest expenditures” to an item “Net interest income”;

Expenditures on provisions are shown separately for monetary and non-monetary activities;

The expenditures of Banknote factory are moved from section “Non-interest income” to an item “Non-interest expenditures”.

NOTE 2 – CURRENT ECONOMIC POSITION

Significant political and economic changes happened in the Republic of Kazakhstan in the course of recent years. Being a country with developing economy, Kazakhstan lacks well developed business infrastructure, which is available, as a rule, in the developed market economies. As a result, the operations carried out in Kazakhstan might be exposed to risks, which are not typical for the developed countries. Changes occurring in political, legislative, tax and regulatory areas may potentially affect the operations held by the National Bank of Kazakhstan.

NOTE 3 – MAIN PRINCIPLES OF FINANCIAL REPORTING

Consolidated financial statement of the National Bank of Kazakhstan is compiled in compliance with the provisions of the international and Kazakhstani accounting standards (hereinafter - "IAS" and "KAS") and quoted in thousand of Kazakhstani Tenge.

The National Bank of Kazakhstan maintains accounting and compiles financial statement pursuant the accounting policy and procedures approved by the Board of the National Bank of Kazakhstan. The attached financial statement is compiled based on the accounting records of the National Bank of Kazakhstan, which are maintained based on original values with adjustments due to revaluation of some assets and liabilities.

a) Gold and other precious metals

Refined gold is recorded in the balance sheets at its market value of the morning fixing rate on the last day of fiscal year, established by London Precious Metal Market Association (hereinafter - "LPMMA"). The realized income or loss from sales are reflected in income or loss accounts. Difference between unrealized revenues and expenditures resulting from revaluation at the end of fiscal year is reflected in revaluation account.

A value of unrefined precious metals is determined by acquisition cost.

b) Assets of credit institutions

In the course of its operations the National Bank of Kazakhstan places its assets with other credit institutions. The National Bank of Kazakhstan creates also special-purpose reserves to cover possible losses on some loans.

c) Other loans

Other loans included in other assets comprise the credits extended to the employees. The outstanding amounts on these credits include principal less reserves to cover possible losses. The reserves to cover possible loan losses, which are based on a) estimated by management loan losses recorded in current period, and b) adjustment of previously estimated losses on loans of past years are reflected in each reporting period of the financial statement.

d) Membership in the international financial organizations

The National Bank of Kazakhstan is a fiscal agent of the Government of the Republic of Kazakhstan on the operations related to the membership of Kazakhstan in the international financial organizations, including payment of member fees to such organizations. Payable member fees are denominated in US dollars or SDR and revalued in Tenge, based on the exchange rate as of end of the year.

The amounts due to the IMF and other international financial organizations as well as respective liabilities of the Government under the membership in the IFOs, accounted by the National Bank of Kazakhstan, are not included in the attached consolidated balance sheets, as these assets and liabilities do not belong to the National Bank of Kazakhstan.

e) Assets invested in securities

The securities, for which the market is active and market value might be defined quite precisely, are recorded at their market value. Changes of estimated market value are included in the income of the period, in which changes took place. The estimated market value does not necessarily coincide with the price, at which large stake might be sold. The interest received from fixed income securities is recorded based on accrual method.



f) REPO and back REPO operations

Repo deals are recorded as financial transactions. In this relation, the sold securities are recorded in the accounts of the National Bank of Kazakhstan, and payable amounts are reflected in the assets of banks and credit institutions or clients. The respective expense resulting from such securities price difference is shown as interest expense in the period, in which this transaction was carried out. Back repo deals are reflected as assets in credit institutions.

g) Financial derivatives

The National Bank of Kazakhstan is involved in operations on financial derivatives mainly for trade purposes. As of December 31, 2001 the National Bank of Kazakhstan has unclosed forward contracts, which are based on assets including foreign currency and unclosed swap on refined gold.

h) Capital investment

These are long term investment of the National Bank of Kazakhstan in pays and shares of its subsidiaries. Investment in pays and shares is accounted for at their acquisition costs.

The National Bank of Kazakhstan owns a control stake in eight enterprises, indicated in the Note 1. These enterprises are incorporated in this consolidated financial statement.

i) Fixed assets

Fixed assets are accounted for at revalued prices after deducting accumulated depreciation. Depreciation is used to write-off value or revalue using a method of product unit for the equipment and a straight-line method for other assets based on useful life of the fixed assets. The useful life of assets are as follows:

	2001
Buildings	2-40
Office equipment	1-28
Appliances and accessories	2-50
Motor vehicles	3-28

No depreciation is accrued for the uncompleted construction. Depreciation on such assets will be accrued once these assets are put into operation.

Revaluation of fixed assets and intangibles is carried out during the year, except the following main groups of fixed assets, which are revalued every three years - cars, motor vehicles, heavy machines and equipment, buildings, facilities and dwelling houses. Revalued fixed assets are accounted for in the section "Capital".

j) Intangibles

Intangible assets are accounted for at historic cost less accumulated depreciation. Depreciation is calculated using straight-line method based on the useful life of intangibles. Depreciation norms are given in the following table:

	Years
Software	1-4
Licenses	2-3

k) Revaluation of items denominated in foreign currency

Cash assets denominated in foreign currency are converted into Tenge at average weighted market rate of Tenge vis-a-vis foreign currencies as of balance sheet compilation date. The transactions in foreign currency are reflected at exchange rate as of transaction date. Differences between exchange rates used in the contracts and market average weighted rate as of transaction date are included in income or expenses incurred in foreign currency operations. Positive and negative rate differences due to changes of the average weighted market rate of Tenge vis-a-vis foreign currencies after transaction date are put in the accounts on gains/expenses of foreign currency revaluation.

**The exchange rate as of December 31, 2000 and 2001:**

Currency	December 31, 2001	December 31, 2000
US Dollar	150.94	144.50
SDR	189.35	188.57
Deutsche mark	68.09	69.64
Euro	133.17	136.21
Japanese yen	1.15	1.31

l) Recognition of incomes and expenses

Interest incomes and expenses are reflected based on accrual method.

m) Income tax

Kazakhstani legislation exempts the National Bank of Kazakhstan of income tax. The income taxes paid by some subsidiaries are given in the consolidated financial statement of the National Bank of Kazakhstan.

n) Report on cash flows

The National Bank of Kazakhstan considers cash and assets in credit institutions as cash equivalent.

NOTE 5 – NET INTEREST INCOME**Net interest income is formed as follows:**

	2001	2000
Interest income		
Debt securities	27,075,917	13,956,628
Assets in foreign and domestic credit institutions	2,018,072	2,999,302
Other loans	14,835	16,193
Organizations	263,193	153,958
	29,372,017	17,126,081
Interest expenses		
Debt securities	5,200,552	2,645,071
Liabilities of the Ministry of Finance of Kazakhstan	4,234,994	1,814,981
Liabilities of foreign credit institutions	1,882,468	1,227,171
Liabilities of domestic credit institutions	135,584	104,622
	11,453,598	5,791,845
Net interest income	17,918,419	11,334,236

**NOTE 6 – WAGES AND OTHER PAYMENTS. ADMINISTRATIVE COSTS**

Wages and administrative costs consist of the following:

	2001	2000
Wages	1,513,524	1,084,353
<i>including National Commission on Securities</i>	-	32,485
Bonuses	546,539	563,606
<i>including National Commission on Securities</i>	-	21,804
Personnel insurance	27,519	-
Taxes	475,251	377,436
<i>including National Commission on Securities</i>	-	12,980
Training	41,190	35,111
Other payments	255,391	159,483
<i>including National Commission on Securities</i>	-	2,549
Personnel costs	2,859,414	2,219,989
<i>including National Commission on Securities</i>	-	69,818
Costs of issuing national currency banknotes and coins	1,118,632	786,227
Expenses of insurance	4,745	222
Materials and stocks	163,789	148,858
Operational taxes	388,652	486,075
Travel costs	65,960	54,455
Transportation costs	14	5,499
Communication	134,298	107,895
Security	101,663	114,478
Premises maintenance	56,751	55,350
Fixed assets' repair (capital and current)	183,658	107,969
Rent costs	17,732	5,854
Other expenses	378,155	239,320
Administrative costs	2,614,049	2,112,202
Wages and administrative costs	5,473,463	4,332,191

NOTE 7 – RESERVES ON POSSIBLE LOSSES

Reserves for possible losses, reflected in profits and losses account, include allocations made in current year to create reserves to cover possible losses pursuant IAS.

Flows of reserves on profit generating assets in 2001 and 2000 is as follows:

	Loans to banks	Total reserves
December 31, 1999 Bank/Group	4,370,364	4,370,364
Provisions made from expenses	15,926,765	15,926,765
Assets write-off	(11,423,979)	(11,423,979)
December 31, 2000 – NBRK	8,873,150	8,873,150
Consolidation effect	0	0
December 31, 2000 Bank/Group	8,873,150	8,873,150
Provisions made from expenses	3,499,328	3,499,328
Reserves out of retained income	1,089,057	1,089,057
Write-off and transfer to other items	(7,732,240)	(7,732,240)
December 31, 2001 – NBRK	5,729,295	5,729,295
Consolidation effect	0	0
December 31, 2001 Bank/Group	5,729,295	5,729,295



Flows of reserve on other assets and other risks in 2001 and 2000 was as follows:

	Other assets	Other loans	Total reserves
December 31, 1999	167,368	1,247,632	1,415,000
Provisions made from expenses			
National Bank	125,026		125,026
Organizations	7,067		7,067
Asset write-off	(91,313)		(91,313)
December 31, 2000 – NBRK	208,148	1,247,632	1,455,780
Consolidation effect	5,686		5,686
December 31, 2000 Bank/Group	213,834	1,247,632	1,461,466
Provisions made from expenses			
National Bank	425,970		425,970
Organizations	13,258		13,258
Total expenses	439,228		439,228
Asset write-off and reserve return to income			
National Bank	(168,969)	(1247,632)	(1,416,601)
Organizations	(26,011)		(26,011)
December 31, 2001 – NBRK	458,082	0	458,082
Consolidation effect	0		0
December 31, 2001 Bank/Group	458,082	0	458,082

Reserves for possible losses were deducted from the respective assets.

NOTE 8 – DEALING INCOME, NET

Net dealing income is as follows:

	2001	2000
Dealing income from operations		
Precious metals	54,977	255,209
Securities	2,011,295	824,369
Foreign currency	759,527	2,085,982
National Fund	72,184	
Trust management	3,967	
Custody	67,754	
Brokerage	3,056	
	2,972,760	3,165,560
Dealing losses from operations		
Precious metals	27,101	39,123
Securities	1,989,272	182,841
Foreign currency	153,032	628,343
National Fund	15,022	
Trust management	824	
Custody	12,851	
Brokerage	637	
	2,198,739	850,307
Dealing income, net	774,021	2,315,253

Net dealing income includes also net income from services delivered by the National Bank of Kazakhstan on the following:

- trust management of assets, amounting in total to 60,305 thousand Tenge, including 57,162 thousand Tenge of the Government National Fund;
- custodian services, in total amount of 54,903 thousand Tenge;
- broker activities, in total 2,419 thousand Tenge worth.

**NOTE 9 – REVALUATION GAINS**

	2001	2000
Realized profits on operations in foreign currency	8,756,904	13,518,030
Realized losses on operations in foreign currency	(74,675)	-
Revaluation gains, net	8,682,229	13,518,030

NOTE 10 – NET INCOME, GENERATED BY MAIN ACTIVITIES OF ORGANIZATIONS

The main activities of organizations generate the following income:

	2001	2000
Gross income from production		
Income	3,107,508	2,191,010
Costs of realized products	2,393,873	1,645,244
	713,635	545,766
Gross income from services		
Income	1,151,458	1,020,561
Costs of delivered services	717,636	623,546
	433,822	397,015
Income generated by main activities, net	1,147,457	942,781

NOTE 11 – OTHER OPERATIONAL INCOME

Other operational income is as follows:

	2001	2000
Earnings from non- main activities		
Other income	111,831	287,017
Other expenses	0	41,098
	111,831	245,919
Recovery of previously written-off receivable accounts	2,084,478	310,718
Other	178,538	(50,500)
Other operational income	2,374,847	506,137

Income generated by a recovery of previously written-off receivables for 2001 is included in the amount of recovered provisions on classified bank assets 1,930,527 thousand Tenge worth.



NOTE 12 – TERMS OF ASSET REALIZATION AND LIABILITIES PERFORMANCE

As of December 31, the terms of asset realization and liabilities performance were as follows:

2001

	Call assets/ liabilities	Under 1 month	1 – 6 months	6 months – 1 year	1 - 5 years	Over 5 years	Total
Assets							
Gold	21,862,547	24,108,982	31,240,225	-	-	-	77,211,754
Foreign credit institutions	1,962,904	65,784,000	-	1,181,220	-	-	68,928,124
Foreign currency cash	105,091	-	-	-	-	-	105,091
Foreign debt securities	91,184,529	-	11,455,092	13,493,789	113,577,896	1,633,706	231,345,012
Domestic credit institutions	505,863	28,883	1,360,829	12,496	245,687	-	2,153,758
Domestic debt securities	(2,903,923)	-	20,139	160,330	3,200,632	19,185,140	19,662,318
	112,717,011	89,921,865	44,076,285	14,847,835	117,024,215	20,818,846	399,406,057
Liabilities							
Banknotes and coins in circulation	145,476,531	-	-	-	-	-	145,476,531
Foreign credit institutions	313,312	86,482	3,267	3,267	15,243	-	421,571
National Fund	2,622,784	-	-	-	-	-	2,622,784
Ministry of Finance	42,881,843	21,610,210	15,584	57,284	-	-	64,564,921
Domestic credit institutions	21,245,158	11,545,084	-	-	14,236,000	1,110,000	48,136,242
Kazakhstani Deposit Insurance Fund	1,359,748	-	-	-	-	-	1,359,748
Clients	1,232,826	-	-	-	-	-	1,232,826
Debt securities	-	11,490,947	5,989,533	-	-	-	17,480,480
	215,132,202	44,732,723	6,008,384	60,551	14,251,243	1,110,000	281,295,103
Net	(102,415,191)	45,189,142	38,067,901	14,787,284	102,772,972	19,708,846	118,110,954
<i>Accumulated difference</i>	<i>(102,415,191)</i>	<i>(57,226,049)</i>	<i>(19,158,148)</i>	<i>(4,370,864)</i>	<i>98,402,108</i>	<i>118,110,954</i>	

2000

	Call assets/ liabilities	Under 1 month	1 – 6 months	6 months – 1 year	1 - 5 years	Over 5 years	Total
Assets							
Gold	20,622,224	35,118,418	16,836,956	-	-	-	72,577,598
Foreign credit institutions	14,558,566	17,860,711	-	44,887,179	-	-	77,306,456
Foreign currency cash	135,174	-	-	-	-	-	135,174
Foreign debt securities	-	12,973,588	32,107,045	6,291,448	86,011,219	16,711,354	154,094,654
Domestic credit institutions	437,118	6,000,000	1,223,620	-	115,201	1,435,564	9,211,503
Domestic debt securities	-	3,344	610,246	24,858	822,293	25,567,975	27,028,716
	35,753,082	71,956,061	50,777,867	51,203,485	86,948,713	43,714,893	340,354,101
Liabilities							
Banknotes and coins in circulation	116,341,513	-	-	-	-	-	116,341,513
Foreign credit institutions	274,942	-	-	-	-	315,694	590,636
National Fund	44,716,368	-	485,452	68,653	-	-	45,270,473
Ministry of Finance	12,783,576	12,888,223	100,000	1,311,000	-	80,442	27,163,241
Domestic credit institutions	428,890	-	-	-	-	-	428,890
Kazakhstani Deposit Insurance Fund	3,969,345	-	-	-	-	-	3,969,345
Clients	-	20,872,016	27,935,757	-	-	-	48,807,773
Debt securities	178,514,634	33,760,239	28,521,209	1,379,653	-	396,136	242,571,871
	(142,761,552)	38,195,822	22,256,658	49,823,832	86,948,713	43,318,757	97,782,230
Net	(142,761,552)	(104,565,730)	(82,309,072)	(32,485,240)	54,463,473	97,782,230	
<i>Accumulated difference</i>							

Disagreements in terms of some items in the given above analysis for 2000 and respective figures in 2000 financial statement are due to changed classification of balance sheet items pursuant reporting forms approved by the NBK's Board Decree dd. 03.01.02 № 2.

**NOTE 13 – ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY**

The assets and liabilities of the National Bank of Kazakhstan, denominated in foreign currency are as follows:

2001	Tenge	US\$ \$1=150,94 Tenge	EUR 1 EUR = 133,17 Tenge	JPY 10 JPY= 11,50 Tenge	SDR 1 SDR = 189,35 Tenge	GBP 1 GBP= 218,79 Tenge	Other	Total
Assets								
Gold	77,211,754	-	-	-	-	-	-	77,211,754
Foreign credit institutions	(17,229)	67,164,171	1,269,572	199,272	13,016	246,629	52,693	68,928,124
Foreign currency cash	-	103,417	-	-	-	-	1,674	105,091
Foreign debt securities	(45,735)	163,713,628	56,806,826	1,749,475	-	9,120,818	-	231,345,012
Domestic credit institutions	1,569,719	584,039	-	-	-	-	-	2,153,758
Domestic debt securities	19,662,318	-	-	-	-	-	-	19,662,318
Other assets, net	21,047,994	-	-	-	-	-	-	21,047,994
	119,428,821	231,565,255	58,076,398	1,948,747	13,016	9,367,447	54,367	420,454,051
Liabilities								
Banknotes and coins in circulation	145,476,531	-	-	-	-	-	-	145,476,531
Foreign credit institutions	26,000	395,571	-	-	-	-	-	421,571
National Fund	2,585,783	37,001	-	-	-	-	-	2,622,784
Ministry of Finance	41,410,954	23,077,335	72,868	-	-	-	3,764	64,564,921
Domestic credit institutions	37,034,101	10,527,038	-	575,000	-	-	103	48,136,242
Deposit insurance fund	1,359,748	-	-	-	-	-	-	1,359,748
Clients	482,891	360,348	388,812	-	-	-	775	1,232,826
Debt securities	17,480,480	-	-	-	-	-	-	17,480,480
Other liabilities	10,414,987	-	-	-	-	-	-	10,414,987
	256,271,475	34,397,293	461,680	575,000	-	-	4,642	291,710,090
Net position	(136,842,654)	197,167,962	57,614,718	1,373,747	13,016	9,367,447	49,725	128,743,961



2000

	Tenge	US\$ \$1= 144,50 Tenge	EUR 1 EUR = 136,21 Tenge	JPY 10 JPY= 13,11 Tenge	SDR 1 SDR = 188,57 Tenge	GBP 1 GBP= 214,58 Tenge	Other	Total
Assets								
Gold	72,577,598	-	-	-	-	-	-	72,577,598
Foreign credit institutions	-	66,471,000	8,573,562	223,689	30,763	1,901,845	105,597	77,306,456
Foreign currency cash	-	133,943	-	-	-	-	1,231	135,174
Foreign debt securities	-	126,647,056	18,647,967	-	-	8,799,631	-	154,094,654
Domestic credit institutions	7,660,734	1,550,769	-	-	-	-	-	9,211,503
Domestic debt securities	26,688,924	339,792	-	-	-	-	-	27,028,716
Other assets, net	16,343,482	-	-	-	-	-	-	16,343,482
	123,270,738	195,142,560	27,221,529	223,689	30,763	10,701,476	106,828	356,697,583
Liabilities								
Banknotes and coins in circulation	116,341,513	-	-	-	-	-	-	116,341,513
Foreign credit institutions	-	590,636	-	-	-	-	-	590,636
National Fund	-	-	-	-	-	-	-	-
Ministry of Finance	28,687,705	16,571,414	4,130	-	-	-	7,224	45,270,473
Domestic credit institutions	23,222,446	2,629,699	-	1,311,000	-	-	96	27,163,241
Deposit insurance fund	428,890	-	-	-	-	-	-	428,890
Clients	3,284,933	684,390	5	-	-	-	17	3,969,345
Debt securities	48,807,773	-	-	-	-	-	-	48,807,773
Other liabilities	850,638	-	-	-	-	-	-	850,638
	221,623,898	20,476,139	4,135	1,311,000	-	-	7,337	243,422,509
Net position	(98,353,160)	174,666,421	27,217,394	(1,087,311)	30,763	10,701,476	99,491	113,275,074

Disagreements on some items by types of foreign currency in given above analysis for 2000 and respective figures in 2000 financial statement are due to changed classification of balance sheet items pursuant reporting forms approved by the NBK's Board Decree dd. 03.01.02 № 2.

**NOTE 14 – CONCENTRATION OF ASSETS AND LIABILITIES**

Geographic concentration of assets and liabilities of the National Bank of Kazakhstan as of December 31 was as follows:

	2001			2000		
	OECD countries	Other countries	Total	OECD countries	Other countries	Total
Assets						
Gold	55,344,758	21,866,996	77,211,754	52,063,168	20,514,430	72,577,598
Foreign credit institutions	68,922,194	5,930	68,928,124	77,207,399	99,057	77,306,456
Foreign currency cash	-	105,091	105,091	-	135,174	135,174
Foreign debt securities	231,338,542	6,470	231,345,012	154,066,289	28,365	154,094,654
Domestic credit institutions	-	2,153,758	2,153,758	-	9,211,503	9,211,503
Domestic debt securities	-	19,662,318	19,662,318	-	27,028,716	27,028,716
	355,605,494	43,800,563	399,406,057	283,336,856	57,017,245	340,354,101
Liabilities						
Banknotes and coins in circulation	-	145,476,531	145,476,531	-	116,341,513	116,341,513
Foreign credit institutions	134,375	287,196	421,571	315,694	274,942	590,636
National Fund	-	2,622,784	2,622,784	-	-	-
Ministry of Finance of Kazakhstan	-	64,564,921	64,564,921	-	45,270,473	45,270,473
Domestic credit institutions	-	48,136,242	48,136,242	-	27,163,241	27,163,241
Deposit insurance fund	-	1,359,748	1,359,748	-	428,890	428,890
Clients	-	1,232,826	1,232,826	-	3,969,345	3,969,345
Debt securities	-	17,480,480	17,480,480	-	48,807,773	48,807,773
	134,375	281,160,728	281,295,103	315,694	242,256,177	242,571,871
Net position	355,471,119	(237,360,165)	118,110,954	283,021,162	(185,238,932)	97,782,230

NOTE 15 – GOLD

Gold includes the following:

	2001	2000
Monetary gold	21,739,559	20,517,339
Gold deposited with foreign banks	55,344,758	51,955,374
Golden coins	127,437	104,885
Total Gold	77,211,754	72,577,598

An official morning fixing established by LPMMA on December 31, 2001 was USD277.60 per ounce (USD272.65 per ounce as of December 31, 2000).

**NOTE 16 – ASSETS IN FOREIGN CREDIT INSTITUTIONS**

Assets in foreign credit institutions include the following:

	2001	2000
Assets in external management	1,181,220	44,887,179
Current accounts with foreign banks	1,967,117	14,528,941
Time deposits with foreign banks	43,112,812	434,011
Current accounts with IMF	13,016	29,625
Agreements on re-purchasing	22,671,188	17,426,700
Less: provisions	(17,229)	-
Claims on credit institutions	68,928,124	77,306,456

In 2001, there were run 4 agreements on external management of the National Bank's assets. The yields of portfolio ranged from 0,38 % to 5,31 % during the management period.

Time deposits with foreign banks include short-term deposits and overnight with foreign banks at average interest ranging from 3.17% to 4.68% (in 2000 – from 4.70% to 6.61%).

Securities acquired under re-purchasing agreements consist of treasury bills of the USA, an average annual interest on which was 4,41%.

Provisions on doubtful bank assets were created in 2001 – residual balances of "nostro" correspondent accounts in foreign currency with low-rated banks, in particular, central banks of Turkey, Ukraine and Russian Federation as well as Sberbank of Russian Federation.

NOTE 17 – INVESTMENT IN FOREIGN DEBT SECURITIES

Investment in foreign debt securities was as follows:

	2001		2000	
	Nominal value	Balance sheet value	Nominal value	Balance sheet value
Debt securities issued by foreign governments, including	80,171,182	83,234,798	71,358,828	73,565,645
- Treasury bills of Germany Government	29,110,962	29,950,807	17,707,300	18,647,967
- Treasury bills of Great Britain Government	8,609,386	9,120,818	8,046,750	8,799,631
- Treasury bills of US Government	17,257,121	17,900,150	45,517,500	46,089,682
- Treasury bills of Russian Federation Ministry of Finance	91,168	52,206	87,278	28,365
- Treasury obligations of Austria	10,986,525	11,131,047	-	-
- Treasury obligations of Netherlands	5,593,140	6,099,046	-	-
- Treasury obligations of France	8,522,880	8,980,724	-	-
Debt securities issued by foreign banks	665,850	645,202	-	-
Debt securities issued by international financial organizations	5,374,880	5,458,622	78,553,500	79,099,362
Debt securities issued by foreign financial organizations	48,691,800	50,821,861	1,445,000	1,429,647
Debt securities acquired from foreign currency managed externally	-	91,230,264	-	-
Total	134,903,712	231,390,747	151,357,328	154,094,654
Less: provisions on securities		45,735		-
Foreign debt securities	134,903,712	231,345,012	151,357,328	154,094,654



NOTE 18 – assets in domestic credit institutions

Assets in domestic credit institutions include the following:

	2001	2000
Agreements on re-purchasing	-	6,000,000
Loans to the Government of Republic of Kazakhstan	-	-
Loans extended under special programs	584,038	1,550,765
Loans to domestic banks	1,214,246	1,223,620
Correspondent accounts (nostro)	-	4
Time deposits	-	-
Current accounts of organizations of the National Bank of Kazakhstan	355,474	437,114
	2,153,758	9,211,503
Less: reserves for losses	-	-
Assets in domestic credit institutions	2,153,758	9,211,503

Agreements of re-purchasing made with domestic banks expire within ten days.

Loans extended under special programs include the credits denominated in US dollars issued by the second-tier banks under IBRD and EBRD programs. The interest rates on these loans range from 5.79% to 9.78%.

Loans extended to the domestic banks are the loans denominated in US dollars issued to the commercial banks. Interest was 6.13% and the loans mature in June 2002.

NOTE 19 – INVESTMENT IN DOMESTIC DEBT SECURITIES

Investment in domestic debt securities is as follows:

	2001		2000	
	Nominal value	Balance sheet value	Nominal value	Balance sheet value
Long term obligations of the Ministry of Finance of Kazakhstan	23,673,140	22,385,772	35,263,418	35,263,418
Medium term obligations of the Ministry of Finance of Kazakhstan	-	-	-	-
Short term obligations of the Ministry of Finance of Kazakhstan	180,469	180,469	638,448	638,448
Total	23,853,609	22,566,241	35,901,866	35,901,866
Less provisions	-	2,903,923	-	8,873,150
Domestic debt securities	23,853,609	19,662,318	35,901,866	27,028,716

Long term obligations of the Ministry of Finance of Kazakhstan have 10-year maturity in December 2007 at coupon rate of 9.75%.

Medium term obligations of the Ministry of Finance of Kazakhstan were issued in 2000 and mature in June 2002 with coupon rate at 16.3%.

NOTE 20 – ACCRUED INCOME RECEIVABLE

Accrued income receivable includes:

	2001	2000
Accrued income in foreign currency	47,960	945,607
Accrued income in national currency	305,087	191,656
Total income receivable	353,047	1,137,263



NOTE 21 – FIXED ASSETS, NET

Flows of fixed assets in 2001 and 2000 were as follows:

	Buildings	Equipment and appliances	Incomplete construction	Total
Balance sheet value				
December 31, 2000	8,258,718	7,728,472	13,436	16,000,626
Including:				
National Bank	8,150,663	6,247,799	212	14,398,674
Organizations	108,055	1,480,673	13,224	1,601,952
Acquisitions	736,454	2,264,741	2,595,274	5,596,469
Including:				
National Bank	730,851	1,642,336	2,595,274	4,968,461
Organizations	5,603	622,405	-	628,008
Withdrawal	896	850,164	2,495,275	3,346,335
Including:				
National Bank	896	631,400	2,485,086	3,117,382
Organizations	-	218,764	10,189	228,953
December 31, 2001	8,994,276	9,143,049	113,435	18,250,760
Including:				
National Bank	8,880,618	7,258,735	110,400	16,249,753
Organizations	113,658	1,884,314	3,035	2,001,007
Accumulated depreciation				
December 31, 2000	1,194,612	3,042,464	-	4,237,076
Including:				
National Bank	1,194,612	2,591,666	-	3,786,278
Organizations	-	450,798	-	450,798
Accrued	275,173	819,621	-	1,094,794
Including:				
National Bank	272,085	607,948	-	880,033
Organizations	3,088	211,673	-	214,761
Withdrawal	73,943	266,525	-	340,468
Including:				
National Bank	73,943	256,074	-	330,017
Organizations	-	10,451	-	10,451
December 31, 2001	1,395,842	3,595,560	-	4,991,402
Including:				
National Bank	1,392,754	2,943,540	-	4,336,294
Organizations	3,088	652,020	-	655,108
Net balance sheet value				
December 31, 2000	7,064,106	4,686,008	13,436	11,763,550
Including:				
National Bank	6,956,051	3,656,133	212	10,612,396
Organizations	108,055	1,029,875	13,224	1,151,154
December 31, 2001	7,598,434	5,547,489	113,435	13,259,358
Including:				
National Bank	7,487,864	4,315,195	110,400	11,913,459
Organizations	110,570	1,232,294	3,035	1,345,899

**NOTE 22 – INTANGIBLE ASSETS, NET**

Movement of intangible assets in 2001 and 2000 was as follows:

	Software	Technical Documentation	Acts on land property	Other	Undetermined Intangible Assets	Total
Balance sheet value						
December 31, 2000	369,273	151,486	785	864	0	522,408
Including:						
National Bank	214,282	50,077	785	-	-	265,144
Organizations	154,991	101,409	-	864	-	257,264
Acquisitions	315,611	110,388	60	4,453	246,153	676,665
Including:						
National Bank	237,353	68,100	60	4,278	246,153	555,944
Organizations	78,258	42,288	-	175	-	120,721
Withdrawal	63,565	9,007	44	547	219,635	292,798
Including:						
National Bank	31,991	8,992	44	-	219,635	260,662
Organizations	31,574	15	-	547	-	32,136
December 31, 2001	621,319	252,867	801	4,770	26,518	906,275
Including:						
National Bank	419,644	109,185	801	4,278	26,518	560,426
Organizations	201,675	143,682	-	492	-	345,849
Accumulated depreciation						
December 31, 2000	170,034	46,338	-	596	-	216,968
Including:						
National Bank	119,549	17,455	-	-	-	137,004
Organizations	50,485	28,883	-	596	-	79,964
Accrued	123,538	59,319	17	175	-	183,049
Including:						
National Bank	97,597	36,406	17	119	-	134,139
Organizations	25,941	22,913	-	56	-	48,910
Withdrawal	42,132	9,218	17	546	-	51,913
Including:						
National Bank	42,068	9,218	17	-	-	51,303
Organizations	64	-	-	546	-	610
December 31, 2001	251,440	46,439	-	225	-	348,104
Including:						
National Bank	175,078	44,463	-	119	-	219,840
Organizations	76,362	51,796	-	106	-	128,264
Net balance sheet value						
December 31, 2000	199,239	105,148	785	268	-	305,440
Including:						
National Bank	94,733	36,622	785	-	-	128,140
Organizations	104,506	72,526	-	268	-	177,300
December 31, 2001	369,879	156,428	801	4,545	26,518	558,171
Including:						
National Bank	244,566	64,542	801	4,159	26,518	340,586
Organizations	125,313	91,886	-	386	-	217,585

**NOTE 23 – OTHER ASSEST, NET**

Other assets include the following:

	2001	2000
Tangible stocks	959,142	1,192,713
Banknotes and coins in stock	1,610,282	944,029
Advance payments on purchased fixed assets and tangibles	269,977	576,593
Tax payable	989	90,413
Other assets, including	4,495,111	540,248
<i>Other assets in foreign currency</i>	<i>3,503,975</i>	<i>1,176</i>
<i>Refined silver and gold, unrefined precious metals and precious stones</i>	<i>179,361</i>	<i>181,525</i>
<i>Bills</i>	<i>7,100</i>	<i>7,100</i>
<i>Credits extended to individuals</i>	<i>246,229</i>	<i>196,893</i>
<i>National Bank's claims on fixed assets, intangibles and tangibles granted for payment by installments</i>	<i>28,318</i>	<i>15,616</i>
<i>Assets to purchase foreign currency</i>	<i>0</i>	<i>63</i>
<i>Capital investment</i>	<i>23,802</i>	<i>22,402</i>
<i>Debtors on administrative and economic activities</i>	<i>390,860</i>	<i>104,731</i>
<i>Future period expenses</i>	<i>26,715</i>	<i>1,270</i>
<i>Other</i>	<i>88,751</i>	<i>9,472</i>
Provisions on non-monetary operations	(458,083)	(206,767)
Other assets including provisions	6,877,418	3,137,229
Other assets excluding provisions	7,335,501	3,343,996

Provisions 458,083 thousand Tenge worth were created in 2001. These include provisions on credits extended to individuals amounting to 9,018 thousand Tenge and provisions on non-monetary operations amounting to 449,065 thousand Tenge.

NOTE 24 – BANKNOTES AND COINS IN CIRCULATION

Changes in banknotes and coins in circulation in 2001 and 2000 can be analyzed based on nominal value as follows:

	Banknotes	Coins	Total
December 31, 2000			
Put in circulation	189,924,040	2,207,443	192,131,483
Withdrawn out of circulation	184,812,324	1,325,313	186,137,637
Total in circulation on January 1, 2001	115,249,380	1,626,171	116,875,551
Gold investment coins classified as monetary gold, and cash in cash offices in oblast branches and organizations of NBRK as of January 1, 2001			(534,038)
In circulation on January 1, 2001	115,249,380	1,626,171	116,341,513
December 31, 2001			
Put in circulation	232,963,050	2,417,350	235,380,400
Withdrawn out of circulation	205,166,966	1,100,728	206,267,694
Total in circulation on January 1, 2002	143,045,463	2,942,793	145,988,256
Gold investment coins classified as monetary gold, and cash in cash offices in oblast branches and organizations of NBRK as of January 1, 2002			511,725
In circulation on January 1, 2002	143,045,463	2,942,793	145,476,531

The National Bank of Kazakhstan produces banknotes and coins at the Banknote factory and Republican State Enterprise "Kazakhstan Mint". The expenses on issuing banknotes and coins are recognized when banknotes and coins are put in circulation.

**NOTE 25 – FUNDS OF FOREIGN CREDIT INSTITUTIONS**

Assets of foreign credit institutions are distributed as follows:

	2001	2000
Current accounts	26,000	-
IMF credits	-	-
IBRD credits	108,375	315,694
EBRD credits	-	-
Other credits	287,196	274,942
REPO operations	-	-
Funds of foreign credit institutions	421,571	590,636

As of December 31, 2001, the IMF credits were USD717,999 at the annual interest of 5,32 % (in 2000 - USD2,200,000).

In December 2001, the National Bank of Kazakhstan paid commission for getting access to IMF credit resources until December 2002.

NOTE 26 – ASSETS OF NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN

Assets of the National Fund of the Republic of Kazakhstan are as follows:

	2001	2000
In foreign currency		
Assets of National Fund of Kazakhstan	37,001	-
In national currency		
Assets of National Fund of Kazakhstan	2,585,783	-
Total assets of National Fund	2,622,784	-

The National Bank of Kazakhstan carried out trust management of the National Fund's assets in 2001: the Fund's assets were placed on deposits, used for operations on foreign governments' securities (purchases-sales and back REPO) and foreign currency transactions.

NOTE 27 – LIABILITIES TO THE MINISTRY OF FINANCE OF THE REPUBLIC OF KAZAKHSTAN

The liabilities to the Ministry of Finance of the Republic of Kazakhstan were as follows:

	2001	2000
In foreign currency		
Assets of the Ministry of Finance of Kazakhstan	1,543,756	16,582,768
Time deposits	21,610,210	-
In national currency		
Assets of Ministry of Finance of Kazakhstan	41,410,955	28,668,210
Time deposits	-	19,495
Total liabilities to the Ministry of Finance of Kazakhstan	64,564,921	45,270,473

NOTE 28 – LIABILITIES TO DOMESTIC CREDIT INSTITUTIONS

Liabilities to domestic credit institutions are as follows:

	2001	2000
In foreign currency	11,102,141	3,940,795
Current accounts	3,463,179	445,985
Time deposits	7,539,869	3,399,222
Obligatory reserves	-	-
REPO operations	-	-
Other	99,093	95,588



In national currency	37,075,115	24,315,163
Current accounts	16,512,999	12,850,525
Time deposits	3,834,007	917,503
Obligatory reserves	82,108	47,135
REPO operations	16,646,001	10,500,000
Less: current account organizations	(41,014)	(1,092,717)
Liabilities domestic credit institutions	48,136,242	27,163,241

As of December 31, 2001 interest rates on deposits in foreign currency by commercial banks were up to 1.00% (in 2000 – 2.25%) with maturity expiring in January 2002.

Securities sold under REPO agreements mature in 2005-2007.

Pursuant Kazakhstani legislation the commercial banks are liable to maintain obligatory reserves as percentage of certain liabilities. Such reserves are to be held at the interest less accounts in the National Bank of Kazakhstan in the form of cash.

NOTE 29 – LIABILITIES TO CLIENTS

Liabilities to clients were as follows:

	2001	2000
Current accounts in foreign currency	749,935	684,412
Current accounts in national currency	945,330	3,399,653
Less: current accounts of organizations	(462,439)	(114,720)
Liabilities to clients	1,232,826	3,969,345

NOTE 30 – ISSUED DEBT SECURITIES

As of December 31, 2001, there were issued debt securities in the amount of 17,480,480 thousand Tenge with maturity ranging from 23 to 84 days. The values of these debt instruments are shown less discount 77,118 thousand Tenge worth.

As of December 31, 2000, the National Bank of Kazakhstan had debt instruments in the amount of 48,807,773 thousand Tenge with maturity ranging from 7 to 84 days. These instruments are shown less discount amounting to 358,880 thousand Tenge.

NOTE 31 – ACCRUED AND POSTPONED EXPENDITURES

Accrued and postponed expenditures include the following:

	2001	2000
Accrued and postponed expenditures in foreign currency	39,283	10,536
Accrued and postponed expenditures in national currency	548,588	9,036
Accrued and postponed expenditures	587,871	19,572

NOTE 32 – OTHER LIABILITIES

Other liabilities include:

	2001	2000
Unclear amounts in foreign currency	1,801	772
Creditors on Letters of Credit in foreign currencies	2,489,447	67,634
Unclear amounts in Tenge	1,175	610
Premature receipt of interests, premiums and discounts on securities	176	149
Creditors on administrative and economic operations	49,422	17,578
Settlements with employees	310,095	134,356
Creditors on operations on intangible assets	760	-



Received advance payments	391	376
Income of future periods	16,228	205,888
Provisions	6,594,987	-
Outstanding balances on consumed services	360,894	990
Other creditors	1,740	402,713
Other liabilities	9,827,116	831,066

NOTE 33 – AUTHORISED CAPITAL

The authorized capital of the National Bank of Kazakhstan is compiled pursuant the Edict of the President of the Republic of Kazakhstan dated March 30, 1995 including amendments and additions. According to the amendments put into the Edict on December 18, 2000, the authorized capital is to be 20,000,000 thousand Tenge worth, which is formed by allocations from the NBK's net income and republican budget. The authorized capital of the National Bank of Kazakhstan was 15,465,643 thousand Tenge worth as of December 31, 2001.

NOTE 34 – RESERVE CAPITAL, OTHER RESERVES AND RETAINED PROFITS

Reserve capital is to be created in the amount equivalent to the authorized capital through allocations of net income in amount approved by the President of the Republic of Kazakhstan. As of December 31, 2000 and 2001, the reserve capital of the National Bank of Kazakhstan was 2,266,706 thousand Tenge worth and that of organizations – 73,191 thousand Tenge.

General reserves compiled from annual allocations out of retained profits in the amount of 0.5% of long-term assets of the National Bank of Kazakhstan were 1,089,057 thousand Tenge worth. General reserves compiled by December 31, 2000 in the amount of 1,930,527 thousand Tenge are included in income of the National Bank of Kazakhstan.

Special reserve funds are made in the amount of unrealized revaluation gains of gold, assets and liabilities denominated in foreign currencies. These funds include a fund of fixed assets revaluation, as well. As of December 31, 2001, special reserve funds were 90,190,274 thousand Tenge (in 2000 – 87,155,402 thousand Tenge).

NOTE 35 – INTERNATIONAL MONETARY FUND AND OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

Assets and liabilities related to financing of the membership of the Republic of Kazakhstan in IMF and other international organizations are excluded of balance sheet statement, as the National Bank of Kazakhstan is entitled to make credits on the assets and respective liabilities.

International Monetary Fund

Financing of Kazakhstani membership in IMF was as follows:

	2001		2000	
	SDR ('000)	Tenge ('000)	CH3 ('000)	Tenge ('000)
IMF quota	365,700	69,245,295	365,700	68,960,049
	365,700	69,245,295	365,700	68,960,049

Special drawing rights in IMF are the liabilities of the Republic of Kazakhstan to the IMF on member's quota.

Being a fiscal agent of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan stores debt liabilities issued on quota liabilities. Liability on member's quota has no established maturity.

Other international financial institutions

The Republic of Kazakhstan maintains membership in IBRD, EBRD and other financial institutions. Pursuant the rules of international financial organizations, each member-state has to install member fees in freely converted currency or securities, issued by member-state of such organizations.



	2001		2000	
	US dollar ('000)	Tenge('000)	US dollar('000)	Tenge ('000)
IBRD	-	2,442,903	-	2,359,168
EBRD	987	148,958	1,184	171,123
IAGI	283	42,667	283	40,846
Other	-	751,512	-	766,512
	1,270	3,386,040	1,467	3,337,649

NOTE 36 – AFFILIATED PARTIES

According to ISA № 24 definition the affiliated parties are the partners, which are:

- (a) enterprises, which directly or indirectly control, or are subject to common control of a reporting enterprise (Include holdings, subsidiaries and branches);
- (b) associated companies - the companies, in which the National Bank of Kazakhstan has considerable influence, but which are neither subsidiaries, nor joint venture of investor;
- (c) individuals, who own directly or indirectly the stake of voting shares of the National Bank, which provides them considerable effect on the National Bank, and any entity, which might effect or subject to effect of a person, whom it deals with in respect of the National Bank;
- (d) key governing personnel consisting of persons with powers and responsibilities to plan, manage and control the operations of the National Bank including directors and managing staff of the National Bank and members of their families; and
- (e) enterprises, in which any person or entity described under items (c) or (d) owns a substantial part of shares entitled to vote or which such person (entity) is able affect essentially. It includes the enterprises, owned by the directors or stakeholders of the National Bank, and the enterprises, which share common with the National Bank key management member.

While reviewing any possible relations with the affiliated parties, attention is paid to the essence of relations rather than its legal form. The transactions with affiliated parties included the following:

	2001		2000	
	Transaction with affiliated parties	Total assets and liabilities of this category	Transaction with affiliated parties	Total assets and liabilities of this category
Credits to employees, gross	265,529	265,529	204,574	204,574
Debt securities of the Ministry of Finance	22,566,241	22,566,241	27,028,716	27,028,716
Funds of the Ministry of Finance	64,564,921	64,564,921	28,687,705	28,687,705
Interest income	2,750,493	2,750,493	3,690,999	3,690,999
Interest expenses	29,018	29,018	522	522

In 2001 the National Bank received interest income:

- on loans granted to individuals in the amount of 14,835 thousand Tenge;
- on debt securities of the Ministry of Finance in the amount of 2,735,658 thousand Tenge.

In 2001, the National Bank paid to the Ministry of Finance of Kazakhstan interest on call deposits in the amount of 29,018 thousand Tenge.

NOTE 37 – FINANCIAL AND WINDFALL LIABILITIES

(a) Financial liabilities

Financial and windfall liabilities were as follows on December 31, 2000 and 1999:

	2001	2000
Liabilities incurred		
Guarantees issued	-	684,000

On November 28, 2000, the National Bank signed a guarantee agreement and incurred a liability to other bank to purchase a stake of Kazagroprombank in the amount of 684,000 thousand Tenge (USD4,746,704 as of December 1, 2000). On March 11, 2001 the



National Bank paid 656,248 thousand Tenge worth under guarantee agreement. The sum was paid back by Nauryzbank, a successor of Kazagroprombank in December 2001.

To cover possible losses on a loan extended in 2002 to "Narodnyi Saving Bank of Kazakhstan" OJSC to purchase claims on deposits held by individuals and deposits made out of "Komirbank" OJSC pension assets, a provision was created 2,579,000 thousand Tenge worth.

(b) Legal issues

In the course of business normal running, the National Bank of Kazakhstan is an object of court proceedings and claims. The management thinks that even in case an eventual liability occurs due to a negative outcome of litigation on such suits and claims, it will not pose considerable negative effect on financial position or results of the National Bank's operations in future.

NOTE 38 – FINACIAL DERIVATIVES

Position of the National Bank and fair value of financial derivative instruments available as of December 31, 2001, can be described as follows:

	Receivable (payable) amounts in foreign currency, thousand Tenge	Receivable (payable) amounts in Tenge, thousand Tenge	Net position, thousand Tenge
Foreign assets	5,288,565	-	5,288,565
Foreign liabilities	(5,282,900)	-	(5,282,900)
	5,665	-	5,665
Domestic assets	-	1,566	1,566
Domestic liabilities	(2,677)	-	(2,677)
	(2,677)	1,566	(1,111)
Total	2,988	1,566	4,554

Fair value of National Bank's position on financial derivative instruments was calculated based on exchange rate as of December 31, 2001.

NOTE 39 – FAIR VALUE OF FINACIAL INSTRUMENTS

Following disclosure of calculated fair value of financial instruments is carried out in compliance with IAS 32 requirements. An estimate given here is not necessarily an indicator of sums, the National Bank would be able to realize in the market.

Estimated fair value of financial instruments of the National Bank of Kazakhstan is as follows:

As of December 31, 2001, the National Bank of Kazakhstan used following methods and assumptions to estimate fair value of each class of financial instrument, for which such value definition is feasible:

a) Cash in foreign currency

For short-term instruments the balance sheet value is a reasonable estimate of fair value.

b) Refined gold and gold coins

Balance sheet value of these assets is a feasible estimate of fair value. Refined gold and other precious metals are accounted for based on morning fixing as of date the balance sheet is compiled, established by LPMMA.

c) Investment in securities

Investment in securities is accounted for at market value.

d) Assets in credit institutions and liabilities to credit institutions

For the assets with less than one month maturity, the balance sheet value is a reasonable estimate of fair value.

For the assets with over one month maturity fair value is a current value of estimated future cash flows discounted at average market rates by the end of 2001. If the loans are denominated in freely converted currency, value of discounted cash flow is given in freely converted currency applying market interest rate available for this currency, which is subsequently converted into Tenge at average weighted rate of Tenge vis-a-vis foreign currencies by the end of the year.

e) Liabilities to clients



For the liabilities maturing in less than one month, the balance sheet value is a reasonable estimate of fair value

For the liabilities to mature in over one month, market value is a value of future payments discounted at average market rates, existed by the end of the year, for each type of instruments. If the outstanding payable amounts are denominated in freely converted currency, the discounted value of cash flows is determined in freely converted currency at the market interest rate for this currency and then converted into Tenge at the exchange rate as end of the year.

f) Issued debt securities

Fair value is determined based on the current value of cash flows over the remaining period of such debt. Discount rates were defined based on market rates applied as of December 31, 2001 and 2000 in respect of the National Bank's loans having similar credit parameters and maturity terms.

	2001		2000	
	Balance sheet value	Fair value	Balance sheet value	Fair value
Assets:				
Gold	77,211,754	77,211,754	72,577,598	72,577,598
Assets in foreign credit institutions	68,928,124	68,928,124	77,306,456	77,306,456
Cash in foreign currency	105,091	105,091	135,174	135,174
Foreign debt securities	231,345,012	231,345,012	154,094,654	154,094,654
Investment of the National Fund	-	-	-	-
Assets in domestic credit institutions	2,153,758	2,153,758	9,211,503	8,932,260
Domestic debt securities	19,662,318	19,662,318	27,028,716	27,028,716
Liabilities:				
Banknotes and coins in circulation	145,476,531	145,476,531	116,341,513	116,341,513
Liabilities to foreign credit institutions	421,571	421,571	590,636	590,636
Liabilities to the National Fund of Kazakhstan	2,622,784	2,622,784	-	-
Liabilities to the Ministry of Finance	64,564,921	64,564,921	45,270,473	45,270,473
Liabilities to domestic credit institutions	48,136,242	48,136,242	27,163,241	27,163,241
Individuals' deposit insurance fund	1,359,748	1,359,748	428,890	428,890
Liabilities to clients	1,232,826	1,232,826	3,969,345	3,969,345
Issued debt securities	17,480,480	17,480,480	48,807,773	48,807,773



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Independent Auditor's Report

To the Governing Board of the National Bank of Kazakhstan

We have audited the attached consolidated balance sheet of the National Bank of the Republic of Kazakhstan and its subsidiaries (jointly named the "National Bank") as of 31 December 2001 as well as respective consolidated income and cash-flows statements for the year then ended. The management of the National Bank is responsible for the consolidated financial statements. Our responsibility covers compilation of audit report on these financial statements based on the audit carried out.

We conducted audit in accordance with Kazakhstani and International Standards on Auditing and requirements of the National Bank. These standards require that audit planning and implementation enabled to conclude that financial statements have no essential inaccuracies. An audit includes test-based check of evidences confirming financial statement and notes thereto. An audit also includes assessment of the accounting principles used and grounds for selected conclusions made by management of the National Bank, as well as evaluation of the overall financial statement presented. We believe that audit conducted enables us to express a conclusion on the mentioned statement.

In our view, the indicated above consolidated financial statement provides accurate and reliable picture of the financial position of the National Bank as of end of day December 31, 2001 as well as results of its operations and cash flow within the year then ended in compliance with accounting policies developed and approved by the Governing Board of the National Bank.

Dag Gardner
Manager Partner

Talgat Turumbayev
Audit Manager

March 5, 2002



STATISTICAL ANNEXES

ANNEX 1.

Main macro indicators and financial market parameters

	1997	1998	1999	2000	2001
Macroeconomics	actual	actual	actual	actual	actual
GDP, bln. Tenge.	1672.1	1733.3	2016.5	2600	3285.4
Bln. \$ *	22.2	22.1	16.9	18.3	22.4
Real growth in %**	1.7	-1.9	2.7	9.8	13.2
Inflation, over period, %	11.2	1.9	17.8	9.8	6.4
Official refinancing rate, end of period, %	18.5	25.0	18.0	14.0	9.0
Minimal reserve requirements, %	10.0	10.0	10.0	8.0	8.0
Monetary base, bln. Tenge	115.4	81.4	126.7	134.4	175.0
Broad money (M3), bln. Tenge	173.0	148.5	273.9	397.0	569.1
Of which cash in circulation (M0), bln. Tenge	92.8	68.7	103.5	106.4	131.2
Money velocity (GDP annual/M3)	9.7	11.7	7.4	6.5	5.8
Monetization level, (M3/GDP annual), %	10.3	8.6	13.6	15.3	17.3
Foreign Exchange market					
Official Tenge rate, end of period	75.55	83.80	138.20	144.50	150.20
Average weighted market Tenge rate, end of period	75.89	84.00	138.25	145.40	150.94
KASE, trade volume, mln. \$	1124.7	1311.2	2117.0	1730.6	1952.00
Interbank forex market, trade volume, mln. \$	1622.9	2750.0	1983.6	3206.2	4577.9
Securities market					
<i>Government securities primary market of</i>					
Total Ministry's of Finance government securities in circulation, end of period, bln. Tenge	22.6	63.9	102.8	66.8	70.6
Issuance over period, bln. Tenge:	55.0	108.2	105.2	61.2	25.9
Total NBK's in circulation, end of period, bln. Tenge	6.8	11.8	6.1	48.5	17.6
Issuance over period, bln. Tenge:	77.6	61.0	66.2	132.5	116.4
Effective yields of Tenge notes, end of period, in %	11.5	25.7	14.40 (49 days)	7.0 (7 days)	5.55 (27 days.)
<i>Government securities secondary market</i>					
Total trades on MF's government securities, bln. Tenge	141.7	302.2	211.0	505.8	864.8
Average weighted yields, over period, in %	16.1	25.3	28.0	12.6	46.0
Banking system					
Credits to economy					
Total volume, bln. Tenge	71.7	93.4	148.8	276.2	489.8
To enterprises	67.6	87.7	140.6	261.6	459.0
To Population	4.1	5.7	8.2	14.6	30.8
Credits to small business, bln. Tenge	22.9	24.3	39.9	74.2	122.0
Average weighted interest on credits in national currency ***	21.5	17.3	20.5	19.1	15.9
Average weighted interest on credits in foreign currency***	17.1	20.3	20.4	14.9	13.6
Deposits (excluding non-resident accounts), bln. Tenge	80.2	79.8	170.4	290.6	437.9
Mln. \$	1061.6	952.3	1233.0	2011.1	2915.7
Population deposits (including non-residents), bln. Tenge	29.1	31.6	55.0	91.7	185.5
Mln. \$	385.5	377.4	397.7	634.5	1234.8
Payment system					
Quantity of payments, thousand transactions	6067.0	8691.1	8427.6	9838.4	11049.4
IMTS	3184.9	4979.9	6224.8	6511.7	3735.3
SRP	2882.1	3711.2	2202.8	3326.7	7314.3
Payment volume, bln. Tenge	2694.2	3368.9	4274.5	7034.2	10292.1
IMTS	2356.0	2900.4	4064.2	6767.6	9708.6
CPII	338.2	468.5	210.3	311.3	583.5

* at average annual official rate of the National Bank of Kazakhstan

** over respective period last year, accumulative

*** for last month of period



ANNEX 2.

BALANCE OF PAYMENTS OF REPUBLIC OF KAZAKHSTAN
(ANALYTICAL PRESENTATION)

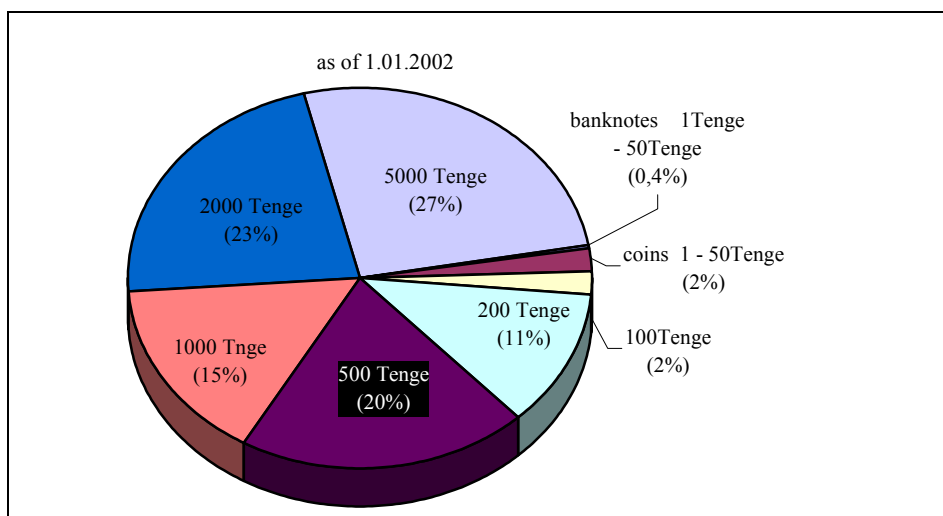
mln. US dollars

	2000	2000				2001	2001			
		I	II	III	IV		I	II	III	IV
A. Current Account	411,8	105,6	209,5	-28,8	125,4	-1748,1	5,7	-529,3	-478,7	-745,7
Trade balance	2439,9	494,8	655,1	500,6	789,4	895,7	425,7	174,4	210,1	85,6
Exports	9288,1	1849,7	2277,1	2368,6	2792,7	9119,7	2208,9	2482,1	2224,6	2204,1
Imports	-6848,2	-1354,9	-1622,0	-1868,0	-2003,3	-8223,9	-1783,2	-2307,8	-2014,5	-2118,5
Service balance	-1024,7	-160,1	-207,6	-336,0	-320,9	-1579,6	-242,3	-420,2	-447,7	-469,5
Exports	1131,3	232,8	276,8	302,1	319,7	1273,7	285,8	330,2	340,8	316,9
Imports	-2156,0	-392,9	-484,4	-638,1	-640,6	-2853,3	-528,1	-750,4	-788,4	-786,4
Income balance	-1194,4	-258,4	-267,9	-288,0	-380,2	-1214,2	-228,3	-339,7	-273,4	-372,8
Interest paid on credits and loans	-230,7	-51,7	-71,4	-35,3	-72,3	-237,3	-33,2	-71,0	-38,7	-94,3
Direct investment income	-934,2	-207,0	-190,4	-250,8	-286,0	-1019,7	-224,7	-259,2	-275,2	-260,6
Interest on NBK reserves and National Fund's assets	103,7	22,9	24,6	25,0	31,2	195,8	48,8	38,0	58,4	50,6
Other (net)	-133,2	-22,6	-30,7	-26,8	-53,2	-153,0	-19,1	-47,5	-17,9	-68,5
Current transfers	191,1	29,3	30,0	94,6	37,1	149,9	50,5	56,2	32,3	11,0
B. Capital and Financial account	1008,2	-86,4	240,3	554,9	299,3	2233,6	540,5	95,2	536,1	1061,8
Capital account	-290,5	-42,4	-66,8	-92,1	-89,3	-197,4	-34,0	-60,8	-77,9	-24,8
Including migrant's transfers	-264,2	-43,4	-68,2	-93,7	-58,9	-207,0	-36,0	-61,9	-79,9	-29,1
Financial account	1298,8	-44,0	307,1	647,0	388,6	2431,0	574,5	156,0	613,9	1086,6
Direct investment	1277,7	271,3	108,4	535,5	362,4	2759,7	931,4	475,2	526,3	826,9
Financing (net disbursement)	2688,3	513,4	562,9	751,8	860,3	4537,5	1286,9	945,8	1000,0	1304,8
Repaid	-1410,6	-242,1	-454,4	-216,2	-497,9	-1777,8	-355,5	-470,6	-473,8	-478,0
Portfolio investment	-62,5	-49,0	72,4	-20,3	-65,6	-1364,1	-678,2	-357,4	-252,1	-76,3
Of which Government Eurobonds	10,6	-39,1	91,1	-19,8	-21,5	-102,7	-35,3	-29,1	-24,1	-14,1
Other medium and long term investment	-68,5	-68,6	-68,5	35,6	33,0	477,2	236,8	39,8	204,8	-4,2
Trade credits	-157,6	-60,4	-25,3	3,2	-75,0	-35,1	20,7	-28,9	35,6	-62,5
Government guaranteed	-84,5	-14,4	-36,3	-4,5	-29,3	-66,8	0,8	-31,5	0,3	-36,4
Financing (disbursements)	54,3	8,5	9,0	18,4	18,3	68,7	12,6	16,7	23,4	16,0
Debt repayment (accrued)	-138,8	-22,9	-45,4	-22,8	-47,7	-135,5	-11,8	-48,2	-23,1	-52,4
Other (net)	-73,1	-46,1	11,0	7,7	-45,7	31,7	19,9	2,6	35,3	-26,1
Loans	89,1	-8,2	-43,2	32,4	108,0	302,3	6,1	68,7	169,3	58,3
Government of Kazakhstan	85,5	13,9	10,5	5,9	55,2	55,0	2,4	7,1	9,8	35,7
Financing (disbursement)	160,8	35,6	24,5	24,8	75,9	162,3	30,4	29,5	37,0	65,4
Debt repayment (accrued)	-75,3	-21,7	-14,0	-18,9	-20,7	-107,3	-28,0	-22,3	-27,2	-29,7
Other (net)	3,5	-22,1	-53,7	26,6	52,8	247,3	3,7	61,6	159,5	22,6
Other (net)	0,0	0,0	0,0	0,0	0,0	210,0	210,0	0,0	0,0	0,0
Other short term capital	152,1	-197,6	194,8	96,2	58,9	558,2	84,5	-1,6	134,9	340,3
C. Errors and omissions	-835,0	-55,8	-33,1	-220,7	-525,5	-101,0	-160,9	275,2	38,0	-253,4
D. Overall balance	585,1	-36,5	416,8	305,5	-100,7	384,4	385,3	-158,9	95,3	62,7
E. Financing	-585,1	36,5	-416,8	-305,5	100,7	-384,4	-385,3	158,9	-95,3	-62,7
Reserve assets of National Bank of Kazakhstan	-140,7	82,5	-18,4	-305,5	100,7	-384,4	-385,3	158,9	-95,3	-62,7
IMF credit	-444,4	-46,0	-398,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0



ANNEX 3.

Banknote structure of cash beyond the National Bank of Kazakhstan



Cash flows in second-tier banks

Cash flows	2000		2001	
	mln. Tenge	share, in %	mln. Tenge	share, in %
Cash inflows of second-tier banks	1 029 592	100,00	1 289 568	100,00
Sales of goods, services and works	366 859	35,63	459 831	35,66
Payment for communal utilities	35 556	3,45	42 451	3,29
Transport organizations	26 983	2,62	29 089	2,26
Communication enterprises	20 122	1,95	22 057	1,71
Sales of foreign currency	371 626	36,09	400 915	31,09
Individuals' deposits	40 493	3,93	73 598	5,71
Debt repayment by individuals and corporate clients	8 420	0,82	13 340	1,03
Taxes, charges and customs payments	30 169	2,93	33 817	2,62
Cash withdrawn from ATM	10 490	1,02	29 985	2,33
Other receipts	118 875	11,55	184 485	14,31
Received from National Bank	204 343	X	239 874	X
Total INFLOW	1 233 934	X	1 529 441	X
Cash outflows in second-tier banks	1 022 702	100,00	1 328 991	100,00
Payment for goods, services and works	224 569	21,96	340 682	25,63
Labor payment	230 153	22,50	206 840	15,56
Payments for agricultural products	88 704	8,67	94 523	7,11
Support of communication enterprises	5 226	0,51	5 248	0,39
Foreign currency purchases	83 529	8,17	115 994	8,73
Withdrawals from individuals' accounts	104 295	10,20	164 490	12,38
Loans to individuals and corporates	4 332	0,42	6 456	0,49
Payments of pensions and allowances	129 398	12,65	124 844	9,39
Cash supply of ATM	42 174	4,12	114 098	8,59
Other expenditures	110 323	10,79	155 815	11,72
Transferred to the National Bank	198 433	X	217 625	X
Total OUTFLOW	1 221 135	X	1 546 616	X



ANNEX 3 (continued).

Emission by oblasts

Branches Of the National Bank	2001			2000		
	Issuance	Withdrawal	Emission (+) Withdrawal (-)	Issuance	Withdrawal	Emission (+) Withdrawal (-)
CCO & VSU	13 677,4	114 543,6	-100 866,1	9 302,4	100 832,8	-91 530,5
Head office	20 735,1	9 814,1	10 921,0	14 194,1	5 407,6	8 786,5
Kokshetau division	7 075,0	3 078,5	3 996,5	4 594,3	2 417,5	2 176,8
Akt'yubinsk	7 698,5	5 940,1	1 758,4	7 110,9	6 580,2	530,7
Atyrau	15 309,9	1 067,6	14 242,3	12 034,6	1 871,3	10 163,3
Eastern Kazakhstan	34 509,2	9 652,7	24 856,5	25 810,8	11 934,1	13 876,8
Zhambyl	6 946,0	6 492,1	453,9	8 871,7	5 836,3	3 035,5
Western Kazakhstan	10 974,4	4 551,0	6 423,3	8 223,9	3 475,9	4 748,0
Karaganda	28 417,1	9 021,9	19 395,2	26 598,0	8 321,7	18 276,3
Kostanai	16 546,8	9 346,2	7 200,6	15 030,1	9 243,0	5 787,1
Kyzyl-Orda	14 452,8	342,2	14 110,6	12 973,1	338,3	12 634,8
Mangystau	13 472,0	4 494,6	8 977,4	9 967,1	3 556,5	6 410,6
Pavlodar	17 053,0	10 213,6	6 839,5	12 919,9	9 681,0	3 238,9
Northern Kazakhstan	13 014,6	6 235,8	6 778,9	10 508,1	5 160,7	5 347,4
South-Kazakhstan	13 304,5	11 040,2	2 264,3	13 991,3	11 479,6	2 511,7
Taldy Korgan	2 013,6	267,8	1 745,8	-	-	-
Almaty city branch	180,4	165,9	14,5	-	-	-
Total for Republic	235 380,3	206 267,7	29 112,6	192 130,3	186 136,4	5 993,9



ANNEX 4

Banking Sector Development

	As of 01.01.01	As of 01.01.02
Banking sector structure and transition to international standards by second-tier banks		
Number of banks (STB), of which:	48	44
-interstate	1	1
-100% stake of the Government of Kazakhstan	1	2
-banks with foreign participation	16	16
Number of STB's branches	418	400
Number of cash and settlement divisions in STB	964	1020
Number of STB's foreign representations	5	8
Number of non-resident banks in the Republic of Kazakhstan	15	12
Banks met the Program's requirements on STB's transition to international standards	1	12
I group classified banks	11	4
II group classified banks	24	17
Banks failed to meet Program's requirements	7	4
Banks, not incorporated in Program	1	2
Subsidiary banks, which parent non-resident banks have "A" rating	3	3
Banks, which are not subject to Program's requirements	1	2
<i>Dynamics of bank equity capital (bln. Tenge)</i>		
Total equity capital	97,6	122,3
1-st level capital	77,3	91,0
<i>Authorized capital</i>	68,5	76,6
<i>Additional capital</i>	5,4	8,8
<i>Retained income</i>	4,9	8,7
2-nd level capital	25,6	36,3
Current profit	6,7	6,6
Subordinated debt	10,1	15,3
Bank equity capital adequacy (in ratios)		
Ratio of equity 1 st level capital to consolidated assets (K1)	0,14	0,15
Ratio of equity capital to risk weighted assets (K2)	0,26	0,19
Ratio of equity capital too assets subject to classification	0,28	0,17
Ratio of equity capital to provisions	6,59	4,05
Ratio of equity capital to loan portfolio	0,34	0,23
Ratio of equity capital to bad loans	16,90	10,1
Structure of banking system authorized capital by ownership and residence, in %		
Total domestic capital, of which:	76,82	82,44
Government capital	10,95	31,56
Non-government domestic capital	65,87	50,88
Foreign capital	23,18	17,56
Dynamics and structure of bank assets (in bln. Tenge)		
Cash	20,8	26,9
Deposits	59,1	90,8
Credits	286,4	516,5
Securities	121,6	116,7
Investment	5,5	5,1
Fixed and intangible assets	23,1	22,8
Other assets	11,4	39,2
Total assets	527,9	818,0
Dynamics and structure of bank liabilities (in bln. Tenge)		
Clients' deposits	306,0	482,1
Interbank deposits	13,6	45,1
Interbank credits	17,5	49,3
Government credits	7,3	8,1
Other credits	23,6	29,7
Other liabilities	68,4	71,7
Total liabilities	436,4	686,0
<i>Dynamics and structure of clients' deposits (in bln. Tenge)</i>		
Total clients' deposits, of which:	306,0	482,1
Call deposits	149,8	182,9
Time deposits	156,2	299,2



	As of 01.01.01	As of 01.01.02
Total deposits, of which:	306,0	482,1
Corporate deposits, of which:	214,3	296,1
Call deposits	122,9	143,7
Time deposits	91,4	152,3
Individuals' deposits, of which:	91,7	186,0
Call deposits	26,9	39,2
Time deposits, of which:	64,8	146,9
Time deposits subject to insurance (guarantee)	60,1	97,4
<i>Dynamics and structure of bank income and expenditures, mln. Tenge</i>		
Interest income	46 130	73 136
Non-interest income	78 405	88 727
Emergency income	1 313	1 253
Total income	125 850	163 118
Interest expenditures	18 659	30 046
Non-interest expenditures	98 979	124 938
Emergency expenditures	793	664
Total expenditures	118 432	155 649
Income tax	691,2	864,6
Net income after income tax	6 727	6 604
Bank profitability (in percent)		
Ratio of net income before income tax to consolidated assets (ROA)	1,4	0,81
Ratio of net income before income tax to equity capital (ROE)	7,6	5,4
Ratio of interest income to consolidated assets	8,7	9,3
Ratio of credit interest income to consolidated loan portfolio	12,1	14,2
Ratio of net dealing income to consolidated net income before income tax	131,2	139,4
Ratio of interest expenditures to consolidated liabilities	4,3	4,4
Ratio of reserve costs to consolidated assets	2,8	3,8

Quality dynamics of assets and loan portfolio

Asset quality dynamics	As of 01.01.01		As of 01.01.02	
	bln. Tenge	% of total	bln. Tenge	% of total
Standard	327,3	81,9	548,4	75,8
Doubtful	66,2	16,6	160	22,2
Sub-standard	51,3	12,8	140,7	19,5
Unsatisfactory	9,3	2,3	12,4	1,7
Doubtful with high risk	5,6	1,4	6,9	1,0
Bad	6,0	1,5	14,8	2,0
Total	399,4	100	723,2	100
Dynamics of loan portfolio quality				
Standard	219,9	76,8	356,7	69,1
Doubtful	60,6	21,1	147,7	28,6
Sub-standard	46,8	16,3	130,2	25,2
Unsatisfactory	8,4	3,0	10,7	2,1
Doubtful with high risk	5,4	1,9	6,7	1,3
Bad	5,9	2,1	12,0	2,3
Total	286,4	100	516,5	100

Information on organizations engaged in some banking

Organization type	Quantity	Number of branches/ reception outlets	Authorized capital, mln. Tenge	Assets, mln. Tenge
Pawn-shops	45	155	378	957
Credit partnerships	19	-	649	662
Organizations engaged in some banking	33	51	4 611	73 136
Total:	97	206	5 638	74 755



Organizations engaged in some banking (mln. Tenge)

	Pawn-shops		Credit partnerships		Organizations engaged in some banking		Total	
	2001	2000	2001	2000	2001	2000	2001	2000
Paid-up authorized capital	378	233	649	35	4 611	4 166	5 638	4 434
Reserve capital	6		6		392	195	404	195
Fixed assets revaluation Fund			46				46	
Retained income of current year	49	32	4	4	653	510	706	546
Retained net income of past years	-6	-29	-268	1	1 621	1 379	1 347	1 351
Unpaid capital		5			167	1 292	167	1 297
Additional paid-up capital						6		6
Additional unpaid capital	5	5			319	329	324	334
Equity capital	432	236	437	40	7 429	5 293	8 298	5 569
Intangible and fixed assets	4		1		30	10	35	10
Fixed assets	150	73	79	18	3 953	2 800	4 182	2 891
Long-term investment					1 116	98	1 116	98
Participation in corporate capital		11			273	1 358	273	1 369
Receivable accounts	545	448			51 780	52 187	52 325	52 635
Other receivables (less reserves on doubtful debts)	43	42			6 031	5 795	6 074	5 837
Tangible stocks	18	6			1 267	1 135	1 285	1 141
Short-term financial investment					1 858	2 444	1 858	2 444
Money (including bank accounts less provisions on losses)	131	123	201	23	6 203	9 308	6 535	9 454
Credits and advances			328	49			328	49
Other assets	66	33	53	16	626	339	745	388
Total assets	957	736	662	106	73 137	75 475	74 755	76 316

ANNEX 5.

Some indicators of insurance market (mln. Tenge)¹

	1997	1998	1999	2000	2001
Total quantity of insurance companies (as of end of year)	68	71	70	42	38
Consolidated equity capital	1 101,9	1 685,3	2 469,3	4 617,0	5 208,4
Consolidated paid-up authorized capital	1 273,7	1 836,0	2 145,0	3 779,0	3 997,6
Insurance reserves	2 321,5	3 126,7	3 859,9	2 280,8	8 497,9
Assets	3 825,9	5 330,3	7 296,7	8 347,2	15 234,1
Income and expenditures	- 8,9	-172,9	521,3	554,1	607,4
Tax and other obligatory payments to budget (extra-budgetary funds)	140,8	216,5	193,4	350,7	338,0
Insurance bonuses	3 225,5	4 138,8	5 862,0	8 155,3	13 340,5
I. Life insurance – Total	88,0	30,9	36,8	1,5	96,2
II. General insurance – total, of which:	3 137,5	4 107,9	5 825,2	8 153,8	13 432,3
1. Obligatory insurance	1 891,5	1 542,9	1 340,8	1 124,9	1 116,3
2. Voluntary personal insurance;	452,8	712,4	902,4	1 106,8	1 515,8
3. Voluntary property insurance	793,2	1 852,6	3 582,0	5 922,1	10 612,2
Insurance payments	516,0	1 203,8	993,7	1 120,5	2 143,9
I. Life insurance – Total	103,3	16,8	4,2	5,2	8,7
II. General insurance – total, of which:	412,7	1 187,0	989,5	1 115,3	13 244,3
1. Obligatory insurance	184,2	486,7	524,8	495,7	567,3
2. Voluntary personal insurance;	160,6	350,1	286,9	269,5	569,5
3. Voluntary property insurance	67,9	350,2	177,8	350,1	998,4
Insurance premiums under re-insurance agreements		1 114,0	2 738,2	5 881,6	9 517,7

¹ Data for 1998 are given for the insurance companies, which have different foreign share. For 1999, (pursuant former insurance legislation) for insurance companies with foreign share not less than one third of paid-up authorized capital. After 1999 – based on terms of not less than 25%.



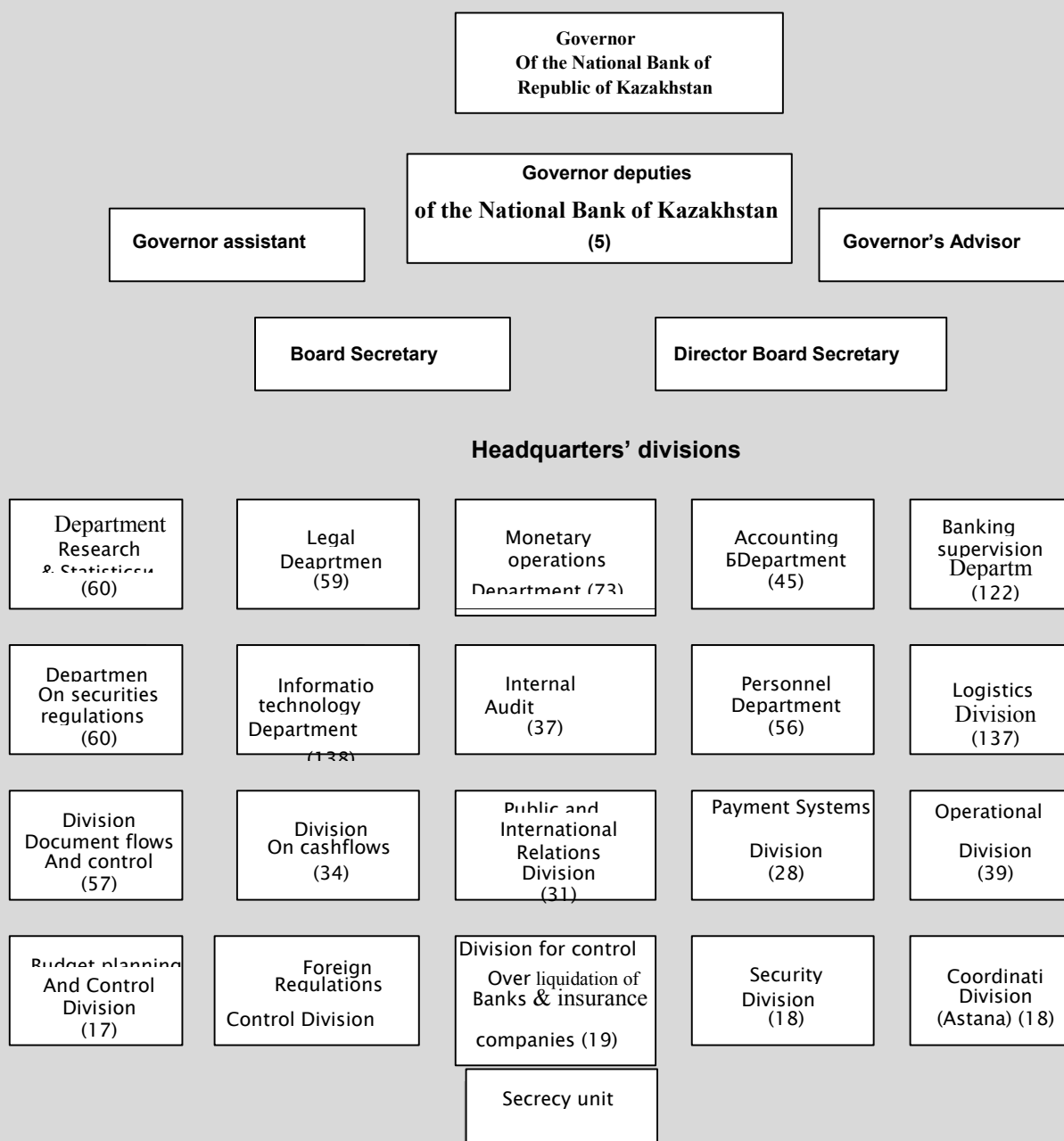
ANNEX 6

Share issues and changes in securities market institutional infrastructure

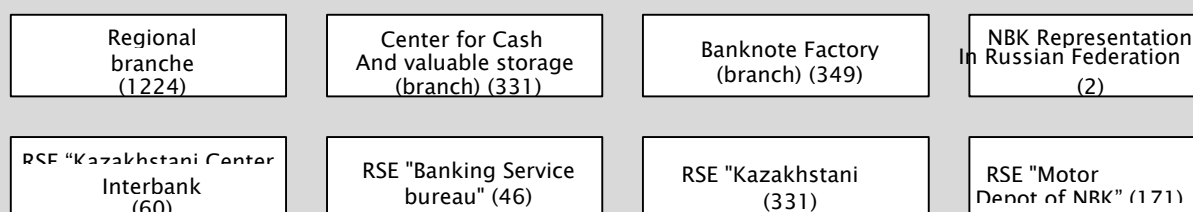
	as of 01.01.98	as of 01.01.99	as of 01.01.00	as of 01.01.01	as of 01.01.02
Share issues registered:					
Quantity	1417	698	207	217	100
Volume, mln. Tenge	206828,3	92498,0	80437,2	49593,0	31180,4
National ID numbers assigned:					
Quantity	-	180	390	377	477
Volume, mln. Tenge	-	na	42.92	53.68	72.03
Licensed professional operators					
Brokers-dealers	61	73	58	51	51
Banks	31	28	26	25	23
Non-banking organizations	30	45	32	26	28
Registrars	34	32	24	23	22
Custodians	4	9	11	12	11
Pension asset managing companies including State Pension Fund CJSC	-	9	8	8	8
Manufacturing of securities paper	-	-	1	1	1
Securities portfolio managers	-	-	1	2	3
Self-regulated organizations	-	-	2	2	2
Organizations training securities market specialists r	5	7	5	4	4
Quantity of joint stock companies, total	4624	2239	2374	2743	3040
Open JSC	3963	1793	1826	2004	2093
Close JSC	661	446	548	739	947



**Organizational structure of the National Bank of Kazakhstan
on December 31, 2001
(3641)**



Branches, organizations and representations of the National Bank of Kazakhstan





ANNEX 8

Staff Number of National Bank of Kazakhstan System

	Staff number as of end of reporting period			
	Staff		Actual	
	2000	2001	2000	2001
1	2	3	4	5
Headquarters	937	1083	876	956
Regional branches	1186	1224	1206	1222
Center for cash operations and valuable storage	383	377	385	376
Total financed by the NBK's budget	2506	2684	2467	2554
Banknote factory	348	349	321	318
Total for NBK's system	2854	3033	2788	2872
NBK's organizations (RSE)	621	608	578	600
Gross total	3475	3641	3366	3472

Personnel by categories

	Staff as of end of reporting period, units							
	2000				2001			
	Govern- ment employees	Technical support staff	Workers	Total	Govern- ment employee es	Technical support staff	Workers	Total
1	2	3	4	5	6	7	8	9
Headquarters	369	516	52	937	466	548	69	1083
Regional branches	72	981	133	1186	81	1006	137	1224
Center for cash operations and valuable storage	11	308	64	383	11	304	62	377
Total financed by the NBK's budget	452	1805	249	2506	558	1858	268	2684
Banknote factory	8	129	211	348	8	137	204	349
Total for NBK's system	460	1934	460	2854	566	1995	472	3033

ANNEX 9

Results of National Bank's operations for 1997 – 2001 (mln. Tenge)

Item	1997	1998	1999	2000	2001
Total income	10 671,4	10 092,8	18 839,4	34 799,2	43 425,2
Total expenditures	9 904,0	9 624,6	15 073,8	28 449,6	23 254,5
Net retained profit	767,4	468,2	3 765,6	6 349,6	20 170,7
General provisions	361,8	359,4	550,2	682,9	1 089,1
Total residual balance of retained profit	405,6	108,8	3 201,9	5 666,7	19081,6



ANNEX 9 (continued)

Income and Costs of Operations on Gold and Foreign Exchange Assets (mln. Tenge)

Item	Actual				Deviation	
	2001	share, %	2000	share, %	Absolute	Relative %
Income on refined gold operations	565,9	1,5	410,9	1,4	155,0	37,7
Income on foreign currency operations	10 859,0	28,7	16 824,2	56,4	-5 965,2	-35,5
Income on externally managed assets	6 060,30	16,0	1 547,3	5,2	4 513,0	3,9 times
Income on foreign currency securities operations	20 289,1	53,7	11 055,0	37,1	9 234,1	83,5
<i>Total income on GFE assets</i>	<i>37 774,3</i>	<i>100,0</i>	<i>29 837,4</i>	<i>100,0</i>	<i>7 936,9</i>	<i>26,6</i>
Costs of refined gold operations	27,1	0,4	39,1	1,3	-12,0	-30,7
Costs of foreign currency operations	323,9	4,3	1 855,5	60,3	-1 531,6	-82,5
Costs of externally managed assets	1 713,7				1 713,7	
Costs of foreign currency securities operations	5 383,8	72,3	1 183,7	38,5	4 200,1	4,5 times
<i>Total costs of GFE assets</i>	<i>7 448,5</i>	<i>100,0</i>	<i>3 078,3</i>	<i>100,0</i>	<i>4 370,2</i>	<i>142,0</i>
Operations outcome	30 325,8		26 759,1		3 566,7	13,3

Income and Costs in Domestic Market (mln. Tenge)

Item	Actual				Deviation	
	2001	share, %	2000	share, %	Absolute	Relative %
Income on government securities operations	2 736,6	94,7	3725,9	96,0	-989,3	-26,6
Income on operations with banks and financial organizations	138,9	4,8	139,4	3,6	-0,5	-0,4
Income on operations with non-financial organizations and individuals	14,8	0,5	16,2	0,4	-1,4	-8,6
Total income on domestic market operations	2 890,3	100,0	3 881,5	100,0	-991,2	-25,5
Costs of government securities operations	1 827,7	29,5	1645,2	46,2	182,5	11,1
Costs of operations with Government	4 235,0	68,4	1815,0	50,9	2 420,0	133,3
Costs operations with banks and financial organizations	132,7	2,1	104,6	2,9	28,1	26,9
Total costs of domestic market operations	6 195,4	100,0	3 564,8	100,0	2 630,6	73,8
Operations outcome	-3 305,1		316,7		-3 621,8	-943,6



ANNEX 9 (continued)

Other Income and Costs (mln. Tenge)

Item	Actual				Deviation	
	2001	share %	2000	share, %	Absolute	Relative %
Other income						
Other income						
- reimbursed expenditures	25,3	1,0	54,5	5,1	-29,2	-53,6
- nullified provisions	18,7	0,7	49,2	4,6	-30,5	-62,0
- other income	422,6	16,3	618,5	57,3	-195,9	-31,7
- contingent income	2 133,7	82,1	356,5	33,0	1777,2	498,5
<i>Total income</i>	2 600,3	100,0	1 078,7	100,0	1521,6	141,1
Total costs						
Costs of national currency issue and delivery	1 118,6	11,6	786,2	3,6	332,4	42,3
Costs of operations on fixed and intangible assets and tangible valuables	982,1	10,2	1 584,5	7,3	-602,4	-38,0
Costs of personnel	2 533,6	26,4	1 963,7	9,0	569,9	29,0
Costs on unrequited transfers	46,0	0,5	35,7	0,2	10,3	28,9
Administrative costs	590,1	6,1	521,2	2,4	68,9	13,2
Tax expenses	313,5	3,3	393,0	1,8	-79,5	-20,2
- of which taxes paid to budget	21,0	0,2	113,1	0,5	-92,1	-81,4
Other costs	4 020,5	41,9	16 520,7	75,8	-12500,2	-75,7
- of which costs of provisions	3 674,3	38,3	16 051,8	73,6	-12377,5	-77,1
<i>Total other costs</i>	9 604,5	100,0	21 805,0	100,0	-12200,6	-56,0

Output of National Bank's operations for 2001 (mln. Tenge)

	Income	In % of plan	Expenses	In % of plan	Consolidated income	Net income
Republican State Enterprises	1 924,33		1 626,67		297,66	145,50
Kazakhstani Mint	949,67	108,7	840,31	96,7	109,36	47,09
Kazakhstani Center for Interbank Settlement	673,96	107,5	413,36	95,7	260,60	179,96
Banking service bureau	128,95	101,2	125,82	100,1	3,13	1,65
Motor transport depot *	171,75	95,2	247,18	150,6	-75,43	-83,20
Joint stock companies:	884,40		638,52		245,88	245,88
Kazakhstani Individuals' deposits Insurance Fund	264,98	101,6	79,37	92,0	185,61	185,61
Processing Center **	28,29		24,97	39,2	3,32	3,32
Kazakhstani mortgage company **	106,59		51,14	84,5	55,45	55,45
National Information Technology	484,54	94,4	483,04	90,2	1,50	1,50
Total	2 808,73		2 265,19		543,54	391,38
Banknote factory	2 183,30	103,4	2 037,69	114,4	145,61	145,61

* expenses exceed planned ones due to write-off of old car fleet

** due to establishment of organizations in 2001 and their operation launch, no income was planned