



Alexander Viktorov
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Market Price
USD 7.75

Free Float: 10%

Bank Forum **EGM Alert**

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Target Price
Pending

At an EGM on October 28, 2005, Bank Forum's shareholders voted to increase the bank's statutory capital by UAH 100 mln (USD 19.8 mln at an exchange rate of 5.05 UAH/USD) to UAH 370 mln (USD 73.3 mln) through an additional share emission. The bank will issue 10,000,000 (ten million) common shares at a par value of UAH 10.00 (USD 1.98).

The subscription period for the new share issue is November 15, 2005 through May 1, 2006. All shareholders as of November 15, 2005 will be allowed to subscribe at par value.

Although we do not possess the minutes from the EGM yet (we expect to receive it by Thursday, November, 4), in our meeting yesterday with the bank's management we were reassured that every effort will be made to observe the rights of those shareholders participating in the company's GDR program to subscribe for the newly issued shares at a pro-rata basis at par value.

Starting November 15, all interested GDR program participants can submit their applications to the Bank of New York (BNY) along with their GDR ownership confirmation. The Bank of New York has reassured us that this procedure is quite standard. Within a week's period the BNY's coordinator for the Bank Forum issue will arrive in Kyiv to discuss the details of the procedure with Forum's management. We will provide constant updates on the issue as more information becomes available. We will also be initiating coverage of Bank Forum early next week.

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