

WEEK OF STOCK MARKET OF KAZAKHSTAN June 28 - July 4

1 US dollar = **146.60** tenge at official rate for the end of the period
1 US dollar = **146.82** tenge at weighted average rate of the Exchange for the end of the period

YIELD OF STOCK EXCHANGE INSTRUMENTS

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during June 28 - July 4. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness within specified groups.

Investment attractiveness of stock exchange instruments from June 28 through July 4

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
Instruments denominated in national currency, tenge				
MEOKAM, MEAKAM	KZT	10.11 (9.53)	1,787.7 (1,477.3)	12,178.5 (10,080.3)
CS repo	KZT	*8.90 (*4.87)	183.2 (147.8)	1,248.8 (1,008.4)
MEKKAM, notes	KZT	*5.60 (*3.80)	563.1 (306.6)	3,836.3 (2,092.2)
GB repo	KZT	*3.78 (*6.49)	5,806.6 (4,793.8)	39,557.2 (32,711.0)
Instruments indexed to the US dollar				
VITAb2	USD	13.54 (13.54)	0 (0)	0 (0)
SMGZb1	USD	13.00 (13.00)	0 (0)	0 (0)
CCBNb1	USD	11.12 (11.13)	0 (0)	0 (0)
HSBKb	USD	11.00 (11.21)	151.9 (150.5)	1,036.9 (1,027.3)
KZASb1	USD	11.00 (11.20)	0 (0)	0 (0)
ASFib1	USD	10.50 (–)	735.9 (0)	5,019.5 (0)
KARMB1	USD	10.34 (10.35)	0 (0)	0 (0)
KZTOb	USD	10.19 (9.87)	99.1 (146.1)	676.6 (997.5)
BTASb1	USD	9.20 (9.20)	0 (0)	0 (0)
SYRb1	USD	8.50 (8.50)	0 (0)	0 (0)
KZOLb	USD	8.32 (9.22)	0 (48.5)	0 (330.9)
TEBNb	USD	7.75 (8.14)	0 (0)	0 (0)
RGBRb2	USD	7.45 (12.50)	0 (12.2)	0 (83.3)
ATFBb	USD	7.35 (7.70)	0 (1.5)	0 (10.3)
KKGBb	USD	5.02 (5.03)	0 (0)	0 (0)
Instruments denominated in US dollars				
KKGBe2	USD	9.20 (9.20)	0 (0)	0 (0)
VKU	USD	8.35 (–)	265.7 (0)	1,810.2 (0)
Euronotes-4	USD	7.28 (7.29)	1,981.8 (578.2)	13,501.0 (3,945.7)
Euronotes-3	USD	7.04 (7.03)	713.9 (798.4)	4,863.3 (5,488.1)
Euronotes-2	USD	6.09 (6.02)	1,215.9 (729.5)	8,283.0 (4,977.8)

Notes: Yields of ASFib1, HSBKb and KZTOb are calculated as average of the deals. Yields of other corporate bonds are calculated as average of offer bids.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **6.97% APR**.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them. The yields of all bonds with more than a year maturity term are calculated on a semiannual basis.

INDICATORS OF INTERBANK DEPOSIT MARKET

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

Term	Currency	Rate	Trend
1 week	KZT	7.83	+0.08
2 weeks	KZT	8.67	+0.29
1 month	KZT	9.50	+0.25
2 months	KZT	10.33	+0.08
3 months	KZT	11.33	+0.33

During the period the direction of indicative rates of interbank deposits market changed again. Under budgetary payments by the results of the quarter, as well as a very low repayment volume of GS, the rates began to increase gradually, which could be noticed by the rates for the shortest period. However, the financial market liquidity remains high.

THE CORPORATE SECURITIES SECTOR (CS)

Results of the week

On June 29, 2001 initial additional offering auction for the sixth issue of Almaty Merchant Bank OJSC inscribed preferred shares (KZ1P35970618, category "A", trade ATFBp) was held in the trade system of the KASE. The face value of shares is KZT1,000 issued in non-documentary form and do not provide with the voting rights and guarantee a 12% APR of face value dividend to their owners. Total volume of issue - 400,000 shares. The issuer plans to offer 95,614 shares. The bids were satisfied at submitted prices.

The bids were submitted by two participants for **135,614 shares** amounting to KZT135,574,000. Based on the number of shares, demand exceeded the supply 1.4 times. Weighted average price of the shares based on submitted bids equaled KZT999.71. After the cut-off procedure the issuer floated **all planned volume** – 95,614 shares. All shares have been placed at face value. Actual volume of satisfied bids equaled **KZT95,614,000**. All shares have been bought by **using the pension assets**.

Based on the information, state by the issuer previously, it should be noted that this auction ends the floatation of all sixth issue of AMB OJSC shares for a total of KZT1,211,100,000.

During observed period 16 deals amounting to **\$7,008.7 th.** (KZT1,027.4m) were made in **purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$3,384.4 th., KZT495.9m, 32 deals) weekly turnover of the sector increased 2.1 times. It was mostly due to the initial offering of Astana-finance OJSC bonds held in the trade system of the KASE using uninterrupted counter auction mode. Therefore, these securities were the most traded ones during this week, with their proportion reaching 71.6% of the sector's turnover. Then, there were **bonds of Halyk Bank of Kazakhstan OJSC** (14.8%). Of 16 deals 3 were direct deals, the rest were made by the brokers using the main trade mode of the KASE. The deals were made in 5 instruments, and 12 – for last week.

By the last deals of the period the price of AMGZp increased 4.9 times relative to the previous successful trades. The first deal was made in ATFBp at \$6.82 per share since their admittance to the KASE trade lists. The yields of HSBKb bonds fell from 11.21% to 11.00%, KZTOb – from 9.30% to 9.26% APR. The bonds of Astana-finance OJSC are traded at 10.50% APR so far.

The index KASE_Shares rose by 1.6278 (1.59%) during the week, at **103.9277** at July 4 closing. This change is mainly explained by an increase in bids of Bank TuranAlem OJSC common shares, UKTMK OJSC common shares, and Kazakhtelecom preferred shares. Decline in bids of Bank CenterCredit OJSC common shares, and VALUT-TRANZIT BANK OJSC common and preferred shares had a negative impact on the index dynamics.

The dynamics of the indexes of corporate bonds market (changes during the week are in parentheses) is as follows: **KASE_BY – 11.19 (-1.97%)**, KASE_BP – 115.39 (+0.82%), KASE_BC – 105.03 (+0.68%). Last week KASE_BY index decreased by 1.27%. The change in KASE_BY index reflects the decline trend in corporate bonds yields, which was about to start at the Exchange a month ago and is becoming more clear.

On July 4, 2001 **the capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$821.8m** or KZT120.7bn at tenge to dollar rate of the Exchange, effective on that date. The comparison of this indicator relative to the last day of previous week is incorrect, since from July 1, 2001 the capitalization of the equity market of the Exchange reflects only the total value of only those companies, whose shares have been admitted into the official list of the Exchange. Previously, the capitalization included the values of shares from the Non-listed securities floor.

The capitalization of corporate bonds market of the Exchange by their best ask prices, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$251.9m** as of July 4, or KZT36,981.7m. In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$277.0m** as of this check date, or KZT40,669.9m. Growth in the capitalization parameters of this market segment by \$10.0m is explained by the admittance of Astana-finance OJSC coupon bonds into the trade lists of the KASE (see below).

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 June 28 - July 4

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.1540	0.3080
Almaty Kus OJSC	ALKSp			0	0.0900	0.1700
CNPC-Aktobemunaigas OJSC	AMGZp	*17.50	17.50	50	17.50	17.50
Astana-finance OJSC	ASFI	*10.000		0	5.000	10.000
AMB OJSC	ATFBp	6.870	6.870	40 000	6.870	6.870
Bank TuranAlem OJSC	BTAS	73.07		0	71.70	72.20
Bank CenterCredit OJSC	CCBN	1.1596		0	1.1592	1.3620
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324		0	0.6100	1.2200

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Results of the trades in shares from June 28 - July 4

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0.2500	0.5000
Kazakhtelecom	KZTK	*12.000		0	12.000	16.500
Kazakhtelecom	KZTKp	11.550		0	11.500	12.000
Raushan OJSC	RAUS			0		*4.1500
SAUR OJSC	SAYR			0		*0.3400
SHNOS OJSC	SYRG	1.6300		0	1.3000	
TEMIRBANK OJSC	TEBN	*1.095		0	1.360	6.810
TEMIRBANK OJSC	TEBNp			0	1.360	6.810
ULBA JSC	ULBAp	*10.00		0		*10.23
UKTMK OJSC	UTMK	35.000		0	22.000	40.000
UKTMK OJSC	UTMKp	28.0000		0		40.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5032		0	1.3638	2.4857
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	1.5684	2.9147

Results of the trades in bonds from June 28 - July 4

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

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Astana-finance OJSC	ASF1b1	USD	10.5000	10.5000	5 019.53	10.5000	10.5000
AMB OJSC	ATFBb	USD	7.7025		0	7.6616	7.4521
Bank TuranAlem OJSC	BTASb1	USD	11.5000		0	10.1610	9.2002
Bank CenterCredit OJSC	CCBNb1	USD	11.6998		0	11.9954	11.1266
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.0000	11.0000	1 036.94	11.0000	11.0000
Karazhanbasmunai OJSC	KARMB1	USD	10.2001		0	11.7118	10.3423
KAZKOMMERTSBANK OJSC	KKGBb	USD	7.00		0	10.01	5.04
KAZKOMMERTSBANK OJSC	KKGBe2	USD			0	11.1972	9.2042
DAGOK Kustanaiasbest OJSC	KZASb1	USD	11.7958		0	12.0020	11.0024
NOC Kazakhoil CJSC	KZOLb	USD	9.2036		0	9.2037	8.8050
NOTC KazTransOil CJSC	KZTOb	USD	9.2637	10.1874	676.58	9.2331	10.3574
RG Brands OJSC	RGBRb2	USD	12.4999		0	7.8797	7.4731
SHAHARMUNAIGAS OJSC	SMGZb1	USD			0	18.9971	13.0012
SHNOS OJSC	SYRGb1	USD			0	11.9959	8.5015
Temirbank OJSC	TEBNb	USD	10.8609		0	23.1090	7.9469
VITA LLP	VITAb2	USD	*14.0093		0	14.4760	13.5416

Notes: bid and ask prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

In CS repo sector 8 deals were made for a total of \$1,848.0 th. (KZT271.0m). Of this number, 6 deals (\$1,248.8 th.) were repo opening deals and 2 (\$559.3 th.) – closing deals. Last week volume of deals reached \$8,408.7 th. (KZT1,232.5m).

On July 4 evening 19 CS repos in tenge and U.S. dollars were opened on the trade floor of the Exchange for a total of **\$9,864.0 th.** Common and preferred shares of VALUT-TRANZIT BANK OJSC, common shares of Bank TuranAlem OJSC, common shares of Bank CenterCredit OJSC, preferred shares of Kazakhtelecom, bonds of VITA LLP were used as the object of repo deals. The terms vary from 27 to 30 days, and rates from 14.95% to 14.97% APR for tenge denominated repos, and 4 to 130 days, 5.86 to 14.73% APR for USD denominated repos.

Total of 24 deals amounting to **\$8,856.7 th. (KZT1,298.4m)** were made in securities **on trade floors of KASE** during last week (purchase and sale and repo sector). A week ago volume of 45 deals was \$11,793.1 th. (KZT1,728.5m).

June results

Due to the end of the month the agency IRBIS has analyzed the results of June in all sectors of the securities trades of the Exchange. Total volume of 111 deals in corporate securities were made in all sectors of the market for a total of \$28,010.3 th., or KZT4,104.0m at current rate of the Exchange effective on the day the deals were made on. Following are the tables showing the securities market at the Exchange in June 2001.

Most tradable securities at the KASE in June 2001 (including repo sector and primary market)

Code	Brief title of the issuer	Volume of deals, USD th.	Volume of deals, KZT m	Volume of deals in Number securities of deals
BTAS	Bank TuranAlem OJSC	8,117.5	1,190.0	113,749
HSBKb	Halyk Bank Kazakhstan OJSC	5,148.2	753.6	50,000
VTBN	VALUT-TRANZIT BANK OJSC	3,387.0	496.5	1,283,000
VTBNp	VALUT-TRANZIT BANK OJSC	2,527.1	370.1	1,449,212
KZTOb	NOTC KazTransOil CJSC	2,442.4	357.6	24,608
KZOLb	NOC Kazakhoil CJSC	1,983.7	290.6	19,930
ASFI	Astana-finance OJSC	1,361.4	199.5	204,000
VITAb2	VITA LLP	764.9	112.0	7,574

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Most tradable securities at the KASE in June 2001 (including repo sector and primary market)

Code	Brief title of the issuer	Volume of deals, USD th.	Volume of deals, KZT m	Volume of deals in Number securities of deals
ATFBp	AMT OJSC	651.3	95.6	95,614
CCBN	Bank CenterCredit OJSC	562.7	82.5	368,869
KZASb1	DAGOK Kustanaiasbest OJSC	342.9	50.3	3,300
BTASb1	Bank TuranAlem OJSC	197.5	28.9	1,860
MMGZp	Mangistaumunaigas OJSC	131.4	19.2	27,667
KARMb1	Karazhanbasmunai OJSC	101.4	14.8	1,000
RGBRb2	RG Brands OJSC	83.3	12.2	780
TEBNb	Temirbank OJSC	51.8	7.6	500
KZTK	Kazakhtelecom	50.1	7.3	5,000
ALKZ	Aluminii Kazakhstana OJSC	30.5	4.5	44,177
UTMKp	UKTMK OJSC	28.0	4.1	1,000
KZEMp	Kazakhoil-Emba OJSC	20.3	3.0	10,645
ATFBb	AMB OJSC	10.3	1.5	100
KZCR	TNC Kazchrome OJSC	6.9	1.0	1,004
ZERD	ZERD OJSC	6.8	1.0	1,000
ALKZp	Aluminii Kazakhstana OJSC	2.0	0.3	4,944
AMGZp	Aktobemunaigas CNPC OJSC	0.9	0.1	50
ALTU	Alatau OJSC	0.0	0.0	1

Comments: The securities were sorted in descending order based on the volumes of deals expressed in U.S. dollars. The volumes of the deals are given for all sectors of the market, including repo deals and initial offerings. 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.

Monthly volumes of deals with securities at the KASE in a year 2001 grouped by months (th. US dollars)

Month	Sector of the securities exchange market			Total
	Primary	Purchase and sale	Repo	
January	0	5,557.2	1,239.7	6,796.9
February	0	9,695.4	3,118.5	12,813.9
March	0	15,363.8	7,084.4	22,448.2
April	0	12,110.8	8,328.6	20,439.4
May	0	12,108.8	8,669.6	20,778.4
June	651.3	11,896.5	15,462.4	28,010.3
TOTAL	651.3	66,732.5	43,903.2	111,287.1

Comments: IRBIS specialists warn that hidden repo deals can be made at the securities purchase and sale sector of the KASE, therefore the volumes of deals shown for this segment of the market can include the volumes of such deals.

In 2000, volumes of securities operations at KASE equaled to \$138,508.6 th. For the first six months of 2001 it grew up 2.9 times or by \$72,494.9 th.

KASE defined list of companies - leading operators of the Kazakhstani securities market for April-June of 2001. The rating is made according to portion of concluded deals in aggregate gross turnover of trades (total of purchased and sold shares and bonds). The rating included purchase-sale deals (52.7% of the secondary market) and direct and reverse repo operation (47.3%). Initial offerings of the securities, conducted at the Exchange, were considered separately (see below). The position of each entity was expressed in currency of the payments, i.e. U.S dollars. In total, 23 companies participated in securities trades at KASE (banks, broker-dealer companies, pension assets management companies). Below is the list of 5 the most active operators, which controlled 79.4% of the secondary market, given in descending order. The position of the broker in year 2001 is given in the parenthesis.

The list of the most active operators of the Kazakhstani corporate securities market at the Exchange in April-June 2001

Position	Brief title of a company	Share in gross volume of trades, %
1 (2)	INVESTMENT MANAGEMENT GROUP LLP (Almaty)	24.8
2 (1)	TuranAlem Securities LLP (Almaty)	21.0
3 (3)	R.G. Securities LLP (Almaty)	17.9
4 (8)	Halyk Bank Kazakhstan pension assets management company (Almaty)	8.5
5 (4)	Kazkommerts Securities OJSC (Almaty)	7.2

Changes in KASE trade lists

From **On July 02, 2001**, by the decision of the Exchange council of the Kazakhstan Stock Exchange (KASE), of the same date, **the first issue inscribed coupon bonds Astana-finance OJSC** (Astana; KZ2CUY02A356) were admitted entered into official list of the KASE securities under category "A". Trade code of the bonds ASFIb1. The quotation accuracy of ASFIb1 in the trade system of the KASE is set at four decimal points. The market-maker status is granted to financial consultant of the issue Fondovii-service CJSC (Almaty). Volume of minimal quotations - 30 bonds. Trades will be opened on July 03, 2001.

From **July 03 to 06, 2001**, registered coupon bonds of Astana-finance OJSC (KZ2CUY02A356, category "A", ASFIb1; \$100; \$10m; July 02, 2001-July 02, 2003; semiannual coupon - 9.0% APR) will be traded under special settlement mode. On July 03, 2001 settlements will be made on "T+3" term, July 04 - "T+2", July 5 - "T+1", July 6 - "T+0." In other words, payments over all deals will be made on Friday, July 06, 2001. Besides, all commission fees set by the Exchange on participants of trades over ASFIb1 will be paid by the market-maker and financial consultant of Astana-finance OJSC, Fondovii servis CJSC.

Issue parameters and the results of initial offering are given in a special review (see below).

From **July 2, 2001**, by the decision of KASE Board, dated July 2, 2001, **common inscribed shares** (KZ1C30950413, GEOT) of **Azimuth Energy Services OJSC** (Almaty) were transferred from the first to second admission level of "Non-listed securities" sector. The downgrade was stipulated by the issuer's failure to execute requirements set by internal regulation of KASE "Non-listed securities sector admission procedure."

SECTOR OF GOVERNMENT BONDS (GB)

Results of the week

In **GB purchase and sale sector** of KASE total volume of 114 deals equaled **KZT6,528.1m**. Last week the turnover did not exceed KZT3,890.1m with 103 deals made. In the opinion of IRBIS analysts, growth in trade volume was due to insignificant volume of GS offering on the primary market. Regular trades in recently floated bonds of Eastern-Kazakhstan region (EKR) draws the attention. The deals in these bonds were made almost daily, which was not typical to other municipal bonds. Turnover structure of GS almost did not change during the week.

Parameters of stock exchange transactions in GS from June 28 - July 4

(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		
Discounted GS: notes				8.6% (7.9%) of purchase and sale sector's turnover		
15 - 28	5.05	5.05	5.05	5.05 (4.57)	29.9	1
43 - 56	5.32	5.32	5.32	5.32 (5.62)	1.5	1
57 - 63	5.30	5.73	5.73	5.55 (-)	283.9	3
64 - 91	5.38	5.57	5.45	5.44 (3.44)	247.9	8
Total					563.1 (306.6)	13 (6)
Coupon GS, KZT denominated: MEOKAM-24, 36, MEAKAM-120				27.4% (38.0%) of purchase and sale sector's turnover		
379 - 475	8.03	9.10	8.03	8.62 (8.02)	217.7	4
609 - 997	7.53	13.44	10.05	9.77 (10.73)	886.5	30
1,000 - 2,373	9.03	11.32	11.27	11.02 (8.72)	683.5	9
Total					1,787.7 (1,477.3)	43 (46)
Coupon GS, USD denominated: VKU-36				4.1% (0%) of purchase and sale sector's turnover		
1,080 - 1,085	8.35	8.36	8.36	8.35 (-)	265.7	9
Total					265.7 (0)	9 (0)
Euronotes of Kazakhstan, USD				59.9% (54.1%) of purchase and sale sector's turnover		
*448 - 454	6.00	6.19	6.06	6.09 (6.02)	1,215.9	18
**1,184 - 1,190	6.95	7.11	6.95	7.04 (7.03)	713.9	12
***2,107 - 2,113	7.21	7.34	7.21	7.28 (7.29)	1,981.8	19
Total					3,911.6 (2,106.2)	49 (51)
SUBTOTAL					6,528.1 (3,890.0)	114 (103)

Notes: for euronotes (* - second issue, ** - third issue, *** - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange.

By the results of the week the dynamics of the KASE indexes that indicate the condition of the market of Kazakhstani sovereign debt at the Exchange is as follows (in parentheses - weekly changes): **KASE_EY** - equaled **7.03 (-0.76%)**; **KASE_EP** - 127.35 (+0.25%); **KASE_EC** - 112.84 (+0.10%). Last week **KASE_EY** increased by 0.43%. No principal changes were observed here.

In **GS repo sector 118 deals for a total of KZT13,363.0m** were made during the period. Of this number 50 deals (for KZT5,806.6m) were repo opening deals and 68 (KZT7,556.4m) were repo closing deals. Last period the turnover of this sector of the market reached KZT11,242.9m. After closing of the trades on July 4 total

amount of opened repo equaled **KZT3,820.2m**. Current weighted average rates as of July 4 (% APR) equaled: for 1 day – 2.99; for 2 days – 3.24; for 3 days – 2.99; for 6 days – 4.29; for 21 days – 6.28; for 24 days – 6.49; for 27 days – 6.60; for 28 days – 6.48; for 29 days – 6.59; for 30 days – 6.20.

Total of 232 deals amounting to **KZT19,891.1m** were made in **GS on trade floors of KASE** during last week (purchase and sale and repo sector). A week ago volume of 219 deals was KZT15,133.0m. This week **the proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled **88.1%**, for last week it was 85.3%.

June results

In June of year 2001, 800 deals for a total of **KZT51,899.6m** (\$354.1m at the current exchange rate of KASE) were made in all sectors of the government securities (GS) market of KASE. In last month, total volume of 935 deals totaled KZT66,201.7m (\$453.0m). In June the share of the Exchange's turnover in total volume of the deals made on the Kazakhstani secondary market of GB based on comparable operations (including euronotes and repo deals) equaled 70.2% (in May – 88.7%).

Table of monthly volumes of deals in GS at KASE in 2001 (KZT, mln)

Month	GS sector of the stock exchange market			Total
	Primary	Purchase-sale	Repo	
January	0	16,630.8	65,433.5	82,064.4
February	0	21,351.7	30,669.9	52,021.6
March	0	17,922.6	45,427.5	63,350.1
April	0	24,666.1	45,248.0	69,914.2
May	0	24,732.3	41,469.4	66,201.7
June	500.0	21,336.0	30,063.6	51,899.6
TOTAL	500.0	126,639.6	258,311.9	385,451.4

In year 2000 volume of GS operations at KASE estimated at KZT446,886.9m. In first six months of 2000 corresponding figure equaled KZT135,688.0m. Thus, compared to similar period of 2000, in this year volume of GB operations at KASE increased 2.8 times, or KZT249.8m.

KASE defined list of companies - leading operators of the KASE government bonds market for June 2001. The rating is made according to portion of concluded deals in aggregate gross turnover of trades (total of purchased and sold bonds). The rating included purchase-sale deals (41.5% of the secondary market) and direct and reverse repo operation (58.5%). The position of each entity was expressed in currency of the payments, i.e. tenge. In total, 22 companies participated in trades with GB at KASE (banks, broker-dealer companies, pension assets management companies and SAPF). Below is the list of 10 the most active operators given in descending order.

The list of the most active operators of the Kazakhstani government securities market at the Exchange in June 2001

Position in June 2001	Position in May 2001	Brief title of a company	Share in gross volume of trades, %
1	2	Bank TuranAlem OJSC (Almaty)	13.0
2	6	Bank CenterCredit OJSC (Almaty)	12.7
3	4	Pension Asset Management Company of Halyk Bank of Kazakhstan CJSC	10.6
4	1	AMB OJSC (Almaty)	9.0
5	5	Halyk Bank Kazakhstan OJSC (Almaty)	8.2
6	12	PAMC JETYSU CJSC (Almaty)	7.9
7	3	State Accumulative Pension Fund CJSC, (SAPF, Almaty)*	7.4
8	9	TEMIRBANK OJSC (Almaty)	4.9
9	11	KAZKOMMERTSBANK OJSC (Almaty)	4.19
10	10	Bank Caspian OJSC (Almaty)	4.18

* – market-maker of Kazakhstani euronotes of fourth issue in Sector of small lots of KASE

INFORMATION ON COMPANIES

KAZKOMMERTSBANK OJSC (Almaty) sent official letter to the KASE on making following amendments to the agenda of an extraordinary general shareholders meeting, which is to be held **on July 12, 2001**:

- On subsidiaries of KAZKOMMERTSBANK OJSC.
- On issue of KAZKOMMERTSBANK OJSC preferred shares.

The meeting will be held at: 135J, Gagarin Ave., Almaty. In case of the absence of quorum, the meeting will be held again on July 13, 2001.

Also, KAZKOMMERTSBANK OJSC (Almaty) informed the KASE on convocation of an extraordinary general shareholders meeting, which is to be held **on July 30, 2001** with the following agenda:

- On financial results of KAZKOMMERTSBANK OJSC in the first half of 2001.
- On approval of the bank's retail business strategy.

The meeting will be held at: 135J, Gagarin Ave., Almaty. In case of the absence of quorum, the meeting will be held again on July 31, 2001.

Kazakhtelecom (Astana; telephone, telegraph, television and radio communication of all kinds) provided the KASE with its financial statements for the first quarter of 2001: balance sheet and income statement.

Comparable figures of financial and economic activities of Kazakhtelecom in I quarter of 2001

(in th. KZT, unless otherwise specified)

Ratio	As of Apr.1 '00	As of Apr.1 '01	Change, %
Authorized capital	12,136,529	12,136,529	0.0
Shareholders' equity	36,362,504	37,117,031	+2.1
Total assets	58,777,703	61,805,948	+5.2
Net working capital	2,073,102	-2,428,565	-217.1
Accounts receivable	7,143,429	7,153,760	+0.1
Accounts payable	5,693,579	6,763,421	+18.8
Sales	8,574,679	10,114,529	+18.0
Cost of goods sold	4,417,571	5,442,761	+23.2
Net income (loss)	2,744,669	2,969,547	+8.2
Book value of a share, KZT	2,996.12	3,058.29	+2.1

Compared to similar period of 2000 (all figures are given in tenge unless otherwise indicated): **shareholders' equity** of the company increased by 754.5m or by 2.1% (increase in final amount of undistributed profit by 2.3bn, with a decrease in fixed assets re-evaluation amount by 1.4bn and additional paid-up capital – by 125.3m); **assets** grew by 3.0bn or 5.2% as a result of long-term assets increase by 5.9bn (incomplete construction – by 3.6bn, investments into subsidiaries – by 1.2bn, fixed assets and intangible assets – by 1.0bn), with a decline in current assets by 2.9bn; **liabilities** increased by 2.3bn, or 10.1% due to an increase in credits attracted by 1.3bn and accounts payables – by 1.0bn. **Sales** increased by 1.5bn, or 18.0% relative to similar period of 2000, and **cost of goods sold** – by 1.0bn, or 23.2%, **expenses of the period** increased by 56.3m, or 4.5%. As a result, **net income** received by Kazakhtelecom in Q1 2001 equaled 3.0bn, or 224.9m or 8.2% more than in corresponding period of 2000.

Kazakhstan Temir Joly NSE (Astana), provided the KASE with auditing report of Ernst&Young (Almaty, Kazakhstan) made on its 2000 consolidated financial statements. Based data of an independent auditor the following are financial and economic results of the issuer's activity as of December 31, 2000 and 1999

Comparable figures of financial and economic activities of Kazakhstan Temir Joly NSE based on Ernst & Young data

(in th. USD, unless otherwise specified)

Indicator	1999	2000
Authorized capital (paid)	10,820	10,820
Shareholders' equity	682,350	773,328
Total assets	1,028,959	1,035,937
Net working capital	-11,515	48,235
Accounts receivable	63,106	44,252
Liabilities	346,609	262,609
Long-term loans	132,067	89,207
Short-term loans	13,124	41,890
Accounts payable (net)	189,772	119,634
Sales	660,747	866,818
Cost of sales	569,291	680,193
Net income (loss)	113,567	90,978
Calculated based on the auditor's data:		
Return on sales (ROS), %	13.8	21.5
Return on equity (ROE), %	16.6	11.8
Return on assets (ROA), %	11.0	8.8

Auditing of Kazakhstan Temir Joly NSE and its affiliates was conducted by Ernst&Young according to International Accounting Standards. Audited financial report is different from the report of issuer which was prepared according to book keeping standards of Kazakhstan, as a result of its correction in order to meet International Accounting Standards (IAS).

The consolidated financial report of group was determined in USD, because the significant part of income and liabilities of Group denominated in different currencies, for which USD is a common exchange currency.

The auditing report states that besides corrections that could be defined by results of Dec. 31, 1998 (at presence of the auditor), consolidated financial statements and of the Group provide reliable presentation of economic situation as of Dec.31, 2000, 1999 in all essential aspects according to IAS.

Mangistaumunaigas OJSC (Aktau; extraction and transportation of oil and gas; oil refining, sale of oil and petroleum products; exploration of oil and gas deposit sites) provided the KASE with its financial statements for 2000: balance sheet, income and cash flow statements.

Comparable figures of financial and economic activities of Mangistaumunaigas OJSC in 2000

(in m KZT, unless otherwise specified)

Ratio	As of Jan.1 '00	As of Jan.1 '01	Change, %
Authorized capital (paid)	10,892	10,892	0
Shareholders' equity	13,255	30,024	+126.5
Total assets	42,494	83,726	+97.0
Net working capital	-9,635	1,127	+111.7
Accounts receivable (net)	26,587	43,029	+61.8
Bad debt reserves	18,176	5,843	-67.9
Accounts payable	18,402	42,103	+128.8
Sales	45,782	106,193	+132.0
Cost of goods sold	7,996	31,275	+291.1
Net income (loss)	8,090	18,324	+126.5
Calculated based on the issuer's data:			
Return on sales, (ROS), %	82.5	70.5	-14.5
Return on equity, (ROE), %	61.0	61.0	0
Return on assets, (ROA), %	19.4	21.9	+15.0
Earnings per share (EPS), KZT	814.2	1,869.3	+129.6
Book value of a share, KZT	1,217.2	2,757.1	126.5

Earnings per share (EPS) for the year 2000 is calculated without taking into account the dividends to preferred shares, which have not been set yet.

Compared to 1999 growth took place in (all figures are given in tenge, unless otherwise indicated): **shareholders' equity** of the company – by 16.8bn, or 2.3 times (final amount of undistributed income – by 17.1bn, with a decrease in additional unpaid capital – by 200.2m and in reserve capital by 108.7m); **assets** – by 41.2bn, or 97.0% (accounts receivable – by 16.4bn, fixed assets – by 9.1bn, inventory – by 3.6bn, long-term investments – by 3.2bn, with a decline in bad debt reserves by 12.3bn, cash – by 3.4bn); **liabilities** – by 24.5bn, or 83.7% due to an increase in accounts payable – by 23.7bn; **sales** – by 60.4bn, or 2.3 times; **cost of goods sold** – by 23.3bn, or 3.9 times; **expenses of the period** – by 32.1bn, or 2.6 times. As a result, **net income** received by the company in 2000 equaled 18.3bn, or 10.2bn or 2.3 times more than that in 1999.

SHAKHARMUNAIGAS OJSC (Almaty; exploration, development, extraction and sales of hydrocarbons, oil products; transportation, processing, exports and imports of hydrocarbons, oil products; construction and exploitation of the warehouses for hydrocarbons, oil products, gas stations) provided the KASE with its financial statements for the first quarter of 2001: balance sheet and income statement.

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

(in th. KZT, unless otherwise specified)

Ratio	As of Apr.1 '00	As of Apr.1 '01	Change, %
Authorized capital	1,200	3,625	+202.1
Total assets	1,630,345	1,777,799	+9.0
Shareholders' equity	1,602,884	1,595,975	-0.4
Net working capital	1,599,307	1,747,703	+9.3
Accounts receivable	1,613,999	1,584,911	-1.8
Accounts payable	27,440	909	-96.7
Sales	12,923	–	–
Cost of goods sold	7,751	–	–
Net income (loss)	318	–	–

Compared to similar period of 2000 (all figures are given in tenge, unless otherwise indicated): **shareholders' equity** of the company decreased by 6.9m, or 0.4% as a result of a decline in final amount of undistributed income by 9.3m, with an increase in authorized capital (due to a re-registration into an open joint stock company) by 2.4m; **assets** increased by 147.5m, or 9.2% as a result of an increase in the expenses of future periods by 192.4m, with a decrease in accounts receivable by 29.1m, (other accounts receivable of the company as of Apr 1, 01 was 1,469.1m, or 82.6% of the assets), residual value of fixed assets (71.0 th.) – by 3.5m, cash and short-term investments – by 12.1m, inventory – by 259.0 th.; **liabilities** increased by 154.4m, or 5.6 times due to an attraction of funds for 180.9m, with a decline in accounts payable by 26.5m. Based on income statement as of Apr 1, 01, SHAKHARMUNAIGAS OJSC **did not conduct any activities** in the first quarter of 2001.

UKTMK OJSC (Ust'-Kamenogorsk) provided the KASE with minutes of Annual General Meeting held on May 23. According to the agenda of the meeting, shareholders approved report of the Board, annual financial statements, conclusion of Inspection commission and: approved **dividends fund** for a total of KZT45,195.25 th. (KZT35.6 per share, including 15% tax); official date of dividend payments is July 23, 2001; approved **production development funds** for KZT189.981m; selected an **auditor** - Deloitte & Touche (Almaty

Kazakhstan); approved **assessment of quality system efficiency**; The shareholders elected new members of the Inspection Commission.

The company's president, Shayakhmetov reported on results of 2000. He noted that the company executed main planned production and technological objectives and contract terms. Annual volume of goods sold equaled KZT5.5bn., net income - KZT235.2m, (3.5times higher than in 1999), profitability level equaled - 9%, assets fell down by KZT618.3m (decline of accounts receivables) and totaled KZT6.7bn. The liabilities including authorized capital (KZT5.838m) reached KZT6.7bn. No debts and arrears have been recorded on accounts of budget, energy and employees remuneration. In last year, the company launched new titanium processing facility (cost - KZT2.0bn).

In terms of sharp decline of titanium prices, the plant has started to cut production costs (using costs saving strategy applied to raw materials, energy and labor). According to western experts, situation on the titanium market will improve in 2001. Japan and USA started to use titanium in recycling systems of automobiles. Japan considers sea application of the metal. The air market also gave some rise in demand. The existing order portfolio would allow to increase titanium sponge production by 60%. On Oct.15, 2000 then plant launched operation of the ore-thermal facility. It would allow to produce titanium slug. This production facility would solve problem of the raw material base (import substitution). Titanium slug has so far been imported from Canada despite rich domestic resources. The quality of Kazakhstan slug is higher than Canadian (proportion of titanium dioxide - 84.5% compared to 77.8% correspondingly).

The exploration and development of the domestic raw material base would create basis for use of internal resources lowering probability of external shocks. New joint company, Satpayevsk Titanium Mining Ltd. launched in last year would operate domestic raw material facilities. Kazgiprozvet produces technological and economical evaluation of the mining project. Exploration of Satpayevsk ore mine conducted in 2000 increased potential reserves of ilmenite by 40%.

UKTMK develops other directions of economic development: construction and launching of second stage of ore-thermal facility; creation of high-scale dioxide titanium production (basic industry for paper, color industries); renewal of magnesium powder production.

Astana-finance OJSC (Kazakhstan; certain types of banking operations) presented KASE a copy of the renewed license of the National Bank of Kazakhstan #25 issued to the company on June 25, 2001 to conduct the transactions specified in the banking legislature.

The license authorizes the company to conduct following operations:

- banking operations in tenge and foreign currency (money loans and credits/returnable, refundable, and timely)
- other operations set by the banking regulations:
 - leasing activity;
 - issue of securities (excluding shares);
 - factoring operations, acquisition of liability rights from purchaser of goods and services accepting the risk of default.

Previously issued license stipulated the same rights.

Almaty Kus OJSC (Chapaev comm., Almaty region; production and sales of poultry products, leasing. Primary goods: commercial and pedigree eggs, pedigree chicken, egg powder and poultry meat) provided the KASE with the official letter, where it gives a review of the company's activities **in May-June 2001**.

The most important event, in the opinion of the company's management, is signing a contract with **Hy-Line International** on purchasing 17,400 one-day old chickens from a parent herd (from the USA) and 445,000 one-day chickens from a hybrid herd (from Spain and Ukraine). The Hy-Line International breed occupies 85% of the USA market and 40% of the European market and is characterized by a high rate of egg producing capabilities with a low consumption of feed and high vitality. Almaty Kus OJSC received an exclusive right to represent this breed in Kazakhstan and Central Asia. On June 29, 2001 the company received the first shipment of Hy-line poultry (17,400 overnight chickens) from USA by KLM airline.

With the increase in the number of chickens by 60%, the company plans a 245% growth of eggs production or 500m eggs per year. Coupled with creation of efficient distributors network it will result in KZT3.5bn of profits coming solely from eggs production sector.

Almaty Kus OJSC has introduced new technology of eggs production consisting of special division of poultry-farms according to the grade and purpose of production. The parent poultry will be kept at Kaskelen farm, incubators at Avat farm.

From May 2001 the salaries at the Chapaev poultry farm were increased for the workers engaged in egg production to KZT14,000-15,000 from KZT8,500-KZT9,000 in April. Besides, a premium fund is set for paying premiums to the workers, who have demonstrated excellency, and which amounted to KZT200 th. in May 2001. It is planned that till the end of June 2001 the salaries at all remaining poultry farms will be increased.

Almaty Kus OJSC submitted an application to participate in the second Kazakhstani contest on the best management system "To XXI century – with overall quality". In 2000 the company was awarded with the first prize in "Food industry" category at the first contest.

Also, Almaty Kus OJSC informed IRBIS on planning expansion of company's activity to all cities in Kazakhstan and Kyrgyzstan. Presently, companies work over creation of dealing branches. **Brief** company developed special database program that could help expand dealing network in both countries.

Also, Almaty Kus OJSC provided the KASE with a copy of the minutes of extraordinary general shareholders meeting, which was held on June 20, 2001. Based on approved agenda of the meeting, the shareholders of Almaty Kus OJSC made following decisions: join a temporary volunteer consortium to participate in the sales of state block of shares (SBS) of Halyk Bank of Kazakhstan OJSC; sign an Agreement on the creation of a temporary volunteer consortium with: KUAT CJSC, Corporation BATT, COMPANY AI-HAP LLP, Agrotsentr-Astana LLP, Seimar OJSC, FoodMaster-Shymkent LLP and approve this project of the Agreement.

Shareholders also approved and authorized a temporary volunteer consortium to buy SBS of Halyk Bank of Kazakhstan OJSC on following terms: number of shares to be sold – 18,075,334 (33.33% of the authorized capital), number of lots – 1, starting bid – KZT2,120.0m, guarantee fee – KZT212.0m.

Besides, due to the change in the company's status into People's company, the shareholders approved a new wording of the Charter and elected two more people to the Board of directors: Poedintseva S. and Kovaleva E.

Bayan-Sulu OJSC (Kostanai; production and sales of confectionery) provided the KASE with a copy of the minutes of annual general shareholders meeting, which was held on May 30, 2001. Based on approved agenda of the meeting, the shareholders of Bayan-Sulu OJSC approved the report of the President on the company's results, financial statements for the year 2000, act of the Supervision commission, changes in the company's charter, as well as made following decisions: allocate undistributed net income of the year 2000 at KZT9,986 th. to restore a reserve capital; not accrue dividends for the year 2000; approve the development plan and the order of using the company's net income to be received in 2001; approve the assignment of AC Esepaudit LLP (Kostanai) as the company's auditor.

Besides, the meeting dismissed the previous Board of directors and Supervision commission and elected new ones (Alert V.V., Boger E.A., Belyaev Yu.N., Sokolov A.N., Kalinskii P.D.) and Supervision commission consisting of Igonina T.P., Matryuk A.I., Shin G.B.

The president of the company, Broger E.A., made a speech on the results of the company in 2000, where it was said that the volume of confectionery output equaled 7,416 tons for KZT1,065.8m in current and KZT1,000.2m in comparable prices, which is 746 ton or 11.2% more than in 1999 (growth in current prices relative to 1999 – KZT100.6m, and KZT899.6m in comparable prices), 10 types of new products have been developed and introduced. In 2000 inventory and technical base of the company was improved further: punching equipment Kama-TS-102 worth of KZT24.4m was purchased and put into service which has increased cardboard package production; boiler house worth of KZT27.8m and 16 tons of steam producing capacity was put into service, which has cut the steam cost by 37%. A total of KZT57.4m has been invested into production. In 2000 total amount of short-term loans reached KZT118.1m, due amount – KZT34.6m. Gross income reached KZT144m (KZT19.87 th. from 1 ton of finished goods), which is KZT23.44 th. increase from 1999 (by KZT2.26 th. from 1 ton of finished goods), net income equaled KZT9,986 th. against KZT25,897 th. loss in 1999; taxes and other payments to the budget reached KZT123.9m.

Based on the development plan, approved at the shareholders meeting, net income to be received in 2001 should be distributed as follows:

- produce and ship 8.3 th. tons of confectionery for KZT1.3bn (11.9% growth in comparable prices to 2000);
- receive KZT63.5m income from primary and secondary activities;
- receive KZT50m net income and allocate 55% of it to production development, 20% – wages, social needs and other expenses, 5% – to restore reserve capital;
- switch to autonomous fridge in biscuit and candy-chocolate workshops, at the warehouse; set up a 10 kW power line stretching for 3 km; switch the ovens in biscuit workshop; produce new 5 types of output.

Temirbank OJSC (Almaty) provided the KASE with the minutes of annual general shareholders meeting, which was held on June 8, 2001. Based on approved agenda of the meeting, the shareholders of Temirbank OJSC approved the report of the Board of the bank on the bank's results in 2000, annual financial statements, report of the Supervision commission, regulation "On the Board of directors of the company", changes and amendments to the Charter of the bank, as well as made following decisions:

- to cut dividends on preferred shares from 25% to 1% of the face value;
- change the payment frequency of the dividends from quarterly to annual;

- distribute a net income received in 2000 as follows: allocate KZT23,253 th. to establish a reserve for re-evaluation of affinated rare metals and credits fixed into a hard currency equivalent; KZT9,190 th. – to income capitalization and bank development; KZT2,500 th. – to pay dividends on preferred shares at 1% APR, setting July 1, 2001 as the payment date; not accrue dividends to common shares;
- allocate KZT188,819 th. from net income of previous years to restore the bank's reserve capital;
- set the order and norms for the distribution of net income to be received in 2001;
- not the increase the bank's announced authorized capital;
- conduct the third issue of subordinated coupon bonds with 7 year circulation term for \$5.0m consisting of 50,000 securities at \$100 each, coupon rate of 10.5% APR for the first circulation year, for the rest of circulation period at the discretion of the Board, but not less than 5-7% APR;
- approve the assignment of PricewaterhouseCoopers (Almaty, Kazakhstan) as the bank's auditor for 2001;
- approve the bank's intention to attract external funds at \$30m.

The acting chairman of the board, Kononenko O.A., made a speech on the bank's results in 2000, where it was said that authorized paid-up capital of the bank increased by KZT400m (due to a floatation of the 10th share issue), at KZT1.4bn, volume of loan portfolio increased 1.6 times, at KZT8.96bn, credits granted increased by 56.3%, at KZT22.3bn. Financing of construction, light and food, chemical and petrochemical industries, agriculture, wholesale and retail trade, and consumer financing of the individuals have increased. The bank granted 1.5 times more loans to the small and mid-sized businesses relative to 1999.

In 2000 it financed 12 projects for a total of \$7,938 th., including:

- 3 projects under Domestic producers support program amounting to \$1,130 th. (financing was through Eximbank Kazakhstan OJSC under Temirbank warranty);
- 3 projects using the funds of Asian Development Bank for a total of \$1,820 th.;
- 4 projects under a post-privatization support of the agriculture program of the World Bank for a total of \$299 th.;
- 2 projects under the OND insurance company line using the funds of KBC Bank (Belgium) for a total of EUR4,689 th.

In 2000 the volume of deposits increased by 40%, about at KZT9bn at the end of the year. The first issue of the bank's own bonds with 5 year circulation term amounting to \$5m was conducted.

It is also said that along with a positive development of the bank, the quality of the loan portfolio declined during the year. Unsatisfactory, doubtful and bad debts accounted for 14.5%. Provisions were created in 2000 on doubtful and bad debts for a total of KZT864.7m, or KZT570m more than in early 2000. Significant proportion of expenses incurred as a result of creation of provisions affected the financial results of Temirbank OJSC. Net income in 2000 equaled KZT34,943 th. against KZT98,687 th. in 1999, return on capital, as well as income per employee has declined (almost 10 times to 1999).

In early 2001 the bank had 25 branches and 19 settlement centers, of which 11 were opened in 2000, and the number of employees was 1,014.

NOTC KazTransOil CJSC (Astana is a member of National Company Oil and Gas Transportation) informed that the company has successfully completed floatation of its euronotes of first issue in London amounting \$150m with maturity in 2006. According to this message "This issue is a debut issue of Company's securities and the first issue of corporate bonds among companies of Kazakhstan on the international capital markets". At the same time it mostly refers to non banking sector companies. NOTC KazTransOil CJSC informed that total orders for bonds considerably exceeded the volume of issue and allowed to determine final yield at a level **8.67% APR** and with coupon rate **8.50% APR**, which was the low ceiling at the preliminary discussion of yield.

The Road-show took place on June 25 - 28, 2001 in several cities of the USA, Frankfurt and London in the form of exclusive meetings with potential investors. As a result all investors that participated the Road-show ordered bonds of NOTC KazTransOil CJSC. The floatation has been diversified between American and European investors. Investors of Kazakhstan did not take part in the first floatation. The portion of American investors was 44.4%, the portion of investors from Great Britain and Germany was 26.3% and 18.4% respectively. Investors from Austria, the Netherlands and Spain also participated the floatation. According to the message NOTC KazTransOil CJSC is planning to include issued bonds into the official listing of Kazakhstan stock exchange (KASE), the "A" category, in order to enable Kazakhstanian pension assets management companies and other domestic investors to buy them. Now the first issue (KZ73LAONAA35, trade code - KZTOB; 23.10.00 - 23.10.03; \$100; \$30m; semiannual coupon 9.0% APR, current market rate 9.24% APR) domestic bonds of KazTransOil CJSC are being traded at stock exchange.

Today NOTC KazTransOil CJSC owns the rating of corporate credits for currency and KZT liabilities at the level “**BB**” with stable outlook from Standard & Poor’s and also it owns international ratings for senior non provided currency liabilities at the level “**B**” from Fitch.

Based on information of Capital Construction and Capital Maintenance of NOTC KazTransOil CJSC, in January-June 2001 the company has made KZT2,851,419 th. worth of capital investments, of which KZT1,426,499 th. was used in Aktobe, Eastern and Western branches. It resulted in **106%** performance of the company on capital investments.

KASE NEWS

On June 28, 2001 the trades in **the first issue municipal coupon bonds of local executive body of Eastern-Kazakhstan region** (EKR; KZ7051806A46, KASE trade code – VKU036.001; \$100, KZT1bn, June 20.01 - June 18.04, semiannual coupon at 6.30% APR) opened at the Kazakhstan Stock Exchange (KASE). Therefore, the market-maker of the bonds at the Exchange, TuranAlem Securities LLP (Almaty), resumed its work and began putting out regular quotations of the bonds. Bonds are quoted at the KASE in clean prices expressed in percents of the face value, with four digit accuracy. Weighted average yield of the bonds at initial offering based on the results of two auctions equaled 7.9507% APR on semiannual basis expressed in currency.

Financial consultants of **Kazakhtelecom** issue of bonds, Kazkommerts Securities OJSC (Almaty) and ABN AMRO Bank Kazakhstan CJSC (Almaty) informed KASE that the process of floatation strategy development is still being realized jointly with the issuer and National Securities Commission. The issue has following parameters: registered coupon bonds, KZ2CUY03A347; official list of KASE securities, category “A”; KZTKb1; \$100; \$25 mln; March 13, 01 - March 13, 04; semiannual coupon at 10% APR). The consultants asked to KASE to postpone date of trades **for two months**. The opening date of the trades will be announced additionally.

Prepared by the agency “IRBIS”

First issue bonds of Astana-finance OJSC were admitted to the KASE official listing under category “A”

Special issue based on the information of Astana-finance OJSC, Kazakhstan Stock Exchange (KASE), and agency IRBIS

From July 2, 2001, by the decision of the Exchange council of the KASE, the first issue inscribed coupon bonds of Astana-finance OJSC (Astana; KZ2CUY02A356) were admitted into official list of the KASE securities under category “A”.

Following is the brief description of the issuer and its securities, made on the basis of the conclusion of the Listing commission of the KASE. The management of Astana-finance OJSC is fully responsible for the reliability of the information presented by of the KASE.

BOND ISSUE INFORMATION

Type of the securities:	inscribed coupon bonds, indexed by the change in the exchange rate of tenge to U.S. dollar
National identification number:	KZ2CUY02A356
Number in the state register:	A35
Registrar:	Fondovyi tsentr CJSC (Almaty)
Date of registration:	June 29 01
Face value, USD:	100.00
Issue volume, USD:	10,000,000
Issue volume, bonds:	100,000
Circulation starts on:	July 2, 01
Floatation term:	2 years from circulation date
Circulation term:	2 years
Maturity:	July 2, 03
Interest:	9% APR
Interest payment days:	January 2 and July 2
Time basis for coupon calculations:	360/30
Fixing date of the register for coupon payments:	30 days
Dates when the register is fixed for coupon payments:	January 2 and July 2
Fixing date of the register for the maturity:	30 days
Date when the register is fixed for the maturity:	June 2, 03
Servicing of the issue:	in tenge at official rate of the National Bank of Kazakhstan, effective on the payment date
Financial consultant of the issue:	Fondovyi Servis CJSC
Initial offering agent:	Fondovyi Servis CJSC
Admittance date to the KASE trade lists:	July 2, 01
Date of the first trades:	July 3, 01
KASE trade code:	ASFb1
Price deviation accuracy:	4 decimal points
Market-makers at the KASE:	Fondovyi Servis CJSC

If coupon payment date or maturity date of the bonds falls on week-end or holiday, then the coupon or the principal is paid on the next business day.

The bond holder can declare the bonds subject to immediate redemption by sending a written notification to the issuer and the registrar if following cases of not meeting obligations occur. The issuer, after receiving such a notification from the bond holder, declares that the bonds are subject to the redemption at face value along with accumulated coupon. The registrar informs all bond holders of such occurrence within 10 business days after receiving a written notification. If all amount, due for the bonds, are paid out, and all other violations regarding this bond issue are eliminated, the declaration can be cancelled or abolished.

1. Non-payment of the principal or the coupon on the bonds: the issuer does not pay the face value of the bonds at call back or the issuer does not pay coupons on the bonds if such non-payment lasts for more than 15 days.
2. Non-fulfillment of any warranties, issued by the issuer to other individuals, if the warranty was not fulfilled within a specified term and if total amount of such arrears exceeds 50% of all assets of the issuer.
3. Change in major activities of the issuer: the issuer is engaged or plans to make significant changes in its main activities, which, in the opinions of the bond holders, discriminates their interests.
4. State intervention:
 - all, or part of the liabilities, assets or income of the issuer is nationalized or expropriated by the state or local authorities;
 - state or local authorities hinder the issuer from having a normal control over all or part of his liabilities, assets and income.
5. Delisting: if the bonds are not in the official list anymore or change the listing category at the Kazakhstan Stock Exchange OJSC for any reason.
6. Change in the issue terms of the bonds: these requirements are set by the issuer without any consent received from the bond holders, if such changes concern the interests of the bond holder very much.

If the issuer does not pay any amount, which he has to pay on the bonds in compliance with the issue terms during a specified time limits, he must pay interest on overdue amount from the date set for the payment till the actual payment date, both before and after the court injunction, at the rate ("non-fulfillment rate") of 5% APR apart from the coupon.

The meeting of the bond holders has the right to consider any matters regarding its interests, including amendments and changes to the issue terms of the bonds if such an amendment or change is acceptable for the issuer upon his own opinion and has a written approval of the issuer. The meeting of the bond holders can be summoned by the issuer and the registrar within 10 business days from the delivery date of the bond holders' written notification, who own in aggregate of more than third of outstanding bonds' face value. The quorum for making a decision at such meeting is one or several individuals, who own or has the greatest value of face value of outstanding bonds, except for:

- change in maturity term of the bonds;
- decrease or cancellation of the face value of the bonds or the coupons;
- change in the regulations regarding the quorum, required at any meeting of the bond holders, or the majority required to make a decision.

The decision made at any meeting of the bond holders is mandatory for the issuer and for all bond holders irrespective of their presence at the meeting if it has been made by not less than 50% of all face value of outstanding bonds.

INITIAL OFFERING OF THE BONDS

Financial consultant and underwriter of Astana-finance OJSC bonds – Fondovii servis CJSC – planed to conduct initial offering of the bonds in the trade system of the KASE from **July 03 to 06**, using uninterrupted counter auction mode. This method is the main one at the Exchange, which is used when the securities are traded on secondary market. However, on July 6 the trades in ASFIb1 will be held under **special settlement mode**. On July 03, 2001 settlements will be made on "T+3" term, July 04 - "T+2", July 5 - "T+1", July 6 - "T+0." In other words, payments over all deals will be made on **Friday, July 06, 2001**. Besides, all commission fees set by the Exchange on participants of trades over ASFIb1 will be paid by Fondovii servis CJSC.

By the results of first two days (July 3 and 4), 51,500 bonds have been floated for a total of \$5.150m at face value or **51.5%** of registered issue volume. The volume of six deals amounted to **\$5,019.5 th**. All deals have been made at a "clean" price of 97.3666% of the face value, which corresponds to a yield to maturity of **10.5000% APR** on a semiannual basis. The bonds have been purchased by the second tier banks, Pension Assets Management Companies (PAMC) and clients of brokerage-dealing companies.

BRIEF INFORMATION ON THE ISSUER

Date of state registration – April 30, 1998. Legal status – open joint stock company. Ownership – private. Activities – some banking activities, including financing, project financing, investing, legal, consulting, agent, information and training services. The right to engage in these activities is confirmed by renewed license #25 issued by the National Bank on June 15, 2001. Legal and actual address – 54, Begeldinov St., Astana, 473000, Kazakhstan.

Main business of Astana-finance OJSC, apart from investment projects, are the following: lending (granting credits in monetary terms), leasing (leasing the property by maintaining ownership rights of the lessor on the property being leased for the duration of the contract), factoring (acquisition of payables from the buyer of the goods, works or services by accepting non-payment risks).

Following tables contain major financial and economic figures of Astana-finance OJSC activities, presented by IRBIS based on the conclusion of the KASE Listing commission.

Financial and economic ratios of Astana-finance OJSC calculated on the basis of non-consolidated data of the issuer's financial statements

(in th. KZT, unless otherwise specified)

Ratio	as of	as of	as of	as of
	Jan 1.99	Jan 1.00	Jan 1.01	Apr 1.01
Authorized capital (paid)	100,000	102,436	1,808,320	1,808,320
Shareholders' equity	234,618	2,298,229	2,173,558	2,186,911
Total assets	7,965,635	12,796,996	12,713,231	12,787,424
Loan portfolio	4,605,367	9,547,455	2,965,098	5,038,437
Accounts receivable	3,089,280	1,451,425	6,877,608	3,724,232
Funds attracted	5,821,132	8,750,386	9,393,607	9,643,223
Accounts payable	1,909,885	1,740,120	1,142,832	954,056
Operating income	507,696	6,266,610	7,256,077	276,136
Total expenses	507,696	4,580,072	6,817,441	262,783
Net income	0	1,519,312	185,238	13,353
Return on assets (ROA), %	–	11.87	1.46	–
Return on equity (ROE), %	–	66.11	8.52	–

Financial and economic ratios of Astana-finance OJSC calculated on the basis of non-consolidated data of the issuer's financial statements

(in th. KZT, unless otherwise specified)

Ratio	as of	
	Jan 1.00	Jan 1.01
Authorized capital (paid)	102 436	1 808 320
Shareholders' equity	1 623 714	2 119 163
Total assets	9 585 175	13 457 243
Loan portfolio (net)	5 358 926	2 698 556
Accounts receivable (total)	1 856 801	4 878 078
Funds attracted	7 388 978	9 828 261
Accounts payable	569 040	1 503 403
Operating income	2 352 362	832 260
Total expenses	249 734	674 701
Net income	1 518 392	128 877
Return on assets (ROA), %	15,84	0,96
Return on equity (ROE), %	93,51	6,08

The auditing of Astana-finance OJSC 1998-2000 financial statements based on international standards was made by Arthur Andersen (Almaty, Kazakhstan). In the opinion of Arthur Andersen, consolidated financial statements of the company for the years 1999 and 2000 and non-consolidated statements for 1998-2000 give true and precise financial situation of Astana-finance OJSC and its subsidiaries, as well as the results of its activities and cash flows during the years ended on these dates, in compliance with the Kazakhstani accounting standards.

Income structure of Astana-finance OJSC

Income articles	1998		1999		2000	
	th. KZT	%	th. KZT	%	th. KZT	%
Income from deposits	3,254	0.6	24,129	0.45	68,024	10.3
Income from the securities transactions	0	0.0	1,806,726	33.8	38,679	5.9
Income from lending activities	55,590	11.0	389,299	7.3	240,528	36.4
Income from financial lease	0	0.0	875	0.02	1,492	0.2
Other income from banking activities	425,671	83.8	3,064,847	57.5	100,159	15.2
Income from secondary activities	23,181	4.6	46,398	0.9	211,801	32.1
Total income	507,696	100	5,332,274	100	660,683	100

In 1998-1999 the greatest proportion of the company's income was derived from the "Other income from banking activities", which is due to re-evaluation of the credits granted in tenge and tied to the U.S. dollar, based on exchange rate differences and their values, as well as due to an increase in the volume of loan portfolio (in 1999). In 2000 the proportion of this article in total income of the company fell noticeably as a result of the stabilization of the national currency's exchange rate against the U.S. dollar, as well as due to a decrease in the volume of loan portfolio because of write-offs of the loans and their interests for a total of KZT9.8 bln.

Within the income structure received from the transactions with the securities in 1999, 98.95% came from the income from a single deals made by selling the mortgage certificates of power facilities of Astana by Astanaenergoserwis OJSC.

Arthur Andersen points out that in 1999 financial results of Astana-finance OJSC was affected by a deal made with non-consolidated subsidiary. The company assumed an income of KZT1,788.4 mln on account of transferring mortgage certificates of power facilities of Astana. These certificates were sold for KZT3,931 mln, and received as a collateral for the loans amounting to KZT2,142 mln at the time of the transfer. Part of total accounts receivable at KZT3,931 was converted into the shares of the subsidiary and the residual amount should be paid out each month within five years. No interest is accrued on this long-term debt, and in these financial statements it was taken into account at face value. The Ministry of Finance of Kazakhstan confirmed that the income received from this deal can be taken into account fully in 1999.

As of Jan 1, 2001, the proportion of lending activities increased by 29.1% in total income of the company relative to 1999, at 36.4%. Income from secondary activities (income from sales of apartments, renting the real estate objects, fines and others) increased by 31.2%, at 32.1%.

Expenses structure of Astana-finance OJSC

Expenses articles	1998		1999		2000	
	th. KZT	%	th. KZT	%	th. KZT	%
Interest on attracted funds	51,846	15.2	230,117	7.3	45,785	10.5
Other expenses	264,861	77.6	2,842,853	90.0	229,629	52.6
Administrative expenses	24,483	7.2	89,580	2.8	161,457	37.0
Total expenses	341,190	100	3,162,550	100	436,871	100

During 1998 and 1999 the most of the company's expenses were other expenses, which includes exchange rate and price re-evaluation of the loans attracted (foreign currency loans, and loans tied to the dollar's exchange rate). In 2000 their proportion fell noticeably due to the stabilization of the national currency's exchange rate against the U.S. dollar.

Increase in the proportion of the administrative expenses in 2000 was caused by an increase in the personnel and necessity of modernization of the workplaces due to the expansion of the company's activities.

Decrease in interest expenses in 2000 on the funds attracted was due to the settling its debt to the Ministry of Finance of Kazakhstan and decrease in the liabilities to Fond razvitiya malogo predprinimatelstva CJSC (Small Entrepreneurship Development Fund).

Throughout the company's activities the shareholders' equity of Astana-finance OJSC increased 9.3 times both as a result of public offerings of the shares and capitalization of the income in 1999-2000. Decrease in shareholders' equity in late 2000 against 1999 by 5.42% is explained by the removal of the provisions from the reserve capital for KZT496.5 mln.

Shareholders' equity structure of Astana-finance OJSC

	(th. KZT)		
Ratio	1998	1999	2000
Authorized capital	100,000	5,000,000	3,100,000
Unpaid capital	–	(4,897,564)	(1,291,680)
Reserve capital	134,618	676,481	180,000
Undistributed income (uncovered loss) of the reporting year	0	1,519,312	185,238
TOTAL shareholders' equity:	234,618	2,298,229	2,173,558

Decrease in announced authorized capital of the company as of late 2000 by KZT1.9 bln relative to 1999 was done in accordance with the decision of the general shareholders meeting of the company, which was held on October 5-7, 2000, in order to cut the allocations from net income to create reserve capital, as well as to meet the requirements of the National Bank of Kazakhstan on authorized capital size in order to obtain the bank license for conducting guarantee activities.

Prepared by the agency «IRBIS»