

# WEEK OF STOCK MARKET OF KAZAKHSTAN

November 7 – November 13

Money market indicators as of November 13 and weekly changes

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo at KASE(TONIA)</b>			
1 day	KZT	4.57	+0.17
<b>Repo opening at KASE (WA, % APR)</b>			
1 day	KZT	3.64	-0.79
5-7 days	KZT	5.28	+0.26
14 days	KZT	5.10	-0.10
28 days	KZT	5.40	–
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	6.50	-1.50
2 weeks	KZT	7.38	-1.62
1 month	KZT	8.25	-1.75
2 months	KZT	9.13	-1.87
3 months	KZT	10.00	-2.00

Stock market indicators as of November 13 and their weekly change

Index	Value	Trend
<b>Shares of “A” listing</b>		
KASE_Shares	92.91	-1.28%
<b>Corporate bonds of “A” listing</b>		
KASE_BP	132.46	+0.33%
KASE_BC	109.02	+0.15%
KASE_BY	8.65	-0.79%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	143.79	+0.04%
KASE_EC	115.04	-0.13%
KASE_EY	4.21	+0.40%

US dollar = **154.35** tenge at official rate for the end of the period.  
 US dollar = **154.40** tenge at weighted average rate of the Exchange for the end of the period.  
 Weekly rate of tenge devaluation at the Exchange's rate – **negative 2.34% APR**.

## THE CORPORATE SECURITIES SECTOR (CS)

In **CS purchase-sale sector** a total of 35 deals amounting to **\$2,869.0 th** or KZT443.0 m were made. In comparison with the previous period (39 deals, \$10,432.4 th. or KZT1,611.4 m) volume of the sector decreased by 3.6 times. Deals were made by seventeen instruments ten of which were bonds. Last week brokers were interested in seventeen securities six of which were bonds.

Significant decrease of transactions volume in the sector was caused, in IRBIS specialists' opinion, by absence of factors, which worked for market activation during previous period when most high-volume deals were made in the end of the past month – market's participants indicators of accounts. Now the market has come back to its usual volumes, however the spectrum of traded securities has not become narrower, and total number of traders, who made deals with SC, remained unchanged – 17. As well as in last week investors of all categories participated in trades, however the share of banks significantly decreased.

In corporate bonds sector the peculiar feature was decrease of yield to maturity for a purchaser of most securities. It was caused by high demand for bonds, which, in its turn, is formed due to excessive liquidity of the

Investment attractiveness of stock exchange instruments from November 7 to November 13

Financial instrument	Currency of transaction	Yield, %	APR trend
<b>Instruments denominated in national currency, tenge</b>			
TXBNb1	KZT	15.00	0
CS repo	KZT	*9.80	+1.38
MEOKAM, MEAKAM	KZT	7.56	-0.33
MEKKAM, notes	KZT	*4.85	-0.70
GS repo	KZT	*3.98	-0.65
<b>Instruments indexed by devaluation</b>			
SMGZb1	USD	19.00	-0.13
ALKSb2	USD	11.87	+0.01
VTBNb1	USD	10.98	+0.52
TEBNb2	USD	10.80	0
KZASb1	USD	10.68	-0.02
ASFIb2	USD	10.03	-0.05
CSBNb1	USD	10.00	0
ORDBb1	USD	10.00	0
CCBNb2	USD	9.77	-0.06
TEBNb	USD	9.44	-0.01
BTASb2	USD	9.30	-0.47
ASFIb1	USD	9.26	0
RGBRb2	USD	9.00	0
KARMB1	USD	8.96	-2.01
SYRGb1	USD	8.73	+0.39
BTASb1	USD	8.64	0
ATFBb2	USD	8.59	-0.29
NRBNb1	USD	8.44	-0.14
BRKZb1	USD	8.21	+0.73
HSBKb2	USD	8.08	+0.02
CCBNb1	USD	8.06	-0.23
ALBNb1	USD	8.06	0
HSBKb	USD	8.04	0
KZAPb1	USD	7.66	+0.06
KZTKb1	USD	7.60	+0.36
TMJLb2	USD	7.09	-0.26
ARU060.003	USD	6.52	-0.01
VKU036.002	USD	6.47	-0.02
AST036.004	USD	6.18	+0.13
AST048.005	USD	6.17	-0.01
ASU036.003	USD	5.75	-0.04
KZTOb	USD	5.73	-0.05
VKU036.001	USD	4.98	-0.02
ARU024.002	USD	3.88	-0.08
<b>Instruments, denominated in foreign currency</b>			
KKGBe2	USD	9.19	+0.01
KKGBe3	USD	7.92	-0.06
KZTOe1	USD	7.62	0
BRKZe1	USD	6.79	0
BTASe1	USD	6.21	-1.14
ENU07.05	USD	4.54	-0.04
Supranational bonds	DEM	3.36	-0.06
ENU04.10	USD	3.08	+0.02
Supranational bonds	USD	1.01	+0.01

The yields at which the deals have been made are calculated as average of the deals, for other corporate bonds – as average of sale quotations. The correspondent ratio of last week is given in the parentheses. Securities marked by an asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given).

market on tenge. It is possible to say Kazakhstan financial market's operators never had so great amount of free money, which the real sector is unable to take. This causes decrease of yield of all financial instruments without exception. There is also another reason – tenge strengthening towards dollar, which character of mid-term tendency at least. On the reason the most corporate bonds are indexed on tenge devaluation, decrease of dollar rate is to cause adequate decrease of securities' yield in currency expression.

The second peculiarity is coming back to the market of popular in the nearest past bonds – KZTOe1, KZTKb1, KZTOb. It's not excluded that investors start to humble with inevitable decrease of yield and come back to more reliable securities. However "exotics" was also popular during the week.

By the results of the analyzed period yield of ASFb2 fell from 10.30% to 10.03% APR, ATFBb2 – from 8.88% to 8.59% APR, BRKZb1 – from 8.63% to 8.21% APR, KZTKb1 – from 8.03% to 7.60% APR, KZTOb – from 7.90% to 5.73% APR, SMGZb1 – from 19.13% to 19.00% APR. Only the yield of KZTOe1 rose (from 7.62% to 7.64% APR) and VTBNb1 (from 10.50% to 10.67% APR). On CCBNb2 and VITAb3 yield within the week did not change according to conducted deals and equaled to 9.70% APR and 14.00% APR correspondingly. As the result of yield falling of most traded bonds, index KASE\_BY fell during the week by 0.79% to 8.65% APR.

As of November 13 capitalization of stock exchange's corporate securities market was fixed by KASE on the level **\$1,006.0 m** and increased within the week by \$1.4 m due to prevailing growth of bonds' prices growth.

In the sector of trades on shares interesting events still occur on KZMS. Volume of deals is not large, but their amount reached 11. Deals on these shares were made every day in the price interval KZT10,098.00 - KZT10,109.00 for share without expressed tendencies. By the results of the week price of KZMS fell by 5.7%. It is notable that broker-dealer companies are interested in shares purchasing securities in small volumes from the market-maker. No game on difference in prices is observed.

Work on CCBN – traditional instrument of "hidden repo" seemed usual during the week. Price of these shares during 7 days rose 1.5 times as much. On other shares there were made isolated deals, as the result of which price of ALKZ and HSBK fell by 3.0% and 32.3% correspondingly, and price of VTBNp did not change (KZT400.00 for security).

Capitalization of stock exchange's shares market, which as of November 13 was estimated by KASE at **\$1,321.1m** (KZT204.0 bn), within 7 days decreased by \$34.6 m. This change was caused mainly by falling of rate of KZMS, ALKZ and HSBK. Dynamics of the rate of KZMS significantly influenced index KASE\_Shares (see table in the beginning of the review).

The table shows data on deals, bid and ask in CS purchase and sale sector and also decoding of trade codes.

**Results of the trades in shares on November 7 – November 13** (KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	45.00	0	0	23.79	47.55
Almaty Kus OJSC	ALKSp		0	0	13.90	26.24
Almaty Kus OJSC	ALKSp3		0	0	10.50	10.81
Aluminium of Kazakhstan OJSC	ALKZ	*97.00	319,500	200.6	*97.00	,
Astana-Finance OJSC	ASFI	1,014.96	0	0	600.00	1,200.00
AMB OJSC	ATFBp	834.35	0	0	556.16	1,049.78
Bank TuranAlem OJSC	BTAS	*13,063.50	0	0	12,356.80	21,613.20
Bank CenterCredit OJSC	CCBN	207.70	599,662	793.6	207.97	197.00
BANK CASPIAN OJSC	CSBN	170.00	0	0	105.00	210.00
BANK CASPIAN OJSC	CSBNp	170.00	0	0	105.00	210.00
Halyk Bank of Kazakhstan OJSC	HSBK	*121.59	7,333	5.8	*121.59	200.00
Halyk Bank of Kazakhstan OJSC	HSBKp	150.00	0	0	143.00	201.00
Halyk Bank of Kazakhstan OJSC	HSBKp7	150.00	0	0	142.00	200.00
KAZKOMMERTSBANK OJSC	KKGB	*77.33	0	0	38.62	77.19
KAZKOMMERTSBANK OJSC	KKGBp	44.38	0	0	44.79	89.54
Corporation Kazakhmys OJSC	KZMS	10,110.00	333	21.8	10,110.00	10,098.00
Kazakhtelecom`	KZTK	3,062.00	0	0	2,007.98	4,013.88
Kazakhtelecom	KZTKp	2,702.17	0	0	1,853.52	3,705.12
TEMIRBANK OJSC	TEBN	1,000.00	0	0	505.00	1,010.00
TEMIRBANK OJSC	TEBNp	,	0	0	500.00	1,000.00
UKTMK OJSC	UTMK	*5,350.00	0	0	4,479.34	8,954.04
UKTMK OJSC	UTMKp	6,489.00	0	0	3,553.00	7,101.46
VALUT-TRANZIT BANK OJSC	VTBN	350.00	0	0	235.00	440.00
VALUT-TRANZIT BANK OJSC	VTBNp	400.00	3,430	8.9	400.00	400.00
Avtokombinat OJSC	Z ABTOKOMB		0	0		450.00

Issuer	Security code	Last price	Volume, shares	Volume, th USD	Purchase	Sale
"SHMO" OJSC	Z CHMUNAI		0	0		750.00
Darbazinskiy karier OJSC	Z DARBKARER		0	0		200.00
Zhualynskaya PAK OJSC	Z JUALAVTO		0	0		450.00
Corporation Kazreklama OJSC	Z KAZREK		0	0	34.30	40.00
AIC Kommesk-omir OJSC	Z KOMESK		0	0		29,500.00
Sary-arkageologiya OJSC	Z SARIARGEO		0	0		150.00
Shardara-Astyk OJSC	Z SHARDAST		0	0		150.00
Uigentast-Astyk OJSC	Z UGENASTK		0	0		300.00
Zerde OJSC	ZERD	*1,404.00	0	0		*6.50
<b>TOTAL</b>	<b>34</b>		<b>930,258</b>	<b>1,030.6</b>		

**Results of the trades in bonds within November 7 – 13** (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1		0	11.9307	8.0767
Almaty Kus OJSC	ALKSb2	12.0049	0	12.8864	11.8765
Astana-finance OJSC	ASFib1	10.0145	0	11.3479	9.2646
Astana-finance OJSC	ASFib2	10.0314	401.6	10.0314	10.0399
AMB OJSC	ATFBb2	8.5895	52.2	8.5895	8.5895
Development Bank of Kazakhstan OJSC	BRKZb1	8.2116	51.5	8.2116	8.2116
Development Bank of Kazakhstan OJSC	BRKZe1		0	7.1227	6.7912
Bank TuranAlem OJSC	BTASb1	8.6420	0	9.2951	8.6445
Bank TuranAlem OJSC	BTASb2	9.7651	0	9.8541	9.2977
TuranAlem Finance B.V.	BTASe1	7.1983	0	7.1783	6.5926
Bank CenterCredit OJSC	CCBNb1	10.0014	0	11.9935	8.2778
Bank CenterCredit OJSC	CCBNb2	9.6971	241.1	9.6971	9.8459
BANK CASPIAN OJSC	CSBNb1	10.2069	0	11.0000	10.0000
Halyk Bank of Kazakhstan OJSC	HSBKb1	11.0249	0	11.4951	8.0460
Halyk Bank of Kazakhstan OJSC	HSBKb2		0	11.4974	8.1429
Karazhanbasmunai OJSC	KARMB1	10.9717	0	12.4625	9.5208
KAZKOMMERTSBANK OJSC	KKGBe2		0	11.2020	9.1981
KAZKOMMERTS INTERNATIONAL B.V.	KKGBe3	8.7662	0	8.3571	7.9753
NAC Kazatomprom	KZAPb1	8.9120	0	9.0012	7.7989
DAGOK Kustanaiasbest JSC	KZASb1	12.5047	0	12.8300	10.6856
Kazakhtelecom	KZTKb1	7.6043	125.4	7.6043	7.6043
KazTransOil CJSC	KZTOb	5.7330	206.8	5.7330	5.7423
KazTransOil CJSC	KZTOe1	7.6352	565.0	7.6222	7.6352
Nurbank OJSC	NRBNb1		0	9.5038	8.9260
Corporation "Ordabasy" OJSC	ORDBb1	10.9861	0	12.0000	10.0000
RG BRANDS OJSC	RGBRb2	10.8311	0	11.9951	9.0046
SHAHARMUNAIGAS OJSC	SMGZb1	19.0004	2.9	19.0004	19.0004
HOP OJSC	SYRGB1	10.8001	0	11.9953	9.0042
TEMIRBANK OJSC	TEBNb	10.4876	0	10.4858	9.4452
TEMIRBANK OJSC	TEBNb2	10.9815	0	11.2016	10.8050
NC Kazakhstan Temir Joly CJSC	TMJLb2	7.8014	0	9.0462	7.3496
TEXAKABANK OJSC	TXBNb1	15.5000	0	17.0000	15.0000
VITA OJSC	VITAb3	14.0000	71.3	14.0000	14.0000
VALUT-TRANZIT BANK OJSC	VTBNb1	10.6699	120.6	10.6699	11.2512
<b>TOTAL</b>	<b>34</b>		<b>1,838.3</b>		

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

**In the repo sector of CS** 20 deals were made in the total amount of **\$2,838.3 th.** (KZT438.2 m). 10 deals out of them (in the amount of \$1,346.9 th) repo opening and 10 deals (in the amount of \$1,491.3 th.) – repo closing. Last week volume of deals in this sector amounted to \$2,308.9 th. (KZT356.5 m).

**In all CS trade floors of KASE** (including SBS sale sector and primary floatation) a total of 55 deals amounting to **\$5,707.2 th.** (KZT881.3 m) were concluded within the analyzed period. Last period volume of 55 deals equaled to \$12,741.4 th. (KZT1,967.9m).

## SECTOR OF GOVERNMENT SECURITIES (GS)

**In GS purchase and sale sector** of KASE (including euronotes of Kazakhstan) a total volume of 78 deals

reached **KZT8,297.2 m** (\$53,734.4 th.). Corresponding figure of the previous week – KZT6,783.9 m (\$43.919.8 th.). Growth of transactions volume in the sector was partly achieved due to conducting of "hidden repo" transactions with euronotes of Kazakhstan of the third issue, but mainly – due to very active trade on National Bank's notes. Both, the former and the latter are the consequence of a very high liquidity of the market on tenge. In particular, expansion of notes' market was caused by the very large volumes of the National Bank's borrowings at primary market, which had the purpose to connect spare money. Volume of notes in circulation increased that positively impacted the stock exchange's turnover. Resulting deformation of GS turnover's structure was directed towards compression of the market of MEKAM and euronotes of Kazakhstan and adequate expansion of the shortest bonds' market. But at the same time nothing new occurs. The table below shows that yield of most bonds for a purchaser decreased during the week.

#### Parameters of Exchange's transactions in GS from November 7 to November 13

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted (KZT): notes</b>						
					<b>53.6% (25.5%) of purchase and sale sector's turnover</b>	
Less than 8	3.50	4.16	3.64	4.06 (4.81)	1,930.8	8
8 - 14	4.45	5.00	4.45	4.95 (5.11)	549.2	4
15 - 28	4.55	5.59	4.56	5.07 (5.31)	855.5	12
29 - 36	5.00	5.23	5.23	5.08 (5.30)	149.3	5
43 - 56	5.34	5.47	5.47	5.39 ( -)	172.6	3
57 - 63	5.67	5.76	5.67	5.71 (5.75)	657.8	13
64 - 91	5.79	5.87	5.79	5.79 (5.80)	131.8	3
Total					4,447.0 (1,731.0)	48 (39)
<b>Coupon (KZT): MEOKAM-24, 36, 48, MEAKAM</b>						
					<b>17.2% (30.1%) of purchase and sale sector's turnover</b>	
less than 730	6.74	8.19	6.74	7.25 (7.50)	995.9	15
731 - 1095	7.40	7.98	7.40	7.59 (7.90)	304.9	3
1096 - 1460	7.98	7.98	7.98	7.98 (7.94)	43.8	1
1826 - 2190	8.03	8.04	8.03	8.03 (8.06)	86.4	3
Total					1,430.9 (2,039.7)	22 (39)
<b>Euronotes of Kazakhstan (USD)</b>						
					<b>29.2% (44.4%) of purchase and sale sector's turnover</b>	
*700 - 701	3.05	3.44	3.44	3.08 (3.06)	1,790.3	5
**1618 - 1623	4.40	4.54	4.54	4.54 (4.58)	628.9	3
Total					2,419.3 (3,013.2)	8 (6)
<b>GRANDTOTAL</b>					<b>8,297.2 (6,783.9)</b>	<b>78 (84)</b>

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

**In GS repo-transactions sector** 428 deals were made for a total of **KZT99,978.3 m** (including automatic repo sector) during the period. Of this number 212 deals (for KZT50,159.7 m) were repo opening deals and 216 (KZT49,818.7 m) were repo closing deals. Last period transactions volume of this type did not exceed KZT80,189.7m. After closing of the trades on November 13 total amount of opened at KASE repo reached KZT14,051.1 m. Parameters of automatic repo market are given in the table.

#### Major parameters of automatic repo market from November 7 through November 13

(in parentheses – comparable figures of previous period)

Instrument (currency, term or repo)	Yield, % APR				Volume, m KZT	Number of deals	Portion, %
	on first deal	min	max	at last deal			
KZT_001	3.50	1.50	5.00	4.00	4.15 (4.59)	33,019.0	142 90.6 (90.3)
KZT_002	4.00	4.00	4.50	4.50	4.17 (3.88)	150.0	2 0.4 (0.5)
KZT_003	4.90	4.80	5.00	4.80	4.90 (4.86)	60.0	4 0.2 (0.3)
KZT_007	5.00	4.50	5.00	5.00	4.89 (5.15)	977.0	8 2.7 (4.5)
KZT_014	5.20	5.10	5.40	5.10	5.13 (5.60)	1,305.0	11 3.6 (3.2)
KZT_028	6.00	5.40	6.00	5.40	5.53 (6.32)	930.0	9 2.6 (1.1)
<b>TOTAL</b>						<b>36,441.0 (37,298.0)</b>	<b>176 (184) 100.0</b>

**Total of 506 deals were made at trade floors of KASE** amounting to **KZT108,275.5 m** in GS on trade floors of KASE during the week (purchase-sale and repo sector). The previous period volume of 509 deals equaled to KZT86,973.6 m. This week **the proportion of the Exchange's turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled to **95.7%**, for last week it was 93.4%.

#### INFORMATION ON ISSUERS

Press-service of **KazTransOil CJSC** (Astana) in which it is said about some results of the company's activity for 9 months of this year. According to the presented data, volume of oil transportation by the oil-mine pipeline

system of KazTransOil CJSC for 9 months of 2002 equaled to 22,020 th. tons (fulfillment of the plan was 107%), turnover of goods equaled to 17,946 n tone-kilometers (fulfillment of the plan was 103%). In comparison with similar period of last year (24,128 th. tons) volume of oil transportation decreased by 8.7%.

Total volume of water supply by water-pipe system within the current period equaled to 10,313 th. cubic meters. KazTransOil CJSC explains reduction of water supply by assets transfer of Atyrau department of water preparation and water supply, which had been structural branch of Western branch of KazTransOil CJSC before, to the communal property of Atyrau oblast. Transfer of assets of ADWW took place in December of 2001.

According to the online data during 9 months of 2002 KazTransOil CJSC more than KZT10,876 m to the budget, expenses for major repairs equaled to KZT2,395, and capital investments – KZT12,081 m.

According to the data of KazTransOil CJSC number of employees as of October 1 of 2002 was 6,138 persons.

**BANK CASPIAN OJSC** (Almaty) informed the stock exchange about the fact that on October 30 of 2002 the bank borrowed subordinated loan for the term of 7 years in the amount of \$5.0 m. More detailed data about parameters of the loan and its participants is not informed. According to the bank's information the borrowing is meant for increasing of capital base of BANK CASPIAN OJSC due to increase of volume of borrowing and offering of resources.

**VITA OJSC** (Almaty) presented KASE information about purchasing of 20 automobiles "Gazel". According to the presented information the automobiles were purchased in accordance with leasing agreement, which had been made with BANK CASPIAN OJSC (Almaty), to the amount of USD30.2 m, of 20-year term of effect. The purchased automobiles have been equipped with thermo-cabins and refrigerators made by Italian firm Thermo King. VITA OJSC intends to send 15 automobiles to its branches, and the remaining automobiles will be used by the company for work in Almaty. According to the company's information purchasing of automobiles will allow VITA OJSC to reduce expenses on automobiles hiring that will economize KZT800.0 th. each month. In the opinion of the company's governing body the increase of automobile station will also help to increase volume of production sale (butter and sunflower oil, mayonnaise and soy products).

Press-service of **KAZKOMMERTSBANK OJSC** (Almaty) distributed information about appointing of 27 years old **Magzhan Auezov** as the new acting director, who had been invited to this position from Daughter bank "ABN AMRO Bank Kazakhstan" CJSC (Almaty). Mr. Auezov will occupy himself with complex system of risks management, which KAZKOMMERTSBANK OJSC is forming at present. "The new acting director, who actually becomes the bank's risk-manager, has faced tasks on monitoring and diagnostics of system risks, which influence the bank's activity, development of strategy on risks controlling in accordance with the bank's general strategy, and also planning and coordination of anti-crisis measures", – says the message of KAZKOMMERTSBANK OJSC. The press-service informs that in accordance with recommendation of the National Bank of Kazakhstan, there has been formed a special group in KAZKOMMERTSBANK OJSC, which is forming the document on creation of the complex system of all possible risks management of the bank's system, including political, technological, price, market, reputation and other. Till April 1 of 2003 KAZKOMMERTSBANK OJSC together with other Kazakhstan banks is to present conclusion of one of independent auditing companies, which will say that such the system of risks management has been created.

**NEFTEBANK OJSC** (Aktau) presented KASE a copy of minutes of the general annual shareholders meeting, which had been held on August 28 of 2002. In accordance with the admitted agenda shareholders of NEFTEBANK OJSC approved report of the Governing body about results of the bank's financial and economic activity for 2001, auditing commission's report for 2001, report about performing of revenues and expenses estimate for 2001, expenses and revenues estimate for 2002, and also made the following decisions:

- to direct net income, which was received by the results of 2001 (KZT20,893 th.), towards forming of the bank's reserve capital;
- to pass authorities on independent choosing of independent auditor to the bank's governing out of the list, which is recommended by the National Bank of Kazakhstan, and correctness of choice to the bank's Board of directors;
- approved a new publication of the bank's charter with included corrections and additions (including the ones concerning currency and structure of the authorized capital);
- chose a new staff of the bank's Board of directors consisting of 6 persons, which comprises: Zh. Suindikov, A. Esbolov, E. Medagulov, D. Idrisov, S. Yesbosinov, K. Alenov

According to the new charter publication, which has been approved by the shareholders meeting, the

announced authorized capital of NEFTEBANK OJSC will be equal to KZT1,321.0 m and will be divided into 1,000,000 only common inscribed shares with the face value of KZT1,321 each.

**Hurricane Oil Products**, brief name is HOP OJSC (Shymkent, before – SHNOS OJSC), whose securities are circulating under the stock exchange's official list (bonds – under "A" category, shares – under "B" category), provided KASE with the financial statement for the first quarter of 2002: the balance sheet, income statement and cash flow statement.

**Comparative indicators of financial and economic activity of HOP OJSC for the first quarter of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of	Change, %
	April 1, 01	April 1, 02	
Issued authorized capital (paid excluding withdrawn)	62,292	62,256	-0.1
Shareholders' equity	28,710,810	34,300,994	+19.5
Total assets	32,385,060	48,598,894	+50.1
Net working capital	20,722,023	23,203,942	+12.0
Accounts receivable (net)	16,704,813	31,906,348	+91.0
Total liabilities	3,674,250	14,297,900	+289.1
Issued bonds	0	2,006,401	–
Credits	0	6,133,911	–
Accounts payable	3,674,250	6,157,587	+67.6
Sales volume	12,120,087	12,547,216	+3.5
Cost of goods sold	9,718,285	9,073,647	-6.6
Net income (loss) for the period	1,057,245	1,924,952	+82.1
Book value of one share, KZT	460.9	551.0	+19.5

Relative to similar period of 2001 there are following changes: **shareholders' equity** increased by KZT5.6 bn as a result of increase of total sum of undistributed income by the same amount; **assets** increased by KZT16.2 bn including: accounts receivable by 15.2 bn, residual value of fixed - assets by KZT1.9 bn, volume of construction in progress - by 1.3 bn, money – by 1.2 bn, whereas there took place decrease of inventories by 3.4 bn; **liabilities** increased by KZT10.6 bn, in accordance with increase of accounts payable by 2.5 bn, attracting of credits in the amount of KZT6.1 bn and floatation of bonds in the amount of KZT2.0 bn; **sales volume** increased by KZT427.1 m; **cost of goods sold** fell by KZT644.6 m; **revenues of the period** rose by KZT113.3 m (11.5%). **Net income** received by HOP OJSC for the first quarter of 2002 exceeded the net income, which had been received for corresponding period of 2001, by KZT867.7 m.

Besides, Hurricane Oil Products, (Shymkent, before – SHNOS OJSC), whose securities are circulating under the stock exchange's official list (bonds – under "A" category, shares – under "B" category), provided KASE with the financial statement for the first half year of 2002: the balance sheet, income statement and cash flow statement.

**Comparative indicators of financial and economic activity of HOP OJSC for the first quarter of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of	Change, %
	July 1, 01	July 1, 02	
Issued authorized capital (paid excluding withdrawn)	62,292	62,256	-0.1
Shareholders' equity	28,762,048	34,137,074	+18.7
Total assets	33,097,396	40,080,413	+21.1
Net working capital	20,731,603	22,919,514	+10.6
Accounts receivable	16,973,072	25,986,922	+53.1
Total liabilities	4,335,347	5,943,339	+37.1
Issued bonds	1,951,641	2,017,326	+3.4
Accounts payable	2,721,037	3,926,013	+44.3
Sales volume	26,963,636	9,367,289	-65.3
Cost of goods sold	23,039,426	8,120,505	-64.8
Net income (loss) for the period	1,108,514	(163,920)	-114.8
Book value of one share, KZT	461.7	548.3	+18.8

Relative to similar period of 2001 there are following changes: **shareholders' equity** increased by KZT5.4 bn as the result of increase of total sum of undistributed income by the same amount; **assets** increased by KZT7.0 bn including: accounts receivable by 9.0 bn, residual value of fixed assets - by KZT1.3 bn, volume of construction in progress - by 1.9 bn, whereas there took place decrease of money and its equivalents by 4.2 bn and inventories – by 1.1 bn; **liabilities** increased by KZT1.6 bn, of them: accounts payable - by 1.5 bn, volume of issued of bonds - by 65.7 m; **sales volume** decreased by KZT17.6 bn; **cost of goods sold** fell by KZT14.9 bn; **expenses of the period** fell by KZT930.9 m (38.9%). By the results of activity for the first half year of 2002 HOP OJSC has **loss** in the amount of KZT163.9 m, against KZT1.1 bn of the net income for similar period of

2001 (since May 16 of 2002 the petroleum refinery was stopped for 1 month in accordance with the necessity of major repairs – [note of KASE](#)).

**DB Alfa-Bank OJSC** (Almaty) provided KASE with the financial statement for the first half year of 2002: the balance sheet and income statement.

**Comparative indicators of financial and economic activity of DB Alfa-Bank OJSC for the first half year of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of	Change, %
	July 1, 01	July 1, 02	
Issued authorized capital (paid)	339,681	1,000,000	+194.4
Shareholders' equity	699,251	1,746,838	+149.8
Total assets	4,507,465	7,110,547	+57.8
Liquid assets	1,454,117	1,339,846	-7.9
Credits granted (net)	2,864,581	5,484,342	+91.5
Total liabilities	3,808,214	5,363,709	+40.8
Loans and deposits	4,566,777	5,244,226	+14.8
Issued bonds	0	844,500	–
Total revenues	520,707	757,583	+45.5
General expenses	488,498	482,364	-1.3
Net income for the period	32,209	275,219	+754.5

Relative to similar period of 2001 there is **increase of: shareholders' equity** of the bank - by KZT1.0 bn as the result of increase of paid part of authorized capital by KZT660.3 m, total sum of undistributed income – by KZT242.9 m, reserve capital - by 99.0 m and reserves of revaluation – by 45.3 m; **assets** - by KZT2.6 bn, that was caused by increase of net-volume of loan portfolio by the same sum; **liabilities** - by KZT1.6 bn, of them: attracted deposits – by 523.2 m, subordinate loans – by 154.3 m, floatation of the bank's bonds in the amount of 844.5m and increase of other liabilities by 36.1 m; **revenues** – by KZT236.9 m. **The bank's expenses** decreased by KZT1.3 m relative to the first half year of 2001. **Net income** received by DB Alfa-Bank OJSC by the results of the first half year of 2002 equaled to KZT275.2 m, that is more by KZT243.0 m or 7.5 times than for similar period of 2001.

**DAGOK Kustanaiasbest OJSC** (Zhetikara, Kostanaiasbest) presented KASE auditor's report, which had been made by PriceWaterhouseCoopers (Almaty) on the company's consolidated financial statement for 2001, which had been prepared in compliance with Kazakhstan accounting standards.

**Comparative indicators of financial and economic activity of DAGOK Kustanaiasbest OJSC according to the data of PriceWaterhouseCoopers for 2001**

(in th. KZT, unless other wise specified):

Indicator	2000*	2001
Issued authorized capital (paid)	460,000	460,000
Shareholders' equity	1,139,320	687,782
Total assets	4,327,649	4,678,496
Net working capital	-38,300	297,995
Accounts receivable (net)	1,806,156	907,196
Liabilities, total	3,138,271	3,940,628
Attracted credits	939,821	683,492
Accounts payable	2,198,450	2,363,717
Issued bonds	–	893,419
Volume of goods sold (services rendered)	2,858,150	3,171,790
Cost of goods sold (services)	1,953,779	2,602,072
Net income (loss)	367,465	(449,992)

**It's been calculated on the audited statement:**

Return on sales (ROS), %	31.64	17.96
Return on equity (ROE), %	32.25	–
Return on assets (ROA), %	8.49	–

\* – audited by *KPMG Janat (Almaty)*

Auditing of the consolidated financial statement was made by PriceWaterhouseCoopers in compliance with Kazakhstan auditing standards.

According to note 3 of the auditor's report the financial statement of DAGOK Kustanaiasbest OJSC comprises a daughter company's financial statement, the name of which was not shown (according to auditor's report of KPMG Janat for 2000 KAG Asset was the daughter company of DAGOK Kustanaiasbest OJSC, in which the company had market share 90%, which is equal to KZT450.0 m, – [note of KASE](#)).

It was noted in the auditor's report that a certain part of the company's fixed assets, which had been originally reflected in on initial cost, afterwards (since January 1 of 1993 till January 1 of 1997) was periodically

revaluated in accordance with special coefficient on revaluation, which were set by the State statistics committee of the Republic of Kazakhstan. In the auditor's opinion, cost of fixed assets, which was calculated by such the revaluation, does not correspond to the requirements of Kazakhstan accounting standards 6 "fixed assets accounting" KAS, according to which fixed assets are to be reflected either on initial cost or on current cost excluding accumulated depreciation. Difference between cost of fixed assets, which are reflected in these financial reports, and the cost, which are required by KAS 6, can not be exactly determined and may be significant.

In auditors' opinion of PriceWaterhouseCoopers, excluding influence of corrections, which may appear concerning methods of evaluation, which is used for determining book value of a part of fixed assets, the presented financial statement in all significant aspects for sure reflects financial situation of DAGOK Kustanaiasbest OJSC as of December 31 of 2001, and results of financial and economic activity and cash flow for the year, which had ended by the mentioned date, in compliance with Kazakhstan accounting standards.

**Valut-Tranzit Park OJSC** (Almaty) provided KASE with the financial statement for the first half year of 2002: the balance sheet and income statement.

**Comparative indicators of financial and economic activity of Valut-Tranzit Park OJSC for the first half year of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of
	July 1, 01	July 1, 02
Issued authorized capital (paid)	55,000	55,000
Shareholders' equity	50,036	50,800
Total assets	292,780	66,148
Net working capital	205,847	60,585
Accounts receivable	32,070	54,116
Total liabilities	242,744	15,348
Attracted credits	243,472	15,729
Accounts payable	-729	-381
Sales volume	38,365	13,364
Cost of goods sold	33,903	10,923
Net income (loss) for the period	(107)	763

Comparative analysis of the company's results of activity with corresponding period of 2001 is not given because the stock exchange has not the company's financial statement for the first half year of 2001. Besides, the stock exchange has not received from the company explanations negative value of accounts payable.

**Bayan-Sulu OJSC** (Kostanai) presented KASE a copy of minutes of the prescheduled general shareholders meeting, which had been held on August 14 of 2002, and also a copy of agreement about joining of juridical entities and transmission act. In accordance with admitted agenda shareholders of Bayan-Sulu OJSC made the decision about reorganization of Bayan-Sulu OJSC by means of joining to it Kedr-Kost CJSC (Kostanai). The decision about joining of Kedr-Kost CJSC, which's activity is alike with the company's one, was made in order to develop business.

According to the documents, which were presented to the stock exchange, the joining is made by means of including of the property of Kedr-Kost CJSC (book value of the property equals to KZT77.1 m) to property of Bayan-Sulu OJSC. At this Kedr-Kost CJSC stops its activity, and Bayan-Sulu OJSC becomes the full assignee of its rights and obligations.

**JB LARIBA-BANK OJSC** (Almaty) provided KASE with the financial statement for the first half year of 2002: the balance sheet and income statement.

**Comparative indicators of financial and economic activity of JB LARIBA-BANK OJSC for the first half year of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of	Change,%
	July 1, 01	July 1, 02	
Authorized capital (announced)	1,000,000	1,000,000	-
Authorized capital issued (paid excluding withdrawn)	775,421	912,585	+17.7
Shareholders' equity	1,015,017	1,153,617	+13.7
Total assets	1,642,277	1,885,350	+14.8
Liquid assets	459,729	508,462	+10.6
Credits granted (net)	856,069	1,132,558	+32.3
Total liabilities	627,260	731,733	+16.7
Loans and deposits	615,732	715,494	+16.2



Indicator	As of	As of	Change,%
	July 1, 01	July 1, 02	
Total revenues	167,187	198,072	+18.5
General expenses	81,446	117,899	+44.8
Net income for the period	85,741	80,173	-6.5

Relative to similar period of 2001 there is **increase of: shareholders' equity** of the bank - by KZT138.6 m as the result of increase of paid part of authorized capital by KZT137.2 m and total sum of undistributed income by KZT1.5 m; **assets** - by KZT243.1 m, that was caused by increase of net-volume of loan portfolio by 276.5 m, whereas there took place decrease of other assets by 33.4 m; **liabilities** - by KZT104.5 bn, including: attracted deposits – by 99.8 m and other liabilities by 4.7 m; **revenues** – by KZT60.9 m; **expenses** – by KZT36.5 m. **Net income** received by JB LARIBA-BANK OJSC by the results of the first half year of 2002 equaled to KZT80.2 m, that is less by KZT5.6 m than for similar period of 2001.

**TEXAKABANK OJSC** (Almaty) presented KASE a copy of minutes of the prescheduled general shareholders meeting, which had been held on September 24 of 2002 in Dallas city in Texas state (USA). In accordance with the admitted agenda shareholders of TEXAKABANK OJSC decided:

- to approve offer about resignation of Igor V. Gekko from the post of the Chairman and exclude him from the Board of directors of TEXAKABANK OJSC;
- to elect Yelena S. Mercelle the Chairman of the Board of directors of TEXAKABANK OJSC;
- to elect I. Gekko the first Deputy of the Board of directors of TEXAKABANK OJSC;
- to present the mentioned candidatures for coordination to the National Bank of Kazakhstan.

**Mangistaumunaigas OJSC** (Aktau) provided KASE with the financial statement for the first half year of 2002: the balance sheet and income statement.

**Comparative indicators of financial and economic activity of Mangistaumunaigas OJSC for the first half year of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of	Change,%
	July 1, 01	July 1, 02	
Issued authorized capital (paid excluding withdrawn)	10,892,027	10,892,027	0
Shareholders' equity	30,158,262	34,329,178	+13.8
Total assets	92,995,720	83,789,324	-9.9
Net working capital	-2,160,733	-1,063,829	+50.8
Accounts receivable (net)	38,958,151	31,485,489	-19.2
Liabilities	62,837,458	49,460,146	-21.3
Accounts payable	48,681,829	41,233,733	-15.3
Sales volume	56,518,391	48,293,979	-14.6
Cost of goods sold	27,618,981	22,677,102	-17.9
Net income	6,017,209	2,991,107	-50.3
Book value of one share, KZT	2,768.84	3,151.77	+13.8

Relative to similar period of 2001 there are following changes: **shareholders' equity** increased by KZT4.2 bn as a result of increase of total sum of undistributed income by 3.6 bn, reserve capital – by 891.1 m whereas there took place decrease of additionally unpaid capital by 324.7m; **assets** decreased by KZT9.2 bn that was caused by decrease of accounts receivable (net) - by 7.5 bn, net cost of inventories – by 4.9 bn and other assets - by KZT832.1 m whereas there took place increase of residual value o fixed assets (including construction in progress) by 4.0 bn; **liabilities** decreased by KZT13.4 bn, including: accounts payable - by 7.5 bn, amount of reserves formed on liabilities - by 5.9 bn; **sales volume** decreased by KZT8.2 bn; **cost of goods sold** fell by KZT4.9 bn; **expenses of the period** rose by KZT2.3 bn. **Net income** received by Mangistaumunaigas OJSC for the first half year of 2002 decreased in comparison with similar period of 2001 by KZT3.0 bn (2 times).

**Insurance company SAYA OJSC** (Aktobe) provided KASE with the financial statement for the first half year of 2002: the balance sheet and income statement.

**Comparative indicators of financial and economic activity of  
Insurance company SAYA OJSC for the first half year of 2002**

(in th. KZT, unless other wise specified):

Indicator	As of	As of	Change, %
	July 1, 01	July 1, 02	
Issued authorized capital (paid excluding withdrawn)	102,000	101,925	-0.1
Shareholders' equity	124,675	152,432	+22.3
Total assets	106,250	129,436	+21.8
Investments into securities	85,928	86,552	+0.7
Accounts receivable	15,634	22,051	+41.0
Liabilities, total	18,425	22,996	+24.8
Insurance reserves	15,767	16,531	+4.8
Accounts payable	2,658	3,759	+41.4
Total revenues	16,505	17,825	+8.0
Total expenses	16,318	16,907	+3.6
Net income	187	918	+390.9
Book value of one share, KZT	1,041.67	1,495.53	+43.6

Relative to similar period of 2001 there **increase of: shareholders' equity** – by KZT23.2 m as the result of increase of additionally unpaid capital by 22.5 m, undistributed income – by 731.0 th., reserves – by 31.0 th. whereas there was withdrawal of capital (purchasing of own shares) in the amount of 75.0 th.; **assets** – by KZT27.8 m, including: residual value of fixed assets – by 18.4 m, accounts receivable – by 6.4 m, investments into debt securities – by 661.0 th. and other assets – by 2.3 m; **liabilities** – by KZT4.6 m that was caused by increase of revenues of future periods by 2.7 m, accounts payable – by 1.1 m and insurance reserves – by KZT764.0 th.; **revenues** – by KZT1.3 m; **expenses** – by KZT589.0 th. **Net income** received by Insurance company SAYA OJSC for the first half year of 2002 increased in comparison with similar period of 2001 by KZT731.0 th (4.9 times).

Governing body of **Development Bank of Kazakhstan CJSC** (Astana) gave additional information concerning primary floatation of the issued by the bank international bonds of the first issue (XS0155792186, \$100 m, October 10, 02 – October 10, 07, semi-annual coupon 7.125% APR). These euronotes were included into Kazakhstan stock exchange's (KASE) official list on October 10 of 2002 and other are quoted at KASE as well. Euronotes were issued according to the program EMTN. Such the issue was made first time in Kazakhstan. This issues was approved by the bank's general shareholders meeting to the amount of \$400 m with circulation term of up to 2005. The main difference of EMTN from one-time eurobonds issues is that this program will allow Development Bank of Kazakhstan CJSC to reduce the terms and expenses for preparation of the next issues, and will also create conditions for quick reacting the market's conjuncture and regulations of borrowing volumes in accordance with volumes of credit resources development. Geographic distribution of investors, who have purchased the euronotes, is following countries and regions: 32% – Great Britain, 24% – Kazakhstan, 14% – Germany, 7% – Switzerland, 13% – other countries of Europe, 5% –off-shore investors of the USA, 3% – Near East and 2% – Asia. In accordance with demand on type of investors 52% belonged to pension assets management companies and funds, 24% – to banks, 15% pension funds, 7% – private banks and 2% – investment companies.

The bank's governing body informed that while euronotes floatation there was mainly investors' demand, which keep to long-term strategy. Despite the uneasy condition of developing markets during euronotes floatation, when index EMBI+ exceeded 900 basis points, large number of investors, who wanted to invest their means into developing markets, found credit risk of bonds of Development Bank of Kazakhstan CJSC as rather attracting. Floatation of euronotes at secondary market was also successful, and the fact that on the first day of trades the price raised to 99.50% in comparison with initial issue price, which was 98.97%, proves it.

It should be noted that since October 11 of 2002 – date of opening of trades on the euronotes at KASE (trade code BRKZe1) – no deals were made on them at Kazakhstan stock exchange's market. Evidently, offer prices from stock exchange's market-maker of bonds are considered by participants as extremely high. On Thursday at KASE BRKZe1 were quoted on demand at 7.1231% APR, a and on offer – at 6.7912% APR.

International rating agency **Moody's Investors Service** distributed press-release, which says that on November 8 of 2002 Moody's upgraded from "Ba3" to "**Ba1**" long-term ratings of deposits of Halyk Bank of Kazakhstan OJSC (Almaty), KAZKOMMERTSBANK OJSC (Almaty), Bank TuranAlem OJSC (Almaty) and AMB OJSC (Almaty). Besides, Moody's Investors Service has upgraded from "Ba2" to "**Baa3**" ratings of senior unsecured debt, which was issued as euronotes of Kazkommerts International B.V. and TuranAlem Finance B.V. on full guarantee of KAZKOMMERTSBANK OJSC and Bank TuranAlem OJSC correspondingly. All ratings' outlook is "**stable**".

## **KASE NEWS**

By the decision of Kazakhstan stock exchange's (KASE) Governing body **since November 22 of 2002** Aliance Investment Management LLP (Almaty) has been released from fulfilling of specialist's obligations on inscribed coupon subordinated bonds of AMB OJSC of the second issue (KZ2CUY05A441; KASE official "A" listing category, ATFBb2; \$10.0 m; \$100; January 4, 02 – January 4, 07; semi-annual coupon 9.0% APR), and at the same time the company was assigned status of market-maker on the mentioned securities. The basis for the made decision was statement of Aliance Investment Management LLP about volunteer refusal specialist status. Minimal volume of compulsory quotation for the market-maker of ATFBb2 is 100 bonds.

**Prepared by the agency IRBIS**