

WEEK OF STOCK MARKET OF KAZAKHSTAN May 24 - 30

1 US dollar = **146.10** tenge at official rate for the end of the period
1 US dollar = **146.31** 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 May 24 - 30. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

Investment attractiveness of stock exchange instruments from May 24 through 30

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
VITAb2	USD	13.22 (12.75)	0 (0)	0 (0)
SMGZb1	USD	13.00 (-)	0 (0)	0 (0)
RGBRb2	USD	12.00 (12.00)	0 (0)	0 (0)
BTASb1	USD	11.50 (10.18)	26.4 (0)	180.7 (0)
KZASb1	USD	11.24 (11.26)	0 (0)	0 (0)
KARMB1	USD	11.21 (10.99)	98.3 (0)	672.7 (0)
CCBNb1	USD	10.29 (10.22)	0 (0)	0 (0)
KKGBe2	USD	9.51 (9.50)	0 (0)	0 (0)
KZTOb	USD	9.43 (10.21)	3.0 (26.9)	20.7 (184.4)
TEBNb	USD	8.93 (9.09)	0 (0)	0 (0)
KZOLb	USD	8.76 (9.97)	0 (38.9)	0 (266.3)
ATFBb	USD	8.64 (9.25)	0 (1..5)	0 (10.2)
SYRGb1	USD	8.54 (8.50)	0 (0)	0 (0)
HSBkb	USD	8.50 (8.41)	0 (0)	0 (0)
Repo, securities	USD	*8.46 (*10.48)	174.3 (19.5)	1,192.8 (133.4)
Euronotes-4	USD	7.27 (7.24)	2,216.4 (1,362.0)	15,163.5 (9,321.9)
Euronotes-3	USD	7.16 (7.14)	1,697.9 (3,110.2)	11,616.0 (21,286.6)
Euronotes-2	USD	6.01 (5.97)	483.2 (808.0)	3,305.5 (5,503.0)
KKGBb	USD	5.27 (5.47)	0 (0)	0 (0)
MEOKAM, MEAKAM	KZT	11.04 (9.38)	1,430.6 (1,242.7)	9,786.9 (8,505.0)
Repo, securities	KZT	*10.23 (*14.94)	152.1 (54.9)	1,041.3 (375.4)
Repo, GB	KZT	*7.84 (*7.66)	4,090.8 (8,523.8)	27,986.4 (58,338.4)
MEKKAM, notes	KZT	*6.35 (*4.51)	378.5 (56.3)	2,589.5 (385.2)

Notes: yields of BTASb1, KARMB1 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 **8.21% 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.

INDICATORS OF INTERBANK DEPOSIT MARKET

Indicators of Kazakhstan interbank deposit market
as of May 30, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	9.60	-0.10
2 weeks	KZT	10.20	+0.20
1 month	KZT	11.10	+0.30
2 months	KZT	11.60	+0.40
3 months	KZT	12.40	+0.70

The dynamics of indicative interbank deposits was clearly reflecting the decrease in the market liquidity, caused mainly by the needs of the banks in meeting the reserves formation requirements before the closing of the month. Other reasons for the deficit of tenge to appear are the growth of financing as a result of GB rates decline, increased (relative to supply) demand for the U.S. dollars and small repayment volume of the Ministry of Finance and National Bank bonds.

THE SECURITIES SECTOR (SS)

Secondary market

During observed period 7 deals amounting to **\$2,059.7 th.** (KZT301.0 mln) were made **in purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$615.0 th., KZT89.8 mln, 16

deals) weekly turnover of the sector increased 3.3 times. As it happened before, it is hard to give certain reasons for explaining the dynamics. The fluctuations reflect normal working deviations of the market.

The most traded were **common shares of Bank TuranAlem OJSC** (57.6% of sector's turnover). Then, there were bonds of Karazhanbasmunai OJSC (32.7%). Last week bonds of NOC KAZAKHOIL CJSC were the leaders. The deals were made in all four instruments, and eight – for last week.

By the last deals of the period the price of BTAS increased by 0.7% relative to the previous successful trades. The value of KARMB1 grew from 10.9895% to 11.2101% APR. The yields of KZTOb fell from 9.8713% to 9.4339% APR. The yields of BTASb1 did not change at 11.5% APR.

The index KASE_Shares fell by 0.3465 (0.33%) during the week, at **103.6625** at May 30 closing. The values of the indexes of corporate bonds market (changes during the week are in parentheses) are: **KASE_BY – 11.48 (-1.10%)**, KASE_BP – 113.17 (+0.74%), KASE_BC – 104.05 (+0.35%). Last week KASE_BY index decreased by 0.04%. It can be said that dynamics of KASE_BY during the last half month makes it possible to consider the decrease in the yields of corporate bonds an emerging trend.

On May 30, 2001 **the capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,327.9 mln** or KZT194.3 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number increased slightly **by \$0.7 mln** in terms of dollars is explained mainly by an increase in the values of BTAS (see above).

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 **\$253.2 mln** as of May 30, or KZT37,048.3 mln. In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$282.6 mln** as of this check date, or KZT41,353.9 mln.

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 May 24 - 30

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
Astana-finance OJSC	ALKZp	*7.002		0	3.400	6.800
Bank TuranAlem OJSC	BTAS	*72.61	73.19	16 200	73.69	72.00
Bank CenterCredit OJSC	CCBN	1.2659		0	1.1636	1.3670
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324		0	0.9000	1.8000
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0.2500	0.5000
Kazakhtelecom	KZTK	*12.000		0	12.000	16.500
Kazakhtelecom	KZTKp	11.200		0	7.000	11.500
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	0.684	7.176
ULBA JSC	ULBAp	*10.00		0		*10.27
UKTMK OJSC	UTMK	35.000		0	15.000	39.000
UKTMK OJSC	UTMKp	*4.3100		0		40.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5032		0	1.3688	2.4947
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	1.5057	2.7718

Results of the trades in bonds from May 24 - 30

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

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
AMB CJSC	ATFBb	USD	9.2471		0	9.1955	8.6833
Bank TuranAlem OJSC	BTASb1	USD	11.5000	11.5000	180.70	11.2032	11.5000
Bank CenterCredit OJSC	CCBNb1	USD	11.6998		0	11.7943	10.3080
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.2702		0	13.4956	8.5024
Karazhanbasmunai OJSC	KARMB1	USD	11.2101	11.2101	672.66	11.2101	11.2101
KAZKOMMERTSBANK OJSC	KKGBb	USD	7.00		0	10.45	5.51
KAZKOMMERTSBANK OJSC	KKGBe2	USD			0	11.5035	9.5390
DAGOK Kustanaiasbest OJSC	KZASb1	USD	12.0000		0	12.2009	11.2985
NOC Kazakhoil CJSC	KZOLb	USD	10.0032		0	10.3712	9.5043
NOTC KazTransOil CJSC	KZTOb	USD	*9.4339	9.4339	20.69	9.4339	9.8727
RG Brands OJSC	RGBRb2	USD	12.0000		0	12.4962	12.0014
SHAHARMUNAIGAS OJSC	SMGZb1	USD			0	18.9950	13.0000
SHNOS OJSC	SYRGb1	USD			0	12.0007	8.7348
Temirbank OJSC	TEBNb	USD	6.6943		0	22.1128	9.0084
VITA LLP	VITAb2	USD	*14.0093		0	13.9519	13.4645

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 the securities repo sector 11 deals were made during the week **for a total of \$3,692.6 mln** (KZT539.5 mln). Of this number, 6 deals (\$2,234.1 th) were repo opening deals, and 5 (\$1,458.6 th) were repo closing deals. Last week volume of deals equaled \$877.9 th (KZT128.3 mln). In the evening of May 30 nineteen securities repos in tenge and U.S. dollars were opened on the trade floor of the Exchange for a total of **\$6,405.2**

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 and bonds of NOC KAZAKHOIL CJSC and VITA LLP were used as the object of repo deals. The terms vary from 28 to 30 days, and rates from 8.03% to 14.97% APR for tenge denominated repos, and 28 to 123 days, 7.86 to 14.72% APR for USD denominated repos.

Total of 18 deals amounting to **\$5,752.3 th (KZT840.5 mln)** were made in securities **on trade floors of KASE** during last week (purchase and sale and repo sector). A week ago volume of 19 deals was \$1,492.8 th.

Changes in trade lists

From May 28, 2001, according to decision of the Exchange Council of the KASE, dated May 25, 2001 **common inscribed shares of Astana-finance OJSC** (KZ1C37671418, trade code -ASFI) were transferred into category "A" of the official listing. The company's shares have been quoted under category "B" since January 17, 2000 (see special bulletin).

Trade volume of 45 deals (including initial additional offering) reached **\$749.9 th**. Price for common shares fluctuated around \$7.002 - \$7.175 (last deal \$7.002). Current stock market capitalization of the company reached **\$12.662 mln**.

As of Jan.01, 2001, announced and issued (registered) authorized capital of Astana-finance OJSC totaled KZT3,100.0 mln, paid-up capital - KZT1,808.32 mln, of which KZT100.0 mln are shares of first issue and KZT1,708.32 mln of the second. Amount of unpaid shares (second issue) equals KZT1,291.7 mln. In total, two issues of the company's securities were registered. Face value of shares (both issues) - KZT1,000.00, non-documentary form of issuing, method of floatation, first issue - closed offering, second - open offering. Shareholders' capital reached KZT2,173,558 th, assets - KZT12,713,221 th, ROA - 1.46%, ROE - 8.52%.

SECTOR OF GOVERNMENT BONDS (GB)

Secondary market

In GB purchase and sale sector of KASE total volume of 94 deals equaled **KZT6,206.6 mln**. Last week the turnover equaled KZT6,675.2 mln with 87 deals made. Some decline in the turnover is explained by the IRBIS analysts as the loss of liquidity by the market at the beginning of the period and growth of over-the-counter proportion of the GB secondary market.

Unlike in previous week, in this week the turnover structure did not change much. The participants of the trades still prefer euronotes of Kazakhstan. However, the proportion of mid-term domestic GB is increasing mainly due to the big deals made in MEAKAM.

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 **7.10 (+0.94%)**; **KASE_EP** – 126.41 (-0.05%); **KASE_EC** – 112.88 (-0.24%). Last week **KASE_EY** decreased by 0.18%. The balance observed between the number of traders working with mid-term domestic GB and those working with euronotes caused the yields of the latter to rise this time. However, it is still early to talk about a clear trend in this sector.

Parameters of stock exchange transactions in GB from May 24 - 30

(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 GB: MEKKAM-12, notes				6.1% (0.9%) of purchase and sale sector's turnover			
less than 8	4.70	6.26	4.70	6.26 (-)	350.6	6	
8 – 14	4.01	4.50	4.01	4.22 (-)	5.2	2	
15 – 28	5.12	5.12	5.12	5.12 (4.42)	21.1	1	
64 – 91	5.28	5.28	5.28	5.28 (-)	1.7	1	
Total					378.5 (56.3)	10 (4)	
Coupon GB: MEOKAM-24, 36, MEAKAM				23.0% (18.9%) of purchase and sale sector's turnover			
437 - 638	7.88	9.03	7.88	8.70 (8.38)	419.2	11	
884 - 998	8.91	8.99	8.92	8.92 (9.03)	124.5	5	
1,004 - 2,407	9.03	14.54	12.56	12.45 (10.30)	886.9	12	
Total					1,430.6 (1,242.7)	28 (25)	
Euronotes of Kazakhstan, USD				70.9% (80.2%) of purchase and sale sector's turnover			
482 - 488	5.87	6.16	5.96	6.01 (5.97)	483.2	12	
1,218 - 1,224	7.11	7.18	7.18	7.16 (7.14)	1,697.9	25	
2,141 - 2,146	7.24	7.30	7.29	7.27 (7.24)	2,216.4	19	
Total					4,397.5 (5,276.2)	56 (58)	
SUBTOTAL					6,206.6 (6,575.2)	94 (87)	

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

In GB repo sector 124 deals for a total of KZT8,920.0 mln were made during the period. Of this number 55 deals (for KZT4,090.8 mln) were repo opening deals and 69 (KZT4,829.3 mln) were repo closing deals. Last period the turnover of this sector of the market reached KZT15,401.6 mln. After closing of the trades on May 30 total amount of opened repo equaled **KZT5,833.1 mln**. Current weighted average rates as of May 30 (% APR) equaled: for 1 day – 4.73; for 2 days – 7.97; for 3 days – 7.97; for 4 days – 8.47; for 7 days – 7.48; for 8 days – 8.18; for 21 days – 6.85; for 22 days – 7.98; for 27 days – 8.83; for 28 days – 7.09; for 29 days – 7.84; for 30 days – 7.53; for 60 days – 11.97.

Total of 218 deals amounting to **KZT15,126.6 mln** were made in GB on trade floors of KASE during last week (purchase and sale and repo sector). A week ago volume of 235 deals was KZT21,976.7 mln. This week **the proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GB for comparable operations equaled **70.2%**, for last week it was 88.9%.

INFORMATION ON COMPANIES

On May 22, 2001 the NSC registered the sixth issue of **Almaty Merchant Bank OJSC** (AMB OJSC, Almaty) shares for a total of KZT2,011,110,000 and annulled previous five issues due to change in face value of shares. It was informed that the bank's management intends to enter the new issue shares into category "A" of the official listing. At present, the listing contains only bonds of AMB OJSC.

On May 25, 2001 the NSC had approved issue and floatation reports of Almaty Kus OJSC (Chapaev comm., Ili district, Almaty region; KZ2C3AF64A13; \$100; \$4.5 mln; Apr 14, 00 - Apr 14, 01; semiannual coupon at 14.0% APR) first issue bonds for \$4.5 mln. The issue was serviced and paid back by the issuer on time and completely.

On May 28, 2001 the NSC had approved issue and floatation reports of **Astana-finance OJSC** second issue shares for KZT1,720,875,000.

On May 28, 2001 the NSC had approved issue and floatation reports of **Aliuminii Kazakhstana OJSC** (Pavlodar) fifth issue shares for **KZT5,834,810,700**.

KASE MEMBERS

Based on the resolution #834 of the NSC Directorate, dated May 28, 2001, the license #0302200043, issued to **Fondovyi Sindikat CJSC** (Aktobe) to conduct brokerage and dealing activities on the stock market without the right to handle client accounts on March 26, 1999, had been suspended for 6 months. The grounds for the license suspension is the violation of the requirements set in clauses 16, 17, 19 of the Rules of brokerage and dealing activities on the stock market of Kazakhstan, which were approved by the resolution #20 of the NSC on December 31, 1998. By the decision of the KASE Board, dated May 30, 2001, and based on this resolution of the NSC Directorate, **from June 1, 2001** the Exchange barred the company from the securities trades. The company has been also freed from paying KASE fees.

Based on the resolution #833 of the NSC Directorate, dated May 28, 2001, the license #0407100072, issued to **Demir Kazakhstan Bank OJSC** (Almaty) to conduct custodian activities on the stock market on May 25, 2000, had been suspended for 6 months. The grounds for the license suspension is the violation of the requirements set in joint resolution of the NSC and the Board of the National Bank of Kazakhstan "On requirements to second tier banks doubling as custodian and brokerage-dealing on the stock market of Kazakhstan", dated September 30 (#83) and November 3, 2000 (#415).

KASE NEWS

On May 25, 2001 the first meeting of new Exchange Council of Kazakhstan Stock Exchange CJSC (KASE, Almaty), which was elected on May 16 at general shareholders meeting, was held. At the meeting a new chairman of the Council, **Mameshtegi S. Kh.** who is also a deputy chairman of the Board of Bank TuranAlem OJSC (Almaty), was elected. As it has been informed, new Exchange council of the KASE consists of following members: **Abdukhalikov T.S.** – director of the department of Almaty Merchant Bank OJSC (Almaty); **Mameshtegi S. Kh.** – deputy chairman of the Board of Bank TuranAlem OJSC (Almaty); **Muldashiev T.Z.** – first deputy chairman of the Board of Bank CenterCredit OJSC (Almaty); **Sembaev D.Kh.** – chairman of the Board of directors of KAZKOMMERTSBANK OJSC (Almaty), chairman of the Association of financiers of Kazakhstan; **Tsurkan O.G.** – deputy chairman of the Board of ABN AMRO BANK KAZAKHSTAN (Almaty). **Elemesov A.P.** – president of DB SECURITIES (KAZAKHSTAN) (Almaty); **Erimbetov I.M.** – general director of Kazkommerts Securities OJSC (Almaty); **Kanafin A.B.** – director of KBS Securities (Almaty); **Kyshpanakov V.A.** – executive director of KIB ASSET MANAGEMENT Ltd (Almaty); **Sabalakov M.D.** – chairman of the Board of directors of RG Securities (Almaty). The Exchange Council also include representative of the National Bank, the president of KASE, representative of National Securities Commission (no voting right) and an observer from the Central Depository of Securities CJSC (Almaty) the president of this organization, **Kapyshev B.Kh.**

Mr. Mameshtegi S. Kh. was also chairing former Exchange Council.

Also, it was decided to resume the trades over inscribed coupon bonds of SHAKHARMUNAIGAS OJSC from **May 28, 2001**. The first issue bonds have following issue parameters: (KZ75KASICA50; category "A" of the official listing; trade code - SMGZb1; face value - \$100; volume - \$30 mln; Jan.18, 01 - Jan.18, 06; annual coupon rate - 13.0%. Kazakhstan Stock Exchange suspended trades over registered coupon bonds of SHAKHARMUNAIGAS OJSC on April 02. The reason was disclosure of new information on activity of the issuer and its affiliated parties. According to regulations enforced by that time, disclosed information contains facts sufficient to suspend trades. KASE has examined comments given by SHAKHARMUNAIGAS OJSC and decided to suspend trades until completion of General Prosecutors examination of NSC activity. The examination was initiated by appeal of the president of SHAKHARMUNAIGAS OJSC. During examination, KASE has received no notifications of the prosecutors office concerning resumption of trades over bonds.

KASE received a letter from the General Prosecutor of Kazakhstan, dated May 24, 2001, N7-23-1841-2001, where the head of the General Prosecutor's department informs the Exchange of the completion of the investigation on the legitimacy of the NSC and KASE activities on the facts stated in the petition of SHAKHARMUNAIGAS OJSC (Almaty). It was said that General Prosecutor made two injunctions towards the NSC and one towards the KASE N7-23-1231-2001, dated May 7, 2001. Based on article 24 of the decree of the President of Kazakhstan "On general prosecutor of Kazakhstan" the injunctions are mandatory.

KASE informed on May 24 that it fully executed injunction of the General Prosecutor Office (GPO) stated in the resolution N7-23-1231-2001. According to the GPO, resolution N787 of the Directorate of National Securities commission, "On approval of stock exchange trade rules" dated March 02, 2001, should not be applied as having no legal power. The prosecutor office states that the resolution must be put in conformance to current legislation. The enforcement of the resolution will also depend on its legal expertise and registration in the Ministry of Justice of Kazakhstan. The mentioned resolution of NSC approved and amended main legal document of the KASE - "Listing Securities Regulation." New wording was enforced on April 02, 2001.

KASE notes that injunction of the Prosecutor Office has been executed prior to receiving of the official notification. According to the GPOs' resolution "On suspension of illegitimate legal document" dated Apr.25, 2001, decision of the Board of KASE #38/1 dated April 27, 2001, suspended authority of amendments and modifications put into Securities Listing Regulation until completion of the prosecutor's examinations. From April 26, 2001 KASE uses former wording of Securities Listing Regulation. This wording is published at the official site of KASE: <http://www.kase.kz/GenInfo/NormBase/listing.asp>.

It should be noted that in the injunction of the General Prosecutor received by the KASE N7-23-1231-2001, dated May 7, 2001, there are no words about violations committed by the Exchange regarding the legislature, as well as the suspension of all existing normative documents regulating the activities of the Exchange.

The Kazakhstan Stock Exchange (KASE) published the 2000 report of the Exchange on its web site in Internet (www.kase.kz) in Russian. The users of the Net can see the report in html format (<http://www.kase.kz/GenInfo/KASEReports/2000/default.asp>) or download in Adobe Acrobat Reader 4.0 format. The English version of the report will be ready in a month.

Prepared by the agency «IRBIS»

Shares of Astana-finance OJSC were transferred to the KASE listing under category “A”

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

From May 28, 2001, according to decision of the Exchange Council of KASE dated May 25, 2001 common inscribed shares of Astana-finance OJSC (KZ1C37671418, trade code -ASFI) were transferred into category “A” of the official listing. The member of the Exchange – Fondovyi servis CJSC (Almaty) – was given a status of a market-maker of common inscribed shares of Astana-finance OJSC. Minimum volume of mandatory quotations for the market-maker of these shares is set at 400 securities.

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 the KASE.

GENERAL INFORMATION

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. Legal and actual address – 54, Begeldinov St., Astana, 473000, Kazakhstan.

HISTORY

The company was established on December 18, 1997 as Fond ekonomicheskogo i sotsialnogo razvitya spetsyalnoi ekonomicheskoi zony Astana (Fund for economic and social development of Astana special economic zone, hereafter - SEZ) by the decision of the Administrative council of SEZ. On April 30, 1998 it was registered as Fond Akmola CJSC, which was founded solely by the Administrative council of SEZ.

From the creation till January 1, 2001 (abolishment date of Astana SEZ) Astana-finance OJSC had been a financial operator of Administrative council of SEZ and managed the funds of the SEZ allocated to financing economic and social development of the city and entrepreneurship support. Also, the company rendered assistance to the Administrative council of SEZ on issuing municipal bonds in 1999 and mortgage financing of housing in 1999-2000.

LICENSES

Astana-finance OJSC has the license #25 of the National Bank of Kazakhstan, issued on February 3, 2000 to conduct banking transactions in tenge and foreign currency, including lending activities – granting credits in monetary terms, as well as other operations set in banking legislature, including leasing and factoring.

In 2001 Astana-finance OJSC plans to get necessary licenses to conduct guarantee, trust, pawning, transfer and exchange transactions with foreign currency.

The information presented below about Astana-finance OJSC (Astana) was taken from the conclusion of the Listing commission of the Kazakhstan Stock Exchange (KASE), which is made due to the transfer of the company's shares from official list of the KASE securities under category “B” into category “A”. The management of Astana-finance OJSC is fully responsible for the reliability of the information presented by the Listing commission of the KASE. Information is published by IRBIS as it may the attentions of potential investors.

CAPTIAL, SHARES AND SHAREHOLDERS

As of Jan 1, 01, announced and issued (registered) authorized capital of Astana-finance OJSC equaled KZT3,100 mln, paid – KZT1,808.3 mln, of which KZT100.0 mln – first issue shares, and KZT1,708.3 mln – second issue shares. Total of unpaid second issue shares – KZT1,291.7 mln. Total of two share issues had been registered at KZT1,000.00 per share (only common shares, NIN KZ1C37671418) amounting to 3,100,000. Issue type is non-documentary. The first issue was placed privately, second – publicly. The register is maintained by Fondovyi tsentr CJSC (Almaty).

Based on Astana-finance OJSC charter, size, sources and payment order of the dividends are approved by the General shareholders meeting upon the suggestion of the Board of directors. By the results of the year 1998, dividends were not accrued due to an absence of net income. In 1999 dividends amounted to KZT1,339.3 mln. The dividends were paid out using the second issue shares in proportions of each shareholder. At the general meeting, which was held on April 26, 2001, it was decided to allocate KZT40.7 mln to dividend payments, or KZT22.35 per share. Payment date is June 10, 2001.

Shares of Astana-finance OJSC were entered into official list of the KASE securities under category “B” on January 17, 2000. During all this time 45 deals were made in the company's shares (including initial additional offering at the auction). The volume of transactions reached **\$749.9 th**. The price of the share varied from \$7.002 to \$7.175 (\$7.002 – last deal). The market capitalization of the company is estimated by the KASE by the last deal at **\$12.662 mln** as of May 28, 01, based on the bid prices of the market-maker – \$6.148 mln. The

market-maker of Astana-finance OJSC shares at the KASE is Fondovyi servis CJSC (Almaty). This brokerage company is also a financial consultant of the issuer.

As of Jan 1, 01, the company had 586 shareholders, including, 16 legal entities, 570 individuals. Following are those, who own 5% or more of paid authorized capital of the company: Administrative council of SEZ of Astana (stake in authorized capital – 41.4%); Saya LLP (Astana, Kazakhstan; 28.1%); Jana Arai LLP (Astana, Kazakhstan; 13.2%), Energoremservis LLP (Astana, Kazakhstan; 10.8%).

From January 1, 2001 the Special Economic Zone was ceases to exist. However, the successor of Administrative council of SEZ, the State municipal enterprise “Fond kommunalnoi sobstvennosti goroda Astana” remains as the shareholder of Astana-finance OJSC with 41.4% controlling stake.

BRIEF CHARACTERISTICS OF ACTIVITIES

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).

Being a non-banking financial institution, Astana-finance OJSC has no correspondent relations with the banks. The company's payment system is based on settlement and currency accounts in the banks of the second tier. Astana-finance OJSC has settlement and currency accounts in Tsensabank OJSC (Astana), KAZKOMMERTSBANK OJSC (Almaty), Halyk Bank of Kazakhstan OJSC (Almaty), Bank TuranAlem OJSC (Almaty), Almaty Merchant Bank OJSC (Almaty), Irtyshbusinessbank OJSC (Pavlodar) and only settlement accounts in Halyk Bank of Kazakhstan and Bank TuranAlem OJSC.

Structure of assets of Astana-finance OJSC

Ratio	(in th KZT)		
	1998	1999	2000
TOTAL ASSETS	7,965,635	12,796,996	12,713,231
including:			
Investments into authorized capital of legal entities	9,087	1,112,610	1,294,798
Incomplete construction	2,785	212,458	1,217,230
Accounts receivable,	3,089,280	1,451,425	6,877,608
including:			
long-term	3,006,012	157,242	6,376,992
short-term	83,268	1,294,183	500,616
Credits granted,	4,605,367	9,547,455	2,965,098
including:			
long-term	4,519,795	8,974,208	1,664,585
short-term	85,572	573,247	1,300,513
Long-term financial investments	0	0	60,000
Cash	139,720	405,328	354,207
Bad debt reserves*	0	0	474,191
Other assets	119,396	67,720	418,481

* in 1998 and 1999 were added to reserve capital

Investments into subsidiaries and dependent companies

In late 2000 Astana-finance OJSC had 5% or more in authorized capitals of 16 legal entities. Total investments as of the end of 2000 equaled 1,294.8 mln, or 10.2% of the assets.

Financial and economic ratios of subsidiaries and dependent companies of Astana-finance OJSC in 1999-2000

Title	(mln KZT)							
	Shareholders' equity				Sales		Net income	
	Assets		equity		1999	2000	1999	2000
Astanaenergoserwis OJSC	8,073.6	7,923.5	-502.7	619.5	3,536.0	3,963.7	-864.0	-2.9
Fantasy World-Astana CJSC	723.0	898.8	322.6	322.6	38.9	72.2	-2.6	-34.8
Sanatorii Priozernyi LLP	56.5	109.7	15.3	69.7	2.9	11.7	-7.0	-9.0
VIP-gorodok Astana LLP	270.8	594.2	95.4	66.3	11.4	10.3	-2.7	-13.1
Nedvijimost-Consulting LLP	1.4	2,290.0	1.2	42.5	0.2	316.6	-1.0	21.9
Others	37.7	94.1	15.9	41.5	32.6	167.9	-10.8	-17.8
Total	9,163.0	11,910.2	-52.2	1162.1	3,622.0	4,542.3	-888.1	-55.9

By the results of the year 2000, holding stakes in most of subsidiaries and dependent companies became not beneficial for Astana-finance OJSC. In 2000 the company began selling its stakes in authorized capitals of 4 subsidiaries, which along with the income after repayment of the loan by Fantasy world-Astana LLP, will release more than 70 mln. This money is to be used in more profitable projects.

Based on the decision of the Board of directors of Astana-finance OJSC, in 2001 the company plans to give its subsidiaries, whose activities are based on offering services to the city, to Fond kommunalnoi sobstvennosti goroda Astana GKP (Municipal Property Fund of Astana) on account of the repayment of its debt to the city.

After giving its stakes in Talion LLP, Shagala LLP, Astanaenergoserwis OJSC and Fantasy World-Astana LLP, the debt of Astana-finance OJSC to the municipal budget at 6,447 mln will be written off.

According to the information of the company, the shares of Astanaenergoserwis OJSC for a total of 4,713.46 mln were passed to Municipal Property Fund of Astana GKP on May 11, 2001.

Incomplete construction

As a result of the development of subsidiaries, which are engaged in construction (Nedvijimost-Consulting OJSC, and VIP-gorodok Astana LLP), the volumes of construction work have increased, and as a result, the volumes of incomplete construction have also increased. In 1999 these figures increased by 209.7 mln against 1998 (76 times), in 2000 – 1,004.8 mln (almost 6 times). As of Jan 1, 2001, incomplete construction accounted for 9.6% of Astana-finance OJSC assets.

From 2001 financing of Nedvijimost-Consulting OJSC changed: joint cooperation contract was canceled and loan agreement on completion and further construction of real estate objects was signed. Total borrowing volume amount to 1,546.1 mln for 3 years and 1 month at 15% to 21% APR depending on the object. The interests are to be paid semiannually on the basis of approved schedule, and the principal amount – as soon as the objects are sold. The change in financing terms of the construction will allow Astana-finance OJSC to increase its income and cut the terms of putting the objects into service, stimulate the sales of the objects, and make a more efficient use of local budget.

As a result of the financing changes, from 2001 incomplete construction objects will be on the balance sheet of Nedvijimost-Consulting OJSC.

New investment projects

In 2001 Astana-finance OJSC starts two new investment projects – establishment of Astana Gas Service OJSC and Akmolinskaya raspredelitel'naya elektrosetevaya kompaniya CJSC (Akmola power distribution company).

The Astana Gas Service OJSC project is the part of major investment project of NOC KAZAKHOIL CJSC (Astana) on construction of gas filling stations and the network of natural gas stations. The financing of the project should come from one of commercial banks of Kazakhstan. Planned borrowing terms: volume is \$3.250 mln, term – 5 years, interest – 14% APR, favorable term – 2 years. The credit guarantor is NOC KAZAKHOIL CJSC. To implement the project, Astana Gas Service OJSC will be registered by the end of May 2001, whose founders will be Astana-finance OJSC and Kazakhoil-Products LLP – a subsidiary of NOC KAZAKHOIL CJSC. Authorized capital of a new company will equal \$100.0 th. Astana-finance OJSC will hold 70% stake of a new company, and Kazakhoil-Products LLP – 30%.

On February 16, 2001 Akmola Power Distribution Company CJSC was established with 3,625 th authorized capital, where Astana-finance OJSC has 33% stake, or 1,196 th. Akmola Power Distribution Company CJSC is established on the base of existing APDC OJSC, which is undergoing bankruptcy procedure based on the resolution of the Government of Kazakhstan, dated January 16, 2001.

Accounts receivable

As of Jan.01, 2001, the receivables accounted for major shares in assets of Astana-finance OJSC and reached KZT6,877.6 mln or 54.1% (in 1998 - 3,089.3 mln or 38.8%, 1999 - KZT1,451.4 or 1.34%). From the total amount, KZT6,377.0 mln or 92.7% are long-term receivables.

Among the company's debtors are Astanaenergoserwis OJSC (KZT4,190.8 mln), Real estate-Consulting OJSC (KZT1,534.3 mln), Shagala LLP (KZT754.2 mln). Other receivables for a total of KZT398.3 mln include advance payments to the budget, default interest accrued to credit agreements, etc.

Of the total amount, KZT4,112.0 mln or 60% fall on Astanaenergoserwis OJSC including liabilities on transferring of mortgage deeds (KZT3,055.3 mln) and assignment of promissory notes claims (1,056.7 mln). Previously, these amounts were reflected as credits. In 2000, in agreement with the National Bank they were withdrawn from loan portfolio as non-banking loans.

According to resolution of Administrative Council of FEZ dated Dec.12, 2000 and decision of shareholders' meeting on Jan.26, 2001, the company bought shares of Astanaenergoserwis OJSC for a total of 3,779.1 mln using receivable indebtedness. On May 11, 2001, shares of Astanaenergoserwis (4,713.5 mln) were transferred to the budget of Astana. As a result, corresponding amount of Astana-finance's indebtedness to the city was written off.

The indebtedness of Real-estate-Consulting OJSC was a result of joint housing construction activity. In 2001, the contract on joint activity was restructured into loan contract.

The indebtedness of Shagala LLP is temporary financial assistance provided for filial company. It will be written off by transferring ownership of Astana-finance stake in Shagala to Astana city budget. Thus, Astana-finance would pay back a debt to the budget.

Loan operations

The company provides short-, mid- and long-term loans to legal entities and individuals.

Commercial loans. Financing of corporate clients and other legal entities take major share in the loan portfolio. At the same time, the company now implements other types of financing activity. Thus, this share will gradually lower.

The biggest borrowers (loan of over 24 mln) take 85.7% of the portfolio.

In 1998-1999, main loans were given to air and energy sector companies: Astanaenergосervice OJSC, NSC International Airport Astana OJSC and KazakhstanAirLines OJSC. In 2000, among prior sector were: production ("Tsesna" Corporation, "Sunkar" Corporation, Bikom TPK LLP, GCS-center LLP - 30.6% of loan portfolio), services (Mir Fantazii-Astana CJSC - 26.6%) and construction (VIP-gorodok Astana LLP, Komsnabstroj CJSC - 19.7%). The share of credits to air companies fell to 13.2%, construction of energy sector was stopped.

Loans to affiliated companies. In total loan portfolio, the share of loans to affiliated companies at the end of 1999 equaled 56.5% (5,400 mln), at the end of 2000 - 30.2% (887.4 mln). Amount of provisions on loans to affiliated companies equaled 229.0 mln or 77.1% of total provisions. All loans have been given using internal funds. Most largest loans was given to VIP-gorodok Astana LLP (short-term loan for \$2.9 mln, interest rate 15%, the loan was re-billed to Real estate Consulting OJSC.) and Mir Fantazii-Astana CJSC (mid-term loan - \$2.9 mln, interest rate - 10% APR).

Mortgage loans. Beginning from 2000, loans to individuals were distributed using two main schemes: city's program of mortgage financing of housing construction (municipal budget funds) and mortgage financing of housing acquisition (own funds). The maximal amount of lending (both programs) is 10 years, interest rate - 10% adjusted to USD/KZT exchange rate. The second scheme includes: initial charge of 30% from sale value of housing, mortgage - purchased housing. In case of consumer loans, the mortgage is movable and immovable property.

In 1999-2000, budget funds were transferred under agreement on agent services without charging of interest. From 2001, budget funds have been given at 2% APR. This rate was set on a tender won by Astana-finance. By results of 1999, mortgage loans to individuals equaled 13.3 mln or 0.14% of the total loan portfolio, in 2000 - 95.3 mln or 3.24%. One of the main advantage of Astana-finance OJSC is vertical and integrated structure of the construction business, from construction to selling of housing.

Leasing operations. At present, financial leasing operations take insignificant amount of loan portfolio. At the end of 1999, volume of operations reached 13.5 mln, end of 2000 - 35.0 mln.

Quality of loan portfolio of Astana-finance OJSC (standards of the National Bank of Kazakhstan)

Loan	As of Jan.01 1999		As of Jan.01 2000		As of Jan.01 2001	
	KZT, th	%	KZT, th	%	KZT, th	%
Standard	6,251,691	91.8	2,800,911	29.3	1,449,743	49.4
Substandard	10,908	0.2	2,093,320	21.9	959,963	32.7
Substandard, no interest rate	31,819	0.5	4,460,505	46.7	-	-
Unsatisfactory	294,969	4.3	108,073	1.1	76,116	2.6
Doubtful with a high degree of risk	18,989	0.3	2,650	0.03	437,192	14.9
Loss	200,503	2.9	94,534	1.0	14,928	0.51
Total	6,808,878	100	9,559,993	100	2,937,942	100

For 2000, share of long-term loans fell to 48.67%. Simultaneously, short-term loans increased to 29.42% and mid-term - 19.24%. Interest rate did not show growth trend as the company is oriented on long-term relationships with borrowers. Income from loan operations are growing because of operational volume.

As the table above shows, loan portfolio has undergone significant changes. In 1999, total volume of portfolio increased by 40.3%. While, by the end of 2000 it fell by 69.3% (to 2,938.0 mln). This was caused by a transfer of Astanaenergосervice portfolio (4,112.0 mln) to off-balance account of the city's budget (with conformation of Administrative Council of FEZ). Previously, this amount was classified as accounts receivable. The same operation was applied to interest payments on loans to International Airport Astana NSC (2,023.0 mln) and Onim OJSC (478.3 mln).

According to the data presented by Astana-finance OJSC, a total of 718.7 mln of loans were redeemed in first quarter 2001, the loans granted reached 2,792.8 mln. As a result, gross volume of loan portfolio equaled 5,012.1 mln (as of April 01, 2001).

COMPANY'S RESOURCES

Liabilities of Astana-finance OJSC

(th KZT)

Indicator	As of Jan.01 1999	As of Jan.01 2000	As of Jan.01 2001
LIABILITIES	7,731,017	10,498,767	10,539,673
including:			
long-term loans	5,754,427	8,600,398	9,393,607
short-term loans	66,705	149,988	0
accounts receivable	1,909,885	1,740,120	1,142,832
other liabilities	0	8,261	3,234

Total volume of attracted funds in 1998-2000 increased by 1.75 bln or 22.9%. This was conditioned by growth of clients base and expanding activity. In 1999, the growth rate equaled 14.5%, in 2000 - 7.4%. The main part of funds (86.6%) is linked to agent services for Administrative Council of FEZ and the Ministry of Finance, Small-business Development Fund CJSC. In 1999, construction of Astana-Walk (City Market) required attraction of additional funds. The company borrowed funds from Seagas International Ltd under the guarantee of the Ministry of Finance (redeemed on May 17, 2001).

Structure of attracted funds

Name	As of Jan.01 1999		As of Jan.01 2000		As of Jan.01 2001	
	KZT, mln	%	KZT, mln	%	KZT, mln	%
Administrative Council of FEZ	3,744.5	49.0	5,205.3	59.5	8,231.3	87.6
the Ministry of Finance	3,687.2	48.3	2,392.2	27.3	0	0
Small-business Development Fund	142.5	1.9	286.0	3.3	260.0	2.8
Bank loans	66.7	0.9	0	0	0	0
International loans	0	0	866.9	9.9	902.3	9.6
Total	7,640.8	100	8,750.4	100	9,393.6	100

Agent services. Funds attracted using agent agreement with Administrative Council of FEZ have been annually increasing. By the end of 2000 their volume equaled 8.2 bln or 87.63% of total borrowing volume. According to the agreement, all risk are taken by Administrative Council, while no interest rate is paid off. The most part of debt or 6.76 bln (82.2% of total borrowing) will mature in 2010.

According to Astana-finance OJSC, on May 11, shares of Astanaenergосervice OJSC (4,713.46 mln) were transferred to Astana Municipal Property Fund (the municipal structure). Consequently, company's liabilities decreased by the same amount.

International loans. Under the international loan, provided by Seagas International Ltd., all responsibility falls on Astana-finance, interest rate equals to 12%. The loan is given under the guarantee of the Ministry of Finance. The loan is formed as 8 promissory notes of \$1.0 mln at face value each. The company informed that as of May 17, 2001 it redeemed principal and interest for a total of \$8.0 mln.

FINANCIAL AND ECONOMIC RATIOS

Astana-finance OJSC provided the KASE with its balance sheet, income and cash flow statements for 1998-2000 and first quarter of 2001, which were made in compliance with Kazakhstani accounting standards.

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 1.99	as of Jan 1.00	as of Jan 1.01	as of 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

Ratio	(th KZT)		
	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

As of Jan 1, 01, announced and issued (registered) authorized capital of Astana-finance OJSC equaled KZT3,100 mln, paid – KZT1,808.3 mln, of which KZT100.0 mln – first issue shares, and KZT1,708.3 mln – second issue shares. Total of unpaid second issue shares – KZT1,291.7 mln.

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.

COMMENTS OF THE LISTING COMMISSION OF KASE

The goal of the comments is to draw an attention of the Exchange council of KASE, which is to make a decision on transferring the shares of Astana-finance OJSC into more higher category of the securities lists, to certain aspects of the issuer's activities, which are of great importance in the opinion of the Listing commission. They also deserve the attentions of potential investors.

Liquidation of Administrative council of SEZ of Astana. From January 1, 2001 the Special Economic Zone (SEZ) of Astana was abolished ahead of time. The biggest stake in Astana-finance, 41.4%, is owned by the successor of Administrative council of SEZ, the Municipal Property Fund of Astana GKP. By the data of Astana-finance OJSC, the deadline for the liabilities of the company to Administrative council of Astana SEZ remained unchanged on a long-term base. Other changes, such as cancellation of favorable taxation, will surely have impact on the activities of Astana-finance OJSC, but, as the management believes, they will not be significant.

Investment activities. In late 2000 Astana-finance OJSC had 5% or more in authorized capitals of 16 legal entities. Of this number of companies, 13 were incurring losses during the last two years (in 1999 total loss equaled 888 mln, in 2000 – 56 mln). The loss of subsidiaries noticeably decreases consolidated income of Astana-finance OJSC, which equaled 129 mln in 2000, whereas it was at 185 mln on a non-consolidated basis. Based on the decision of the Board of directors of Astana-finance OJSC, in 2001 the company plans to give its subsidiaries, whose activities are based on offering services to the city, to Fond kommunalnoi sobstvennosti goroda Astana GKP (Municipal Property Fund of Astana) on account of the repayment of its 6,447 mln debt to the city.

In 2001 Astana-finance OJSC starts new investment projects: Astana Gas Service and Akmolinskaya raspredelitel'naya elektrosetevaya kompaniya CJSC (Akmola power distribution company). The company plans to invest \$70 th into authorized capital of Astana Gas Service OJSC, resulting in 70% stake in the company. Also, the company plans to reconstruct and repair power lines of APDC OJSC, purchase fuel, lubricants and other inventory for 231 mln by using the funds of the company's founders, where the company has 33% stake.

Accounts receivable of subsidiaries. Accounts receivable of the subsidiaries amounted to 51% of all Astana-finance OJSC assets as of Jan 1, 01, or 6.48 bln. As a result of the works done in first quarter of 2001 to improve the accounts receivable, its proportion fell to 29% as of Apr 1, 01 (3.72 bln), but it is still significant. Such a drastic decrease in accounts receivable is due to the fact that based on the decision of the Administrative council of Astana SEZ of December 12, 2000, in the first quarter of 2001 Astana-finance OJSC purchased 3,779.09 mln worth of Astanaenergосervis OJSC shares on account of the repayment of its accounts receivable.

COMPLIANCE OF THE COMPANY WITH THE KASE REQUIREMENTS

1. The Company's shareholders' equity equals 2,186,911 th, or \$15,035,483 at official rate of the National Bank of Kazakhstan on April 1, 2001 – 145.45 for USD1) as of April 1, 2001.
2. The Company has been in existence as an independent legal entity, including re-registration, for 3 years.
3. The Company has an auditing report of Arthur Andersen made on its 1998-2000 financial statements in compliance with the Kazakhstani accounting standards.
4. The Company has been solvent for the last 2 years, as well as by aggregate results of the last 3 years, which is confirmed by auditing of Arthur Andersen.
5. The Company had issued 3,000,000 shares.
6. The register is maintained by an independent registrar Fondovyi tsentr CJSC (Almaty).
7. Market-maker of the Company's shares is Fondovyi tsentr CJSC (Almaty).
8. Constitutive documents do not contain norms discriminating or limiting the rights of the owners to transfer (alienate).

COMMENTS OF THE IRBIS AGENCY

The agency IRBIS (Almaty) emphasizes that presented information and the conclusions are taken from the reports of the KASE Listing commission, and are not the result of the research conducted by the IRBIS specialists and were not checked by the employees of the agency.

Prepared by the agency «IRBIS»