

# WEEK OF STOCK MARKET OF KAZAKHSTAN

May 29 – June 4

Money market indicators as of June 4 and change for the period

Term	Currency	Rate	Trend
<b>“Overnight” on autorepo at KASE(TONIA)</b>			
1 day	KZT	2.98	-1.00
<b>Repo opening at KASE (WA, % APR)</b>			
1-2 days	KZT	2.89	-1.09
5-7 days	KZT	3.72	-1.14
14 days	KZT	3.96	-1.54
26 days	KZT	7.25	-
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	8.00	+0.50
2 weeks	KZT	8.75	+0.50
1 month	KZT	9.50	+1.00
2 months	KZT	10.25	+1.00
3 months	KZT	11.00	+1.00

Stock market indicators as of June 4 and their change for the period

Index	Value	Trend
<b>Shares of “A” listing</b>		
KASE_Shares	99.12	-0.38%
<b>Corporate bonds of “A” listing</b>		
KASE_BP	141.29	+0.35%
KASE_BC	119.34	+0.25%
KASE_BY	8.06	+2.32%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	148.21	-0.31%
KASE_EC	113.00	-0.64%
KASE_EY	3.69	+5.70%

US dollar = 151.50 tenge at official rate for the end of the period.  
 US dollar = 149.67 tenge at weighted average rate of the Exchange for the end of the period.  
 Rate of tenge devaluation for the period at the Exchange's rate – negative 0.6% APR.

## THE CORPORATE SECURITIES MARKET (CS)

In state block of shares (SBS) sector on May 29 of 2003 all 2,484,653 common inscribed shares (KZ1C15990118, KASE's official "A" listing category, AMGZ, face value is KZT1,500.0) of CNPC-Aktobemunaigas OJSC (CNPC-AMG OJSC, Aktobe), which belonged to Kazakhstan government, were sold in Kazakhstan stock exchange's (KASE) trade system at the open trades in four indivisible lots. State block of shares (SBS) comprised 25.12% of total number of issued shares of CNPC-AMG OJSC and announced, issued (paid) authorized capital of the issuer was KZT14,835,637,500.

Lots were sold at the following prices:

- blocking shareholding, which consisted of 2,236,619 common inscribed shares (22.61% of total number of issued share or 25,0% of total number of common shares plus one share, trade code was NZ\_AMGZ\_22.61) - at **KZT9,100.00 per share** (\$60.43 t the current exchange's rate), sum of the deal was **KZT20,353,232,900** or **\$135,156,603.36**;
- shareholding, which consisted of 98,904 common inscribed shares (1.00% of total number of issued

Investment attractiveness of stock exchange financial instruments since May 29 till June 2

Financial instrument	Currency of transaction	Yield, % APR value	trend
<b>Instruments denominated in national currency, tenge</b>			
UKPFb1	KZT	14.50	0
ARNAb1	KZT	12.50	0
CS repo	KZT	*12.12	-0.92
TXBNb1	KZT	12.00	0
KZIKb1	KZT	8.10	-0.18
MEOKAM, MEAKAM	KZT	7.03	+0.51
MEKKAM, notes	KZT	*5.11	-0.33
GS Repo	KZT	*3.63	-0.82
<b>Instruments indexed on devaluation</b>			
VITAb3	USD	11.50	-0.28
ORDBb1	USD	11.00	+1.00
RGBRb3	USD	10.50	0
VTBNb1	USD	10.47	+0.01
KZASb1	USD	10.10	0
ALKSb2	USD	10.05	0
ASBNb1	USD	9.01	+0.01
BTASb2	USD	9.00	0
CSBNb1	USD	8.99	-0.11
TEBNb	USD	8.98	0
TEBNb3	USD	8.50	0
ASFib2	USD	8.50	0
KKGBb2	USD	8.50	+0.80
BTASb1	USD	8.50	-0.60
ALBNb1	USD	8.22	0
CCBNb2	USD	8.03	-0.01
CCBNb1	USD	8.03	0
HSBKb	USD	8.01	+0.04
TEBNb2	USD	7.93	-0.01
ATFBb2	USD	7.80	+1.59
LARlb1	USD	7.75	0
HSBKb2	USD	7.61	0
KZPSb1	USD	7.53	-0.02
NRBNb1	USD	7.42	-0.64
BRKZb1	USD	7.31	-0.04
KZAPb1	USD	7.25	-0.06
SYRGb1	USD	7.21	+1.21
KZTOb	USD	7.01	+2.10
ART060.004	USD	6.50	-2.00
KARMB1	USD	6.01	0
ASFib1	USD	6.00	-1.29
AST048.005	USD	6.00	0
KZTKb1	USD	5.94	-1.15
TMJLb2	USD	5.90	-0.85
ARU060.003	USD	5.59	0
VKU036.002	USD	5.00	0
AST036.004	USD	4.93	-0.05
ASU036.003	USD	4.40	-0.13
VKU036.001	USD	4.00	0
ARU024.002	USD	2.99	-0.04
<b>Instruments denominated in foreign currency</b>			
KKGBe2	USD	7.00	0
KKGBe3	USD	6.75	-0.03
BTASe2	USD	6.74	-0.21
BRKZe1	USD	6.22	+0.14
KZTOe1	USD	5.73	-0.23
BTASe1	USD	5.17	-0.15
Euronotes-7	USD	3.66	-0.03
Euronotes-4	USD	2.98	+0.20
IFO bonds	EUR	1.65	-0.62

The yields of bonds at which the deals have been made are calculated as average of the deals, for other bonds – as average of sale quotations. Trends are given relative to previous week. Securities marked by asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given). On bonds with floating coupon forecasted yield is given.

share or 1.11% of total number of common shares, trade code is NZ\_AMGZ\_1/1) – at **KZT9,110.00 per share** (\$60.50), sum of the deal was **KZT901,015,440** or **\$5,983,235.54**;

- shareholding, which consisted of 98,904 common inscribed shares (1.00% of total number of issued share or 1.11% of total number of common shares, trade code is NZ\_AMGZ\_1/2) – at **KZT9,110.00 per share** (\$60.50), sum of the deal was **KZT901,015,440** or **\$5,983,235.54**;
- shareholding, which consisted of 50,226 common inscribed shares (0.51% of total number of issued share or 0.56% of total number of common shares, trade code is NZ\_AMGZ\_0.51) – at **KZT9,110.00 per share** (\$60.50), sum of the deal was **KZT457,558,860** or **\$3,038,441.20**.

Total sum of deals on selling of the whole SBS of CNPC-AMG OJSC at KASE on May 29 of 2003 has equaled to **KZT22,612,822,640.00** or **USD150,161,515.64** at the current stock exchange's rate. Judging on submitted bids, three members of KASE took part in trades in the SBS, including seller –KIB ASSET MANAGEMENT Ltd. LLP, which had been authorized by the committee of state property and privatization of the Ministry of finance of Kazakhstan and two purchasers. Four members of paid the guaranteed fees one day before. Settlements by results of the trades in SBS are to be made **within seven working days**. In case money has not been transferred on any deals within the mentioned term, these deals will be annulled by KASE, and corresponding message will be published.

**In CS purchase-sale sector** a total of 31 deals amounting to **\$10,749.9 th** or KZT1,615.6 m were made during the analyzed period. In comparison with the previous week (41 deals, \$14,371.6 th. or KZT2,166.7 m) volume of the sector decreased by 25.2%. Deals were made by 14 KASE's members on 19 instruments 9 of which were bonds. During the previous period 12 brokers were interested in 13 securities 6 of which were bonds. The shown data is the evidence of the fact that sale of SBS of CNPC-AMG OJSC did not cause activation of CS market, as it happened in 2001 and 2002 to securities Corporation Kazakhmys OJSC. In the opinion of specialists of IRBIS consequences of the sale will be felt only at Kazakhstan currency market in the first half of June.

Corporate bonds market has not fundamentally changed relative to previous week. A wider range of securities, among which ASBNb1 and BRKZe1 were leading by volume of transactions, was involved into deals. As well as in previous week, yield of bonds to maturity for a purchaser in made deals varied differently and without notable regularities. The following securities were characterized by growth of this index: ASBNb1 (from 8.99% to 9.00% APR), ATFBb2 (from 7.60% to 7.80% APR), KZTOb (from 6.65% to 7.01% APR), ORDBb1 (from 10.00% to 11.00% APR); and these securities were characterized by decrease of this index – BRKZe1 (from 6.53% to 6.40% APR), KZIKb1 (from 8.40% to 8.10% APR), SYRGB1 (from 11.00% to 7.21% APR), VTBnb1 (from 11.00% to 10.46% APR). Yield of KKGBb2 (8.50% APR) has not changed. Dynamics of index KASE\_BY (table in the beginning of the review) is the evidence of resulting growth of yield of indexed on tenge devaluation bonds on deals and quotations. However growth of the index has been caused by its corresponding changing only on the last day of the period and will hardly be confirmed in the future. Taking into account dynamics of other indexed of the series KASE\_B\*, one can say about gradual and pronounced falling of corporate bonds' yield within the whole last month, which was caused by growth of prices.

Capitalization of stock exchange's corporate bonds market increased within the week by \$3.2 m. due to predominant growth of prices, and as of June 4 it was fixed by KASE on the level of \$1,283.6 m.

At shares market stake of direct deals goes on growing that is the major tendency, which deserves attention (12 deals out of 19 made ones were direct). Due to this tendency changing of shares' rate looks more and more logic. Price of ALKS decreased within the week by 0.7%, TEBN – by 35%, UTMK – by 35.9%, ZERD – 5.2 times. The following securities grew: CSBN (4.1 times), CSBNp (by 8.2%), KIBN – (KZT0.02 to KZT100.00 per a security), NFBN (by 2.2%). Rate of CCBN and VTBnp has not changed and equaled to KZT200.00 and KZT450.00 per share correspondingly. Resulting changing of prices in the week resulted in decrease of capitalization of stock exchange's shares market by \$884.4 m. to \$1,931.8 m. (mainly due to dynamics of the rate of ZERD).

The tables show data on deals, bid and ask in CS purchase and sale sector, including SBS, and also decoding of trade codes.

**Results of the trades in bonds within May 29 – June 4** (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1		0	11.0021	8.2182
Almaty Kus OJSC	ALKSb2	12.0017	0	12.8500	10.0500
ARNA OJSC	ARNAb1	14.0000	0	14.0000	12.5000
Alliance-Bank OJSC	ASBNb1	9.0037	3,807.6	9.0037	9.0080
Astana-finance OJSC	ASFib1	7.9977	0	8.9995	6.0025
Astana-finance OJSC	ASFib2	10.5000	0	11.5000	8.5000

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
AMB OJSC	ATFBb2	7.8000	26.8	7.8000	7.8000
Development Bank of Kazakhstan OJSC	BRKZb1	8.4253	0	9.9721	7.3464
Development Bank of Kazakhstan OJSC	BRKZe1	6.2189	1,054.7	6.2189	6.4031
Bank TuranAlem OJSC	BTASb1	9.0985	0	10.0000	8.5000
Bank TuranAlem OJSC	BTASb2	8.9641	0	10.5000	9.0000
TuranAlem Finance B.V.	BTASe1	6.4988	0	6.3710	5.2309
TuranAlem Finance B.V.	BTASe2	7.7439	0	6.1818	7.2145
Bank CenterCredit OJSC	CCBNb1	10.9158	0	10.7592	8.0716
Bank CenterCredit OJSC	CCBNb2	9.6971	0	10.8655	8.0340
BANK CASPIAN OJSC	CSBNb1	*10.0000	0	9.5012	9.1000
Halyk Bank of Kazakhstan OJSC	HSBKb	9.9881	0	10.9679	8.0272
Halyk Bank of Kazakhstan OJSC	HSBKb2	*9.3049	0	10.0026	7.6141
Karazhanbasmunai OJSC	KARMB1	*9.0028	0	7.5017	6.0206
KAZKOMMERTSBANK OJSC	KKGBb2	8.4984	630.5	8.4984	8.4984
KAZKOMMERTSBANK OJSC	KKGBe2	10.7508	0	9.9954	7.0020
Kazkommerts International B.V.	KKGBe3	7.5604	0	7.1581	6.8882
NAC Kazatomprom	KZAPb1	8.9120	0	8.7974	7.2990
DAGOK Kustanaiasbest JSC	KZASb1	*7.0116	0	13.0999	10.1001
Kazakhstan Mortgage Company CJSC	KZIKb1	8.1000	167.0	8.1000	8.2920
Kazpost OJSC	KZPSb1	8.5025	0	8.9006	7.5523
Kazakhtelecom	KZTKb1	*6.8079	0	7.5001	6.5001
KazTransOil CJSC	KZTOb	7.0083	305.0	7.0083	7.0083
KazTransOil CJSC	KZTOe1	6.3486	0	6.2423	5.9049
JB LARIBA-BANK OJSC	LARIB1		0	10.7503	7.7505
Nurbank OJSC	NRBNb1	8.8631	0	8.9976	7.5515
Corporation "Ordabasy" OJSC	ORDBb1	11.0000	21.4	11.0000	11.0000
RG BRANDS OJSC	RGBRb3	10.5025	0	11.0073	10.5049
HOP OJSC	SYRGB1	7.2053	195.2	7.2053	7.2053
TEMIRBANK OJSC	TEBNb	10.4876	0	10.4829	8.9799
TEMIRBANK OJSC	TEBNb2	10.6945	0	10.9908	7.9375
TEMIRBANK OJSC	TEBNb3		0	11.5000	8.5000
NC KTZh CJSC	TMJLb2	6.7500	0	7.9868	5.9991
TEXAKABANK OJSC	TXBNb1	15.1276	0	15.0000	12.0000
UKBF CJSC	UKPFb1		0	16.5000	14.5000
VITA OJSC	VITAb3	*22.2132	0	15.9995	12.0001
VALUT-TRANZIT BANK OJSC	VTBNb1	10.4650	66.1	10.4650	10.4650
<b>TOTAL</b>	<b>42</b>		<b>6,274.3</b>		

**Results of the trades in shares within May 29 – June 4**

(KZT per share, unless otherwise specified)

Issuer	Code of security	Last price	Volume, shares	Volume, th USD	Purchase	Sale
Almaty Kus OJSC	ALKS	*14.90	33,000	3.3	*14.90	*14.90
Almaty Kus OJSC	ALKSp	14.93	0	0	10.00	15.00
Almaty Kus OJSC	ALKSp3	10.00	0	0	10.00	15.00
CNPC-AMG OJSC	AMGZ	9,100.00	0	0	6,100.00	9,110.00
CNPC-AMG OJSC	AMGZp	*6,040.00	0	0		*8,000.00
Astana-finance OJSC	ASFI	1,014.96	0	0	700.00	1,050.00
AMB OJSC	ATFBp	834.35	0	0	700.00	1,050.00
Bank TuranAlem OJSC	BTAS	20,432.25	0	0	13,553.10	20,205.45
Bank CenterCredit OJSC	CCBN	*200.00	204,141	272.6	212.16	*200.00
BANK CASPIAN OJSC	CSBN	697.00	754,637	3,496.2	697.00	185.00
BANK CASPIAN OJSC	CSBNp	185.00	181	0.2	171.00	185.00
Halyk Bank of Kazakhstan OJSC	HSBK	180.00	0	0	120.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp	150.00	0	0	144.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp7	150.00	0	0	144.00	180.00
Kazinterbank OJSC	KIBN	*100.00	13,100	8.7	*100.00	*100.00
KAZKOMMERTSBANK OJSC	KKGB	120.00	0	0	75.30	112.25
KAZKOMMERTSBANK OJSC	KKGBp	44.38	0	0	69.00	103.50
Corporation Kazakhmys OJSC	KZMS	4,200.00	0	0	2,800.00	4,200.00
Kazakhtelecom`	KZTK	3,642.24	0	0	2,409.44	3,592.08
Kazakhtelecom	KZTKp	1,850.00	0	0	1,807.08	2,694.06
Neftebank OJSC	NFBN	*1,343.85	18,008	146.9	*1,343.85	1,074.69
CNPC-AMG OJSC	NZ_AMGZ_0.51	9,110.00	50,226	3,038.4	9,110.00	9,100.00
CNPC-AMG OJSC	NZ_AMGZ_1/1	9,110.00	98,904	5,983.2	9,110.00	9,101.00
CNPC-AMG OJSC	NZ_AMGZ_1/2	9,110.00	98,904	5,983.2	9,110.00	9,101.00
CNPC-AMG OJSC	NZ_AMGZ_22.61	9,100.00	2,236,619	135,156.6	9,100.00	9,100.00

Issuer	Code of security	Last price	Volume, shares	Volume, th USD	Purchase	Sale
TEMIRBANK OJSC	TEBN	*650.00	289	1.3	675.00	*650.00
TEMIRBANK OJSC	TEBNp		0	0	675.00	1,010.00
TEXAKABANK OJSC	TXBN		0	0	9,086.00	13,629.00
UKTMC OJSC	UTMK	4,490.01	13,300	397.9	4,490.01	4,490.00
UKTMC OJSC	UTMKp	*4,302.00	0	0	3,000.00	4,500.00
VALUT-TRANZIT BANK OJSC	VTBN	*350.00	0	0	320.00	480.00
VALUT-TRANZIT BANK OJSC	VTBNp	*450.00	64,715	142.6	*450.00	327.90
Zerde OJSC	ZERD	*500.00	1,200	6.0	2,000.00	*500.00
<b>TOTAL</b>	<b>33</b>		<b>3,587,224</b>	<b>154,637.1</b>		

Notes: bid and offer prices for the period are given; if no deals were made during reporting period (volume =0), the last price of successful trades is given; marked by the 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 51 deals were made in the total amount of **\$9,001.9 th.** (KZT1,351.4 m) during the described period. 28 deals of them (in the amount of \$4,503.3 th.) repo opening and 23 deals (in the amount of \$4,496.5 th.) – repo closing. Last period volume of deals in this sector did not exceed \$9,741.9 th. (KZT1,466.7 m).

In all CS trade floors of KASE (including SBS sector) a total of 86 deals amounting to **\$169,913.3 th.** (KZT25,579.8 m) were concluded within the analyzed period. Last period volume of 89 deals equaled to \$24,113.5 th. (KZT3,633.5 m).

## SECTOR OF GOVERNMENT SECURITIES (GS)

In GS purchase and sale sector of KASE (including euronotes of Kazakhstan) a total volume of 59 deals reached **KZT7,087.5 m** (\$47,162.6 th.) during the analyzed period. Corresponding figure of the previous period – KZT4,441.1 m (\$29,503.2 th.). In the opinion of specialists of IRBIS the key influence upon this sector was made by issuing of notes with more than 91-day circulation term by the National Bank. The issuer got such the opportunity since May 30, when changes and additions into "Rules of issue, floatation, circulation and redemption of short-term notes of the National bank of Kazakhstan " took effect, where limitations of circulation term of the National Bank's bonds are absent. Judging on demand at two conducted auctions, the market has shown great interest in these securities, despite rather low yield of bonds to maturity. Buying new notes required investors to restructure portfolios that caused sharp increase of turnover of "old" notes of the National Bank and MEOKAM (see the table). It's notable that sale of short notes was held at growing prices, and as the result their yield was mainly decreasing. Yield of longer bonds for a purchaser varied, as well as before, differently and insignificantly as the whole.

### Parameters of Exchange's transactions in GS within May 29 – June 4

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
<b>Discounted (KZT): National Bank's notes</b>						
<b>44.5% (51.0%) of purchase and sale sector's turnover</b>						
less than 8	4.00	4.00	4.00	4.00 (4.17)	138.0	3
8 - 14	3.83	5.17	3.83	3.83 (4.93)	270.8	3
15 - 28	3.00	3.00	3.00	3.00 (4.94)	4.5	1
29 - 36	5.15	5.24	5.15	5.20 (5.00)	174.5	5
43 - 56	4.00	5.28	5.19	5.15 (5.43)	970.3	11
57 - 63	4.79	5.30	5.25	5.23 (5.45)	786.0	3
64 - 91	4.00	5.35	5.15	5.15 (5.41)	811.6	18
Total					3,155.6 (2,266.7)	44 (44)
<b>Coupon (KZT): MEOKAM-24, 36, 48, 60</b>						
<b>44.9% (19.9%) of purchase and sale sector's turnover</b>						
less than 730	5.60	6.20	6.20	5.85 (6.05)	321.3	3
731 - 1095	7.22	7.22	7.22	7.22 (7.20)	100.7	1
1096 - 1460	7.00	7.00	7.00	7.00 (7.22)	3.5	1
1461 - 1825	7.02	7.02	7.02	7.02 (5.77)	2 754.1	4
Total					3,179.7 (882.0)	9 (13)
<b>Euronotes of Kazakhstan (USD)</b>						
<b>10.6% (29.1%) of purchase and sale sector's turnover</b>						
*498	2.98	2.98	2.98	2.98 (2.78)	78.4	1
**1419 - 1422	3.37	3.71	3.37	3.66 (3.69)	673.7	5
Total					752.2 (1,292.5)	6 (9)
<b>GRANDTOTAL</b>					<b>7,087.5 (4,441.1)</b>	<b>59 (66)</b>

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

**In GS repo-transactions sector** 432 deals were made for a total of **KZT62,076.6 m** (including automatic repo sector) during the period. Of this number 212 deals (for KZT30,677.0 m) were repo opening deals and 220 (KZT31,399.7 m) were repo closing deals. Last period transactions volume of this type reached KZT44,508.4 m. After closing of the trades on June 4 total amount of opened at KASE repo was equal to KZT13,975.7 m. Parameters of automatic repo market are given in the table, in which it's seen that changing of repo rates had biased character – they were falling on all terms of borrowing. This fact lets say about pronounced growth of short-term tenge liquidity at Kazakhstan financial market in the beginning of summer that has been caused mainly by sale of big volumes of US dollar at KASE.

**Major parameters of automatic repo market on opening deals within May 24 – June 4**

(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	4.50	1.00	4.50	2.00	3.40 (4.29)	23,622.0	144 87.7 (86.2)
KZT_002	3.10	3.10	3.10	3.10	3.10 ( –)	130.0	1 0.5 (–)
KZT_003	4.00	3.40	4.00	3.40	3.75 (4.63)	116.0	3 0.4 (0.8)
KZT_007	4.50	3.80	4.50	4.00	4.17 (5.24)	1,303.0	14 4.8 (4.4)
KZT_014	5.50	3.85	5.50	3.85	4.51 (5.71)	731.0	11 2.7 (4.4)
KZT_028	6.00	5.50	6.00	5.50	5.82 (5.83)	1,037.0	6 3.8 (4.2)
<b>TOTAL</b>						<b>26,939.0 (19,752.0)</b>	<b>179 (166) 100.0</b>

**Total of 492 deals were made at trade floors of KASE** amounting to **KZT70,203.1 m** in GS on trade floors of KASE during the analyzed period (purchase-sale and repo sector, including primary additional floatation of municipal bonds of Atyrau oblast of the fourth issue). The previous period volume of 453 deals equaled to KZT48,949.5 m. **The proportion of the Exchange's turnover** in total volume of deals on Kazakhstan secondary market for GS for comparable operations equaled in the described period to **83.8%**, last week it was equal to 92.0%.

## INFORMATION ON ISSUERS

**Kazakhstan Mortgage Company CJSC** (Almaty), whose bonds are circulating in Kazakhstan stock exchange's (KASE) "A" listing category, has presented KASE auditor's report made by Ernst & Young (Almaty), which had been made on the company's financial statement for 2002, prepared in compliance with Kazakhstan and International accounting standards.

**Comparable indexes of financial and economic activity of Kazakhstan Mortgage Company CJSC for 2002, in accordance with the data of Ernst & Young**

(in th. KZT, unless otherwise specified):

Indicator	2001	2002
<b>Issued (paid) authorized capital</b>	1,000,000	1,500,000
Shareholders' equity	1,055,450	1,616,703
Total assets	1,056,868	2,134,840
Sum of liquid assets	981,715	987,864
Loans to clients	60,961	1,025,562
Loan to financial institution	–	100,975
Liabilities, total	1,418	518,137
Issued bonds	–	510,572
Total revenues	106,591	163,012
General expenses	51,141	96,309
Net income	55,450	66,703
<b>It's been calculated according to auditor's data:</b>		
Return on equity (ROE), %	5.25	4.13
Return on assets (ROA), %	5.25	3.12

Audit of financial statement of Kazakhstan Mortgage Company CJSC, which was made in compliance with Kazakhstan and International accounting standards, was conducted by Ernst & Young in compliance with Kazakhstan and International auditing standards. The auditor has noted that there is no difference between the company's financial statement prepared in compliance with Kazakhstan accounting standards and International accounting standards.

In the auditor's opinion the consolidated financial statement exactly in all essential aspects reflects the company's financial condition as of December 31 of 2002, and also results of its financial and economic activity and cash flow and changes in shareholders equity for the year, which ended on December 31 of 2002, in compliance with International and Kazakhstan accounting standards.

**Alliance Bank OJSC** (Almaty) spread press-release, which says that since June 1 of 2003 the bank decreases interest rate on mortgage credits to 14.5% APR. According to the bank's information this size of the rate is the lowest among Kazakhstan banks and let significantly expand range of Kazakhstan citizens, who wish to buy

house on credit.

Alliance Bank OJSC is not a primary creditor and gives mortgage credits on joint with Kazakhstan Mortgage Company CJSC program "Alliance Mortgage". Collaboration of Alliance Bank OJSC and Kazakhstan Mortgage Company CJSC started since August of last year. Mortgage credits were given Almaty and Astana cities. At present the stake of mortgage crediting takes about 40% of total loan portfolio of Alliance Bank OJSC concerning physical persons. It's planned that by September the stake of mortgage credits will equal to 60%. In Almaty region since the beginning of this year the bank has given mortgage loans for KZT250 m. Number of given mortgage loans redoubles. Spreading of mortgage loans program in the country's regions, where branches of Alliance Bank OJSC are, will let increase the bank's loan portfolio on the program of mortgage crediting up to KZT1 bn. by September of 2003.

The message also says that partnership of Kazakhstan Mortgage Company CJSC and Alliance Bank OJSC, which has strong positions in the north and north-east of Kazakhstan, will significantly expand the market of mortgage housing crediting as well as make mortgage credits available for many Kazakhstan citizens, who live mainly in Kazakhstan regions.

Besides, Alliance Bank OJSC informed KASE with the official letter about the fact that on May 27 of 2003 National Bank of Kazakhstan had registered the 3rd shares issue of the bank. According to the presented information the 3rd shares issue of Alliance Bank OJSC with total face value of KZT2.0 bn. (announced authorized capital – KZT5.0 bn) consists of 200,000 common inscribed shares with the face value of KZT10,000 each. Shares of the bank's 3rd issue have been assigned national identification number KZ1C40310019. The issue has been included into the State register of securities under the number A4031-2. The shares have been issued in non-documentary form.

Besides, Alliance Bank OJSC (Almaty) presented KASE a copy of minutes of annual general shareholders meeting, which was held on May 29 of 2003. In accordance with the agenda shareholders of Alliance Bank OJSC confirmed the Board's report, the bank's financial statement and report of Auditing commission for 2002, determined further order for notifying the bank's shareholders about forthcoming calling of general shareholders meeting, and also made the following decisions. Spend the bank's undistributed net income for 2002 in the amount of KZT40.7 m. in full volume for increasing of the bank's reserve capital in order to bring it in conformity with the requirements of the National Bank of Kazakhstan and Kazakhstan Law "About joint-stock companies". Approve the Board of directors of Alliance Bank OJSC in the following staff: I. Mazhinov (Chairman of the Board of directors), A. Popelyushko, K. Satbaev, N. Botabayev. Approve appointment of Deloitte & Touche as the auditor of Alliance Bank OJSC.

**VALUT-TRANZIT BANK OJSC** (Karaganda) has presented KASE auditor's report made by Ernst & Young (Almaty), which had been made on the bank's financial statement for 2002, prepared in compliance with international accounting standards.

**Comparable indexes of financial and economic activity of VALUT-TRANZIT BANK OJSC for 2002, in accordance with the data of Ernst & Young**

(in th. KZT, unless otherwise specified):

<b>Indicator</b>	<b>2001</b>	<b>2002</b>
Issued authorized capital (paid excluding withdrawn)	1,299,560	1,518,283
Shareholders' equity	2,413,039	2,716,415
Total assets	9,975,195	16,912,025
Sum of liquid assets	1,393,901	2,821,250
Loan portfolio (including leasing), net	7,516,688	10,732,235
Liabilities, total	7,562,156	13,587,807
Indebtedness to clients	5,103,296	10,483,479
Indebtedness to banks and financial institutions	1,503,555	1,315,437
Issued bonds	827,795	1,599,707
Net operating income	1,404,199	2,251,970
Net income	210,296	234,887
<b>It's been calculated according to auditor's data:</b>		
Return on equity (ROE), %	8.71	8.65
Return on assets (ROA), %	2.11	1.39
Book value of one share, KZT	371.36	357.83
Earnings per share (EPS), KZT	42.85	47.85
Price earnings ratio (P/E)	9.4	7.3

Audit of the bank's financial statement, which was prepared in compliance with international accounting standards, was conducted by Ernst & Young in compliance with international auditing standards. The auditor made some corrections of the bank's financial statement for 2001, which had been audited by Deloitte & Touche (Almaty), in order to bring in conformity the financial indexes of 2002 and 2001.

In the auditor's opinion the consolidated financial statement exactly in all essential aspects reflects the bank's financial condition as of December 31 of 2002, and also results of its of financial and economic activity, cash flow and changes shareholders equity for the year, which had ended by the mentioned date, in compliance with

international accounting standards.

**Astana-finance OJSC** (Astana) has presented KASE auditor's report made by Deloitte & Touche (Almaty), which had been made on the company's consolidated financial statement for 2002, prepared in compliance with international accounting standards.

**Comparable indexes of financial and economic activity of Astana-finance OJSC for 2002, in accordance with the data of Deloitte & Touche**

(in th. KZT, unless otherwise specified):

<b>Indicator</b>	<b>2001</b>	<b>2002</b>
Issued (paid) authorized capital	1,817,420	1,876,342
Shareholders' equity	2,132,374	2,197,254
Total assets	9,886,804	15,321,606
Loan portfolio (net)	2,931,183	4,380,998
Building objects (finished and unfinished)	3,764,393	4,723,857
Accounts receivable	1,111,696	2,423,101
Total liabilities	7,711,596	13,096,290
Borrowed funds	6,250,692	9,428,221
Accounts payable	1,300,741	3,513,678
Issued bonds	1,542,511	2,947,365
Total revenues	1,326,952	2,181,594
General expenses	1,267,151	1,981,954
Net income	59,801	199,640
<b>It's been calculated according to auditor's data:</b>		
Return on equity (ROE), %	2.80	9.09
Return on assets (ROA), %	0.60	1.30
Book value of one share, KZT	1,173.30	1,171.03
Earnings per share (EPS), KZT	33.01	109.04
Price earnings ratio (P/E)	30.28	–

Audit of consolidated financial statement of Astana-finance OJSC and its daughter companies (hereinafter - Group) for 2002 was conducted by Deloitte & Touche in compliance with international auditing standards. The consolidated financial statement was correspondingly corrected in order to bring it to conformity with international accounting standards.

As of December 31 of 2002 the Group's consolidated financial statement comprised financial statement of Astana-finance OJSC and statements of the following daughter companies: Astana City Palace OJSC (Astana, 100% of total number of issued shares belongs to Astana-finance OJSC), Atyrau Nedvizhimost OJSC (Atyrau, 100%), Astana Nedvizhimost OJSC (Astana, 80%), Astana Gas Service OJSC (Astana, 70%), Ak Zhaik Nedvizhimost OJSC (Uralsk, 70%), AREK CJSC (Akmola oblast, 50.4%), and also Horse-sport club "Kulager" LLP (Astana, shareholding of Astana-fiance OJSC in the authorized capital is 100%), Sanatorium "Priozerniy" LLP (North-Kazakhstan oblast, 100%) and Kumys Kaskyr LLP (Astana, 100%).

In the auditor's opinion the consolidated financial statement exactly in all essential aspects reflects the Group's financial condition as of December 31 of 2002 and also results of its activity and cash flow for the year, which ended by the mentioned date, in compliance with international accounting standards.

TuranAlem Securities LLP (Almaty) informed KASE with the official letter about the fact that on May 29 of 2003 special company **TuranAlem Finance B.V.** (Rotterdam, Kingdom of Netherlands), in accordance with issue terms, paid the second coupon interest to holders of its term notes of senior unsecured guaranteed debt of the second issue (XS0148572901; KASE's official "A" listing category, BTASe2; \$100.0 m.; May 29, 02 – May 29, 07, semi-annual coupon 10.00% APR), which had been issued on full security of mother company Bank TuranAlem OJSC (Almaty). According to information of TuranAlem Securities LLP sum of the payment was USD5,000,000.00. Judging on the mentioned sum of coupon payment by register fixation date (May 14, 03) the whole registered issue volume was on bondholders' depo-accounts.

Besides, **Bank TuranAlem OJSC** (Almaty) informed KASE with the official letter that volume of floated at international market term notes of senior unsecured debt of TuranAlem Finance B.V. (Rotterdam, Kingdom of Netherlands) of the third issue had been increased up to USD225.0 m. According to messages of various information agencies deal on notes floatation is to be closed on June 2 of 2003 with maturity in 7 years. Notes have semi-annual coupon 7.875% APR and have been issued on full security of founder of TuranAlem Finance B.V. – Bank TuranAlem OJSC.

**TEMIRBANK OJSC** (Almaty) has informed the stock exchange with the official letter about the fact that on May 28 of 2002 agreement about receiving of syndicated loan by the bank for 12 months in the amount of \$20.0 m. was signed in London. ING Bank N.V acted as organizer and agent of the deal. Commerzbank (Eurasija) SAO, Raiffeisen Zentralbank Osterreich AG, Bank Austria Creditanstalt, Bayerische Hypo- und Vereinsbank AG, Mashreqbank psc, Citibank N.A., Adria Bank AG, Bankgesellschaft Berlin AG, Cooperative Centrale Raiffeisen-Borenleenbank B.A., Dresdner Bank Luxembourg S.A., The Bank of New York, Parex Bank, Union Bank of

California, N.A. are among participants of the syndicate. According to the bank's information the borrowed funds are meant for refinancing its corporate clients' contracts.

Besides, TEMIRBANK OJSC has presented KASE auditor's report made by PriceWaterhouseCoopers (Almaty), which was made on the bank's consolidated financial statement for 2002, prepared in compliance with international accounting standards.

**Comparable indexes of financial and economic activity of TEMIRBANK OJSC for 2002, in accordance with the data of PriceWaterhouseCoopers**

(in th. KZT, unless otherwise specified):

<b>Indicator</b>	<b>2001</b>	<b>2002</b>
Issued authorized capital (paid excluding withdrawn)	1,382,902	1,900,000
Shareholders' equity	2,127,765	2,930,735
Total assets	21,852,068	22,891,880
Sum of liquid assets	7,172,660	6,124,342
Offerings and loans to banks (net)	4 043 944	3,114,233
Loans and advances to clients (net)	13,727,904	14,940,338
Liabilities, total	19,724,303	19,961,145
Issued bonds	1,634,176	1,664,588
Indebtedness to banks	5,897,788	6,080,925
Indebtedness to clients	10,520,770	10,030,456
Revenues from operating activity	3,311,739	4,015,046
Total expenses	2,941,565	3,708,707
Net profit	370,174	281,405
<b>It's been calculated according to auditor's data:</b>		
Return on equity (ROE), %	17.40	9.60
Return on assets (ROA), %	1.69	1.23
Book value of one share, KZT	1,538.62	1 542.49
Earnings per share (EPS), KZT	269.17	148.52
Price earnings ratio (P/E)	–	3.57

Earnings per share (EPS) for 2001 and 2002 has been calculated taking into account dividends, which were charged on the bank's privileged shares, in accordance with the data of auditor's report.

Audit was conducted by PriceWaterhouseCoopers in compliance with international auditing standards. The bank's financial statement was correspondingly corrected in order to bring it in conformity with international accounting standards.

The bank's consolidated financial statement comprises financial statement of daughter companies, in which the bank owns 100% of issued shares: for 2001 – Temir Capital B.V. (Rotterdam, Netherlands), for 2002 – Temir Capital B.V. and Temirleasing OJSC (Almaty).

In the auditor's opinion the consolidated financial statement in all essential aspects for sure reflects the bank's financial condition as of December 31 of 2002, and also consolidated results of its activity and cash flow for the year, which ended by the mentioned date, in compliance with international accounting standards.

**Kazakhtelecom** (Astana) presented KASE a copy of minutes of annual general shareholders meeting, which had been held on May 16 of 2003. In accordance with the agenda shareholders of Kazakhtelecom approved audited financial statement for 2002, and also made the following decisions.

Pay dividends on common shares by the results of 2002 starting from the net income (KZT12.15 bn.) according to the audited financial statement of Kazakhtelecom, which was prepared in compliance with Kazakhstan accounting standards.

Pay dividends on common shares in the amount of KZT3.24 bn. (KZT296.63 per one 1 common share), that is 26.94% of the company's net income excluding charged dividends on privileged shares for 2002 (KZT121.0 m.).

Form of dividends payment – by cash or in cashless form according to shareholder's statement.

Date of dividends payment in the amount of KZT2.16 bn. (KZT197.75 per one common share), that is 17.96% of the net income excluding charged dividends on privileged shares for 2002 is not later than July 16 of 2003.

Date of registering shareholders, who have the right for receiving of the mentioned dividends is June 16 of 2003.

Date of dividends payment in the amount of KZT1.08 bn. (KZT98.88 per one common share), that is 8.98% of the net income excluding charged dividends on privileged shares for 2002 is before the end of 2003 according to individual decision of general shareholders meeting.

Use the remaining sum of the net income (KZT8.9 bn.) for formation of the reserve capital, and also reinvest for realization of investment plan of the company.

For Executive committee of Kazakhtelecom OJSC, include necessary corrections into the company's budget without increasing of level of borrowing.



Besides, the shareholders meeting has approved the Board of directors, which was elected at the prescheduled general shareholders meeting on November 1 of 2002, in the following staff: A. Nalibayev (Chairman of Kazakhstan agency on state purchases), B. Akhabayev (Deputy General director of Caspian industrial-financial group LLP), A. Bektasov (President of Kazakhtelecom), B. Zhumagulov (Director of finance of Caspian industrial-financial group LLP), S Mynbaev (General director of Caspian industrial-financial group LLP), N Nigmatulin (Vice-minister of transport and communications of Kazakhstan), E. Utepov (First deputy Chairman of the Committee of state property and privatization of the Ministry of finance of Kazakhstan).

Besides, the shareholders meeting has set the size of quarterly compensation (interest) for Chairman of auditing commission and decided to keep from providing for compensation (interest) for members of auditing commission.

Besides, Kazakhtelecom has provided KASE with the audited (final) financial statement for 2002: balance sheet, which was prepared in compliance with Kazakhstan accounting standards.

**Comparable indicators of financial and economic activity of Kazakhtelecom for 2002, based upon the company's data**

(in th. KZT, unless otherwise specified):

Indicator	As of	As of	Change,%
	Jan 1, 02	Jan 1, 03	
Issued authorized capital (paid excluding withdrawn)	9,483,893	9,483,669	-0.0
Shareholders' equity	38,173,302	48,495,945	+27.0
Total assets	69,270,052	87,023,032	+25.6
Net working capital	-4,459,093	-7,103,258	-59.3
Accounts receivable	8,636,104	14,905,772	+72.6
Liabilities, total	31,096,750	38,527,087	+23.9
Attracted credits	21,638,129	26,331,829	+19.8
Issued bonds	2,904,673	3,896,250	+34.1
Accounts payable	9,458,621	12,195,258	+28.9
Volume of rendered services	45,880,679	56,804,354	+23.8
Cost of rendered services	26,823,392	33,276,064	+24.1
Net income	8,639,366	12,147,203	+40.6
<b>It's been calculated by the issuer's data:</b>			
Return on sales (ROS), %	41.59	41.42	-0.4
Return on equity (ROE), %	22.63	25.05	+10.7
Return on assets (ROA), %	12.47	13.96	+11.9
Book value of one share, KZT	3,370.44	4,281.80	+27.0
Earnings per share (EPS), KZT	779.88	1,101.01	+41.2
Price earnings ratio (P/E), KZT	3.23	2.78	-13.8

Relative to 2001 there **increase of: shareholders' equity** – by KZT10.3 bn., as the result of increase of total sum of undistributed income and reserves by similar sum; **assets** – by KZT17.8 bn., including: residual value of fixed assets – by 8.2 bn., long-term investments – by 4.5 bn., accounts receivable – by 3.4 bn., inventory – by 1.3 bn., and other assets – by 381.4 m; **liabilities** – by KZT7.4 bn. that was caused by increase of volume attracted credits by 3.7 bn., accounts payable – by 2.7 bn., and floated bonds - by 991.6 m.; **volume of rendered services** – by KZT10.9 bn.; **cost of rendered services** – by KZT6.4 bn.; **expenses of the period** – by KZT3.4 bn. (by 46.3%). **Net income**, which Kazakhtelecom received by the results of 2002, increased in comparison with 2001 by KZT3.5 bn.

**Dynamics of some indicators of Kazakhtelecom OJSC for 2002 by quarters by non-growing total**

(in m KZT, unless otherwise specified):

Indicator	Change,			Change,			
	I-2002	II-2002	%	III-2002	%	IV-2002	%
Sales volume	12,552.9	14,166.8	+12.9	14,131.0	-0.3	15,953.7	+12.9
Net income	2,728.6	2,516.2	-7.8	3,074.2	+22.2	3,828.2	+24.5

Besides, Kazakhtelecom has spread press-release, which says about decreasing of tariffs for local communication services, which are rendered with using telephone cards. According to the presented information, since June 1 of 2003 tariffs for local telephone connections with using phone cards have been decreased by more than 19.4%. Tariffs for international telephone connections with using phone cards with CIS and Baltic countries have been decreased by 12.6%.

Kazakhtelecom (Astana) has presented KASE auditor's report made by Deloitte & Touche (Almaty), which had been made on the company's financial statement for 2002, prepared in compliance with international accounting standards.

**Comparable indexes of financial and economic activity of Kazakhtelecom for 2002, in accordance with the data of Deloitte & Touche**

(in th. KZT, unless otherwise specified):

<b>Indicator</b>	<b>2001</b>	<b>2002</b>
Issued authorized capital (with correction on inflation)	33,090,342	33,090,118
Shareholders' equity	40,991,542	50,725,049
Total assets	73,164,989	90,050,120
Net working capital	-4,386,119	-7,103,258
Accounts receivable (net)	8,636,104	11,715,567
Liabilities, total	32,173,447	39,325,071
Attracted credits	18,733,456	22,435,579
Floated bonds	2,904,673	3,896,250
Accounts payable	10,535,318	12,814,351
Volume of rendered services	45,753,955	56,804,354
Cost of rendered services	27,748,523	33,868,561
Net profit	7,275,779	11,558,066
<b>It's been calculated according to auditor's data:</b>		
Return on sales (ROS), %	39.35	40.38
Return on equity (ROE), %	17.75	22.79
Return on assets (ROA), %	9.94	12.84
Book value of one share, KZT	3,619.15	4,478.49
Earnings per share (EPS), KZT	655.04	1,047.08
Price earnings ratio (P/E)	3.84	2.92

Audit was conducted by Deloitte & Touche in compliance with international auditing standards. The company's financial statement was correspondingly corrected in order to bring it in conformity with international accounting standards.

The company's paid authorized capital for 2001 and 2002 (KZT12,136,529 th.) has been reflected by the auditor taking into account corrections for inflation in the amount of KZT23,606,449 th.

Relative to financial statement the company has not significant daughter companies, where it would possess most votes. Registering of long-term investments in companies, where participation of Kazakhtelecom is more than 20% (GSM Kazakhstan LLP, Almaty, 49%, Altel CJSC, 50%, Nursat CJSC, 41.3%), is made by the method of market share.

In the auditor's opinion the financial statement exactly in all essential aspects reflects financial position of Kazakhtelecom as of December 31 of 2002, results of its of financial and economic activity and cash flow for the year, which ended by the same mentioned date, in compliance with international accounting standards.

**Karazhanbasmunai OJSC** (Aktau) has presented KASE auditor's report made by Ernst & Young (Almaty) on the company's financial statement for 2002.

**Comparable indexes of financial and economic activity of Karazhanbasmunai OJSC for 2002, in accordance with the data of Ernst & Young**

(in th. KZT, unless otherwise specified):

<b>Indicator</b>	<b>2001</b>	<b>2002</b>
Issued authorized capital (paid excluding withdrawn)	2,161,062	2,161,062
Shareholders' equity	9,785,432	14,179,111
Total assets	31,339,916	42,544,828
Net working capital	-506,893	1,222,600
Accounts receivable (net)	5,101,075	9,669,807
Liabilities, total	21,554,484	28,365,717
Attracted credits	12,186,532	15,757,877
Accounts payable	5,951,840	8,880,181
Issued bonds	3,004,000	3,112,000
Sales volume	17,584,246	34,754,442
Cost of goods sold	4,514,336	6,317,501
Net income	3,942,826	9,184,929
<b>It's been calculated according to auditor's data:</b>		
Return on sales (ROS), %	74.33	81.82
Return on equity (ROE), %	40.29	64.78
Return on assets (ROA), %	12.58	28.23

Audit of the company's financial statement, which was made in compliance with Kazakhstan accounting standards, was conducted by Ernst & Young in compliance with Kazakhstan auditing standards. In order to bring in conformity financial indexes of 2002 and 2001 the auditor made some corrections in the financial statement for 2001, which had been audited by Arthur Andersen, which did not influence upon the value of shareholders equity and net income for 2001.

In the auditor's opinion the financial statement exactly in all essential aspects reflects the company's financial condition as of December 31 of 2002, results of its financial and economic activity and cash flow for the year,

which ended by the mentioned date, in compliance with Kazakhstan accounting standards.

According to note 26 for the financial statement in 2002 financial documentation of Karazhanbasmunai OJSC for 2000-2001 were checked up by the republican tax authorities. By the results of the check up in December of 2002 Tax committee of the Ministry of finance of Kazakhstan claimed a suit against the company about payment of additional tax liabilities in the amount of KZT2.9 bn. and fines for KZT447.3 m. Company's governing body believes that the company follows tax legislation the tax suit is disputable. On the fact of the suit the company appealed to the Ministry of finance of Kazakhstan, which was being examined by the date of auditor's report preparation.

**Halyk Bank of Kazakhstan OJSC** (Almaty) has presented KASE a copy of minutes of annual general shareholders meeting, which was held on April 29 of 2003. In accordance with the agenda shareholders of Halyk Bank of Kazakhstan OJSC approved financial statement, conclusion of auditing commission for 2002, changes in the bank's charter, Statute about dividend policy, instruction of shareholder of Halyk Bank of Kazakhstan OJSC, and also made the following decisions.

Approve the following order of the bank's net income distribution by the results of 2002 (KZT2.6 bn.):

- spend 15.4% of the net income for 2002 or KZT390.0 m. for dividends payment on privileged shares, that in correspondence of specifications of the 6th and the 7th issue equals to KZT15.75 per one privileged share on state registration date, which are indexed on coefficient of tenge devaluation/revaluation rate on actual payment date;
- determine May 5 of 2003 as the date of dividends payment (date of registering shareholders, who have the right for receiving of dividends), pay dividends in the period since May 5 till May 30 of 2003;
- spend 23.4% of the net income, that is KZT600.0 m., for replenishment of the reserve capital;
- keep from distributing the remaining part of the net income (approximately KZT1.6 bn.) and register on balance account "Undistributed income of previous years";
- not to pay dividends on common shares by the results of 2002.

Increase the bank's announced authorized capital by KZT1,310,088.9 th. by means of the 8th issue of common inscribed shares consisting of 13,100,889 units with the face value of KZT100 each. The bank's announced authorized capital including production increase will equal to KZT11.2 bn. with the following structure: number of announced common inscribed shares – 87,326,888 units, privileged inscribed without voting right – 24,742,000 units.

Entrust the Board of directors and the bank's administrative executive committee with taking all necessary measures concerning preparation and issue and floatation of common inscribed shares of the 8th issue.

Provide for a possibility of establishing contractual relationship between the bank and shareholders, who possess 5% and more of the bank's voting shares, in case they purchase voting shares of new issues while their floatation in the size, which exceeds 5% of before issued voting shares, to the amount of up to KZT1,310,088.9 th. (according to requirement of the art. 83 of Kazakhstan Law "About joint-stock companies" dated July 10 of 1998 – *note of KASE*).

Approve a new limit of borrowings (increase of liabilities) of Halyk Bank of Kazakhstan OJSC at international markets of capital in the amount of USD450 m. (or the equivalent of the mentioned sum in another foreign currency) till January 1 of 2005.

Determine availability of the new limit of borrowings since the moment of its approval by this shareholders meeting. Consider former limit of borrowings since this date (in the amount of USD400 m.), which was confirmed by the decision of general shareholders meeting dated December 29 of 1999, as expired and stopped.

Organize issue of global depositary receipts for the bank's common inscribed shares, which are in circulation.

Elect among international auditors the company Ernst & Young as auditor of Halyk Bank of Kazakhstan OJSC, among Kazakhstan auditors – BDO Kazakhstanaudit LLP, Almir-consulting LLP and Eltal-uveman consulting LLP.

Confirm a large deal, which was made between Halyk Bank of Kazakhstan OJSC and Firm "ALMEX" LLP, on floatation of shares of the 7th issue and large deal on giving a loan by Halyk Bank of Kazakhstan OJSC to FUTURE CAPITAL LLP.

Confirm terms of the 3rd issue of subordinate bonds of Halyk Bank of Kazakhstan OJSC with the following structure: issue volume – KZT4.5 bn., number of bonds – 4,500,000,000 units, circulation term – 6 years, coupon rate – 9% APR.

Confirm the staff of returning board of Halyk Bank of Kazakhstan OJSC, which was elected at the annual

general shareholders meeting on March 27 of 2002, and set term of authorities for one year.

**UKTMC OJSC** (Ust-Kamenogorsk) has presented KASE the audit report of Deloitte & Touche (Almaty), which was made on the company's financial statement for 2002.

**Comparable indexes of financial and economic activity of UKTMC OJSC for 2002, in accordance with the data of Deloitte & Touche**

(in th. KZT, unless otherwise specified):

Indicator	As of	As of
	Jan 1, 02	Jan 1, 03
Authorized capital (with correction on inflation)	24,021	24,021
Shareholders' equity	7,666,351	8,787,887
Total assets	8,869,226	10,034,624
Net working capital	2,191,915	2,814,853
Accounts receivable	928,054	676,351
Total liabilities	1,202,875	1,246,737
Accounts payable	1,030,079	1,048,496
Attracted credits	129,331	198,241
Sales volume	9,662,774	10,325,995
Cost of goods sold	7,804,086	8,366,994
Net income	752,589	1,202,796
<b>It's been calculated by auditor's data:</b>		
Return on sales (ROS), %	19.24	18.19
Return on equity (ROE), %	9.82	13.69
Return on assets (ROA), %	8.49	11.99
Book value of one share, KZT	7,104.39	8,143.72
Earnings per share (EPS), KZT	752.59	1,225.80
Price earnings ratio (P/E)	6.79	4.77

Audit was conducted by Deloitte & Touche in compliance with international auditing standards. The company's financial statement was corrected with the purpose of bringing it to conformity with international accounting standards. Auditor changes classification of some sums, which concern with previous years, with the purpose of correspondence of statement presenting in the year 2002.

The company possesses 50% share in joint enterprise "Satpayevsk Titanium Mines Ltd".

The company's paid authorized capital (KZT21,582 th.) has been reflected by the auditor taking into account correction on inflation in the amount of KZT2,439 th.

In the auditor's opinion the financial statement in all significant aspects for sure reflects financial condition of UKTMC OJSC as of December 31, 2002, results of its activity and cash flow for the year, which ended by the same date, in compliance with international accounting standards.

Besides, UKTMC OJSC has presented KASE a copy of minutes of annual general shareholders meeting, which was held on May 22 of 2003. In accordance with the agenda shareholders of UKTMC OJSC listened to reports of the Managing committee and Auditing commission, confirmed annual financial statement of UKTMC OJSC, and also made the following decisions.

Confirm the following order of distributing net income of UKTMC OJSC according to results of 2002: send KZT123.1 m. to dividend fund, KZT977.3 m. – to production development fund.

Dividends for payment (taking into account deduction of income tax at the source of payment at the rate of 15%) is KZT97.0 per one share. Date of dividends payment starting is June 23 of 2003.

Approve appointing of Deloitte & Touche as the company's auditor.

Besides, for filling of vacancy shareholders included director of the Department of industry branches of the Ministry of industry and trade of Kazakhstan – B. Abdeev into the staff of the company's Board of directors till May of 2005.

President (Chairman of the Board) – B. Shayakhmetov presented report about results of activity of UKTMC OJSC in 2002 on behalf of the company's Managing committee. It's been noted in the speech that despite toughening of competition at titanium market and preservation of instability and depression in aerospace industry, governing body of UKTMC OJSC jointly with Specialty Metals Company (Brussels, Belgium, owner of 65.77% of total number of the company's issued shares – *note of KASE*) succeeded to preserve orders on hand on the level of 2001. In 2002 there was increase of output of sponge titanium of high marks, its quality improved, and quality of commercial magnesium improved as well. The Combine received certificates of approval from "Bureau Vertikas Quality International" by the results of conducted certified audit of management system of combine's quality for correspondence to the international standard AS 9100 in the sphere of production of sponge titanium and magnesium in bullions, from "R-M-I" – as supplier of sponge titanium of highest quality.

According to the report of the Managing committee by the results of 2002 the planned production, technical indexes and contractual terms concerning production sale had been fulfilled. Volume of production sale of UKTMC OJSC for 2002 equaled to KZT10.3 bn. (increase relative to 2001 by 6.9%), income before tax payments – KZT1.7 bn. (by 38%), net income – KZT1.1 bn. (1.5 times), level of profitability of commodity output – 18.3% (by 4.1%). Company's assets increased by KZT1.2 bn. relative to the level of 2001 to KZT8.6 bn. by the end of 2002, shareholders equity – by KZT1.2 bn. due to the net income, which was received in 2002. The company has no overdue indebtedness on taxes, wage, material and energy resources. In 2002 more than KZT40 m. were spent for realization of measures on protection of labor, for realization of nature preservation measures – about KZT45 m.

According to the report in 2002 there was continued realization of measures of government's program on creation of mineral-raw materials base of titanium raw stuff in Kazakhstan (increase of explored reserves of ilmenite at Satpayevskoye field) and creation of metallurgical capacities on primary titanium raw stuff processing at UKTMC OJSC, and as the result there was received experimental part of ilmenite concentrate in the volume of 2.0 th. tons and 15.1 th. tons of titanium slag of better quality than imported one. Besides, within the framework of the governmental program the combine's governing body works out questions concerning designing and building of the second turn of ore-thermal complex, production diversification due to foundation of large-assembly production of pigmental dioxide of titanium and increasing of commodity readiness of titanium production, technical rearmament of production.

**KAZKOMMERTSBANK OJSC** (Almaty) informed KASE with the official letter about the fact that on June 2 of 2003 in accordance with issue terms the bank had paid the first coupon interest to holders of indexed on tenge devaluation bonds of the first issue (KZ2CKY07A693; KASE's official "A" listing category, KKGBb2; KZT150,000, KZT7,500.0 m.; December 1, 02 – December 1, 09, semi-annual coupon 8.0% APR). According to the issuer's data, sum of the payment excluding income tax equaled to KZT164,114,309.30 at the stock exchange's weighted average rate KZT150.08 for dollar. Judging on the mentioned sum of coupon payment by register fixation date (May 1, 03) about 56.5% of the registered issue volume were on bondholders' depositions.

**NC KTZh CJSC** (National company "Kazakhstan temir zholy", Astana) has presented KASE consolidated financial statement for 2002, which was prepared in compliance with international accounting standards and was audited by Ernst & Young (Almaty) in compliance with international auditing standards.

As is stated in paragraph 1 of notes to the financial statement as of June 1 of 2002 there was made reorganization, as the result of which net assets of RSE "Kazakhstan temir zholy", its daughter companies and other joint-stock companies, whose shares belonged to the state, were given to NC KTZh CJSC (hereinafter – Group). As the result of the reorganization all state-owned assets in railway sphere were united. In accordance with this the Group's consolidated financial statement for the period since January 1 of 2002 till May 31 of 2002 and since June 1 of 2002 till December 31 of 2002 became the object of auditor's check up. Below are financial indexes of the Group in the units, which were accepted in the audited financial statement on corresponding date.

**Comparable indexes of financial and economic activity of NC KTZh CJSC for 2002, in accordance with the data of Ernst & Young**

(in th. USD, unless otherwise specified):

Indicator	2001			June 1, 02 – Dec 31, 02*		
	2001	Jan 1, 02 – May 31, 02	June 1, 02 – Dec 31, 02*	2001	Jan 1, 02 – May 31, 02	June 1, 02 – Dec 31, 02*
Authorized capital	10,820	10,820	438,282,879			
Shareholders' equity	825,103	883,945	491,682,301			
Total assets	1,109,129	1,176,072	543,546,431			
Net working capital	51,625	167,296	35,906,506			
Accounts receivable (net)	72,651	155,234	28,651,904			
Liabilities, total	284,026	292,127	51,698,438			
Attracted loans	129,168	119,742	16,100,483			
Issued bonds	4,110	9,590	4,563,867			
Accounts payable	150,748	162,795	15,045,726			
Volume of rendered services	1,010,606	424,218	108,525,614			
Cost of rendered services	774,294	304,963	79,922,663			
Net profit	51,775	58,842	8,842,716			
<b>It's been calculated by auditor's data:</b>						
Return on sales (ROS), %	23.4	28.1	26.4			
Return on equity (ROE), %	6.3	6.7	1.8			
Return on assets (ROA), %	4.7	5.0	1.6			

\* – th. tenge

According to paragraph 23 of notes within 2002 authorized state structures checked activity of the Group for the period since January 31 of 1997 till December 31 of 2001. Results of the check up were not announced or revealed for the Group or the new governing body of the Group (investigation concerning accusations, which were brought by General public prosecutor's office against them is being conducted regarding former General

director and other members of former governing body). The Group's governing body ca not estimate possible losses, if they are present, which can be revealed during the investigation.

The auditor notes that the Group did not form sufficient reserve on doubtful and bad debts, as the result of which the Group's accounts receivable as of May 31 of 2002 and net income for the period since January 1 of 2002 till May 31 of 2002 were given too high approximately by USD33.6 m.

In the auditor's opinion excluding influence of corrections, which he could determine in case it were possible to estimate possibilities of potential losses, which can be determined by the conducted investigation, and also excluding overstating of accounts receivable and the net income, the Group's consolidated financial statement in all significant aspects gives authentic imagination about financial condition of the Group as of December 31 of 2001 and May 31 of 2002, results of financial and economic activity and cash flow for the period since January 1 of 2002 till May 31 of 2002 and for 2001 in compliance with international accounting standards.

Besides the auditor expresses his opinion that the Group's consolidated financial statement in all significant aspects gives impartial imagination about the Group's financial condition as of December 31 of 2002, results of financial and economic activity and cash flow for the period since June 1 of 2002 till December 31 of 2002 in compliance with international accounting standards.

**VALUT-TRANZIT ZOLOTO OJSC** (Karaganda) has presented KASE the protocol of annual general shareholders meeting, which was held on May 23 of 2003. In accordance with the agenda shareholders of VALUT-TRANZIT ZOLOTO OJSC approved the company's financial statement for 2002, auditor's conclusion, report of the Board, order of distributing net income for 2002, the company's strategy for 2003, and also made the following decisions concerning dividends payment for 2002: in accordance with the fact that profit for 2002 was formed only due to other revenues, charge and pay dividends only on the company's privileged shares at the rate of KZT15.0 or 7.5% of the face value per 1 share to the total amount of KZT30.0 m.

**DB Alfa-Bank OJSC** (Almaty) has presented KASE auditor's report of KPMG Janat (Almaty) which was made on the bank's financial statement for 2002, which had been prepared in compliance with international accounting standards.

**Comparable indexes of financial and economic activity of DB Alfa-Bank OJSC for 2002, in accordance with the data of KPMG Janat**

(in th. KZT, unless otherwise specified):

<b>Indicator</b>	<b>2001</b>	<b>2002</b>
Authorized capital (paid)	1,000,000	1,000,000
Shareholders' equity	1,627,333	1,879,351
Total assets	5,842,084	8,624,916
Sum of liquid assets	2,057,896	1,723,748
Loans to clients (net)	3,584,270	6,616,668
Loans and deposits to banks	765,453	581,456
Liabilities, total	4,214,751	6,745,565
Clients' funds	3,558,584	4,712,130
Funds of credit institutions	277,327	528,688
Subordinate debt	348,498	416,851
Issued bonds	–	885,085
Total revenues	954,221	1,343,170
General expenses	809,201	1,109,174
Net income	145,020	233,996
<b>It's been calculated by the auditor's data:</b>		
Return on equity (ROE), %	8.91	12.45
Return on assets (ROA), %	2.48	2.71

Audit was made by KPMG Janat in compliance with international auditing standards. The bank's financial statement was correspondingly corrected in order to bring it in conformity with international accounting standards.

In the auditor's opinion, the financial statement of DB Alfa-Bank OJSC in all significant aspects for sure reflects the bank's financial condition as of December 31 of 2002, and also results of its activity and cash flow for the year, which ended by the mentioned date, in compliance with international accounting standards.

**Zhaireskiy OMPE** (Zhaires settlement, Karaganda oblast) has informed KASE that on **June 14 of 2003** it will hold annual general shareholders meeting during which it it's planned to examine the following questions: report of the Board according to results of 2002; order of distribution of the company's net income for 2002; including of changes and additions into the company's charter. Besides, it's planned to approve of the company's annual financial statement and auditor's conclusion by the results of check up of financial and economic activity for 2002, and also deals, which the company made in 2002. Place of meeting holding: Karaganda oblast, Zhaires settlement, Muratbayev str., 20.

## KASE'S MEMBERS

By the decision of Kazakhstan Stock Exchange's (KASE) Board dated June 2, 2003, membership of **Intertrade OJSC** (Aktobe) has been stopped at the stock exchange on the categories "**K**" (the right to participate in trades in government securities, which are traded at KASE), "**P**" (the right to participate in trades in corporate securities, which have been included into KASE's official securities list) and "**H**" (the right to participate in trades in government securities, which have been admitted to circulation in the sector "Non-listing securities" of KASE and state blocks of shares of privatized organizations). The decision has been made in accordance with liquidation of this company.

## KASE'S NEWS

By the decision of KASE's Board, on the basis of statement of KAZNEFTEHIM LLP (Almaty), **since May 30 of 2003** trades in inscribed indexed bonds of the mentioned partnership of the first issue (KZ2PKY02A634; KASE's official "B" listing category, KZNHb1; KZT1,000.00; KZT305.8 m.; April 15, 02 – October 15, 04; semi-annual coupon 14.0% APR) are opened at KASE.

By the decision of KASE's Board, on the basis of statement of KIB ASSET MANAGEMENT LLP (Almaty) **since May 30 of 2003** trades in common inscribed shares of CNPC-Aktobemunaigas OJSC (CNPC-AMG OJSC, Aktobe) of the first issue (KZ1C15990118; KZT1,500.0; KZT13,419,705,000) are opened at KASE in the secondary market sector on "A" listing category. The shares have been included into KASE's official "A" listing category since May 27 of 2003. Trade code is AMGZ. Quotation accuracy in the stock exchange's trade system is two decimal figures of share's price. Status of market-maker of AMGZ at KASE, on the basis of submitted application, has been assigned to KIB ASSET MANAGEMENT LLP. Minimal volume of compulsory quotation for the market-maker is 1,000 monthly calculation indexes. Before the mentioned shares were traded in "Non-listing securities" sector on the second level of admission.

By the decision of KASE's Board **starting from June 4 of 2003** indexed on changing of tenge's rate relative to dollar **bonds of Kazpost OJSC** (Almaty) of the first issue (KZ2CKY05A739; KASE's official "A" listing category, trade code is KZPSb1; KZT1,000; KZT1,413.0 m.; May 13, 03 – May 13, 08; semi-annual coupon 8.0% APR) have been included into the list for KASE\_BC, KASE\_BP and KASE\_BY indexes calculation. As the result 36 bonds of "A" category official securities list are currently included into representative list for the mentioned indexes calculation.

**In the first five months of 2003** total volume of transactions made in all sectors of the Kazakhstan Stock Exchange (KASE) reached equivalent of **\$10,972.6 m., or KZT1,674.8 bn.** Compared to similar period of 2002, volume of transactions **increased 1.4 times** measured in dollars and in tenge. Relative to previous five-month period (August-December of 2002) stock exchange's turnover decreased by 16.6% measured in dollars and 17.8% measured in tenge.

Following is the comparative table of volumes of deals made at KASE in the first quarter of 2003, as well as dynamics of the turnover structure of the Exchange's market (in million USD, unless otherwise specified). The calculation was made in terms of dollars.

Market's sector of KASE	Jan-May 2003	Rel. to corr. month of 2002:		Relative to previous period:			
	May 2003	Jan-May 2002	trend in:		Aug-Dec 2002	trend in:	
			m USD	%	m USD	m USD	%
<b>Foreign currencies</b>	<b>2,062.4</b> 18.8%	870.2 11.1%	+1,192.2	+137.0	1,647.3 12.5%	+415.1	+25.2
<b>Futures contracts</b>	<b>2.010</b> 0.018%	281.5 3.6%	-279.4	-99.3	427.2 3.2%	-425.2	-100.0
<b>GS</b>	<b>805.0</b> 7.3%	618.1 7.9%	+186.9	+30.2	1,169.4 8.9%	-364.4	-31.2
<b>CS</b>	<b>429.0</b> 3.9%	156.2 2.0%	+272.7	+174.6	402.8 3.1%	26.2	+6.5
<b>Repo (CS and GS) total</b>	<b>7,674.1</b> 69.9%	<b>5,910.6</b> 75.4%	+1,763.5	+29.8	9,509.0 72.3%	-1,834.9	-19.3
inc. repo on GS, direct	1,024.2 9.3%	1,027.4 13.1%	-3.2	-0.3	1,739.2 13.2%	-715.0	-41.1
inc. auto- repo on GS	6,456.0 58.8%	4,843.5 61.8%	+1,612.5	+33.3	7,655.1 58.2%	-1,199.1	-15.7
inc. repo on CS, direct	152.6 1.39%	39.6 0.5%	+113.0	+285.3	111.0 0.8%	41.6	+37.5
inc. auto- repo on CS	41.2 0.376%	0 0%	+41.2	X	3.7 0.03%	+37.5	+1,005.2
<b>Promissory notes</b>	<b>0.096</b> 0.001%	0 0%	+0.073	X	0 0%	+0.096	X
<b>TOTAL</b>	<b>10,972.6</b> 100%	<b>7,836.6</b> 100%	<b>+3,136.0</b>	<b>+40.0</b>	<b>13,155.7</b> 100%	<b>-2,183.2</b>	<b>-16.6</b>

Following is the table with the dynamics of the turnover of the Exchange in last 7 months, which is grouped by months and market sectors (both in KZT and USD).

Market sector	Indicator	XI-2002	XII-2002	I-2003	II-2003	III-2003	IV-2003	V-2003
<b>In million US dollars</b>								
Foreign	volume	385.5	430.3	306.6	607.6	356.6	398.6	393.0
	Currency %	11.7	12.3	14.4	26.5	18.9	16.5	17.5
Futures	volume	80.0	187.0	0	0.500	1.505	0.005	0
	%	2.4	5.3	0	0.022	0.080	0.0002	0
GS	volume	221.9	432.6	218.5	200.9	160.8	87.8	137.0
	%	6.7	12.3	10.2	8.8	8.5	3.6	6.1
CS	volume	19.7	282.7	78.5	27.9	41.6	82.7	198.2
	%	0.6	8.1	3.7	1.2	2.2	3.4	8.8
REPO	volume	2,601.4	2,176.8	1,528.9	1,456.5	1,323.9	1,846.6	1,518.3
	%	78.6	62.0	71.7	63.5	70.3	76.4	67.6
Promis. notes	volume	0	0	0	0.096	0	0	0
	%	0	0	0	0.004	0	0	0
<b>TOTAL</b>		<b>3,308.5</b>	<b>3,509.4</b>	<b>2,132.4</b>	<b>2,293.5</b>	<b>1,884.5</b>	<b>2,415.7</b>	<b>2,246.5</b>
<b>In billion tenge</b>								
Foreign	volume	59.5	67.0	47.6	93.2	54.0	60.6	59.3
	Currency %	11.6	12.3	14.4	26.5	18.9	16.5	17.5
Futures	volume	12.7	29.3	0	0.076	0.229	0.001	0
	%	2.5	5.4	0	0.022	0.080	0.0002	0
GS	volume	34.3	67.4	33.9	30.8	24.4	13.3	20.7
	%	6.7	12.3	10.2	8.8	8.5	3.6	6.1
CS	volume	3.0	44.0	12.2	4.3	6.3	12.6	29.9
	%	0.6	8.1	3.7	1.2	2.2	3.4	8.8
REPO	volume	401.6	338.8	237.6	223.3	200.5	280.7	229.2
	%	78.6	62.0	71.7	63.5	70.2	76.4	67.6
Promis. notes	volume	0	0	0	0.015	0	0	0
	%	0	0	0	0.004	0	0	0
<b>TOTAL</b>		<b>511.1</b>	<b>546.4</b>	<b>331.4</b>	<b>351.7</b>	<b>285.5</b>	<b>367.2</b>	<b>339.1</b>

**Notes:** in GS sector only deals of the primary market and purchase and sale in the secondary market are considered; in CS sector only deals of the primary market and purchase and sale in the secondary market (including SBS) are considered; in REPO sector repo transactions with GS and CS are considered, including auto repo.

As the whole, May has justified expectations of analysts of IRBIS. Coming of the Ministry of finance to the market with new MEKAM issues, despite small issue volumes, significantly enlivened trade in GS at the secondary market. And though volume of transactions here has not reached indexes of the beginning of the year yet, tendency of monthly decrease of GS turnover, in all probability, has been interrupted.

CS sector increased in May mainly due to selling state block of shares of CNPC-Aktobemunaigas OJSC at KASE. This event did not cause the significant animation of the market like it was while selling state blocks of Corporation Kazakhmys OJSC in 2001 and 2002. Judging on all, consequences of the sale will be felt only at the currency market in the first half of June.

Contrary to expectations of IRBIS, volume of transactions in foreign currencies decreased at KASE in May. The decrease was minimal – by \$5.6 m., i.e by average volume of one exchange's deal that lets say not about a tendency, but about working fluctuations of the market's volume. Repo market suffered from more significant losses (\$328.3 m. or KZT51.5 bn.). Specialists of IRBIS explain it by falling of total level of second tier banks' short-term liquidity (weighted average value of indicator TONIA in May equaled to 4.28% APR, in April – 3.89% APR), that caused less active regulating of the money market by the National Bank.

As the whole one can say that KASE's market in May became to look like "more stock market" more because stake of transactions in securities at the stock exchange reached 14.9% – the highest index in this year.

Comparison of stock exchange's turnover in five-month period illustrates main tendencies of growth. Growth of the stake of transactions in foreign currency has been caused by the very large inflow of it to domestic market due to high oil prices, and in latest time – by successful borrowing of money by banks at the world debt market. Falling of the stake of GS turnover is explained by narrowing of these securities' primary market and decreasing of investment attractiveness of bonds, which are not concerned with real sector of economy. Growth of the stake of CS in KASE's turnover is taken as a positive tendency, which evidences about gradual development of the market of shares and corporate bonds due to flow of money of Kazakhstan institutional investors to this sector of the financial market.

In the opinion of specialists of IRBIS the first summer month at KASE will be hot. Already now the significant increase of volume of transactions volume in foreign currency is forecasted due to effect of a number of factors. And these factors work exceptionally for tenge strengthening. Taking effect of the new edition of "Rules of issue, floatation, circulation and redemption of short-term notes of the National Bank of Kazakhstan", due to what the head bank has an opportunity to issue long notes (limitation of these bonds circulation term is absent), even in



presence of issue passivity of the Ministry of finance can significantly enliven the secondary GS market. The higher, than in May, short-term liquidity of STB lets expect growth of volume of repo transactions. And possible appearance of new corporate bonds at domestic market, intention to issue which has been announced already, will promote to further expansion of trade in CS.

**Prepared by Information agency of financial markets "IRBIS"**

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