

WEEK OF STOCK MARKET OF KAZAKHSTAN

August 02-08

US dollar = 147.05 tenge at official rate for the end of the period

US dollar = 147.16 tenge at weighted average rate of the Exchange for the end of the period

Weekly rate of tenge devaluation – minus 1.53%

Money market rates as of Aug 08 and weekly changes

Term	Currency	Rate	Trend
Repo opening at KASE (WA, % APR)			
1 day	KZT	4.50	+1.50
5 days	KZT	6.91	+2.91
8-9 days	KZT	6.23	+2.01
28-30 days	KZT	6.39	-1.36
30 days	USD	11.01	–
KIBOR (indicative, % APR)			
1 week	KZT	7.75	+0.08
2 weeks	KZT	8.63	+0.13
1 month	KZT	9.38	+0.21
2 months	KZT	10.25	+0.25
3 months	KZT	11.00	+0.33

Investment attractiveness of stock exchange instruments from August 02 through 08

Financial instrument	Currency	Yield, % APR	Volume of deals, KZT m	Volume of deals, USD m
Instruments denominated in national currency, tenge				
MEOKAM, MEAKAM	KZT	10.40 (9.60)	2,029.2 (1,670.4)	13,785.8 (11,362.3)
Repo CS	KZT	*7.65 (*9.45)	1,314.7 (106.6)	8,930.8 (725.3)
MEKKAM, notes	KZT	*5.37 (*5.36)	145.6 (211.2)	989.1 (1,436.5)
Repo GS	KZT	*4.71 (*4.46)	3,154.5 (2,670.7)	21,431.3 (18,166.5)
Instruments indexed to the US dollar				
VITAb2	USD	13.55 (13.54)	0 (0)	0 (0)
SMGZb1	USD	13.00 (13.00)	0 (0)	0 (0)
CCBNb1	USD	11.11 (11.50)	0 (60.5)	0 (412.1)
BTASb1	USD	11.00 (11.00)	0 (0.3)	0 (2.1)
RGBRb2	USD	11.00 (12.00)	0 (0)	0 (0)
KZASb1	USD	11.00 (11.00)	0 (0)	0 (0)
TEBNb	USD	10.64 (10.60)	0 (0)	0 (0)
ASFib1	USD	10.50 (10.51)	0 (2.6)	0 (17.6)
KARMB1	USD	9.93 (9.94)	0 (0)	0 (0)
KZTOb	USD	9.05 (8.60)	33.8 (0)	230.1 (0)
TMJLb2	USD	8.80 (9.00)	0 (217.0)	0 (1,478.7)
SYRb1	USD	8.50 (8.50)	0 (0)	0 (0)
KZOLb	USD	8.50 (8.60)	0 (7.5)	0 (50.8)
HSBKb	USD	8.50 (8.50)	0 (0)	0 (0)
ATFBb	USD	5.84 (6.22)	0 (0)	0 (0)
KKGBb	USD	4.81 (5.03)	0 (0)	0 (0)
Instruments denominated in US dollars				
BTASe1	USD	10.68 (10.69)	0 (0)	0 (0)
KKGBe2	USD	9.20 (9.20)	0 (0)	0 (0)
Euronotes-4	USD	7.20 (7.24)	1,274.4 (584.0)	8,657.2 (3,973.7)
Euronotes-3	USD	6.99 (6.94)	361.2 (741.6)	2,452.5 (5,045.0)
Euronotes-2	USD	6.06 (6.14)	391.1 (3.1)	2,656.9 (21.0)

Notes: Yields of KZTOb are calculated as average of the deals. Yields of other corporate bonds are calculated as average of offer bids. Figures in parentheses are corresponding value of previous week. Securities marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them. Yields for bonds with more than a year maturity are estimated on a semiannual basis.

THE CORPORATE SECURITIES SECTOR (CS)

Primary market

In the primary market, KASE held additional initial public offering for inscribed coupon bonds of **NSE Kazakhstan Temir Joly** (the second emission, KZ2EUY03A368, category “A” of the official listing; TMJLb2; \$100, \$30m, July 10.01 - July 10.04, semiannual coupon at 8.0% APR). **No deals have been concluded.** In

total as of Aug.08, 2001 there were 118,540 bonds floated at KASE for \$11.9m in nominal value. Total volume of deals - \$11.6m. Weighted average yield to maturity - 9.00% APR.

Secondary market

In the purchase-sale sector, 11 deals were concluded amounting **\$5,055.1 th.** (KZT744.1m). Compared to previous week, (17 deals \$539.8 th., KZT79.3m) the sector's turnover increased 9.4 times. Most tradable securities were bonds of Bank TuranAlme OJSC that took 59.4% of the sector's turnover. The next were preferred shares of Kazakhtelecom 34.9%. Other instruments were traded in insignificant amounts. Six out of eleven deals were direct. Deals were made over 6 instruments compared to 12 on previous week.

Considering last deals of the reported period prices for ALKZp increased 24.8%; for BTAS - 1.7%, KZTKp - 5.1%. Price of AMGZp declined 11.7 times, ZERD - 0.8%. Yield of KZTOb increased from 8.905 to 9.05%.

The index KASE_Shares increased by 2.7119 (2.77%) during the week and was fixed at closing of August 08 at **100.7601**. The index was affected by growth of bid prices for common shares of SHNOS OJSC from \$0.80 to \$1.00 (25%), as well as increase of quotation prices for preferred shares of Kazakhtelecom from \$11.30 to \$11.50 (1.8%). In total, the value of index is slowly restoring after historic low level reached on July 23 (slump in market-maker quotations of SHNOS OJSC). The index has stabilized on reached level during last two days of the week.

Dynamics of corporate bonds market indexes was minimal looked as follows (figures in parentheses indicate weekly changes): **KASE_BY - 11.17 (+0.02%)**, **KASE_BP - 115.93 (+0.16%)**, **KASE_BC - 104.59 (-0.02%)**. On previous week KASE_BY declined by 1.14%.

Capitalization of companies, whose shares are being traded at the CS sector of KASE reached **\$818.7m** or KZT120.5bn as of August 08. This indicator grew by \$2.8m compared to previous week mainly thanks to increased value of ALKZp, BTAS and KZTKp (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 the securities in the trade system of the Exchange, was fixed at **\$379.0m** or KZT55,774.2m as of August 08. In nominal terms (total face value of the bonds that were admitted into trade lists of KASE) is estimated at **\$443.0m** or KZT65,192.8m. Such significant difference is explained by absence of trades over second issue bonds of Almaty Kus OJSC, first issue bonds of Bank CASPIAN and first issue bonds of Kazakhtelecom. All issues have already been admitted into official listing. At present, bonds are being floated on the OTC market, while the stock exchange market makers are still unable to conduct operations at KASE.

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 August 02 to 08

Issuer	Securities	Last price	WA price	Volume, #	USD per share, unless otherwise specified		
					Volume, USD th.	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0	0.1540	0.3080
Almaty Kus OJSC	ALKSp			0	0	0.0900	0.1700
Almaty Kus OJSC	ALKSp3			0	0	0.0680	0.0700
Aluminiy Kazakhstana OJSC	ALKZ	*0.5095	*0.5095	4,000	2.0	0.5095	0.5095
SNPS-Aktobemunaigas OJSC	AMGZp	*1.50	*1.50	35,000	52.5	1.50	1.50
Astana-Finance OJSC	ASFI	*10.000		0	0	5.000	10.000
AMB OJSC	ATFBp	6.870		0	0	6.790	6.860
Bank TuranAlem OJSC	BTAS	75.26	74.69	40,230	3 004.6	75.26	74.11
Bank CenterCredit OJSC	CCBN	*1.3251		0	0	1.1553	1.3578
Halyk Bank of Kazakhstan OJSC	HSBK	0.8324		0	0	0.6100	1.2200
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0	0.2500	0.5000
Kazakhtelecom`	KZTK	*12.000		0	0	12.000	16.500
Kazakhtelecom	KZTKp	12.600	12.600	139,889	1 762.6	12.600	12.200
SHNOS OJSC	SYRG	1.6300		0	0	1.0000	
TEMIRBANK OJSC	TEBN	*1.095		0	0	1.360	6.800
TEMIRBANK OJSC	TEBNp			0	0	1.360	6.800
UKTMK OJSC	UTMK	35.000		0	0	22.000	44.000
UKTMK OJSC	UTMKp	28.0000		0	0		43.5000
VALUT-TRANZIT BANK OJSC	VTBN	2.5480		0	0	1.4950	2.7155
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	0	1.6988	3.0550
ZERDE OJSC	ZERD	*6.7670	*6.7670	500	3.4	6.7670	6.7670
TOTAL	21			219,619	4,825.1		

Results of the trades in bonds from August 02 to 08

(% APR till maturity, unless otherwise specified)

Issuer	Code	Currency	Last	WA Volume, th. USD	Best bid	Best offer	
Astana-finance OJSC	ASF1b1	USD	10.5050	0	11.0000	10.5000	
AMB OJSC	ATFBb	USD	7.7025	0	6.3381	5.8408	
Bank TuranAlem OJSC	BTASb1	USD	10.9956	0	11.4974	11.0039	
TuranAlem Finance B.V.	BTASe1	USD		0	11.7601	10.6842	
Bank CenterCredit OJSC	CCBNb1	USD	11.4988	0	11.9892	11.1062	
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.0000	0	13.4999	8.5000	
Karazhanbasmunai OJSC	KARMB1	USD	10.3243	0	11.3793	9.9293	
KAZKOMMERTSBANK OJSC	KKGBb	USD	7.00	0	9.57	4.81	
KAZKOMMERTSBANK OJSC	KKGBe2	USD		0	11.1950	9.2036	
DAGOK Kustanaiasbest OJSC	KZASb1	USD	11.7958	0	12.0006	10.9961	
NOC Kazakhoil CJSC	KZOLb	USD	8.6003	0	8.6961	8.5026	
NOTC KazTransOil CJSC	KZTOb	USD	9.0508	9.0508	230.1	8.9522	9.1040
RG Brands OJSC	RGBRb2	USD	12.4999	0	11.9998	11.0000	
SHAHARMUNAIGAS OJSC	SMGZb1	USD		0	18.9973	12.9971	
SHNOS OJSC	SYRGb1	USD		0	11.9957	8.5028	
Temirbank OJSC	TEBNb	USD	10.6241	0	11.2001	10.6382	
Kazakhstan Temir Joly	TMJLb2	USD		0	9.5000	8.8032	
VITA LLP	VITAb2	USD	13.9999	0	14.4759	13.5505	
TOTAL	18			230.1			

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

In the repo sector of CS 19 deals were made for a total of **\$11,337.4 th.** (KZT1,668.9m). Of this number, 12 deals (\$8,005.2 th.) were repo opening deals and 7 (\$3,332.3 th.) – closing deals. Volume of deals on previous week reached \$4,674.1 th. (KZT686.7m). Repo rates are given in the beginning of present review.

In all trade floors of KASE (including primary market) total of 30 deals were concluded over corporate securities (2,221,170 securities) amounting to **\$16,392.6 th.** (KZT2,413.1m). A week ago volume of 30 deals was \$6,692.6 th. (KZT983.0m). Transaction volume over CS grown up mainly due to repo operations (deals over BTAS in purchase-sale sector looked as “hidden repo” deals). The CS market was mostly affected by falling market liquidity indicated in dynamics of money market rates (see first table).

SECTOR OF GOVERNMENT SECURITIES (GS)

On July 31, 2001, KASE held third auction on additional initial offering of **East-Kazakhstan region municipal bonds** (KZ7051806A46, VKU036.001; \$100, KZT1bn, June 20. 01 - June 18. 04, semiannual coupon 6.30% APR). The declared volume of additional floatation – KZT500m. The issuer floated 36,000 bonds for **KZT496,053,282.55** at 92.8590% of nominal price. Weighted average price equaled **9.1856% APR** at maximal price of 9.2021% (semiannual basis). Four KASE trade members participated at the auction. Demand exceeded supply 1.18 times.

By the results of all conducted offerings, total actual volume of satisfied bids equaled 71,635 bonds for a face value of the debt at \$7,163,500. The issuer raised **KZT996,048,403.54**, while planned volume was at KZT1bn. Face value of KZT debt – **KZT1,051,402,750.00**, calculated on the basis of actual rates at bonds’ payment date. Weighted average yield of EKR bonds at initial offering (calculation based on the results of three auctions, weighted through the volume of the debt in KZT discounted) equaled **8.5658% APR** on semiannual basis, or 8.7506% APR – on annual basis expressed in currency. (at the KASE the yield calculated on semiannual basis is used as the main one). The yield for some investors varied from 6.3005% APR to 9.2021% APR.

Totally six KASE members participated in purchase of VKO bonds (under satisfied bids). By results of held auctions 60.0% of issue were in secondary tier banks’ property. 35.8% bonds were bought at the expense of pension assets, and 4.2% were bought by brokerage-dealers companies.

From the beginning of VKO bonds’ circulation at secondary exchange market and till today (June 28. 01 – Aug 07. 01) 19 deals were made in sale-purchase KASE sector total – KZT584,586,291.97 (41,960 bonds) this certifies intensive secondary redistribution of securities at the market after initial offering of first part of issue. Meanwhile deals were made exclusively between secondary tier banks. The yield to maturity for some secondary markets deals varied from 8.34 to 8.40% APR and in weighted average totaled 8.36% APR. Net price of bonds displayed weak decline tendency: from 94.7100% (June 29. 01) to 94.6705% (July 24. 01), dirty price – increased: from KZT13,900.30 up to KZT13,976.79 per bond at correspondent dates (8.03% APR)

On August 14, 2001 KASE will hold another additional offering auction for VKO bonds. Announced volume of additional offering at the auction – **KZT3,946,717.45**. The bids are made for the auction on August 14, 2001 in

the Trade system of the KASE from 9:00AM to 12:00AM of Almaty time. Accumulated interest on the offering date is 0.966575% of the bond face value. Only competitive bids are accepted at the auction.

Secondary market

In GS purchase and sale sector of KASE total volume of 70 deals equaled **KZT4,201.5m** (\$28,541.5 th.). Last week the turnover reached KZT3,210.3m with 65 deals made. As in previous week, the market demonstrate stable structure. Traders still prefer to operate with mid-term domestic bonds of the Ministry of Finance (MOF) and euronotes of Kazakhstan, their yields fluctuate narrowly. The turnover structure table correlates with structure of the government debt issued as GS. According to IRBIS, this structure looked as follows as of Aug.08, 2001: discounted GS up to one year maturity (notes and MEKKAM) - 11.1%; MEOKAM and MEAKAM - 26.8%, municipal GS - 0.5%; euronotes - 61.6%. These data are good explanation of traders priorities. It should be noted that investors has recently started restructuring of their portfolios. One of them are trying to sell euronotes and invest into MEIKAM and MEAKAM, others prefer euronotes.

Parameters of stock exchange transactions in GS from August 02 to 08

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discounted GS (KZT): notes				3.5% (6.6%) of purchase and sale sector's turnover		
15 - 28	5.15	5.58	5.23	5.21 (5.03)	96.5	3
37 - 42	5.44	5.44	5.44	5.44 (-)	5.4	1
64 - 91	5.31	5.31	5.31	5.31 (5.48)	43.8	1
Total					145.6 (211.2)	5 (12)
Coupon GS (KZT): MEOKAM-24, 36, MEAKAM				48.3% (52.0%) of purchase and sale sector's turnover		
441 - 593	7.49	8.89	8.89	8.40 (8.15)	129.4	5
770 - 927	8.28	10.25	9.01	9.05 (9.33)	658.5	17
1000 - 2342	7.99	11.48	8.01	11.33 (11.40)	1,241.3	6
Total					2,029.2 (1,670.4)	28 (26)
Coupon GS (USD): Euronotes of Kazakhstan				48.2% (41.4%) of purchase and sale sector's turnover		
*415	6.04	6.12	6.08	6.06 (6.14)	391.1	8
**1151 - 1156	6.80	7.07	7.07	6.99 (6.94)	361.2	6
***2073 - 2079	7.17	7.29	7.18	7.20 (7.24)	1,274.4	23
Total					2,026.8 (1,328.7)	37 (27)
GRANDTOTAL					4,201.5 (3,210.3)	70 (65)

Notes: for euronotes (* - second issue, ** - third issue, *** - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange, over domestic devaluation indexed bonds - official exchange rate; yield over coupon bonds are shown at semiannual basis.

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 **6.97 (-0.91%)**; **KASE_EP** – 128.25 (+0.27%); **KASE_EC** – 112.76 (+0.13%). Last week **KASE_EY** decreased by 0.45%. Indexes demonstrated rare stability, yet some observers consider forthcoming changes.

In GS repo sector 80 deals for a total of **KZT6,786.4m** were made during the period. Of this number 43 deals (for KZT3,154.5m) were repo opening deals and 37 (KZT3,631.9m) were repo closing deals. Last period the turnover of this market sector reached KZT5,839.7m. After closing of the trades on August 08 total amount of opened repo equaled **KZT3,434.8m**.

Total of 150 deals amounting to **KZT10,987.9m** were made over government securities in all trade floors of KASE during last week (purchase-sale and repo sector). A week ago volume of 141 deals was at KZT9,050.0m. This week the **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled **76.5%**, for last week it was 76.7%.

INFORMATION ON COMPANIES

KAZKOMMERTSBANK OJSC (Almaty, official list of securities, category “A”), in accordance with the listing requirements, provided KASE the auditing report of “Deloitte & Touche” (Almaty, Kazakhstan) made on 2000 consolidated financial statements.

Financial data of Kazkommertsbank audited by Deloitte & Touche

(thousands tenge unless otherwise indicated)

Indicator	1999	2000
Authorized capital (paid up)	2,941,814	2,931,906
Weighted average issued shares, number of shares	285,390,136	284,677,841
Shareholders' equity	13,374,826	17,352,087
Total assets	81,185,724	124,015,677
Liquid assets	23,106,195	47,612,518
Loans and other outflows to the clients (net)	48,339,227	67,080,203
Loans and other outflows to the banks (net)	7,240,234	15,711,530
Liabilities to the banks	22,698,687	23,362,974
Liabilities to the clients	22,076,532	54,138,572
Operating profit	18,353,396	16,397,821
Total expenses	15,356,898	12,373,631
Net income	2,996,498	4,024,190
Calculated by the data of auditing report:		
Return on equity (ROE), %	22.40	23.19
Return on assets (ROA), %	3.69	3.24
Earnings per share (EPS), KZT	10.50	14.14
Book value of a share, KZT	46.87	60.95

Auditing was conducted by "Deloitte & Touche" in accordance with International accounting standards (IAS).

Since KAZKOMMERTSBANK OJSC keeps its accounts and financial records based on the Kazakhstan accounting standards, and banking legislature financial statements of the bank were properly corrected to comply with IAS.

The following is the number of bank's subsidiaries: Kazkommerts Securities OJSC (Almaty, Kazakhstan), United payment system CJSC (Almaty, Kazakhstan) and also registered by industrial chamber of Rotterdam – Kazkommerts Capital B.V. and Kazkommerts International B.V.

The following companies are among associated companies whose investments are considered by participation under portion method : ABN AMRO Bank Kazakhstan CJSC (29.0%), ABN AMRO Asset Management PAMC CJSC (48.9%), Umit PAF (20.0%), Kazkommerts-Police Insurance company OJSC (100.0%)

In the opinion of the auditor, financial statements of KAZKOMMERTSBANK OJSC and its branch companies give a reliable and objective picture of financial situation as of December 31, 2000, 1998. The results of economic activity and cash flow statement for each year of three-year period ended on Dec. 31, 1999 stated in compliance with IAS.

Public relations department of KAZKOMMERTSBANK OJSC (Almaty) informed today that international financial edition Euromoney acknowledged KAZKOMMERTSBANK OJSC as the best bank of Kazakhstan for 2001, in its July issue. KAZKOMMERTSBANK OJSC has been regularly awarded by Euromoney Award for Excellence from 1995. This decision of respected financial edition is based upon survey held by international rating agencies, bank analysts, financial experts and market participants. According to bank information analysts used audited report of KAZKOMMERTSBANK OJSC for first quarter of 2001. During following three months positive increase for all ratios continued. By the end of first six months of 2001 assets of KAZKOMMERTSBANK OJSC were over \$1bn and this resulted reinforcement of its leading positions in Kazakhstani bank sector. Meanwhile credit ratings of bank were improved by Moody's, S&P and Fitch up to Ba3/B/B+ respectively.

Halyk Bank of Kazakhstan OJSC (Almaty, official list of securities, category "A") in accordance with the listing requirements provided KASE with auditing report made by Arthur Andersen (Almaty, Kazakhstan) on the issuer's 2000 financial statements.

Financial data of Halyk Bank Kazakhstan audited by Arthur Andersen

(thousands tenge unless otherwise indicated)

Indicator	1999	2000
Authorized capital (paid)	3,615,067	5,422,600
Weighted average number of issued shares	31,124,278	38,409,369
Shareholders' equity	5,260,338	6,889,122
Total assets	55,946,565	102,185,545
Liabilities of credit institutions	24,595,005	41,170,278
loans and pawns to clients (net)	4,298,118	4,405,696
loses provisions of credit activity	20,159,709	49,373,253
Liabilities to credit institutions	1,696,250	1,269,268

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Indicator	1999	2000
Liabilities to the clients	2,396,079	10,166,514
Operating income	47,173,977	81,260,372
Liabilities to the clients	–	2,257,298
Issued subordinated bonds	12,465,857	13,795,192
Operating income	11,993,034	14,018,663
Total expense	472,823	(223,471)
Net income	465.388	472.823
Calculated based on the data of the auditor:		
Return on equity (ROE), %	8.99	–
Return on assets (ROA), %	0.85	–
Earnings per share (EPS), KZT	15.19	–
Price earnings ratio (P/E)	17.75	–
Book value of a share, KZT	169.01	179.36

The auditing was conducted by Arthur Andersen in accordance with International accounting standards.

Since Halyk Bank of Kazakhstan OJSC keeps its records and makes financial statements based on the Kazakhstani accounting standards, as well as banking legislature, instructions and regulations of the National Bank of Kazakhstan, the auditor had to make some adjustments and regroupings of the balance sheet articles to make them in conformity with the requirements of the International committee on accounting standards. As a result, there are some discrepancies in the ratios calculated by the bank and those of independent auditor.

Consolidated financial report includes the following legal entities: Pension assets management company of Halyk Bank of Kazakhstan CJSC (portion of participation in 2000 – 1999 – 99.9%), Fondoviy Service CJSC (portion of participation in 2000 – 100%, in 1999 – 76.3%), Halyk-Invest CJSC (portion of participation in 2000 – 100%, in 1999 – 0%), Kazteleport CJSC (portion of participation in 2000 – 100%, in 1999 – 0%)

Based on the auditor: **capital adequacy ratios**, calculated based on international standards, equaled: 15% as of each indicated date, while the minimum was at 8%. **Loans of the bank** equaled 7.7% of total assets in 1999, 4.3% in 2000; to clients 36% and 48.3%, respectively. **Loans granted to the clients** in 2000 were distributed among the sectors of the economy as follows (in parentheses are data for 1999): wholesale trade – 42% (22%), oil and gas – 20% (5.6%), agriculture – 17.6% (6.5%), chemical industry – 14% (3.1%) transportation – 13.4% (9.4%), wholesale – 7.4% (21.5%), food industry – 3.9% (4.8%), construction – 3.6% (5.8%), retail sales – 3.6% (5.9%), light industry – 2.9% (2.5%), metallurgy – 2.5% (7.4%), communication – 0.8% (0%), other – 10.3% (27.5%); financing of private companies equaled 80% (89.5%), that of state enterprises – 17.2% (6.4%). **Total amount of loans granted to the clients in 2000** grew 31.5% to 1999, whereas reserves for contingencies were increased by 1.4%.

Regarding the deals made with related parties, the auditor notes that they were made on commercial terms identical to the terms used for related parties.

In the opinion of the auditor, financial statements of Halyk Bank of Kazakhstan OJSC and its subsidiaries give a reliable and objective picture of the company's financial situation as of December 31, 2000, 1999, as well as the results and cash flows as of indicated dates in accordance with International accounting standards.

OJSC "UKTMK" (Ust-Kamenogorsk), in accordance with the listing requirements, provided KASE the auditing report of "Deloitte & Touche" (Almaty, Kazakhstan) made on 2000 financial statements of the issuer.

Financial data of UKTMK OJSC audited by Deloitte & Touche

(thousands tenge unless otherwise indicated)

Indicator	1999	2000
Authorized capital (with adjustment to inflation)	24,021	24,021
Shareholders' equity	6,811,466	6,958,955
Total assets	8,611,578	7,946,324
Net working capital	1,436,963	1,584,174
Accounts receivable (net)	469,446	245,714
Accounts payable	1,175,729	778,473
Sales (services offered)	5,939,705	5,538,777
Cost of goods sold (services offered)	4,705,163	4,672,291
Net income	2,446	173,449
Calculated by the data of auditing report:		
Return on sales (ROS), %	20.78	15.64
Return on equity (ROE), %	0.04	2.49
Return on assets (ROA), %	0.03	2.18
Earnings per share (EPS), KZT	–	173.94
Price earnings ratio (P/E)	6,312.17	6,448.85
Book value of a share, KZT	6,087.93	6,312.17

Auditing was conducted by “Deloitte & Touche” in accordance with International accounting standards, hence, financial statements of OJSC “UKTMK” were properly corrected to make it comply with International accounting standards (IAS). As the company keeps its records based on the accounting principles accepted in Kazakhstan, that differ much from those of IAS, there are some discrepancies in financial ratios calculated by the auditor and the issuer. Paid authorized capital of the company (KZT21,582 th.) was shown by the auditor with KZT2,439 th. adjustment to the inflation, in accordance with IAS.

In the opinion of “Deloitte & Touche”, financial statements give reliable picture of financial situation of OJSC “UKTMK” in all essential aspects as of December 31, 2000, as well as its results and cash flow statements based on International accounting standards.

DAGOK Kustanaiasbest OJSC (Almaty, official list of securities, category “A”), in accordance with the listing requirements, provided KASE the auditing report of “KPMG Janat” (Almaty, Kazakhstan) made on 2000 consolidated financial statements.

Financial data of DAGOK Kustanaiasbest OJSC audited by KPMG Janat

(thousands tenge unless otherwise indicated)

Indicator	1999	2000
Authorised capital (paid up)	70,000	460,000
Weighted average issued shares, number of shares	383,318	1,139,320
Shareholders' equity	3,640,529	4,327,649
Total assets	-812,479	-38,300
Liquid assets	1,518,796	1,806,156
Loans and other outflows to the clients (net)	3,257,211	3,138,271
Liabilities to the banks	719,138	939,821
Liabilities to the clients	2,538,073	2,198,450
Operating profit	1,931,194	2,858,150
Total expenses	1,540,567	1,953,779
Net income	74,869	367,465
Calculated by the data of auditing report:		
Return on equity (ROE), %	20.23	31.64
Return on assets (ROA), %	19.53	32.25
Price earnings ratio (P/E)	0.02	8.49

Auditing was conducted by “KPMG Janat” in accordance with International accounting standards (IAS). KAG Asset company (participating portion 90% that is KZT450 mln) is in group of subsidiaries of DAGOK Kustanayasbest OJSC. Investments in Kustanayasbest LLP were not consolidated due to their non significance.

It was marked in audit report that auditor could not determine number of material resources on Dec 31, 1999 because auditor was assigned for company after this date and had no chance to determine. In the opinion of auditor the applied financial report reflects precisely financial condition of DAGOK Kustanayasbest OJSC and its subsidiary on Dec 31, 2000 and also results of its activity and monetary circulation during the indicated period.

The company also provided KASE with copy of annual protocol of General meeting of shareholders which took place on May 24, 2001.

According to the agenda shareholders approved the report of economic activity and report of auditing commission for 2000, and also admitted following decisions:

- not to charge dividends on common shares, dividends payment for preferred shares – from net profit of company in 2000, on the basis of 20% of face value of share, total KZT1.4 mln.
- to assign at Board of DAGOK Kustanaiasbest OJSC Sarkitbaev M.K., instead of Muhamedzjanov G.N.;
- approve auditing commission consisting of Efimova V.V., Vasiljeva T.S., Trapeznikova R.N., Skripchenko T.V.

Kazakhtelecom (Astana, official list of securities, category “A”), in accordance with the listing requirements, provided KASE the auditing report of “Deloitte & Touche” (Almaty, Kazakhstan) made on 2000 financial statements of the issuer.

Financial data of Kazakhtelecom are audited by Deloitte & Touche

(thousands tenge unless otherwise indicated)

Indicator	1999	2000
Authorized capital (nominal)	35,742,978	35,742,978
Shareholders' equity	34,549,590	36,489,287
Total assets	63,309,357	65,064,209
Net working capital	-945,686	-3,110,491

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Second part of the table

Indicator	1999	2000
Accounts receivable (net)	7,603,553	7,571,001
Accounts payable	28,759,767	28,574,922
Credit debt (services offered)	19,072,314	18,722,134
Sales (services offered)	9,687,453	9,852,788
Cost of goods sold (services offered)	30,960,911	38,310,723
Net income	19,039,410	25,983,050
Base and derived profit (loss) pr share, KZT	(1,398,993)	2,303,654
Calculated by the data of auditing report:		
Return on sales (ROS), %	38.51	32.18
Return on equity (ROE), %	–	6.31
Return on assets (ROA), %	–	3.54
Net profit per one share (EPS)	–	156.42
Book value of a share, KZT	2.846.74	3.006.57

Auditing was conducted by “Deloitte & Touche” in accordance with International accounting standards, hence, financial statements of OJSC “Kazakhtelecom” were properly corrected to make it comply with International accounting standards (IAS). Paid authorized capital of the company was KZT12,136,529 th. including adjustment on the inflation in the amount of KZT23,606,449, was reflected according to IAS. The registration of long-term investments in companies with 20% stake of Kazakhtelecom is executed using method of share holdings less provisions on constant decrease in value. Kazakhtelecom has one investment in “GSM Kazakhstan” LLP with 49% of ownership and 49% of voting right. In 1999, the company corrected value of its investments in CJSC “Altel” on the sum of KZT150,400 th. to reflect true market value.

In the opinion of “Deloitte & Touche,” financial statements give reliable picture of financial situation of Kazakhtelecom in all essential aspects as of December 31, 2000, and based on International accounting standards.

The auditor emphasizes that company suffered from detailed control on behalf of tax authority after year 2000, as a result tax authorities penalized more KZT7.6bn.

The company also submitted to KASE the copy of minutes of special General meeting of shareholders which took place on May 28, 2001. According to the approved agenda Kazakhtelecom shareholders did the following:

- ahead of schedule terminated power of previous group and elected the new group of Board which consists of 7 persons: Alshinbaev A.M., Bektasov A.A., Zhusupova N.A., Nalibaev A.Z., Orazalinov D.S., Subhanberdin N.S., Utepov E.K.;
- elected Nurshaev M.A., Zhumataeva T.N., for group of Auditing commission;
- Amended the Status for subsidiary of Kazakhtelecom – Telecom Complect Direction;
- acknowledged the Status for subsidiary of Kazakhtelecom – Telecom Complect Direction as the invalid one.

Besides shareholders approved amendments for the Charter in accordance with decree #290 of Kazakhstani Government – “Measures for effective management and control over operation of some joint stock ventures and SNC (national companies)” dated Feb. 28, 2001. These amendments concern power reinforcement of Board of directors (staff and central personnel formation, setting the budget of venture and allocation of expenditure monetary means for central personnel and sponsorship and etc.). determination of terms for annual financial audit (not more than 90 days since the end of financial year). As of amendments the venture is also obliged to confirm credit rating by one of credit rating agent according to the list, approved by Finance ministry of Kazakhstan.

The agenda question concerning “Credit repayment to KFW-bank for the equipment which now is on the balance of Mangistaumunaigas OJSC and Kaskor-Telecom OJSC” was postponed till the next meeting of shareholders.

Kazakhtelecom (Astana) submitted to KASE basic technical and economic indicators in first six months of 2001 **on the basis of prior information**, in accordance with listing liabilities.

Kazakhtelecom indicators

Indicator	In 2000	In 2001	Trend, %
First six months			
Phone traffic, th. minutes	449,370.6	554,979.2	+23.5
including – chargeable “Kazakhtelecom”	394,177.1	520,431.5	+32.0
of chargeable traffic and directed to:			
Republic of Kazakhstan	344,249.1	462,739.2	+34.4
international	49,928.0	57,692.3	+15.6
CIS countries	43,833.7	51,425.6	+17.3
foreign countries	6,094.3	6,266.7	+2.8
Phone traffic, th. units.	148,166.2	169,041.9	+14.1
including – chargeable “Kazakhtelecom”	123,327.9	165,145.8	+33.9
of chargeable traffic and directed to:			
Republic of Kazakhstan	109,713.6	150,079.0	+36.8
international	13,614.4	15,066.7	+10.7
CIS countries	11,858.0	13,388.2	+12.9
far foreign countries	1,756.4	1,678.5	-4.4
Telegraphic traffic, th. units.	957.1	828.8	-13.4
including chargeable	457.7	335.3	-26.7
Outgoing traffic at Internet, th. units.	43,893.6	91,130.4	+107.6
Including Internet zone	31,217.3	88,079.0	+182.1
Second quarter			
Phone traffic, th. minutes	232,409.8	291,768.0	+25.5
including – chargeable “Kazakhtelecom”	202,388.4	272,171.0	+34.5
of chargeable traffic and directed to:			
Republic of Kazakhstan	177,159.8	242,757.0	+37.0
international	25,228.6	29,414.0	+16.6
CIS countries	22,152.4	26,133.0	+18.0
far foreign countries	3,076.2	3,281.0	+6.7
Phone traffic, th. units	78,769.8	90,662.0	+15.1
including – chargeable “Kazakhtelecom”	66,791.9	88,578.0	+32.6
of chargeable traffic and directed to:			
Republic of Kazakhstan	59,715.0	80,713.0	+35.2
international	7,077.0	7,865.0	+11.1
CIS countries	6,123.6	6,974.0	+13.9
far foreign countries	953.4	891.0	-6.5
Telegraphic traffic, th. units.	475.7	428.9	-9.8
including chargeable	209.5	163.1	-22.2
Outgoing traffic at Internet, th. units.	23,412.7	46,845.0	+100.1
including Internet zone	17,007.0	45,996.0	+170.5
June			
Phone traffic, th. minutes	79,541.0	106,730.4	+34.2
including – chargeable “Kazakhtelecom”	68,450.8	98,527.2	+43.9
of chargeable traffic and directed to:			
Republic of Kazakhstan	59,870.5	88,289.7	+47.5
international	8,580.3	10,237.3	+19.3
CIS countries	7,548.7	9,100.4	+20.6
far foreign countries	1,031.6	1,136.9	+10.2
Phone traffic, th. units	27,183.2	33,011.4	+21.4
including – chargeable “Kazakhtelecom”	25,975.5	32,285.5	+24.3
of chargeable traffic and directed to:			
Republic of Kazakhstan	23,365.9	29,491.4	+26.2
international	2,609.7	2,794.0	+7.1
CIS countries	2,198.4	2,485.9	+13.1
far foreign countries	411.3	308.1	-25.1
Telegraphic traffic, th. units.	181.3	145.3	-19.8
including chargeable	66.7	53.5	-19.8
Outgoing traffic at Internet, th. units.	7,817.5	14,967.3	+91.5
including Internet zone	5,760.2	14,221.2	+146.9

INDICATORS OF DEVELOPMENT

Indicator	in 2000	in 2001	Trend, %
First six months			
Availability of ST	1,799,552	1,880,086	+4.5
including CTN	1,521,259	1,577,870	+3.7
including VTN	278,293	302,216	+8.6
increase of number of ST	39,783	45,860	+15.3
including CTN	28,768	31,308	+8.8
including VTN	11,015	14,552	+32.1
Installation of ST	91,550	88,067	-3.8
including CTN	66,719	62,496	-6.3
including VTN	24,831	25,571	+3.0
Availability of coin telephone at smart cards	3,152	4,151	+31.7
Second quarter			
Availability of ST	1,799,552	1,880,086	+4.5
including CTN	1,521,259	1,577,870	+3.7
including VTN	278,293	302,216	+8.6
increase of number of ST	20,985	22,994	+9.6
including CTN	14,811	14,532	-1.9
including VTN	6,174	8,464	+37.1
Installation of ST	44,502	44,124	-0.8
including CTN	31,765	30,693	-3.4
including VTN	12,737	13,431	+5.4
Availability of coin telephone at smart cards	3,152	4,151	+31.7
June			
Availability of ST	1,799,552	1,880,086	+4.5
including CTN	1,521,259	1,577,870	+3.7
including VTN	278,293	302,216	+8.6
increase of number of ST		10,099	
including CTN		6,581	
including VTN		3,518	
Installation of ST		16,625	
including CTN		11,016	
including VTN		5,609	
Availability of coin telephone at smart cards	3,152	4,151	+31.7

ST – separate telephone; CTN – city telephone network;

VTN – village telephone network.

FINANCIAL AND ECONOMIC INDICATORS (KZT, th)

Indicator	in 2000	In 2001	Trend, %
First six months			
Profit of services	17,292,760	21,059,245	+21.8
including			
international and long distance network	10,988,182	13,089,071	+19.1
phone network	176,861	290,651	+64.3
• local phone network	• 5,608,759	• 6,682,426	• +19.1
• (from exterior operators)	• 1,290,116	• 2,042,202	• +58.3
• wired broadcast	• 70,754	• 71,856	• +1.6
• radio broadcast and TV	• 27,255	• 24,131	• -11.5
• Wireless communication	• 5,795	• 7,314	• +26.2
• nets of data transmission	• 239,696	• 516,205	• +115.4
• (including Internet zone)	• 90,474	• 197,022	• +117.8
• from smart card realization	• 139,206	• 238,311	• +71.2
• Kulan network	• 0	• 61,780	•
• leasing of channels abroad of Kazakhstan	• 36,252	• 77,500	• +113.8
Profit for one employee	560.5	678.6	+21.1
Profit from service for residents	7,171,491	8,630,171	+20.3
Expenditures for main type of activity	13,585,747	15,061,700	+10.9
Financial result of main activity	3,707,013	5,997,545	+61.8
Number of employees	30,853	31,033	+0.6

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Second part of the table

Indicator	in 2000	In 2001	Trend, %
Second quarter			
Profit of services	8,718,023	10,944,716	+25.5
including			
international and long distance network	5,491,564	6,842,367	+24.6
phone network	83,894	138,977	+65.7
local phone network	2,853,521	3,438,520	+20.5
(from exterior operators)	681,908	1,087,459	+59.5
wired broadcast	34,893	38,301	+9.8
radio broadcast and TV	10,556	13,135	+24.4
Wireless communication	2,275	3,421	+50.4
nets of data transmission	139,611	263,426	+88.7
(including Internet zone)	52,746	99,313	+88.3
from smart card realization	77,124	133,714	+73.4
Kulan network		35,956	
leasing of channels abroad of Kazakhstan	24,585	36,899	+50.1
Profit for one employee	282.5	352.1	+24.6
Profit from service for residents	3,638,702	4,469,546	+22.8
Expenditures for main type of activity	7,872,139	8,301,968	+5.5
Financial result of main activity	845,884	2,642,748	+212.4
Number of employees	30,860	31,082	+0.7
June			
Profit of services	2,994,398	3,915,600	+30.8
including			
international and long distance network	1,913,212	2,486,940	+30.0
phone network	26,561	43,319	+63.1
local phone network	737,886	1,196,948	+62.2
(from exterior operators)	240,552	390,233	+62.2
wired broadcast	11,259	13,242	+17.6
radio broadcast and TV	8,836	9,547	+8.0
Wireless communication	-15	1,367	-9315.7
nets of data transmission	48,472	92,473	+90.8
(including Internet zone)	31,379	33,513	+6.8
from smart card realization	28,611	47,751	+66.9
Kulan network	0	13,771	
leasing of channels abroad of Kazakhstan	-2,408	10,242	-525.3
Profit for one employee	97.1	125.7	+29.5
Profit from service for residents	1,239,568	1,595,344	+28.7
Expenditures for main type of activity	3,618,536	3,365,364	-7.0
Financial result of main activity	-624,138	550,236	-188.2
Number of employees	30,841	31,141	+1.0

ACCOUNT RECEIVABLE (KZT, th)

Type of accounts receivable	01.01.01	01.07.01	Trend, %
Total	8,107,181	7,315,733	-9.8
Physical entities	1,320,873	1,534,653	+16.2
State institution	732,296	374,053	-48.9
including republican budget	540,610	222,359	-58.9
including local budgets	191,686	151,694	-20.9
Other legal entities of Kazakhstan	2,677,355	2,644,958	-1.2
Debts of CIS countries	2,104,049	1,826,028	-13.2
Debts of far abroad countries	1,272,608	936,041	-26.4

Karazhanbasmunai OJSC (Aktau), provided KASE with the financial report of economic activity in first quarter of 2001: the balance and report of results in economic activity

Financial data of Karazhanbasmunai for first quarter 2001

(thousands tenge unless otherwise indicated)

Indicator	Apr. 01, 2000	Apr. 01, 2001	Trend, %
Authorized capital (with adjustment to inflation)	2,160,476	2,161,102	0
Shareholders' equity	1,369,573	4,303,658	+214.2
Balance cost of assets	5,558,000	15,441,538	+177.8
Net working capital	-3,101,216	1,553,067	+150.1
Net debit loan	753,229	6,044,611	+702.5

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Second part of the table

Indicator	Apr. 01, 2000	Apr. 01, 2001	Trend, %
Liabilities, in all	4,188,427	11,137,880	+165.9
Accounts receivable (net)	–	6,327,784	–
Accounts payable	4,132,298	4,456,775	+7.9
Sales (services offered)	3,353,382	4,114,175	+22.7
Cost of goods sold (services offered)	695,272	1,154,350	+66.0
Net income	1,050,160	1,028,719	-2.0

Relative to first three months of 2000 the following increase took place: **shareholders' equity** – KZT2.9bn or in 3.1 time (the final sum of non distributed income – KZT2.7bn, reserved capital – KZT324.2 mln, authorized capital – KZT0.6 mln, at decline of reserves on re estimation – KZT70.8 mln); **assets** – KZT9.9bn or in 2.8 time as a result of debit loan inflow by KZT5.3bn (debt of mother company – KZT2.8bn), basic monetary means – KZT2.4bn, volume of non completed construction – by KZT1.1bn, other assets – by KZT1.1bn); **liabilities** – KZT6.9 mln or in 2.7 time (inflow of raised bank credits – KZT3.4bn, issued bonds – KZT2.9bn); **sales** – KZT760.8 mln or by 66.0%; **cost of goods sold** – KZT459.1 mln or by 66.0%; **expenses of period** – KZT179.8 mln or by 13.9%, the result of percentage payment increase. **Net income** of Karazhanbasmunai OJSC in first three months of 2001 – KZT1.0bn that is KZT21.4 mln or 2.0% minus, against similar period of 2000.

RG Brands (Almaty), provided KASE with the financial report of economic activity in first quarter of 2001: the balance and report of results in economic activity

Financial data of RG Brands OJSC for first quarter 2001

(thousands tenge unless otherwise indicated)

Indicator	Apr. 01, 2000	Apr. 01, 2001	Trend, %
Authorized capital (with adjustment to inflation)	640	705,000	+110,056.3
Shareholders' equity	(8,560)	742,489	–
Assets in all	594,823	1,814,652	+205.1
Net working capital	(58,269)	758,991	+1,402.6
Accounts receivable	95,477	647,262	+577.9
Liabilities, in all	603,382	1,072,162	+77.7
Accounts payable	398,340	912,167	+129.0
Raised credits	205,042	159,995	-22.0
Sales (services offered)	113,443	193,368	+70.5
Cost of goods sold (services offered)	87,755	146,545	+67.0
Net income (lose) of period	(10,628)	6,961	+165.5

Relative to first three months of 2000 the following increase took place: **shareholders' equity** – KZT751.0m due to the increase of authorized capital by KZT704.4m, final sum of undistributed income – KZT38.2m, unpaid additional capital – KZT8.4m (re estimation of basic funds); **assets** – KZT1.2bn or in 3.0 time as a result of long term investments' growth by KZT435m and accounts receivable; **accounts receivable** – KZT551.8m or in 6.8 time (advanced payment of for current assets increased by KZT331.1m or 5.0 time, inventory holdings – KZT166.8m); **liabilities** – by KZT468.8m or by 77.7% at the expense of issue of shareholders' bonds; sales – by KZT79.9m or by 70.5%; **cost of goods sold** – by KZT58.8m or by 67.0%; **expenditures of period** – KZT11.1m or by 42.7%, (percentage payment increase – KZT14.4m, total and administrative – by KZT1.7m at decline of expenditures for sale – KZT4.9m). **Net income** of RG Brands OJSC in first three months of 2001 – KZT7.0bn, against **losses** of KZT10.6m for similar period of 2000.

Prepared by IRBIS agency