

WEEK OF STOCK MARKET OF KAZAKHSTAN

October 4 - 10

US dollar = 147.90 tenge at official rate for the end of the period

US dollar = 147.95 tenge at weighted average rate of the Exchange for the end of the period

Weekly rate of tenge devaluation –negative 0.42% APR

Money market rates as of October 10 and weekly changes

Term	Currency	Rate	Trend
Repo opening at KASE (WA, % APR)			
1 day	KZT	2.36	-0.18
22 days	USD	5.12	–
28 days	KZT	6.70	-0.30
56 days	KZT	9.34	–
KIBOR (indicative, % APR)			
1 week	KZT	6.67	-0.43
2 weeks	KZT	7.50	-0.30
1 month	KZT	8.00	-0.75
2 months	KZT	9.00	-0.70
3 months	KZT	9.58	-0.62

Stock market indicators as of October 10 and their weekly change

Index	Value	Trend
Shares of "A" listing		
KASE Shares	104.2528	+0.13%
Corporate bonds of "A" listing		
KASE_BP	117.35	+0.57%
KASE_BC	104.11	+0.45%
KASE_BY	10.61	-1.31%
Euronotes of Kazakhstan		
KASE_EP	130.32	+0.16%
KASE_EC	113.07	+0.01%
KASE_EY	6.71	-0.33%

Investment attractiveness of stock exchange instruments from October 4 through 10

Financial instrument	Currency	Yield, % APR	Volume of deals, KZT m	Volume of deals, USD m
Instruments denominated in national currency, tenge				
CS Repo	KZT	*9.84 (*10.27)	357.4 (268.8)	2,415.9 (1,818.1)
MEOKAM, MEAKAM	KZT	8.36 (8.72)	1,576.2 (2,907.5)	10,652.5 (19,658.1)
MEKKAM, notes	KZT	*5.64 (*5.66)	192.7 (420.0)	1,302.2 (2,842.3)
GS Repo	KZT	*4.64 (*4.05)	35,858.6 (5,361.6)	242,366.8 (36,256.1)
Instruments indexed to the US dollar				
SMGZb1	USD	13.00 (13.01)	0 (0)	0 (0)
VITAb2	USD	12.50 (13.49)	0 (47.5)	0 (321.4)
ALKSb2	USD	12.00 (11.99)	105.32 (0)	712.1 (0)
CCBNb1	USD	11.08 (11.08)	0 (0)	0 (0)
KZASb1	USD	11.00 (11.00)	0 (0)	0 (0)
RGBRb2	USD	11.00 (11.00)	0 (0)	0 (0)
TEBNb2	USD	11.00 (11.02)	148.8 (565.1)	1,006.3 (3,824.7)
BTASb1	USD	10.70 (10.70)	0 (0)	0 (0)
TEBNb	USD	10.50 (10.50)	0 (0)	0 (0)
ASFb1	USD	10.50 (10.50)	0 (0)	0 (0)
KARMb1	USD	10.46 (10.46)	0 (0)	0 (0)
KZTOb	USD	9.16 (8.96)	28.5 (48.5)	192.6 (328.3)
TMJLb2	USD	8.80 (9.50)	0 (130.4)	0 (883.0)
SYRGb1	USD	8.50 (8.50)	0 (0)	0 (0)
VKU	USD	8.45 (–)	37.6 (0)	254.6 (0)
HSBKb	USD	8.37 (8.37)	0 (0)	0 (0)
ARU	USD	7.99 (–)	4.4 (0)	30.1 (0)
KZOLb	USD	7.88 (7.99)	21.5 (0)	145.2 (0)
Instruments denominated in US dollars				
BTASe1	USD	10.85 (10.64)	0 (0)	0 (0)
KKGBe2	USD	9.70 (9.56)	0 (0)	0 (0)
KZTOe1	USD	9.20 (9.20)	0 (0)	0 (0)
Euronotes-4	USD	6.93 (6.96)	54.9 (35.0)	370.8 (236.4)
Euronotes-3	USD	6.57 (6.71)	39.0 (445.3)	263.6 (3 010.7)
Euronotes-2	USD	5.37 (5.67)	77.7 (103.6)	525 (700.3)
Supranational bonds	USD	3.89 (–)	39.6 (0)	569.4 (0)

Notes: Yields of ALKSb2, KZOLb, KZTOb, TEBNb2 are calculated as average of the deals, including initial additional floatation. Yields of other corporate bonds are calculated as average of offer bids. The correspondent ratio of last week is given in the parentheses. Securities marked by a star are the instruments with less than a year circulation term.

THE CORPORATE SECURITIES SECTOR (CS)

In CS purchase-sale sector of KASE a total of 12 deals were concluded amounting to **\$2,181.1 th.** (KZT322.3m). Compared to previous week (17 deals, \$5,355.1 th., or KZT791.2m) the sector's turnover decreased 2.5 times. As it was in last week, the most traded were second issue bonds of Temirbank OJSC (46.1% of total turnover). Then, there were second issue bonds of Almaty Kus OJSC (32.6%). A total of 7 instruments were used to make deals in 5 days.

By the last deals of the period the value of ALKZp decreased by 0.4% relative to previous successful trades, KZCRp also by 0.4%. The value of ATFBp did not change at \$6.76 per share. These changes were the result of a decline in general capitalization of companies, whose shares are being traded in the CS sector of KASE, by \$0.01m to **\$899.1m** or KZT133.0bn as of October 10 at KZT/USD rate of the Exchange. Dynamics of the quotations that were put out by the market-makers and specialist, were quite stable relative to previous week, which led to insignificant change in KASE_Shares index (see the table at the beginning).

In corporate bonds sector, based on the dynamics of KASE_BY index, growth trend has changed its direction. However, it was not typical to all issues. For example, yields of ALKSb2 grew from 11.9996% to 12.0000%, KZTOb – from 8.9531% to 9.1563%. Meanwhile, the yields of KZOLb fell from 8.1372% to 7.8756%, TEBNb2 – from 11.0253% to 11.0000% APR. The capitalization of corporate bonds market of the Exchange by their best bid prices, which are regularly put out by the market-makers of the securities in the trade system of the Exchange, was fixed at \$517.5m or KZT76,558.8m as of October 10. In nominal terms (total face value of the bonds that were admitted into trade lists of KASE) is estimated at \$585.0m or KZT86,558.7m.

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 October 4 through 10

USD per share, unless otherwise specified

Issuer	Securities	Last price	WA price	Volume, #	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
Aliumini Kazakhstana OJSC	ALKZp	*0.4055	0.4055	8,223	3.3	0.4055	0.4055
CNPC-Aktobemunaigas OJSC	AMGZ			0	0	*6.00	
CNPC-Aktobemunaigas OJSC	AMGZp	*17.50		0	0	*2.50	
Astana-finance OJSC	ASFI	*10.000		0	0	5.000	10.000
AMB OJSC	ATFBp	6.760	6.760	17,700	119.7	6.760	6.760
Bank TuranAlem OJSC	BTAS	74.19		0	0	80.10	80.00
Bank CenterCredit OJSC	CCBN	1.4370		0	0	1.1491	1.3856
Halyk Bank of Kazakhstan OJSC	HSBK	1.2200		0	0	0.6100	1.2200
KAZKOMMERTSBANK OJSC	KKGB	*0.4500		0	0	0.2000	0.3500
TNC Kazchrome OJSC	KZCRp	*2.365	2.365	887	2.1	2.365	2.365
Corporation Kazakhmys OJSC	KZMS	*11.970		0	0	12.000	
Corporation Kazakhmys OJSC	KZMSp	*4.710		0	0	5.000	
Kazakhtelecom	KZTK	17.030		0	0	12.000	16.000
Kazakhtelecom	KZTKp	*12.800		0	0	12.500	14.000
Raushan OJSC	RAUS			0	0		*4.1500
SHNOS OJSC	SYRG	1.6300		0	0	1.5500	
TEMIRBANK OJSC	TEBN	*1.095		0	0	2.000	6.750
TEMIRBANK OJSC	TEBNp			0	0	2.000	6.750
UKTMK OJSC	UTMK	35.000		0	0	20.000	40.000
UKTMK OJSC	UTMKp	25.0000		0	0	23.0000	46.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5480		0	0	1.4871	2.8376
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	0	1.7575	3.1417
Zerde OJSC	ZERD	*0.0075		0	0		*0.0074
TOTAL	26			26,810	125.1		

Results of the trades in bonds from October 4 through 10

(% APR till maturity, unless otherwise specified)

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb2	USD	12.0000	12.0000	712.1	12.0000	12.0000
Astana-finance OJSC	ASFIb1	USD	10.4985		0	10.9994	10.5041
Bank TuranAlem OJSC	BTASb1	USD	11.2037		0	11.2013	10.6977
TuranAlem Finance B.V.	BTASe1	USD			0	11.9212	10.8537
Bank CenterCredit OJSC	CCBNb1	USD	11.4988		0	11.9870	11.0757
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.0000		0	13.4956	8.3667
Karazhanbasmunai OJSC	KARMB1	USD	10.9296		0	11.5053	10.4640
KAZKOMMERTSBANK OJSC	KKGBe2	USD			0	11.2010	9.1999
DAGOK Kustanaiasbest OJSC	KZASb1	USD	11.7958		0	11.9973	11.0043

Issuer	Code	Currency	Last	WA Volume, th. USD	Best bid	Best offer
NOC KazakhOil CJSC	KZOLb	USD	7.8756	7.8756	145.1	7.8756 7.9040
NOTC KazTransOil CJSC	KZTOb	USD	9.1563	9.1563	192.5	9.1563 9.1563
NOTC KazTransOil CJSC	KZTOe1	USD			0	10.1133 9.6974
RG Brands OJSC	RGBRb2	USD	12.4999		0	11.9995 11.0000
SHAHARMUNAIGAS OJSC	SMGZb1	USD	13.5162		0	19.0042 13.0032
SHNOS OJSC	SYRGb1	USD			0	11.9988 8.5033
Temirbank OJSC	TEBNb	USD	10.4964		0	10.9021 10.5016
Temirbank OJSC	TEBNb2	USD	11.0000	11.0000	1 006.2	11.0000 11.0000
Kazakhstan Temir Joly	TMJLb2	USD			0	9.9993 8.8001
VITA LLP	VITAb2	USD	13.4926		0	13.4996 12.5003
TOTAL	19				2 056.1	

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 a total of 21 deals were made amounting **\$5,644.9 th.** (KZT835.2m). Of this number, 10 deals (\$2,415.9 th.) were repo opening deals and 11 (\$3,229.0 th.) – closing deals. Volume of deals in previous week reached \$5,023.9 th. (KZT742.7m).

In all CS trade floors of KASE (including initial additional offering) a total of 33 deals were concluded in 1,998,964 securities amounting to **\$7,826.0 th.** (KZT1,157.6m). Last week volume of 44 deals reached \$11,262.0 th. (KZT1,664.4m). Such a deep fall in turnover volume is explained mainly by the absence of deals in CS primary offering sector during this period.

Changes in trade lists

From October 4, 2001, by the decision of Board of KASE, and on the basis of the Exchange council's decision of October 4, 01, **first issue inscribed coupon bonds of VALUT-TRANZIT BANK OJSC** (Karagandy, KZ2CUY05A425, \$10.0m; \$100; Sept 27, 01 - Sept 27, 06, semiannual coupon at 11.5% APR for the first circulation year, and for other years based on the decision of the bank's Board of directors, but not less than 6.0% APR) were admitted to official list of the KASE securities under "A" category. The bonds were assigned a trade code **VTBNb1**. Quotation accuracy in the trade system of the KASE is set at **four decimal places** in clean prices. The quotation will be made in U.S. dollars. The price will be re-calculated in tenges at weighted average rate of KZT/USD that settles on the settlement date. The market-maker of VTBNb1 at the KASE is given to **R.G. Securities LLP (Almaty)** based on its application. Minimum volume of mandatory quotations is set for the market-maker at \$3,000 at face value. The opening date of the trades in these bonds at the KASE, as well as the information on the admittance of these bonds into the list used to calculate stock market indexes will be given later. More detailed information on the issuer and its securities can be found in special bulletin of agency IRBIS.

SECTOR OF GOVERNMENT SECURITIES (GS)

In GS purchase and sale sector of KASE (including euronotes of Kazakhstan and supranational bonds) a total volume of 69 deals equaled **KZT2,356.9m** (\$15,927.9 th.). Last week the turnover was at KZT3,911.4m with 91 deals made. In the opinions of IRBIS analysts, developments on the currency market did not lead to the expansion of trades in GS, where clients of the banks were actively selling dollars. It tied up the money of the banks and made the repo sector active. However, sufficient volume of tenge supplies in this sector from mainly pension assets management companies did not lead to the growth of rates in money market, and it would be senseless to talk about the deficit of tenge.

Turnover structure of the sector did not change much relative to previous week. Mid-term bonds of the Ministry of Finance are still the leaders on the market, and their proportion is gradually increasing due to a decline in trading frequency of euronotes of Kazakhstan, MEKKAM and notes of the National Bank.

Parameters of stock exchange transactions in GS from October 4 through 10

(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, MEKKAM-9						
8.2% (10.7%) of purchase and sale sector's turnover						
less than 8	5.00	5.00	5.00	5.00 (-)	22.0	2
8 - 14	5.01	5.01	5.01	5.01 (5.53)	35.0	2
64 - 91	5.37	5.37	5.37	5.37 (-)	39.9	1
182 - 364	6.01	6.01	6.01	6.01 (-)	95.8	1
Total					192.6 (420.0)	6 (9)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
Coupon GS (KZT): MEOKAM-24, 36, 48				81.0% (74.4%) of purchase and sale sector's turnover		
less than 730	6.96	9.08	7.97	7.92 (8.71)	555.50	12
731 - 1,095	8.21	9.08	9.00	8.85(8.72)	876.80	27
1,096 - 1,460	7.07	8.70	8.70	7.99(8.67)	478.70	3
Total					1,911.0 (2,907.5)	42 (64)
Coupon bonds (USD/KZT): VKU, ARU				1.8% (-) of purchase and sale sector's turnover		
less than 730	7.99	7.99	7.99	7.99 (-)	4.45	1
731 - 1,095	8.37	8.47	8.47	8.45 (-)	37.65	6
Total					42.1 (0)	7 (0)
Supranational bonds (DEM)				1.7% (-) of purchase and sale sector's turnover		
1,264	3.89	3.89	3.89	3.89 (-)	39.6	1
Total					39.6 (0)	1 (0)
Euronotes of Kazakhstan (USD)				7.3% (14.9%) of purchase and sale sector's turnover		
*352 - 357	5.33	5.61	5.46	5.37 (5.67)	77.7	6
**1,090 - 1,093	6.53	6.60	6.60	6.57 (6.71)	39.0	2
***2,013 - 2,017	6.92	6.96	6.93	6.93 (6.96)	54.9	5
Total					171.6 (583.8)	13 (18)
GRANDTOTAL					2,356.9 (3,911.4)	69 (91)

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.

In GS repo sector 125 deals for a total of KZT13,939.8m were made during the period. Of this number 66 deals (for KZT7,769.5m) were repo opening deals and 59 (KZT6,170.3m) were repo closing deals. Last period the turnover of this market sector equaled KZT12,376.1m. After closing of the trades on October 10 total amount of opened repo equaled **KZT34,123.7m**.

Total of 194 deals amounting to **KZT16,296.7m** were made in **GS on all trade floors of KASE** during the week (purchase-sale and repo sector). A week ago volume of 249 deals was close to it – KZT16,287.5m. This week **the proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled **86.1%**, for last week it was 98.3%.

INFORMATION ON COMPANIES

Kazakhtelecom (Astana; telephone, telegraph, television and radio communication) provided the KASE with a copy of the minutes of annual general shareholders meeting which was held on August 7, 2001. Based on approved agenda the shareholders of Kazakhtelecom approved the company's 2000 financial statements audited by Deloitte & Touche (Almaty, Kazakhstan), as well as made following decisions:

- approve the Board of directors of Kazakhtelecom which was elected at extraordinary general meeting of the shareholders on May 28, 2001 (Alshinbaev A.M., Bektasov A.A., Jusupova N.A., Nalibaev A.Z., Orazalinov D.S., Sukhanberdin N.S., Utepov E.K.);
- not to pay dividends to common shares by the results of 2000; use the profit to create a reserve capital and decrease borrowed funds of the company, and reinvest into investment projects;
- take into consideration the need to meet the decision of the Supreme Court of Kazakhstan on deductions of the principal, which is exempt from the repayment by the decision of the Supreme Court, of the KfW bank credit (Frankfurt on Maine, Germany) for the equipment which is on the balance sheet of Mangistaumunaigas OJSC and Kaskor-Telecom OJSC;
- approve the assignment of Deloitte & Touche as a company's auditor for years 2001-2003.

Also, Kazakhtelecom provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

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

Ratio	(in th. KZT, unless otherwise specified)		
	As of July 1 '00	As of July 1 '01	Change, %
Authorized capital	12,136,529	12,136,529	0.0
Shareholders' equity	36,490,850	38,146,319	+4.5
Total assets	58,866,612	62,848,816	+6.8
Net working capital	3,223,089	-2,635,211	-181.8

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Accounts receivable	8,375,302	6,960,824	-16.9
Liabilities, total	22,150,670	24,702,497	+11.5
Loans attracted	15,973,629	16,999,191	+6.4
Accounts payable	6,139,016	7,665,281	+24.9
Sales	17,292,760	21,059,245	+21.8
Cost of goods sold	10,677,412	11,825,069	+10.7
Net income of the period	3,522,218	4,767,408	+35.4
Book value of a share, KZT	3,006.70	3,143.10	+4.5

Compared to I half of 2000 growth took place in: **shareholders' equity** of the company – by KZT1.6 bn as a result of an increase in reserve capital by KZT1.8 bn, final amount of undistributed income by KZT1.5 bn with a decrease in additional unpaid capital – by KZT1.7 bn; **assets** – by KZT4.0 bn, including: incomplete construction – by KZT5.9 bn, fixed assets and intangible assets – by KZT1.3 bn, with a decrease in inventory – by KZT1.8 bn and current accounts receivable – by KZT1.4 bn; **liabilities** – by KZT2.3 bn, caused by an increase in attracted loans by KZT1.0 bn and accounts payable – by KZT1.5 bn with a decrease in income of future periods by KZT0.2 bn; **sales** – by KZT3.8 bn; **cost of goods sold** – by KZT1.1 bn. As a result, the company received a **net income** of KZT4.8 bn, which is KZT1.2 bn more than in similar period of last year.

Aliuminii Kazakhstana (Pavlodar; production and sale of aluminum, alumina and fluorides; extraction and concentration of aluminum containing raw material; generation of heat and electricity) provided the KASE with a copy of the minutes of annual general shareholders meeting which was held on July 23, 2001.

Based on approved agenda the shareholders of Kazakhtelecom approved the report of the Board on the company's results in 2000, and approved financial statements for the year 2000 and report of Supervision commission, as well as made following decisions:

- accrue and pay dividends to common and preferred shares of the company at 16.19% of the face value of a share; set November 21, 2001 as the beginning date of the dividend payments;
- make changes and amendments to the charter of the company regarding the executive body (replacement of collegial body – the Board, to a single body – President), goals and activities of the company and licensed activities;
- assign Deloitte & Touche (Almaty, Kazakhstan) as the company's international auditor, and Global audit LLP (Almaty, Kazakhstan) as local auditor;
- add Kalyuga V.G. instead of Marinenko T.I. into the Supervision commission;
- approve the suggestion on joining of Aliuminii Kazakhstana OJSC into Eurasian industrial association;
- take part in construction of representative offices in Astana and Almaty.

General director, Ibragimov A.T., made a speech on behalf of the Board of the company on the company's results in year 2000 and development perspectives. It was said that in 2000 the company produced 1.2m tons of alumina (104.9% to 1999), extracted 3.7m tons of bauxite (104.3% to 1999), extracted 1.8m tons of limestone (106.5% to 1999), mining works volume reached 35.1m cu meters (129.5% to 1999), generated 1.9 bn kWh electricity (96.8% to 1999), generated 5.7m Gcal heat (102.5% to 1999).

Sales income equaled KZT26.7 bn. Commodity output increased by 46.7% to 1999. Investments into fixed assets were made using the company's own funds reaching KZT4.1 bn, which is by KZT2.5 bn more than in 1999. Increase in investments was due to the expansion of alumina production and expansion of ore base. Environmental protection measures consumed KZT363.9m.

The number of employees increased by 653 people in 2000, average wage increased by 16.1% to 1999, at KZT26,702. In 2000 a total of KZT3.9 bn was paid to the budget in taxes and other payments and net income reached KZT3.3 bn.

Based on the report of the Board, in 2000 a complex development program of Aliuminii Kazakhstana OJSC for the years up to 2005 was approved which will cost \$68m. The implementation of this program will increase production of alumina to 1.5m tons a year. New 45 objects will be put into service, with the most of them being under construction already. Electrolysis plant will be built, and contract was signed to develop a business plan and fulfill the working project, and infrastructure is being constructed (automobile roads, power stations, small town, and etc).

Also, Aliuminii Kazakhstana OJSC provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

**Comparable figures of financial and economic activities
of Aluminii Kazakhstan in I half of 2001**

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change, %
	July 1 '00	July 1 '01	
Authorized capital (paid)	5,827,176	5,834,811	+0.1
Shareholders' equity	15,485,019	18,419,490	+19.0
Total assets	20,263,397	30,853,799	+52.3
Net working capital	8,350,359	5,891,007	-29.5
Accounts receivable	5,247,901	6,688,323	+27.4
Accounts payable	2,810,449	9,759,124	+247.2
Sales	12,267,961	14,882,312	+21.3
Cost of goods sold	7,352,633	8,618,495	+17.2
Net income of the period	3,232,246	3,549,838	+9.8
Book value of a share, KZT	265.74	315.68	+18.8

Compared to I half of 2000 growth took place in: **shareholders' equity** of the company – by KZT2.9 bn as a result of an increase in reserve capital – by KZT3.2 bn, paid part of authorized capital – by KZT7.6m, with a decrease in final amount of undistributed income by – KZT184.2m and additional unpaid capital – by KZT66.3m; **assets** – by KZT10.6 bn, including: residual value of fixed assets – by KZT3.4 bn, incomplete capital construction – by KZT2.0 bn, inventory – by KZT3.7 bn, accounts receivable – by KZT1.4 bn; **liabilities** – by KZT7.7 bn or 2.2 times, of which growth of accounts payable KZT6.9 bn; **sales** – by KZT2.6 bn; **cost of goods sold** – by KZT1.3 bn; **expenses of the period** – by KZT272.4m (32.0%) as a result of an increase in administrative expenses by KZT210.5m, interest expenses – by KZT44.5m and sales expenses by KZT17.5m. **Net income** of the company in I half of 2001 increased by KZT317.6m relative to similar period of last year.

Neftebank OJSC (Aktau) provided the KASE with a copy of the minutes of annual general shareholders meeting which was held on May 7, 2001.

Based on approved agenda the shareholders of Neftebank OJSC approved the constitution of Account commission, report of the Board on the company's results in 2000, annual financial statements for the year 2000 and report of Supervision commission, as well as made following decisions:

- use an income of KZT58.4m received in 2000 in capitalization of authorized capital;
- allow the Board to elect independent auditor from the list of the National Bank of Kazakhstan; give controlling functions to the Board of directors over the correctness of the choice;
- elect the Board of directors consisting of 7 members: Suindikov J., Idrisov D.A., Esengaliev B., Pazyzbekov M.S., Ablyazimov B., Alenov K.K.;
- approve a big deal between Neftebank OJSC and International Financial Corporation (IFC) to receive a \$2.5m loan for 7 years on credit terms;
- approve an option deal that gives preemptive right to IFC to buy and sell 10 and more percent of the bank's shares;
- add a supervisor from IFC into the Board of directors of the bank based on the terms of the loan;
- give the right to the Board of the bank to conduct a bond issue; charge the Board of directors with controlling functions (review of issue volume and others);
- give the Board of the bank a right to select printed media where the information on the bank will be published based on existing law.

Chairman of the Board, Mamanov J.M. made a speech on results in year 2000. It was said that in 2000 and in early 2001 a TWINNING program was completed under line of the World bank, which is confirmed by the certificate issued to the bank on April 29, 2001.

In 2000 the currency of the balance sheet increased to KZT34 bn, shareholders' equity equaled KZT1.0 bn, payment turnover – KZT171.8m.

Now, bank services more than 2,478 legal entities (113 of them opened accounts in 2000) and 15 th. Individuals. Total volume of credits granted increased 1.4 times relative to 1999, including: tenge loans grew 2.4 times, currency loans fell 1.7 times. As of January 1, 2001 debt of the borrowers equaled KZT2.2 bn. In 2000 a total of KZT324.0m was granted as loans to individuals. Credit income reached KZT366.3m.

The modernization of the bank's technical equipment consumed KZT33.0m in 2000, and KZT30.0m planned for the year 2001.

The bank obtained a license to offer safe keeping services. Till the end of 2001 Neftebank OJSC plans to enter the plastic cards market: international payment system VISA International is reviewing the bank's

documents to this organization. Now, the bank serves plastic cards of Europay/MasterCard, VISA International, Dinners Club and Altyn.

The number of employees in late 2000 was 201, including branches.

Bank TuranAlem OJSC (Almaty) provided the KASE with a copy of the minutes of annual general shareholders meeting which was held on June 11, 2001. Based on approved agenda the shareholders of Bank TuranAlem OJSC approved the report of the Board, annual financial statements for the year 2000 and reports of Supervision commission and auditor on these statements and norms for the year 2001, as well as made following decisions:

- increase authorized capital by KZT4.1 bn;
- issue inscribed convertible preferred shares in non-documentary form without voting rights with minimum dividends of 10.25% APR at KZT10.0 th. each amounting to 410,000 shares for a total of KZT4.1 bn; pay dividends once a year; float the shares privately (among a known number of individuals); set that one preferred share can be converted into one common share;
- make changes and amendments to the charter of the bank regarding the increase in announced authorized capital and issue of convertible preferred shares;
- not to pay dividends for the year 2000;
- satisfy the application of Suankulov E.K. to dismiss him from the Board of directors.

At the meeting the shareholders also approved the attraction of a loan for up to \$100.0m from TuranAlem Finance B.V. (subsidiary registered in Rotterdam, Netherlands) with the possibility of further change of the loan agreement into the issue of international bonds for the same amount.

KazTransOil CJSC (Astana; oil transporting service including pipeline, sea and railroad transport; transportation of oil products and water using pipeline system) provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

Comparable figures of financial and economic activities of KazTransOil CJSC in I half of 2001

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Authorized capital	19,406,071	32,884,575	+69.5
Shareholders' equity	102,897,364	126,772,274	+23.2
Total assets	122,190,729	142,550,788	+16.7
Net working capital	-5,931,309	20,554,013	+446.5
Accounts receivable (net)	6,912,068	9,077,494	+31.3
Doubtful reserves	2,267,630	2,619,443	+15.5
Liabilities, total	19,293,365	15,778,514	-18.2
Credits attracted	570,467	1,259,900	+120.9
Accounts payable	18,156,216	9,596,456	-47.1
Bonds issued	-	4,395,893	-
Sales	14,514,203	21,492,358	+48.1
Cost of goods sold	10,995,537	13,763,637	+25.2
Net income of the period	1,557,440	5,319,623	+241.6

Compared to I half of 2000: **shareholders' equity** of the company increased by KZT23.9 bn as a result of an increase in paid part of authorized capital – by KZT13.5 bn, reserve capital – by KZT13.3 bn, final amount of undistributed income by – KZT6.1 bn, with a decrease in additional unpaid capital – by KZT9.0 bn; **assets** increased by KZT20.4 bn, including: cash and equivalents – by KZT12.9 bn, net accounts receivable – by KZT2.2 bn, residual value of fixed assets – by KZT1.9 bn, inventory – by KZT1.3 bn, other assets – by KZT2.1 bn; **liabilities** decreased by KZT3.5 bn as a result of short-term debt repayment for KZT8.6 bn, with an increase in long-term liabilities (issue of bonds) by KZT4.4 bn and total borrowings – by KZT689.4m; **sales** rose by KZT7.0 bn; **cost of goods sold** rose by KZT2.8 bn. As a result, **net income** of the company in I half of 2001 equaled KZT5.3 bn, which is KZT3.8 bn more than in similar period of last year.

Almaty Merchant Bank OJSC (AMB OJSC, Almaty) provided the KASE with a copy of the minutes extraordinary general shareholders meeting of both Kazakhstan industrial bank OJSC (Kazprombank OJSC) and AMB OJSC, which was held on August 24, 2001. Based on approved agenda, the shareholders of Kazprombank OJSC and AMB OJSC made following decisions.

Approve the documents on the merger of Kazprombank OJSC with AMB OJSC (Merger agreement, Transfer act, balance sheet of Kazprombank OJSC with the supplements as of Aug 23, 01, balance sheet of AMB OJSC with the supplements as of Aug 23, 01; consolidated balance sheet of Kazprombank OJSC and AMB OJSC with the supplements as of Aug 24, 01).

Approve the measures conducted by the Board on the termination of Kazprombank OJSC and delegate the Board of AMB OJSC with additional measures required to cease the Kazprombank OJSC (remove it from records at departments of justice, statistics, tax authorities, close the shareholders register).

Approve changes and amendments to the charter of AMB OJSC.

Cancel the third issue of common inscribed shares of Kazprombank OJSC (KZ1C33050419) consisting of 8,500 shares at \$1,000 each amounting to \$8.5m.

Announce and register the seventh issue of AMB OJSC shares for a total of KZT1,088,900.0 th. consisting of 1,088,900 common inscribed shares at KZT1,000 each.

Convert the shares of Kazprombank OJSC into the shares of AMB OJSC using a conversion scale of 128 (since face value of Kazprombank OJSC shares is \$1,000, or KZT128.0 th. tenge at the rate of the National Bank of Kazakhstan on the registration date of the changes and amendments of the charter with the Justice ministry).

To distribute the shares of the seventh issue privately: 1,088,000 shares amounting to KZT1,088.0m – among the shareholders of AMB OJSC based on purchase-sale agreement of Kazprombank OJSC shares; 900 shares totaling KZT900,0 th. – sell among AMB OJSC shareholders.

Delegate the Board of AMB OJSC to develop and approve the order, conditions and terms of the floatation of the seventh issue of 900 shares totaling KZT900,0 th.

Determine the percentage of the stakes of the shareholders in AMB OJSC authorized capital of KZT3.1 bn (including the floatation of seventh issue of shares) in following manner: Cormoto B.V. (Amsterdam, Netherlands) – 21.8% of authorized capital, Fintrade OJSC (Almaty, Kazakhstan) – 21.3%, Reson Holding AG (Tsug, Switzerland) – 19.5%, Glencore International AG (BAAR, Switzerland) – 13.2%, Myrzakent OJSC (Almaty, Kazakhstan) – 7.4%, ATERA capital LLP (Almaty, Kazakhstan) – 3.9%, shares of the 7th issue of shares to be placed privately – 0.029%, preferred shares of 6th issue – 12.9%.

Approve the “Regulations on the repurchase of issued shares by AMB OJSC and share value determining methodology”.

Issue subordinated coupon bonds at following terms: volume of issue – \$10.0m, face value – \$100.0. circulation term – 5 years, coupon paid semiannually at 9.0% APR.

Increase authorized capital of AMB OJSC by 25% or more of the shareholders' equity due to the getting a \$20.0m loan for 6 months from a syndicate of foreign banks to conduct pre-export financing of grain, cotton and metals for the clients of the bank. The loan was organized by Raiffeisen Zentralbank Osterreich AG and Deutsche Bank AG, participants of the syndicate – American Express Bank Ltd., Bank Gesellschaft Berlin, Bayerische Vereinsbank AG, Citibank NA, Credit Suisse First Boston, Israel Discount Bank Limited, Mashreq Bank PSC, Natexis Banques Populaires, Rabobank International, The Bank of New York, Vereins-und-Westbank AG, Baden-Wuttermbergische Bank AG. Legal advisor – White & Case.

Temirbank OJSC (Almaty) informed the KASE of the convocation of extraordinary general shareholders meeting on October 12, 2001 with the following agenda: on changing the constitution of the Account commission of the bank; on increasing authorized capital; on making changes and amendments to the charter of the bank; on bond issue; on preferred share issue. On approval of the increase in bank liabilities to \$50.0m; miscellaneous. General shareholders meeting will be held at: 68/74, Abay Ave., Almaty. In case of absence of quorum, the meeting will be held again on October 13, 2001.

Bayan-Sulu OJSC (Kostanai; production and sales of confectionery) provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

Comparable figures of financial and economic activities of Bayan-Sulu OJSC in I half of 2001

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Authorized capital (announced)	1,000,000	1,000,000	0.0
Authorized capital (less treasury stock)	553,172	548,936	-4.2
Shareholders' equity	565,950	580,500	+2.6
Total assets	823,431	854,653	+3.8
Net working capital	199,950	247,768	+23.9
Accounts receivable	233,043	296,707	+27.3
Accounts payable	207,017	223,217	+7.8
Sales	466,059	550,980	+18.2
Cost of goods sold	401,149	492,385	+22.7
Net income of the period	26,108	8,903	-65.9
Book value of a share, KZT	153.46	157.41	+2.6

Compared to I half of 2000 growth took place in: **shareholders' equity** of the company – by KZT14.6m as a result of an increase in reserve capital – by KZT9.9m, undistributed income by – KZT8.8m with a withdrawal of capital for KZT4.2m (treasury stock); **assets** – by KZT31.2m, which was caused by an increase in accounts receivable by KZT63.7m with a decrease in residual value of fixed assets by KZT11.3m, volume of incomplete capital investments – by KZT20.6m and other assets – by KZT0.6m; **liabilities** – by KZT16.7m, of which increase in accounts payable – KZT16.2m, attracted credits – by KZT0.5m; **sales** – by KZT84.9m; **cost of goods sold** – by KZT91.2m; **expenses of the period** – by KZT15.2m (330%). As a result of a significant growth of cost of goods sold, **net income** of the company in I half of 2001 declined by KZT17.2m relative to similar period of last year.

DAGOK Kustanaiasbest OJSC (Jetykara, Kostanai region; extraction and concentration of chrysotile-asbestos ore and production of commodity asbestos and accompanying construction materials on its base) provided the KASE with its financial statements for the I quarter of 2001: balance sheet and income statement.

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

(in th. KZT, unless otherwise specified)

Ratio	As of Apr 1 '00	As of Apr 1 '01	Change, %
Authorized capital	70,000	460,000	+557.1
Shareholders' equity	964,194	1,382,247	+43.4
Total assets	4,149,924	4,854,418	+17.0
Net working capital	-298,688	-86,563	+71.0
Accounts receivable	1,879,627	2,004,820	+6.7
Liabilities, total	3,185,730	3,472,171	+9.0
Loans attracted	547,611	539,407	-1.5
Accounts payable	2,573,138	2,929,783	+13.9
Sales	671,211	724,462	+7.9
Cost of goods sold	463,450	639,653	+38.0
Net income of the period	127,224	(94,606)	-174.4

Compared to I half of 2000 growth took place in: **shareholders' equity** of the company – by KZT418.1m as a result of mainly an increase in paid part of authorized capital – by KZT390.0m; **assets** – by KZT704.5m; **liabilities** – by KZT286.4m; **sales** – by KZT53.3m; **cost of goods sold** – by KZT176.2m; **expenses of the period** – by KZT29.8m (21.6%). As a result, the company incurred a KZT94.6m **loss** in I quarter of 2001 compared with KZT127.2m of net income received in similar period of last year.

KASE NEWS

By the decision of the Board of Kazakhstan Stock Exchange (KASE), **from October 5, 2001** preferred shares of Temirbank OJSC (KZ1P00260418, official list of KASE securities under category "A", trade code TEBNp) were admitted to KASE_Shares index calculation list. After this decision the KASE_Shares index calculation list contains 17 shares from official list of KASE under category "A". KASE_Shares index reflects the change in **bid prices** (not real prices) of the shares from the official list of the Exchange's securities under category "A" taking into account market capitalization of their issuers.

By the decision of the Board of Kazakhstan Stock Exchange (KASE), **from October 8, 2001** second issue subordinated inscribed coupon bonds of Temirbank OJSC (Almaty; KZ2CUY11A407; official list of KASE securities under category "A"; TEBNb2; \$100; \$5.9m; Sept 14.01 - Sept 14.08; semiannual coupon at 11.0% APR) were entered into the KASE_BC, KASE_BP and KASE_BY indexes calculation list. After this decision has been made, the calculation list of these indexes contains 17 bonds from the category "A" of the KASE official list.

Prepared by the agency IRBIS

First issue bonds of VALUT-TRANZIT BANK OJSC passed the KASE listing under category “A”

Special issue based on the information of VALUT-TRANZIT BANK OJSC, R.G. Securities LLP, Kazakhstan Stock Exchange (KASE), and agency IRBIS

On October 4, 2001, by the decision of Board of KASE, and on the basis of the Exchange council’s decision of October 4, 01, first issue inscribed coupon bonds of VALUT-TRANZIT BANK OJSC (Karagandy) were admitted to official list of the KASE securities under “A” category.

BONDS

Type of securities:	Inscribed coupon bond indexed towards KZT/USD exchange rate fluctuation
Security:	no security
Credit ratings of the issue:	absent
Credit ratings of the issuer:	absent
National identification number:	KZ2CUY05A425
Issue number in state register:	A42
Register maintained by:	Profit-Line LLP (Almaty)
Issue registration date:	Sept 17, 01
Bond face value:	USD100
Issue volume, USD:	10,000,000
Issue volume in bonds:	100,000
Circulation starts on (issue date):	Sept 27, 01
Offering term:	5 years from the circulation starting date
Circulation term:	5 years
Maturity date:	Sept 27, 06
Coupon rate:	11.5% APR for the first circulation year, and for other years based on the decision of the bank’s Board of directors, but not less than 6.0% APR; coupon rate is announced not later than 30 calendar days before the end of each circulation year of the bonds
Coupon payments dates:	March 27 and September 27 each year
Time basis for all payments:	30/360
Register fixing term for coupons:	30 days prior to payment date
Register fixing date for coupons:	February 27 and August 27 each year
Register fixing term for maturity:	10 days prior to maturity
Register fixing date for maturity:	Sept 17, 06
Issue servicing:	in tenges at weighted average rate of KZT/USD that settles on morning trade session of KASE on the settlement or maturity date
Issue financial consultant:	R.G. Securities LLP (Almaty)
Admission date to KASE lists:	Oct 4, 01
Date of first trades:	to be determined
Trade code at KASE:	VTBNb1
Accuracy of quotations:	4 decimal places
KASE market-maker:	R.G. Securities LLP (Almaty)
Minimal volume of mandatory quotations:	USD3,000

If any of the coupon dates or maturity date falls on week-end or holiday, then the coupon or principal amount is paid on the next business day. Bondholders, who have purchased the bonds at least 30 prior the corresponding settlement date have the rights to receive the coupon.

Each year, not later than 30 calendar days before the end of the circulation year of the bonds, the bank announces the coupon rate for the next year by publishing the information in “Kazakhstanskaya pravda” newspaper.

Each year, if the bondholder does not agree with the announced coupon rate, he can submit a written notice to the bank to buy back his bonds at face value not later than 15 calendar days till the end of each circulation year.

Each year on the first day of next circulation year the bank buys back the bonds from the bondholders who have submitted written notices the bonds at face value in tenges at weighted average rate of KZT/USD that settles on morning trade session of the KASE on the buyback date. If the buyback date falls on week-end or holiday, the bank is to buy them on the next business day. These bonds will be regarded as matured.

Upon mutual agreement of the bondholder and the bank, the bank has the right to call back the bonds ahead of schedule at current market value or agreed price in tenges at weighted average rate of KZT/USD of the morning session of the KASE on the settlement date.

Based on the issuer’s information, the funds raised through subordinate debt issue are to be used for general corporate goals, increase in trade financing and expansion of banking services.

ISSUER

Following information is based on the conclusion of the KASE Listing commission and was not rechecked by the specialists of agency IRBIS. Management of VALUT-TRANZIT BANK OJSC and its financial consultant are fully reliable for the reliability of the information presented to the Exchange.

General information

Date of initial state registration – October 10, 1991. The date of last re-registration – June 18, 1996. Legal status – open joint stock company. Primary activities – banking services. The legal and actual address of the head office – 103a, Jambyl St., Karagandy, 470061, Kazakhstan.

The number of bank employees as of June 30, 2001, including branches and settlement centers is 986.

VALUT-TRANZIT BANK OJSC has State license #43 issued on February 23, 2000 to conduct banking activities specified in banking legislature in tenge and foreign currency.

The bank has no credit ratings from international rating agencies (there is no information about this in the materials of the Exchange).

VALUT-TRANZIT BANK OJSC is a successor of Joint stock bank Prima-bank, which was registered on October 10, 1991. On June 18, 1996 the issuer was re-registered with the Justice department of Karagandy region due to its renaming into open joint stock company VALUT-TRANZIT BANK.

In January 1999 an agreement was signed to merge Akmola-bank OJSC (successor of Fenixbank JSB, founded in 1994) with VALUT-TRANZIT BANK OJSC based on decisions of both Boards of these banks. On April 16, 1999 the Board of the National Bank of Kazakhstan made a resolution #71 on reorganizing these banks by merging them Akmola-bank OJSC with VALUT-TRANZIT BANK OJSC. The merger ended in October 1999. After conducting the 6th issue of shares by VALUT-TRANZIT BANK OJSC on June 10, 2000 amounting to KZT500.0m a common shares of Akmola-bank OJSC (face value at KZT1,000) were changed into common shares of VALUT-TRANZIT BANK OJSC (face value at KZT200) in 1:5 proportion.

Capital, shares, shareholders

As of July 1, 2001 issued and paid authorized capital of VALUT-TRANZIT BANK OJSC equaled KZT1.3 bn. The National Securities Commission of Kazakhstan has registered a total of 7 issues of bank shares, which consisted of 4,875,000 common inscribed () and 1,625,000 preferred inscribed shares () with the face value of KZT200.00. Type of issue is non-documentary. The register is maintained by Agentstvo po resistratsii tsennykh bumag LLP (Securities registration agency LLP, Karagandy, license of the NSC issued on April 25, 1997, #09050019).

# in State register	Registration date	Amount		Issue volume, KZT
		common shares	preferred shares	
A3329	06.04.94	9,000	1,000	2,000,000
A3329-1	12.07.96	170,000	–	34,000,000
A3329-2	25.02.97	420,000	–	84,000,000
A3329-3	11.12.97	400,000	–	80,000,000
A3329-4	05.06.98	1,500,000	–	300,000,000
A3329-5	10.06.99	1,251,000	1,249,000	500,000,000
A3329-6	20.09.00	1,125,000	375,000	300,000,000

Based on the bank's charter, the dividends per common share is set by the Board of the bank and approved by the general shareholders meeting. The payment order and minimum dividends to preferred shares is set by the issue prospectus which specifies it equal to refinancing rate of the National Bank of Kazakhstan on the payment date. Beginning from 1994 VALUT-TRANZIT BANK OJSC pays out dividends regularly.

In 1994 a total of KZT652,680 was paid in dividends to common shares (KZT75.52 per share), KZT200,000 to preferred shares (KZT200 per share). In 1995 no dividends were accrued to common shares, and KZT200,000 was paid to preferred shares (KZT200 per share). In 1996: to common shares – KZT2,264,350 (KZT12.65 per share), to preferred shares – KZT170,000 (KZT170 per share). In 1997: to common shares – KZT13,684,360 (KZT23.06 per share for I quarter, KZT5.64 – for II-IV quarters), to preferred shares – KZT207,000 (KZT170 per share for I quarter, KZT37 – for II-IV quarters). In 1998: to common shares no dividends were paid (KZT20,131,379.67 of profit was used to increase authorized capital), to preferred shares – KZT50,000 was paid (KZT50 per share). In 1999: to common shares no dividends were paid (due to the need of creating reserve fund), to preferred shares dividends amounted to KZT20,695,236 (KZT17.25 per share). In 2000: to common shares no dividends were paid, to preferred shares they amounted to KZT23,923 th. (KZT15.0 per share for I quarter, KZT12.0 – for II quarter, KZT13.8 – for III quarter, KZT10.0 – for IV quarter). In I half of 2001 dividends to preferred shares amounted to KZT1,450.7m (KZT9.0 for I quarter, KZT8.5 – for II quarter).

Common and preferred shares of the bank are admitted to the official list of the KASE under category "A" on February 5, 2001 (from June 1, 2000 they were under category "B"). From the admittance date into the KASE official list through October 5, 2001 a total of 22 deals were made in common shares of the bank using 2,633,462 shares amounting to \$6,680.4 th., in preferred shares – 11 deals using 893,052 shares amounting to \$2,280.3 th. The market-maker of the bank's shares is INVESTMENT MANAGEMENT GROUP LLP (Almaty). From October 5, 2001 common shares were quoted at \$1.4864 / \$2.8376, preferred - \$1.7566 / \$3.1417. Based on these figures the market capitalization of VALUT-TRANZIT BANK OJSC is estimated by

the Exchange based on bid prices at \$10.101m. Both common and preferred shares of the bank are used by the brokers in making repo deals.

As of June 30, 2001, based on the extract from the register of the shareholders, following are the holders of more than 5% stake in authorized capital of VALUT-TRANZIT BANK OJSC:

Title of the issuer	Proportion of voting shares, %	Total stake, %
Nominal holding – Central Depository of Securities CJSC (Almaty)	30.12	42.17
Partnership Irina & Co (Karagandy)	10.64	10.64
Partnership Olinda & Co (Karagandy)	9.14	10.06
Partnership TRADE, Yelena & Co (Karagandy)	7.10	7.18
Partnership Lilya & Co (Karagandy)	5.14	15.96

Characteristics of activities

Primary activities of VALUT-TRANZIT BANK OJSC is financing, leasing, dealing and settlement transactions. In 2000 the bank introduced new services to its clients: fast money transfers without opening banking accounts through Western Union system, fast payments to different countries through S.W.I.F.T. system, money orders, sales of order checks of Deutsche Bank AG (Germany).

Also, in 2000 VALUT-TRANZIT BANK OJSC developed and introduced its own new banking products: “Discount” tariff system that gives bank clients discounts for making advances for settlement services. “Mobile client” terminal was put into service which allowed the clients to control their accounts from anywhere in Kazakhstan with special software installed in all branches; “Family bank” system for a complex servicing of all family members; favorable term pawn services created with Valut-Tranzit Lombard LLP.

VALUT-TRANZIT BANK OJSC maintains correspondent relations with a number of foreign banks: USA (ABN AMRO Bank N.Y., The Bank of New York), Germany (Commerzbank AG, Deutsche Bank AG, Dresdner Bank AG, Donau Bank AG), as well as in Russia (Savings bank of Russia, Dialog-Optim, Alfabank, Russian credit CB, Gazprombank JSC, Rosbank CB, Sudostroitelnyi bank CB, Guta-Bank CB, Moskomprivatbank JCB, Financebank JCB and others). Correspondent relations are being built with American Express Bank (USA) and Credit Suisse First Boston (Switzerland).

VALUT-TRANZIT BANK OJSC is a member of: Kazakhstani fund for insurance of deposits of individuals CJSC (license #0000020, of February 2, 2001), Association of Financiers of Kazakhstan ULE, Association of Banks of Kazakhstan ULE, financial-industrial association Valut-Tranzit, international payment system S.W.I.F.T., Western Union payment system.

The bank has 5 branches and 54 settlement centers that can serve legal entities and individuals in may regions of Kazakhstan.

Financial ratios

Main financial indicators of the VALUT-TRANZIT BANK OJSC are compiled in accordance with the Kazakhstan Accounting Standards (KAS), banking legislation, instructions and regulations of the National Bank of Kazakhstan (NBK).

Financial ratios of VALUT-TRANZIT BANK OJSC based on the data of the bank, th. KZT, unless otherwise specified

Ratio	as of Jan 1.99	as of Jan 1.00	as of Jan 1.01	as of July 1.01
Authorized capital (less treasury stock)	500 000	1 000 000	1 300 000	1 299 560
Shareholders' equity	523 547	1 041 823	1 978 757	2 264 423
Total assets	1 672 201	2 846 628	6 149 274	10 199 888
Liquid assets	120 870	190 468	773 922	1 249 844
Credits granted (net)	1 160 509	2 408 919	4 704 443	8 065 371
Loans and deposits	915 639	1 796 066	4 060 412	7 497 568
Operating income	338 536	656 378	973 593	820 147
General expenses	318 355	627 376	861 338	675 566
Net income	20 181	29 002	112 255	144 581
Return on assets (ROA), %	1,21	1,02	1,83	–
Return on equity (ROE), %	3,85	2,78	5,67	–
Earnings per share (EPS), KZT	8,06	2,22	18,12	–
Book value of a share, KZT	209,42	208,36	304,42	348,49

The table was compiled based on the financial statements presented in compliance with the requirements of the National Bank of Kazakhstan. The total of liquid assets is calculated based on the instructions of the National Bank.

International audit of VALUT-TRANZIT BANK OJSC financial statements is conducted from 1999. The bank's financial statements in 1999 were audited by KPMG Janat (Almaty, Kazakhstan), for 2000 – Deloitte & Touche (Almaty, Kazakhstan).

Financial ratios of VALUT-TRANZIT BANK OJSC according to audited statements, th. KZT, unless otherwise specified

Ratio	as of Jan 1, 99	as of Jan 1, 00	as of Jan 1, 01
Authorized capital (paid-up)	500,000	1,000,000	1,300,000
Shareholders' equity	523,547	1,041,823	1,877,327
Total assets	1,672,201	2,846,628	6,057,302
Liquid assets	115,550	181,112	768,547
Credits granted (net)	1,160,509	2,408,919	4,645,887
Banking debts	5,320	9,356	–
Indebtedness to banks	16,023	40,000	699,350
Indebtedness to clients	899,617	1,756,066	3,412,601
Income from operating activity	390,085	1,125,347	953,203
Net income (loss)	20,181	29,002	41,130
Return on equity (ROE), %	3.85	2.78	2.19
Return on assets (ROA), %	1.21	1.02	0.68
Net income per ordinary share (EPS), KZT	8.06	2.22	3.53
Book value of share, KZT	209.42	208.36	288.82

Data for 1998 were reviewed but not audited by KPMG Janat

According to the KPMG Janat's conclusion, financial statements of VALUT-TRANZIT BANK OJSC gives a reliable and accurate picture of the company's financial situation for 1999 in all essential aspects including cash flow and income statements. The financial statements comply with Kazakhstan Accounting Standards.

Financial statements of the bank whose audit was conducted by Deloitte & Touche were compile according to International Accounting Standards. According to Deloitte & Touche, balance sheet of VALUT-TRANZIT BANK OJSC gives a reliable and accurate picture of the company's financial situation for 2000 in all essential aspects. The auditor declined to give an opinion about income and cash flow statements as it did not conduct audit of the bank in past periods.

The auditor confirmed that as of Dec. 31, 1999 and 2000 level of liquidity of VALUT-TRANZIT BANK OJSC and other indicators correspond to prudential standards of the National Bank of Kazakhstan.

Data on execution of prudential standards by VALUT-TRANZIT BANK OJSC

Standard	as of Jan, 99	as of Jan, 00	as of Jan, 01	as of July, 01
Core capital, K1, KZT, th.	497,231	1,005,231	1,84,477	2,089,787
Supplementary capital, K1, KZT, th.	35,364	64,264	160,588	234,824
Shareholders equity, K, KZT, th.	532,595	1,069,495	2,009,065	2,324,611
Capital adequacy ratio k1 (min = 0.04)	0.31	0.35	0.30	0.20
Capital adequacy ratio k2 (min = 0.12)	0.34	0.40	0.35	0.25
Risk size ratio k3 (max = 0.25)	0.24	0.24	0.20	0.23
Current liquidity ratio k4 (min = 0.3)	0.97	0.45	0.40	0.32
Investments-equity ratio k5 (max = 0.5)	0.30	0.20	0.30	0.29

Table below presents characteristic of the bank in comparison with average ratios of banks (by the size of shareholders equity). Average ratios are compiled according to data of the financial statements presented by banks included into KASE membership under category "B" (forex trades).

Comparable data with other banks as of July 01, 2001, KZT, thousands unless otherwise indicated

Title	Shareholders' equity	Assets	Net income	k1 (min 0.04)	k2 (min 0.08)	k4 (min 0.20)	ROA, %	ROE, %
VALUT-TRANZIT BANK OJSC	2,324,611	10,199,888	144,581	0.20	0.25	0.32	1.42	6.22
Average value	2,282,697	14,270,430	238,638	0.19	1.45	1.22	2.58	10.23

Assets

Assets of VALUT-TRANZIT BANK OJSC increased by KZT5.7 bn, or 14.6 times from 1998 to 2000 (1998 to 1997 – by KZT1.2 bn or 4 times, 1999 to 1998 – by KZT1.1 bn or 1.7 times, 2000 to 1999 – by KZT3.3 bn or 2.2 times), in I half of 2001 – by KZT4.1 bn or 65.9% to 2000. More than 90% of assets are made of profitable assets. Main growth of the assets comes from loan portfolio of the bank (in 1999 – by KZT1.2 bn, in 2000 – by KZT2.3 bn, in I half of 2001 – by KZT3.4 bn).

During the same period (1998-2000) **loan portfolio** increased by KZT4.4 bn or 18.1 times, its proportion in total assets increased from 69.4% (1998) to 76.5% (2000). In I half of 2001 loan portfolio increased by KZT3.4 bn or 71.4% to 2000 at KZT8.1 bn (79.1% of assets). Lending activities are financed by the banks using time deposits of the clients and its own funds.

From 1998 VALUT-TRANZIT BANK OJSC is actively using a lease, with its proportions increasing in loan portfolio of the bank each year: in 1999 – by KZT986.8m or 38.6% to 1998, in 2000 – almost by KZT2.0 bn or 20.3% to 1999. By the results of I half of 2001 leases remained at the same level of the last year, but their proportion in loan portfolio fell to 35.2% (by 26.8%), which is caused by a growth of short-term financing (by KZT3.4 bn or 26.7% to 2000). As the bank's management explains, the growth of short-term loans in 6 months of this year was caused by an increase in needs of construction companies in short-term funding in spring and summer.

Structure of loan portfolio

Asset articles	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of July 1.01	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Short-term loans	61,074	5.5	1,431,384	58.3	1,798,423	37.8	5,260,690	64.5
Mid-term loans	637	0.1	200	0.0	7,623	0.2	9,536	0.2
Long-term loans	1,063,712	90.0	407	0.0	–	0	7,325	0.1
Lease	36,980	3.1	1,023,746	41.7	2,944,351	62.0	2,866,378	35.2
Factoring	15,851	1.3	–	0	–	0	–	0
Others	4,243	0.3	–	0	–	0	–	0
Total	1,182,497	100.0	2,455,737	100.0	4,750,397	100.0	8,153,546	100.0

Increase in the volumes of financial leasing is explained by the management of VALUT-TRANZIT BANK OJSC by the advantages that this type of transactions have. First, the bank has not problems with the collateral, since, being an owners of the collateral, it controls its safety and proper use, which eliminates the risk of non-payment of the loan in the future. Second, based on existing law, lease payments are exempt from income tax and not added into aggregate annual income. Third, lease allows the bank to conduct goal financing of the projects.

Besides, from late 1996 the bank is actively stimulating the development of pawn shop activities on the basis of partnerships with Valut-Tranzit Lombard LLP. The relationship is based on granting a loan by VALUT-TRANZIT BANK OJSC for a liquid collateral and finances the public for the collateral of highly marketable property. In 1999 the bank has developed and introduced favorable pawn shop financing programs (“Uchebnaya”, “Meditsinskaya”, “Kommunalnaya”), where interest rates (based on the amount and term) are on average 14 times less than usual loans. Now, Valut-Tranzit Lombard LLP has 68 offices and finances about 3,000 individuals daily and has a high money back ratio. By the information of the bank, in 2000 Valut-Tranzit Lombard LLP granted KZT1,062.2m worth of loans, and in 6 months of 2001 – KZT895.4m

In 2000 most of the financing went to such sectors of the economy as recreation, culture and sports (46.0%), hotels and restaurants (17.0%), retail trade (17.0), financial service companies (12.0%), others (10.0%).

Quality loan portfolio

Loan	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of July 1.01	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Standard	916,324	77.5	1,520,784	61.9	3,831,784	80.7	6,390,040	78.4
Substandard	256,320	21.7	934,879	38.1	919,079	19.3	1,763,506	21.6
Unsatisfactory	610	0.00	–	–	–	–	–	–
Doubtful with high risk	386	0.00	–	–	–	–	–	–
Bad debt	8,857	0.8	74	0.0	–	–	–	–
Total	1,182,497	100.0	2,455,737	100.0	4,750,397	100.0	8,153,546	100.0

Loan provisions created

Provisions	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of July 1.01	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Standard	–	–	–	–	–	–	–	–
Substandard	12,816	58.3	46,744	99.8	45,954	100	88,175	100
Unsatisfactory	122	0.6	–	–	–	–	–	–
Doubtful with high risk	193	0.03	–	–	–	–	–	–
Bad debt	8,857	40.3	74	0.2	–	–	–	–
Total	21,988	100.0	46,818	100.0	45,954	100.0	88,175	100.0

The most of the financing is made of standard loans that does not require provisions. From 1999 VALUT-TRANZIT BANK OJSC has no unsatisfactory and doubtful debt in its loan portfolio, and from 2000 – unprofitable ones. As a result, growth of provisions created in monetary terms was caused solely by an increase in financing volumes, which is confirmed by annual decrease in their proportions (1998-1999 – 1.9% of granted loans, in 2000 – 1.0%, as of July 1, 01 – 1.1%).

Shareholders' equity. From 1998 through 2000 shareholders' equity of VALUT-TRANZIT BANK OJSC, calculated based on the instructions of the National Bank, grew by KZT1.5 bn, or 3.8 times. In 1999 increase in the bank's shareholders' equity by KZT536.9m or 2 times was a result of its merger with Akmolabank OJSC. In 2000 growth of shareholders' equity was KZT939.6m, or 87.9% against 1999, which was caused by an increase in core capital by KZT843.3m (KZT300.0m – floatation of seventh issue shares, KZT534.1m – additional capital).

Growth of shareholders' equity in I half of 2001 by KZT315.5m, or 15.7% was a result of an increase in core capital by KZT241.4m (KZT171.8m – additional capital, KZT81.7m – reserve capital) and supplementary capital – by KZT74.2m.

Significant increase in additional capital of the bank in 2000 and in I half of 2001 was caused by a regular repurchase of its shares from the shareholders and their subsequent sale (both on organized market and out of it).

Shareholders' equity of VALUT-TRANZIT BANK OJSC (th. KZT)

Indicator	as of Jan 1.99	as of Jan 1.00	as of Jan 1.01	as of July 1.01
Core capital	497,231	1,005,231	1,848,477	2,089,787
Supplementary capital	35,364	64,264	160,588	234,824
Shareholders' equity	532,595	1,069,495	2,009,065	2,324,611

Liabilities

From 1998 through 2000 liabilities of VALUT-TRANZIT BANK OJSC increased by KZT4.0 bn, or 20 times, including, deposits – by KZT3.5 bn or 17.8 times. In I half of 2001 volume of deposits increased by KZT3.7 bn, which is 107.2% of the growth during previous 3 years. Growth of deposits in 1998-2000 was caused by an expansion of the bank's clientele (number of accounts of corporate clients increased from 2.0 th. to 6.5 th., that of individuals – from 35 th. to 350 th.), as well as increase in weighted average remaining amounts in the accounts of the clients (from KZT403.8m in 1999 to KZT810.4m in 2000). By the information of VALUT-TRANZIT BANK OJSC, in late 2000 deposits of the individuals amounted to KZT1.7 bn (KZT1.3 bn or 3.6 time growth against 1998), of legal entities – KZT1.6 bn (KZT1.2 bn or 3.8 time growth against 1998).

As of July 1, 2001 attracted deposits accounted for 93.2% of all liabilities, or KZT7.4 bn, of which time deposits – 36.8%, call deposits – 56.4%.

Structure of liabilities of VALUT-TRANZIT BANK OJSC

Liabilities	as of Jan 1.99		as of Jan 1.00		as of Jan 1.01		as of July 1.01	
	th. KZT	%	th. KZT	%	th. KZT	%	th. KZT	%
Time deposits	776,204	67.6	1,277,589	70.8	2,391,359	57.3	2,922,954	36.8
Call deposits	124,335	10.8	478,477	26.5	1,286,173	30.8	4,474,014	56.4
Liabilities to other banks and organizations	15,100	1.3	40,000	2.2	382,880	9.2	100,600	1.3
Other liabilities	233,015	20.3	8,739	0.5	110,105	2.7	437,897	5.5
Total	1,148,654	100.0	1,804,805	100.0	4,170,517	100.0	7,935,465	100.0

From 1998 through July 1, 2001 growth of time deposits reached KZT2.9 bn in absolute terms or 52.3 times, but their proportion decreased though, from 67.6% to 36.8%. Meanwhile, call deposits rose by KZT807.5m or 2.7 times against 1999, and by KZT3.1 bn or 3.5 times in I half of 2001, which was due to increase in the number of bank's corporate clients.

VALUT-TRANZIT BANK OJSC conducts mainstream deposit policy aimed at increasing the deposits in tenge. Thus, from 1998 through 2000 the amount of deposits in tenge increased from KZT518.7m to KZT3.4 bn, or 6.5 times, whereas their proportion in total volume of deposits grew from 57.6% to 91.3%. As of July 1, 2001 tenge deposits amounted to KZT6.5 bn, which is almost 1.9 times more than they were in 2000. To attract the depositors the bank systematically reviews interest rates on deposits by taking account current market situation. Interest rates were as follows depending on the terms: in 1998: in tenge – from 15% to 20%, in currency – from 9% to 12%; in 1999: in tenge – from 20% to 23%, in currency – from 10% to 12%; in 2000: in tenge – from 15% to 23%, in currency – from 7% to 13%; as of July 1, 2001: in tenge – from 11.5% to 18%, in currency – from 6.5% to 12.5%.

Proportion between assets and liabilities of VALUT-TRANZIT BANK OJSC as of July 1, 2001 (th. KZT)

Assets and liabilities	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Loss reserves	Total
Cash	384,394	–	–	–	–	–	384,394
Deposit accounts in other banks	337,333	–	–	–	–	-296	337,037
Securities	–	56,116	4,950	537,946	–	–	599,012
Loans to clients, gross	261,169	214,322	4,794,897	9,455	7,325	-88,175	5,198,993
Financial lease	–	–	–	45,321	2,821,057	–	2,866,378
Fixed and intangible assets	–	–	–	–	663,117	–	663,117
Other	40,805	11,249	68,860	40,748	–	-10,705	150,957
Total assets	1,023,701	281,687	4,868,707	633,470	3,491,499	-99,176	10,199,888
Liabilities to other banks	469,792	–	350,580	–	–	–	820,372
Deposits of clients	4,256,683	73,974	89,988	2,256,551	–	–	6,677,196
Other liabilities	437,697	–	–	200	–	–	437,897
Total liabilities	5,164,172	73,974	440,568	2,256,751	–	–	7,935,465

Revenues and expenses

Operational income revenues of the bank during last three years have had steady growth trend (1998 - KZT338.5m, 1999 - KZT656.4m, 2000 - KZT973.6m). For 6 months of 2001 operational income reached KZT820.1m or 84.2% of com pared to figure for year 2000.

The biggest part of income is interest revenues that increased by KZT566.6m or 14.3 times because of loan portfolio accumulation. Income from financing operations increased by KZT88.9m or 133.5%; commission revenues - KZT144.7m or 8.2 times as a result of increase of opened accounts in the bank.

Expenditures of the bank grew up by KZT739.6m or 7.1 times. For the first six months of 2001 operational expenses amounted KZT675.6m or 78.4% compared to 2000.

The biggest part of expenditures is personnel and office expenses due to expansion of regional branches: in 1998 the bank had 25 cash-settlement departments (CSD), 1999 - 28 CSD, in 2000 - 5 branch offices and 30 CSD. For six months 2001 the bank opened new 24 CSD. Growth of interest expenditures by KZT251.5m or 97 times occurred mainly due to expansion of deposits.

Net income of the bank for 1998 totaled KZT20.2m (slowdown by 2.7%), for 1999 - KZT29.0m (growth by 43.7%), for 2000 - KZT112.3m (3.8 times), as of July 01, 2001 - 144.6m or 28.8% higher compared to 2000.

COMMENTS OF LISTING COMMISSION

The auditors notes that in 1999, the bank concluded several financial leasing contracts with low interest rates and deferred principal repayments. These contracts (KZT989,133 th.) were signed with members of "Valut-Transit" Financial-industrial Association. The bank is one of the members of the association. The auditor conclusion also notes that during year 2000 the bank has increased volumes of financial leasing to members of the association, at the same time interest rates were close to average levels and repayment schedule was set from the date of loan opening. Financial leasing agreements were concluded for 12 years.

In 2000 the bank changed auditor and standards for compilation of financial statements. Financial statements of the bank whose audit was conducted by Deloitte & Touche were compiled according to International Accounting Standards. According to Deloitte & Touche, balance sheet of VALUT-TRANZIT BANK OJSC gives a reliable and accurate picture of the company's financial situation for 2000 in all essential aspects. The auditor declined to give an opinion about income and cash flow statements as it did not conduct audit of the bank in past periods. So the volume of observations was not sufficient to extend the work of auditor. The auditor also noted that as far as there were no statements for 1999 compiled under IAS, financial statements should not have been subjected to comparisons.

Prepared by the agency IRBIS