

Central Securities Depository JSC

Annual Report

2008

Almaty, 2009

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1. Principal events of 2008

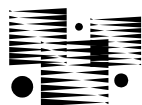


Since September, 2008 Central Securities Depository JSC (hereinafter referred to as – Central Depository) started training sessions for the participants' employees, issuers and for the state agencies on the following subjects:

1. "Procedure for registration of transactions with financial instruments" at Central Securities Depository JSC,
2. "Interaction of Central Securities Depository JSC with clients and accounting organizations in the course of corporate actions",
3. "Tariff rates of Central Securities Depository JSC,
4. "Rules for completion of orders for registration of transactions with financial instruments",
5. "The Automated Workplace of a Client",
6. "Procedure on keeping bank accounts".

In October, 2008 Central Depository held a conference in Almaty, which was associated to the annual meeting of the Association of the Eurasian Central Securities Depositories (hereinafter in the text referred to as - AECSD) under the title "International Experience and Practice of the AECSD Members". The conference attended representatives of the Central Depositories of Azerbaijan, Armenia, Belarus, the Kyrgyz Republic, Uzbekistan, Ukraine, and representatives of the largest depositories of the Russian Federation. In addition, visitors of the conference were representatives of the state regulatory authorities of the Republic of Kazakhstan, Kazakhstan Stock Exchange JSC, and also representatives of S.W.I.F.T., Clearstream Banking, Thomas Murray Group and the Asia-Pacific Central Securities Depository Group. Within the framework of the mentioned conference there was a solemn ceremony held pertaining signing of the Memorandum on cooperation between the Central Depository of South Korea and the Central Depository of the Republic of Kazakhstan.

2. Shareholders and Authorized capital



2.1. Shareholders

The Central Depository was founded on the basis of the resolution of the founders' meeting as of May 16th, 1997 and was registered as a legal entity by the Board of Justice of the city of Almaty under registration number 12301-1910-AO dated July 18th, 1997.

In accordance with the Law of the Republic of Kazakhstan currently in force "On Joint-Stock Companies", re-registration of the Central Depository was carried out on October 28th, 1999, on April 09th, 2002, on May 27th, 2003 and on February 02nd, 2005.

Among the shareholders of Central Depository as of January 1st, 2009 there were the National Bank of the Republic of Kazakhstan, Kazakhstan Stock Exchange JSC, 14 second-tier banks and 9 broker organizations.

Table 1. List of Shareholders of the Central Depository as of January 1st, 2009

	List of Shareholders	Share, %
1.	Subsidiary of BTA Bank JSC - Temirbank JSC	0,41
2.	Senim – Bank JSC	0,41
3.	Subsidiary Bank RBS Kazakhstan JSC	0,41
4.	Subsidiary Bank Sberbank of Russia JSC	0,41
5.	Finance Company Greenwich Capital Management JSC	0,41
6.	Joint Bank LARIBA – BANK JSC	0,41
7.	EximBank Kazakhstan JSC	0,41
8.	Halyk Savings Bank of Kazakhstan JSC	0,82
9.	Bank CenterCredit JSC	0,82
10.	Almaty Financial Center JSC	0,41
11.	ATFBank JSC	0,41
12.	Kazkommertsbank JSC	0,82
13.	The Almaty Investment Management JSC	0,41
14.	Kaspi Bank JSC	0,41
15.	Subsidiary Bank Alfa-Bank JSC	0,41
16.	Subsidiary of Kazkommertsbank JSC - Kazkommerts Securities JSC	0,82
17.	BTA Bank JSC	0,41
18.	Subsidiary Bank Kazakhstan Ziraat International Bank JSC	0,82
19.	Tengri Finance JSC	0,41
20.	Subsidiary of BTA Bank JSC - BTA Securities JSC	0,41
21.	Public Institution "The National Bank of the Republic of Kazakhstan"	49,79
22.	Kazakhstan Stock Exchange JSC	38,68
23.	VISOR Investment Solutions JSC	0,41
24.	Centras Securities JSC	0,41
25.	Kazkommerts Invest JSC	0,41

2.2. Authorized capital

The authorized capital of Central Depository consists of 300 (three hundred) ordinary shares with a nominal value of KZT 200 000, for a total amount of KZT 60 000 000, as of January 01, 2008 out of them the amount of placed shares was 243 (two hundred and forty three) for a total amount of KZT 48,600 000.

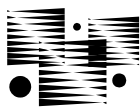
The first issue of shares for an amount of KZT 5 800 000 (five million, eight hundred thousand) was registered in compliance with resolution number A0462, adopted by the National Securities Commission of the Republic of Kazakhstan (Certificate on the State Registration of Securities issue No. 02-2-15/3107 dated August 12th, 1997, NIN KZ1C04620414).

The second issue of shares for an amount of KZT 2 200 000 (two million, two hundred thousand) was registered in compliance with resolution number A0462-1 adopted by the National Securities Commission of the Republic of Kazakhstan (Certificate on the State Registration of Securities issue No. 02-2-4/2158 dated March 31st, 2000, NIN KZ1C04620414).

The third issue of shares for an amount of KZT 10 000 000 (ten million) was registered in compliance with resolution number A0462-2 of the National Bank of the Republic of Kazakhstan (Certificate on the State Registration of Securities issue No. A0462-2 dated June 12th, 2002). NIN KZ1C04620015.

The fourth issue of shares for an amount of KZT 42 000 000 (forty two million) was registered by the Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations (Certificate on the State Registration of Securities issue No. A0462 dated March 23rd, 2005). NIN KZ1C04620015.

3. Depository Activities



3.1. Clients

In accordance with the current legislation, clients of the Central Depository can be brokers - dealers and custodian banks, which have been granted an appropriate license of the authorized body to carry out the state regulation of the securities market, foreign depositories and custodians. As of January 1, 2008 clients of the Central Depository were the National Bank of the Republic of Kazakhstan, Bank of Development of Kazakhstan JSC, 23 second-tier banks of the Republic of Kazakhstan, 63 broker companies of the Republic of Kazakhstan, KAZPOST JSC, Central Securities Depository (the Kyrgyz Republic) CJSC, Joint-stock Commercial Bank RosBank (the Russian Federation) OJSC, Non-commercial partnership 'National Depository Center' (the Russian Federation), Savings Bank of the Russian Federation OJSC, Bank VTB OJSC (the Russian Federation), Depository-Clearing Company CJSC (the Russian Federation).

Table 2. List of Clients of the Central Depository as of January 1, 2009

- 1 Public Institution "The National Bank of the Republic of Kazakhstan"
- 2 SB Securities JSC (Kazakhstan)
- 3 BTA Bank JSC
- 4 Halyk Savings Bank of Kazakhstan JSC
- 5 Bank CenterCredit JSC
- 6 Kaspi Bank JSC
- 7 KAZPOST JSC
- 8 Kazkommertsbank JSC
- 9 Tsesnabank JSC
- 10 Joint Bank LARIBA-BANK JSC
- 11 Subsidiary of Bank Apoalim B.M. - BankPositive JSC
- 12 Subsidiary of BTA Bank JSC - Temirbank JSC
- 13 Subsidiary bank of Kazakhstan ZIRAAT INTERNATIONAL BANK JSC
- 14 Subsidiary Bank Savings Bank of Russia JSC
- 15 Subsidiary Bank RBS Kazakhstan JSC
- 16 Eximbank of Kazakhstan JSC
- 17 Subsidiary Bank Alfa-Bank JSC
- 18 Eurasian Bank JSC
- 19 ATFBank JSC
- 20 CityBank Kazakhstan JSC
- 21 Subsidiary Bank HSBC Bank Kazakhstan JSC
- 22 Finance Company Greenwich Capital Management JSC
- 23 Almaty Investment Management JSC
- 24 CAIFC Company JSC

- 25 Subsidiary of Kazkommertsbank JSC - Kazkommerts Securities JSC
- 26 Global Securities Kazakhstan JSC
- 27 Subsidiary of Bank CenterCredit JSC - BCC Securities LLP
- 28 Information-Accounting Center JSC
- 29 Investment Financial House RESMI JSC
- 30 Subsidiary of BTA Bank joint-stock company - BTA Securities joint-stock company
- 31 General Asset Management JSC
- 32 Subsidiary Bank Eurasian Bank JSC – Eurasian Capital JSC
- 33 Central Depository CJSC
- 34 Tengri Finance JSC
- 35 Nurbank JSC
- 36 Alliance Bank JSC
- 37 VISOR Investment Solutions JSC
- 38 Subsidiary organization Nurbank JSC - MONEY EXPERTS JSC
- 39 Finance company REAL-INVEST.kz JSC
- 40 Kazkommerts Invest JSC
- 41 Centras Securities JSC
- 42 Bank of Development of Kazakhstan JSC
- 43 Finance Company Alliance Capital JSC
- 44 Management Company Alem JSC
- 45 Halyk Finance JSC
- 46 Nomad Finance JSC
- 47 Tsesna Capital JSC
- 48 Joint-stock commercial bank RosBank OJSC
- 49 Legal entity Non - commercial partnership "National Depository Center"
- 50 Alan Securities JSC
- 51 Incorporated Commercial Savings Bank of the Russian Federation OJSC
- 52 House Construction Saving Bank of Kazakhstan JSC
- 53 VISOR Capital JSC
- 54 Astana-Finance JSC
- 55 Almaty Finance Center JSC
- 56 Depository-Clearing Company CJSC
- 57 Management Company ORDA Capital JSC
- 58 Prime Financial Solutions JSC
- 59 SMART GROUP JSC
- 60 Asia Broker Services JSC
- 61 Asyl –Invest JSC
- 62 Seven Rivers Capital JSC
- 63 Alibi Securities JSC
- 64 Vernyi Capital JSC
- 65 Kazakhstan Finservice JSC

66	IFG Continent JSC
67	Glotur Invest JSC
68	Troika Dialog Kazakhstan JSC
69	Vostok Capital JSC
70	Thor Invest JSC
71	Unicorn IFC JSC
72	Kazinvestbank JSC
73	Bank VTB OJSC
74	Mag Finance JSC
75	Delta Bank JSC
76	KAZEXPORTASTYK-SECURITIES JSC
77	Management Company Alfa Trust JSC
78	Investment Company CenterInvest JSC
79	Management Company VIRTUS INVEST JSC
80	Premier Capital JSC
81	Broker Company Astana-Finance JSC
82	AIM Capital JSC
83	Kazkommertsinvest RFCA LLP
84	AFC Capital JSC
85	Subsidiary organization of Halyk Bank of Kazakhstan - Halyk Capital JSC
86	Subsidiary Bank of Kazkommertsbank JSC - Kazkommertz RFCA LLP
87	RESMI Investment House Almaty LLP
88	Subsidiary of Bank CenterCredit JSC - BCC Securities LLP
89	Centras Financial LLP
90	VISOR Capital LLP
91	Subsidiary Bank ATFBank JSC - ATF FinanceJSC
92	Real-Invest RFCA JSC
93	Renaissance Capital IC JSC
94	Capitalist Securities LLP
95	The Royal Bank of Scotland Securities (Kazakhstan) JSC

For the accounting year, 5 more professional participants of the securities market have become clients of the Central Depository. Among them are:

- 1) KAZEXPORTASTYK-SECURITIES JSC;
- 2) Management Company Alfa Trust JSC;
- 3) Investment Company CenterInvest JSC;
- 4) Management Company VIRTUS INVEST JSC;
- 5) Premier Capital JSC.

For the accounting year, 4 professional participants of the securities market have lost the status of the client of the Central Depository. Among them are:

- 1) Management Company Investment Resources;
- 2) ABS Securities JSC;
- 3) MAG Capital LLP;

4) Alnair Capital Holding JSC.

3.2. Personal accounts and Sub-accounts

As of January 1, 2009 the amount of operating personal accounts of participants, which were opened at Central Depository, equals 95, which is by 4 accounts less than a similar indicator of last year.

The amount of sub-accounts opened at the personal accounts of the clients of the Central Depository amounted to 7 651, which is by 958 sub-accounts more versus the previous year's indicator.

3.3. Nominal holding

3.3.1. General information

As of January 1, 2009 the volume of financial instruments which are in nominal holding of Central Depository has increased in comparison with the previous accounting date by KZT 1,02 trillion or by 13,42 % and equals KZT 8,67 trillion, out of which KZT 5,44 trillion or 62,75 % were owned by the government, State block of shares (hereinafter referred to as 'SBS').

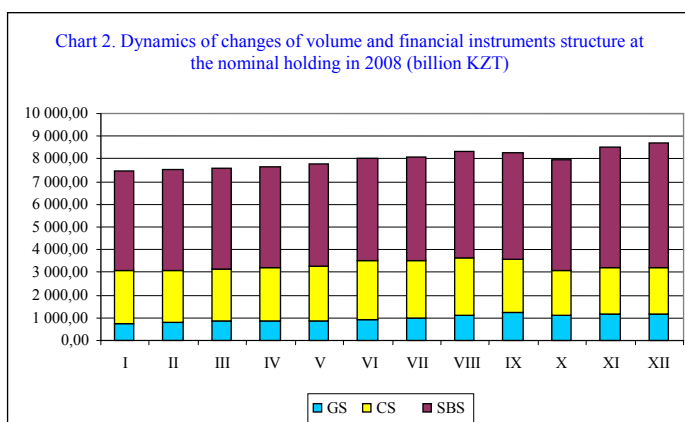
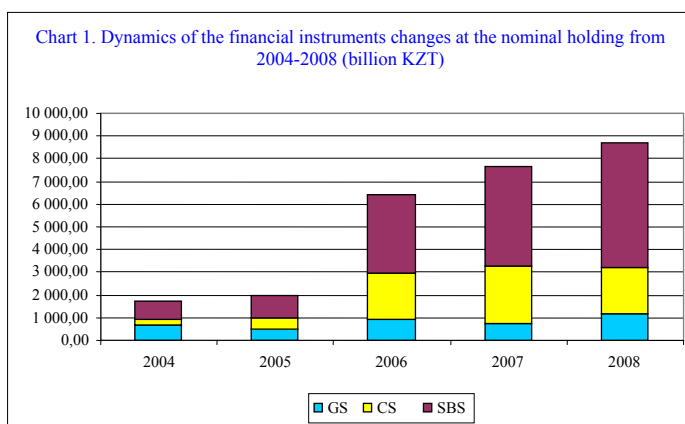
As of January 1, 2009 the volume of SBS increased by KZT 1,04 trillion or by 23,64 %, while the volume of other corporate securities, stocks, and bonds (hereinafter referred to as 'CS') decreased by KZT 0,41 trillion or by 16,4%. The volume of government securities (hereinafter referred to as 'GS') as of January 1, 2009 increased by KZT 0,4 trillion or by 53,33% comparing previous accounting date.

During the year of 2008 an average annual volume of financial instruments in nominal holding comprised KZT 7,97 trillion. In comparison with 2007 an average annual volume of financial instruments in nominal holding increased by KZT 0,59 trillion.

During the accounting period there has been observed a slight fluctuation of the volume of financial instruments in nominal holding of Central Depository. An average annual percent ratio between the volume of government securities (GS,) volume of State block of shares (SBS) and volume of corporate securities (CS) is presented below (Chart 2):

During the accounting period there has been observed a slight fluctuation of the volume of financial instruments in nominal holding of Central Depository. An average annual percent ratio between the volume of government securities (GS,) volume of State block of shares (SBS) and volume of corporate securities (CS) is presented below (Chart 2):

- 12,31 % of GS were accepted for servicing,
- 28,85 % were accepted in nominal holding of the CS,
- 58,84 % were accepted in nominal holding of SBS.



In the accounting period there was a reduction of annual average share of the government securities (GS) from 15,19 % down to 12,31 % and accordingly there has been an increase of an annual average share of the corporate securities (CS) from 84,70 % up to 87,69%.

For January 1, 2009 in nominal holding of Central depository were:

- 355 issues of ordinary shares (as compared with January 1, 2008 - an increase by 41 emissions),
- 41 issues of preference shares (as compared with January 1, 2008 - an increase by 3 emissions),
- 260 issues of corporate bonds (as compared with January 1, 2008 - an increase by 38 emissions),
- 79 issues of securities issued by the Ministry of Finance of the Republic of Kazakhstan (as compared with January 1, 2008 - an increase by 19 emissions),
- 8 issues of short-term notes issued by the National Bank of the Republic of Kazakhstan (as compared with January 1, 2008 - an increase by 2 emissions),
- 31 issues of Eurobonds (as compared with January 1, 2008 - reduction of emissions by 9),
- 40 issues of units of investment trusts (as compared with January 1, 2008 – decrease by 1 issue),
- 1 issue of certificates which were issued with the binding to the allocated asset (as compared to January 1, 2008 - remained on the same level).

As of January 1, 2009 Central Depository had nominal holding accounts in the following accounting institutions:

- Clearstream Banking Luxembourg (International Depository),
- Central Depository CJSC (the Kyrgyz Republic),
- Fund Center JSC,
- Center DAR JSC,
- Register-Service JSC,
- Registrar's System of Securities JSC,
- Register JSC,
- Registrar Company JSC,
- Registrar “Zerde” JSC
- First Independent Registrar JSC,
- PROFIT-LINE JSC,
- Registrar’s Service JSC,
- Parity – Register JSC,
- Central Securities Depository JSC.

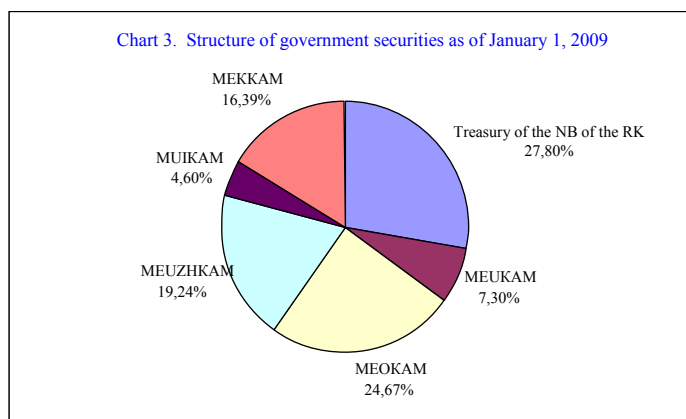
As of January 1, 2009, there were financial instruments registered for an amount of KZT 7,52 trillion, which were on the nominal holding of Central Depository, opened at the accounting institutions.

3.3.2. Government securities

The volume of the government securities, which have been issued in compliance with the legislation of the Republic of Kazakhstan and transferred for the depository servicing as of January 1, 2009 amounted to KZT 1,15 trillion, which was more by KZT 0,4 trillion or by 53,33 % versus the reporting date of previous year.

The increase of the amount of the government securities was caused by a considerable increase in circulation of securities issued by the Ministry of Finance of the Republic of Kazakhstan and short-term notes issued by the National Bank of the Republic of Kazakhstan. As compared with January 1, 2008, the volume of securities issued by the Ministry of Finance of the Republic of Kazakhstan increased by KZT 315,62 billion (from KZT 515,01 billion up

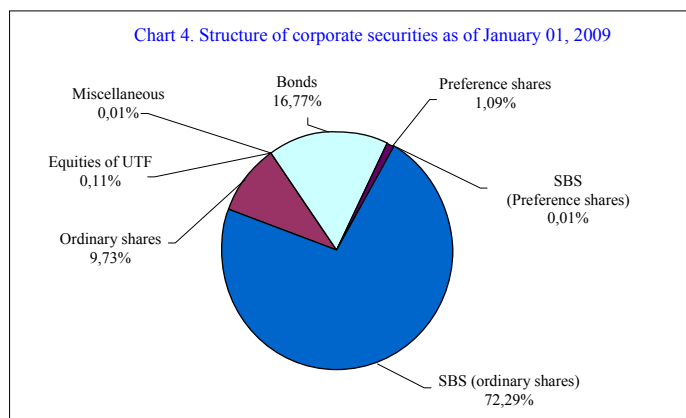
to KZT 830,63 billion). There was a considerable increase of the amount of MEUZHKAM, issued by the Ministry of Finance of the Republic of Kazakhstan, from KZT 138,21 billion as of January 1, 2008 up to KZT 221,31 billion as of January 1, 2009, also issue and placement of MEKKAM and MUIKAM by the Ministry of Finance of the Republic of Kazakhstan observed (the issue which started in 2007), and the volume of which corresponded to KZT 188,62 billion and KZT 52,91 billion, respectively, which considerably impacted the increase of issued volume of government securities. The volume of short-term notes issued by the National Bank of the Republic of Kazakhstan increased by KZT 84,68 billion and as of January 1, 2009 was amounted to KZT 319,88 billion (as compared to January 1, 2008 – KZT 235,2 billion).



3.3.3. Corporate securities

As of January 1, 2009, the volume of corporate securities in nominal holding of Central Depository amounted to KZT 7,52 trillion, which exceeds the appropriate indices of the year 2008 by KZT 0,63 trillion. The increase of the volume of corporate securities in nominal holding at Central Depository can be explained by increase of SBS. The volume of SBS for the accounting period increased by KZT 1,04 trillion, from KZT 4,4 trillion up to KZT 5,44 trillion, whereas the volume of ordinary shares for the accounting period decreased by KZT 0,69 trillion, from KZT 1,41 trillion down to KZT 0,73 trillion.

As of January 1, 2009 the main portion in volume of corporate securities comprised the ordinary shares (taking into consideration the SBS) - 82,01 %, versus January 1, 2008 when the ordinary shares aggregated 84,36 % (subject to SBS) (Chart 4).



As of January 1, 2009 the volume of corporate bonds (including Eurobonds) increased as opposed to the situation as of January 1, 2008 by KZT 0,27 trillion and aggregated KZT 1,26 trillion.

The volume of shares of the unit investment trusts in 2008 increased up to KZT 3,4 billion and amounted to KZT 8,5 billion.

3.3.4. Securities issued in accordance with the legislation of other countries

As of January 1, 2009 the volume of financial instruments issued in accordance with the legislation of other countries in nominal holding of Central Depository amounted to KZT 149,1 billion, which is by KZT 60,31 billion more that the similar index of the year of 2007.

Shared financial instruments in the entire structure of financial instruments, issued in compliance with the legislation of other countries, amounted to KZT 77,37 billion, whereas debt financial instruments amounted to KZT 71,73 billion.

At the end of the accounting period following securities were in nominal holding, which had been issued in compliance with the legislation of the other countries:

Table 3. List of securities issued in compliance with the legislation of other countries

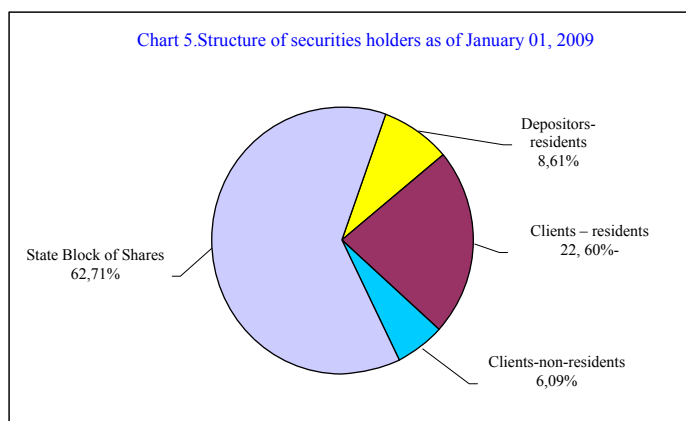
1.	Kant Cement Factory OJSC	KG0101053922
2.	Kyrgyztelecom OJSC	KG0101093316
3.	Oshelectro OJSC	KG0101167235
4.	Bishkekteploset OJSC	KG0101170510
5.	Vostokelectro OJSC	KG0101170650
6.	Leader-Plus CJSC	KG0101174918
7.	National Electrical Network of Kyrgyzstan OJSC	KG0101175014
8.	Electrical Stations OJSC	KG0101175113
9.	Kyrgyztelecom OJSC	KG0102093315
10.	ZhalalabatElectro OJSC	KG0102170345
11.	SeverElectro OJSC	KG0102170428
12.	ALB Finance B.V.	XS0234283264
13.	ALB Finance B.V.	XS0251846969
14.	ALB Finance B.V.	XS0268818118
15.	ALB Finance B.V.	XS0284859054
16.	ALB Finance B.V.	XS0286552400
17.	Bank of New York (GasProm OJSC)	US3682872078
18.	HSBK (Europe) B.V.	XS0253878051
19.	Hurricane Fin. BV	XS0162680382
20.	ATFBank JSC	XS0205381717
21.	ATFBank JSC	XS0233829463
22.	ATFBank JSC	XS0253723281
23.	Development Bank of Kazakhstan JSC	XS0179958805
24.	Development Bank of Kazakhstan JSC	XS0220743776
25.	Development Bank of Kazakhstan JSC	XS0248160102
26.	Kazakhtelecom JSC	US48666D2045
27.	KAZKOMMERTSBANK JSC	US48666E6086
28.	Halyk Bank of Kazakhstan JSC	US46627J3023
29.	Halyk Bank of Kazakhstan JSC	XS0202799580
30.	Exploration & Production KazMunaiGas JSC	US48666V2043
31.	Eurasian Natural Resources Corporation plc	GB00B29BCK10
32.	HSBC Bank plc	XS0315249036
33.	JP Morgan Chase Bank, National Association	XS0244509963
34.	Kazakhmys plc	GB00B0HZPV38
35.	Kazkommerts International B.V.	XS0167149094
36.	Kazkommerts International B.V.	XS0190240324
37.	Kazkommerts International B.V.	XS0204868995
38.	Kazkommerts International B.V.	XS0234488236
39.	Kazkommerts International B.V.	XS0248696873

40.	Merrill Lynch & Co.,Inc.	XS0240118017
41.	Renaissance Securities Trading Limited	BMG749471212
42.	Societe Generale Acceptance NV	XS0296472599
43.	Turanalem Finance B.V.	USN89065AF89
44.	Turanalem Finance B.V.	XS0168848801
45.	Turanalem Finance B.V.	XS0251881289
46.	Asian Development Bank	US045167BH53
47.	Inter-American Development Bank	US4581X0AD07
48.	International Bank for Reconstruction and Development	XS0092711802
49.	Ministry of Finance of the Russian Federation	XS0088543193
50.	Ministry of Finance of the Russian Federation	XS0114288789

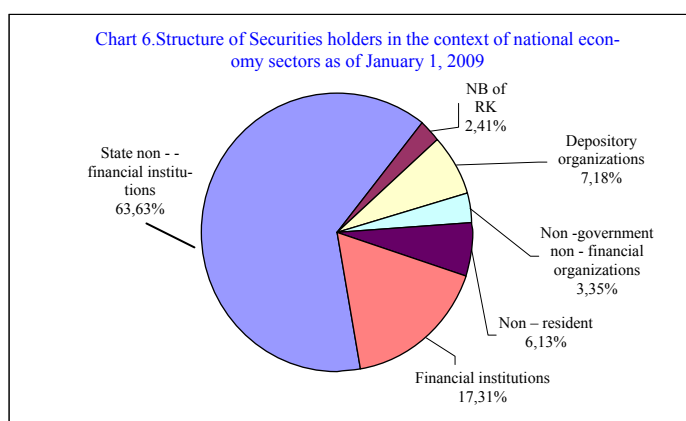
3.3.5. Securities holders

The structure of the securities holders as of January 1, 2009 (Chart 5) as opposed to the situation as of January 1, 2008 was subject to certain changes.

A share of financial instruments owned by the clients increased by 1,78% in absolute terms it implies that the volume of financial instruments belonging to the clients went up by KZT 0,22 trillion. The share of financial instruments which belonged to the clients-residents increased by 1,01 %, in absolute expression the volume of financial instruments, which belonged to the clients-residents increased by KZT 0,31 trillion. While the share of financial instruments, which belonged to the clients – non-residents reduced by 7,99 % or by KZT 0,55 trillion year-on year. And the portion of the SBS (State block of shares) increased by 5,20 %, which in absolute terms means that the volume of the SBS increased by KZT 1,04 trillion.



The structure of the financial instruments holders in the context of the national economy sectors (Chart 6) indicates that the principal financial instruments holders are primarily the State non-financial institutions - their share comprises to 63,15 %, which by 5,54 % more versus the same indices of the previous year, and it is worth noting that the bulk of this volume of shares is the State block of shares (SBS). The share of non-residents comprises 6,09 %,



which in fact is lower than the index of the last year by 7,99%, and the share of the financial institutions (i.e. organizations which carry out certain types of banking transactions, insurance agencies, non-government pension funds, broker companies, pawn shops, exchange offices,

etc.) and depository organizations which had not considerably changed and comprised 17,18% and 7,13%, accordingly.

3.3.6. Input/ output of financial instruments into/out of the nominal holding

For the accounting period Central Depository registered transactions related to the input of the financial instruments into the nominal holding accounts for an amount of KZT 4,47 trillion (Chart 7), which by 69,35 % or KZT 3,1 trillion exceeds the indices of year 2007. The input into operation of the government securities for the nominal holding was not registered for the accounting business period.

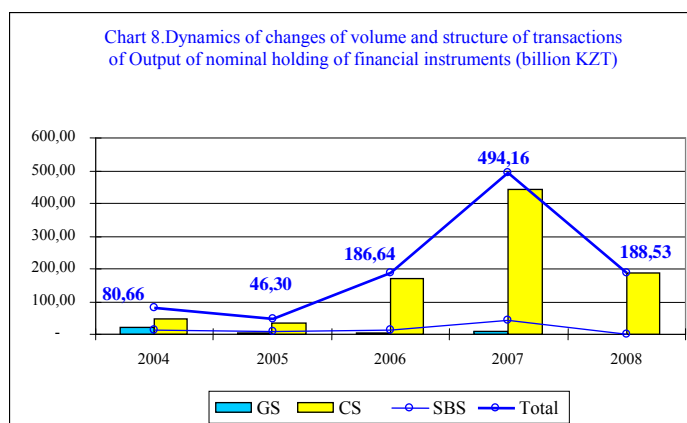
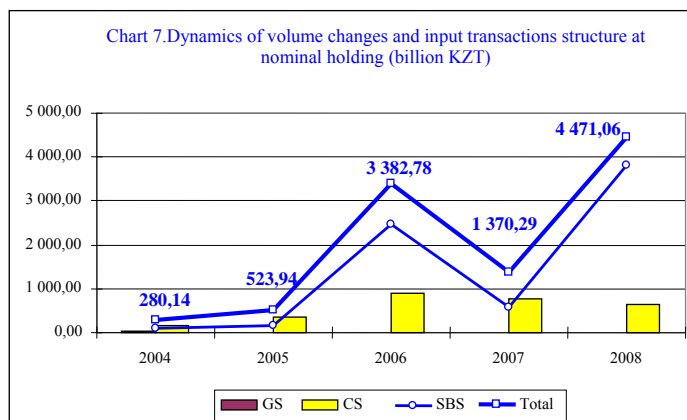
The volume of input of the State block of shares into the nominal holding total KZT 3,83 trillion or 85,58 % out of the total scope of transactions of input of the corporate securities (CS) into the nominal holding, which by KZT 3,23 trillion more versus the year of 2007.

The scope of input of the corporate securities (CS) into the nominal holding was marked at the point KZT 644,52 billion or 14,42% out of the total volume of the input of the financial instruments into the nominal holding, which by KZT 133,65 billion is less than the year of 2007.

Elaborating in details the input of the corporate securities (CS) into the nominal holding one may note that the reduction was observed in the volume of residents' shares by 87,55 % or by KZT 362,72 billion, in the amount of preferential shares by 85,28 % or by KZT 14,8 billion, while the amount of shares converted into the nominal holding went up 5 times, by 591,3 % or by KZT 115,48 billion.

For the accounting period Central Depository registered the input of the financial instruments out of the nominal holding for an amount of KZT 188,05 billion, which by 61,95 % or by KZT 306,11 billion less comparing to the year 2007 (Chart 8).

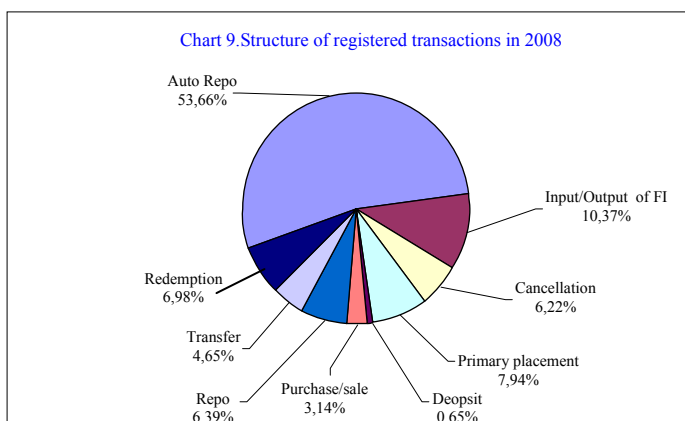
The volume of output transactions from the nominal holding of the government securities was significantly reduced year-on-year and (amounted to KZT 252,57 billion or 57,33% versus the similar indices of the year 2007) and reached the point of KZT 188 billion. As far as the SBS is concerned, the scope of transactions related to the output of the SBS of the nominal holding comprised to KZT 0,05 billion.



3.4. Registered transactions

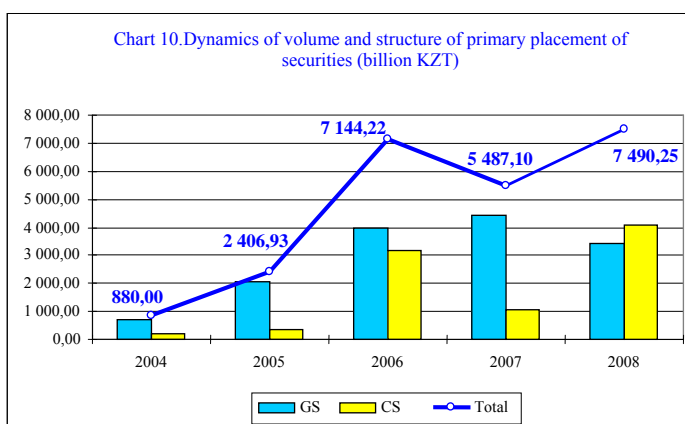
In 2008 the total volume of registered transactions amounted to KZT 44,92 trillion and exceeded the GDP (Gross Domestic Product) of the Republic of Kazakhstan of the year 2008 in 2,82 times. Comparing 2007 the scope of registered transactions of 2008 comprised

automatic repo transactions and amounted to KZT 24,1 trillion or 53,66%, (Chart 9), which by KZT 315,04 billion is higher as related to the year of 2007. The bulk of all transactions comprises the operations related to the input/output of financial instruments KZT 4,66 trillion or 10,37% (for comparison: in 2007 this index was KZT 1,87 trillion). Transactions related to the primary placing of financial instruments comprised KZT 3,57 trillion or 7,94% (in 2007 it was KZT 4,56 trillion), while the reimbursement of financial instruments aggregated KZT 3,13 trillion or 6,98 % (in 2007 the index was KZT 6,42 trillion), the bulk of all the automatic repo transactions amounted to KZT 2,87 trillion or 6,39% (in 2007 the index was KZT 1,96 trillion), the transactions related to the reimbursement (paying off) of the financial instruments was estimated at KZT 2,79 trillion or 6,22 % (in 2007 the rate was KZT 1,39 billion), deals for transfer of the financial instruments was estimated at KZT 2,09 trillion or 4,65 % (in 2007 this index was KZT1,47 trillion), transactions associated with the sale/purchase of financial instruments was estimated at KZT 1,41 trillion or 3,14 % (in 2007 this index was KZT 4,11 trillion), transactions related with the pledge of rights for the financial instruments was estimated at KZT 0,29 trillion or 0,65 % (in 2007 this index was KZT 1,33 trillion).



3.5. Primary securities market

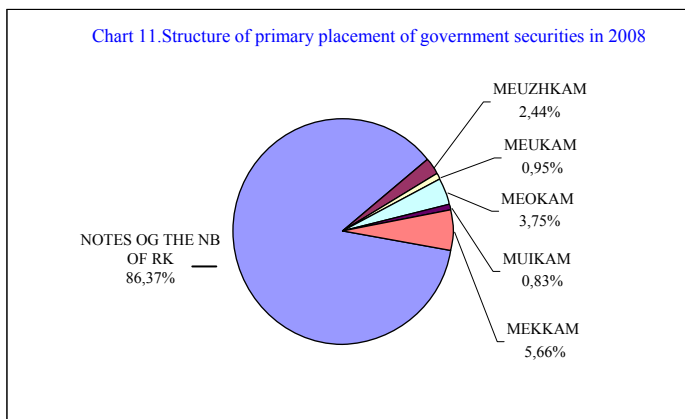
In 2008 the volume of registered transactions related to the primary placement of stocks comprised KZT 7,49 trillion. In comparison with the year 2007 the volume of primary placement of securities increased by KZT 2 trillion (Chart 10). The bulk of the primary placement of the government securities in 2008 amounted to KZT 3,41 trillion or 45,55% of the total number of the primarily securities distribution. The volume of primary corporate securities in 2008 comprised KZT 4,1 trillion or 54,45 % of the total volume of the primarily securities distribution in 2008.



In comparison with 2007, for the accounting period, the volume of the primarily government securities distribution reduced by KZT 1 trillion, it should be noted that a share of the total primarily securities placement decreased from 80,47 % down to 45,55%. The volume of the primary placement of the corporate securities went up by KZT 3,01 trillion, besides the share of the corporate securities in the total number of the primarily distributed securities increased from 19,53% up to 54,45%.

The bulk of the primarily placed government securities (GS) just like in the previous years comprise the short-term notes issued by the National Bank of the Republic of Kazakhstan in the amount of KZT 2,95 trillion and in comparison with the year 2007 the volume of primarily placed short-term notes of the National Bank of the Republic of Kazakhstan decreased by KZT 1,31 trillion. The overall scope of the primarily placed State treasury ob-

ligations of the Ministry of Finance of the Republic of Kazakhstan (hereinafter referred to as ‘STO’) increased by KZT 301,82 billion and comprised KZT 465,16 billion. The bulk of the entire volume of the placement of the STO belonged to MEKKAM and their amount was equal KZT 193,03 billion. Indices for the primary placement of the STO looked as follows: MEUZHKAM – KZT 83,1 billion, MEUKAM – KZT 32,57 billion, MEOKAM – KZT 128,06 billion, MUIKAM – KZT 24,53 billion, MUIKAM – KZT 28,41 billion.

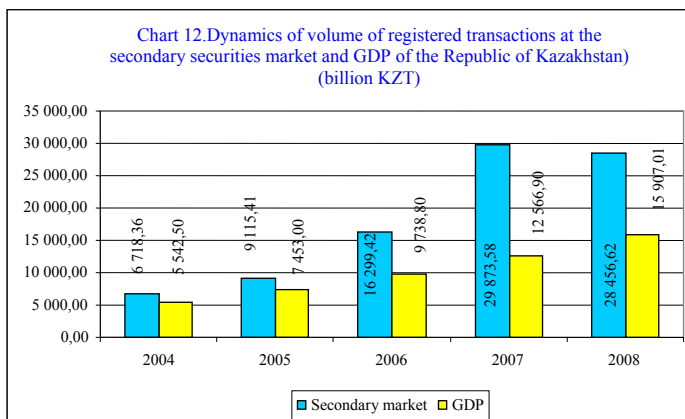


The volume of the primary placement of the corporate securities in 2008 was equal to KZT 4,1 trillion and in comparison with 2007 the index increased by KZT 3,01 trillion or almost three times. The main portion of the placed corporate securities belonged to the primary corporate securities in 2008 comprised ordinary shares – KZT 3,78 trillion or 92,72 % out of the total volume of primary corporate securities placement. For the accounting period the primary placement of corporate bonds comprised KZT 294,36 billion, and primary placement of preferential shares and units amounted to KZT 1 billion and KZT 1,52 billion, respectively.

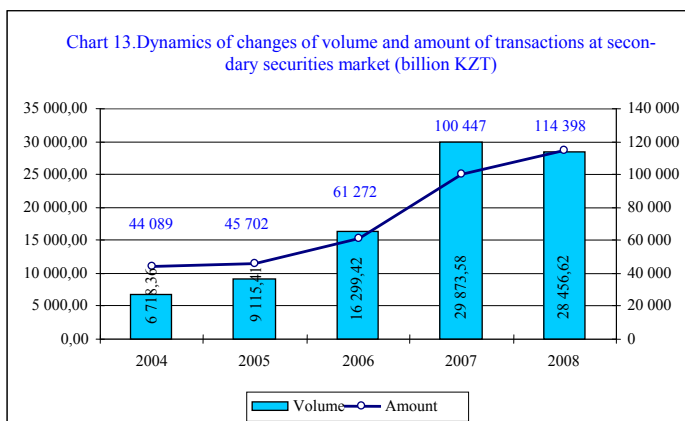
3.6. Secondary securities market

3.6.1. General information

The volume of transactions with the financial instruments concluded at the secondary securities market and registered by the Central Depository (purchase/sale agreements, including the deals registered for the input/output of the financial instruments in/ out of the nominal holding, repo transactions and automatic repo operations) in 2008 comprised KZT 28,46 trillion, which exceeded the GDP (Gross Domestic Product) of the Republic of Kazakhstan in 2008 by more than KZT 12,55 trillion (Chart 12).

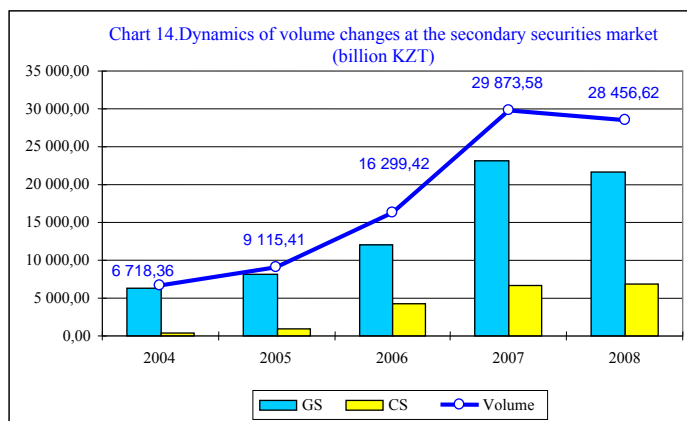


In comparison with 2007, the decrease of the transactions with the financial instruments concluded at the secondary securities market during the accounting period amounted to KZT 1,42 trillion. Whereas the number of the registered transactions with the financial instruments increased by 13 951 transactions (Chart 13).



Just like the previous years, in 2008 the main portion of the

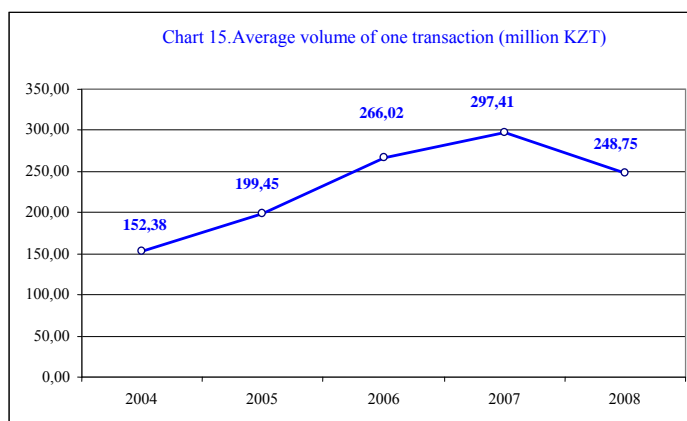
transactions with the financial instruments concluded at the secondary securities market which was performed with the government securities. Comparing the shares of the government and corporate securities in terms of the total number of transactions registered at the secondary securities market, one can note that the share of the corporate securities considerably increased in 2008, versus the year of 2007, and insignificantly reduced from 77,43% down to 75,94% and share of corporate securities slightly increased from 22,57 % up to 24,06 % (Chart 14).



The total volume of registered transactions concluded at the arranged market (Kazakhstan Stock Exchange JSC) comprised 96,26 %, which corresponds to KZT 27,39 trillion (whereas in 2007 similar indices aggregated 93,9 % and KZT 28,05 trillion respectively). The scope of registered transactions with the financial instruments in 2008 concluded at the unarranged market comprised KZT 1,06 trillion, which by KZT 0,76 trillion is higher than in 2007. Alongside with an increase of the scope of the non-stock secondary securities market operating, there was a decrease observed from 6,1% in 2007 down to 3,74 %.

With regard to all the transactions performed in 2008, the predominating position was held by the automatic operations repo, the share of which within the total amount of registered deals with the financial instruments concluded at the secondary securities market comprised KZT 24,1 trillion or 84,7% (increase versus 2007 is totaled at KZT 0,32 trillion). A share of purchase/sale agreements of the financial instruments comprised KZT 1,48 trillion or 5,2% (decrease versus 2007 was KZT 2,64 trillion). A share of repo transactions comprised KZT 2,87 trillion or 10,09% (increase versus 2007 amounted to KZT 0,91 trillion).

The overall number of registered deals with the financial instruments in 2008 at the secondary securities market was 114,398. Comparing to 2007, the amount of deals in 2008 increased by 13,951. In 2008, an average volume of one registered deal with the financial instruments concluded at the secondary securities market decreased and amounted to KZT 248,75 million (Chart 15). Comparing to 2007, an average volume of registered deal in 2008 went down by KZT 48,66 million.



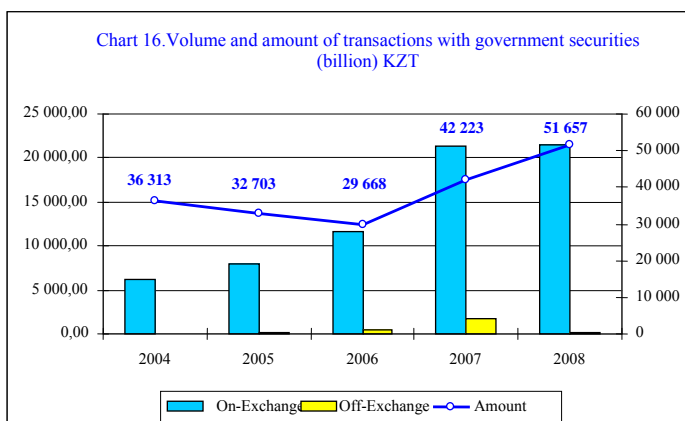
3.6.2. Government securities

Like the previous years, the government securities market is the most well developed segment of the Kazakhstan stock exchange and occupies a predominating position.

In 2008, at the secondary securities market, there were 51,657 transactions arranged with the government securities for an amount of KZT 21,61 trillion (Chart 16). The decrease of the transactions with the government securities versus 2007 comprised KZT 1,52 trillion and the number of registered arranged transactions increased by 9,434.

Among the most liquid government securities in 2008, there were the short-term notes

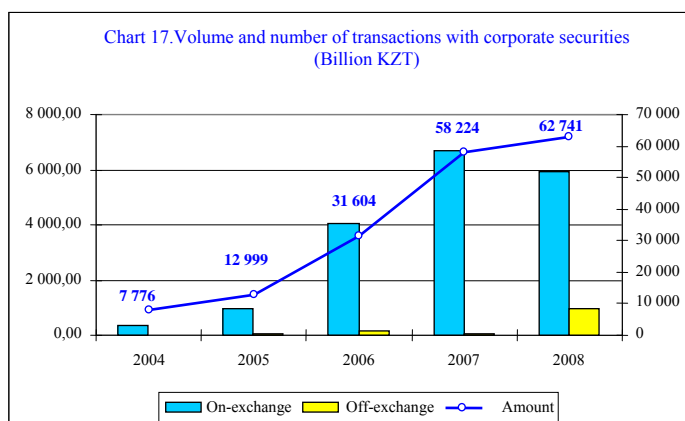
of the National Bank of the Republic of Kazakhstan (KZT 11,68 trillion or 54,05% out of the total amount of transactions with the government securities registered at secondary securities market), MEOKAM of the Ministry of Finance of the Republic of Kazakhstan (KZT 6,23 trillion or 28,85% out of the total amount of transactions with the government securities registered at secondary securities market). MEKKAM of the Ministry of Finance of the Republic of Kazakhstan arrived at KZT 2,3 trillion or 10,62 % out of the total amount of transactions with the government securities registered at secondary securities market. Volume of transactions with other types of the government securities aggregated KZT 1,4 trillion or 6,48% out of the total amount of transactions with the government securities registered at secondary securities market.



In 2008 the total amount of transactions with the government securities registered at secondary securities market, concluded at the arranged market comprised KZT 21,49 trillion or 99,43 % the total amount of transactions with the government securities registered at secondary securities market. The total volume of transactions with the government securities registered at the secondary securities market, concluded at the non-organized market comprised KZT 122,55 billion or comprised 0,57 % out of the total volume of transactions with the government securities registered at the secondary securities market.

3.6.3. Corporate securities

In 2008 there were 62,741 transactions amounting to KZT 6,85 trillion carried out with corporate securities at the secondary securities market (Chart 17). Comparing to 2007, the increase of the volume of transactions with corporate securities of the secondary market totaled to KZT 0,1 trillion. Thus the amount of transactions with the corporate securities increased by 4,517 transactions.



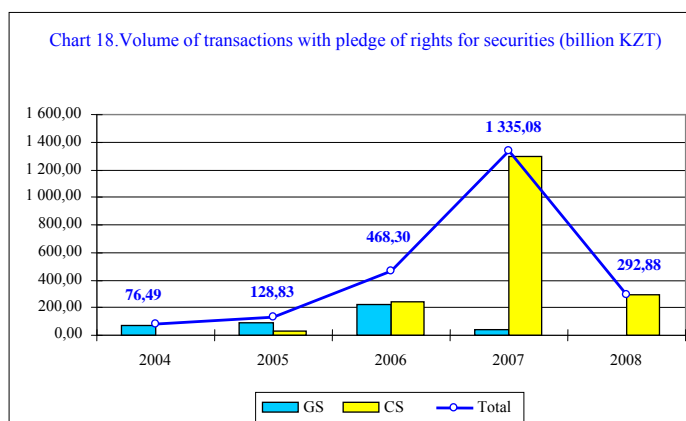
The volume of transactions performed in 2008 with ordinary shares at the secondary securities market comprised KZT 2,63 trillion or 38,48% out of the total number of deals made with corporate securities at the secondary securities market, with preferential shares – KZT 0,66 trillion or 9,68%, with debt bonds - KZT 3,54 trillion or 51,78 %.

The bulk of the amount of transactions with corporate securities in 2008 comprised the settlements concluded at the organized market and reached KZT 5,9 trillion or 86,23 % out of the total amount of transactions with corporate securities at the secondary securities market. The amount of transactions with corporate securities performed at the unorganized market, which arrived at the level of KZT 0,94 trillion or 13,77 % of the amount of transactions with corporate securities, which activated at the secondary securities market.

3.7. Pledge of rights for securities

The total volume of registered transactions associated with the pledge of rights for securities (opening, closing and non-compliance) in 2008 amounted to KZT 292,88 trillion. Whereas in 2007 the scope of transactions for the pledge of rights for the financial instruments decreased by KZT 1,04 trillion. (Chart 18).

In 2008 there were no transactions registered with the pledge of rights for government securities. The volume of registered transactions with pledge of rights for the corporate securities comprised KZT 292,88 billion, which by KZT 1,0 trillion is less comparing to the year of 2007.



4. Activities on keeping securities holders system of registers

On January 20, 2005 Central Depository has started to carry out activities on keeping securities holders system of registers. During a period of 2005 through 2007 agreements were concluded with 59 issuers and managing companies, in compliance with these agreements and on behalf of these issuers and managing companies there were 119 registers of the securities holders compiled.

In 2008 the indices of the activities of Central Depository, associated with the activities on keeping securities holders system of registers, increased, so the number of issuers and managing companies with whom agreements had been concluded increased up to 81, and the amount of the administered registers of the securities holders also increased and reached the number of 144.

Effective January 1, 2009 Central Depository carried out the administration of the registers of the securities holders of 59 issues of ordinary shares, 4 issues of preference shares, 32 issues of corporate bonds and 49 emissions of units of investment trusts.

Table 3. List of issuers and managing companies as of January 1, 2009

No	Issuer's name	Type of securities
1	Centras Securities JSC	3 unit investment trusts
2	BTA Securities JSC	10 unit investment trusts
3	Tsesna Capital JSC	5 unit investment trusts
4	Kazakhstan Mortgage Company JSC	1 issue of ordinary shares, 13 issues of bonds
5	JSCIFVI Venture Fund Centras JSC	1 issue of ordinary shares
6	Finance company Greenwich Capital Management JSC	1 issue of ordinary shares, 1 unit investment trust
7	West investment Company JSC	1 issue of ordinary shares
8	JSCIFVI Kazakhstan Real Estate JSC	1 issue of ordinary shares
9	JSCIFVI Thor Optima Kazakhstan JSC	1 issue of ordinary shares
10	JSCIFVI Direct Investments Fund JSC	1 issue of ordinary shares
11	Domikom LLP	1 issue of bonds
12	Central Asia Cement JSC	1 issue of bonds

13	Kazkommerts Invest JSC	1 issue of ordinary shares, 1 issue of bonds
14	ZIG Direct Investments JSC	1 issue of ordinary shares
15	JSCIFVI Business – Invest JSC	1 issue of ordinary shares
16	CAIFC Company JSC	1 unit investment trust, 1 issue of ordinary shares
17	JSC "Experimental Machine-Building Plant"	1 issue of ordinary shares, 1 issue of preference shares
18	Incom-Furniture JSC	1 issue of ordinary shares, 1 issue of preference shares
19	Alibi Securities JSC	1 issue of ordinary shares 1 unit investment trust
20	JSCIFVI Alem Capital JSC	1 issue of ordinary shares
21	Mortgage Organization EliteStroy Finance JSC	1 issue of ordinary shares, 1 issue of bonds
22	NOMAD FINANCE JSC	1 issue of ordinary shares, 1 unit investment trusts
23	Management Company ORDA Capital JSC	1 issue of ordinary shares, 3 unit investment trusts
24	Credit Partnership ORDA Credit LLP	2 issues of bonds
25	ACIG JSC	1 issue of ordinary shares
26	ARZHAN CONSOLIDATED JSC	1 issue of ordinary shares
27	JSCIFVI CAIFC – Venture Fund JSC	1 issue of ordinary shares
28	InPro JSC	1 issue of ordinary shares
29	Joint-Stock Investment Fund of Real Estate Kurulys Construction JSC	1 issue of ordinary shares
30	JSCIFVI CSB Real Estate JSC	1 issue of ordinary shares
31	Spetsstroytorg JSC	1 issue of ordinary shares, 1 issue of bonds
32	Kazakhstan Finservice JSC	1 issue of ordinary shares
33	Prime Financial Solutions JSC	1 unit investment trust
34	Investment Trust Management Company JSC	1 issue of ordinary shares, 1 unit investment trust
35	Thor Invest JSC	1 issue of ordinary shares
36	JSCIFVI Alan Invest JSC	1 issue of ordinary shares
37	JSCIFVI Financial Resources JSC	1 issue of ordinary shares
38	Astana Finance JSC	4 unit investment trusts
39	Joint-stock Investment Fund of Real estate Tabys JSC	1 issue of ordinary shares
40	TEMA Ko. LLP	1 issue of bonds
41	JSCIFVI Private Capital Fund JSC	1 issue of ordinary shares
42	Renaissance Capital Central Asia JSC	1 issue of ordinary shares
43	JSCIFVI Karazhat Invest JSC	1 issue of ordinary shares
44	Merida-kz LLP	1 issue of bonds
45	Private Asset Management JSC	1 issue of ordinary shares, 3 unit investment trust
46	Rise Capital JSC	1 issue of ordinary shares
47	Renaissance Capital Investment Kazakhstan JSC	1 issue of ordinary shares

48	Industrial Complex of Construction Materials and Designs-2 LLP	1 issue of bonds
49	Nurmunai Petrogaz LLP	1 issue of bonds
50	Contact Tur LLP	1 issue of bonds
51	El-Doss JSC	1 issue of ordinary shares 1 issue of bonds
52	General Asset Management JSC	1 issue of ordinary shares 1 unit investment trust
53	Express Bank JSC	1 issue of ordinary shares
54	UNICORN IFC JSC	1 unit investment trust
55	Joint-Stock Investment Fund for Venture Investment Venture Fund Tabys JSC	1 issue of ordinary shares
56	Geoinvest JSC	1 issue of ordinary shares
57	Zhilstroysberbank Kazakhstan JSC	1 issue of ordinary shares
58	Asiana Capital JSC	1 issue of ordinary shares
59	Alan Securities JSC	3 unit investment trusts
60	Management Company Alem JSC	6 unit investment trusts
61	Machine-building plant named after S. M. Kirov JSC	1 issue of ordinary shares, 1 issue of preference shares
62	JSCIFVI Regional JSC	1 issue of ordinary shares
63	Platinum Capital JSC	1 issue of ordinary shares
64	The Royal Bank of Scotland Securities (Kazakhstan) JSC	1 issue of ordinary shares
65	Airport Sary-arka JSC	1 issue of ordinary shares
66	Fund center JSC	1 issue of ordinary shares
67	Corporation APC-Invest LLP	3 issues of bonds
68	Kazcat JSC	1 issue of ordinary shares, 1 issue of preference shares, 1 issue of bonds
69	Wealth Capital JSC	1 issue of ordinary shares
70	Shin-Khan Bank Kazakhstan JSC	1 issue of ordinary shares
71	Oilan LTD (Oilan LTD) LLP	1 issues of bonds
72	Mortgage organization KazIpoteka JSC	1 issue of ordinary shares
73	Vostok Capital JSC	1 unit investment trust
74	Zava St LLP	1 issue of bonds
75	Troika Dialog Kazakhstan JSC	1 unit investment trust
76	Real Asset Management JSC	2 unit investment trusts
77	Investments Company CenterInvest JSC	1 issue of ordinary shares
78	Smart Group JSC	1 issue of ordinary shares
79	Elitstroy Finance JSC	1 issue of ordinary shares
80	JSCIFVI Altyn Dala JSC	1 issue of ordinary shares
81	Subsidiary Bank Bank VTB Kazakhstan JSC	1 issue of ordinary shares

4.2. Personal accounts

The total number of personal accounts within the register's system of securities holders as of January 1, 2009 was amounted to 6685, out of which:

- 6361 personal accounts were opened for physical persons – residents of the Repub-

lic of Kazakhstan;

- 23 personal accounts were opened for physical persons – non-residents of the Republic of Kazakhstan;

- 290 personal accounts were opened for legal entities – residents of the Republic of Kazakhstan;

- 11 personal accounts were opened for legal entities – non-residents of the Republic of Kazakhstan.

In the register's system of securities holders as of January 1, 2009 there were 5614 securities holders indicated, among them: 87 are legal entities and 5527 are physical persons. Among the securities holders there have been 12 physical persons and 11 legal entities registered - non-residents of the Republic of Kazakhstan.

4.3. Registered transactions

In 2008 the total volume of registered transactions in the list of the securities holders amounted to KZT 135,96 billion. In comparison with 2007 the volume of the registered transactions increased by KZT 20,78 billion.

In 2008 the biggest volume which was fixed at registration of primary placement amounted to KZT 49,48 billion or 36,39 %, and also at registration of transactions associated with the input/output of the securities into/out of the nominal holding - KZT 49,48 billion or 36,39 %. Transactions of the purchase/sale of securities have been registered in volume of KZT 8,3 billion that has made 6,1 % of operation of primary placement of units of investment funds amounted to KZT 2,63 billion or comprised 1,93 %, transactions at redemption of the units of investment funds amounted to KZT 6,3 billion or 4,63 %.

5. Review of activities on keeping bank accounts

Central Depository started activities on keeping bank (current) accounts on January 10, 2005, and effective as of January 1, 2007 Central Depositor started activities on keeping correspondent accounts.

Effective as of January 1, 2009 there were opened 40 correspondent accounts at Central Depository, out of which: 20 correspondent accounts were assigned for administration of the personal money of depositors, and 20 correspondent accounts were assigned for registration of the depositors' customers funds, also 132 current accounts among them there are 66 current accounts for registration of the personal resources and 66 current accounts opened for depositors' customers funds registration.

As of January 1, 2009 the balance at the current accounts amounted at KZT 8,23 billion, out of which KZT 1,64 billion were registered at the clients' current accounts and KZT 6,59 billion were at the customers' current accounts.

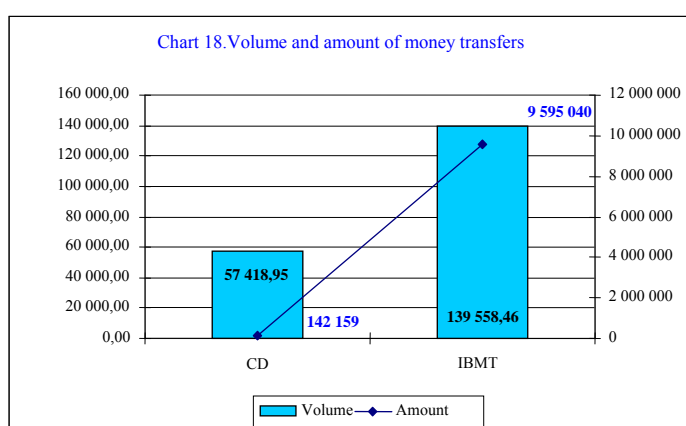
An average annual balance at bank accounts amounted to KZT 10,94 billion, out of which: KZT 1,45 billion were at the personal bank current accounts and KZT 9,49 billion were at the customers' bank accounts.

6. Central Depository as a payment agent

In 2008 Central Depository at registration of deals with financial instruments at the primary and secondary markets, and also after remunerating and reimbursing financial instruments transacted 229,653 of money transfers for a total amount of KZT 64,17 trillion, out of which 142,159 money transfers for an amount of KZT 57,42 trillion were carried out via the Inter-bank system of money transfer (hereinafter referred to as "IBMT") of the Republican State enterprise for economic activities "Kazakhstan Center for Interbank Settlements under the National Bank of the Republic of Kazakhstan". Also there were 87 494 money transfers transacted via internal accounts for the total amount of KZT 6,75 trillion. In addition, Central Depository carried out 147 money transfers for the total amount of USD 24,45 million and 7 transfers aggregated at GBP 3,53 thousand.

Comparing to 2007, the volume of the money transfers in national currency decreased by KZT 3,99 trillion, or USD 104,29 million.

In 2008 the total amount of money transfers which were transacted via IBMT 142,159 for a total amount of KZT 57,42 trillion. As it is illustrated at Chart 18, a share of carried out money transfers by Central Depository via the Inter-bank system of money transfers comprised only 1,48 %, and the share of transacted money transfers by Central Depository out of the total volume of money transfer transactions by the Inter-bank system of money transfers amounted to 41,14 %.



For the accounting period, Central Depository at registration of transactions at the primary and secondary markets carried out 171,558 of money transfers for the total amount of KZT 55,02 trillion. In comparison with 2007, the volume of money transfers at registration of transactions at the primary and secondary markets decreased by KZT 2,08 trillion.

In 2008 Central Depository at remuneration on financial instruments carried out 1293 money transfers for a total amount of KZT 46,92 billion, 146 money transfers aggregated at USD 24,45 million and 7 money transfers for a total amount of GBP 3,53 thousand. In comparison with the year of 2007 the volume of financial resources in the national currency at remuneration on financial instruments increased by KZT 22,6 billion, whereas volume of money transfers at remuneration on financial instruments in US Dollars decreased by 26,93 million.

In 2008 Central depository at remuneration on financial instruments carried out 1263 money transfers in the national currency for the total amount of KZT 3,05 trillion which by KZT 1,57 trillion is less versus the same indices of the year of 2007. In 2008 there was no money transfers registered in the foreign currencies at remuneration on financial instruments.