

Central Securities Depository JSC

Annual Report
2006

Almaty 2007

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I. Shareholders and Charter Capital



Shareholders

Central Securities Depository Joint-Stock Company (hereinafter referred to as the Central Depository) was established under decision of the meeting of founders dated May 16 1997 and registered as a legal entity with Almaty City Department of Justice under number 12301-1910-AO on July 18, 1997.

The company was reregistered on 28 October 1999, 09 April 2002, 27 May 2003 and 02 February 2005 in accordance with the effective Law of the Republic of Kazakhstan “On Joint-Stock Companies”.

As of January 1st, 2007, the shareholders comprised the National Bank of the Republic of Kazakhstan, Kazakhstan Stock Exchange JSC, 14 commercial banks and 9 brokerage firms.

Table 1: Shareholders of the Central Depository as of January 1st, 2007

	Name	Share, %
1.	Temirbank JSC	0.41
2.	Cenim-Bank JSC	0.41
3.	DB ABN AMRO BANK Kazakhstan JSC	0.41
4.	TEXAKABANK JSC	0.41
5.	Greenwich Capital Management FK JSC	0.41
6.	LARIBA-BANK SB JSC	0.41
7.	Eximbank Kazakhstan JSC	0.41
8.	People’s Savings Bank of Kazakhstan JSC	0.82
9.	BankCenterCredit JSC	0.82
10.	Almaty Financial Center JSC	0.41
11.	Almaty Merchant Bank JSC	0.41
12.	Kazkommertsbank JSC	0.82
13.	Almaty Investment Management JSC	0.41
14.	Caspian Bank JSC	0.41
15.	Alfa Bank DB JSC	0.41
16.	Kazkommerts Securities JSC	0.82
17.	BankTuranAlem JSC	0.41
18.	Kazakhstan-Ziraat International Bank JSC	0.82
19.	RBNT Securities CJSC	0.41
20.	TuranAlem Securities JSC	0.41
21.	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

Charter Capital

Charter capital comprises 300 (three hundred) common stock at par value of KZT200,000 (two hundred thousand) totaling KZT60,000,000 (sixty million), including 243 (two hundred and forty-three) placed shares as of 1 January 2007 for the total amount of KZT48,600,000.

The initial public offering for the amount of KZT5,800,000 (five million eight hundred thousand) was registered by the decision #A0462 of the National Securities Commission of the Republic of Kazakhstan (Certificate of state registration of security issuance #02-2-15/3107 dated August 12th, 1997, НИИ KZ1C04620414).

The second stock issuance for the amount of KZT2,200,000 (two million two hundred thousand) was registered by the decision #A0462-1 of the National Securities Commission of the Republic of Kazakhstan (Certificate of state registration of security issuance #02-2-4/2158 dated March 31st, 2000, НИИ KZ1C04620414).

The third stock issuance for the amount of KZT10,000,000 (ten million) was registered with the National Bank of the Republic of Kazakhstan under #A0462-2 (Certificate of state registration of security issuance #A0462-2 dated June 12th, 2002, НИИ KZ1C04620015).

The fourth stock issuance for the amount of KZT42,000,000 (forty two million) was registered with the Agency of the Republic of Kazakhstan for regulation and supervision of financial market and financial organizations (Certificate of state registration of security issuance #A0462 dated March 23rd, 2005, НИИ KZ1C04620015).

II. Depository Activities



Clients

According to the effective laws, the clients of the Central Depository may be brokers-dealers, and custodian banks relevantly licensed by the authorized body dealing with the state regulation of securities market, as well as foreign depositories and custodians. As of January 1st, 2007 the clients of the Central Depository were the National Bank of the Republic of Kazakhstan, 22 commercial banks of the Republic of Kazakhstan, 31 brokerage firms of the Republic of Kazakhstan, Kazpost JSC, Central Depository CJSC (Kyrgyz Republic) AKB Rosbank OJSC (Russian Federation), National Depository Center NE (Russian Federation), Russian Federation Savings Bank OJSC, Foreign Trade Bank OJSC (Russian Federation), Depository-Clearing Company CJSC.

Table 2: List of Clients
Of Central Securities Depository JSC
As of 1 January 2007

1	National Bank of the Republic of Kazakhstan
2	DB Securities JSC (Kazakhstan)
3	BankTuranAlem JSC
4	Narodny Bank Kazakhstan JSC
5	BankCenterCredit JSC
6	Caspian Bank JSC
7	Kazpost JSC
8	Kazkommertsbank JSC
9	Tsesnabank JSC
10	Lariba bank Joint bank JSC
11	Demir Kazakhstan Bank JSC
12	Temirbank JSC
13	KZI Bank DB JSC
14	TEXAKABANK JSC
15	DB ABN AMRO BANK Kazakhstan JSC
16	Eximbank Kazakhstan JSC
17	Alfa Bank JSC
18	Eurasian Bank JSC
19	ATF Bank JSC
20	Citibank Kazakhstan JSC
21	HSBC Bank Kazakhstan JSC
22	Greenwich Capital Management FK JSC
23	ALMATY INVESTMENT MANAGEMENT JSC
24	CAIFC Company JSC
25	KAZKOMMERTS SECURITIES JSC (SUBSIDIARY OF KAZKOMMERTSBANK JSC)
26	Global Securities JSC (Kazakhstan)
27	BCC INVEST JSC (SUBSIDIARY OF CENTERCREDITBANK JSC)
28	Information-Accounting Center JSC
29	RESMI INVESTMENT FINANCIAL HOUSE JSC

30	First Investment JSC
31	TURANALEM SECURITIES JSC (SUBSIDIARY OF BANKTURANALEM JSC)
32	General Asset Management JSC
33	Central-Asian Trust Company JSC
34	Central Depository of Kyrgyz Republic JSC
35	RBNT Securities CJSC
36	KG Securities JSC
37	Nurbak JSC
38	Alliance Bank JSC
39	VISOR Investment Solutions JSC
40	Money Experts JSC
41	REAL-INVEST.kz Financial Company JSC
42	Kazkommerts Invest JSC
43	CENTRAS SECURITIES JSC
44	Kazakhstan Development Bank JSC
45	Alliance Capital FK JSC
46	Halyk Securities JSC
47	Halyk Finance JSC
48	NOMAD FINANCE JSC
49	Derbes Securities JSC
50	Rosbank AKB OJSC
51	National Depository Center Non-Profit Partnership
52	First Brokerage House JSC
53	Russian Federation Savings Bank OJSC
54	Zhylstroysberbank Kazakhstan JSC
55	Visor Capital JSC
56	Foreign Trade Bank OJSC
57	Investment Resources Management Company JSC
58	Astana Finance JSC
59	Almaty Financial Center JSC
60	Depository-Clearing Company CJSC
61	ORDA Capital Management Company JSC

For the reported year 8 professional securities market participants joined the client base of the Central Depository including as follows:

- Zhylstroysberbank Kazakhstan JSC
- Visor Capital JSC
- Foreign Trade Bank OJSC (Russian Federation),
- Investment Resources Management Company JSC
- Astana Finance JSC
- Almaty Financial Center JSC
- Depository-Clearing Company CJSC (Russian Federation),
- ORDA Capital Management Company JSC.

For the reported year 4 professional securities market participants as listed below have quitted the client base of the Central Depository:

- Kazakhstan Financial Company JSC
- Valute-Transit Bank JSC

- Tau Securities LLP
- Nauryz Securities Kazakhstan JSC.

Client Accounts and Sub-accounts

Total number of operating clients' accounts opened with the Central Depository was 61 accounts as of January 1st, 2007. Total number of sub-accounts opened within the clients' accounts was 5,602 (compared to 2,395 sub-accounts as of January 1st, 2006).

Nominal Holding

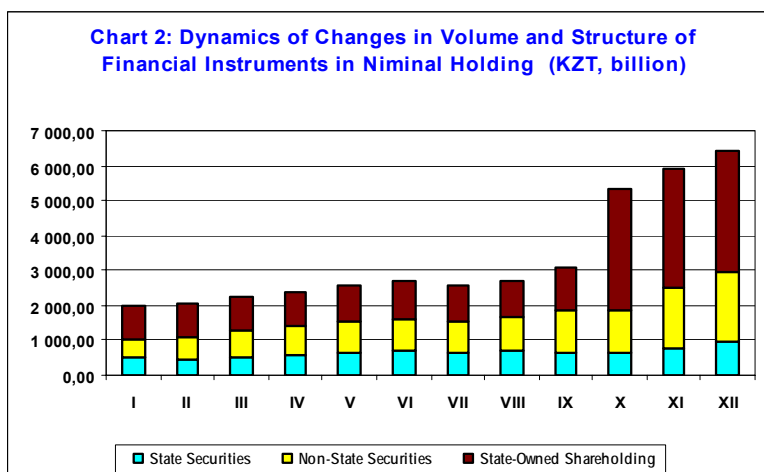
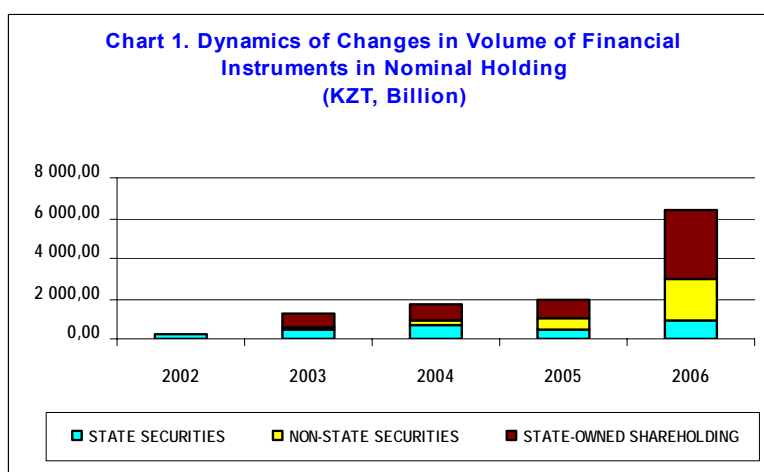
Summary

A considerable increase in the volume of financial instruments (at par value) in nominal holding of the Central Depository was reported in 2006 as compared to the previous year. As of January 1st, 2007, the volume of financial instruments in nominal holding was KZT6.4 trillion (Please refer to Chart 1). As compared to January 1st, 2006, the volume of financial instruments in nominal holding increased more than three times i.e. by KZT4.43 trillion. The increase in the volume of financial instruments in nominal holding was primarily determined by the growth of state-owned shareholding by KZT2.46 trillion and non-state-owned shareholding – by KZT1.51 trillion. For the reported period the volume of state securities increased by KZT0.46 trillion.

The average annual volume of financial instruments in nominal holding for the reported period made KZT3.33 trillion and showed the increase of KZT1,4 trillion as compared to 2005.

The reported period showed both the growth and decrease of the volume of financial instruments in nominal holding (Please refer to Chart 2).

As of January 1st, 2007, the share of state securities in nominal holding reduced considerably from 24.4% (as of 1 January 2006) to 14.68%, while the share of non-state securities in nominal holding showed a considerable increase from 75.6% (as of 1 January 2006) (including 48.92% - state-owned shareholding, hereinafter referred to as the State-owned Shareholding) to



85.32% (including 53.48% State-owned Shareholding).

As of January 1st, 2007, the nominal holding of the Central Depository included:

- 275 issues of common stock (showing the increase of 49 issues as compared to January 1st, 2006),
- 31 issues of preferred stock (showing the decline of 2 issues as compared to January 1st, 2006),
- 185 issues of non-state bonds (showing the increase of 70 issues as compared to January 1st, 2006),
- 52 issues of securities by RK Ministry of Finance (showing the increase of 23 issues as compared to January 1st, 2006),
- 6 issues of short-terms notes by the National Bank of Kazakhstan (showing the increase of 2 issues as compared to January 1st, 2006),
- 2 issues of securities by the local executive authorities (showing the decline of 2 issues as compared to January 1st, 2006),
- 25 issues of Eurobonds (showing the increase of 5 issues as compared to January 1st, 2006),
- 31 issues of shares by the mutual fund (showing the increase of 11 issues as compared to January 1st, 2006).

As of January 1st, 2007 the Central Depository had nominal holding accounts with the following registrars:

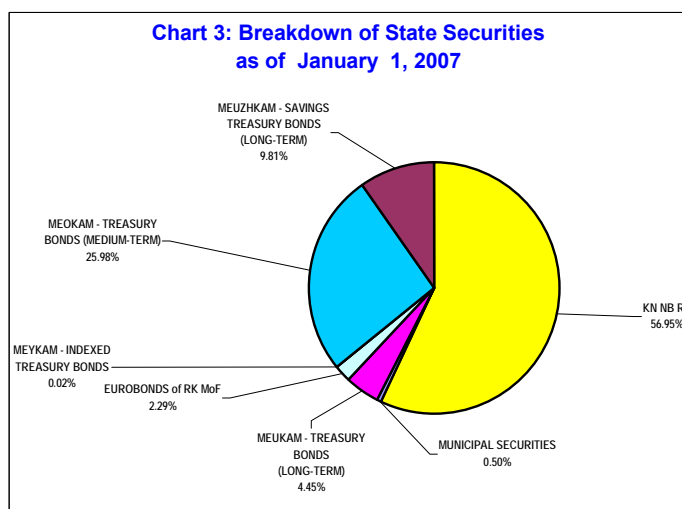
- Clearstream Banking Luxembourg (international depository),
- Central Depository CJSC (Kyrgyz Republic),
- Bank TuranAlem JSC (custodian bank),
- Fund Center JSC (registrar),
- DAR Center JSC (registrar),
- Register-Service JSC (registrar),
- Registrar Securities System JSC (registrar),
- Register JSC (registrar),
- Registrar JSC (registrar),
- Zerde JSC (registrar),
- PROFIT-LINE JSC (registrar),
- Register-Center JSC (registrar),
- Kazregister JSC (registrar),
- Registrar Service JSC,
- First Independent Registrar LLP (registrar),
- Tenir Register LLP (registrar),
- Paritet Register LLP (registrar).

As of January 1st, 2007, financial instruments for the amount of KZT5.46 trillion were registered on nominal holding accounts opened for the Central Depository with the registrar institutions.

State Securities

As of January 1st, 2007, the volume of state securities (including state securities issued under the laws of the Republic of Kazakhstan, state securities issued under the laws of other countries and state securities issued by local authorized agencies – hereinafter referred to as municipal securities) in nominal holding of the Central Depository increased by KZT460.36 billion as compared to the same period of 2006, from KZT479.01 billion to KZT939.37 billion.

The increase in the volume of state securities has mainly resulted from the considerable increase of outstanding short-term notes of the National Bank of the Republic of Kazakhstan. As compared to January 1st, 2006, the volume of short-term notes of the National Bank of the Republic of Kazakhstan as of January 1st, 2007 has increased by KZT373.74 billion (from KZT161.27 billion to KZT535.01 billion). The other types of state securities did not show any considerable changes for the reported period.

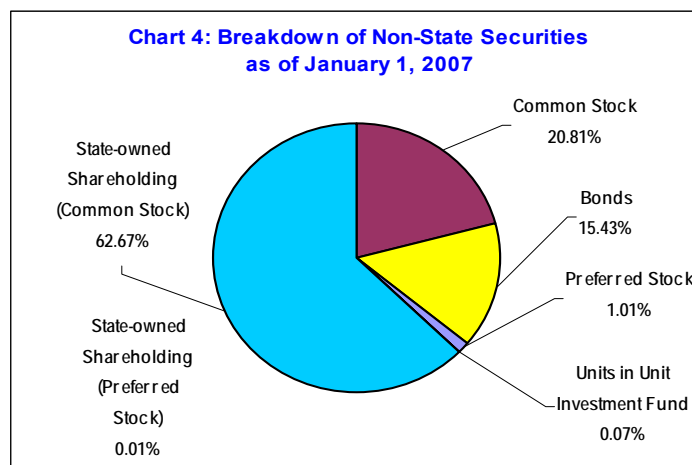


The short-term notes of the National Bank of Kazakhstan made the highest share of state securities (please refer to Chart 3).

As of January 1st, 2007, municipal securities in nominal holding of the Central Depository amounted to KZT4.69 billion. As compared to January 1st, 2006, the decline in volume of municipal securities was KZT1.76 billion. While as of 1 January 2006 4 issues of municipal securities were in circulation totaling KZT6.45 billion, as of January 1st, 2007 only 2 issues of municipal securities were traded for the total amount of KZT4.69 billion. Two issues of municipal securities were redeemed for the reported period (issues of Atyrau Oblast and Astana City) for the sum of KZT1.54 billion.

Non-State Securities

As of January 1st, 2007, the volume of non-state securities in nominal holding of the Central Depository increased by KZT3.98 trillion totaling KZT5.46 trillion as compared to January 1st, 2006. The increase in volume of non-state securities in nominal holding was mainly determined by the increase in State-owned shareholding in nominal holding



and common stock of the Central Depository. For the reported period State-owned Shareholding increased by KZT2.46 trillion, i.e. from KZT0.96 trillion to KZT3.42 trillion, and common stock – by KZT1.02 trillion, from KZT0.11 trillion to KZT1.13 trillion.

As of January 1st, 2007, the highest share of non-state securities was made by common stock (inclusive of State-owned shareholding) comprising 83.48% (cf.: as of January 1st, 2006 common stock comprised 72.32%).

As of January 1st, 2007, the volume of non-state bonds (including Eurobonds) increased by KZT0.48 trillion as compared to the same period of 2006 and made KZT0.84 trillion.

The volume of units in unit investment funds in 2006 declined by KZT5.12 billion making KZT3.73 billion.

Securities Issued Under Foreign Laws

In 2006 the volume of securities issued under foreign laws in nominal holding of the Central Depository increased by KZT170.14 billion vs 2005 i.e. from KZT15.07 billion to KZT185.21 billion.

The highest share in the structure of securities issued under foreign laws was made by Eurobonds – KZT122.08 billion; common stock was KZT41.67 billion, Eurobonds of Ministry of Finance of the Republic of Kazakhstan amounted to KZT21.47 billion.

As of the end of reporting period, the nominal holding included securities of the issuers as follows:

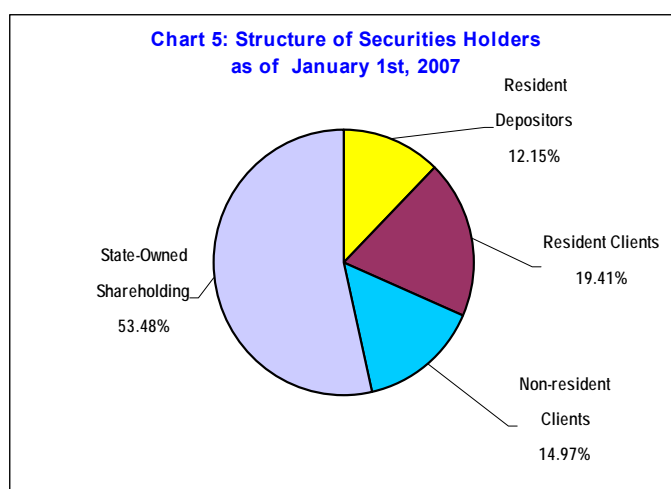
- The Ministry of Finance of the Republic of Kazakhstan;
- Munaishy Finance B.V.;
- PetroKazakhstan Finance B.V.;
- Almaty Merchant Bank JSC;
- Bank for Development of Kazakhstan JSC;
- Kazakhtelecom JSC;
- Kazkommertsbank JSC;
- Inter-American Development Bank;
- Ministry of Finance of Russian Federation;
- Narodny Bank of Kazakhstan JSC;
- Exploration-Mining KazMunayGas JSC;
- JP Morgan Chase Bank, National Association;
- KAZKOMMERTS INTERNATIONAL B.V.;
- Merrill Lynch & Co., Inc.;
- TuranAlem Finance B.V.;
- Asian Development Bank;
- International Bank for Reconstruction and Development;
- KAZAKHMYS PLC;
- Kantsky Cement and Slaty Complex OJSC;
- Kyrgyztelecom OJSC;

- Oshelectro OJSC;
- Zhalalabatelectro OJSC;
- Bishkek Teploset OJSC;
- Vostokenergo OJSC;
- National Electric Main of Kyrgyzstan OJSC;
- Electric Power Stations OJSC;
- Severoelectro OJSC

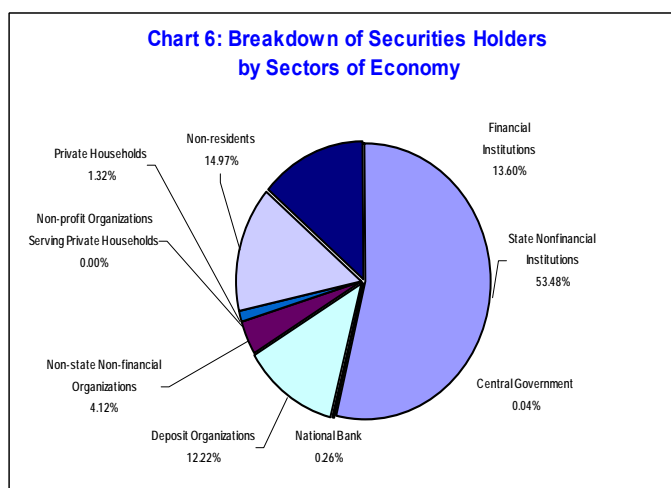
Securities Holders

The structure of securities holders as of 1 January 2007 (please refer to Chart 5) as compared to the same period of 2006 was not exposed to any considerable changes.

As of 1 January 2007, the share of the clients' securities declined by 3.56% as compared to the same period of 2006, while in absolute terms the volume of securities owned by the clients was raised by KZT468.65 billion. The share of securities owned by the resident clients declined by 12.79%, while in absolute figures the volume of such securities was raised by KZT609.74 billion. The share of securities owned by non-resident clients increased by 11.81% i.e. by KZT895.61 billion. State-owned shareholding was raised by 4.53% i.e. KZT2.46 trillion.

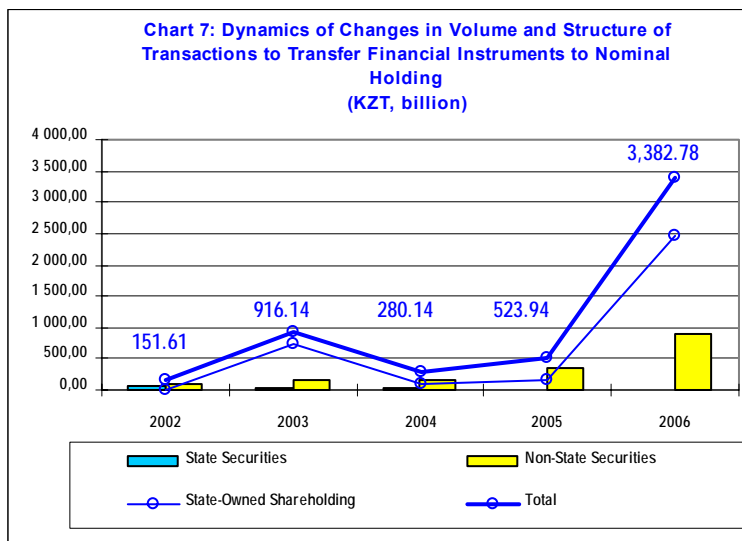


The structure of securities holders as profiled by sectors of economy (please refer to Chart 6) shows that the main holders are represented by state non-financial organizations making 53.48% (totally accounting for State-owned Shareholding), non-residents – 14.97%, financial organizations (entities engaged in certain types of banking operations, insurance companies, non-governmental pension funds, brokerage firms, pawnshops, exchange offices etc.) – 13.6% and deposit organizations – 12.22%.

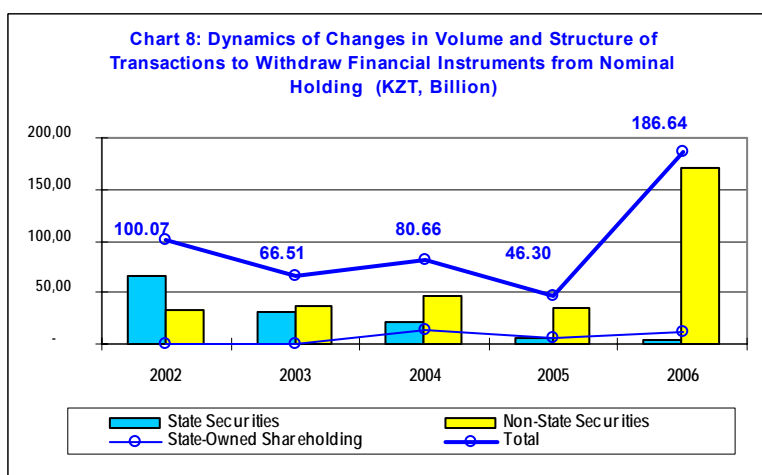


Transfer/ Withdrawal of Financial Instruments from Nominal holding

As of the period of report the Central Depository registered the operations pertaining to transfer of financial instruments to nominal holding for the sum of KZT3.38 trillion (please refer to Chart 7) including state securities (Eurobonds of the Ministry of Finance of the Republic of Kazakhstan) for the sum of KZT12.3 billion, non-state securities – for KZT3.37 trillion, of which KZT2.47 trillion are represented by State-owned shareholding, KZT411.37 billion – by non-state bonds, KZT345.67 billion – common stock, KZT121.52 billion – Eurobonds. As compared to 2005, the volume of transactions transferring the financial instruments into nominal holding has increased by KZT2.86 trillion. Such increase is determined by a considerable amount of transactions transferring share-owned shareholding in nominal holding, from KZT168.97 billion in 2005 to KZT2.47 trillion in 2006, common stock – from KZT121.19 billion in 2005 to KZT345.68 billion in 2006, non-state bonds – from KZT182.39 billion to KZT411.37 billion.

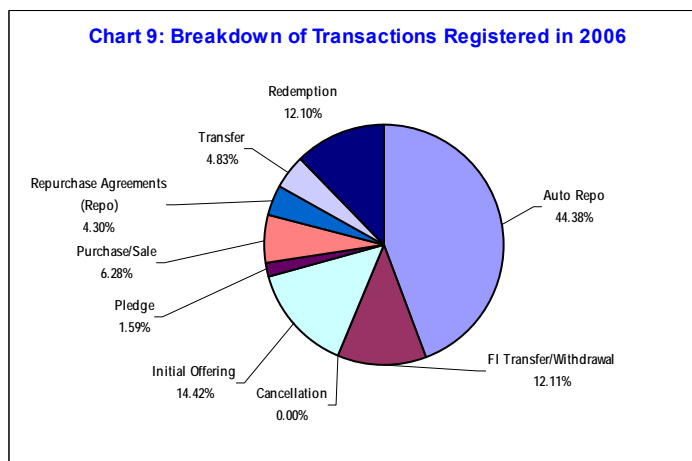


As of the period of report, the Central Depository has registered transactions withdrawing financial instruments from nominal holding for the amount of KZT186.64 billion (please refer to Chart 8), including state securities (Eurobonds of the Ministry of Finance of the Republic of Kazakhstan) for the sum of KZT3.11 billion, non-state securities – for KZT171.5 billion, State-owned shareholding – for KZT12.03 billion. As compared to 2005, the volume of withdrawal transactions has increased by KZT140.34 billion. Such increase is determined by a considerable increase in volume of transactions withdrawing financial instruments from nominal holding in relation with common stock: from KZT33.19 billion in 2005 to KZT112.66 trillion in 2006, preferred shares: from KZT0.46 billion in 2005 to KZT12.69 billion in 2006, non-state bonds: from KZT2.78 billion in 2005 to KZT34.38 billion.



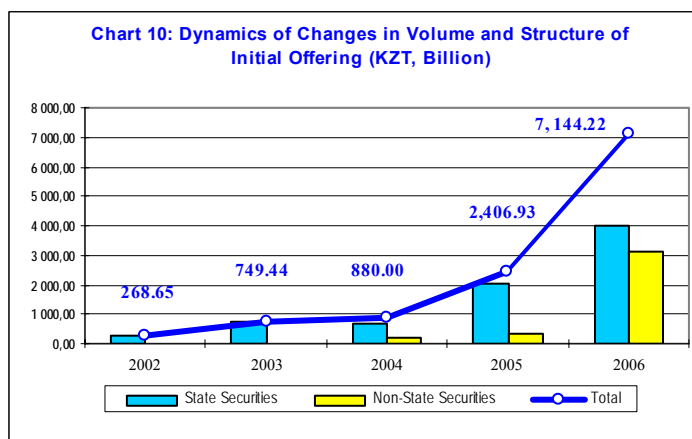
Registered Transactions

In 2006 the volume of registered transactions totaled KZT29.49 trillion i.e. more than three times exceeded Kazakhstan's GDP. As compared to 2005, the volume of registered transactions in 2006 increased by KZT15.09 trillion. The highest share of transactions registered in 2006 (similar to 2005) was represented by automatic REPO making 44.38% i.e. KZT13.09 trillion (please refer to Chart 9). Whereas the share of automatic REPO transactions declined from 53.12% in 2005 to 44.38% in 2006, the volume of automatic REPO transactions in 2006 increased from KZT7.66 trillion to KZT13.09 trillion. A considerable share was represented by initial offering of financial instruments making 14.42% i.e. KZT4.25 trillion (cf. KZT2.41 trillion in 2005), transactions of transfer/ withdrawal of financial instruments to nominal holding – 12.11% i.e. KZT3.57 trillion, redemption of financial instruments – 12.1% i.e. KZT3.57 trillion, purchase/sale of financial instruments – 6.28% i.e. KZT1.85 trillion.

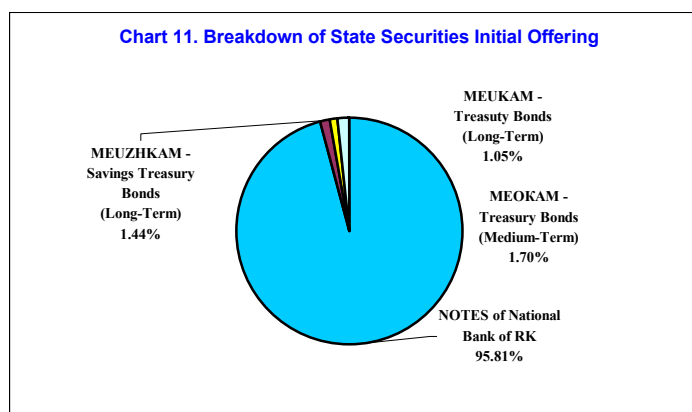


Primary Market

In 2006 the volume of transactions at the primary securities market was KZT7.14 trillion. As compared to 2005, the volume of initial offering has increased by KZT4.74 trillion (please refer to Chart 10). The major volume of initial offering in 2006 was represented by state securities: KZT3.99 trillion i.e. about 55.91% total volume of initial offering of securities. The volume of initial offering of non-state securities in 2006 was KZT3.15 trillion i.e. slightly in excess of 44% total initial offering transactions in 2006.

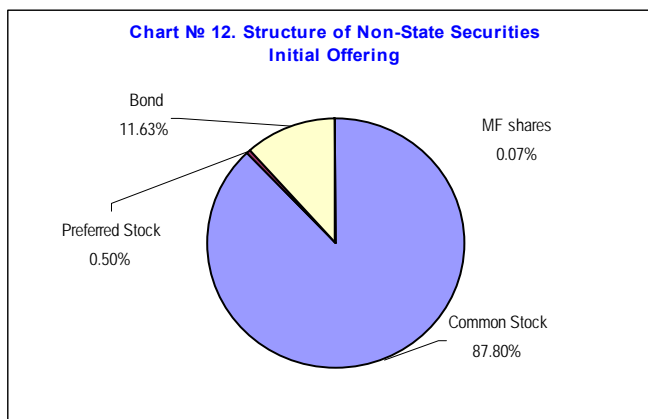


As compared to 2005, in 2006 the volume of initial offering of state securities increased by KZT1.93 trillion, while the share of state securities in total volume of initial offering declined from 85.6% to 55.91%. The volume of initial offering of non-state securities increased by KZT2.8 trillion, while the share of non-state securities in total volume of initial offering increased from 14.52% to 44.09%.



The highest share of initial offering pertaining to state securities (please refer to Chart 11) (as in previous years) was represented by short-term notes of the National Bank of the Republic of Kazakhstan making KZT3.83 trillion, while the volume of initial offering of the short-term notes of the National bank of Kazakhstan (as compared to 2005) increased by KZT1.87 trillion.

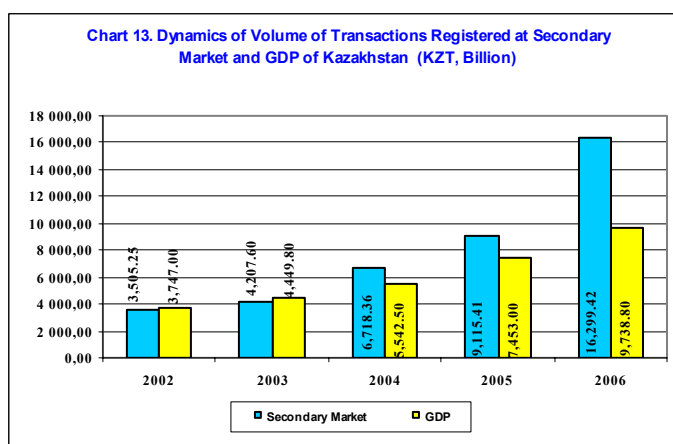
The highest share of initial offering of non-state securities (please refer to Chart 12) is represented by common stock making KZT2.76 trillion i.e. 87.8% total volume of initial offering of non-state securities showing the increase by KZT2.59 trillion as compared to 2005. The volume of initial offering of non-state bonds made KZT366.39 billion i.e. 11.63% showing the increase of KZT221.01 billion as compared to 2005. The volume of initial offering of preferred stock was KZT15.79 billion i.e. 0.5% showing a decline of KZT7.46 billion as compared to 2005. The volume of initial offering of shares pertaining to mutual funds was KZT2.05 billion i.e. 0.07% showing a decline of KZT0.53 billion as compared to 2005.



Secondary Securities Market

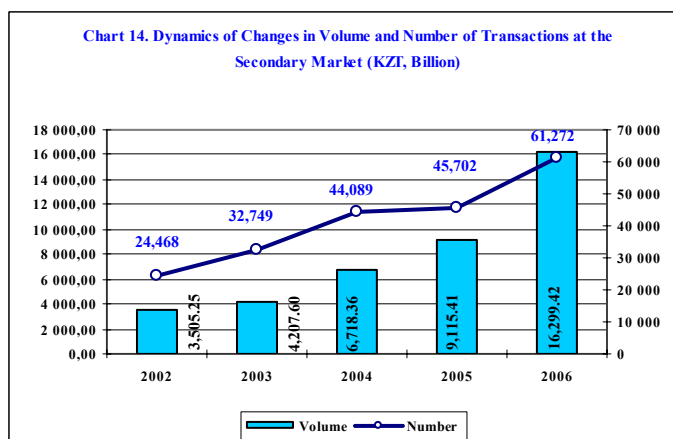
Summary

In 2006 the volume of transactions on financial instruments at the secondary market (purchase/sale transactions, repurchase agreements (Repo), and automatic Repo transactions) totaled KZT16.3 trillion (please refer to Chart 13). In 2006 the volume of transactions on financial instruments effected at the secondary market exceeded GDP of Kazakhstan as of 2006 by over 67%.

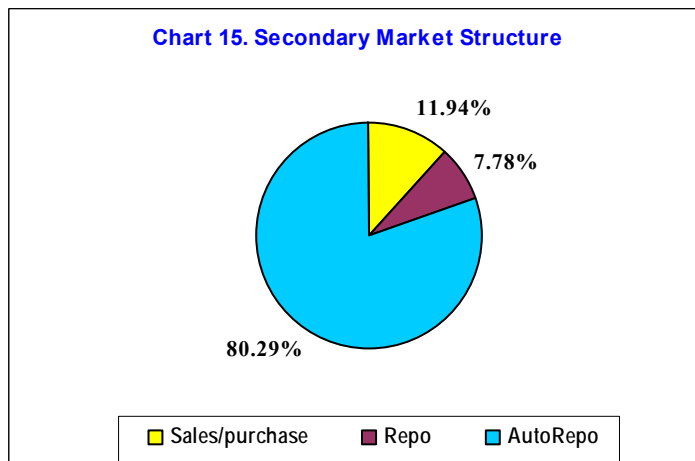


The increase in volume of transactions on financial instruments at the secondary market in 2006 as compared to 2005 was KZT7.18 trillion. The number of registered transactions on financial instruments was raised by 15,570 (please refer to Chart 14).

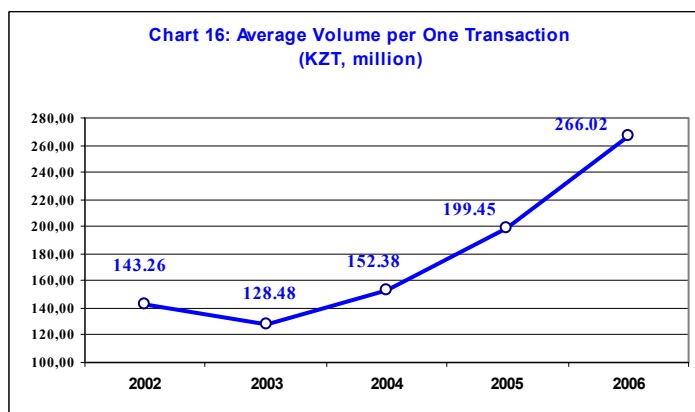
As in previous years, in 2006 the highest share of transactions on financial instruments accounts for state securities. But the recent years show a steady growth of registered transactions on non-state securities.



From total registered transactions, the transactions effected at the formal market (Kazakhstan Stock Exchange JSC) represented KZT15.68 trillion i.e. 96.23% total amount of transactions registered. As compared to 2005, the volume of registered transactions on financial instruments at the formal market has increased by KZT6.74 trillion, while the share declined from 98.08% to 96.23%. The volume of registered transactions on financial instruments at informal market was KZT613.84 billion. As compared to 2005, the increase in the volume of transactions on financial instruments concluded at informal market was KZT439.04 billion, and the share of such transactions raised from 1.92% to 3.77%.



According to the types of transactions, in 2006 the automatic Repo transactions prevailed of which the share of total registered transactions at the secondary market was 80.29% i.e. KZT13.09 trillion (please refer to Chart 15) and the increase vs. 2005 was KZT5.43 trillion. The share of purchase/sale transactions on financial instruments was 11.94% i.e. KZT1.94 trillion and the increase vs. 2005 was KZT0.93 trillion. The share of Repo transactions was 7.78% i.e. KZT1.27 trillion and the increase vs 2005 was KZT0.82 trillion.



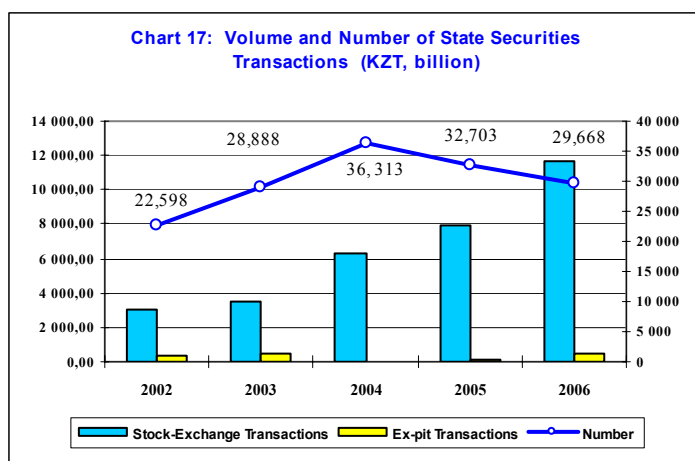
61,272 transactions on financial instruments have been registered in 2006. As compared to 2005, the number of transactions increased by 15,570.

In 2006 the average volume of one transaction registered at the secondary market has increased and made KZT266.02 million. As compared to 2005, in 2006 the average volume of one transaction registered has increased by KZT66.56 million.

State Securities

As in previous years, the market of state securities is the most advanced segment of the stock market and has a dominating position at the stock market.

29,668 transactions on state securities have been registered in 2006 for the total amount of KZT12.1 trillion (please refer to Chart 17). The increase in state securities



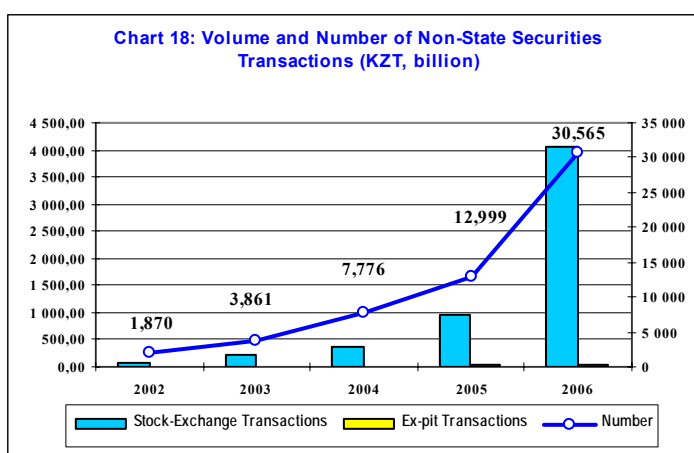
transactions volume as compared to 2005 was KZT3.96 trillion, while the number of such transactions declined by 3,035.

The most liquid state securities traded in 2006 at the secondary market included: short-term notes of the National Bank of the Republic of Kazakhstan (56.66% i.e. KZT6.85 trillion), MEOKAM (Medium-Term Treasury Bonds) of the Ministry of Finance of the Republic of Kazakhstan (32.85% i.e. KZT3.97 trillion), Eurobonds of the Ministry of Finance of the Republic of Kazakhstan (6.13% i.e. KZT0.74 trillion). The transactions of said types of securities account for 95.64% total volume of transactions on state securities effected in 2006.

The major volume of state securities transactions in 2006 was represented by those effected at the formal market and accounted for 96.07%. Informal market transactions made 3.93% total volume of state securities transactions.

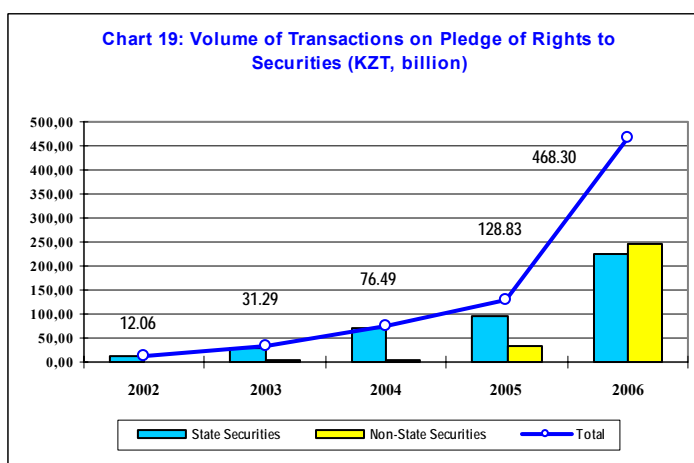
Non-State Issue Securities

31,604 non-state securities transactions have been registered at the secondary market in 2006 for the total amount of KZT4.2 trillion (please refer to Chart 18). The increase in volume of non-state securities transactions as compared to 2005 was KZT3.22 trillion and the number of such transactions increased by 18,605, from 12,999 to 31,604.



The volume of common stock transactions registered in 2006 was KZT2.6 trillion, preferred stock – KZT0.2 trillion, bonds – KZT1.33 trillion, Eurobonds – KZT0.03 trillion, units in unit investment funds – KZT20.59 billion.

In 2006 the major volume of non-state securities transactions was represented by those registered at the formal market making 96.72%. The non-state securities transactions as effected at informal market accounted for 3.28% the total volume of non-state securities transactions.



Pledge of Rights to Securities

The total volume of registered transactions in relation with pledge of rights to securities in 2006 was KZT468.3 billion. As compared to 2005, the volume of such transactions has

increased by KZT339.47 billion. In 2006, as opposed to the previous years, the main object of transactions pertaining to the pledge of rights to securities was represented by non-state securities.

The volume of registered pledge transactions in relation to the rights to state securities amounted to KZT224.33 billion i.e. 47.9% total volume of pledge transactions registered in 2006. In 2006 the volume of transactions on pledge of rights to securities in relation to the state securities has increased by KZT129.13 billion as compared to 2005.

The volume of registered transactions on the pledge of rights to non-state securities amounted to KZT243.97 billion i.e. 52.1% the total volume of pledge transactions as registered in 2006. The volume of registered pledge transactions in relation to the rights to non-state securities in 2006 has increased by KZT210.34 billion as compared to 2005.

III. Overview of Security Holders' Register Keeping Activities

Issuers and Issues of Securities

The Central Depository started its security holders' register keeping activities on January 20th, 2005 by accepting for servicing the registers of unit holders of "Treasury" Open Unit Investment Fund and "Centras - Global Markets" Closed Unit Investment Fund for risky investments associated with the Centras Securities JSC management company.

In 2006 the agreements have been signed for keeping registers of securities holders with 15 issuers of 22 securities issues, of which the registers of securities holders have been set up for 8 issues on the basis of the documents accepted from the previous registrars.

As of January 1st, 2007, the Central Depository has been keeping the registers of securities holders pertaining to 60 issues including 17 issues of common stock, 1 issue of preferred stock, 15 issues of non-state bonds and 27 issues of units of unit investment fund.

Table 3: The List of Issuers as of 1 January 2007

Centras-Securities JSC	3 unit investment funds
TuranAlem Securities JSC	14 unit investment funds
Tsesna Capital JSC	5 unit investment funds
Kazakhstan Mortgage Company JSC	1 issue of common stock, 12 issues of bonds
AIFRI Venture Fund Centras JSC	1 issue of common stock
Greenwich Capital Management Financial Company JSC	1 issue of common stock, 1 unit investment fund
TENIR Register JSC	1 issue of common stock
West Investment Company JSC	1 issue of common stock
AIFRI Kazakhstan Real Estate JSC	1 issue of common stock
AIFRI Top Optima Kazakhstan JSC	1 issue of common stock
AIFRI Direct Investment Fund JSC	1 issue of common stock
Domikom LLP	1 issue of bonds
Central Asia Cement JSC	1 issue of bonds

Kazkommerts Invest JSC	1 issue of common stock, 1 mutual investment fund
AIFRI ZIG Direct Investments JSC	1 issue of common stock
AIFRI Business-invest JSC	1 issue of common stock
CAIFC Company JSC	1 mutual investment fund
Experimental Machine Building Plant JSC	1 issue of common stock 1 issue of preferred stock
Incom Furniture JSC	1 issue of common stock
Alibi Securities JSC	1 issue of common stock
AIFRI Alem Capital JSC	1 issue of common stock
Elitestroy Finance Mortgage Company JSC	1 issue of common stock
NOMAD FINANCE JSC	1 issue of common stock, 1 unit investment fund
ORDA Capital Management Company JSC	1 unit investment fund
ORDA Credit Partnership LLP	1 issue of bonds

Client Accounts

The Central Depository has 1001 client accounts opened within the register system of securities holders as of January 1st, 2007 including:

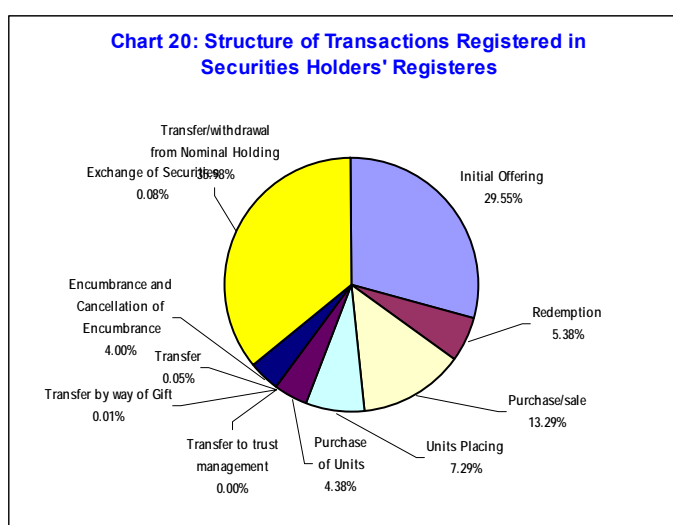
- 875 accounts have been opened by individuals who are residents of the Republic of Kazakhstan;
- 13 accounts have been opened by individuals who are non-residents of the Republic of Kazakhstan;
- 113 accounts have been opened by legal entities who are residents of the Republic of Kazakhstan.

The system of securities holders registers as of January 1st, 2007 has registered 921 holders including 31 legal entities and 890 individuals. The securities holders include 10 individuals who are non-residents of the Republic of Kazakhstan.

Registered Trading

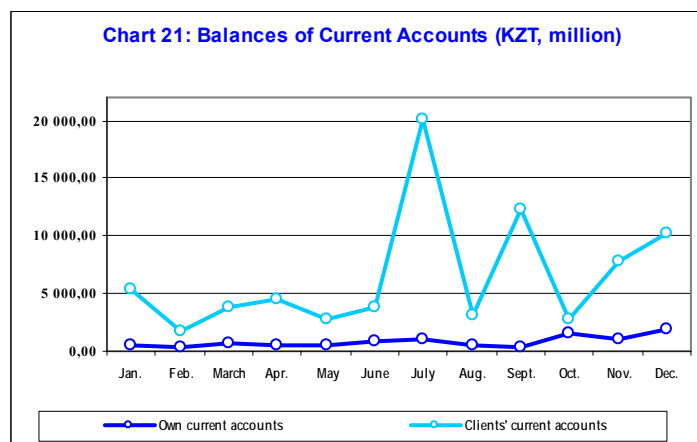
In 2006 the total volume of transactions registered in the registers was KZT109.65 billion. As compared to 2005, the volume of transactions registered has increased by KZT92.52 billion.

In 2006 the highest share of registered transactions was represented by transfer/withdrawal of securities from nominal holding making 35.98% i.e. KZT39.45 billion (cf. KZT4.68 billion in 2005), initial offering transactions accounting for 29.55% i.e. KZT32.4 billion (cf. KZT5.93 billion in 2005), securities purchase/sale transactions making 13.29% i.e. KZT14.57 billion (cf. KZT0.04 billion in 2005), initial offering of shares of mutual investment fund making 7.29% i.e. KZT7.99 billion (cf. KZT 4.67 billion in 2005).



IV. Overview of Bank Accounts Maintenance Activities

The activities associated with the maintenance of bank (current) accounts of the clients of Central Depository commenced from 10 January 2005. The current accounts in the national currency are opened by the clients of the Central Depository who are not the users of Interbank money transfer system of Kazakhstan Interbank Payment Center RSE of the National Bank of the Republic of Kazakhstan (hereinafter referred to as IBMTS). The client who is not IBMTS user shall open two current accounts, one for his own money, the other – for the clients' money.



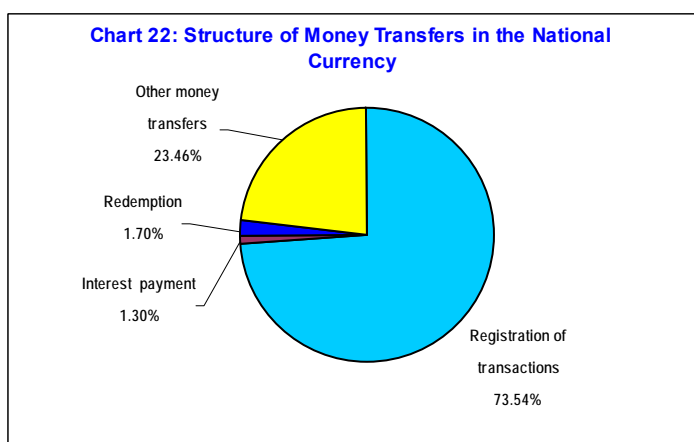
As of 1 January 2007 The Central Depository opened 64 current accounts including 32 accounts for the depositors' own money and 32 accounts for the money owned by depositors' clients.

As of 1 January 2007, the balance on the current accounts was KZT12.24 billion including KZT1.93 billion on the own current accounts and KZT10.3 billion – on the clients' current accounts.

The average monthly balance on current accounts was KZT7.34 billion including KZT0.82 billion on the own current accounts and KZT6.52 billion – on the clients' current accounts.

V. Central Depository – Payment Agent

In 2006 the Central Depository in its registration of transactions on financial instruments at the primary and secondary markets as well as in its redemption and interest payment on financial instruments has effected 121,640 money transfers totaling KZT41.68 trillion and US\$19.82 million. As compared to 2005, the volume of money transfers in the national currency has increased by KZT18.28 trillion, in foreign currency – by US\$10.89 million.

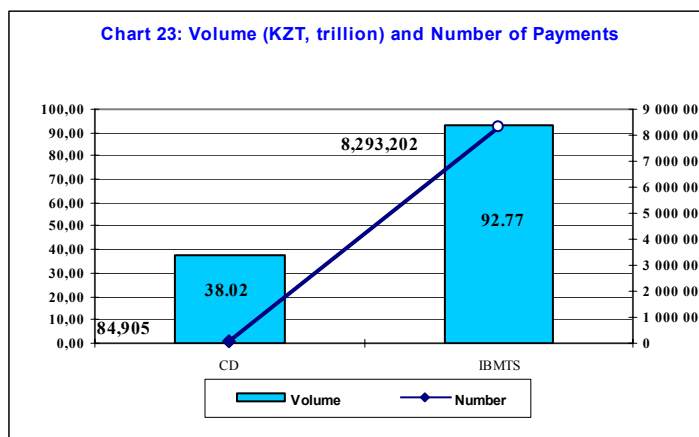


In 2006 8.29 million transfers have been effected via IBMTS totaling KZT92.77 trillion. As is seen from Chart 23, the share of money transfers effected by the Central Depository of the total number of transfers via IBMTS was 1.02%, while the share of

money transfers effected by the Central Depository of the total volume of money transfers via IBMTS made 40.98%.

As of the period of report, the Central Depository in its registration of the transactions effected at the primary and secondary markets, has transferred the money for the total amount of KZT33.3 trillion. As compared to 2005, the amount of money transfers during registration of transactions effected at the primary and secondary markets has increased by KZT12.54 trillion.

In 2006, the Central Depository while making interest payments on financial instruments has transferred the money for the total amount of KZT16.63 billion and US\$16.94 million. As compared to 2005, volume of money transfers in the national currency associated with the interest payments on financial instruments has increased by KZT2.05 billion and by US\$8.03 million.



In 2006, while redeeming the financial instruments, the Central Depository has transferred money for the total amount of KZT3.55 trillion and Euro2.88 million. As compared to 2005, volume of money transfers associated with the redemption of financial instruments has increased by KZT1.28 trillion and US\$2.88 million.