

CENTRAL SECURITIES DEPOSITORY JSC

PROSPECTUS of Central Securities Depository JSC

State registration of authorized shares issue by the authorized agency does not imply provision of any recommendations to investors to buy shares described in the Prospectus. The authorized agency which carried out state registration of the authorized shares issue will not be held responsible for accuracy of information contained in this Prospectus. The Prospectus is studied only in terms of compliance with statutory requirements of the Republic of Kazakhstan. The officers of the Company will be held responsible for accuracy of information contained in this Prospectus and confirm that all information set out herein is reliable and not misleading for investors as regards the Company or its shares placed.

Almaty

2005

LIST OF AMENDMENTS

1. Amendments and additions # 1:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on January 12, 2006.

2. Amendments and additions # 2:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on March 5, 2007.

3. Amendments and additions # 3:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on December 23, 2009.

4. Amendments and additions # 4:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on July 1, 2010.

5. Amendments and additions # 5:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on August 10, 2010.

6. Additions and Amendments # 6:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on August 24, 2012.

7. Amendment # 7:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on October 9, 2012.

8. Amendment # 8:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on February 27, 2013.

9. Amendment # 9:

- registered by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan on June 27, 2013.

1. GENERAL INFORMATION

2. Title of the Joint-Stock Company.

- Full name:
 - ◇ In Kazakh: "Бағалы қағаздар орталық депозитарийі" акционерлік қоғамы;
 - ◇ In Russian: акционерное общество "Центральный депозитарий ценных бумаг";
 - ◇ In English: Central Securities Depository Joint-stock Company.
- Short title:
 - ◇ In Kazakh:
"Бағалы қағаздар орталық депозитарийі" АҚ; or
Бағалы қағаздар орталық депозитарийі; or
Орталық депозитарийі;
 - ◇ In Russian:
АО "Центральный депозитарий ценных бумаг"; or
Центральный депозитарий ценных бумаг; or
Центральный депозитарий;
 - ◇ In English:
Central Securities Depository JSC; or
Central Securities Depository, JSC; or
Central Securities Depository.
- Abbreviation: KACD.

3. Information on state registration (re-registration) of the Joint-stock Company:

Certificate of state registration dated 02.02.2005 # 12301-1910-AO issued by Department of Justice of Almaty.

4. (Excluded).

5. Location, telephone and fax, e-mail of the Joint-stock Company:

28, microdistrict Samal-1, Almaty, 050051, tel: 390 95 50, fax: 390 95 50, ext. 115, e-mail: csd@csd.kz.

6. Bank requisites:

IBAN # KZ706010131000043597 in National Saving Bank of Kazakhstan JSC, BIC HSBKKZKX, BIN 970740000514, KBE 15.

7. Types of activities.

Central Securities Depository JSC (hereinafter –the Central Securities Depository or the Company) does the following types of activities:

- 1) depository activities;
- 2) maintenance of the unified system of personal accounts;
- 2-1) maintenance of the system of securities holders register of Integrated Securities Register;
- 2-2) allocation of international identification numbers for securities and other financial instruments;
- 3) certain types of banking operations;
- 4) other activities not prohibited by the law.

The activities to be licensed in accordance with applicable law are done by the Central Securities Depository based on the relevant licenses and pursuant to such licensing.

8. Information on ratings assigned to the Company or to securities it issued by international rating agencies and/or rating agencies of the Republic of Kazakhstan:

The Central Securities Depository and securities it issued were not assigned with ratings by international rating agencies and rating agencies of the Republic of Kazakhstan.

9. Name, date of registration, location and postal address of the Company:

The Central Securities Depository does not have branches and representatives.

10. Full official title of audit companies (full name of auditor) that audited the Company's financial statements over last three financial years ended indicating their membership in the panel (association, chambers).

2012 and 2011 – Deloitte LLP, member of the American Trade Chamber in Kazakhstan, Financial Institutions' Association of Kazakhstan, Chamber of Auditors of the Republic of Kazakhstan, European Business Association of Kazakhstan.

2010–BDO Kazakhstanaudit LLP, member of the professional audit organization "Chamber of Auditors of the Republic of Kazakhstan".

Full official name of consultants on legal and financial issues over last three financial years ended indicating their membership in the panel (association, chambers).

2011 – Maidan Suleimaniov, member of the Management Board of Lawyer Association in oil and gas sector, member of the Management Board of Lawyer Association of Kazakhstan, member of Scientific and Advisory Board of Supreme Court of the Republic of Kazakhstan.

10-1. Date on which the general meeting of shareholders or meeting of founders has approved the procedure of determining cost of shares when the Company buys them.

The procedure of determining cost of shares when buying them is approved by decision of the general meeting of shareholders of the Central Securities Depository (meeting #1 dated May 23, 2012).

2. MANAGEMENT BODIES AND FOUNDERS (SHAREHOLDERS)

11. Board of Directors.

#	Full name, year of birth of Chairman and members of the Board of Directors (indicating independent directors)	Position held over last three years and at present in the chronological order including combined duties and accession to office	Percent ratio of voting shares owned by members of the Board of Directors to total quantity of voting shares of the Central Securities Depository	Percent ratio of shares (stake in the equity capital) owned by members of the Board of Directors in the subsidiary entities and related entities to total quantity of placed shares (stake in the equity capital) in these entities
1.	Independent Director – Sholpan Ainabayeva, born in 1969	<p>From May 23, 2012– member of the Board of Directors, Independent Director of the Central Securities Depository.</p> <p>From August 14, 2009 to May 23, 2012 – member of the Board of Directors, Independent Director of the Central Securities Depository.</p> <p>From September 7, 2007– Chairman of Management Board of Kazkommerts Securities joint-stock company (Subsidiary of Kazkommertsbank JSC).</p> <p>From June 30, 2005– member of the Board of Directors of Kazkommerts Securities joint-stock company (Subsidiary of Kazkommertsbank JSC).</p>	0.00	0.00
2.	Zhanat Baimukanov, born in 1966	<p>From May 23, 2012– member of the Board of Directors of the Central Securities Depository.</p> <p>From August 14, 2009 to May 23, 2012 – member of the Board of Directors of the Central Securities Depository.</p> <p>From October 12, 2011– Deputy Director of Monetary Operations Accounting Department of the National Bank of the Republic of Kazakhstan.</p> <p>From July 2, 2007 to October 12, 2011 – Head of Monetary Operations Accounting Unit of the National Bank of the</p>	0.00	0.00

		Republic of Kazakhstan.		
3.	Chairman of the Board of Directors, Independent Director – Azamat Zholdaspekov, born in 1962	<p>From May 30, 2012– member of Exchange Board of Kazakhstan Stock Exchange JSC.</p> <p>From May 24, 2012– Chairman of the Board of Directors of the Central Securities Depository.</p> <p>From May 23, 2012– member of the Board of Directors, Independent Director of the Central Securities Depository.</p> <p>From September 22, 2009 to May 23, 2012 – member of the Board of Directors of the Central Securities Depository.</p> <p>From August 14, 2009 to May 23, 2012 – member of the Board of Directors, Independent Director.</p> <p>From June 14, 2011– Independent Director of Ular Umit Accumulating Pension Fund.</p> <p>From June 10, 2009– Independent Director of Temirbank JSC.</p>	0.00	0.00
4.	Bakhytzhan Kapyshev, born in 1967	<p>From May 23, 2012– member of the Board of Directors of the Central Securities Depository.</p> <p>From May 19, 1999 to May 23, 2012 – member of the Board of Directors of the Central Securities Depository.</p> <p>From July 21, 1997–President of the Central Securities Depository (Chairman of Management Board).</p>	0.00	0.00
5.	Olzhas Kizatov , born in 1977	<p>From May 23, 2012– member of the Board of Directors of the Central Securities Depository.</p> <p>From April 2, 2012– Deputy Director of Department of Surveillance and Control Methodology of the National Bank of the Republic of Kazakhstan.</p> <p>From January 3, 2007 to April 2, 2012 – Head of Economic Directorate of Coordination</p>	0.00	0.00

		Department of the National Bank of the Republic of Kazakhstan (Astana city).		
6.	Independent Director – Zhanat Kurmanov, born in 1962	<p>From May 31, 2012– Chairman of the Exchange Board of Kazakhstan Stock Exchange JSC.</p> <p>From May 23, 2012– member of the Board of Directors, Independent Director of the Central Securities Depository.</p> <p>From June 28, 2010– member of the Exchange Board, Independent Director of Kazakhstan Stock Exchange JSC.</p> <p>From December 26, 2011– member of the Board of Directors, Independent Director of Centre for Provision of Activities of the National Bank of the Republic of Kazakhstan JSC.</p> <p>From December 27, 2011 to May 29, 2012 – CEO of.</p> <p>From March 28, 2008 – member of the Board of Directors, Independent Director of Housing Construction Saving Bank of Kazakhstan.</p> <p>From August 17, 2010 to present – member of the Board of Directors, Independent Director of Accumulating Pension Fund JSC, subsidiary of Halyk Bank of Kazakhstan JSC.</p> <p>From August 11, 2010 – member of the Board of Directors, Independent Director of Subsidiary Insurance Company of Halyk Bank of Kazakhstan "Halyk-Kazakhinstrakh".</p> <p>From November 15, 2009 to October 5, 2011 – member of the Board of Directors, Independent Director of Reserve Centre JSC of Halyk Bank of Kazakhstan Q-BRO.</p> <p>From July 8, 2009– member of the Board of Directors, Independent Director of</p>	0.00	0.00

		<p>Subsidiary Insurance Company of Halyk Bank of Kazakhstan "Halyk-Life".</p> <p>From June 23, 2009 to present – member of the Board of Directors, Independent Director of Subsidiary Insurance Company of Halyk Bank of Kazakhstan.</p> <p>From February 7, 2007 – independent member of the Board of Directors Halyk Bank of Kyrgyzstan Open JSC.</p> <p>From December 24, 2007 – member of the Board of Directors, Independent Director of Kazakhstan Fund of Deposit Insurance JSC.</p>		
7.	Zhanar Ibragimovna, born in 1973	<p>From May 23, 2012– member of the Board of Directors.</p> <p>From August 14, 2009 to May 23, 2012– member of the Board of Directors of the Central Securities Depository.</p> <p>From February 1, 2005 – Deputy Director of Payment System Department of the National Bank of the Republic of Kazakhstan.</p>	0.00	0.00
8.	Idel Sabitov, born in 1967	<p>From May 23, 2012– member of the Board of Directors of the Central Securities Depository.</p> <p>From May 7, 2002– First Vice-President of Kazakhstan Stock Exchange JSC.</p>	0.00	0.00
9.	Marya Khajieva, born in 1971	<p>From June 1, 2011– member of the Board of Directors of the Central Securities Depository.</p> <p>From May 23, 2008 to April 19, 2011 – Director of Department for control securities market entities and pension funds of the Agency of the Republic of Kazakhstan for control and supervision of the financial market and financial organizations.</p> <p>From April 19, 2011 to May 3, 2011 – Acting Chairman of Committee for the Control and Supervision of the Financial</p>	0.00	0.00

		<p>Market and Financial Organizations of the National Bank of the Republic of Kazakhstan.</p> <p>From May 3, 2011– Deputy Chairman of Committee for the Control and Supervision of the Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan.</p>		
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Change of the Board of Directors over previous two years and reasons of this change:

Based on Mr. Kozhakhmetov's order, an Acting Chairman of Committee for the Control and Supervision of the Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan (Committee), # 7 dated June 1, 2011, Mrs. Khajieva was appointed as representative of the Committee within the Board of Directors of the Central Securities Depository on an ongoing basis with voting right (instead of Mr. Aldmabergen).

The acting Board of Directors of the Central Securities Depository was elected at the annual meeting of shareholders of the Central Securities Depository (meeting dated May 23, 2012 # 1).

The powers of the previous Board of Directors of the Central Securities Depository expired in accordance with item 2 of Article 55 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" when holding annual meeting of shareholders of the Central Securities Depository on May 23, 2012 where the acting Board of Directors of the Central Securities Depository was elected.

The quantitative membership of the Board of Directors of the Central Securities Depository was determined in the amount of nine persons including Committee representative.

There were no other changes in membership of the Board of Directors of the Central Securities Depository over previous two years.

11-1. Committees of the Board of Directors of the Central Securities Depository.

The following committees were established by decision of the Board of Directors of the Central Securities Depository (meeting # 6 dated May 24, 2012):

- 1) Committee of the Central Securities Depository on strategy, staff, remuneration and social issues.

The competence of this Committee includes:

- preparing and presenting to the Board of Directors of the Central Securities Depository the recommendations for taking decisions on strategic issues of the Central Securities Depository activities;
 - approving internal documents of the Central Securities Depository to be approved by the Board of Directors of the Central Securities Depository and encompassing human resources policy as well as social policy;
- 2) Committee of the Central Securities Depository on audit.

The competence of this Committee includes preparing and presenting to the Board of Directors of the Central Securities Depository the recommendations for taking decisions on accounting, financial statements and audit, internal control and risk management system of the Central Securities Depository activities.

12. Collegial executive body.

Full name, year of birth of members of collegial executive body Including Chairman of Management Board	Positions held over last three years and at present in the chronological order including combined duties and accession to office	Percent ratio of voting shares owned by them to total quantity of voting shares
Bakhytzhan Kapyshev, born in 1967	From July 21, 1997 – Chairman of Management Board– President of the Central Securities Depository – President is in charge of managing the Central Securities Depository and is responsible for executing decisions of the general meeting of shareholders and the Board of Directors.	0.00
Alan Shatanov, born in 1972	From July 15, 2010 – Vice-President of the Central Securities Depository. The Vice-President of the Central Securities Depository acts in accordance with the chart of duties, powers and responsibility established by Management Board. From June 14, 2010 to July 15, 2010 – advisor of the President. The advisor of the President makes analysis and prepares proposals to improve activities of the Central Securities Depository. From October 1, 2009 to January 15, 2010 – advisor of Chairman of Organizational Works, Internal and Public Relations Department of the National Bank of the Republic of Kazakhstan. He is in charge of making analysis and preparing proposals to improve activities of the National Bank of the Republic of Kazakhstan. From July 23, 2007 to October 1, 2009 – Director of Internal Audit Department of the National Bank of the Republic of Kazakhstan is in charge of managing current operations of this Department.	0.00
Anna Kolesnichenko	From May 16, 2013 - member of the Management Board of the Central Securities Depository. The member of the Management Board of the Central Securities Depository acts in accordance with the chart of duties, powers and responsibility established by Management Board. From July 1, 2005 – Head of Depository Activities Unit. Head of Depository Activities Unit manages the activities of this department, controls timely execution of tasks and missions by his employees.	0.00

13. Total amount of remuneration and salary paid to officials of the Central Securities Depository over last financial year.

Total amount of remuneration and salary of officials for 2004 – KZT 20, 230.3.

14. Organizational structure of the Company:

- 1) structural units of the Central Securities Depository and information about head of units:

#	Unit	Full name, year of birth of unit heads
1.	Depository Activities Unit	Anna Pavlovna, born in 1977 .
2.	Registration Unit	Salima Alish, born in 1971
3.	Settlement Unit	Aina Turkebayeva, born in 1971
4.	Legal Unit	Gulmira Sergazina, born in 1966
5.	Corporate Actions Unit	Naila Saparbekova, born in 1953
6.	Information Systems Development Unit	Sergey Kubeida, born in 1972
7.	System Administration Unit	Olzhas Esenbayev, born in 1973
8.	Accounting Unit	Tatyana Alekseeva, born in 1948

- 2) total quantity of employees including employees of branch and representative offices:

47 employees (the Central Securities Depository does not have branches and representative offices);

- 3) total quantity of employees owning shares of the Central Securities Depository and their total share out of total quantity of places shares in percentage:

Employees do not own shares of the Central Securities Depository;

- 4) information about heads of branches and representative offices:

The Central Securities Depository does not have branches and representative offices.

15. Founders (shareholders) of the Central Securities Depository.

Information about big shareholders of the Central Securities Depository owning ten or more pre cent of stake in equity capital of the Central Securities Depository				
#	Full name	Location	Percent ratio of voting shares owned by shareholders owning ten or more pre cent of placed shares of the Central Securities Depository	Date when shareholder started to own ten or more per cent of placed shares of the Central Securities Depository
1.	National Bank of the Republic of Kazakhstan	21, Koktem-3 microdistrict, Almaty, 050040	54.98	May 15, 2000
2.	Kazakhstan Stock Exchange Joint-stock Company	"Almaty Towers" IFC Northern Tower, 280, Baizakova Str., Almaty, 050040	34.69	June 6, 2003

Information about big shareholders of Kazakhstan Stock Exchange Joint-Stock Company owning ten or more pre cent of stake in equity capital of Kazakhstan Stock Exchange Joint-Stock Company		
# п/п	Full name	Location
1.	National Bank of the Republic of Kazakhstan	21, Koktem-3 microdistrict, Almaty, 050040
2.	Centras Invest Limited Liability Partnership	32A, office 204, Almaty

16. Information about companies in which the Company is a big shareholder– owns ten or more (in the national joint-stock company – five or more) per cent of placed shares (stake in equity capital) of the company:

The Central Securities Depository does not own shares of other companies.

17. Information about industrial, banking, financial groups, holdings, associations, consortiums in which the Company has a stake.

Type	Name, location
Association	Union of the legal persons "Financial Institutions' Association of Kazakhstan", 67, Aiteke Bi Str., Almaty, 480091
Association	Association of Eurasian Central Securities Depositories (AECSD), 13, Kislovsky Avenue., Moscow, 125009
Association	From December 22, 2004, Association of CIS depositories "Eurasia"
Association	Union of Legal Departments "Kazakh Association of Register Holders" 114A, Maulenova Str., Almaty, 480093

18. Information about affiliates of the Central Securities Depository.

Natural persons germane or affined with members of the Board of Directors of the Central Securities Depository:

1) Saule Bektemisova:

- Tulegen Beisembayev (father, born in 1934)
- Raikhan Beisembayev (mother, born in 1937)
- Nurlan Bektemisov (husband, born in 1962)
- Akbar Bektemis (son, born in 2002)
- Insar Bektemis (son, born in 2002)
- Gulnar Beisembayev (sister, born in 1961)
- Arman Beisembayev (brother, born in 1977)
- Razya Sabalieva (husband's mother, born in 1939)

2) Idel Sabytov:

- Marsil Sabitov (father, born in 1930)
- Lidya Sabitova (mother, born in 1942)
- Alfya Sabitova (wife, born in 1968)
- Alen Sabitov (son, born in 1991)
- Rinat Sabitov (son, born in 1998)
- Ravilya Gafeeva (husband's mother, born in 1947)
- Alfrid Gafeev (husband's brother, born in 1957)
- Amir Gafeev (husband's brother, born in 1961)
- Arslan Gafeev (husband's brother, born in 1973)

3) Gulzhamash Zaitbekova:

- Sakypzhamal Medelbekova (mother, born in 1924)
- Murat Zaitbekov (husband, born in 1962)
- Maryash Jamaubayeva (sister, born in 1948)
- Murat Medelbekov (brother, born in 1953)
- Abil Medelbekov (brother, born in 1958)
- Shaken Medelbekov (sister, born in 1960)

4) Rozali Fedulova:

- Marat Pak (father, born in born in 1930)
- Elizabeth Pak (sister, born in 1953)
- Alexandr Pak (brother, born in 1956)
- Marina Fedulova (daughter, born in 1981)

- Viktor Fedulov (son, born in 1986)
- 5) Aigul Altynbekova:**
 - Asylkhan Altynbekov (father, born in 1940)
 - Gulbarkhan Nurkushev (mother, born in 1946)
 - Almagul Altynbekova (sister, born in 1970)
 - Anuar Asylkhanov (brother, born in 1992)
- 6) Farida Mashabayeva:**
 - Kavdyr Mykhaidarov (father, born in 1924)
 - Roza Mikhaidarova (mother, born in 1929)
 - Erkyn Mashabayev (husband, born in 1953)
 - Alima Mikhaidarova (sister, born in 1950)
 - Azat Mashabayev (son, born in 1979)
 - Nurzhan Mashabayev (son, born in 1983)
- 7) Erika Sultankulova:**
 - Suyunbeke Sultankulova (mother, born in 1937)
 - Zhanat Sultankulova (wife, born in 1968)
 - Galya Daumova (sister, born in 1963)
 - Karlygash Ismagulova (sister, born in 1960)
 - Gulnar Sultanova (sister, born in 1961)
 - Assel Sultankulova (daughter, born in 1987)
 - Assyat Sultankulova (daughter, born in 1989)
 - Ulzhan Sultankulova (daughter, born in 1995)
- 8) Batyrbek Alzhanova:**
 - Assylbek Alzhanov (father, born in 1937)
 - Sherin Shaikhimova (mother, born in 1938)
 - Nurlybek Alzhanov (brother, born in 1965)
 - Erbol Alzhanov (brother, born in 1969)
 - Gulzhan Alzhanova (wife, born in 1968)
 - Ainur Alzhanova (daughter, born in 1990)
 - Aibek Alzhanova (son, born in 1996)
 - Bekzhan Alzhanov (son, born in 2003)
- 9) Madi Turysbekov:**
 - Seilkhan Turysbekov (father, born in 1949)
 - Nagima Nurumzhanova (mother, born in 1951)

- Dauren Turysbekov (brother, born in 1980)
- Marya Belova (wife, born in 1971)
- Sabira Turysbekova (daughter, born in 1999)

10) Bakhytzhan Kapyshev:

Information is indicated in item 2 of this item.

Natural persons germane or affined with members of the collegial executive body.

1) Bakhytzhan Kapyshev:

- Khabdesh Kapyshev (father, born in 1932)
- Altyn Muzhukbayev (mother, born in 1937)
- Kulyash Akhmedzhanova (sister, born in 1960)
- Guljan Kapyshev (wife, born in 1969)
- Nuri Kapyshev (son, born in 1990)
- Galym Kapyshev (son, born in 1999)

2) Rakhmet Saitiev:

- Banu Kakimanov (mother, born in 1929)
- Gulraushan Saitieva (sister, born in 1955)
- Sayebek Saitiev (brother, born in 1957)
- Sholpan Saitieva (sister, born in 1966)
- Galya Mambetova (wife, born in 1966)

3) Tatyana Alekseeva

- Darya Fedorova (mother, born in 1916)
- Nadezhda Fedorova (sister, born in 1939)
- Sergei Fedorov (brother, born in 1937)
- Nina Tkachenko (sister, born in 1945)
- Vladimir Alekseev (son, born in 1983)
- Mikhael Alekseev (son, born in 1982)

Legal entities controlled by natural persons who are affiliates of the Central Securities Depository.

1) Saule Bektemisova:

Chairman of Management Board of AIM JSC;

2) Gulzhamash Zaitbekova:

Financial Director of "VISOR Investment Solutions" LLP;

3) Idel Sabitov:

General Director of "eTrade.kz" LLP.

18-1. Transactions with affiliates of the Central Securities Depository.

- 1) "eTrade.kz" LLP, 67, Aiteke bi Str., no number, May 8, 2008 (Agreement on services to transfer and support software program "Module of files automatic transfer");
- 2) "eTrade.kz" LLP, 67, Aiteke bi Str., no number, May 8, 2008 ("Agreement on services of the Certification Centre");
- 3) "eTrade.kz" LLP, 67, Aiteke bi Str., no number, May 8, 2008 ("Agreement to develop and service software program "Depository's Site");
- 4) Kazakhstan Stock Exchange JSC, 67 Aiteke Bi Str., no number, February 8, 2004 ("Agreement to compensate expenses when granting access to local network");
- 5) Kazakhstan Stock Exchange JSC, 67 Aiteke Bi Str., no number, February 8, 2004 ("Agreement to buy and sell modular construction").

3. DESCRIPTION OF ACTIVITIES OF THE CENTRAL SECURITIES DEPOSITORY

19. Short description of main types of activities of the Central Securities Depository.

The Central Securities Depository does the following types of activities:

- 1) depository activities on the securities market: nominal holding, recording rights for emissive securities and other financial instruments, registering emissive securities and other financial instruments transactions, confirming rights for emissive securities and other financial instruments of its clients and their customers, clearing of financial instruments transactions;
- 2) maintaining register system of securities holders: forming, maintaining and keeping register system of securities holders, opening personal accounts, registering securities transactions by personal accounts of registered person, confirming rights for securities of registered person, providing information from register system of securities holders to issuers and other persons having right in accordance with the legislative acts of the Republic of Kazakhstan to receive data comprising register system of securities holders;
- 3) certain types of banking operations in national and foreign currencies having respective license of the National Bank of the Republic of Kazakhstan:
 - transfer operations: executing instructions of legal entities to transfer money;
 - safe deposit transactions: custody of certificated securities, documents and valuables;
 - opening and maintaining banking accounts of legal entities;
- 4) consulting, information and other services upon agreement with client that do not contravene the law of the Republic of Kazakhstan.

The Central Securities Depository does not have competitors as it is a single depository in the Republic of Kazakhstan doing depository activities.

The competitors of the Central Securities Depository in sphere of maintaining register system of securities holders are companies maintaining register system of securities holders.

The Central Securities Depository does not have competitors in terms of certain banking operations as based on respective license it provides a limited list of services and specific services ancillary to depository activities.

20. Factors that affect negatively or positively return on sales (works, services) for main types of activities of the Central Securities Depository.

Factors that affect positively return on services for professional types of activities of the Central Securities Depository on the securities market.

- 1) concerning depository activities:

- increasing volume of financial instruments in nominal holding;
- increasing quantity of clients;
- increasing quantity of financial instruments transactions on the organized market;
- increasing quantity of operations related to transfer to/withdrawal from nominal holding;

- 2) concerning maintenance of the system of securities holders register:

- increasing securities issues;
- increasing quantity and volume of transactions on the unorganized market;

- 3) concerning banking operations:

- increasing quantity of money transfer based on clients' instructions.

Factors that affect negatively return on services for professional types of activities of the Central Securities Depository on the securities market:

- 1) concerning depository activities:

- decreasing volume of financial instruments in nominal holding;
- decreasing quantity of clients;
- decreasing quantity of financial instruments transactions on the organized market;
- decreasing quantity of operations related to transfer to/withdrawal from nominal holding;

- 2) concerning maintenance of the system of securities holders register:

- decreasing securities issues;
- decreasing quantity and volume of transactions on the unorganized market;

- 3) concerning banking operations:

- decreasing quantity of money transfer based on clients' instructions.

21. The volume of products (works, services carried out) sold over last two years or during the actual operation of the Central Securities Depository:

Period	Income from depository activities (KZT, thousand)	Per cent of changes to previous period
2003	180, 304.1	36.7

2004	201, 924.0	12.0
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Income from depository activities for 2003 increased by 36.7% compared to 2002 due to increased volume of securities in nominal holding.

Income from depository activities for 2004 increased by 12,0 % compared to 2003 due to increased volume of securities in nominal holding.

22. Activities of the Central Securities Depository to organize sell of its products.

The consumers of goods (works, services) of the Central Securities Depository in volume comprising five and more per cent from total value of goods (works, services) produced

Name of consumer	Location of consumer	Cost of goods (works, services) consumed, KZT thousand	Per cent from total value of goods (works, services) consumed, (%)
CenterCreditBank JSC	100, Shevchenko Str., 050022, Almaty	841.0	5.07
Subsidiary Bank HSBC Bank of Kazakhstan JSC	43, Dostyk Str., 050021, Almaty	892.9	5.38
АО "Евразийский банк"	100, Konayeva Str., 050002, Almaty	972.8	5.86
Eurasian Bank JSC	135Zh, Shevchenko Str., 050060, Almaty	1, 054.0	6.35
Temirbank JSC	68/74, Abay Avenue., 050008, Almaty	1, 078.4	6.50
ATF Bank JSC	100, Furmanova Str., 050000, Almaty	1, 833.5	11.05
National Bank of the Republic of Kazakhstan	21, microdistrict Koktem-3., 050040, Almaty	2, 164.8	13.05
Halyk Bank of Kazakhstan JSC	97, Rozybakieva Str., 050046, Almaty	2, 173.3	13.10

Suppliers of goods (works, services) of the Central Securities Depository in volume comprising five and more per cent from total value of goods (works, services) consumed

Name of supplier	Location of supplier	Cost of goods (works, services) supplied, KZT, thousand	Per cent from total value of goods (works, services) supplied, (%)
ABC LLP	193, Furmanova Str., 050013, Almaty г.	296.9	8.39
KISC Republican State Enterprise	21, microdistrict Koktem-3., 050040, Almaty	999.8	28.26
Komel Firm LLP	117B, Makatayeva Str., Almaty	1, 329.3	37.58

23. Factors affecting the activities of the Central Securities Depository:

1) types of activities that are seasonal, their share in income of the Central Securities Depository:

The Central Securities Depository does not do seasonal activities;

2) import content of raw materials (works, services) supplied (provided) to the Central Securities Depository and share of product (works, services) exported by the Central Securities Depository in the total volume of products sold:

Income in foreign currency

Integration Committee of the Eurasian Economic Community – RUB 610.4 thousand

Expenses in foreign currency:

- Central Securities Depository Closed Joint-Stock Company (Kyrgyzstan) – USD 1.1 thousand;
- Clearstream Banking S.A. (Luxembourg) – EUR 18.5 thousand;
- S.W.I.F.T SCRL (Belgium) – EUR 22.2.

3) information about participation of the Central Securities Depository in the proceedings:

the Central Securities Depository has not participated in the proceedings;

4) information about all administrative tax penalties imposed on the Central Securities Depository and its officials by authorized state bodies and/or court over last year:

administrative tax penalties were not imposed on the Central Securities Depository;

5) risk factors:

a) risk factors causing affect on share price on the organized market or over-the-counter do not affect price of share of the Central Securities Depository, as:

- shares of the Central Securities Depository cannot be traded on the organized market;
- the Central Securities Depository buys back its shares at nominal price (placement price);
- practically it is impossible to trade shares of the Central Securities Depository over-the-counter as market value of share is not subject to change, number of potential shareholders is limited;

b) risks caused by inflation, devaluation and interest rate:

- risks caused by inflation exist. When inflation raises the income of the Central Securities Depository decreases in nominal terms. To reduce this risk the Central Securities Depository established reserve capital;
- risks caused by devaluation exist but it does not affect activities of the Central Securities Depository as it does not do foreign economic activities, income and expenses in foreign currency comprise small part in total income and expenses;
- risks caused by interest rates do not exist as the Central Securities Depository does not provide services to borrow and place credits and does not borrow credits for its needs;

c) risks related to competitiveness of services:

- depository activities – risks does not exist as the Central Securities Depository is a sole company in the Republic of Kazakhstan doing depository activities;
 - activities to maintain the system of securities holders register– risks exist. The deterioration in quality can lead to decrease of quantity of issuers serviced. To reduce this risk the Central Securities Depository:
 - developed and introduced procedures that allow to significantly reduce errors when registering securities transactions;
 - applies software that allow to use maximum advantage of electronic documents exchange;
 - certain types of banking operations – risks exist as the Central Securities Depository provides a limited list of banking services and specific services ancillary to depository activities;
- d) risks related to change of political situation in the country and change in law,:
- risks related to change of political situation in the country exist. The change of political situation can lead to stagnation of securities market or its complete collapse;
 - risks related to change in law exist. The change in law that violates rights of shareholders, aggravates activities of professional participants of securities market and activities of issuers and etc may lead to stagnation of securities market or its complete collapse;
- e) risks related to social factors do not exist as the Central Securities Depository is not involved in social sector related activities.

5. FINANCIAL POSITION OF THE FINANCIAL ORGANIZATIONS

30. Investments and portfolio of securities on the date when Prospectus was issued:

#	Name of securities issuer	Вид ценной бумаги	National Identification Number	Quantity	Face value, KZT
1.	National Bank of the Republic of Kazakhstan	Short-term notes	KZW1KW479 485	619, 770	100.00
2.	National Bank of the Republic of Kazakhstan	Short-term notes	KZW1KW169 524	1, 137, 036	100.00

Short description of strategy of the Central Securities Depository:

free financial resources are invested in government securities as they have level of reliability and minimum risk of capital and income loss on them. Mainly the government bonds are bought when they are placed initially at average weighted price and kept until maturity.

30-1. Assets

The property of the Central Securities Depository comprising five and more per cent from book value of assets:

- fixed assets – KZT 23, 148.6 thousand (9.14 %) including:
- machines and equipments, transfer device – KZT 11, 913.5 thousand (4.70 %);
- vehicles – KZT 3, 814.7 thousand (1.51 %);
- other fixed assets – KZT 7, 420.4 thousand (2.93 %).

31. Equity capital

Amount of equity capital paid is KZT 18, 000, 000 (eighteen million). 90 shares with KZT 200,000 thousand worth face value were placed.

32. Interbank loans:

the Central Securities Depository did not borrow interbank loans.

33. Deposits (to be filled by banks):

the Central Securities Depository is not bank.

34. Description of structure of acting bonds issue and information about bonds redeemed over last three years:

the Central Securities Depository is a non-profit organization and is not entitled to issue bonds.

35. information about acting international loans (amount, repayment schedule, interest rate) exceeding five per cent from assets of the Central Securities Depository and about borrowed and executed international loans at amount not exceeding five per cent from its assets over last three years:

the Central Securities Depository has not borrowed international loans.

36. Information about current loan facility of the Central Securities Depository received from other entities:

the Central Securities Depository does not have opened loan facilities.

37. Analysis of financial results.

Income items	2003		2004		2005 Plan
	KZT, thousand	%	KZT, thousand	%	
Income from depository activities	180, 304.1	56.42	201, 924.0	47.56	200, 191.2
Cost of services	68, 345.0	28.64	68, 173.1	20.42	72, 606.7
Period expenses	33, 654.4	14.1	46, 117.5	13.82	53, 568.3
Total income from main activities	78, 304.7		87, 633.4		74, 016.2
Income from rate difference	1, 918.3	0.60	-3, 202.6	-0.75	
Income in the form of interest	6, 755.3	2.11	7, 979.6	1.88	
Other income	130, 596.6	40.87	217, 857.8	51.31	5, 718.5
Other expenses	136, 625.7	57.26	219, 501.9	65.76	3, 372.4
Income before taxation	80, 949.2		90, 766.3		76, 362.3
Corporate income tax	24, 396.8		27, 392.4		23, 920.4
Net income	56, 552.4		63, 373.9		52, 441.9

Income from depository activities from total income for 2004 comprised 47.56 %.
Income from depository activities in 2004 compared to results of 2003 increased by

KZT 21,619.9 thousand (11.99 %) due to increase in volume of financial instruments in nominal holding.

The cost of total expenses for 2004 comprised 20.42 %. The cost of services in 2004 as compared to last year decreased by KZT 171.9 thousand (0.25 %) as a result of decrease in expenses for services of custodian banks.

The period expenses from total expenses for 2004 comprised 13,82 %. The period expenses as compared to 2003 increased by KZT 12, 463.1 thousand (37.03 %), mainly due to increase in salary, established vacation reserve, travel expenses, public utilities and other expenses.

Net income in 2004 as compared to 2003 increased by KZT 6, 821.5 thousand (12.06 %).

38. Structure of income and expenses over last two years.

Items	2003 (KZT, thousand)	2004 (KZT, thousand)
Income :		
– income from main activities	180, 304.1	201, 924.0
– income from selling fixed assets		703.1
– income from selling securities (redeeming securities)	130, 570.0	217, 144.0
– income on government securities	6, 755.3	7, 979.6
– income from exchange differences	1, 918.3	11, 896.5
– other incomes	26.5	10.6
Expenses :		
– cost :	68, 345.0	68, 173.1
– amortization of fixed assets and intangible assets	3, 919.8	4, 942.3
– salary, with deduction from Salary Fund	27, 064.8	34, 972.6
– travel expenses		1, 227.9
– financial services	25, 569.8	3, 055.7
– interbank settlements	6, 459.6	7, 704.3
– communication services	1, 376.3	3, 797.9
– rent	1, 493.4	1, 907.3
– stationary	718.8	1, 535.4
– other expenses	1, 742.5	9, 029.7
– period expenses (common and administrative expenses):	33, 654.4	46, 117.4
– salary, with deductions from Salary Fund	23, 198.1	31, 054.8
– travel expenses	447.0	1, 853.0
– audit services	2, 127.7	1, 121.2
– public utilities	1, 828.4	2, 527.2
– taxes	1, 955.1	2, 095.2
– bank services	1, 127.6	862.8
– other expenses	2, 970.5	6, 603.2
– expenses from selling intangible assets	69.3	768.0
– expenses from selling fixed assets	64.8	760.4
– expenses from selling securities (redeeming securities)	130, 570.0	217, 144.0
– expenses from exchange differences	4, 949.0	15, 099.1
– other expenses	972.5	829.5

39. The financial ratio calculations which in opinion of the Company is the most important and describes the Company's activities:

- current ratio – 39.34;
 - liquid ratio – 39.13.
40. The meanings of binding prudential provisions and other norm and limits established by the law of the Republic of Kazakhstan on the date when Prospectus was issued:
Capital adequacy ratio – 28.8.
41. The volume and quantity of guarantees issued over last six months before the Company makes a decision to issue shares:
The Central Securities Depository does not issue guarantees.
42. The other information concerning possible obligations of the Company which may arise as a result of guarantees and legal actions it has issued earlier:
The Central Securities Depository has not issued earlier guarantees and is not and was not participant in legal actions as a defendant or co-defendant.

6. INFORMATION ABOUT SECURITIES ISSUE

43. In relation to registered securities issue it is indicated:
- 1) total quantity, type, category and face value of securities of each issue, form of issue, as well as body carrying out state registration of securities issue, state registration number and date of state registration of securities issue:
 - NIN – KZ1C04620015;
 - 90 (ninety) ordinary registered shares;
 - face value - KZT 200,000 (two hundred thousand) each;
 - non-documentary issue;
 - certificate of state registration of securities issue # A0462 dated July 30, 2004 issued by the Agency on regulation and supervision of financial market and financial organizations of the Republic of Kazakhstan.
 - 2) date of beginning of securities placement – August 12, 1997;
date of expiration of securities placement– June 6, 2003.
 - 3) information that the Company failed to fulfill its obligations to securities holders:
the Central Securities Depository is a non-profit organization and does not issue bonds and does not pay dividends on ordinary shares.
 - 4) if placement or circulation of securities was suspended or securities issue was declared void it is necessary to inform state body that made this decision date and basis of making decision:
If placement or circulation of securities was suspended and securities issue was not declared void;
 - 5) redemption date and total amount of payments on bonds:
The Central Securities Depository is a non-profit organization and does not issue

bonds;

- 6) dividend sum per share (ordinary, preference) and total sum of dividends per each type of share for each year out of last two years:

The Central Securities Depository is a non-profit organization and does pay dividends;

- 7) major markets where the Company's securities are traded including names of trade organizers:

The Central Securities Depository's securities trade is extremely limited as in accordance with item 1 of Article 78 of the Law of the Republic of Kazakhstan "On Securities Market" only professional market participants, trade organizers and international financial organizations can be shareholders of the Central Securities Depository's.

7. INFORMATION ABOUT AUTHORIZED SHARES ISSUE

44. Information about shares:

- 1) quantity and type of shares:

300 (three hundred) ordinary shares;

- 2) quantity and type of shares placed among founders:

ninety (90) ordinary shares for the total amount of KZT 18,000,000 (eighteen million) have been distributed among and have been paid by founders;

- 3) face value of one share paid by founders:

face value is KZT 200, 000 (two hundred thousand);

- 4) guaranteed amount of dividend on preference shares:

preference shares are not issued.

45. The converted securities of the Company:

The Central Securities Depository does not issue converted securities.

- 45-1. Information about payment agent:

The Central Securities Depository does not have payment agent as it does not pay dividends.

46. Information about the Company's registrar:

Securities Registration System Joint-Stock Company,
75, Muratbayeva Str., Almaty, tel: 53-57-90, 53-71-77, license for maintaining
securities holders register # 0406200147 dated September 4, 2000.

Agreement # 000B2287 dated July 8, 2003.

8. ADDITIONAL PROVISIONS

47. Amount of expenses for shares issue:

The Central Securities Depository did not invite auditors, experts and financial advisors to make shares issue.

48. Information for investors.

Investors may get acquainted with copy of charter, prospectus, amendments and additions to these documents, report on placement of the Central Securities Depository's shares at: 291/3A, Dostyk Ave., Almaty 050020, or on Internet-site www.kacd.kz.

President

Bakhytzhhan Kapyshev

Chief accountant

Tatyana Alekseeva

Stamp here