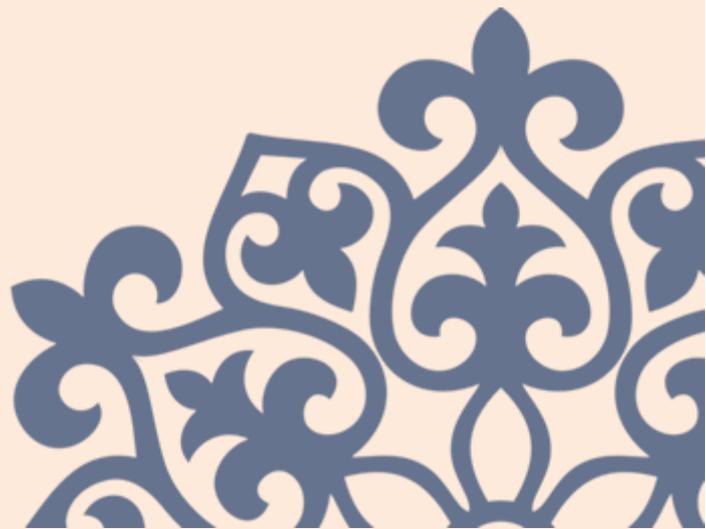
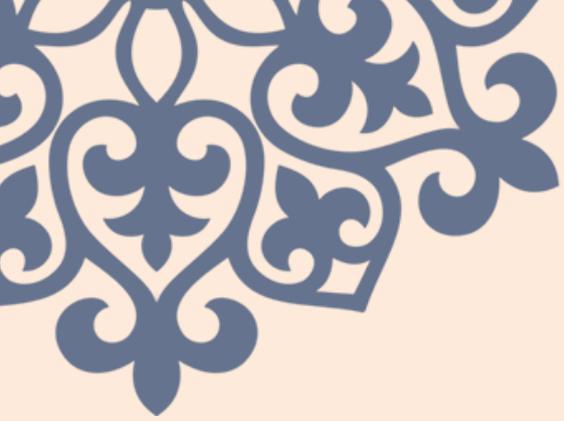


**KACD**

*Annual Report*

**2017**





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## GLOSSARY

<b>ANNA</b>	Association of National Numbering Agencies
<b>KASE</b>	Kazakhstan Stock Exchange JSC
<b>WFC</b>	World Forum of Central Securities Depositories
<b>AIS</b>	Automated Information System
<b>JSC</b>	Joint Stock Company
<b>AECS</b>	Association of Eurasian Central Securities Depository
<b>GTO</b>	Government treasury obligations of the Republic of Kazakhstan issued by the Ministry of Finance
<b>State-owned block of shares</b>	Shares owned by government
<b>Government securities</b>	Government emission securities issued in accordance with the legislation of the Republic of Kazakhstan
<b>SBS</b>	State-owned block of shares
<b>GS</b>	Government securities
<b>TISR</b>	Integrated Securities Registrar JSC
<b>CJSC</b>	Closed Joint Stock Company
<b>CFI code</b>	International Code of Financial Instruments (Classification of Financial Instruments) allocated in accordance with international standard ISO 10962
<b>ISIN code</b>	International Securities Identification Number allocated in accordance with international standard ISO 6166
<b>Thomas Murray Company</b>	Thomas Murray Rating Company (Great Britain) specialized on the allocation of ratings to infrastructure financial organizations, risk-management and researches in the global industry of recordkeeping and safekeeping of securities
<b>KISC</b>	The Republican State Enterprise on the Right of Economic Management the "Kazakhstan Interbank Settlement Center of the National Bank of the Republic of Kazakhstan"
<b>MAOKAM</b>	government special medium-term treasury obligations of the Ministry of Finance of the Republic of Kazakhstan (with two and three years circulation term) (abbreviation of securities title is in Kazakh language)
<b>MEKKAM</b>	government short-term treasury obligations of the Ministry of Finance of the Republic of Kazakhstan (with the circulation term up to one year inclusive) (abbreviation of securities title is in Kazakh language)
<b>MEOKAM</b>	government medium-term treasury obligations of the Ministry of Finance of the Republic of Kazakhstan (with the circulation term over one up to five years inclusive) (abbreviation of securities title is in Kazakh language)
<b>MEUJKAM</b>	government long-term saving treasury obligations of the Ministry of Finance of the Republic of Kazakhstan (with over five years circulation term), placed with Pension Savings Funds (abbreviation of securities title is in Kazakh language)
<b>MEUKAM</b>	government long-term treasury obligations of the Ministry of Finance of the Republic of Kazakhstan (with over five years circulation term) (abbreviation of securities title is in Kazakh language)
<b>The Ministry of Finance</b>	The Ministry of Finance of the Republic of Kazakhstan

<b>mln</b>	million
<b>bln</b>	billion
<b>ISMT</b>	The Interbank System of Money Transfer operating by the Republican State Enterprise on the Right of Economic Management the "Kazakhstan Interbank Settlement Center of the National Bank of the Republic of Kazakhstan"
<b>MUIKAM</b>	government long-term indexed treasury obligations of the Ministry of Finance of the Republic of Kazakhstan (with over five years circulation term) (abbreviation of securities title is in Kazakh language)
<b>Municipal securities</b>	securities issued by local executive bodies of the Republic of Kazakhstan
<b>The National Bank</b>	The National Bank of the Republic of Kazakhstan
<b>NGS</b>	non-government securities
<b>Non-government securities</b>	shares, bonds and other emission securities which are not the state emission securities
<b>Nonresident</b>	nonresident individual or legal entity
<b>NIN</b>	The National Identification Number of the security allocated in accordance with laws of the Republic of Kazakhstan
<b>Nominal holding</b>	nominal holding of the Central Securities Depository
<b>OJSC</b>	Open Joint Stock Company
<b>UIF</b>	Unit Investment Fund
<b>AML/CFT</b>	Anti-Money Laundering, Combating the Financing of Terrorism
<b>Resident</b>	Individual, being a citizen of the Republic of Kazakhstan, as well as legal entity incorporated and registered in the Republic of Kazakhstan in accordance with the laws of the Republic of Kazakhstan
<b>Fig.</b>	figure
<b>ICS</b>	KICS' Interbank Clearing System
<b>The Board of Directors</b>	The Board of Directors of the Central Securities Depository
<b>LLP</b>	Limited Liability Partnership
<b>tln</b>	trillion
<b>k</b>	thousand
<b>The Central Securities Depository</b>	Central Securities Depository JSC

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## PROCEDURAL EXPLANATIONS

Face amounts of debt securities, as well as face value of equity financial instruments determined by the Central Securities Depository in accordance with its internal document Regulation on Tariffs and Fees are used in the Report to present the volumes of financial instruments, which are in nominal holding of the Central Securities Depository.

The Central Securities Depository would like to draw special attention of the Report's readers to the fact that the volumes of financial instruments, which are in nominal holding of the Central Securities Depository, shown in this Report, cannot be used for any purpose other than for comparison of data specified in this and other Annual Reports of the Central Securities Depository.

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## MESSAGE FROM THE PRESIDENT

**Dear Shareholders, clients, and partners,**

Last year the Central Securities Depository proceeded with implementation of a new stage of its activities and the Development Strategy of the Central Securities Depository for 2017-2021, key area of which is an enhancement of business operations in terms of client-focused services.

The Rules according to which the citizens of the Republic of Kazakhstan would be able to buy and sell securities via mobile application were developed in 2017 in frameworks of the National Bank's Short-Term Notes Placement project using a "blockchain" technology.

In addition, in November 2017 the Central Securities Depository developed and implemented Informing Persons' Online Cabinet to provide informing persons with convenient and alternative link of data transmission on the derivative transactions.

The 20-year anniversary has been recognized as the most outstanding event of the Central Securities Depository's 2017 life. Being a sole organization exercising depository activities, the Central Securities Depository has made a critical contribution into development of Kazakhstani securities market. Today the Central Securities Depository is a systemically important infrastructure financial organization, well reputed and highly esteemed among local and foreign financial organizations. Throughout 20 years the Central Securities Depository has constantly worked and keep working on its efficiency, perfection of business-processes, and compliance of risk-management systems with the best practices and international standards.

In subsequent years the Central Securities Depository will go on sustainable development, and anticipates a stepwise implementation of tasks, outlined in the Development Strategy.

Bakhytzhan Kapyshev

President of  
Central Securities Depository JSC



## Main events

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## MAIN EVENTS

### *Professional Activities*

In 2017 in frameworks of the National Bank's Short-Term Notes Placement project using a "blockchain" technology the Central Securities Depository developed the Rules of Maintaining the Short-term Notes Holders Register System of the National Bank of the Republic of Kazakhstan Distributed Among Individuals. This project enables individuals to run buy and sell online operations of short-term notes of the National Bank via mobile application.

In the meantime, in order to obtain an accurate information of correspondent banks and to transmit information upon requests of other participants the Central Securities Depository became a participant of SWIFT KYC Registry in June 2017.

In September 2017 the Central Securities Depository introduced an AML/CFT new module as a part of AIS Depository Settlement Securities System.

In November 2017 the Central Securities Depository opened an account in Citibank N.A., New-York.

Moreover, to arrange convenient optional link of electronic data interchange with informing persons of the Central Securities Depository using modern technologies the Central Securities Depository developed personal online cabinet in November 2017.

### *Risk Management*

In 2017 the Central Securities Depository continued the improvement of risk management system in accordance with the Principles for Financial Market Infrastructure worked out by the Committee on Payment and Settlement Systems and International Organization of Securities Commissions.

The Principles for Financial Market Infrastructure specify public disclosure of the Financial Market Infrastructure List by the competent authorities that are system-relevant infrastructures. Taking into account that the National Bank classified the Central Securities Depository as a systemically important financial institution for the period of January 01 through December 31, 2017, in 2017 the Central Securities Depository for the third time published information disclosure to observe Principles for Financial Market Infrastructure.

Being a securities market infrastructure, the Central Securities Depository attaches importance in providing continuity of its business activities. In 2017, the Central Securities Depository kept perfection of business continuity plans and procedures in accordance with international practice. In particular, to ensure business continuity information systems of the Central Securities Depository have been migrated to

computation capacities of acquired server modular systems. Due to coming into effect of the requirements to managerial procedures and firmware securing an access to payment systems the Business Continuity Plan has been supplemented and revised.

To assess the efficiency of business continuity plans and procedures the Central Securities Depository carries out regular testing focused on defining the on-the-spot and proper response to various incidents comprising use of the Back-Up Center. The results of tests conducted in 2017 evidence on the reliability and efficiency of the business continuity procedures of the Central Securities Depository.

As an extra measure for risk management the Central Securities Depository exercised risk insurance. In 2017 the Central Securities Depository implemented insurance of its risks (professional liability insurance) in the amount of KZT 500 mln. Insurance policy covers risks associated with unlawful acts, cyber crimes and failures, personnel's errors, and other risks. Since 2013 the Central Securities Depository has been maintaining risk insurance on an annual basis. No insured risk events have occurred for the above mentioned period.

The Central Securities Depository takes measures aimed at advance of the internal control procedures for the purpose of the Counteraction of the Legitimization of Proceeds of Crime and the

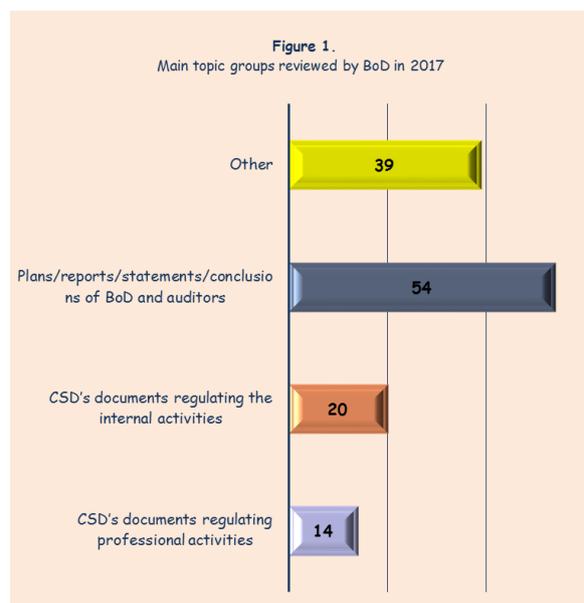
Financing of Terrorism (Anti-Money Laundering) comprising elaboration of automated financial monitoring procedures.

### *Supreme and Governance Boards of the Central Securities Depository*

During the reporting period there were one Annual General Meeting and two Extraordinary General Meetings of Shareholders of the Central Securities Depository. Furthermore, there were eight meetings and 30 absent votings of the members of the Board of Directors at which more than 100 topics (documents) were reviewed including:

- 14 documents regulating professional activities of the Central Securities Depository;
- 20 documents regulating internal activities of the Central Securities Depository;
- 54 reporting documents including reports, plans, conclusions;
- six items concerning arrangements for the General Shareholders' Meetings of the Central Securities Depository;
- three topics concerning business operations of RTRS LLP;
- 14 documents governing financial and economic performance;
- 16 various topics (Fig. 1).

Since 2009 the Committee on Strategy, Risk, Human Resources, Remuneration and Social Affairs under the Board of Directors has been functioning, and since 2010 the Committee on Audit under the Board of Directors has been functioning. Purpose of their activities is an in-depth study of single areas of activities of the Central Securities Depository and rendering advisory expertise to the Board of Directors on the above topics.



To improve corporate management process Additions and Amendment # 6 to the Regulation on Committees under the Board of Directors have been endorsed by resolution of the Board of Directors (Minutes of Meeting by absent voting # 17 (з) dated July 21, 2017).

Amendments and Additions # 1 to the Development Strategy and Main Works Strategic Plan of the Central Securities Depository for 2017-2021 have been adopted by resolution of the Board of Directors (Minutes of Meeting # 37 dated December 28, 2017).

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## *International Activities*

During 2017 the Central Securities Depository has participated in the following securities market events of the international agencies and organizations:

- 1) Global Conference of Central Securities Depositories (venue - Hong Kong);
- 2) XIV International Conference of the Association of Eurasian Central Securities Depositories "Corporate information: collection and distribution, the role of the CSD, possibilities and limitations" (venue - Minsk, the Republic of Belarus);
- 3) The 19th ACG Cross Training Seminar of Asia-Pacific Region (venue - Jaipur, India).

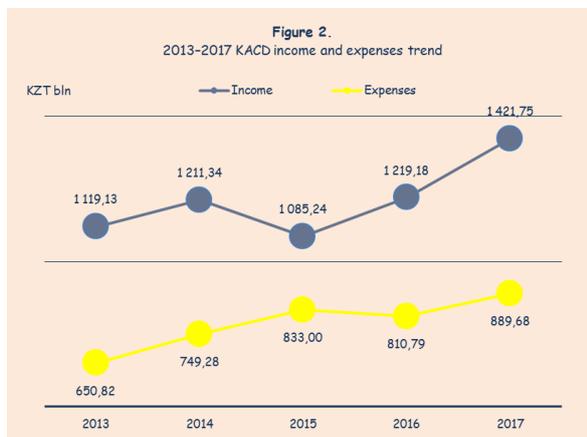
Moreover, along with annually updated information by the Central Securities Depository thereof at resources presenting the consolidated information on infrastructure entities, and in particular, on resources of the Association of Global Custodians, Thomas Murray Company and AESCD, in 2017 the Central Securities Depository for the first time completed WFC Single Disclosure Questionnaire.

## FINANCIAL AND OPERATING PERFORMANCE

As a result of its activities in 2017 the Central Securities Depository has gained net profit in the amount of KZT 462.33 mln, the amount of which is by KZT 110.70 mln (+31.48 %) above than similar indicator of the previous year.

### Income

Total operating income amount of the Central Securities Depository gained for 2017 was KZT 1,421.75 mln that is more by KZT 202.57 mln (+16.61 %) than total income amount of the Central Securities Depository in 2016 (Fig. 2).



Principal source of operating income of the Central Securities Depository in 2017 was income from depository activities. Specified income in 2017 was KZT 1,192.17 mln, and was increased by KZT 179.46 (+17.72 %) mln versus 2016. Thereby the percentage of the above income in total income amount in the Central Securities Depository in 2017 made up 83.85 % that was by 0.79 % above than similar indicator of the previous year. Growth of income from depository activities in 2017 is associated with increase of financial instruments volume in nominal holding of the Central Securities Depository.

Income from certain types of bank operations in 2017 insignificantly increased by KZT 0.06 mln (+3.90 %) as compared to 2016 and equaled to KZT 1.60 mln (in 2016 - 1.54 mln). Whereby the percentage of the above income in total income amount of the Central Securities Depository reduced from 0.13 % in 2016 to 0.11 % in 2017.

Income of the Central Securities Depository from the activities of codification of financial

instruments in 2017 also slightly increased by KZT 0.07 mln (+13.46 %) as compared to 2016. The percentage of the above income in total income amount of the Central Securities Depository in 2017 remained the same 0.04 % as in 2016.

Income of the Central Securities Depository from paying agent activities in 2017 increased by KZT 1.03 mln (+47.25 %) versus 2016. The percentage of the above income in total income amount in the Central Securities Depository in 2017 was 0.23 %, in 2016 - 0.18 %. Growth of income is explained by increase of volume of services rendered in the scope of paying agent services.

Other operating income of the Central Securities Depository includes the activities of maintaining of the Securities Holders Register System of the Integrated Securities Registrar, incomes from fees for use and supporting software. The above income was increased by KZT 0.13 mln (+3.66 %) in 2017 as compared to 2016. The percentage of the other operating income in total income amount of the Central Securities Depository in 2017 was 0.26 %, whereas in 2016 - 0.29 %.

Other income of the Central Securities Depository in 2017 was increased by KZT 21.82 mln (+10.98 %) as compared to 2016. The percentage of the above income decreased from 16.30 % in 2016 to 15.51 % in 2017. Other reflected income received as a result of investment of owned assets of the Central Securities Depository, profit share in RTRS LLP Associated Company, and other income. In 2017 as compared to 2016, the incomes from investment of owned assets increased by KZT 21.60 mln (+10.91 %) in connection with increasing of size and diversification of investment portfolio of the Central Securities Depository.

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## Expenses

Total amount of expenses of the Central Securities Depository for 2017 was KZT 889.68 mln that is above by KZT 78.89 mln (+9.73 %) than similar indicator of 2016 (Fig. 2).

In 2017 structure of expenses of the Central Securities Depository main percentage was for staff and remuneration payment to officials, which increased by KZT 85.10 mln (+19.97 %) in 2017 versus 2016. The percentage of specified expenses in 2017 was 57.45 % (in 2016 - 52.55 %). Rising of expenses is accounted for headcount growth of the Central Securities Depository in 2017 as well as 2016 year-end bonus payment in 2017.

Expenses of payment of services of recordkeeping entities in 2017 were decreased by KZT 11.07 mln (-13,71 %). Decreasing of expenses of service payment of recordkeeping entities is associated with reducing number of securities transactions issued in accordance with legislation of foreign states. Percentage of these expenses in total amount expenses of the Central Securities Depository decreased from 9.95 % in 2016 to 7.83 % in 2017.

Other operating expenses of the Central Securities Depository in 2017 increased by KZT 9.41 mln (+3.17 %), mainly, due to increase of expenses on communication services related to rented extra links. Meanwhile, percentage of these expenses decreased from 36.59 % in 2016 to 34.40 % in 2017.

Other expenses of the Central Securities Depository in 2017 decreased by KZT 4.55 mln - 61.65 %) versus 2016, and made up KZT 2.83 mln. Percentage of other expenses in total expense amount of the Central Securities Depository was 0.32 % (in 2016 - 0.91 %). Reduce of the other expenses is mainly attributed to the decrease of expenses on differential exchange rates occurred as a result of financial instruments revaluation of the Central Securities Depository nominated in foreign currency.



## Depository Activities

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## DEPOSITORY ACTIVITIES

### *Clients*

In accordance with the Law of the Republic of Kazakhstan On Securities Market the participants of the Central Securities Depository shall be organizations being clients of the Central Securities Depository.

In accordance with its Code of Rules the Central Securities Depository shall enter into the depository servicing agreements, and thereby shall open personal accounts for the following legal entities:

- 1) professional participants of the securities market of the Republic of Kazakhstan, who are nominee holders of securities (custodians or brokers retaining the right to maintain client accounts as a nominee holder);
- 2) organizations performing dealer activities only at the securities market based on the license of the authorized agency or in line with the Law of the Republic of Kazakhstan;

- 3) the National Bank of the Republic of Kazakhstan (if the National Bank does not fall under the effect of Sub-clauses 1) and 2) Clause hereof);

- 4) foreign depositories; and

- 5) foreign custodians.

As of January 01, 2018 the number of legal entities signed depository servicing agreements with the Central Securities Depository was 59, three of which signed the above agreements in 2017. Depository servicing agreements for reporting period have been terminated with three participants. Complete list of the entities, which signed depository servicing agreements with the Central Securities Depository as of 01 day of a month is posted at official website of the Central Securities Depository on a monthly basis: [http://www.kacd.kz/ru/about\\_KACD/clients](http://www.kacd.kz/ru/about_KACD/clients).

### *Personal Accounts and Subaccounts*

59 personal accounts were opened in the Central Securities Depository as of January 01, 2018.

Number of subaccounts opened on the personal accounts of participants in the Central Securities Depository increased by 4,052 as compared to similar indicator of last year and was 113,130 subaccounts, 59 of which were opened in the name of participants of the Central Securities Depository, and 113,061 were opened in the name of

participants' clients including 111,224 subaccounts were opened in the name of individuals. Among them 112,405 subaccounts were opened for residents of the Republic of Kazakhstan, 632 subaccounts were opened for non-residents of the Republic of Kazakhstan, and 24 subaccounts were opened with an "unknown" resident status.

## Nominal Holding

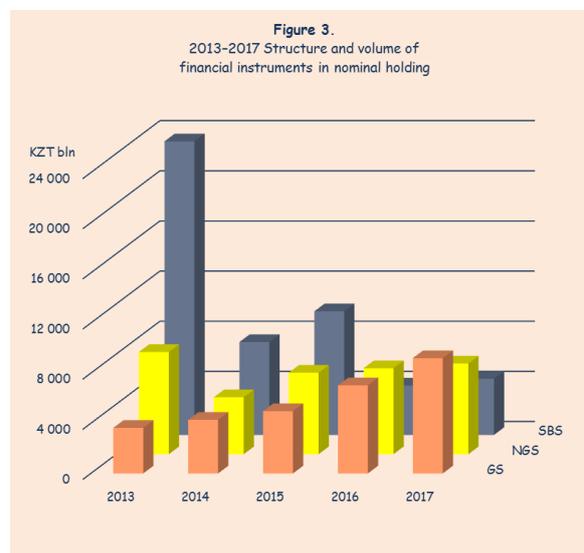
### General

Total volume of financial instruments in nominal holding as of January 01, 2018 was KZT 20.92 tln that is over by KZT 3.09 tln (17.35 %) than similar indicator of last year. Increase of the volume of financial instruments is connected with the increase of GTO volume distribution.

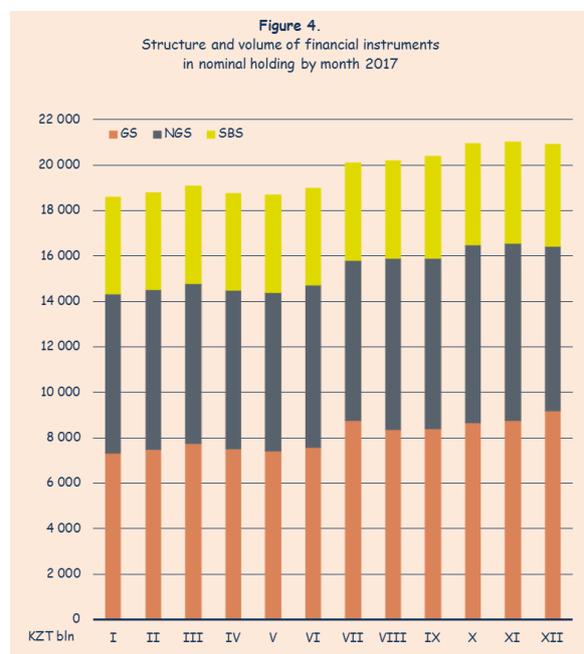
Volume of government securities in nominal holding as of January 01, 2018 was KZT 9.20 tln or 43.97 % of total volume of financial instruments in nominal holding that is more by 31.00 % than similar indicator of the last year.

Non-government (corporate) securities (excluding state-owned block of shares) in nominal holding as of January 01, 2018 was KZT 7.23 tln or 34.56 % of total volume of financial instruments in nominal holding that is larger by 5.44 % than similar indicator of the last year.

Also, there are state-owned block of shares in nominal holding. State-owned block of shares are recorded on personal accounts of the participants, who are authorized to organize and maintain recordkeeping of shares in accordance with the legislation of the Republic of Kazakhstan, i.e. nominal holding of shares by these participants, which are owned by the state and state organizations. These participants, in its turn, being professional participants of the securities market, in accordance with the provisions of Law of the Republic of Kazakhstan On Securities Market, shall be obliged to recordkeep the financial instruments on personal accounts in the Central Securities Depository, which were transferred to their nominal holding. As of January 01, 2018 the volume of state-owned block of shares in nominal holding was KZT 4.49 tln or 21.47 % of financial instrument total volume in nominal holding that is larger by 13.77 % than the last year indicator (Fig. 3).



In 2017 an average monthly volume of financial instruments in nominal holding was KZT 19.72 tln that is over by KZT 2.48 tln than similar indicator of 2016. On the average for 2017, volume of financial instruments in nominal holding was monthly increased by KZT 0.21 tln or by 91.09 % (Fig. 4).



As of January 01, 2018 there were in nominal holding:

- ordinary shares including shares of nonresidents, 355 items (decreasing by 17 items as opposed to January 01, 2017);
- preferred shares, 40 items (decreasing by three items as compared to January 01, 2017);
- non-government bonds, 243 items (decreasing by 13 items versus January 01, 2017);
- state treasury bonds, 152 items (reduction by two items as compared to January 01, 2017);
- short-term notes of the National Bank, 35 items (increasing by 13 items as compared to January 01, 2017);
- municipal securities, 45 items (increasing by 28 items as opposed to January 01, 2017);
- banking deposit certificates, 211 items (increasing by 185 items as compared to January 01, 2017);
- corporate bonds issued in accordance with legislation of other states, apart from the Republic of Kazakhstan - 53 items (increasing by three items against January 01, 2017);
- equity interest of share investment funds of residents, ten items (increasing by two items as compared to January 01, 2017);
- Euronotes of the Ministry of Finance, three items (number of items as compared to January 01, 2017 did not change);
- equity interest of non-resident share investment funds, three items (increase by two items versus January 01, 2017).

As of January 01, 2018 the Central Securities Depository had accounts of nominal holding in the following recordkeeping entities:

- The Integrated Securities Registrar;
- Clearstream Banking, A.G., Frankfurt;
- Euroclear Bank S.A./N.V.;
- Central Securities Depository CJSC (the Kyrgyz Republic);
- Non-bank credit organization the National Settlement Depository Closed Joint Stock Company;
- Republican Unitary Enterprise Republican Central Securities Depository (the Republic of Belarus).

Financial instruments in the amount of 11.86 tln were registered on the accounts of nominal holding, which were opened in the name of the Central Securities Depository in recordkeeping entities as of January 01, 2018.

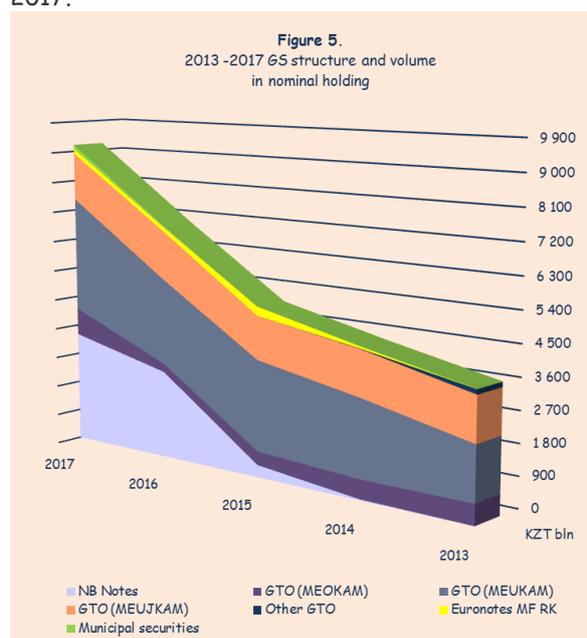
### Government Securities

Volume of non-government securities in nominal holding as of January 01, 2018 was KZT 9.20 tln that is over by KZT 2.18 tln (31.00 %) than as of reporting date of the last year.

Volume of short-term notes of the National Bank as of January 01, 2018 was KZT 3.31 tln that is more by KZT 0.71 tln (27.51 %) than similar indicator of 2017.

Volume of municipal securities as of January 01, 2018 was KZT 0.12 tln that is more by KZT 86.74 bln (226.99 %) than similar indicator of 2017.

Volume of Euronotes of the Ministry of Finance as of January 01, 2018 was 0.1 tln that is bigger by KZT 8.04 bln (6.08 %) than similar indicator of 2017.



GTO volume as of January 01, 2018 was KZT 5.62 tln that is over by KZT 1.37 tln (32.14 %) than similar indicator of the last year. The most increase of GTO volume was registered on MEUKAM from KZT 2.56 tln as of January 01, 2017 to KZT 3.41 tln as of January 01, 2018 and MEOKAM - from KZT 0.24 tln as of January 01, 2017 to KZT 0.81 tln as of January 01, 2018 (Fig. 5). MEUKAM volume was decreased by KZT 43.01 bln and made up KZT 1.40 tln as at January 01, 2018.

## Non-Government Securities

Volume of non-government securities (excluding state-owned block of shares) in nominal holding as of January 01, 2018 was KZT 7.23 tln that is over by KZT 0.37 tln (5.44 %) than corresponding indicator of 2017.

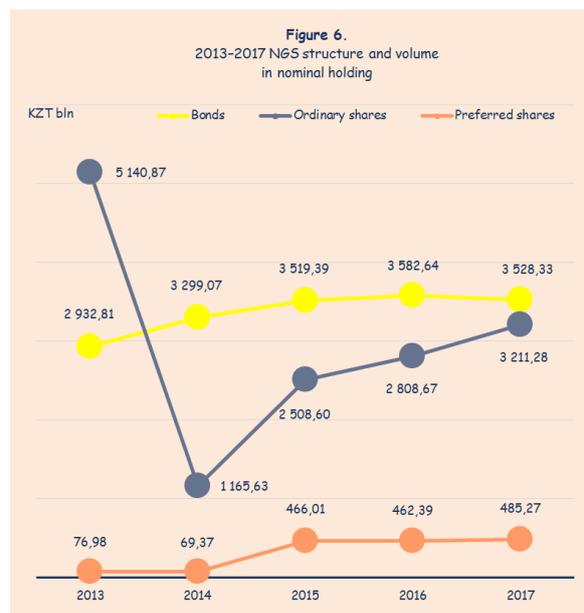
Volume of ordinary shares as of January 01, 2018 was KZT 3.21 tln or 44.42 % of the total volume of non-government securities (excluding state-owned block of shares) in nominal holding that is more by KZT 0.40 tln (14.33 %) than corresponding indicator of 2016. Ordinary shares include shares issued in accordance with the state legislations other than the Republic of Kazakhstan; their volume as of January 01, 2018 was KZT 20.65 bln, and increased by KZT 13.56 bln (191.06 %) versus to similar period of the last year.

As of January 01, 2018 the volume of preferred shares was KZT 0.49 tln or 6.71 % of the total volume of non-government securities (excluding state-owned block of shares) in nominal holding that is over by KZT 22.88 bln (4.95 %) than corresponding indicator of the last year.

Volume of the bonds issued in compliance with the legislation of the Republic of Kazakhstan, as of January 01, 2018 was KZT 3.38 tln (46.74 % of the total volume of non-government securities (excluding state-owned block of shares) in nominal holding), that is by over by KZT 0.04 tln (1.27 %) than respective indicator of 2017.

Volume of the bonds issued in accordance with the legislation of the states other than the Republic of Kazakhstan, as of January 01, 2018 was KZT 0.15 tln or 2.07 % of the total volume of non-government securities (excluding state-owned block of shares) in nominal holding that is less by KZT 0.01 tln

(6.84 %) than corresponding indicator of 2017 (Fig. 6).



## State-Owned Block of Shares

Volume of state-owned block of shares in nominal holding as of January 01, 2018 was KZT 4.49 tln that is over by KZT 0.54 tln (13.77 %) than corresponding indicator of 2017. The principal of the state-owned block of shares in nominal holding as of January 01, 2018 was ordinary shares in the amount of KZT 4.49 tln or 99.99 % of the total volume of state-owned block of shares in nominal holding that is over by KZT 0.54 tln (13.77 %) than corresponding indicator of the last year.

Share of preferred shares in the total volume of state-owned block of shares in nominal holding as of January 01, 2018 was KZT 0.06 bln, that is smaller by KZT 0.01 bln or 8.96 % than corresponding indicator of the last year.

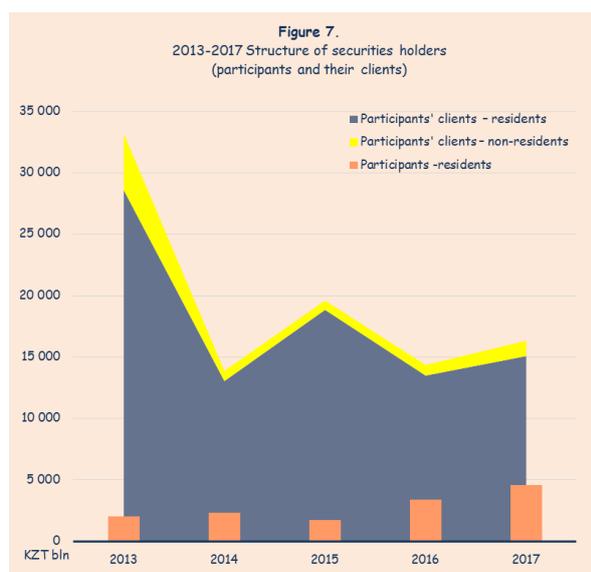
## Security Holders

Volume of financial instruments owned by resident participants as of January 01, 2018 was KZT 4.57 tln or 21.83 % of the total volume of financial instruments in nominal holding that is over by KZT 1.15 tln (33.70 %) than as of January 01, 2017. Volume of financial instruments owned by all participants as of January 01, 2018 was KZT 4.58 tln or 21.90 % of total volume of financial instruments in nominal holding that is more by KZT 1.12 tln (32.35 %) than as of January 01, 2017.

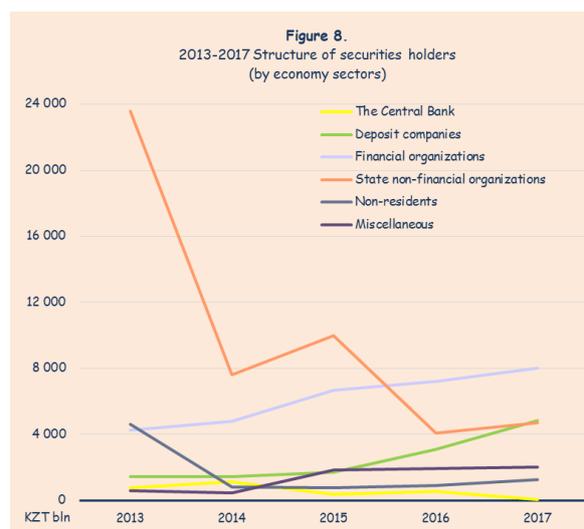
Volume of financial instruments owned by the clients of resident participants as of January 01, 2018 was KZT 15.09 tln or 72.13 % of the total volume of financial instruments in nominal holding that is more by KZT 1.59 tln (11.74 %) of the last year indicator.

Volume of financial instruments owned by clients of nonresident participants as of January 01, 2018 was KZT 1.25 tln or 5.97 % of the total volume of financial instruments in nominal holding that is more

by KZT 0.39 tln (45.02 %) than the last year indicator (Fig. 7).



The principal holders of financial instruments by economy sectors are financial organizations. Their share increased by 11.32 % and was 38.39 % of the total volume of financial instruments in nominal holding. Share of households was increased by KZT 3.32 % and was 8.65 %; share of nonresidents increased by 39.29 % and was 6.04 %; share of government non-financial organizations increased by 14.36 % and made up 22.41 %; share of non-government non-financial organizations increased by 10.45 % and made up 1.03 % (Fig. 8).



Share of deposit companies considerably increased and was 23.09 % of total volume of financial instruments in nominal holding that is over by KZT 1.73 (55.99 %) tln than corresponding last year indicator. In 2017 a holder (Social Medical Insurance Foundation NJSC) was registered by economy sector of financial instrument holders with a "central government" sector of economy the volume of which was KZT 16.69 bln that was 0.08 % of total volume of financial instruments in nominal holding. At the same time, the volume of holders with a "central (national) banks" sector of economy (the National Bank, Eurasian Development Bank) was reduced and equaled to 0.31 % of total volume of financial instruments in nominal holding that is by KZT 0.5 tln less than respective indicator of the last year (88.62 %).

## Registered Transactions

Total volume of transactions registered by the Central Securities Depository in 2017 was KZT 281.27 tln that was more by KZT 82.18 tln (41.28 %) than similar indicator of 2016.

Total number of transactions registered by the Central Securities Depository in 2017 was 254,539 that was more by 114,805 transactions (82.16 %) than similar indicator of 2016.

Essential share in the volume of registered transactions falls to automated repo transactions - KZT 146.81 tln, that greater by KZT 32.84 tln (28.82 %) than similar indicator of 2016. Share of automated repo transactions was 52.20 % of the total volume of registered transactions.

Volume of distribution operations registered by the Central Securities Depository taking into account distributions registered while lodging of the financial instrument into nominal holding, increased by KZT 23.52 tln (55.14 %) in 2017, and was KZT 66.19 tln. Such a considerable increase of the volume refers to increase of volumes of distribution of municipal securities for funding housing construction in the framework of implementing state and government programs and also increase of volumes of distribution of short-term notes of the National Bank in the framework of implementation of its monetary policy. Share of distribution operations in total volume of transactions was 23.53 %.

Volume of entry and removal of trustee transaction record - KZT 11.27 tln that is less by KZT 134.49 bln versus similar indicator of 2016. Share of specified transaction in total volume of transactions was 0.004 %.

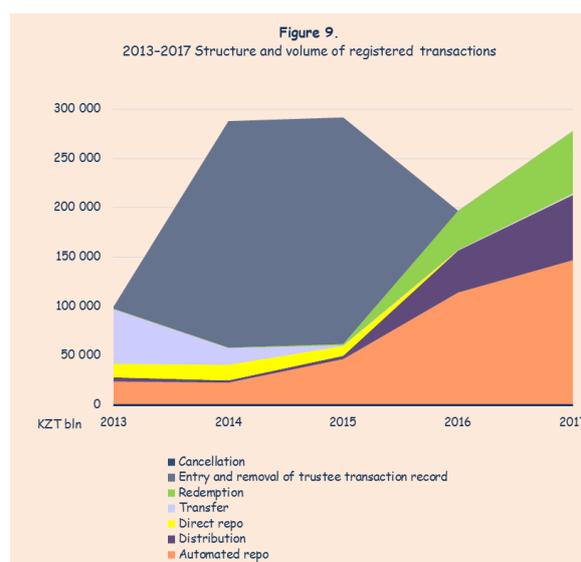
Volume of registered repo operations carried out by direct method was KZT 0.43 tln that was more by KZT 0.40 tln (1,319.13 %) than similar indicator of 2016. Such a significant increase of this volume associated with growth of volume of direct repo transactions, with ordinary shares of KZT 0.25 tln and non-government bonds of KZT 0.15 tln. Share of repo operations which are carried out by a "direct" method in total volume of registered transactions - 0.15 %.

Volume of registered transfer operations was KZT 1.17 tln that is bigger by KZT 0.71 tln (155.48 %) than similar indicator of 2016. Share of transfer operation in total volume of registered transactions was 0.42%.

Volume of the registered transactions of purchase /sale of financial instruments taking into account the transactions of purchase/sale registered while lodging into/removal from nominal holding decreased by KZT 0.05 tln (5.56 %) and was KZT 0.89 tln. Share of the registered transactions of purchase/sale of financial instruments in total volume of registered transactions - 0.32 %.

Volume of operations of lodging of financial instruments into nominal holding and removal of financial instruments from nominal holding, excluding distribution operations and purchase/sale transactions while lodging of financial instruments into nominal holding and removal of financial instruments from nominal holding increased by KZT 1.21 tln (111.95 %) and was KZT 2.29 tln.

Volume of registered transactions of pledge of rights and burden of financial instruments decreased by KZT 5.29 bln (6.93 %) and was KZT 71.08 bln.



In 2017 the volume of registered redemption transactions increased by KZT 23.65 tln (59.60 %) and was KZT 63.34 tln.

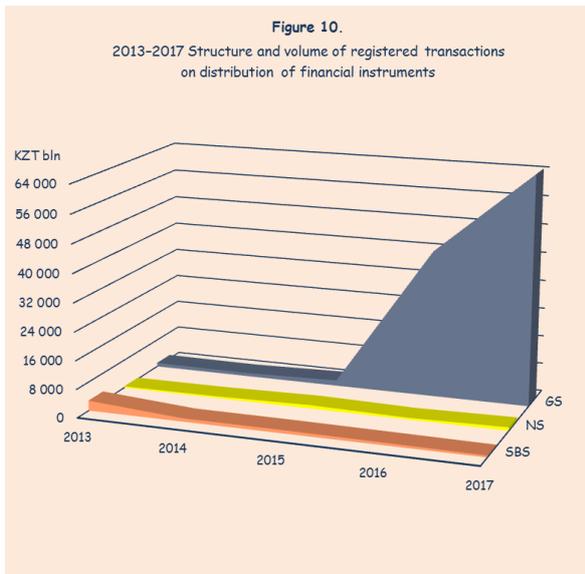
Volume of registered cancellation operations was KZT 71.16 bln or 0.03 % of total volume of registered transactions (Fig. 9).

## *Primary Securities Market*

In 2017 the volume of registered transactions of distribution of financial instruments taking into account distribution while lodging financial instruments into nominal holding was KZT 66.19 tln that is more by KZT 23.52 tln (55.14 %) than the similar indicator of 2016 including:

- volume of transactions of distribution of government securities - KZT 64.71 tln of which the volume of transactions of distribution of short-term notes of the National Bank was KZT 62.97 tln, GTO - KZT 1.65 tln, municipal securities - KZT 0,049 tln;
- volume of transactions of distribution of non-government securities - KZT 0.97 tln;
- volume of transactions of distribution of state-owned block of shares - KZT 0.52 tln.

In total volume of distribution the share of distribution of government securities was 97.76 % that is greater by 56.14 % than similar indicator of the last year. Share of distribution of non-government securities increased by 94.34 % and was 1.46 % of total volume of distribution. Share of distribution of state-owned block of shares decreased by 28.77 % and was 0.78 % of the total volume of distribution (Fig. 10).



In total volume of distribution of government securities the most share - 97.32 % - was the volume of distribution of short-term securities, the share of distribution of long-term and medium-term securities was 1.42 % and 1.26 % respectively. Herewith, the volume of distribution of short-term securities increased by KZT 21.75 tln (52.76 %) and was KZT 62.97 tln, the volume of distribution of medium-term securities increased by KZT 0.77 tln (2,026.35 %) and was KZT 0.81 bln, and the volume of distribution of long-term securities increased by KZT 0.74 tln (411.40 %) and was KZT 0.92 tln. Considerable increase of volume of distribution of medium-term securities by 2,026.35 % related to the point that in 2016 no MEOKAM placement was registered whereas in 2017 volume of MEOKAM distribution with a period of circulation three, four and five years grew up by KZT 0.73 tln.

In total volume of distribution of non-government securities the most share - 97.66 % - falls to bonds; the share of distribution of ordinary shares was 2.29 %. Thereat, the volume of distribution of bonds increased by KZT 0.49 tln (110.29 %), and was KZT 0.94 tln, the volume of distribution of ordinary shares decreased by KZT 0.02 tln (52.77 %) and was KZT 0.02 tln. No distribution of preferred shares was registered in 2017.

In 2017 the volume of registered transactions of distribution of state-owned block of shares was KZT 0.52 tln that is less by KZT 0.21 tln (28.77 %) than the last year indicator. The share of distribution of ordinary and state-owned block of shares was 100.00 %. Preferred state-owned block of shares was not placed in 2017.

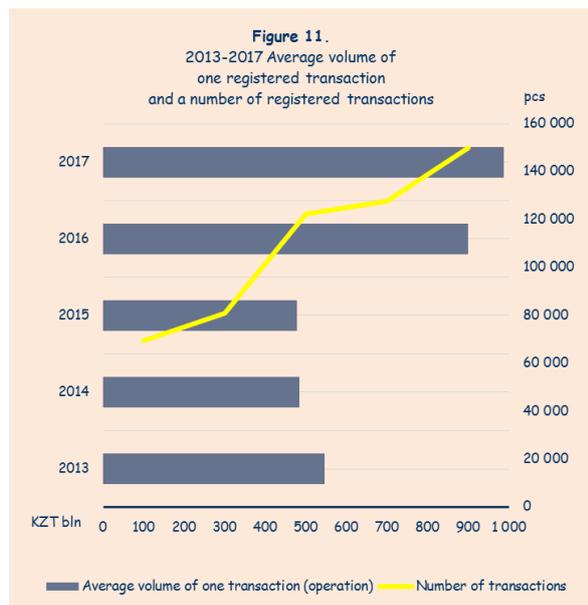
Number of transactions of distribution registered by the Central Securities Depository in 2017 was 7,602 that is over by 2,377 (45.49 %) than similar indicator of 2016.

## Secondary Securities Market

### General

Volume of transactions with financial instruments made in the secondary market and registered by the Central Securities Depository (purchase/sale transactions including purchase/sale transactions registered while lodging of financial instruments into nominal holding and removal of financial instruments from nominal holding, the direct repo and automated repo operations), in 2017 was KZT 148.13 tln, that is more by KZT 33.19 tln (28.87 %) than similar indicator of the last year.

Number of transactions registered in the secondary market with financial instruments in 2017 increased by 22,375 as compared to 2016 and was 150,107 transactions. Average volume of one transaction registered in the secondary market was KZT 986.8 mln and increased by KZT 86.95 mln versus 2016 (Fig. 11).



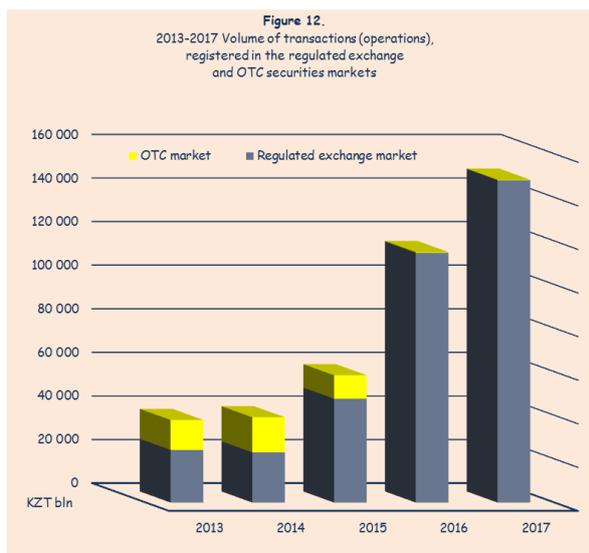
Share of government securities transactions registered in the secondary market in 2017 increased by 20.09 % as compared to the previous year and was 92.45 % of the total volume of transactions registered in the secondary market. Share of non-government securities transactions registered in the secondary market (excluding state-owned block of shares) increased by 1,130.82 % in comparison with the previous year and was 7.53 % of the total volume of transactions registered in the secondary market. Share of transactions with state-owned block of shares registered in the secondary market increased by 1,033.28 % as compared to the previous and was 0.02 % of the total volume of transactions registered in the secondary market.

Volume of government securities transactions registered in the secondary market in 2017 was KZT 136.94 tln that is over by KZT 22.91 tln than similar indicator of the last year.

Volume of non-government securities transactions registered in the secondary market in 2017 (excluding state-owned block of shares) was KZT 11.15 tln that is above by KZT 10.25 tln than the similar indicator of the last year.

Volume of state-owned block of shares transactions registered in the secondary market in 2017 was KZT 36.10 bln that is above by KZT 32.92 bln than similar indicator of the last year.

Share of the transactions registered in the over-the-counter (OTC) secondary market in 2017 was 0.13 % of total volume of transactions registered in the secondary market that is less by 0.17 % than similar indicator of the last year. Share of transactions registered in the regulated secondary securities market increased and was 99.87 % of total volume of transactions registered in the secondary market (Fig. 12).



Volume of transactions registered in the OTC secondary securities market was KZT 0.19 tln that is below by KZT 0.15 tln than similar indicator of the last year. Volume of transactions registered in 2017 in the regulated secondary securities market was KZT 147.93 tln that is above by KZT 33.34 tln than similar indicator of the last year.

Volume of automated repo transactions registered in 2017 was KZT 146.81 tln. At the same time, their share decreased by 0.04 % and was 99.11 % of the total volume of transactions registered in the secondary market.

No direct repo transactions in the OTC secondary market were registered in 2017.

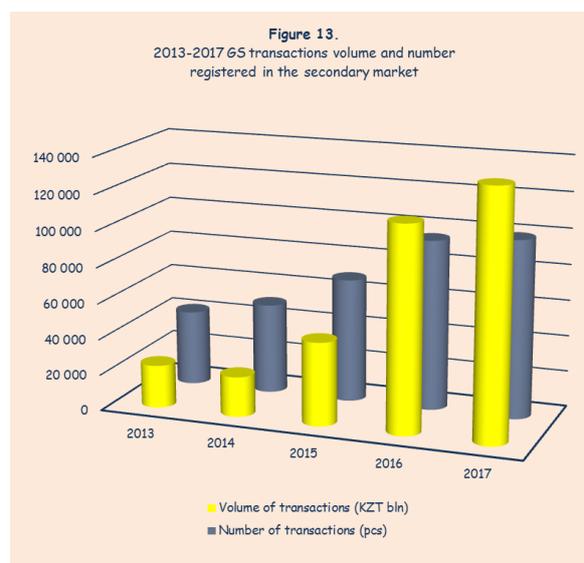
Volume of direct repo transactions registered in 2017 in the regulated secondary market increased by KZT 0.40 tln (1,319.41 %) and was KZT 0.43 tln versus 2016. Such a considerable increase by 1,319.41 % connected with the increase of direct repo transactions, with ordinary shares by KZT 0.25 tln, and with non-government bonds by KZT 0.15 tln (no direct repo transactions with non-government bonds were registered in 2016).

Volume of financial instrument purchase and sale transactions in 2017 in the regulated exchange market increased by KZT 0.10 tln (16.42 %) and was 0.70 tln. Share of the above mentioned transactions in the total volume of the transactions registered in the secondary market decreased by 0.05 % and was 0.47 %.

Share of financial instrument purchase and sale transactions registered in 2017 in the OTC secondary market was minor as in the previous years and was 0.13 % of total volume of the transactions registered at the secondary market or KZT 0.19 tln.

## Government Securities

98,898 transactions with government securities were concluded in the secondary market in 2017 for the total amount of KZT 136.94 tln. Volume of transactions with government securities was increased by KZT 22.91 tln, as compared to 2016, whereas a number of registered transactions was increased by 4,200 transactions (Fig. 13).



Volumes of registered transactions on MEUKAM, notes of the National Bank and MEOKAM were of the most considerable portion and made up KZT 78.58 tln, KZT 39.06 tln and KZT 13.48 respectively whereas its share of total volume registered in secondary securities market with state securities was 57.38; 28.53 and 9.85 % respectively.

In 2017 main volume of the transactions with government securities registered in secondary market consisted of the transactions made in the on-exchange market - KZT 136.89 tln or 99.97 % of the total volume of transactions with government securities registered in the secondary market. Volume of the transactions with government securities registered in the off-exchange secondary market was KZT 0.04 tln or 0.03 % of total volume of transactions concluded with government securities in the secondary market.

## Non-Government Securities

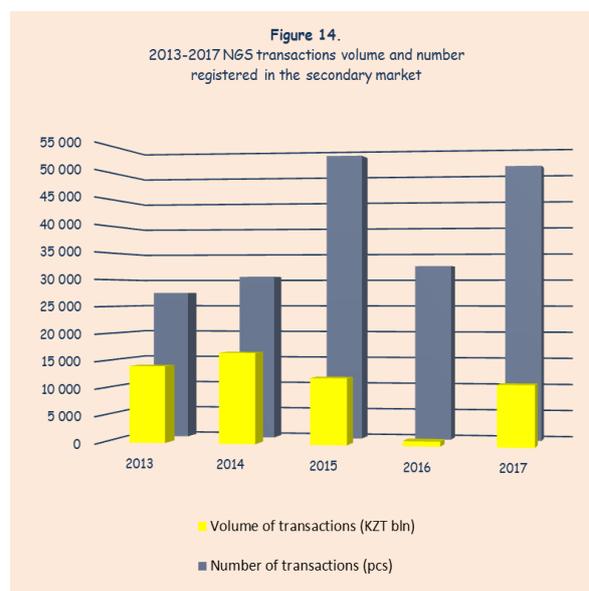
51,192 transactions with non-government securities (excluding state-owned block of shares) were concluded in the secondary market in 2017 total to KZT 11.15 tln. Increase of volume of non-government securities transactions (excluding state-owned block of shares), concluded in the

secondary market, versus 2016 was KZT 10.25 tln (1,132.26 %). Essential increase of this volume is related to increase of the volume of transactions registered on the on-exchange market, by KZT 10.22 tln. Increase of number of transactions with non-government securities was 18,626 transactions (57.19 %). Increase of the transaction numbers was due to increase of number with ordinary shares by 13,898 transactions and with non-government bonds by 6,026 transactions. Number of transactions with preferred shares was decreased by 1,403 transactions.

Volume of ordinary shares registered in the secondary market in 2017 was KZT 1.45 tln or 12.98% of total volume of non-government securities transactions (excluding state-owned block of shares) registered in the secondary market, the preferred shares transactions - KZT 11.88 tln or 0.11 %, bond transactions - KZT 9.69 tln or 86.88 %.

The main volume of non-government securities transactions (excluding state-owned block of shares) in 2017 was transactions concluded in the regulated exchange market - KZT 11.04 tln or 98.99 % of the total volume of non-government securities transactions (excluding state-owned block of shares) concluded in the secondary market. Volume of non-government securities transactions (excluding state-owned block of shares), concluded in the OTC market was KZT 113.18 tln or 1.01 % of

total volume of non-government securities transactions (excluding state-owned block of shares) concluded in the secondary market (Fig. 14).



### State-Owned Block of Shares

17 transactions with state-owned block of shares were concluded for total amount of KZT 36.10 bln in 2017.

## *Financial Instruments' Pledge of Rights and Burden*

As compared to 2016 the volume of operations of pledge of rights and burden of financial instruments decreased by KZT 5.29 bln (6.93 %) and was KZT 71.08 bln.

Whole volume of operations of pledge of rights and burden (incurring, termination and non-fulfillment)

in 2017 was registered on the non-state and state-owned block of shares and was KZT 70.14 and 0.94 bln respectively. The operations of pledge of rights and burdens for state-owned block of shares were not registered in 2017.

## *Lodging of Financial Instruments into Nominal Holding*

Total volume of the lodging of financial instruments into nominal holding registered by the Central Securities Depository in 2017 was KZT 1.91 tln that is less by KZT 0.56 tln (41.00 %) than in 2016.

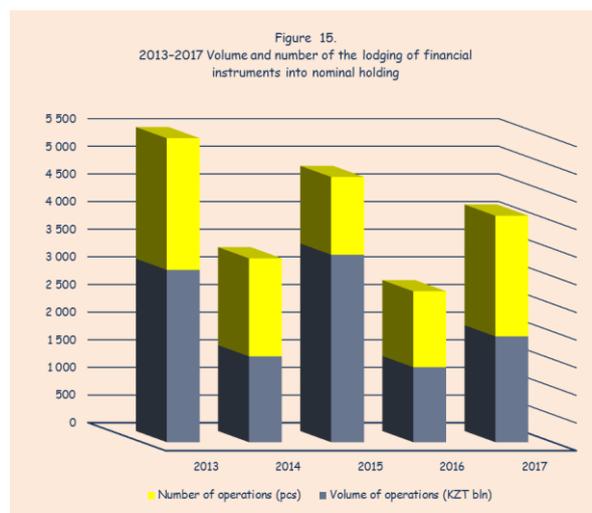
Total number of operations of the lodging of financial instruments into nominal holding registered by the Central Securities Depository was 2,184 that is less by 811 (59.07 %) operations versus 2016 (Fig. 15).

Volume of operations of the lodging of non-government securities (excluding state-owned block of shares) into nominal holding was fixed at the level KZT 1.32 tln that is over by KZT 0.75 tln (130.98 %) than similar indicator of 2016 and was 68.82 % of total volume of operations of lodging of financial instruments into nominal holding.

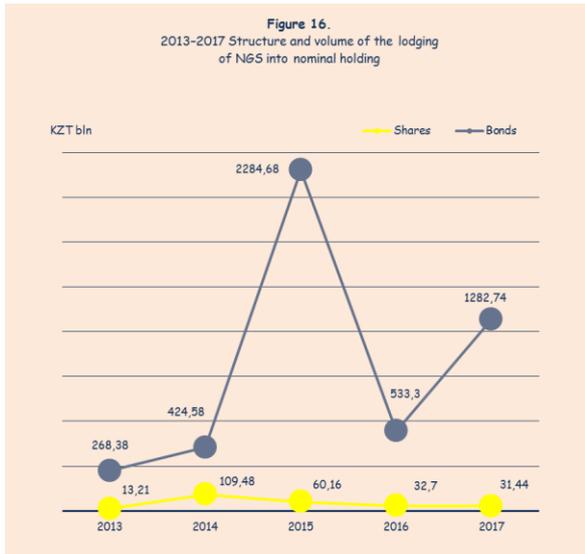
Volume of operations of the lodging of bonds into nominal holding was KZT 1.28 tln that is more by KZT 0.75 tln (140.53 %), and equals to 97.36 % of total volume of operations of lodging of non-government securities into nominal holding.

Volume of operations of the lodging of ordinary shares into nominal holding was KZT 29.36 tln that was lower by 2.62 tln (8.18 %) than similar indicator of the last year, and was 2.23 % of total volume of operations of lodging of non-government securities into nominal holding.

Volume of operations of the lodging of preferred shares into nominal holding was KZT 2.07 bln that is above by KZT 1.36 bln (189.64 %) than similar indicator of the last year, and was 0.16 % of total volume of operations of the lodging of non-government securities into nominal holding (Fig. 16).



Volume of operations of the lodging state-owned block of shares into nominal holding was KZT 0.52 tln that is lower by KZT 0.21 tln (28.77 %) than similar indicator of 2016 and was 27.10 % of total volume of operations of lodging of financial instruments into nominal holding.



66 transactions of the lodging of non-government securities into nominal holding with simultaneous transfer of money (on the principle of a delivery against payment) in the total amount of KZT 45.27 bln were registered in 2017.

29 operations of the lodging of government securities (Euronotes of the Ministry of Finance) into nominal holding for the total amount KZT 78.08 tln were registered in 2017.

### *Removal of Financial Instruments from Nominal Holding*

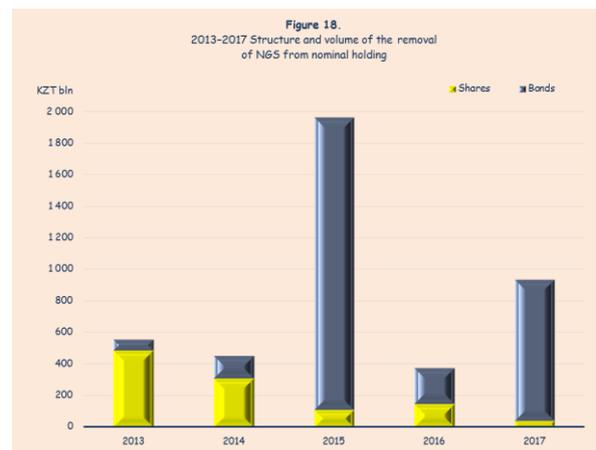
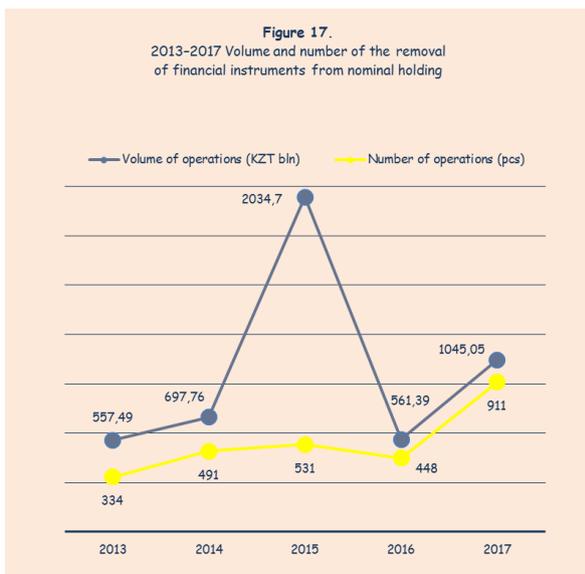
Total volume of operations of the removal of financial instruments from nominal holding registered by the Central Securities Depository was KZT 1.05 tln in 2017 that is more by KZT 0.48 tln (86.15 %) as compared to 2016.

Total number of removal of financial instruments from nominal holding registered by the Central Securities Depository in 2017 made up 911 that is more by 463 (103.35 %) transactions as compared to 2016 (Fig. 17).

Volume of operations of the removal of state-owned block of shares from nominal holding was KZT 47.73 tln that is over by KZT 44.53 tln (1,392.17 %) than similar indicator of 2016 and was 4.57 % of total volume of transactions of the removal of financial instruments from nominal holding.

Volume of operations of the removal of state securities from nominal holding was KZT 57.48 tln that is less by KZT 124.10 tln (68.34 %) than similar indicator of 2016 and was 5.50 % of total volume of transactions of the removal of financial instruments from nominal holding.

Volume of removal of non-government securities (excluding state-owned block of shares) from nominal holding was KZT 0.94 tln that is bigger by KZT 0.56 tln (149.56 %) than similar indicator of 2016 and was 89.93 % of total volume of operations of the removal of financial instruments from nominal holding (Fig. 18).



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19 transactions of the removal of financial instruments from nominal holding with simultaneous transfer of money (on the principle of a delivery

against payment) for the total amount of KZT 2.56 bln were registered in 2017.

### *Financial Instruments Net Transactions*

80,578 net transactions in the total amount of financial instruments of 150,381,522 pieces were registered in 2017.

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## CORPORATE ACTIONS

The Central Securities Depository is one of professional participants of the securities market, involved in performance of financial instrument corporate actions by issuers.

When performing corporate actions by the issuers of non-government securities issued in accordance with the Legislation of the Republic of Kazakhstan in 2017 the Central Securities Depository generated 7,645 lists of securities holders that are less by 779 lists than similar indicator of the last year.

In execution of the functions of paying agent for income payment on financial instruments the Central Securities Depository made payment of dividends in Kazakhstani tenge totals to KZT 25.85 bln in 2017.

When effecting payment of incomes on financial instruments by the issuers, which were issued in line with the Laws of the states other than the

Republic of Kazakhstan, the Central Securities Depository transferred money to financial instruments holders in 2017 as follows:

- interest in the amount of USD 42.21 mln, EUR 103,882.50, RUB 1.88 mln, CHF 9,342.00, MYR 34,650.00, KZT 382.42 mln;
- dividends in the amount of USD 47,513.73, RUB 3.20 mln;
- redemption of financial instruments in the amount of USD 282.46 mln, RUB 25.00 mln, EUR 1.44 mln, MYR 630,000.00.

While paying interest and making redemption of government securities by the issuers the Central Securities Depository transferred proceeds in 2017 total to KZT 63.17 tln in 2017 that is above by 158.94 % than the last year.

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## EXERCISE OF CERTAIN TYPES OF BANKING OPERATIONS

As of January 01, 2018 the Central Securities Depository opened 56 current accounts including: 28 personal current accounts of participants including five personal accounts of participants with whom current accounts agreements have been terminated but on the accounts of which there are some money, and 28 current accounts of participants' clients including five current accounts of participants with whom current accounts agreements have been terminated but on the accounts of which there are some money, as well as 58 correspondent accounts including: 30 correspondent personal accounts of participants, and 28 correspondent accounts for personal accounts of participants' clients.

As of January 01, 2018 banking account balance in the national currency was KZT 7.30 bln, including KZT 0.94 bln on personal banking accounts of participants and KZT 6.36 bln on banking accounts of participants' clients.

B As of January 01, 2018 balance on participants' banking accounts in foreign currency was:

- in USD: 3.65 mln, including 2.48 mln on own banking accounts, and 1.17 mln on client banking accounts;
- in GBP: 26,057.76, including 5,844.28 on own banking accounts and 20,213.48 on client banking accounts;
- in RUB: 4.92 mln, including 0.03 mln on own banking accounts and 4.89 mln on client banking accounts.

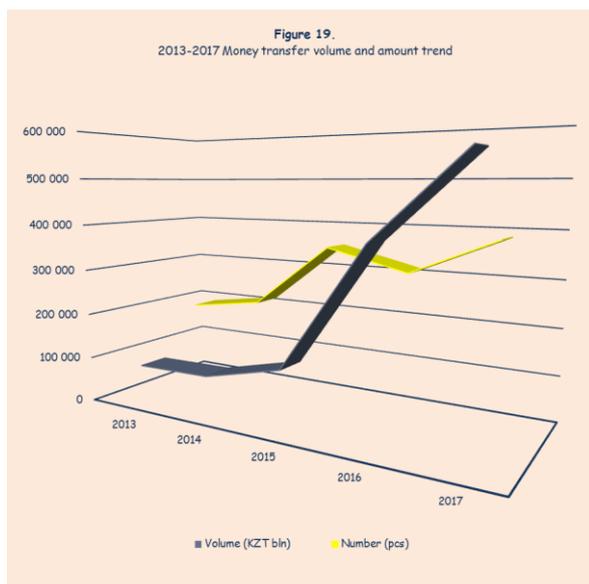
In 2017 average monthly balance on banking accounts in the national currency was KZT 7.79 bln including: KZT 0.92 bln on own banking accounts, and KZT 6.87 bln on client banking accounts.

Average monthly balance on banking accounts in foreign currency in 2017 was:

- in USD: 2.31 mln, including 1.18 mln on own banking accounts and 1.13 mln on client banking accounts;
- in EUR: 65,874.81 on client banking accounts;
- in GBP: 28,439.45, including 6,094.36 on own banking accounts and 22,345.09 on client banking accounts;
- in RUB: 3.55 mln, including 0.23 mln on own banking accounts and 3.32 mln on client banking accounts;
- in MYR: 89,640.23 including 89,635.61 on own banking accounts and 4.62 on client banking accounts;
- in CHF: 778.50 on own banking accounts.

In 2017 the Central Securities Depository effected 385,939 money transfers for the total amount KZT 553.63 tln (Fig. 19), including:

- 227,793 money transfers in the national currency on current client positions opened in ISMT for the total amount of KZT 537.95 tln;
- 154,013 money transfers in the national currency via participants' banking accounts in the Central Securities Depository for the total amount of KZT 15.21 tln;
- 4,133 money transfers in foreign currency via participants' banking accounts opened in the Central Securities Depository for the total amount of KZT 0.47 tln.



As compared to 2016 the volume of money transfers in the national and foreign currencies increased by KZT 167.72 tln (43.51 %), and by KZT 0.13 bln (37.37 %) respectively.

When registering transactions with financial instruments concluded in the primary and secondary markets during reporting period the Central Securities Depository effected 287,635 transfers in the national currency equal to the amount of KZT 423.47 tln that is more by KZT 119.40 tln (39,27 %) than the similar indicator of 2016. Moreover, in 2017 the Central Securities Depository effected 148 transfers in the course of registration of financial instruments transactions in USD for the total amount of USD 0.28 bln that is more by USD 0.15 bln (118.85 %) as compared to similar indicator of last year, and 22 cash transfers in the course of registration of financial instruments transactions in RUB in the amount of RUB 0.21 bln that is less by RUB 0.48 bln (69.38 %) versus the similar indicator 2016.

In 2017 the Central Securities Depository effected 1,186 transfers in the national currency when paying the interest on financial instruments for the total amount KZT 301.68 bln that is less by KZT 72.46 bln (19.37 %) than in last year. Besides, in 2017 the Central Securities Depository made 1,481 money transfers when paying the interest on financial instruments in foreign currency including 1,463

money transfers for the total amount of USD 42.21 mln that smaller by USD 25.81 mln (37.94 %) than last year, 11 money transfers for the total amount of EUR 0.10 mln that is more by EUR 0.08 mln (287.47 %) than in 2016, two money transfers for the total amount RUB 1,88 mln that is less by RUB 0.12 mln (5.99 %) than in last year, three money transfers for the total amount MYR 34,65 k that is less by MYR 0.09 k (0.26 %) than in 2016, and two bank transfers for the total amount of CHF 9.34 k.

In 2017 the Central Securities Depository processed 59,903 money transfers when paying dividends in the national currency for the total amount of KZT 25.85 bln that is more by KZT 14.26 bln (122.99 %) than the same indicator of 2016. In addition, in 2017 the Central Securities Depository conducted 1,393 money transfers when paying dividends on financial instruments in foreign currency including 616 money transfers for the total amount of USD 47.51 k that is above by USD 19.61 k (70.29 %) than in 2016, 777 money transfers for the total amount of RUB 3.20 mln that is bigger by RUB 2.65 mln (484.37 %) than in 2016.

In redemption of financial instruments in 2017 the Central Securities Depository effected 3,578 cash transfers in the national currency for the total amount of KZT 62.87 tln that is over by KZT 23.49 tln (59.63 %) than in 2016. In redemption of financial instruments the Central Securities Depository in 2017 effected 131 bank transfers in foreign currency, including 119 cash transfers for the total amount USD 0.28 bln that is more by USD 0.17 bln (160.40 %) than in 2016, ten cash transfers in the total amount of EUR 1.44 mln, one cash transfer in the total amount of RUB 25.00 mln, and one cash transfer in the total amount of MYR 0.63 mln.

#### Background Information

Amount share of cash transfers effected by the Central Securities Depository of total amount of the cash transfers being handled in ISMT is 1.51 % whereas a volume share of cash transfers effected by the Central Securities Depository of total volume of cash transfers being handled in ISMT is 63.73 %.

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## GENERATION AND MAINTENANCE OF THE DERIVATIVE TRANSACTION REGISTER SYSTEM

On July 08, 2014 the Central Securities Depository proceeded with the activities on generation and maintenance of the Derivative Transaction Register System as consistent with the Law of the Republic of Kazakhstan and Code of Rules of the Central Securities Depository.

This type of activity involves information receiving, entering, and safekeeping provided by second-tier banks, and companies undertaking broker and (or) dealer operations, and organizations running portfolio management activities (hereinafter - Informing Persons), derivative instruments transactions effected in the regulated exchange and OTC markets.

22,502 e-messages had been accepted and processed from January 01 to December 31, 2017 of the Informing Persons including:

- 180 had been rejected due to non-compliance with the regulation, format inconsistency or recurring erroneous submission;
- 22,322 had been processed.

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## ALLOCATION OF THE INTERNATIONAL IDENTIFICATION NUMBERS TO SECURITIES AND OTHER FINANCIAL INSTRUMENTS

On November 01, 2010 the Central Securities Depository, being a National Numbering Agency of the Republic of Kazakhstan, proceeded with the activities on allocation of the international identification numbers to securities and other financial instruments on the ground of the Partnership Agreement with ANNA No.5 dated November 06, 2009.

In conformance with the resolution of the ANNA Extraordinary General Meeting, held on December 09, 2011, the Central Securities Depository shall be a full-fledged member of ANNA.

By the resolution of the ANNA Board of Directors (Meeting of July 21-22, 2011), the functions of the Substitute Numbering Agency of the Republic of Kazakhstan were transferred from WM Datenservice (legal entity in the Federal Republic of Germany) to Non-Bank Credit Organization National Settlement Depository CJSC (Russian Federation) in accordance with the application of the Central Securities Depository.

During the period of January 01 through December 31, 2017 the Central Securities Depository had allocated 645 ISIN codes, 402 CFI codes, and had cancelled 432 ISIN codes.

As of January 01, 2018 total number of effective ISIN codes, allocated to the financial instruments, issued in accordance with the Law of the Republic of Kazakhstan was 889, including 89 codes allocated by WM Datenservice agency until November 01, 2010. (Full list of ISIN codes allocated by the Central Securities Depository as of the first day of month is published on a monthly basis at the official website of the Central Securities Depository.

On January 27, 2014 in accordance with the Law of the Republic of Kazakhstan, Code of Rules of the Central Securities Depository, the Central Securities Depository initiated activities on the allocation of identification numbers to the rights of demand (IDR code) on the issuers' commitments on emission securities the circulation period of which had been expired, and redemption obligations on which have not been fulfilled (hereinafter - the rights of demand).

During the period of January 01 through December 31, 2017 the Central Securities Depository had allocated four IDR codes to the rights of demand, and had cancelled one IDR code.

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## MAINTENANCE OF THE SECURITIES HOLDERS REGISTER SYSTEM OF THE INTEGRATED SECURITIES REGISTRAR

Since February 02, 2012 the Central Securities Depository has been maintaining the Securities Holders Register System of the Integrated Securities Registrar in accordance with the Law of the Republic of Kazakhstan, Code of Rules of the Central Securities Depository, and on the ground of the Contract for maintaining the register system No. 1/14-RD dated January 01, 2014.

As of January 01, 2018 four personal accounts and five purchase/sale securities transactions in connection with their distribution were opened in the Securities Holders Register System of the Integrated Securities Registrar.

None transactions had been registered in the Securities Holders Register System of the Integrated Securities Registrar during the period of January 01 through December 31, 2017.



## Factual Material

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## FACTUAL MATERIAL

### *Shares and Shareholders*

**Table 1**

List of Shareholders of the Central Securities Depository as of January 01, 2018			
Pos. No.	Name of CSD Shareholder	Number of shares owned	Share in total number of shares distributed (%)
1	The National Bank Republican State Enterprise	149	54.98154982
2	KASE Joint Stock Company	94	34.68694686
3	Qazaq Banki Joint Stock Company	2	0.73800738
4	Bank CenterCredit Joint Stock Company	2	0.73800738
5	Subsidiary Bank KAZAKHSTAN-ZIRAAT INTERNATIONAL BANK Joint Stock Company	2	0.73800738
6	Kazkommerts Securities Joint Stock Company (Subsidiary of Kazkommertsbank Joint Stock Company)	2	0.73800738
7	Kazkommertsbank Joint Stock Company	3	1.10701107
8	Halyk Saving Bank of Kazakhstan Joint Stock Company	2	0.73800738
9	AsiaCredit Bank Joint Stock Company	1	0.36900369
10	Subsidiary Bank Sberbank of Russia Joint Stock Company	1	0.36900369
11	Kaspi Bank Joint Stock Company	1	0.36900369
12	Investment House FINCRAFT Joint Stock Company	1	0.36900369
13	Tengri Capital MB Joint Stock Company	1	0.36900369
14	ATF Bank Joint Stock Company	1	0.36900369
15	Subsidiary Bank Alfa Bank Joint Stock Company	1	0.36900369
16	Centras Securities Joint Stock Company	1	0.36900369
17	ForteBank Joint Stock Company	1	0.36900369
18	Eximbank Joint Stock Company	1	0.36900369
19	Bank ExpoCredit Joint Stock Company	1	0.36900369
<b>TOTAL</b>		<b>267</b>	<b>100.00</b>

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## *Equity Capital*

Number of authorized ordinary shares of the Central Securities Depository is 300 pieces, including 271 pieces placed for the total amount of KZT 54,200,000 as of January 01, 2017.

The first issue of shares in the amount of 29 pieces was registered by the decision of the National Securities Commission of the Republic of Kazakhstan (Certificate on State Registration of Securities No.02-2-15/3107 dated August 12, 1997, NIN KZ1C04620414).

The second issue of shares in the amount of 11 pieces was registered by the decision of the National Securities Commission of the Republic of Kazakhstan (Certificate on State Registration of

Securities No.02-2-4/2158 dated March 31, 2000, NIN KZ1C04620414).

The third issue of shares in the amount of 50 pieces was registered by the decision of the National Bank (Certificate on State Registration of Securities No. A0462-2 dated June 12, 2002, NIN KZ1C04620015).

The fourth issue of shares in the amount of 210 pieces was registered by the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations (The Certificate on State Registration of Securities No. A0462 dated March 23, 2005, NIN KZ1C04620015).

## *Clients*

**Table 2**

List of Clients as of January 01, 2018	
Pos. No.	Title
1	The National Bank Republican State Enterprise
2	Halyk Saving Bank of Kazakhstan Joint Stock Company
3	CenterCreditBank Joint Stock Company
4	Kaspi Bank Joint Stock Company
5	Kazpost Joint Stock Company
6	Kazkommertsbank Joint Stock Company
7	Tzesnabank Joint Stock Company
8	AsiaCredit Bank Joint Stock Company
9	Bank ExpoCredit Joint Stock Company
10	Subsidiary Bank KAZAKHSTAN-ZIRAAT INTERNATIONAL BANK Joint Stock Company
11	Subsidiary Bank Sberbank of Russia Joint Stock Company
12	Subsidiary Bank VTB Bank JSC (Kazakhstan)
13	Eximbank Joint Stock Company
14	Alfa Bank Joint Stock Company
15	Eurasian Bank Joint Stock Company
16	ATFBank Joint Stock Company
17	Citibank Kazakhstan Joint Stock Company
18	Altyn Bank Joint Stock Company (Subsidiary Bank of Halyk Bank of Kazakhstan)
19	Акционерное общество "CAIFC INVESTMENT GROUP"
20	Kazkommerts Securities Joint Stock Company (Subsidiary of Kazkommertsbank JSC)
21	ZIM Capital Joint Stock Company
22	BCC Invest Joint Stock Company - Subsidiary of BankCenterCredit Joint Stock Company
23	Information-and-Registration Center Joint Stock Company
24	Investment Financial House RESMI Joint Stock Company
25	FINCRAFT Investment House Joint Stock Company
26	Eurasian Capital Joint Stock Company
27	Central Securities Depository Closed Joint Stock Company
28	Nurbank Joint Stock Company
29	ForteBank Joint Stock Company
30	Subsidiary of Nurbank Joint Stock Company - MONEY EXPERTS Joint Stock Company
31	Centras Securities Joint Stock Company
32	Kazakhstan Development Bank Joint Stock Company
33	Subsidiary of Halyk Bank of Kazakhstan Joint Stock Company - Halyk Finance Joint Stock Company
34	Tsesna Capital Joint Stock Company
35	ROSBANK Public Joint Stock Company
36	Non-Bank Credit Organization National Settlement Securities Depository Closed Joint Stock Company
37	House Construction Savings Bank of Kazakhstan Joint Stock Company
38	Subsidiary Bank of Home Credit and Finance Bank Joint Stock Company
39	Management Company ORDA Capital Joint Stock Company
40	ASYL INVEST Joint Stock Company
41	Freedom Finance Joint Stock Company

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### List of Clients as of January 01, 2018

Pos. No.	Title
42	Alibi Securities Joint Stock Company
43	VTB Bank Public Joint Stock Company
44	Brokerage Company Astana Finance Joint Stock Company (restricted functions)
45	Central Securities Depository of Armenia Opened Joint Stock Company
46	Private Asset Management Joint Stock Company
47	Raiffeisenbank Joint Stock Company
48	Qazaq Banki Joint Stock Company
49	SkyBridge Invest Joint Stock Company
50	Investment House Astana Invest Joint Stock Company
51	Saint-Petersburg Settlement and Depository Center Closed Joint Stock Company
52	Bank RBK Joint Stock Company
53	Eurasian Development Bank
54	UNIVER Capital Limited Liability Partnership
55	Republican Unitary Enterprise Republican Central Securities Depository
56	NGDEM Finance Joint Stock Company
57	Tengri Capital MB Joint Stock Company
58	Investment Company Freedom Finance LLP
59	Delta Bank Joint Stock Company

## Income and Expenses

Table 3

2016–2017 Income Structure of the Central Securities Depository				
<i>KZT mln, unless otherwise specified</i>				
Item	2016		2017	
	amount of income	share of total amount (%)	amount of income	share of total amount (%)
<b>Operating income</b>	<b>1,020.50</b>	<b>83.70</b>	<b>1,201.25</b>	<b>84.49</b>
income from depository activities	1,012.71	83.06	1,192.17	83.85
income from certain types of bank operations	1.54	0.13	1.60	0.11
income from the activities on financial instruments coding	0.52	0.04	0.59	0.04
income from the activities on rendering paying agent's services	2.18	0.18	3.21	0.23
other operating income	3.55	0.29	3.68	0.26
<b>Other income</b>	<b>198.68</b>	<b>16.30</b>	<b>220.50</b>	<b>15.51</b>
income from investing owned assets	197.93	16.24	219.53	15.44
other income and expenses, net	0.75	0.06	0.97	0.07
<b>TOTAL</b>	<b>1,219.18</b>		<b>1,421.75</b>	

Таблица 4

2016–2017 Expenses Structure of the Central Securities Depository				
<i>KZT mln, unless otherwise specified</i>				
Item	2016		2017	
	amount of income	share of total amount (%)	amount of income	share of total amount (%)
<b>Operating expenses</b>	<b>803.41</b>	<b>99.09</b>	<b>886.85</b>	<b>99.68</b>
staff payroll expenses and remuneration payment to officials	426.03	52.55	511.13	57.45
expenses on services of recordkeeping entities	80.71	9.95	69.64	7.83
other operating expenses	296.67	36.59	306.08	34.40
<b>Other expenses</b>	<b>7.38</b>	<b>0.91</b>	<b>2.83</b>	<b>0.32</b>
<b>TOTAL</b>	<b>810.79</b>		<b>889.68</b>	

Table 5

2013-2017 Income and Expenses of the Central Securities Depository					
KZT mln					
Item	2013	2014	2015	2016	2017
Income	1,119.13	1,211.34	1,085.24	1,219.18	1,421.75
Expenses	650.82	749.28	833.00	810.79	889.68
Net profit	382.03	384.27	216.73	351.63	462.33

## *Depository Activities*

### Nominal Holding

Table 6

2013-2017 Volume of Financial Instruments in Nominal Holding							
<i>KZT bln, unless otherwise specified</i>							
Year	GS		NGS		SBS		Total
	volume	share of total volume (%)	volume	share of total volume(%)	volume	share of total volume (%)	
2013	3,633.49	10.32	8,153.13	23.15	23,425.83	66.53	<b>35,212.44</b>
2014	4,273.43	26.35	4,534.77	27.96	7,408.28	45.68	<b>16,216.47</b>
2015	4,967.45	23.30	6,494.80	30.46	9,859.71	46.24	<b>21,321.96</b>
2016	7,021.51	39.39	6,855.96	38.46	3,946.80	22.14	<b>17,824.27</b>
2017	9,198.16	43.97	7,228.69	34.56	4,490.44	21.47	<b>20,917.29</b>
Increment in 2017	2,176.65		372.73		543.64		<b>3,093.02</b>
Increment in O17(%)	31.00		5.44		13.77		<b>17.35</b>

Table 7

Volume of Financial Instruments in Nominal Holding by Months 2017							
<i>KZT bln, unless otherwise specified</i>							
Month	GS		NGS		SBS		Total
	volume	share of total volume (%)	volume	share of total volume (%)	Volume	share of total volume (%)	
January	7,320.83	39.37	7,029.58	37.80	4,246.11	22.83	<b>18,596.52</b>
February	7,503.56	39.93	7,029.17	37.40	4,260.30	22.67	<b>18,793.03</b>
March	7,765.83	40.70	7,036.79	36.87	4,280.22	22.43	<b>19,082.84</b>
April	7,518.89	40.05	6,967.09	37.11	4,287.12	22.84	<b>18,773.10</b>
May	7,421.93	39.66	6,994.72	37.38	4,295.25	22.95	<b>18,711.90</b>
June	7,598.17	39.99	7,126.40	37.51	4,275.95	22.50	<b>19,000.53</b>
July	8,773.65	43.61	7,038.89	34.98	4,308.00	21.41	<b>20,120.53</b>
August	8,369.18	41.39	7,528.91	37.23	4,323.52	21.38	<b>20,221.61</b>
September	8,407.95	41.23	7,503.96	36.80	4,481.51	21.98	<b>20,393.41</b>
October	8,658.80	41.30	7,816.45	37.28	4,492.07	21.42	<b>20,967.32</b>
November	8,778.34	41.73	7,766.82	36.92	4,489.80	21.34	<b>21,034.96</b>
December	9,198.16	43.97	7,228.69	34.56	4,490.44	21.47	<b>20,917.29</b>
Average volume per year	8,109.61	41.08	7,255.62	36.82	4,352.52	22.10	<b>19,717.75</b>
Average monthly increment	170.67		18.10		22.21		<b>210.98</b>
Average monthly increment (%)	2.22		0.31		0.52		<b>1.09</b>

Table 8

2013-2017 GS Volume in Nominal Holding					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Notes of the National Bank	3.60	27.08	357.25	2,596.04	3,310.28
MEKKAM	112.13	1.44	0.00	0.00	0.00
MEOKAM	596.93	561.78	400.41	244.60	808.49
MAOKAM	0.00	0.00	0.00	0.00	0.00
MEUKAM	1,578.61	2,266.13	2,672.56	2,564.19	3,410.93
MEUJKAM	1,300.81	1,335.81	1,274.84	1,446.24	1,403.23
MUIKAM	28.41	12.00	0.00	0.00	0.00
Municipal securities	13.00	13.00	0.00	38.21	124.95
Euronotes of the Ministry of Finance	0.00	56.19	262.39	132.24	140.28
<b>TOTAL</b>	<b>3,633.49</b>	<b>4,273.43</b>	<b>4,967.45</b>	<b>7,021.51</b>	<b>9,198.16</b>

Table 9

2013-2017 NGS Volume (without SBS) in Nominal Holding					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Shares of UIF and other financial instrument	2.46	0.70	0.80	2.26	3.81
Ordinary shares issued in accordance with the legislation of the Republic of Kazakhstan	5,135.86	1,160.98	2,503.47	2,801.57	3,190.63
Ordinary shares issued in accordance with the legislation of the states other than the Republic of Kazakhstan	5.02	4.65	5.14	7.10	20.65
Preferred shares	76.98	69.37	466.01	462.39	485.27
Bonds issued in accordance with the legislation of the Republic of Kazakhstan	2,767.63	3,068.55	3,287.60	3,422.37	3,379.02
Bonds issued in accordance with the legislation of the states other than the Republic of Kazakhstan	165.19	230.52	231.79	160.27	149.30
<b>TOTAL</b>	<b>8,153.13</b>	<b>4,534.77</b>	<b>6,494.80</b>	<b>6,855.96</b>	<b>7,228.68</b>

Table 10

2013-2017 SBS Volume in Nominal Holding					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Ordinary shares	23,406.45	7,393.78	9,859.65	3,946.73	4,490.38
Preferred shares	19.37	14.50	0.06	0.07	0.06
<b>TOTAL</b>	<b>23,425.83</b>	<b>7,408.28</b>	<b>9,859.71</b>	<b>3,946.80</b>	<b>4,490.44</b>

## Securities Holders

Table 11

2013-2017 Financial Instruments Holders Structure: Participants and their Clients					
KZT, bln					
Type of Holder	2013	2014	2015	2016	2017
Nonresident participants	0.00	0.00	0.00	46.30	15.08
Resident participants	2,027.86	2,341.84	1,718.50	3,415.42	4,566.49
<b>TOTAL participants</b>	<b>2,027.86</b>	<b>2,341.84</b>	<b>1,718.50</b>	<b>3,461.72</b>	<b>4,581.57</b>
Clients (non-disclosed information hereof)	0.05	0.05	0.05	0.00	0.00
Nonresident clients	4,594.65	821.87	751.23	861.24	1,249.01
Resident clients	28,589.88	13,052.71	18,852.17	13,501.31	15,086.71
<b>TOTAL clients</b>	<b>33,184.58</b>	<b>13,874.63</b>	<b>19,603.46</b>	<b>14,362.55</b>	<b>16,335.72</b>
<b>TOTAL (participants + clients)</b>	<b>35,212.44</b>	<b>16,216.47</b>	<b>21,321.96</b>	<b>17,824.27</b>	<b>20,917.29</b>

Table 12

2013-2017 Financial Instruments Holders Structure: by economy sectors					
KZT, bln					
Economy Sector	2013	2014	2015	2016	2017
The Central Bank	771.66	1,123.61	364.91	561.21	63.84
Depository organizations	1,442.30	1,453.79	1,699.62	3,096.05	4,829.59
Financial organizations	4,235.70	4,781.86	6,680.94	7,213.55	8,029.83
State non-financial organizations	23,579.23	7,599.57	10,000.58	4,099.45	4,688.17
Non-state non-financial organizations	180.27	185.04	182.95	194.26	214.55
Non-commercial organizations, servicing households	0.00	0,08	0,20	0,13	0,24
Households	408,57	250.60	1,641.47	1,752.09	1,810.28
Other	0.05	0.05	0.05	0.00	0.00
Nonresidents	4,594.65	821.87	751.23	907.54	1,264.10
<b>TOTAL</b>	<b>35,212.44</b>	<b>16,216.47</b>	<b>21,321.96</b>	<b>17,824.27</b>	<b>20,900.60</b>

## Registered Transactions

**Table 13**

2013–2017 Registered Transactions Volume					
<i>KZT, bln</i>					
Type of Transaction	2013	2014	2015	2016	2017
Automated repo operation	23,722.95	22,549.32	46,427.61	113,968.66	146,811.23
Lodging of financial instruments into nominal holding/removal of financial instruments from nominal holding <sup>1</sup>	754.48	929.15	4,333.83	1,078.64	2,286.20
Distribution <sup>2</sup>	4,262.90	2,337.09	3,431.71	42,666.88	66,191.30
Pledge of rights/burden	119.30	23.34	36.65	76.38	71.08
Purchase/sale <sup>3</sup>	468.01	777.11	2,135.56	941.17	888.87
Direct repo operation	13,693.61	15,801.83	9,835.33	30.02	426.09
Transfer	55,277.24	16,961.50	746.39	457.51	1,168.84
Redemption	642.67	461.32	1,285.65	39,689.06	63,343.98
Entry/removal of the record on trustee	2,071.14	229,885.44	229,923.26	145.76	11.26
Cancellation	52.16	5.29	70.23	36.55	71.16
<b>TOTAL</b>	<b>101,064.45</b>	<b>289,731.39</b>	<b>298,226.23</b>	<b>199,090.63</b>	<b>281,270.02</b>

<sup>1</sup> Regardless of distribution and purchase/sales.

<sup>2</sup> With due regard for the lodging into nominal holding (primary distribution) and removal from nominal holding (primary distribution) of financial instruments.

<sup>3</sup> With due regard for the lodging into nominal holding (purchase/sale) and removal from nominal holding (purchase/sale) of financial instruments.

## Primary Securities Market

Table 14

2013-2017 Transaction Volume Registered in the Primary Market					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
GS	1,061.85	908.91	1,546.06	41,441.92	64,707.39
NGS	366.34	482.56	969.66	496.63	965.13
SBS	2,834.71	945.62	915.99	728.34	518.78
<b>TOTAL</b>	<b>4,262.90</b>	<b>2,337.09</b>	<b>3,431.71</b>	<b>42,666.88</b>	<b>66,191.30</b>

Table 15

2013-2017 GS Transaction Volume Registered in the Primary Market					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Notes of the National Bank	79.32	81.41	1,126.50	41,223.71	62,974.32
MEKKAM	109.08	1.38	0.00	0.00	0.00
MEOKAM	145.12	72.17	0.10	0.00	725.73
MEUKAM	449.86	718.95	419.46	0.00	920.52
MEUJKAM	278.48	35.00	0.00	180.00	0.00
Municipal securities	0.00	0.00	0.00	38.21	86.82
<b>TOTAL</b>	<b>1,061.85</b>	<b>908.91</b>	<b>1,546.06</b>	<b>41,441.92</b>	<b>64,707.39</b>

Table 16

2013-2017 GS Transaction Volume Registered in the Primary Market					
KZT, bln					
	2013	2014	2015	2016	2017
Short-term securities	188.40	82.80	1,126.50	41,223.71	62,974.32
Medium-term securities	145.12	72.17	0.10	38.21	812.55
Long-term securities	728.34	753.95	419.46	180.00	920.52
<b>TOTAL</b>	<b>1,061.85</b>	<b>908.91</b>	<b>1,546.06</b>	<b>41,441.92</b>	<b>64,707.39</b>

Table 17

2013-2017 NGS Transaction Volume Registered in the Primary Market					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Ordinary shares	7.34	64.28	27.46	46.71	22.06
Preferred shares	0.41	0.01	0.00	0.00	0.00
Bonds	358.41	413.27	942.20	448.19	942.52
Other	0.18	0.00	0.00	1.73	0.56
<b>TOTAL</b>	<b>366.34</b>	<b>477.56</b>	<b>969.66</b>	<b>496.63</b>	<b>965.14</b>

Table 18

2013-2017 SBS Transaction Volume Registered in the Primary Market					
KZT, bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Ordinary shares	2,834.71	695.62	851.05	728.34	518.78
Preferred shares	0.00	250.00	64.95	0.00	0.00
<b>TOTAL</b>	<b>2,834.71</b>	<b>945.62</b>	<b>915.99</b>	<b>728.34</b>	<b>518.78</b>

## Secondary Securities Market

Table 19

2013-2017 (1) Transactions (Operations) Volume Registered in the Secondary Securities Market											
<i>KZT bln, unless otherwise specified</i>											
Year	Transactions (operations), registered in the regulated exchange market			Transactions (operations), registered in the OTC market			Subtotal			Total	
	GS	NGS	SBS	GS	NGS	SBS	GS	NGS	SBS	volume	transaction number (pcs)
2013	23,794.38	350.91	0.00	4.30	13,734.49	0.50	23,798.67	14,085.40	0.50	<b>37,884.57</b>	<b>69,399</b>
2014	22,288.48	700.50	0.00	2.56	15,897.84	238.88	22,291.04	16,598.34	238.88	<b>39,128.26</b>	<b>80,868</b>
2015	46,274.67	1,377.66	0.00	3.27	10,729.22	13.68	46,277.95	12,106.88	13.68	<b>58,398.51</b>	<b>122,435</b>
2016	113,774.72	822.49	0.00	255.80	83.66	3.19	114,030.52	906.15	3.19	<b>114,939.85</b>	<b>127,732</b>
2017	136,894.30	11,039.84	0.00	42.47	113.18	36.10	136,937.07	11,153.01	36.10	<b>148,126.19</b>	<b>150,107</b>

Table 20

2013–2017 (2) Transactions (Operations) Volume Registered in the Secondary Market			
<i>KZT mln, unless otherwise specified</i>			
Year	Average volume of one transaction (operation)	Share of transactions (operations), registered in the regulated exchange market (%)	Share of transactions (operations), registered in the OTC market (%)
2013	545.90	63.73	36.27
2014	483.85	58.75	41.25
2015	476.98	81.60	18.40
2016	899.85	97.70	0.30
2017	986.80	99.87	0.13

Table 21

2013–2017 (3) Transactions (Operations) Volume Registered in the Secondary Market										
<i>KZT bln, unless otherwise specified</i>										
Year	Purchase/sale (regulated exchange market)		Purchase/sale (OTC market)		Direct repo (regulated exchange market)		Direct repo (OTC market)		Automated repo	
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)
2013	420.07	1.11	47.93	0.13	2.26	0.01	13,691.35	36.14	23,722.95	62.62
2014	435.84	1.11	341.27	0.87	3.82	0.01	15,798.00	40.37	22,549.32	57.63
2015	1,212.76	2.08	922.80	1.58	11.96	0.02	9,823.37	16.82	46,427.61	79.50
2016	598.54	0.52	342.64	0.30	30.02	0.03	0.01	0.00	113,968.66	99.16
2017	696.81	0.47	192.05	0.13	426.09	0.29	0.00	0.00	146,811.23	99.11

Table 22

2017 GS Secondary Market Structure							
<i>KZT bln, unless otherwise specified</i>							
Type of Financial Instrument	Transactions (operations), registered in the regulated exchange market		Transactions (operations), registered in the OTC market		Subtotal	share of total volume of transactions (%)	Transactions number (pcs)
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)			
Notes of the National Bank	39,019.70	28.50	42.40	99.13	39,062.11	28.53	33,502
MEKKAM	0.00	0.00	0.00	0.00	0.00	0.00	0
MEOKAM	13,482.68	9.85	0.00	0.00	13,482.68	9.85	7,316
MEUJKAM	2.11	0.00	0.00	0.00	2.11	0.00	43
MEUKAM	78,580.80	57.40	0.00	0.00	78,580.80	57.38	48,130
MUIKAM	0.00	0.00	0.00	0.00	0.00	0.00	0
Municipal securities	0.31	0.00	0.00	0.00	0.31	0.00	4
Euronotes of the Ministry of Finance	5,808.68	4.24	0.37	0.87	5,809.05	4.24	9,903
<b>TOTAL</b>	<b>136,894.30</b>		<b>42.77</b>		<b>136,937.07</b>		<b>98,898</b>

Table 23

## 2013–2017 GS Transactions (Operations) Volume and Amount Registered in the Secondary Market

*KZT bln, unless otherwise specified*

Year	Transactions (operations), registered in the regulated exchange market		Transactions (operations), registered in the OTC market		Total	Transactions number (pcs)
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)		
2013	23,794.38	99.98	4.30	0.02	<b>23,798.67</b>	41,862
2014	22,288.48	99.99	2.56	0.01	<b>22,291.04</b>	50,216
2015	46,274.67	99.99	3.27	0.01	<b>46,277.95</b>	68,769
2016	113,774.72	99.78	255.80	0.22	<b>114,030.52</b>	94,698
2017	136,894.30	99.97	42.77	0.03	<b>136,937.07</b>	98,898

Table 24

2017 NGS Secondary Market Structure							
KZT bln, unless otherwise specified							
Type of Financial Instrument	Transactions (operations), registered in the regulated exchange market		Transactions (operations), registered in the OTC market		Total	share of total volume of transactions (%)	Transactions number (pcs)
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)			
Ordinary shares	1,434.87	13.00	12.67	11.20	1,447.54	12.98	41,436
Preferred shares	11.37	0.10	0.52	0.46	11.89	0.11	1,229
Bonds	9,592.55	86.89	97.40	86.06	9,689.95	86.88	8,422
Equity units	1.05	0.01	2.58	2.28	3.63	0.03	105
<b>TOTAL</b>	<b>11,039.84</b>		<b>113.18</b>		<b>11,153.02</b>		<b>51,192</b>

Table 25

2013-2017 NGS Transactions (Operations) Volume and Number Registered in the Secondary Market						
KZT bln, unless otherwise specified						
Year	Transactions (operations), registered in the regulated exchange market		Transactions (operations), registered in the OTC market		Total	Transactions number (pcs)
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)		
2013	350.91	2.49	13,734.49	97.51	<b>14,085.40</b>	27,531
2014	700.50	4.22	15,897.84	95.78	<b>16,598.34</b>	30,614
2015	1,377.52	11.38	10,729.22	88.62	<b>12,106.74</b>	53,471
2016	821.95	90.81	83.13	9.19	<b>905.08</b>	32,566
2017	11,039.84	98.99	113.18	1.01	<b>11,153.02</b>	51,192

Table 26

2017 SBS Secondary Market Structure							
<i>KZT bln, unless otherwise specified</i>							
Type of Financial Instrument	Transactions (operations), registered in the regulated exchange market		Transactions (operations), registered in the OTC market		Total	share of total volume of transactions (%)	Transactions number (pcs)
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)			
Ordinary shares	0.00	-	35.39	98.02	35.39	98.02	16
Preferred shares	0.00	-	0.72	1.98	0.72	1.98	1
<b>TOTAL</b>	<b>0.00</b>		<b>36.10</b>		<b>36.10</b>		<b>17</b>

Table 27

2013-2017 SBS Transactions (Operations) Volume and Amount Registered in the Secondary Market							
<i>KZT bln, unless otherwise specified</i>							
Year	Transactions (operations), registered in the regulated exchange market		Transactions (operations), registered in the OTC market		Total	Transactions number (pcs)	
	volume	share of total volume of transactions (%)	volume	share of total volume of transactions (%)			
2013	0.00	0.00	0.50	100.00	<b>0.50</b>	4	
2014	0.00	0.00	238.88	100.00	<b>238.88</b>	16	
2015	0.00	0.00	13.68	100.00	<b>13.68</b>	10	
2016	0.00	0.00	3.19	100.00	<b>3.19</b>	14	
2017	0.00	0.00	36.10	100.00	<b>36.10</b>	17	

## Financial Instruments' Pledge of Rights and Burden

Table 28

2017 Pledge of Rights and Burden Operations Structure		
<i>KZT bln, unless otherwise specified</i>		
Type of Financial Instrument	Volume	Share of total volume of transactions (%)
GS (MEOKAM, MEUKAM)	0.00	0.00
Ordinary shares	53.75	75.61
Preferred shares	0.18	0.26
Bonds	17.15	24.12
<b>TOTAL</b>	<b>71.08</b>	

Table 29

2013-2017 Pledge of Rights and Burden Operations Volume					
<i>KZT bln</i>					
Type of Financial Instrument	2013	2014	2015	2016	2017
GS	0.00	6.83	1.48	5.44	0.00
NGS	119.30	16.50	35.17	70.94	70.14
<b>TOTAL</b>	<b>119.30</b>	<b>23.34</b>	<b>36.65</b>	<b>76.38</b>	<b>70.14</b>

## Lodging of the Financial Instruments into Nominal Holding

Table 30

2013-2017 Volume of the Operations of Lodging of Financial Instruments into Nominal Holding					
KZT bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
GS	0.00	50.26	124.43	58.98	78.08
NGS	281.78	535.00	2,344.84	570.38	1,317.46
SBS	2,835.53	967.69	923.80	728.34	518.78
<b>TOTAL</b>	<b>3,117.31</b>	<b>1,552.95</b>	<b>3,393.08</b>	<b>1,357.70</b>	<b>1,914.32</b>

Table 31

2013-2017 NGS Volume of the Operations of NGS Lodging into Nominal Holding					
KZT bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Ordinary shares	12.97	108.01	59.96	31.98	29.36
Preferred shares	0.25	1.47	0.21	0.72	2.07
Bonds	268.38	424.58	2,284.68	533.30	1,282.74
Other	0.18	0.93	0.00	4.38	3.29
<b>TOTAL</b>	<b>281.78</b>	<b>534.99</b>	<b>2,344.84</b>	<b>570.38</b>	<b>1,317.46</b>

## Removal of the Financial Instruments from Nominal Holding

Table 32

2013-2017 Volume of the Operations of Removal of Financial Instruments from Nominal Holding					
KZT bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
GS	0.00	0.54	19.61	181.59	57.48
NGS	556.99	457.87	1,964.77	376.60	939.83
SBS	0.50	239.35	50.32	3.20	47.43
<b>TOTAL</b>	<b>557.49</b>	<b>697.76</b>	<b>2,034.70</b>	<b>561.39</b>	<b>1,044.74</b>

Table 33

2013-2017 Volume of the Operations of NGS Removal from Nominal Holding					
KZT bln					
Type of Financial Instrument	2013	2014	2015	2016	2017
Ordinary shares	487.26	308.25	85.88	148.69	41.12
Preferred shares	0.41	2.95	24.91	0.69	0.09
Bonds	68.66	144.90	1,853.97	226.95	895.01
Other	0.66	1.77	0.00	0.26	3.61
<b>TOTAL</b>	<b>556.99</b>	<b>457.87</b>	<b>1,964.77</b>	<b>376.60</b>	<b>939.83</b>

## Funds Transfer

Table 34

2017 Funds Transfer Structure						
<i>KZT bln, unless otherwise specified</i>						
	In the national currency		In foreign currency		Total	
	number (pcs)	volume	number (pcs)	volume	number (pcs)	Volume
Transactions registration	287,635	423,466.29	170	95.14	287,805	423,561.43
Interest payment	1,186	301.68	1,481	14.04	2,667	315.72
Dividend payment	59,903	25.85	1,393	0.03	61,296	28.88
Redemption	3,578	62,873.49	131	94.35	3,709	62,967.84
Other	29,504	66,494.22	958	262.24	30,462	66,756.46
<b>TOTAL</b>	<b>381,806</b>	<b>553,161.53</b>	<b>4,133</b>	<b>465.80</b>	<b>385,939</b>	<b>553,630.33</b>

Table 35

2013–2017 Funds Transfer Amount and Volume						
<i>KZT bln, unless otherwise specified</i>						
Year	In the national currency		In foreign currency		Total	
	number (pcs)	volume	number (pcs)	volume	number (pcs)	Volume
2013	186,503	80,259.12	3,305	145.07	189,808	80,404.19
2014	212,402	82,969.05	1,912	119.08	214,314	83,088.13
2015	350,251	124,482.80	2,429	341.08	352,680	124,823.88
2016	305,664	385,445.36	3,961	339.08	309,625	385,784.44
2017	381,806	553,161.53	4,133	465.80	385,939	553,627.33

*Allocation of the International Identification Numbers  
to Securities and Other Financial Instruments*

Table 36

Types of financial instruments to which ISIN and CFI codes have been allocated, effective from January 01, 2017 and 2018								
Type of Financial Instrument	Number of ISIN codes allocated by the Central Securities Depository		Number of CFI codes allocated by the Central Securities Depository		Number of ISIN codes allocated by WM Datenservice Agency		Number of CFI codes allocated by WM Datenservice Agency	
	01.01.17	01.01.18	01.01.17	01.01.18	01.01.17	01.01.18	01.01.17	01.01.18
Government securities issued by the Ministry of Finance	148	147	148	147	6	4	6	4
Government securities issued by the National Bank	22	33	22	33	-	-	-	-
Ordinary shares	91	103	79	93	53	53	52	52
Preferred shares	28	27	20	20	23	23	23	23
Bonds	263	272	257	266	5	4	5	4
Equity units of UIF	4	6	4	6	-	-	-	-
Others	26	212	-	-	5	5	5	5
<b>TOTAL</b>	<b>582</b>	<b>800</b>	<b>530</b>	<b>565</b>	<b>92</b>	<b>89</b>	<b>91</b>	<b>88</b>