

# **Bank TuranAlem and subsidiaries**

## **Unaudited Interim Condensed Consolidated Financial Statements**

*September 30, 2007*

*Together with Report on review of interim condensed consolidated financial statements*

**CONTENTS****REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Interim Condensed Consolidated Balance Sheet .....	1
Interim Condensed Consolidated Statement of Income .....	2
Interim Condensed Consolidated Statement of Changes in Equity .....	3
Interim Condensed Consolidated Statement of Cash Flows .....	5

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

1.	Principal activities .....	7
2.	Basis of preparation .....	7
3.	Cash and cash equivalents .....	10
4.	Financial assets at fair value through profit or loss .....	11
5.	Amounts due from credit institutions .....	12
6.	Derivative financial instruments .....	12
7.	Available-for-sale securities .....	12
8.	Held-to-maturity securities .....	13
9.	Loans to customers .....	13
10.	Allowances for impairment and provisions .....	15
11.	Taxation .....	16
12.	Amounts due to credit institutions .....	16
13.	Amounts due to customers .....	17
14.	Debt securities issued .....	18
15.	Equity .....	19
16.	Salaries and administrative and other operating expenses .....	20
17.	Commitments and contingencies .....	20
18.	Earnings per share .....	21
19.	Risk management policies .....	21
20.	Segment analysis .....	24
21.	Related party transactions .....	27

## ***Report on review of interim condensed consolidated financial statements***

To the Shareholders and Board of Directors of JSC "Bank TuranAlem":

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Joint Stock Company "Bank TuranAlem" (the "Bank") and its subsidiaries (together the "Group") as of September 30, 2007, comprising the interim condensed consolidated balance sheet as of September 30, 2007 and the related interim condensed consolidated statements of income, cash flows and changes in equity for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



November 1, 2007

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2007

*(Millions of Kazakhstani Tenge)*

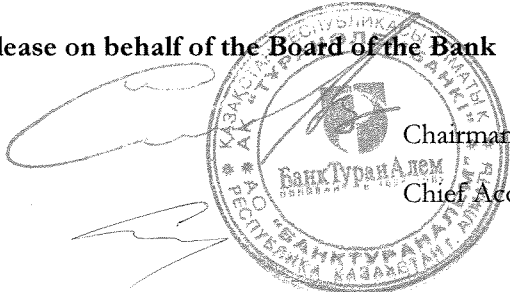
	Notes	September 30, 2007 (unaudited)	December 31, 2006
<b>Assets</b>			
Cash and cash equivalents	3	60,432	193,640
Obligatory reserves		167,264	125,573
Financial assets at fair value through profit or loss	4	132,158	221,534
Amounts due from credit institutions	5	104,433	87,452
Derivative financial assets	6	19,214	3,454
Available-for-sale securities	7	37,007	49,723
Held-to-maturity securities	8	12,739	-
Loans to customers	9	2,259,404	1,343,414
Investments in associates		56,077	5,996
Property and equipment		10,827	7,480
Goodwill		35,212	22,849
Current income tax asset		-	890
Other assets		23,840	13,137
<b>Total assets</b>		<b>2,918,607</b>	<b>2,075,142</b>
<b>Liabilities</b>			
Amounts due to the Government and the NBK		641	706
Amounts due to credit institutions	12	792,942	625,146
Derivative financial liabilities	6	5,024	34
Amounts due to customers	13	663,997	528,192
Debt securities issued	14	983,252	707,098
Income tax payable		3,265	-
Deferred tax liability		1,076	1,105
Other liabilities		30,601	18,243
<b>Total liabilities</b>		<b>2,480,798</b>	<b>1,880,524</b>
<b>Equity</b>			
Issued capital	15	297,344	116,451
Treasury shares		(4,847)	(2,840)
Securities revaluation reserve		726	335
Foreign currency translation reserve		(23)	(45)
Retained earnings		124,951	68,584
<b>Equity attributable to shareholders of the parent</b>		<b>418,151</b>	<b>182,485</b>
Minority interest		19,658	12,133
<b>Total equity</b>		<b>437,809</b>	<b>194,618</b>
<b>Total liabilities and equity</b>		<b>2,918,607</b>	<b>2,075,142</b>

Signed and authorized for release on behalf of the Board of the Bank

Roman V. Solodchenko

Saule S. Yusupova

November 1, 2007



Chairman of the Board  
Chief Accountant

*The accompanying notes on pages 7 to 29 are an integral part of these unaudited interim condensed consolidated financial statements.*

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007**

(Millions of Kazakhstani Tenge)

	Notes	Nine-month periods ended September 30,	
		2007 (unaudited)	2006 (unaudited)
<b>Interest income</b>			
Loans		202,103	77,964
Securities		10,662	6,916
Deposits with other banks		12,321	5,066
		<u>225,086</u>	<u>89,946</u>
<b>Interest expense</b>			
Debt securities issued		(56,396)	(25,589)
Deposits from customers		(29,441)	(13,979)
Deposits and loans from credit institutions		(42,167)	(15,153)
		<u>(128,004)</u>	<u>(54,721)</u>
<b>Net interest income before impairment</b>		97,082	35,225
Impairment charge	10	(26,229)	(13,565)
<b>Net interest income</b>		<u>70,853</u>	<u>21,660</u>
Fee and commission income		21,448	19,034
Fee and commission expense		(1,469)	(408)
<b>Fees and commissions</b>		<u>19,979</u>	<u>18,626</u>
Gains less losses from financial assets held at fair value through profit or loss		595	4,630
Gains less losses from foreign currencies:			
- dealing		2,047	2,210
- translation differences		10,820	8,682
Income from insurance operations		11,397	4,897
Expense from insurance operations		(9,616)	(5,289)
Share of income of associates		3,569	2,458
Other (loss)/ income		(486)	159
<b>Non interest income</b>		<u>18,326</u>	<u>17,747</u>
Salaries and other employee benefits	16	(19,044)	(7,799)
Administrative and other operating expenses	16	(15,287)	(10,676)
Depreciation and amortisation		(1,640)	(585)
Taxes other than income tax		(1,595)	(1,063)
Other provisions	10	(3,779)	1,604
Obligatory insurance of individuals' deposits		(1,354)	(419)
<b>Non interest expense</b>		<u>(42,699)</u>	<u>(18,938)</u>
<b>Income before income tax expense</b>		66,459	39,095
Income tax expense	11	(7,375)	(9,155)
<b>Net income after income tax</b>		<u>59,084</u>	<u>29,940</u>
Attributable to:			
Equity holder of the parent		56,367	29,188
Minority interest in net income		2,717	752
<b>Net income</b>		<u>59,084</u>	<u>29,940</u>
<b>Basic earnings per share (in Kazakhstani Tenge)</b>	18	7,765	7,350
<b>Diluted earnings per share (in Kazakhstani Tenge)</b>	18	7,765	7,044

The accompanying notes on pages 7 to 29 are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007**

(Millions of *Kazakhstani Tenge*)

	Issued Capital- Common Shares	Issued Capital- Preferred Shares	Treasury Shares	Property and Equipment Revaluation Reserve	Securities Revaluation Reserve	Foreign currency translation reserve	Retained Earnings	Total	Minority Interest	Total Equity
<b>December 31, 2005</b>	52,393	3,055	(281)	18	492	-	30,213	85,890	1,218	87,108
Fair value change of available-for-sale securities, net of tax (unaudited)	-	-	-	-	(172)	-	-	(172)	10	(162)
Release of property and equipment revaluation reserve on usage of previously revalued assets (unaudited)	-	-	-	(14)	-	-	14	-	-	-
Release of property and equipment revaluation reserve on disposal of previously revalued assets (unaudited)	-	-	-	(4)	-	-	-	(4)	-	(4)
Foreign currency translation (unaudited)	-	-	-	-	-	(44)	-	(44)	-	(44)
Total loss for the nine months recognized directly in equity (unaudited)	-	-	-	(18)	(172)	(44)	14	(220)	10	(210)
Net income (unaudited)	-	-	-	-	-	-	29,188	29,188	752	29,940
Total income (unaudited)	-	-	-	(18)	(172)	(44)	29,202	28,968	762	29,730
Issue of common shares (unaudited)	-	-	-	-	-	-	-	-	-	-
Issue of preferred shares (unaudited)	-	5,238	-	-	-	-	-	5,238	67	5,305
Purchase of treasury shares (unaudited)	-	-	(1,873)	-	-	-	-	(1,873)	-	(1,873)
Issue of treasury shares (unaudited)	-	-	748	-	-	-	-	748	-	748
Dividends – preferred shares (unaudited)	-	-	-	-	-	-	(145)	(145)	-	(145)
Conversion of preferred shares into common shares	-	-	-	-	-	-	-	-	-	-
-Previously classified as equity	8,293	(8,293)	-	-	-	-	-	-	-	-
-Previously classified as liability	5,581	-	-	-	-	-	-	5,581	-	5,581
Minority interest on disposal (unaudited)	-	-	-	-	-	-	-	-	(707)	(707)
<b>September 30, 2006 (unaudited)</b>	66,267	-	(1,406)	-	320	(44)	59,270	124,407	1,340	125,747

The accompanying notes on pages 7 to 29 are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 (continued)**

(Millions of Kazakhstani Tenge)

	Issued Capital- Common Shares	Issued Capital- Preferred Shares	Treasury Shares	Property and Equipment Revaluation Reserve	Securities Revaluation Reserve	Foreign currency translation reserve	Retained Earnings	Total	Minority Interest	Total Equity
<b>September 30, 2006 (unaudited)</b>	66,267	-	(1,406)	-	320	(44)	59,270	124,407	1,340	125,747
Fair value change of available-for-sale securities, net of tax (unaudited)	-	-	-	-	15	-	-	15	-	15
Release of property and equipment revaluation reserve on usage of previously revalued assets (unaudited)	-	-	-	-	-	-	4	4	-	4
Foreign currency translation (unaudited)	-	-	-	-	-	(1)	-	(1)	-	(1)
Total income recognized directly in equity (unaudited)	-	-	-	-	15	(1)	4	18	-	18
Net income (unaudited)	-	-	-	-	-	-	9,310	9,310	(172)	9,138
Total income (unaudited)	-	-	-	-	15	(1)	9,314	9,328	(172)	9,156
Issue of common shares (unaudited)	50,184	-	-	-	-	-	-	50,184	-	50,184
Issue of preferred shares (unaudited)	-	-	-	-	-	-	-	-	(67)	(67)
Purchase of treasury shares (unaudited)	-	-	(1,882)	-	-	-	-	(1,882)	-	(1,882)
Issue of treasury shares (unaudited)	-	-	448	-	-	-	-	448	-	448
Minority interest on acquisition (unaudited)	-	-	-	-	-	-	-	-	11,079	11,079
Minority interest on disposal (unaudited)	-	-	-	-	-	-	-	-	(47)	(47)
<b>December 31, 2006</b>	116,451	-	(2,840)	-	335	(45)	68,584	182,485	12,133	194,618

The accompanying notes on pages 7 to 29 are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 (continued)**

(Millions of Kazakhstani Tenge)

	Issued Capital- Common Shares	Issued Capital- Preferred Shares	Treasury Shares	Securities Revaluation Reserve	Foreign currency translation reserve	Property, plant and equipment revaluation reserve	Retained Earnings	Total	Minority Interest	Total Equity
<b>December 31, 2006</b>	116,451	-	(2,840)	335	(45)	-	68,584	182,485	12,133	194,618
Fair value change of available-for-sale securities, net of tax (unaudited)	-	-	-	289	-	-	-	289	48	337
Release of available-for-sale securities revaluation reserve on disposal of previously revalued assets (unaudited)	-	-	-	(4)	-	-	-	(4)	-	(4)
Amortization of revaluation loss on available-for-sale securities reclassified to held-to-maturity securities (unaudited)	-	-	-	106	-	-	-	106	-	106
Foreign currency translation (unaudited)	-	-	-	-	22	-	-	22	-	22
Total income recognized directly in equity (unaudited)	-	-	-	391	22	-	-	413	48	461
Net income (unaudited)	-	-	-	-	-	-	56,367	56,367	2,717	59,084
Total income (unaudited)	-	-	-	391	22	-	56,367	56,780	2,765	59,545
Issue of common shares (unaudited)	180,893	-	-	-	-	-	-	180,893	-	180,893
Issue of treasury shares (unaudited)	-	-	1,330	-	-	-	-	1,330	-	1,330
Purchase of treasury shares (unaudited)	-	-	(3,337)	-	-	-	-	(3,337)	-	(3,337)
Contribution to subsidiaries (unaudited)	-	-	-	-	-	-	-	-	8,579	8,579
Purchase of minority interest (unaudited)	-	-	-	-	-	-	-	-	(3,819)	(3,819)
<b>September 30, 2007 (unaudited)</b>	297,344	-	(4,847)	726	(23)	-	124,951	418,151	19,658	437,809

The accompanying notes on pages 7 to 29 are an integral part of these unaudited interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007***(Millions of Kazakhstani Tenge)*

	<i>Nine-month periods ended September 30,</i>	
	<i>2007(unaudited)</i>	<i>2006 (unaudited)</i>
<b>Cash flows from operating activities:</b>		
Interest received	176,060	74,715
Interest paid	(116,578)	(60,007)
Income received from trading in foreign currencies	2,048	2,210
Income received from trading securities	(1,555)	3,218
Fee and commission received	21,779	19,188
Fee and commission paid	(516)	(402)
Cash paid for insurance operations	(1,311)	(210)
Cash received from insurance operations	9,607	3,684
Payroll paid	(13,296)	(4,952)
Recovery of loans previously written-off	5,534	913
Cash paid to state deposits insurance fund	(1,354)	(419)
Operating expenses paid	(18,202)	(10,482)
<b>Cash flows provided by operating activities before changes in operating assets and liabilities</b>	<b>62,216</b>	<b>27,456</b>
<b>Net cash increase/decrease from operating assets and liabilities</b>		
Net increase in obligatory reserves	(40,578)	(83,978)
Net decrease/(increase) in financial assets at fair value at profit or loss	87,893	(28,832)
Net increase in due from credit institutions	(16,061)	(42,348)
Net increase in loans to customers	(943,511)	(245,633)
Net increase in other assets, including prepaid taxes	(22,764)	(29,728)
Net decrease in due to government	(69)	(48)
Net increase in due to credit institutions	185,517	142,323
Net increase in due to customers	143,006	105,967
Net increase in other liabilities	8,691	1,792
<b>Net cash used in operating activities before income tax</b>	<b>(535,660)</b>	<b>(153,029)</b>
Income tax paid	(3,813)	(1,730)
<b>Net cash used in operating activities</b>	<b>(539,473)</b>	<b>(154,759)</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment securities available-for-sale	(2,299)	-
Disposal of investment securities available-for-sale	-	2,773
Acquisition of subsidiaries	(16,182)	(259)
Acquisition of held-to-maturity securities	1,090	-
Proceeds from sale of investments in associates	-	286
Investment in associates	(46,602)	(279)
Acquisition of property and equipment	(5,900)	(3,875)
Proceeds from disposal of property and equipment	997	477
<b>Net cash used in investing activities</b>	<b>(68,896)</b>	<b>(877)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from debt securities issued	289,256	189,411
Proceeds from sale of common shares	180,893	-
Proceeds from sale of preferred shares	-	5,305
Contribution to subsidiaries by minorities	8,579	-
Purchase of treasury shares	(3,337)	(1,873)
Proceeds from sale of treasury shares	1,330	748
<b>Net cash from financing activities</b>	<b>476,721</b>	<b>193,591</b>
Effect of exchange rate changes on cash and cash equivalents	(1,560)	(45)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(133,208)</b>	<b>37,910</b>
Cash and cash equivalents at beginning of the year	193,640	119,131
<b>Cash and cash equivalents at the end of the year</b>	<b>60,432</b>	<b>157,041</b>
<b>Non-cash transactions:</b>		
Reclassification of held-to-maturity securities from available-for-sale securities	14,360	-
Conversion of preferred shares into common shares:		
-Previously classified as equity	-	5,655
-Previously classified as liability	-	5,581

*The accompanying notes on pages 7 to 29 are an integral part of these unaudited interim condensed consolidated financial statements.*

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(in millions of Kazakhstani Tenge, unless otherwise stated)*

**1. Principal activities**

JSC Bank TuranAlem and its subsidiaries (the "Group") provide retail and corporate banking services, insurance services, leasing and other financial services in Kazakhstan and Russian Federation. The parent company of the Group is Bank TuranAlem (the "Bank"), a joint stock company. The Bank is incorporated and domiciled in the Republic of Kazakhstan. Note 2 lists the Bank's subsidiaries and associates.

The address of the Bank's registered office is: 97 Zholdasbekov Street, Samal-2, Almaty, 050059, Republic of Kazakhstan.

The Bank accepts deposits from the public and extends credit, transfers payments within Kazakhstan and abroad, exchanges currencies and provides other banking services to its commercial and retail customers. In addition, the Group is authorized to accept pension fund deposits. The Bank has a primary listing on Kazakh Stock Exchange ("KASE"). Certain of the Group's debt securities are listed on Luxemburg Stock Exchange and London Stock Exchange with a secondary listing on KASE. Its head office is located in Almaty, Kazakhstan. As of September 30, 2007, it had 22 regional branches and 262 cash settlement units (December 31, 2006 – 22 regional branches and 213 cash settlement units) located throughout Kazakhstan and representative offices in Moscow, Russia; Kiev, Ukraine; Baku, Azerbaijan (in the process of closing); Shanghai, China; and Dubai, United Arab Emirates.

As of September 30, 2007, members of the Board of Directors and Management Board owned 66,775 shares (0.81% of share capital) (December 31, 2006 – 63,133 shares or 1.18%).

**2. Basis of preparation****General**

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". Accordingly, they do not include all of the information required by International Financial Reporting Standards ("IFRS") for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and provisions) considered necessary for a fair presentation have been included. Operating results for the nine-month period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

These interim condensed consolidated financial statements are presented in millions of Kazakhstani Tenge ("KZT"), except per share amounts and unless otherwise indicated. The KZT is utilized as the functional currency as the shareholders, the management and the regulators measure the Bank's performance in KZT. In addition, the KZT, being the national currency of the Republic of Kazakhstan, is the currency that reflects the economic substance of the underlying events and circumstances relevant to the Bank. Transactions in other currencies are treated as transactions in foreign currencies.

These interim condensed consolidated financial statements should be read in conjunction with the complete consolidated financial statements as of December 31, 2006, considering the effect of the adoption of the new IFRSs and revision of the existing International Accounting Standards ("IAS").

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available as of the date of the financial statements. Actual results, therefore, could differ from these estimates.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 2. Basis of preparation (continued)

#### Reclassifications

The following reclassifications have been made to 2006 balances to conform to the 2007 presentation:

December 31, 2006

	<i>As previously reported</i>	<i>Reclassification</i>	<i>As reported herein</i>	<i>Comment</i>
<b><i>Balance sheet:</i></b>				
Derivative financial assets	–	3,454	3,454	
Other assets	16,591	(3,454)	13,137	Reclassification of the SWAP and forward agreements to derivative financial assets and liabilities from other assets and liabilities.
Derivative financial liabilities	–	34	34	
Other liabilities	18,277	(34)	18,243	

#### Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended December 31, 2006.

#### Consolidated subsidiaries

Subsidiaries, which are those entities in which the Bank has an interest of more than one half of the voting rights, or otherwise has power to exercise control over their operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Bank.

#### *Acquisition of subsidiaries*

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Bank. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of purchase consideration over the fair value of the Bank's share of identifiable net assets is recorded as goodwill. If the cost of the acquisition is less than the fair value of the Bank's share of identifiable net assets of the subsidiary acquired the difference is recognised directly in the statement of income.

Minority interest is the interest in subsidiaries not held by the Bank. Minority interest at the balance sheet date represents the minority shareholders' portion of the fair value of the identifiable assets and liabilities of the subsidiary at the acquisition date and the minorities' portion of movements in equity since the date of the combination. Minority interest is presented within equity.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 2. Basis of preparation (continued)

#### Consolidated subsidiaries (continued)

##### Acquisition of subsidiaries

The interim condensed consolidated financial statements include the following subsidiaries:

Subsidiary	Holding, %		Country	Date of incorporation	Industry	Date of acquisition
	September 30, 2007	December 31, 2006				
JSC Subsidiary of JSC BTA TuranAlem Securities	100.00%	100.00%	Kazakhstan	17.10.97	Securities trading and asset management	13.12.97
JSC Subsidiary of JSC BTA Accumulative Pension Fund BTA Kazakhstan	76.83%	76.83%	Kazakhstan	11.12.97	Pension fund	16.09.98
JSC BTA Ipoteka Subsidiary Mortgage company of JSC BTA	100.00%	100.00%	Kazakhstan	20.11.00	Consumer mortgage lending	20.11.00
JSC Subsidiary Life Insurance company of BTA JSC BTA Zhizn	100.00%	100.00%	Kazakhstan	22.07.99	Life and annuity insurance	30.03.01
JSC Subsidiary insurance company of BTA JSC BTA Zabota	98.17%	98.17%	Kazakhstan	10.09.96	Health insurance	04.04.01
TuranAlem Finance B.V. LLP	100.00%	100.00%	Netherlands	22.05.01	Capital markets	22.05.01
LLP Subsidiary of BTA JSC TuranAlem Finance	100.00%	100.00%	Russia	22.06.04	Capital markets	28.09.04
Joint Venture JSC Insurance Company London-Almaty	99.40%	99.40%	Kazakhstan	20.11.97	Property and Liability insurance	5.08.04
BTA Finance Luxembourg S.A.	100.00%	100.00%	Luxemburg	05.01.06	Capital markets	06.03.06
LLP BTA Finance (subsidiary of BTA JSC)	100.00%	100.00%	Russia	27.11.06	Operations on capital markets	27.11.06
LLP BTA Capital (subsidiary of BTA JSC)	100.00%	100.00%	Russia	27.11.06	Operations on capital markets	27.11.06
BTA Insurance JSC Subsidiary company of JSC BTA	100.00%	100.00%	Kazakhstan	08.09.98	Property and Liability insurance	21.12.06
TemirBank JSC	61.55%	50.80%	Kazakhstan	26.03.92	Bank activities	29.12.06
TemirCapital B.V.	100.00%	100.00%	Netherlands	29.05.01	Operations on capital markets	29.12.06
First Broker House JSC	–	100.00%	Kazakhstan	07.04.04	Brokerage services, assets management	29.12.06
BTA Finance Luxembourg II S.A.	100.00%	–	Luxemburg	04.05.07	Capital markets	06.06.07
LLP Force Technology Subsidiary of BTA JSC	–	–	Kazakhstan	09.04.02	IT services	–
First Kazakh Securitization Company	–	–	Netherlands	08.12.05	Securitization of financial assets	–
BTA DPR Finance Company	–	–	Cayman Islands	02.09.07	Financial services	02.09.07

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 2. Basis of preparation (continued)

#### Consolidated subsidiaries (continued)

In February 2007, the Group has sold its 100.00% ownership in First Broker House JSC to a non-related party company.

BTA Finance Luxembourg II S.A. was set up by the Bank in May 2007, as a 100% subsidiary to be used, by the Bank, as a special purpose entity for issuance of debt and equity securities on stock exchange markets.

In 2007, the Group increased its ownership in TemirBank JSC from 50.80% to 61.55% for KZT 27,083 million.

#### Associates accounted for under equity method

The following associates are accounted for under the equity method and included into investments in associates:

September 30, 2007  
(unaudited)

Associates	Holding, %	Country	Activities	Share in net income/ (loss)	Total assets	Total liabilities	Equity
Astanaeximbank CJSC	49.00%	Belorussia	Bank	85	7,127	5,845	1,282
BTA Silk Road Bank JSC	49.00%	Georgia	Bank	81	10,799	8,408	2,391
BTA InvestBank CJSC	48.87%	Armenia	Bank	56	6,048	4,075	1,973
JSCB BTA Kazan OJSC	47.32%	Russia	Bank	189	41,275	35,283	5,992
Ineximbank CJSC	46.00%	Kyrgyzstan	Bank	129	16,529	14,353	2,176
BTA ORIX Leasing JSC	45.00%	Kazakhstan	Leasing	103	6,156	4,199	1,957
Temir Leasing JSC	43.87%	Kazakhstan	Leasing	46	5,224	3,458	1,766
Sekerbank	33.98%	Turkey	Bank	2,880	555,918	472,740	83,178

On March 15, 2007 the Group acquired 33.98% interest in the share capital of Sekerbank for KZT 36,957 million. Goodwill arising from acquisition of Sekerbank in the amount of KZT 23,805 million was included in the carrying amount of the investment. On September 10, 2007 the Group has paid in addition KZT 8,562 million to the share capital of Sekerbank to maintain its current share.

December 31, 2006

Associates	Holding, %	Country	Activities	Share in net income/ (loss)	Total assets	Total liabilities	Equity
Astanaeximbank CJSC	49.00%	Belorussia	Bank	(14)	6,035	4,915	1,120
BTA Silk Road Bank JSC	49.00%	Georgia	Bank	54	4,680	3,748	932
BTA InvestBank CJSC	48.88%	Armenia	Bank	32	3,343	2,205	1,138
JSCB BTA Kazan JSC	47.32%	Russia	Bank	47	24,155	18,592	5,563
Ineximbank CJSC	46.00%	Kyrgyzstan	Bank	0	12,095	10,163	1,932
BTA ORIX Leasing JSC	45.00%	Kazakhstan	Leasing	135	5,570	3,820	1,750
Temir Leasing JSC	43.87%	Kazakhstan	Leasing	0	3,734	2,066	1,668

### 3. Cash and cash equivalents

Cash and cash equivalents comprise:

	September 30, 2007 (unaudited)	December 31, 2006
Current accounts with other financial institutions	20,605	20,709
Cash on hand	19,703	32,256
Reverse repurchase agreements with contractual maturity of 90 days or less	15,099	55,488
Time deposits with contractual maturity of 90 days or less	5,025	73,354
Current accounts with the National Bank of Kazakhstan ("NBK")	—	6,829
Time deposits with the NBK	—	5,004
<b>Cash and cash equivalents</b>	<b>60,432</b>	<b>193,640</b>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 3. Cash and cash equivalents (continued)

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
	<i>Interest rate</i>	
Current accounts with other financial institutions	up to 1.3%	-
Reverse repurchase agreements with contractual maturity of 90 days or less	9.0%-15.0%	1.5%-9.0%
Time deposits with contractual maturity of 90 days or less	5.4%-10.0%	1.5%-10.0%
Time deposits with the NBK	-	4.5%

### 4. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Corporate bonds	48,101	56,251
Bonds of international financial organizations	29,653	32,241
Treasury bills of the Ministry of Finance of Republic of Kazakhstan	19,634	15,014
Bonds of Kazakhstan financial agencies	7,468	6,406
Notes of the NBK	3,643	69,967
Municipal bonds	270	342
Treasury bills of the Ministry of Finance of Russian Federation	3	3
Bonds of public agencies	-	9,539
Sovereign bonds of the Republic of Kazakhstan	-	5,318
Sovereign bonds of OECD countries	-	5,255
	<b>108,772</b>	<b>200,336</b>
Equity securities	23,331	21,145
Mutual funds shares	55	53
<b>Financial assets at fair value through profit or loss</b>	<b>132,158</b>	<b>221,534</b>

Subject to repurchase agreements 82,021 104,321

	<i>September 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Corporate bonds	6.0%-14.8%	2008-2021	5.0%-12.0%	2007-2036
Bonds of international financial organizations	3.4%-6.1%	2008-2013	2.4%-6.1%	2007-2013
Treasury bills of the Ministry of Finance of Republic of Kazakhstan	3.4%-8.3%	2007-2014	4.1%-8.3%	2007-2011
Bonds of Kazakhstan financial agencies	6.0%-8.8%	2007-2026	6.0%-10.0%	2007-2026
Notes of the NBK	7.1%	2008	4.6%-5.9%	2007
Municipal bonds	8.5%	2008	8.5%	2007-2008
Treasury bills of the Ministry of Finance of Russian Federation	7.5%	2030	5.0%	2030
Bonds of public agencies	-	-	3.9%-4.9%	2007-2009
Sovereign bonds of the Republic of Kazakhstan	-	-	11.1%	2007
Sovereign bonds of OECD countries	-	-	4.8%-5.3%	2008-2012

Bonds of Kazakhstan financial agencies comprised bonds of Kazakhstan Mortgage Company and Development Bank of Kazakhstan which in accordance with the Resolution of the NBK were classified as financial agencies.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 5. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Loans	87,538	73,877
Deposits	16,976	13,655
	<b>104,514</b>	87,532
Less – Allowance for impairment (Note 10)	(81)	(80)
<b>Amounts due from credit institutions</b>	<b>104,433</b>	87,452

Interest rates and maturities of amounts due from credit institutions follow:

	<i>September 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	%	Maturity	%	Maturity
Loans	7.0%-15.0%	2007-2013	1.5%-14.0%	2007-2014
Deposits	6.2%-15.5%	2007-2010	9.0%-15.6%	On demand -2008

### 6. Derivative financial instruments

The Group enters into derivative financial instruments for trading purposes. The table below shows the fair values of derivative financial instruments, recorded as assets and liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding as of September 30, 2007 and December 31, 2006 and are indicative of neither the market risk nor the credit risk.

	<i>September 30, 2007 (unaudited)</i>			<i>December 31, 2006</i>		
	<i>Notional principal</i>	<i>Fair values</i>		<i>Notional principal</i>	<i>Fair value</i>	
		<i>Asset</i>	<i>Liability</i>		<i>Asset</i>	<i>Liability</i>
Interest rate swaps	520,363	983	2,315	3,302	17	–
Currency swaps	167,680	15,972	927	246,192	3,437	–
Forwards	53,289	2,259	1,782	8,255	–	34
Total derivative assets/liabilities		<b>19,214</b>	<b>5,024</b>		<b>3,454</b>	<b>34</b>

#### *Swaps*

Swaps are contractual agreements between two parties to exchange movements in interest and foreign currency rates and equity indices, and (in the case of credit default swaps) to make payments with respect to defined credit events based on specified notional amounts.

#### *Forwards*

Forwards contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market.

### 7. Available-for-sale securities

Available-for-Sale securities comprise:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Bonds of international financial organizations	13,806	29,515
Corporate bonds	13,738	6,731
Sovereign bonds of OECD countries	3,835	7,395
Notes of the NBK	1,153	–
Bonds of Kazakhstan financial agencies	26	29
Bonds of public agencies	–	3,218
Sovereign bonds of the Republic of Kazakhstan	–	664
	<b>32,558</b>	47,552
Equity securities	4,449	2,171
<b>Available-for-sale securities</b>	<b>37,007</b>	49,723

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 7. Available-for-sale securities (continued)

Included in bonds of international financial organisations are securities of the International Bank of Reconstruction and Development ("IBRD"), Council of Europe Development Bank ("CEDB"), Asian Development Bank ("ADB"), Inter-American Development Bank ("IADB") and European Company for the Financing of Railroad Rolling Stock ("EuroFIMA").

Interest rates and maturities of these securities are:

	<i>September 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Bonds of international financial organizations	3.4%-6.1%	2009-2013	2.4%-6.1%	2007-2013
Corporate bonds	8.0%-14.8%	2008-2015	8.0%-15.5%	2007-2015
Sovereign bonds of OECD countries	3.5%-6.0%	2008-2009	2.5%-6.0%	2007-2012
Notes of the NBK	7.1%	2008	—	—
Bonds of Kazakhstan financial agencies	8.8%	2014	8.8%	2014
Bonds of public agencies	—	—	4.9%	2007
Sovereign bonds of the Republic of Kazakhstan	—	—	11.1%	2007

### 8. Held-to-maturity securities

Held-to-maturity securities comprise:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Bonds of international financial organizations	11,968	—
Corporate bonds	771	—
<b>Held-to-maturity securities</b>	<b>12,739</b>	<b>—</b>

Interest rates and maturities of these securities are:

	<i>September 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Bonds of international financial organizations	3.8%-6.1%	2008-2013	—	—
Corporate bonds	9.8%-14.8%	2008-2012	—	—

Included in bonds of international financial organisations are securities of the International Bank of Reconstruction and Development ("IBRD"), Council of Europe Development Bank ("CEDB"), Inter-American Development Bank ("IADB") and International Financial Corporation ("IFC").

As of September 30, 2007 the fair value of held-to-maturity securities comprised KZT 12,725 million.

### 9. Loans to customers

Loans to customers comprise:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Loans to customers	2,345,545	1,407,381
Financial leasing	8,779	3,082
Overdrafts	899	1,336
Promissory notes	47	572
Factoring	78	1,233
	<b>2,355,348</b>	<b>1,413,604</b>
Less – Allowance for loan impairment (Note 10)	(95,944)	(70,190)
<b>Loans to customers</b>	<b>2,259,404</b>	<b>1,343,414</b>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 9. Loans to customers (continued)

As of September 30, 2007, the annual interest rates on loans to customers charged by the Bank ranged from 12% to 19% per annum for KZT-denominated loans (December 31, 2006 – from 10% to 16%) and from 9% to 17% per annum for loans, denominated in freely convertible currency (December 31, 2006 – from 9% to 14%).

Loans have been extended to the following types of customers:

	September 30, 2007 (unaudited)	December 31, 2006
Private companies	1,780,732	1,032,272
Individuals	567,911	373,900
State companies and authorities	6,610	7,383
Other	95	49
<b>Loans to customers, gross</b>	<b>2,355,348</b>	<b>1,413,604</b>

As of September 30, 2007, the Group had a concentration of loans represented by KZT 279,298 million due from 10 largest borrowers that comprised 12% of the total gross loan portfolio (December 31, 2006 – KZT 154,105 million, 11%) and represented 64% of the Group's total equity (December 31, 2006 – 79%). Allowances amounting to KZT 12,716 million were made against these loans (December 31, 2006 - KZT 2 million).

### Derecognition of loan portfolio

The Group has been periodically selling part of its mortgage loan portfolio to Kazakhstan Mortgage Company ("KMC"), with full recourse to the Group for any default loan. The Group has determined that, as a result of this transaction, not substantially all the risks and rewards of the portfolio have been transferred to Kazakhstan Mortgage Company. Therefore, the Group continues to recognise these loans as an asset on its interim condensed consolidated balance sheet with the corresponding liability recorded in amounts due to credit institutions for the same amount (Note 12).

As of September 30, 2007 loans to customers include loans of KZT 55,642 million, which are pledged as collateral for the mortgage-backed KZT denominated bonds (December 31, 2006 – KZT 44,221 million).

Loans were made to the following economy sectors:

	September 30, 2007 (unaudited)	%	December 31, 2006	%
Wholesale trade	409,808	17.4%	213,466	15.1%
Consumer loans	323,958	13.8%	211,881	15.0%
Housing construction	301,336	12.8%	141,377	10.0%
Road and industrial development	259,445	11.0%	133,252	9.4%
Mortgage loans to individuals	243,953	10.3%	162,019	11.5%
Real estate activities	200,027	8.5%	78,409	5.6%
Oil & gas	142,888	6.1%	88,213	6.2%
Agriculture	106,159	4.5%	73,879	5.2%
Retail trade	68,710	2.9%	32,745	2.3%
Food industry	52,093	2.2%	50,923	3.6%
Transport	38,512	1.6%	42,942	3.1%
Chemical industry	34,873	1.5%	23,172	1.6%
Mining	22,773	1.0%	19,618	1.4%
Telecommunication	21,353	0.9%	20,046	1.4%
Production of machinery and equipment	17,578	0.7%	20,097	1.4%
Metallurgical industry	12,325	0.5%	12,174	0.9%
Financial services	7,860	0.3%	25,933	1.8%
Energy	6,299	0.3%	11,673	0.8%
Hospitality	4,996	0.2%	2,647	0.2%
Textile and leather industry	4,174	0.2%	2,411	0.2%
Publishing	3,437	0.2%	3,459	0.2%
Research & development	828	0.1%	2,352	0.2%
Production of rubber and plastic articles	766	0.0%	1,008	0.1%
Other	71,197	3.0%	39,908	2.8%
	<b>2,355,348</b>	<b>100.00%</b>	<b>1,413,604</b>	<b>100.0%</b>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 9. Loans to customers (continued)

Net investment in finance leases consisted of the following:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Minimum lease payments receivable	13,358	4,206
Less: Unearned finance income	(4,578)	(1,124)
<b>Net investment in finance leases</b>	<b>8,780</b>	<b>3,082</b>
Allowance for uncollectible minimum lease payments receivable	(279)	(233)
	<b>8,501</b>	<b>2,849</b>
Current portion of net investment in finance leases	3,393	1,209
Long-term portion of net investment in finance leases	5,387	1,873
	<b>8,780</b>	<b>3,082</b>

### 10. Allowances for impairment and provisions

The movements in allowances for impairment of interest earning assets, were as follows:

	<i>Due from credit institutions</i>	<i>Loans to customers</i>	<i>Total</i>
<b>December 31, 2005</b>	–	40,311	40,311
Impairment charge (unaudited)	–	13,565	13,565
Write-offs (unaudited)	–	(4,567)	(4,567)
Recoveries (unaudited)	–	724	724
<b>September 30, 2006 (unaudited)</b>	–	50,033	50,033
Impairment charge (unaudited)	31	19,599	19,630
Write-offs (unaudited)	–	(4,775)	(4,775)
Recoveries (unaudited)	–	881	881
Amounts arising on business combination (unaudited)	49	4,452	4,501
<b>December 31, 2006</b>	80	70,190	70,270
Impairment charge (unaudited)	356	25,873	26,229
Write-offs (unaudited)	(355)	(5,653)	(6,008)
Recoveries (unaudited)	–	5,534	5,534
<b>September 30, 2007 (unaudited)</b>	<b>81</b>	<b>95,944</b>	<b>96,025</b>

The movements in allowances for other losses and provisions were as follows:

	<i>Other assets</i>	<i>Letters of credit and guarantees</i>	<i>Total</i>
<b>December 31, 2005</b>	72	3,478	3,550
Impairment charge/(Reversal) (unaudited)	432	(2,036)	(1,604)
Write-offs (unaudited)	(67)	–	(67)
Recoveries (unaudited)	189	–	189
<b>September 30, 2006 (unaudited)</b>	626	1,442	2,068
(Reversal)/impairment charge (unaudited)	(384)	4,554	4,170
Write-offs (unaudited)	(16)	–	(16)
Recoveries (unaudited)	112	–	112
Amounts arising on business combination (unaudited)	3	1	4
<b>December 31, 2006</b>	341	5,997	6,338
(Reversal)/impairment charge (unaudited)	(127)	3,906	3,779
Write-offs (unaudited)	(362)	–	(362)
Recoveries (unaudited)	259	–	259
<b>September 30, 2007 (unaudited)</b>	<b>111</b>	<b>9,903</b>	<b>10,014</b>

Provisions for letters of credit and guarantees are recorded within other liabilities.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 11. Taxation

	<i>September 30, 2007 (unaudited)</i>	<i>September 30, 2006 (unaudited)</i>
Current tax charge	(7,375)	(9,155)
Deferred tax charge	-	-
	<u>(7,375)</u>	<u>(9,155)</u>

### 12. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Loans from OECD based banks and financial institutions	423,327	268,001
Syndicated bank loans	239,032	202,535
Loans from Kazakh banks and financial institutions	49,299	73,642
Club loan	24,702	25,510
Loans from other banks and financial institutions	18,796	16,841
Interest-bearing placements from non OECD banks	12,322	3,376
Pass-through loans	9,849	11,815
Loans from Kazakhstan Mortgage Company	6,649	-
Interest-bearing placements from Kazakh banks	7,260	2,427
Loro accounts	1,706	20,999
<b>Amounts due to credit institutions</b>	<u><b>792,942</b></u>	<u><b>625,146</b></u>
Subject to repurchase agreements	82,021	104,321

Interest rates and maturities of amounts due to credit institutions follow:

	<i>September 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	%	Maturity	%	Maturity
Loans from OECD based banks and financial institutions	3.3%-10.4%	2007-2017	2.4%-11.8%	2007-2017
Syndicated bank loans	5.5%-6.6%	2008-2010	5.8%-7.5%	2007-2009
Loans from Kazakh banks and financial institutions	6.6%-12.0%	2007-2010	2.0%-8.0%	2007-2008
Club loan	5.8%-6.0%	2008-2009	5.8%-6.0%	2008-2009
Loans from other banks and financial institutions	5.6%-7.5%	2007-2011	3.3%-7.7%	2007-2011
Interest-bearing placements from non OECD banks	6.0%-9.0%	2007-2008	2.0%-8.1%	2007
Pass-through loans	6.9%-11.8%	2008-2011	7.1%-9.6%	2007-2011
Loans from Kazakhstan Mortgage Company	9.8%-22.0%	2007-2027	-	-
Interest-bearing placements from Kazakh banks	5.0%-12.0%	2007-2008	6.5%-7.6%	2007
Loro accounts	up to 5.0%	-	up to 3.5%	-

As of September 30, 2007 and December 31, 2006 pass-through loans represented credit lines provided to the Bank, through the Government of the Republic of Kazakhstan or without it, by international financial organizations, which then allocated among borrowers of the Bank. Loans are granted to borrowers, based on the Bank's analysis of their creditworthiness, under terms and conditions comparable to similar credit facilities. At September 30, 2007 amounts received under pass-through loans had been advanced to borrowers and included within loans to customers in the accompanying interim condensed consolidated balance sheet.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 12. Amounts due to credit institutions (continued)

#### Financial covenants

In accordance with the contractual terms of the syndicated bank loans, the Bank is required to maintain certain financial ratios, particularly with regard to its liquidity, capital adequacy, and lending exposures. Management believes that as of September 30, 2007 and December 31, 2006 the Bank was in compliance with the covenants of the various debt agreements the Bank has with other banks and financial institutions.

### 13. Amounts due to customers

The amounts due to customers included balances in customer current accounts, time deposits, and certain other liabilities, and include the following:

	<i>September 30, 2007</i> <i>(unaudited)</i>	<i>December 31,</i> <i>2006</i>
Time deposits	470,575	329,008
Current accounts	168,160	178,816
Guarantee and restricted deposits	25,262	20,368
<b>Amounts due to customers</b>	<b>663,997</b>	<b>528,192</b>

At September 30, 2007 and December 31, 2006 guarantee and restricted deposits include cash collateral to support credit-related financial instruments when it is deemed necessary.

Interest rates and maturities of amounts due to customers follow:

	<i>September 30, 2007 (unaudited)</i>				<i>December 31, 2006</i>			
	<i>KZT</i>		<i>USD/EURO</i>		<i>KZT</i>		<i>USD/EURO</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Time deposits	4.0%-13.1%	2007-2010	3.0%-10.6%	2007-2011	1.0%-12.0%	2007-2011	3.0% -9.0%	2007-2009
Current accounts	up to 2.0%	-	up to 1.0%	-	up to 2.0%	-	up to 1.0%	-
Guarantee and restricted deposits	up to 1.0%	2007-2010	up to 0.5%	2007-2020	up to 0.5%	2007	up to 0.5%	2007-2020

As of September 30, 2007 and December 31, 2006, the Bank's ten largest customers accounted for approximately 25.05% and 31.10%, respectively, of the total amounts due to customers.

The amounts due to customers included balances in customer current accounts and term deposits, and were analysed as follows:

	<i>September 30,</i> <i>2007</i> <i>(unaudited)</i>	<i>December 31,</i> <i>2006</i>
<b>Time deposits:</b>		
Commercial entities	143,632	82,267
Individuals	236,723	179,956
Governmental entities	90,220	66,785
<b>Current accounts:</b>		
Commercial entities	121,032	129,187
Individuals	30,360	27,774
Governmental entities	16,768	21,855
<b>Guarantee and other restricted deposits:</b>		
Commercial entities	8,916	7,448
Individuals	16,181	12,895
Governmental entities	165	25
<b>Amounts due to customers</b>	<b>663,997</b>	<b>528,192</b>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 13. Amounts due to customers (continued)

Included in time deposits are deposits of individuals in the amount of KZT 236,723 million (2006 – KZT 179,956 million). In accordance with the Civil Code of the Republic of Kazakhstan, the Group is obliged to repay such deposits upon demand of a depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, interest is not paid or paid at considerably lower interest rate depending on the terms specified in the agreement.

An analysis of customer accounts by sector follows:

	<i>September 30, 2007 (unaudited)</i>	%	<i>December 31, 2006</i>	%
Individuals	283,264	42.7%	220,625	41.8%
Oil and gas	99,171	14.9%	104,940	19.9%
Wholesale trading	58,049	8.7%	19,034	3.6%
Transportation	44,093	6.7%	34,631	6.5%
Construction	35,864	5.4%	35,179	6.7%
Non-credit financial organizations	27,390	4.1%	11,508	2.2%
Research and development	8,714	1.3%	4,013	0.8%
Chemical processing	7,829	1.1%	4,463	0.8%
Education	7,424	1.1%	5,354	1.0%
Metallurgy	6,502	1.0%	19,708	3.7%
Machinery and equipment production	6,065	1.0%	2,573	0.5%
Retail trade	5,336	0.9%	4,737	0.9%
Agriculture	4,617	0.7%	3,456	0.6%
Energy industry	4,479	0.7%	3,508	0.7%
Mining	3,180	0.5%	18,439	3.5%
Entertainment	2,288	0.3%	1,011	0.2%
Communication	2,217	0.3%	3,137	0.6%
Food industry	1,573	0.2%	737	0.1%
Textiles and leather industry	1,551	0.2%	1,175	0.2%
Brokerage	1,240	0.2%	–	–
Hotel and hospitality	926	0.1%	548	0.1%
Other	52,225	7.9%	29,416	5.6%
	<b>663,997</b>	<b>100.0%</b>	<b>528,192</b>	<b>100.0%</b>

### 14. Debt securities issued

Debt securities issued consisted of the following:

	<i>September 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
USD notes with fixed rates	437,612	276,908
USD and KZT subordinated notes with fixed rates	104,669	89,809
EUR notes with fixed rates	85,755	85,168
USD notes with floating rates	79,778	38,503
KZT notes with fixed rates	70,717	59,315
GBP notes with fixed rate	51,479	49,903
USD perpetual financial instruments with fixed rate	49,258	52,726
JPY notes with floating rate	31,550	–
KZT notes with floating rates	29,032	25,587
KZT subordinated notes with floating rate	22,188	21,710
JPY notes with fixed rate	21,201	21,370
CHF notes with floating rate	20,932	–
RUR notes with fixed rate	15,087	14,715
PLZ notes with floating rate	9,076	8,736
USD promissory notes with floating rate	608	638
	<b>1,028,942</b>	<b>745,088</b>
Own USD notes held by the Group	(1,123)	(1,464)
Own USD and KZT subordinated notes held by the Group	(17,135)	(18,084)
Own KZT notes held by the Group	(1,984)	(749)
	<b>1,008,700</b>	<b>724,791</b>
Plus unamortized premium	1,079	1,519
Less unamortized discount	(22,009)	(17,087)
Less unamortized cost of issuance	(4,518)	(2,125)
<b>Debt securities issued</b>	<b>983,252</b>	<b>707,098</b>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 14. Debt securities issued (continued)

The interest rates and maturities of these debt securities issued follow:

	September 30, 2007 (unaudited)		December 31, 2006	
	%	Maturity	%	Maturity
USD notes with fixed rates	7.8%-9.5%	2009-2037	7.8%-10.0%	2007-2015
USD and KZT subordinated notes with fixed rates	7.0%-12.0%	2008-2036	7.0%-12.0%	2009-2036
EUR notes with fixed rates	6.3%	2011	6.3%	2011
	1 month			
	Libor+1.3%-1 month		3 month	
USD notes with floating rates	Libor+3.8%	2008-2029	Libor+1.7%-*	2008-2009
KZT notes with fixed rates	7.0%-9.8%	2008-2021	7.0%-9.8%	2008-2021
GBP notes with fixed rate	7.1%	2009	7.1%	2009
USD perpetual financial instruments with fixed rate	8.3%	Perpetual with call option in 2016	8.3%	Perpetual with call option in 2016
	3 month JPY			
JPY notes with floating rate	Libor+2.9%	2017	-	-
	15% less inflation-**		15% less inflation-	
KZT notes with floating rates		2010-2016	inflation+2%	2010-2016
KZT subordinated notes with floating rate	Inflation+2%	2013-2014	Inflation+2%	2013-2014
JPY notes with fixed rate	4.3%	2016	4.3%	2016
	3 month CHF			
CHF notes with floating rate	Libor+3.4%	2017	-	-
RUR notes with fixed rate	7.8%	2009	7.8%	2009
	3 month		3 month	
PLZ notes with floating rate	Libor+2.7%	2011	Libor+2.7%	2011
USD promissory notes with floating rate	6 month		6 month	
	Libor+1%	2007	Libor+1%	2007

\* 8.4% multiplied by 27.603 and divided by exchange rate of USD/RUR

\*\* The Group reconsiders every 6 months, but not less than 5%

In accordance with the terms of the USD Notes, the Bank is required to maintain certain financial ratios particularly with regard to its liquidity, capital adequacy, and lending exposures. Management believes that the Bank maintains these ratios as of September 30, 2007.

The subordinated notes as of September 30, 2007 and December 31, 2006, are unsecured obligations of the Group and are subordinated in right of payment to all present and future senior indebtedness and certain other obligations of the Group.

### 15. Equity

At an Extraordinary General Meeting of the Bank held on 22 February 2007, the Bank's shareholders approved the eleventh issue of its common shares and the subsequent increase of the Bank's share capital by the KZT equivalent of USD 1.5 billion, which was registered on March 19, 2007 by the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations (the "FMSA"). During the nine-month period ended September 30, 2007 the Bank placed 2,909,282 shares at placement value of KZT 62,178 per share totalling KZT 180,893 million, which were fully paid as of September 30, 2007. Total amount of common shares issued as of September 30, 2007 was 8,272,332 shares (2006: 5,363,050 common shares). No dividends were declared during the nine-month period ended September 30, 2007 (2006: KZT 145 million). Dividends for 2006 were paid in fourth quarter of 2006. The Bank's common shares have no par value in accordance with Kazakh legislation.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 16. Salaries and administrative and other operating expenses

Salaries and other employee benefits and administrative and other operating expenses comprise:

	<i>Nine-month periods ended</i>	
	<i>September 30,</i>	
	<i>2007(unaudited)</i>	<i>2006(unaudited)</i>
Salaries and bonuses	16,664	6,807
Social security costs	1,823	841
Other payments	557	151
<b>Salaries and other employee benefits</b>	<b>19,044</b>	<b>7,799</b>
Occupancy and rent	3,345	1,527
Marketing and advertising	2,095	1,063
Insurance expenses	1,529	3,959
Repair and maintenance of property and equipment	1,297	566
Transportation expenses	994	271
Communications	957	435
Legal services and consultancy	923	291
Business travel and related expenses	831	638
Security	780	398
Encashment	534	312
Office supplies	284	133
Data processing	207	123
Loss on disposals of property and equipment	4	15
Other	1,507	945
<b>Administrative and other operating expenses</b>	<b>15,287</b>	<b>10,676</b>

### 17. Commitments and contingencies

#### Financial commitments and contingencies

The Group's financial commitments and contingencies comprised the following:

	<i>September 30,</i>	<i>December 31,</i>
	<i>2007</i>	<i>2006</i>
	<i>(unaudited)</i>	<i>2006</i>
Undrawn loan commitments	285,750	115,428
Commercial letters of credit	171,677	168,443
Guarantees	129,298	116,588
	586,725	400,459
Less: cash collateral	(25,262)	(20,368)
Less: provisions (Note 10)	(9,903)	(5,997)
<b>Financial commitments and contingencies</b>	<b>551,560</b>	<b>374,094</b>

The Group requires collateral to support credit-related financial instruments when it is deemed necessary. Collateral held varies, but may include deposits held in the bank, government securities, and other assets.

In accordance with the FMSA requirements the Group is required to maintain certain financial ratios, particularly with regard to its liquidity, capital adequacy and maximum lending exposure to one borrower. As of September 30, 2007, the Group was in technical breach of maximum lending exposure to one borrower. Subsequently, the Group has obtained a waiver from the FMSA. This did not result in cross-defaults under the terms of Bank's contractual arrangements as of September 30, 2007.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 18. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations for the nine-month periods ended September 30:

	<i>September 30, 2007 (unaudited)</i>	<i>September 30, 2006 (unaudited)</i>
Net income attributable to common shareholders for basic earnings per share, being net income less dividends declared on convertible preferred shares (in KZT million)	56,370	29,043
Net income attributable to common and potential common shareholders for diluted earnings per share (in KZT million)	56,370	29,188
Weighted average number of common shares for basic earnings per share	7,259,086	3,951,196
Weighted average number of common and potential common shares for diluted earnings per share	7,259,086	4,143,447
Basic EPS (in Kazakhstani Tenge)	7,765	7,350
Diluted EPS (in Kazakhstani Tenge)	7,765	7,044

A reconciliation of the weighted average number of common shares and the weighted average number of potential common shares for the nine-month period ended September 30 is as follows:

	<i>September 30, 2007 (unaudited)</i>	<i>September 30, 2006 (unaudited)</i>
Weighted average number of common shares as of September 30 for basic earnings per share	7,259,086	3,951,196
Weighted average number of common shares resulting from the potential conversion of the convertible preferred shares into common shares	-	192,251
Weighted average number of common and potential common shares as of September 30	7,259,086	4,143,447

### 19. Risk management policies

Management of risk is fundamental to the banking business and is an essential element of the Bank's operations. The main risks inherent to the Bank's operations are those related to credit, liquidity and market movements in interest and foreign exchange rates.

#### Liquidity Risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due. In order to manage liquidity risk, the Group performs daily monitoring of future expected cash flows on clients' and banking operations, which is a part of assets/liabilities management process. The Board sets limits on the minimum proportion of maturing funds available to meet deposit withdrawals and on the minimum level on interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The following tables provide an analysis of banking assets and liabilities grouped on the basis of the remaining period from the balance sheet date to the contractual maturity date, except financial assets at fair value through profit or loss which are included in the column "On demand" as they are available to meet the Groups's short-term liquidity needs as management is able to liquidate those securities within a short period of time.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

*(in millions of Kazakhstani Tenge, unless otherwise stated)*

### 19. Risk management policies (continued)

#### Liquidity Risk (continued)

	<i>September 30, 2007 (unaudited)</i>							
	<i>On demand</i>	<i>Less than 1 month</i>	<i>1 to 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 3 years</i>	<i>Over 3 years</i>	<i>Past due</i>	<i>Total</i>
<b>Assets:</b>								
Cash and cash equivalents	36,742	11,032	12,514	144	-	-	-	60,432
Obligatory reserves	12,102	10,720	6,175	28,190	53,898	56,179	-	167,264
Financial assets at fair value through profit or loss	132,158	-	-	-	-	-	-	132,158
Amounts due from credit institutions	1,460	15,399	19,324	15,709	38,614	13,927	-	104,433
Derivative financial assets	-	-	-	2,111	5,658	11,445	-	19,214
Available-for-sale securities	1,669	101	-	4,227	7,728	23,282	-	37,007
Held-to-maturity securities	45	49	-	3,656	3,475	5,514	-	12,739
Loans to customers	22	68,319	89,000	423,990	589,293	1,074,545	14,235	2,259,404
Investments in associates	-	-	-	-	-	56,077	-	56,077
Other assets	843	20,552	24	300	1,359	762	-	23,840
	<b>185,041</b>	<b>126,172</b>	<b>127,037</b>	<b>478,327</b>	<b>700,025</b>	<b>1,241,731</b>	<b>14,235</b>	<b>2,872,568</b>
<b>Liabilities:</b>								
Due to the Government and the NBK	-	1	52	2	71	515	-	641
Amounts due to credit institutions	3,947	75,756	30,248	189,961	399,809	93,221	-	792,942
Derivative financial liabilities	-	-	-	2,482	1,665	877	-	5,024
Amounts due to customers	167,674	65,385	60,044	195,920	125,763	49,211	-	663,997
Debt securities issued	-	123	2	26,518	269,400	687,209	-	983,252
Income tax payable	3,265	-	-	-	-	-	-	3,265
Deferred tax liability	1,076	-	-	-	-	-	-	1,076
Other liabilities	3,525	17,730	1,240	3,224	2,684	2,198	-	30,601
	<b>179,487</b>	<b>158,995</b>	<b>91,586</b>	<b>418,107</b>	<b>799,392</b>	<b>833,231</b>	<b>-</b>	<b>2,480,798</b>
<b>Net position</b>	<b>5,554</b>	<b>(32,823)</b>	<b>35,451</b>	<b>60,220</b>	<b>(99,367)</b>	<b>408,500</b>	<b>14,235</b>	<b>391,770</b>
<b>Accumulated gap</b>	<b>5,554</b>	<b>(27,269)</b>	<b>8,182</b>	<b>68,402</b>	<b>(30,965)</b>	<b>377,535</b>	<b>391,770</b>	

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**
*(in millions of Kazakhstani Tenge, unless otherwise stated)*
**19. Risk management policies (continued)**
**Liquidity Risk (continued)**

	<i>December 31, 2006</i>							<i>Total</i>
	<i>On demand</i>	<i>Less than 1 month</i>	<i>1 to 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 3 years</i>	<i>Over 3 years</i>	<i>Past due</i>	
<b>Assets:</b>								
Cash and cash equivalents	74,608	106,115	12,852	65	–	–	–	193,640
Obligatory reserves	23,295	10,439	4,045	18,664	35,342	33,788	–	125,573
Financial assets at fair value through profit or loss	221,534	–	–	–	–	–	–	221,534
Amounts due from credit institutions	182	14,527	12,682	10,180	29,358	20,329	194	87,452
Derivative financial assets	–	–	–	–	18	3,436	–	3,454
Available-for-sale securities	–	82	4,682	2,063	17,762	25,134	–	49,723
Loans to customers	26	47,874	79,222	227,722	350,349	597,520	40,701	1,343,414
Investments in associates	–	–	–	–	–	5,996	–	5,996
Current income tax asset	890	–	–	–	–	–	–	890
Other assets	269	6,503	82	97	150	6,027	9	13,137
	320,804	185,540	113,565	258,791	432,979	692,230	40,904	2,044,813
<b>Liabilities:</b>								
Due to the Government and the NBK	–	15	–	123	61	507	–	706
Amounts due to credit institutions	21,003	125,803	9,878	122,503	289,508	56,451	–	625,146
Derivative financial liabilities	–	–	–	34	–	–	–	34
Amounts due to customers	179,591	39,063	55,859	167,029	65,895	20,755	–	528,192
Debt securities issued	–	–	–	13,401	219,796	473,901	–	707,098
Deferred tax liability	1,105	–	–	–	–	–	–	1,105
Other liabilities	6,748	5,779	389	2,040	2,520	767	–	18,243
	208,447	170,660	66,126	305,130	577,780	552,381	–	1,880,524
<b>Net position</b>	112,357	14,880	47,439	(46,339)	(144,801)	139,849	40,904	164,289
<b>Accumulated gap</b>	112,357	127,237	174,676	128,337	(16,464)	123,385	164,289	

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(in millions of Kazakhstani Tenge, unless otherwise stated)*

**20. Segment analysis**

The Group's primary format for reporting segment information is business segments and the secondary format is geographical segments.

**Business segments.** The Group is organised on a basis of five main business segments:

1. Corporate banking – representing other than small and medium size legal entities direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and trade finance products.
2. Small and medium business – representing individual entrepreneurs and small enterprises current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and trade finance products.
3. Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages and cash and foreign currency related services.
4. Investment activity - representing financial assets and liabilities used for trading or investment purposes, financing, and merger and acquisitions transaction support.
5. Asset management- principally providing investment products and services to institutional investors and intermediaries.

Segment information for the main reportable business segments of the Group for the nine-month periods ended September 30, 2007 and 2006 on the results of segment operations and as of September 30, 2007 and December 31, 2006 on the segment financial positions is set out below:

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(in millions of Kazakhistani Tenge, unless otherwise stated)

**20. Segment analysis (continued)**

Nine-months ended September 30, 2007 (unaudited)	Small and medium business			Investment activity	Asset management	Unallocated amounts	Elimination	Total
	Corporate banking	Small and medium business	Retail banking					
External interest income	120,824	27,283	54,366	22,634	-	(21)	-	225,086
Internal interest income	16,635	2,202	21,296	151,223	-	124,705	(316,061)	-
External interest expense	(10,179)	(1,044)	(20,048)	(96,733)	-	-	-	(128,004)
Internal interest expense	(90,896)	(14,269)	(26,906)	(60,697)	-	(123,293)	316,061	-
Net interest income before impairment	36,384	14,172	28,708	16,427	-	1,391	-	97,082
Impairment charge	(14,389)	(3,948)	(7,837)	(55)	-	-	-	(26,229)
Net interest income after impairment	21,995	10,224	20,871	16,372	-	1,391	-	70,853
Net commission and non-interest income	12,468	2,662	7,449	21,159	213	1,085	(10,300)	34,736
Non-interest expenses	(7,039)	(3,454)	(11,075)	(26,776)	(79)	(797)	10,300	(38,920)
Other provisions	(2,641)	(506)	(661)	(3)	-	32	-	(3,779)
Income from associate organizations and banks	-	-	-	3,569	-	-	-	3,569
Income before income tax expense	24,783	8,926	16,584	14,321	134	1,711	-	66,459
Income tax expense	-	-	-	-	-	(7,375)	-	(7,375)
Net income after income tax	24,783	8,926	16,584	14,321	134	(5,664)	-	59,084

Total assets as of September 30, 2007

(unaudited)	1,497,622	298,221	551,583	1,444,870	90	195,000	(1,068,779)	2,918,607
Total liabilities September 30, 2007	317,371	115,966	353,651	2,622,740	3	19,763	(948,696)	2,480,798
(unaudited)								

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

## 20. Segment analysis (continued)

Nine-months ended September 30, 2006 (unaudited)	Small and medium business					Investment activity	Asset management	Unallocated amounts	Elimination	Total
	Corporate banking	Small and medium business	Retail banking	Investment activity	Asset management					
External interest income	50,474	11,306	15,030	13,136	-	-	-	-	89,946	
Internal interest income	9,731	547	10,356	77,351	-	-	70,531	(168,516)	-	
External interest expense	(7,647)	(105)	(9,976)	(36,993)	-	-	-	-	(54,721)	
Internal interest expense	(45,295)	(8,078)	(7,703)	(37,377)	-	-	(70,063)	168,516	-	
<b>Net interest income before impairment</b>	<b>7,263</b>	<b>3,670</b>	<b>7,707</b>	<b>16,117</b>	<b>-</b>	<b>-</b>	<b>468</b>	<b>-</b>	<b>35,225</b>	
Impairment charge	(9,052)	(2,622)	(1,911)	20	-	-	-	-	(13,565)	
<b>Net interest income after impairment</b>	<b>(1,789)</b>	<b>1,048</b>	<b>5,796</b>	<b>16,137</b>	<b>-</b>	<b>-</b>	<b>468</b>	<b>-</b>	<b>21,660</b>	
<b>Net commission and non-interest income</b>	<b>7,024</b>	<b>2,467</b>	<b>15,759</b>	<b>12,225</b>	<b>-</b>	<b>-</b>	<b>222</b>	<b>(3,782)</b>	<b>33,915</b>	
Non-interest expenses	(2,838)	(2,207)	(6,960)	(12,060)	(12)	(12)	(247)	3,782	(20,542)	
Other provisions	1,041	345	221	(3)	-	-	-	-	1,604	
Income from associate organizations and banks	-	-	-	2,458	-	-	-	-	2,458	
<b>Income before income tax expense</b>	<b>3,438</b>	<b>1,653</b>	<b>14,816</b>	<b>18,757</b>	<b>(12)</b>	<b>(12)</b>	<b>443</b>	<b>-</b>	<b>39,095</b>	
Income tax expense	-	-	-	-	-	-	(9,155)	-	(9,155)	
<b>Net income after income tax</b>	<b>3,438</b>	<b>1,653</b>	<b>14,816</b>	<b>18,757</b>	<b>(12)</b>	<b>(12)</b>	<b>(8,712)</b>	<b>-</b>	<b>29,940</b>	
<b>Total assets as of December 31, 2006</b>	<b>927,204</b>	<b>181,922</b>	<b>313,641</b>	<b>1,315,482</b>	<b>226</b>	<b>226</b>	<b>113,772</b>	<b>(777,105)</b>	<b>2,075,142</b>	
<b>Total liabilities as of December 31, 2006</b>	<b>313,815</b>	<b>86,727</b>	<b>267,892</b>	<b>1,943,781</b>	<b>255</b>	<b>255</b>	<b>3,441</b>	<b>(735,387)</b>	<b>1,880,524</b>	

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 20. Segment analysis (continued)

Geographical segments. Segment information for the main geographical segments of the Group for the nine-month periods ended September 30, 2007 and 2006 on the results of segment operations and as of September 30, 2007 and December 31, 2006 on the segment financial positions.

	<i>Kazakhstan</i>	<i>OECD</i>	<i>Non OECD</i>	<i>Total</i>
<b>2007 (unaudited)</b>				
Segment assets	1,921,109	196,387	801,111	2,918,607
External revenues	166,871	81,441	110,557	358,869
Commitments to extend credit	209,200	27,056	49,494	285,750
Capital expenditure	5,900	–	–	5,900
<b>2006</b>				
Segment assets	1,392,891	292,939	389,312	2,075,142
External revenues (unaudited)	86,848	64,307	21,003	172,158
Commitments to extend credit	78,354	26,713	10,361	115,428
Capital expenditure	3,872	–	–	3,872

External revenues, assets and commitments to extend credit have generally been allocated based on domicile of the counterparty. Cash on hand, property and equipment and capital expenditure have been allocated based on the country in which they are physically held.

### 21. Related party transactions

In accordance with IAS 24 “Related Party Disclosures”, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties, except those, who are subject to the restriction of the legislation, may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 21. Related party transactions (continued)

The Group had the following transactions with related parties:

	September 30, 2007 (unaudited)				December 31, 2006			
	Share-holders	Associates	Key management personnel	Other related parties	Share-holders	Associates	Key management personnel	Other related parties
Loans to customers								
Loans outstanding at January 1, gross	-	-	8,683	6,510	-	3,144	916	7,940
Loans issued during the period	-	-	9,224	42,683	-	-	12,215	10,481
Loan repayments during the period	-	-	(2,645)	(16,814)	-	(3,144)	(4,448)	(11,911)
Loans outstanding at the end of the period, gross	-	-	15,262	32,379	-	-	8,683	6,510
Less: allowance for impairment	-	-	-	(1,444)	-	-	-	(308)
Loans outstanding at the end of the period, net	-	-	15,262	30,935	-	-	8,683	6,202
Amounts due from credit institutions (deposits)								
Deposits at January 1	-	2,373	-	6,570	-	-	-	-
Deposits placed during the period	-	11,062	-	8,530	-	3,033	-	50,905
Deposits withdrawn during the period	-	(6,565)	-	(14,445)	-	(660)	-	(44,335)
Deposits at the end of the period	-	6,870	-	655	-	2,373	-	6,570
Amounts due from credit institutions (loans)								
Loans at January 1	-	12,625	-	3,190	-	-	-	-
Loans placed during the period	-	15,244	-	7,829	-	31,742	-	10,286
Loans withdrawn during the period	-	(16,168)	-	(3,497)	-	(19,117)	-	(7,096)
Loans at the end of the period	-	11,701	-	7,522	-	12,625	-	3,190
Amounts due to credit institutions								
Loans at January 1	-	3,529	-	17,481	7,312	2	-	39
Loans received during the period	-	60,530	-	295,168	-	46,262	-	172,352
Loans repaid during the period	-	(63,390)	-	(312,512)	(7,312)	(42,735)	-	(154,910)
Loans at the end of the period	-	669	-	137	-	3,529	-	17,481
Amounts due to customers								
Deposits at January 1	4,583	-	982	500	-	-	313	-
Deposits received during the period	52,457	-	1,176	50,434	12,309	-	18,407	620
Deposits repaid during the period	(57,020)	-	(1,960)	(49,099)	(7,726)	-	(17,738)	(120)
Deposits at the end of the period	20	-	198	1,835	4,583	-	982	500
Financial assets at fair value through profit or loss								
At January 1	-	-	-	-	-	-	-	-
Purchased during the period	-	1,917	-	-	-	-	-	-
Sold during the period	-	(301)	-	-	-	-	-	-
At the end of the period	-	1,616	-	-	-	-	-	-
Held-to-maturity securities								
At January 1	-	-	-	-	-	-	-	-
Purchased during the period	-	114	-	-	-	-	-	-
Sold during the period	-	-	-	-	-	-	-	-
At the end of the period	-	114	-	-	-	-	-	-
Commitments and guarantees issued	-	1,712	3	3,158	-	1,585	23	5,971
Commitments and guarantees received	-	476	8	5,350	-	1,585	54	5,971

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(in millions of Kazakhstani Tenge, unless otherwise stated)

### 21. Related party transactions (continued)

	Nine-month periods ended September 30,							
	2007 (unaudited)				2006 (unaudited)			
	Share- holders	Associates	Key mana- gement personnel	Other related parties	Share- holders	Associates	Key mana- gement personnel	Other related parties
Interest income on loans	-	-	1,333	2,293	709	197	22	144
Interest income on due from credit institutions	-	1,302	-	837	-	1	-	163
Interest income on securities	-	112	-	-	-	-	-	-
Interest expense on due to credit institutions	-	23	-	8	6	1	-	679
Interest expense on due to customers	-	-	11	149	441	136	2	-
Fee and commission income	-	38	-	117	-	39	-	96
Other income	-	-	-	7	-	1	-	-
Fee and commission expense	-	30	-	82	-	1	-	-
Fair value change of financial assets held at fair value through profit or loss	-	21	-	-	-	-	-	-

The aggregate remuneration and other benefits paid to members of the Management Board and Board of Directors of the Bank for the nine-month period ended September 30, 2007 was KZT 378 million (September 30, 2006: KZT 481 million).

Included in the table above are the following transactions with related parties outstanding as of September 30, 2007 and December 31, 2006:

- Operations with associates such as: loans - including provisioning matters, interest free financial assistance, deposits placed with the Bank and guarantees and letters of credit to investees, and mutual investments.
- Shareholders, including: loans - including provisioning matters, deposits placed with the Bank, and guarantees and letters of credit.

Members of Board of Directors, including: loans - including provisioning matters, deposits placed with the Bank, total remuneration paid during the year.