JSC HALYK BANK

Condensed Interim Consolidated Financial Information (unaudited)

For the nine months ended 30 September 2010

JSC HALYK BANK

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

The following statement, which should be read in conjunction with independent auditors' responsibilities stated in the report on the review of the condensed interim consolidated financial information, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the condensed interim consolidated financial information of JSC Halyk Bank and its subsidiaries (collectively, "the Group").

Management is responsible for the preparation of the condensed interim consolidated financial information that present fairly the financial position of the Group as at 30 September 2010, the results of its operations, cash flows and changes in equity for the nine months then ended, in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

In preparing the condensed interim consolidated financial information, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IAS 34 has been followed; and
- Preparing the condensed interim consolidated financial information on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial information of the Group complies with IAS 34;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Detecting and preventing fraud, errors and other irregularities.

The condensed interim consolidated financial information of the Group for the nine months ended 30 September 2010 was authorized for issue by the Management Board of the Bank on 15 November 2010.

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairman of the Board

15 November 2010
Almaty, Kazakhstan

Pavel A. Cheussov
Chief Accountant

15 November 2010
Almaty, Kazakhstan

Deloitte.

Deloitte, LLP
Almaty Financial District
Building «B»
36, Al Farabi ave.
Almaty, 050000
Republic of Kazakhstan

Tel: +7 (727) 258 13 40
Fax: +7 (727) 258 13 41
almaty@deloitte.kz
www.deloitte.kz

REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders and Board of Directors of JSC Halyk Bank:
Introduction

We have reviewed the accompanying condensed interim consolidated financial information of JSC "Halyk Bank" and its subsidiaries (collectively, "the Group") which comprises the condensed interim consolidated statement of financial position as at 30 September 2010 and the related condensed interim consolidated income statement and condensed interim consolidated statement of comprehensive income for the three and the nine months then ended, the condensed interim consolidated statements of changes in equity and cash flows for the nine months ended 30 September 2010, and a summary of significant accounting policies and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim consolidated 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 condensed interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte, LLP

15 November 2010
Almaty, Kazakhstan

JSC HALYK BANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 (UNAUDITED)
(Millions of Kazakhstani Tenge)

	Notes	30 September 2010 (unaudited)	31 December 2009
ASSETS			
Cash and cash equivalents	6	244,650	480,622
Obligatory reserves	7	26,809	25,949
Financial assets at fair value through profit or loss	8, 33	6,412	8,528
Amounts due from credit institutions	9	20,482	56,101
Available-for-sale investment securities	10, 33	398,036	200,221
Investments held to maturity	11, 33	165,535	17,186
Precious metals		1,562	1,445
Loans to customers	12, 33	1,094,238	1,133,235
Property and equipment		62,229	63,158
Assets held-for-sale		9,527	8,447
Goodwill		3,085	3,190
Intangible assets		6,052	7,475
Insurance assets	13	12,893	4,945
Other assets	14	12,380	12,507
TOTAL ASSETS		2,063,890	2,023,009
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	15, 33	1,370,150	1,274,069
Amounts due to credit institutions	16, 33	83,236	172,706
Financial liabilities at fair value through profit or loss	8	3,467	3,201
Debt securities issued	17	261,885	263,893
Provisions	18	3,050	4,433
Deferred tax liability	19	5,973	6,194
Insurance liabilities	13	19,037	9,586
Other liabilities	20	7,863	7,975
Total liabilities		1,754,661	1,742,057
EQUITY			
Share capital*	21	143,695	143,695
Share premium reserve		1,351	1,317
Treasury shares		(96)	(103)
Retained earnings and other reserves		163,223	135,693
		308,173	280,602
Non-controlling interest		1,056	350
Total equity		309,229	280,952
TOTAL LIABILITIES AND EQUITY		2,063,890	2,023,009

* In accordance with the regulatory requirements of Kazakhstan the book value per share is presented in Note 29

On behalf of the Management Board:

Umut B. Shayakhmetova	**Pavel A. Cheussov**
Chairman of the Board	**Chief Accountant**
15 November 2010	15 November 2010
Almaty, Kazakhstan	Almaty, Kazakhstan

The notes on pages 10 to 46 form an integral part of this condensed interim consolidated financial information.

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

(Millions of Kazakhstani Tenge, except for earnings per share which is in Tenge)

	Notes	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Interest income	23, 33	43,377	46,949	134,238	149,221
Interest expense	23, 33	(20,834)	(24,642)	(66,778)	(78,775)
NET INTEREST INCOME BEFORE IMPAIRMENT CHARGE	23	22,543	22,307	67,460	70,446
Impairment charge on interest earning and other assets	18	(12,260)	(19,809)	(38,083)	(73,408)
NET INTEREST INCOME		10,283	2,498	29,377	(2,962)
Fee and commission income	24	8,773	9,935	24,380	30,075
Fee and commission expense		(1,393)	(1,300)	(4,049)	(3,400)
Fees and commissions, net		7,380	8,635	20,331	26,675
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	25, 33	205	(159)	979	991
Net realized gain/(loss) from available-for-sale investment securities		237	841	208	(297)
Net gain from redemption of debt securities issued		-	-	-	439
Net gain on foreign exchange operations	26	1,463	1,782	5,418	8,573
Insurance underwriting income	27	3,373	1,949	8,975	5,954
Share of loss of associates		(2)	-	(13)	(21)
Other income		446	181	1,259	881
OTHER NON-INTEREST INCOME		5,722	4,594	16,826	16,520
Operating expenses	28	(11,495)	(8,673)	(31,708)	(26,586)
Recoveries of provisions/(provisions)	18	1,392	(568)	1,422	(761)
Insurance claims incurred, net of reinsurance		(2,159)	(1,034)	(5,394)	(2,806)
NON-INTEREST EXPENSES		(12,262)	(10,275)	(35,680)	(30,153)
NET INCOME BEFORE INCOME TAX EXPENSE		11,123	5,452	30,854	10,080
Income tax expense	19	(1,751)	(496)	(4,853)	(806)
NET INCOME		9,372	4,956	26,001	9,274
Attributable to:					
Non-controlling interest		114	31	145	171
Preferred shareholders		2,032	1,182	5,675	1,548
Common shareholders		7,226	3,743	20,181	7,555
		9,372	4,956	26,001	9,274
Basic earnings per share (in Kazakhstani Tenge)	29	5.55	3.03	15.51	6.43
Diluted earnings per share (in Kazakhstani Tenge)	29	5.55	3.03	15.51	6.43

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairman of the Board

15 November 2010
Almaty, Kazakhstan

Pavel A. Cheussov
Chief Accountant

15 November 2010
Almaty, Kazakhstan

The notes on pages 10 to 46 form an integral part of this condensed interim consolidated financial information.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

(Millions of Kazakhstani Tenge)

	Notes	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Net income		9,372	4,956	26,001	9,274
Other comprehensive income					
Gain/(loss) on revaluation of available-for-sale investment securities		6,229	1,902	5,864	(28)
(Gain)/loss transferred to income statement on sale of available-for-sale investment securities		(237)	(841)	(208)	297
Loss transferred to income statement on impairment of available-for-sale investment securities		-	595	735	595
(Loss)/gain on revaluation of property and equipment, net of tax		(22)	-	52	-
Exchange differences on translation of foreign operations into the reporting currency		137	333	(285)	2,027
Other comprehensive income for the period		6,107	1,989	6,158	2,891
Total comprehensive income for the period		15,479	6,945	32,159	12,165
Attributable to:					
Non-controlling interest		108	(59)	135	81
Preferred shareholders		3,373	1,679	7,029	2,039
Common shareholders		11,998	5,325	24,995	10,045
		15,479	6,945	32,159	12,165

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairman of the Board

15 November 2010
Almaty, Kazakhstan

Pavel A. Cheussov
Chief Accountant

15 November 2010
Almaty, Kazakhstan

The notes on pages 10 to 46 form an integral part of this condensed interim consolidated financial information.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

(Millions of Kazakhstani Tenge)

	Notes	Share capital Common shares	Share capital Non-convertible preferred shares	Convertible preferred shares	Share premium reserve	Treasury shares	Cumulative translation reserve*	Revaluation reserve of available-for -sale investment securities*	Property and equipment revaluation reserve*	Retained earnings*	Total	Non-controlling interest	Total equity
31 December 2009		83,571	46,891	13,233	1,317	(103)	1,667	(976)	18,121	116,881	280,602	350	280,952
Net income		-	-	-	-	-	-	-	-	25,856	25,856	145	26,001
Other comprehensive (loss)/income		-	-	-	-	-	(285)	6,401	52	-	6,168	(10)	6,158
Total comprehensive (loss)/income		-	-	-	-	-	(285)	6,401	52	25,856	32,024	135	32,159
Treasury shares purchased	21	-	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Treasury shares sold	21	-	-	-	34	13	-	-	-	-	47	-	47
Dividends – preferred shares		-	-	-	-	-	-	-	-	(4,494)	(4,494)	-	(4,494)
Dividends of subsidiaries		-	-	-	-	-	-	-	-	-	-	(69)	(69)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets		-	-	-	-	-	-	-	(969)	969	-	-	-
Change in non-controlling interest share of net assets		-	-	-	-	-	-	-	-	-	-	640	640
30 September 2010 (unaudited)		83,571	46,891	13,233	1,351	(96)	1,382	5,425	17,204	139,212	308,173	1,056	309,229

* These amounts are included within Retained earnings and other reserves in the condensed interim consolidated statement of financial position.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

(Millions of Kazakhstani Tenge)

	Notes	Common shares	Share capital Non-convertible preferred shares	Convertible preferred shares	Share premium reserve	Treasury shares	Cumulative translation reserve*	Revaluation reserve of available-for -sale investment securities*	Property and equipment revaluation reserve*	Retained earnings*	Total	Non-controlling interest	Total equity
31 December 2008		49,824	2,474	13,233	1,908	(69)	121	(1,797)	22,502	102,602	190,798	257	191,055
Net income		-	-	-	-	-	-	-	-	9,103	9,103	171	9,274
Other comprehensive income/(loss)		-	-	-	-	-	2,027	954	-	-	2,981	(90)	2,891
Total comprehensive income		-	-	-	-	-	2,027	954	-	9,103	12,084	81	12,165
Issue of common share capital	21	26,958	-	-	-	-	-	-	-	-	26,958	-	26,958
Issue of preferred share capital		-	48,020	-	-	-	-	-	-	-	48,020	-	48,020
Treasury shares purchased	21	-	-	-	(279)	(44)	-	-	-	-	(323)	-	(323)
Treasury shares sold	21	-	-	-	10	12	-	-	-	-	22	-	22
Dividends – preferred shares		-	-	-	-	-	-	-	-	(1,680)	(1,680)	-	(1,680)
Release of property and equipment revaluation reserve on depreciation and disposal of previously revalued assets		-	-	-	-	-	-	-	(164)	164	-	-	-
30 September 2009 (unaudited)		76,782	50,494	13,233	1,639	(101)	2,148	(843)	22,338	110,189	275,879	338	276,217

* These amounts are included within Retained earnings and other reserves in the condensed interim consolidated statement of financial position.

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairman of the Board

15 November 2010
Almaty, Kazakhstan

Pavel A. Cheussov
Chief Accountant

15 November 2010
Almaty, Kazakhstan

The notes on pages 10 to 46 form an integral part of this condensed interim consolidated financial information..

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED)

(Millions of Kazakhstani Tenge)

	Notes	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received from financial assets at fair value through profit or loss		36	203
Interest received from cash equivalents and amounts due from credit institutions		1,900	2,452
Interest received on available-for-sale investment securities		5,630	3,679
Interest received on investments held-to-maturity		654	562
Interest received from loans to customers		99,665	97,732
Interest paid on due to customers		(48,290)	(40,127)
Interest paid on due to credit institutions		(3,438)	(9,189)
Interest paid on debt securities issued		(11,780)	(12,913)
Fee and commission received		24,061	29,403
Fee and commission paid		(4,049)	(3,400)
Other income received		13,467	10,813
Operating expenses paid		(24,770)	(23,920)
Cash flows from operating activities before changes in net operating assets		53,086	55,295
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Obligatory reserves		(860)	1,156
Financial assets at fair value through profit or loss		1,887	6,707
Amounts due from credit institutions		35,016	(36)
Precious metals		167	-
Loans to customers		12,473	140,266
Insurance assets		(13,338)	(5,922)
Other assets		(323)	(11,027)
Increase/(decrease) in operating liabilities:			
Financial liabilities at fair value through profit or loss		266	(972)
Amounts due to customers		104,804	299,204
Amounts due to credit institutions		(88,186)	(127,401)
Insurance liabilities		18,427	9,241
Other liabilities		(1,501)	(761)
Net cash inflow from operating activities before income tax		121,918	365,750
(Income tax paid)/income tax prepayments returned		(2,332)	327
Net cash inflow from operating activities		119,586	366,077
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase and prepayment for property and equipment and intangible assets		(7,029)	(7,364)
Proceeds on sale of property and equipment		87	94
Purchase of available-for-sale investment securities		(642,303)	(129,011)
Proceeds on sale of available-for-sale investment securities		327,562	184,246
Purchase of investments held to maturity		(30,784)	(20,039)
Proceeds from redemption of investments held to maturity		9,616	11,758
Net cash (outflow)/inflow from investing activities		(342,851)	39,684

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (UNAUDITED) (CONTINUED)

(Millions of Kazakhstani Tenge)

	Notes	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issue of common share capital	21	-	26,958
Proceeds from the issue of preferred share capital		-	48,020
Proceeds from sale of treasury shares	21	47	22
Purchase of treasury shares		(6)	(323)
Dividends paid		(4,563)	(1,680)
Proceeds on debt securities issued		-	14,161
Redemption and repayment of debt securities issued		(5,000)	(31,292)
Net cash (outflow)/inflow from financing activities		(9,522)	55,866
Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents		(3,185)	84,377
Net change in cash and cash equivalents		(235,972)	546,004
CASH AND CASH EQUIVALENTS, beginning of the period		480,622	161,088
CASH AND CASH EQUIVALENTS, end of the period	6	244,650	707,092

On behalf of the Management Board:

Umut B. Shayakhmetova
Chairman of the Board

15 November 2010
Almaty, Kazakhstan

Pavel A. Cheussov
Chief Accountant

15 November 2010
Almaty, Kazakhstan

The notes on pages 10 to 46 form an integral part of this condensed interim consolidated financial information.

(Millions of Kazakhstani Tenge)

1. PRINCIPAL ACTIVITIES

JSC Halyk Bank ("the Bank") and its subsidiaries (collectively "the Group") provide retail and corporate banking services principally in Kazakhstan, Russia, Kyrgyzstan and Georgia, and pension asset management and insurance services in Kazakhstan. The Bank was incorporated in 1995 and is domiciled in Kazakhstan. The Bank operates under a general license for banking operations, operations with securities and custody services renewed by the Agency for Regulation and Supervision of Financial Markets and Financial Organizations of Kazakhstan ("FMSA") on 6 August 2008. The Bank is a member of the obligatory deposit insurance system provided by the Kazakhstan Fund for Deposits Guarantee.

The Bank's primary business includes originating loans and guarantees, attracting deposits, trading in securities and foreign currencies, executing transfers, cash and credit card operations and rendering other banking services to its customers. In addition, the Bank acts as the government's agent in channelling various budgetary payments and pensions through its nationwide network.

The Bank has a primary listing with the Kazakhstan Stock Exchange ("KASE"). In addition, the Bank's international debt securities issued are primarily listed on the Luxembourg and London Stock Exchanges. The Bank has also sold Global Depository Receipts ("GDRs") through a listing on the London Stock Exchange.

On 15 January 2009, the Group and JSC "Sovereign Wealth Fund "Samruk-Kazyna" ("Samruk-Kazyna"), an entity controlled by the Kazakhstan Government, have signed a series of agreements related to the realization of joint measures towards the support of the economy of the Republic of Kazakhstan within the terms of the stabilization program of the Kazakhstan Government. In accordance with the agreements signed, Samruk-Kazyna will not intervene in the operating policies of the Group and its stake in the share capital of the Group will not exceed 25% of the issued common share capital of the Group.

On 27 March 2009, Samruk-Kazyna acquired 259,064,909 common shares of the Group for a total amount of KZT 26,951 million. On 29 May 2009, Samruk-Kazyna acquired 196,232,499 non-convertible preferred shares of the Group for a total amount of KZT 33,049 million. As at 30 September 2010, Samruk-Kazyna owned a 24.60 % stake of voting shares in the Group's share capital.

The Group is ultimately controlled by Timur Kulibayev and his wife Dinara Kulibayeva.

As at 30 September 2010 and 31 December 2009, the Group was owned by the following shareholders, which own more than 5% of the issued shares of the Group:

	30 September 2010 (unaudited)		31 December 2009	
	Stake in total shares issued *	Stake in total voting shares **	Stake in total shares issued *	Stake in total voting shares **
Timur Kulibayev and Dinara Kulibayeva	41.80%	67.42%	41.80%	67.33%
Samruk-Kazyna	26.81%	24.60%	26.81%	24.57%
Others	31.39%	7.98%	31.39%	8.10%
	100.00%	100.00%	100.00%	100.00%

* Total shares issued include common and preferred shares

** GDRs are not included in the calculation of stake in total voting shares since the information on the holders of GDRs is undisclosed and as such GDRs are recognized as non-voting. Holders of GDRs have the option to disclose their information at any time. On disclosure of their information the holders of GDRs have the right to participate in voting.

As at 30 September 2010, the Bank operated through its head office in Almaty and its 22 regional branches, 124 sub-regional offices and 483 cash settlement units (as at 31 December 2009 - 22, 125 and 475, respectively) located throughout Kazakhstan. The address of the Bank's registered office is: 109V Abai Avenue, Almaty, 050008, Kazakhstan.

The condensed interim consolidated financial information of the Group for the nine months ended 30 September 2010 was authorized for issue by the Management Board of the Bank on 15 November 2010.

2. BASIS OF PRESENTATION

Accounting basis

The condensed interim consolidated financial information of the Group has been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34"). The condensed interim consolidated statement of financial position as at 31 December 2009 was derived from the audited consolidated financial statements but does not include all of the disclosures required by IFRS. However, the Group believes that the disclosures are adequate to make the condensed interim consolidated financial information presentation not misleading.

Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with IFRS have been omitted or condensed as set out by IAS 34. However, such information reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of Group management, necessary to fairly state the results of interim periods. Interim results are not necessarily indicative of results to be expected for the full year.

The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements and with the notes to the consolidated financial statements of the Group for the year ended 31 December 2009.

This condensed interim consolidated financial information is presented in millions of Kazakhstani Tenge ("KZT" or "Tenge"), except for earnings per share amounts and unless otherwise indicated. The condensed interim consolidated financial information has been prepared on the accrual basis of accounting under the historical cost convention, except for certain financial instruments that are accounted for at fair value and insurance liabilities which are accounted for based on actuarial calculations and certain property and equipment which are carried at revalued cost less depreciation.

Consolidated subsidiaries

This condensed interim consolidated financial information includes the following subsidiaries:

Subsidiary	Holding, %		Country	Industry
	30 September 2010 (unaudited)	31 December 2009		
JSC Halyk Leasing	100.00	100.00	Kazakhstan	Leasing
JSC Kazteleport	100.00	100.00	Kazakhstan	Telecommunications
HSBK (Europe) B.V.	100.00	100.00	Netherlands	Issue and placement of Eurobonds, attracting of syndicated loans
OJSC Halyk Bank Kyrgyzstan	100.00	100.00	Kyrgyzstan	Banking
JSC Halyk Finance	100.00	100.00	Kazakhstan	Broker and dealer activities
LLP Halyk Inkassatsiya	100.00	100.00	Kazakhstan	Cash collection services
JSC Halyk Life	100.00	100.00	Kazakhstan	Life insurance
JSC Halyk Capital	100.00	100.00	Kazakhstan	Broker and dealer activities
LLP NBK-Finance	100.00	100.00	Russia	Broker and dealer activities
JSC NBK Bank	100.00	100.00	Russia	Banking
JSC Halyk Bank Georgia	100.00	100.00	Georgia	Banking
JSC Kazakhinstrakh	100.00	100.00	Kazakhstan	Insurance
JSC Accumulated Pension fund of Halyk Bank	95.60	98.64	Kazakhstan	Pension assets accumulation and management

Associates

The following associate is classified within other assets and accounted for under the equity method:

Associate	Holding, %	Country	Activity	Share in net loss	Total assets	Total liabilities	Equity	Total revenue
As at 30 September 2010 and for the nine-month period then ended (unaudited)								
JSC Processing Center	25.14	Kazakhstan	Processing	(13)	84	-	84	1
As at 31 December 2009 and for the year then ended								
JSC Processing Center	25.14	Kazakhstan	Processing	(27)	208	1	207	49

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing this condensed interim consolidated financial information, the Group has applied the same accounting policies and methods of computation as those applied in the consolidated financial statements of the Group for the year ended 31 December 2009. There were no changes in accounting policies during the nine months ended 30 September 2010.

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's condensed interim consolidated financial information requires management to make estimates and judgments that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Management evaluates its estimates and judgements on an ongoing basis. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following estimates and judgments are considered important to the portrayal of the Group's financial condition.

Allowance for impairment of loans and receivables – The Group regularly reviews its loans and receivables to assess for impairment. The Group's loan impairment provisions are established to recognize incurred impairment losses in its portfolio of loans and receivables. The Group considers accounting estimates related to allowance for impairment of loans and receivables as a key source of estimation uncertainty because (i) they are highly susceptible to change from period to period as the assumptions about future default rates and valuation of potential losses relating to impaired loans and receivables are based on recent performance experience, and (ii) any significant difference between the Group's estimated losses and actual losses will require the Group to take provisions which, if significantly different, could have a material impact on its future consolidated income statement and its consolidated statement of financial position.

The Group uses management's judgement to estimate the amount of any impairment loss in cases where a borrower has financial difficulties and there are few available sources of historical data relating to similar borrowers. Similarly, the Group estimates changes in future cash flows based on past performance, past customer behaviour, observable data indicating an adverse change in the payment status of borrowers in a group, and national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the group of loans and receivables. The Group uses management's judgement to adjust observable data for a group of loans or receivables to reflect current circumstances not reflected in historical data.

The allowances for impairment of financial assets in the condensed interim consolidated financial information have been determined on the basis of existing economic and political conditions. The Group is not in a position to predict what changes in conditions will take place in Kazakhstan and what effect such changes might have on the adequacy of the allowances for impairment of financial assets in future periods.

The carrying amount of the allowance for impairment of loans to customers as at 30 September 2010 is KZT 243,289 million (as at 31 December 2009: KZT 207,101 million).

Taxation – Kazakhstan tax, currency and customs legislations are subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and state authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar periods proceeding the period of review.

As at 30 September 2010, management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained. Significant additional actual taxes, penalties and interest may be assessed following any challenges by the relevant authorities, which could have a material impact on the Group's reported net income.

Claims liability and reserves arising from insurance contracts – For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of incurred but not reported reserves ("IBNR") claims at the reporting date. For certain lines of business, IBNR claims form the majority of the statement of financial position claims provision. It can take a significant period of time before the ultimate claims cost can be established with certainty. For hull, property, accident and liability insurance, the Group actuarially determines the liability using past claim settlement trends to predict future claims settlement amounts. In estimating the cost of reported and IBNR claims for certain other lines of business, management applies current government guidance as provided by FMSA, due to the absence of sufficient historical data. Under this guidance, the IBNR reserve is calculated using the expected loss ratio for each line of business, less the cumulative losses actually reported. General insurance claims provisions are not discounted for the time value of money.

The gross reserves for claims and the related receivables for reinsurance recoveries are based on information available to management and the ultimate amounts may vary as a result of subsequent information and events and may result in adjustments to the amounts recovered. Actual claims experience may differ from the historical pattern on which the estimate is based and the cost of settling individual claims may differ from costs previously estimated. Any adjustments to the amount of reserves will be reflected in the condensed interim consolidated financial information in the period in which the necessary adjustments become known and estimable.

Goodwill – Goodwill is the excess cost of an acquisition over the fair value of its net assets. The determination of fair value of assets and liabilities of businesses acquired requires the exercise of management's judgement; for example those financial assets and liabilities for which there are no quoted prices, and those non-financial assets where valuations reflect estimates of market conditions. Difference in fair values would result in changes to the goodwill arising and to the post-acquisition performance of the acquisition. Goodwill is not amortized but is tested annually or more frequently for impairment if events or changes in circumstances indicated that it might be impaired.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units or groups of cash-generating units expected to benefit from the combination. Goodwill impairment testing involves the comparison of the carrying value of a cash-generating unit or group of cash generating units with its recoverable amount. The recoverable amount is the higher of the unit's fair value and its value in use. Value in use is the present value of expected future cash flows from the cash-generating unit or group of cash-generating units. Fair value is the amount obtainable for the sale of the cash-generating unit in an arm's length transaction between knowledgeable and willing parties.

Impairment testing inherently involves a number of judgmental areas: the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting; the assessment of the discount rate appropriate to the business; estimation of the fair value of cash-generating units; and the valuation of the separable assets of each business whose goodwill is being reviewed.

5. RECLASSIFICATIONS

As at 30 September 2010, certain balances within the condensed interim consolidated financial information for the nine months ended 30 September 2009 have been reclassified to conform to the current period presentation. Management of the Group have reclassified deposit insurance expenses from operating expenses to commission expenses, as they believe this classification better reflects the nature and purpose of these expenses with regard to the Group's operations.

The table below presents the effect of these reclassifications on the previously issued condensed interim consolidated financial information for the nine months ended 30 September 2009.

	As previously reported nine months ended 30 September 2009	**Reclassification**	**As reclassified nine months ended 30 September 2009**
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT			
Fee and commission expense	(1,553)	(1,847)	(3,400)
Fees and commissions, net	28,522	(1,847)	26,675
Operating expenses	(28,433)	1,847	(26,586)
NON-INTEREST EXPENSES	(32,000)	1,847	(30,153)

	As previously reported nine months ended 30 September 2009	**Reclassification**	**As reclassified nine months ended 30 September 2009**
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS			
Fee and commission paid	(1,553)	(1,847)	(3,400)
Operating expenses paid	(25,767)	1,847	(23,920)

6. CASH AND CASH EQUIVALENTS

	30 September 2010 (unaudited)	**30 September 2009 (unaudited)**	**31 December 2009**
Cash on hand	38,042	34,169	42,437
Recorded as loans and receivables in accordance with IAS 39:			
Correspondent accounts with Organization for Economic Co-operation and Development countries (the "OECD") based banks	5,696	59,089	17,238
Correspondent accounts with non-OECD based banks	4,643	5,173	5,678
Correspondent accounts with the National Bank of Kazakhstan («NBK»)	3,249	243,922	-
Overnight deposits with OECD based banks	71,105	126,353	102,847
Overnight deposits with non-OECD based banks	704	-	-
Short-term deposits with OECD based banks	73,666	156,988	94,540
Short-term deposits with NBK	42,029	72,076	207,058
Short-term deposits with non-OECD based banks	3,839	3,942	5,459
Short-term deposits with Kazakhstan banks	1,677	5,380	5,365
	244,650	707,092	480,622

Interest rates and currencies in which interest earning cash and cash equivalents are denominated are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	KZT	**Foreign currencies**	**KZT**	**Foreign currencies**
Overnight deposits with OECD based banks	-	0.1%-2.8%	-	0.1%-0.2%
Overnight deposits with non-OECD based banks	-	1.5%-5.0%	-	-
Short-term deposits with OECD based banks	-	0.2%-0.5%	2.0%	0.2%-0.4%
Short-term deposits with NBK	1.0%	-	1.0%	-
Short-term deposits with non-OECD based banks	-	5.5%	-	5.0%
Short-term deposits with Kazakhstan banks	0.3%-4.0%	-	1.5%-1.6%	-

The fair value of assets pledged and carrying value of short-term deposits, included in short-term deposits with Kazakhstan banks under reverse repurchase agreements classified as cash and cash equivalents as at 30 September 2010 and 31 December 2009 are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Carrying value of deposits	**Fair value of collateral**	**Carrying value of deposits**	**Fair value of collateral**
NBK notes	1,615	1,700	2,352	2,475
Treasury bills of the Ministry of Finance of Kazakhstan	62	62	3,010	3,367
	1,677	1,762	5,362	5,842

7. OBLIGATORY RESERVES

	30 September 2010 (unaudited)	31 December 2009
Recorded as loans and receivables in accordance with IAS 39:		
Due from the NBK allocated to obligatory reserves	26,809	25,949

The obligatory reserves represent the minimum reserve deposits and cash on hand balances required by the NBK and used for calculation of the minimum reserve requirement.

8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2010 (unaudited)	31 December 2009
Financial assets held for trading:		
Derivative financial instruments	5,088	5,179
Equity securities of Kazakhstan commercial banks	826	1,012
Mutual investment funds shares	222	202
Corporate bonds	154	25
Bonds of Kazakhstan commercial banks	103	-
Securities of foreign countries and organizations	19	602
Equity securities of Kazakhstan corporations	-	1,508
	6,412	8,528

	30 September 2010 (unaudited)	31 December 2009
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments	3,467	3,201

Interest rates and maturities of financial assets at fair value through profit or loss are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Interest rate, %	**Maturity, year**	**Interest rate, %**	**Maturity, year**
Corporate bonds	7.0%-18.0%	2013-2020	8.0%	2010-2015
Bonds of Kazakhstan commercial banks	15.0%	2014	-	-
Securities of foreign countries and organizations	9.0%	2016	0.7%	2011

Derivative financial instruments comprise:

	30 September 2010 (unaudited)			**31 December 2009**		
	Nominal amount	**Net fair value**		**Nominal amount**	**Net fair value**	
		Asset	**Liability**		**Asset**	**Liability**
Foreign currency contracts:						
Forwards	139,711	4,582	3,153	46,104	3,782	3,019
Options	8,379	443	-	6,913	1,322	-
Swaps	25,119	63	314	6,784	75	182
		5,088	3,467		5,179	3,201

As at 30 September 2010 and 31 December 2009, the Group used quoted market prices from independent information sources for all of its financial assets recorded at fair value through profit or loss, with the exception of derivative financial instruments, which are valued using valuation models based on market data.

9. AMOUNTS DUE FROM CREDIT INSTITUTIONS

	30 September 2010 (unaudited)	**31 December 2009**
Recorded as loans and receivables in accordance with IAS 39:		
Term deposits	10,419	49,380
Deposit pledged as collateral for derivative financial instruments and other transactions	7,823	6,545
Loans to Kazakhstan credit institutions	2,246	185
	20,488	56,110
Less - Allowance for loan impairment (Note 18)	(6)	(9)
	20,482	56,101

Interest rates and maturity of amounts due from credit institutions are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Interest rate, %	**Maturity, year**	**Interest rate, %**	**Maturity, year**
Term deposits	0.2%-10.0%	2010-2011	5.5%-8.5%	2010
Deposit pledged as collateral for derivative financial instruments and other transactions	0.2%-1.8%	2012	0.1%	2012
Loans to Kazakhstan credit institutions	12.0%-17.0%	2015	11.1%	2015

10. AVAILABLE-FOR-SALE INVESTMENT SECURITIES

	30 September 2010 (unaudited)	31 December 2009
Treasury bills of the Ministry of Finance of Kazakhstan	181,033	95,956
NBK notes	123,899	84,622
Corporate bonds	77,920	6,142
Securities of foreign countries and organizations	6,334	7,363
Bonds of Kazakhstan commercial banks	3,364	1,168
Bonds of the Development Bank of Kazakhstan	2,636	2,514
Mutual investment funds shares	1,592	1,307
Equity securities of Kazakhstan corporations	1,568	1,446
Equity securities of Kazakhstan commercial banks	427	57
Equity securities of foreign corporations	207	176
Treasury bills of the Kyrgyz Republic	193	200
	399,173	200,951
Less – Allowance for impairment (Note 18)	(1,137)	(730)
	398,036	200,221
Subject to repurchase agreements	14,566	87,856

Interest rates and maturities of available-for-sale investment securities are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bills of the Ministry of Finance of Kazakhstan	0.1%-18.7%	2010-2024	2.0%-18.7%	2010-2019
NBK notes	1.0%-1.5%	2010-2011	2.0%-3.1%	2010
Corporate bonds	2.1%-27.8%	2010-2021	0.2%-19.2%	2010-2021
Securities of foreign countries and organizations	5.2%-16.2%	2014-2016	7.4%-15.0%	2011-2014
Bonds of Kazakhstan commercial banks	4.2%-21.0%	2010-2022	6.1%-15.0%	2010-2016
Bonds of the Development Bank of Kazakhstan	7.0%	2026	7.0%	2026
Treasury bills of the Kyrgyz Republic	8.2%	2011	3.0%-19.0%	2010

As at 30 September 2010 and 31 December 2009, the Group used quoted market prices from independent informational sources to determine the fair value for all of its available-for-sale investment securities.

In October 2008 the International Accounting Standards Board has issued amendments to IAS 39 “Financial Instruments: Recognition and Measurement”, which allow the reclassification of financial assets out of the financial assets at fair value through profit or loss category in rare circumstances if certain other requirements are met. In accordance with these amendments the Group has reclassified certain debt and equity securities with total fair value of KZT 4,925 million as at 31 December 2008 out of financial assets at fair value through profit or loss category into the available-for-sale investment securities.

The reclassification was made only for those securities which have had a significant decline in volume of transactions in the financial markets as a result of the current financial crisis. The Group has revised its investment policy in relation to these securities and has the intention and ability to hold these securities for the foreseeable future.

The fair value of debt and equity securities which were previously reclassified as at 31 December 2008 out of financial assets at fair value through profit or loss category into the available-for-sale investment securities is presented in the tables below:

Debt securities:	**Effective interest rate, %**	**As at reporting date 30 September 2010 (unaudited) Fair value**	**As at reclassification date 31 December 2008 Fair value**
Bonds of the Development Bank of Kazakhstan	7.0%	2,636	2,213
Securities of foreign countries and organizations	9.7%-28.0%	48	1,987
		2,684	4,200

Equity securities:	**As at reporting date 30 September 2010 (unaudited) Fair value**	**As at reclassification date 31 December 2008 Fair value**
Mutual investment funds shares	419	651
Equity securities of Kazakhstan corporations	51	74
	470	725

Estimated future cash flows from debt securities which were previously reclassified are presented in the table below:

Debt securities:	**As at reclassification date 31 December 2008**
Bonds of the Development Bank of Kazakhstan	4,711
Securities of foreign countries and organizations	2,939
	7,650

The net gain/(loss) that would be recognized in the condensed interim consolidated income statement for the nine months ended 30 September 2010 and 2009 from the debt and equity securities which were reclassified is presented in the tables below:

Debt securities:	**Nine months ended 30 September 2010 (unaudited)**	**Nine months ended 30 September 2009 (unaudited)**
Bonds of the Development Bank of Kazakhstan	181	(1)
Securities of foreign countries and organizations	12	(413)
	193	(414)

Equity securities:	**Nine months ended 30 September 2010 (unaudited)**	**Nine months ended 30 September 2009 (unaudited)**
Mutual investment funds shares	(30)	158
Equity securities of Kazakhstan corporations	(6)	2
	(36)	160

11. INVESTMENTS HELD TO MATURITY

	30 September 2010 (unaudited)	31 December 2009
NBK notes	151,863	-
Treasury bills of the Ministry of Finance of Kazakhstan	7,465	4,471
Securities of foreign countries and organizations	4,632	10,893
Corporate bonds	840	449
Notes of National Bank of Georgia	735	1,373
	165,535	17,186

Interest rates and maturities of investments held to maturity are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
NBK notes	1.0%-1.1%	2010	-	-
Treasury bills of the Ministry of Finance of Kazakhstan	7.1%-7.8%	2013-2015	5.1%-6.1%	2010
Securities of foreign countries and organizations	3.7%-20.0%	2010-2016	3.0%-19.0%	2010
Corporate bonds	6.3%-10.0%	2011-2017	6.3%-14.0%	2011-2017
Notes of National Bank of Georgia	8.0%-10.0%	2010	3.0%-8.1%	2010

On 29 September 2010, the Group has reclassified NBK notes with a maturity in 2010 of total fair value of KZT 126,913 million as out of available-for-sale investment securities into the investments held to maturity. The notes were purchased in the beginning of the reporting period. The Group has revised its investment policy in relation to these securities and has the intention and ability to hold these securities until maturity.

12. LOANS TO CUSTOMERS

	30 September 2010 (unaudited)	31 December 2009
Recorded as loans and receivables in accordance with IAS 39:		
Originated loans to customers	1,336,941	1,339,191
Overdrafts	397	1,145
Promissory notes	189	-
	1,337,527	1,340,336
Less – Allowance for loan impairment (Note 18)	(243,289)	(207,101)
	1,094,238	1,133,235

As at 30 September 2010, the annual interest rates charged by the Group ranged from 9% to 24% per annum for KZT-denominated loans (as at 31 December 2009 – from 9% to 24%) and from 7% to 17% per annum for US Dollar-denominated loans (as at 31 December 2009 – from 7% to 17%).

As at 30 September 2010, the Group had a concentration of loans of KZT 263,090 million from the ten largest borrowers that comprised 20% of the Group's total gross loan portfolio (as at 31 December 2009 – KZT 259,063 million; 19%) and 85% of the Group's equity (as at 31 December 2009 – 92%). As at 30 September 2010 an allowance for loan impairment amounting to KZT 47,959 million was made against these loans (as at 31 December 2009 – KZT 25,294 million).

Loans are made to the following sectors:

	30 September 2010 (unaudited)	%	31 December 2009	%
Retail loans:				
- mortgage loans	137,582	10%	149,442	11%
- consumer loans	134,614	10%	149,073	11%
	272,196		298,515	
Wholesale trade	313,724	24%	271,719	20%
Construction	182,804	14%	190,819	14%
Services	100,380	8%	94,606	7%
Real estate	99,857	7%	94,513	7%
Retail trade	94,662	7%	100,359	7%
Agriculture	79,195	6%	105,034	8%
Metallurgy	45,656	3%	40,768	3%
Food industry	28,515	2%	31,435	2%
Transportation	25,026	2%	22,398	2%
Hotel industry	21,260	2%	22,082	2%
Oil and gas	19,543	1%	22,601	2%
Energy	18,583	1%	11,180	1%
Machinery	7,807	1%	7,305	1%
Mining	5,916	0%	4,474	0%
Communication	112	0%	702	0%
Other	22,291	2%	21,826	2%
	1,337,527	100%	1,340,336	100%

As at 30 September 2010, the amount of accrued interest on impaired loans comprised KZT 118,194 million (as at 31 December 2009 – KZT 101,860 million).

13. INSURANCE ASSETS AND LIABILITIES

	30 September 2010 (unaudited)	31 December 2009
Reinsurance amounts recoverable	5,221	1,147
Reinsurance premium unearned	4,242	2,163
	9,463	3,310
Premiums receivable	3,430	1,635
Insurance assets	12,893	4,945

	30 September 2010 (unaudited)	31 December 2009
Gross unearned insurance premium reserve	8,248	5,394
Reserves for insurance claims	8,748	3,008
	16,996	8,402
Payables to reinsurers and agents	2,041	1,184
Insurance liabilities	19,037	9,586

14. OTHER ASSETS

	30 September 2010 (unaudited)	31 December 2009
Other financial assets recorded as loans and receivables in accordance with IAS 39:		
Debtors on non-banking activities	1,547	1,319
Debtors on banking activities	1,359	1,305
Accrued other commission income	721	448
Accrued commission for managing pension assets	462	416
Other	292	171
	4,381	3,659
Less – Allowance for impairment (Note 18)	(844)	(930)
	3,537	2,729
Other non financial assets:		
Income tax prepaid	4,690	7,426
Prepayments for property and equipment	2,463	516
Inventory	1,108	1,042
Advances for taxes other than income tax	657	543
Deferred tax assets (Note 19)	300	247
Investments in associates	218	228
Other	597	318
	10,033	10,320
Less – Allowance for impairment (Note 18)	(1,190)	(542)
	8,843	9,778
	12,380	12,507

15. AMOUNTS DUE TO CUSTOMERS

	30 September 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Term deposits:		
Legal entities	468,241	556,287
Individuals	349,406	317,527
	817,647	873,814
Current accounts:		
Legal entities	452,600	317,702
Individuals	99,903	82,553
	552,503	400,255
	1,370,150	1,274,069

As at 30 September 2010, the Group's ten largest customers accounted for approximately 47% of the total amounts due to customers (31 December 2009 – 52%).

Management believes that in the event of withdrawal of funds, the Group would be given sufficient notice so as to realize its liquid assets to enable repayment.

An analysis of customer accounts by sector follows:

	30 September 2010 (unaudited)	%	31 December 2009	%
Individuals and entrepreneurs	449,310	33%	400,080	31%
Oil and gas	322,753	24%	369,987	29%
Wholesale trade	117,099	9%	80,858	6%
Transportation	105,024	8%	72,754	6%
Construction	74,844	5%	65,418	5%
Other consumer services	66,308	5%	85,684	7%
Metallurgy	33,329	2%	25,853	2%
Insurance	32,795	2%	11,580	1%
Government	22,053	2%	83,822	7%
Financial sector	21,596	2%	30,365	2%
Energy	21,268	1%	20,573	2%
Education	18,331	1%	10,281	1%
Communication	15,479	1%	12,737	1%
Healthcare and social services	9,712	1%	3,137	0%
Other	60,249	4%	940	0%
	1,370,150	100%	1,274,069	100%

16. AMOUNTS DUE TO CREDIT INSTITUTIONS

	30 September 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Correspondent accounts	33,021	40,082
Loans and deposits from OECD based banks	18,534	27,292
Loans and deposits from Kazakhstan banks	16,728	90,134
Loans from the Fund for Small Entrepreneurship Development “DAMU”	10,097	11,925
Overnight deposits	3,000	1,000
Loans from other financial institutions	1,633	1,933
Loans and deposits from non-OECD based banks	223	340
	83,236	172,706

Interest rates and maturities of amounts due to credit institutions are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Loans and deposits from OECD based banks	1.1%-7.7%	2010-2023	1.1%-7.7%	2010-2023
Loans and deposits from Kazakhstan banks	0.2%-4.6%	2010	0.5%-8.5%	2010
Loans from the Fund for Entrepreneurship Development “DAMU”	7.7%	2016	7.7%	2016
Overnight deposits	0.6%	2010	0.5%-1.2%	2010
Loans from other financial institutions	3.0%-3.1%	2012-2014	2.7%-3.2%	2011-2014
Loans and deposits from non-OECD based banks	2.5%-2.9%	2012	2.7%	2012

Fair value of assets pledged and carrying value of loans under repurchase agreements as at 30 September 2010 and 31 December 2009 are presented as follows:

	30 September 2010 (unaudited)		31 December 2009	
	Fair value of collateral	Carrying value of loans	Fair value of collateral	Carrying value of loans
NBK notes	14,566	13,839	58,870	55,935
Treasury bills of the Ministry of Finance of Kazakhstan	-	-	28,986	26,160
	14,566	13,839	87,856	82,095

In accordance with the contractual terms of the loans from certain OECD based banks, the Group is required to maintain certain financial ratios, particularly with regard to capital adequacy. Certain of the Group's outstanding financing agreements include covenants restricting the Group's ability to create security interests over its assets. Should the Group default under these covenants, this could result in cross-accelerations and cross-defaults under the terms of the Group's other financing arrangements.

As at 30 September 2010 and 31 December 2009, the Group was in compliance with the covenants of the various debt agreements the Group has with other banks and financial institutions.

17. DEBT SECURITIES ISSUED

	30 September 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Subordinated debt securities issued:		
Fixed rate KZT denominated bonds	16,902	15,996
Inflation indexed KZT denominated bonds	14,448	19,120
Reverse inflation indexed KZT denominated bonds	8,274	8,947
Total subordinated debt securities outstanding	39,624	44,063
Unsubordinated debt securities issued:		
USD denominated bonds	211,875	208,627
KZT denominated bonds	10,386	11,203
Total unsubordinated debt securities outstanding	222,261	219,830
Total debt securities outstanding	261,885	263,893

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

	30 September 2010 (unaudited)		31 December 2009	
	Coupon rate, %	Maturity, year	Coupon rate, %	Maturity, year
Subordinated debt securities issued:				
Fixed rate KZT denominated bonds	7.5%-14.0%	2014-2019	7.5%-14.0%	2014-2019
Inflation indexed KZT denominated bonds	inflation rate plus 1%	2015	inflation rate plus 1%	2010-2015
	inflation rate plus 2%	2010-2017	inflation rate plus 2%	2010-2017
Reverse inflation indexed KZT denominated bonds	15% less inflation rate	2015-2016	15% less inflation rate	2015-2016
Unsubordinated debt securities issued:				
USD denominated bonds	7.3%-9.3%	2013-2017	7.3%-9.3%	2013-2017
KZT denominated bonds	12.7%	2012	12.7%	2012

Subordinated securities are unsecured obligations of the Group and are subordinated in right of payments to all present and future senior indebtedness and certain other obligations of the Group. Interest on debt securities issued is payable on a semi-annual and annual basis.

In accordance with the terms of the USD denominated bonds, the Group is required to maintain certain financial covenants particularly with regard to its capital adequacy, limitations on transactions at less than fair market value and payment of dividends. Furthermore, the terms of the USD denominated bonds include covenants restricting the Group's ability to create security interests over its assets. Should the Group default under these covenants, this could result in cross-accelerations and cross-defaults under the terms of the Group's other financing arrangements. As at 30 September 2010 and 31 December 2009 the Group was in compliance with the covenants of the agreements the Group has with the notes' trustee and holders.

18. ALLOWANCES FOR IMPAIRMENT LOSSES AND PROVISIONS

The movements in the allowances for impairment of interest earning and other assets were as follows:

	Loans to customers	Amounts due from credit institutions	Available-for-sale investment securities	Other Assets	Total
30 June 2009 (unaudited)	(179,759)	(33)	(465)	(2,201)	(182,458)
(Additional provisions recognized)/recovery of provision	(19,871)	11	(130)	181	(19,809)
Foreign exchange differences	(595)	4	-	(1)	(592)
Write-offs	10	-	-	74	84
30 September 2009 (unaudited)	(200,215)	(18)	(595)	(1,947)	(202,775)
30 June 2010 (unaudited)	(230,734)	(8)	(1,137)	(1,548)	(233,427)
(Additional provisions recognized)/recovery of provision	(11,740)	2	-	(522)	(12,260)
Foreign exchange differences	(830)	-	-	29	(801)
Write-offs	15	-	-	7	22
30 September 2010 (unaudited)	(243,289)	(6)	(1,137)	(2,034)	(246,466)
31 December 2008	(115,052)	(17)	-	(1,074)	(116,143)
Additional provisions recognized	(71,808)	(1)	(595)	(1,004)	(73,408)
Foreign exchange differences	(13,404)	-	-	(9)	(13,413)
Write-offs	49	-	-	140	189
30 September 2009 (unaudited)	(200,215)	(18)	(595)	(1,947)	(202,775)
31 December 2009	(207,101)	(9)	(730)	(1,472)	(209,312)
(Additional provisions recognized)/recovery of provision	(36,938)	4	(406)	(743)	(38,083)
Foreign exchange differences	687	(1)	(1)	44	729
Write-offs	63	-	-	137	200
30 September 2010 (unaudited)	(243,289)	(6)	(1,137)	(2,034)	(246,466)

Allowances for impairment of assets are deducted from the related assets.

The movements in provisions were as follows:

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
At the beginning of the period	(4,302)	(3,416)	(4,433)	(2,889)
Recovery of provisions	3,165	3,233	6,652	7,553
Additional provisions recognized	(1,773)	(3,801)	(5,230)	(8,314)
Foreign exchange differences	(140)	(32)	(39)	(366)
At the end of the period	(3,050)	(4,016)	(3,050)	(4,016)

Provisions represent provisions against letters of credit and guarantees issued.

19. TAXATION

The Bank and its subsidiaries, other than HSBK (Europe) B.V., JSC NBK Bank, OJSC Halyk Bank Kyrgyzstan, LLP NBK-Finance and JSC Halyk Bank Georgia are subject to taxation in Kazakhstan. HSBK (Europe) B.V. is subject to income tax in the Netherlands. JSC NBK Bank and LLP NBK-Finance are subject to income tax in the Russian Federation. OJSC Halyk Bank Kyrgyzstan is subject to income tax in the Republic of Kyrgyzstan. JSC Halyk Bank Georgia is subject to income tax in Georgia.

The income tax expense comprises:

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Current tax charge	1,931	298	5,127	776
Deferred tax (benefit)/expense	(180)	198	(274)	30
Income tax expense	1,751	496	4,853	806

Kazakhstan legal entities must file individual tax declarations. Tax rates for banks for the income other than on state and other qualifying securities were 20% during the nine months ended 30 September 2010 and 2009. The tax rate for companies other than banks was also 20% during nine months ended 30 September 2010 and 2009, except for insurance companies which were taxed at 4%. Income on state and other qualifying securities is tax exempt.

Deferred tax assets and liabilities comprise:

	30 September 2010 (unaudited)	31 December 2009
Tax effect of deductible temporary differences:		
Fair value of derivatives	638	585
Bonuses accrued	363	6
Provisions, different rates	347	76
Insurance premium reserves	227	162
Vacation pay accrual	178	198
Losses carried forward	-	333
Deferred tax asset	1,753	1,360
Tax effect of taxable temporary differences:		
Loans to customers, allowance for impairment losses	(3,439)	(3,304)
Property and equipment, accrued depreciation	(2,980)	(3,530)
Fair value of derivatives	(1,007)	(473)
Deferred tax liability	(7,426)	(7,307)
Net deferred tax asset (Note 14)	300	247
Net deferred tax liability	(5,973)	(6,194)

Kazakhstan and other countries where the Group operates currently have a number of laws related to various taxes imposed by both state and regional governmental authorities. Applicable taxes include value added tax, income tax, social taxes and others. Implementing regulations are often unclear or nonexistent and few precedents have been established. Often, differing opinions regarding legal interpretation exist both among and within government ministries and organizations; thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose severe fines, penalties and interest charges. These facts create tax risks in Kazakhstan substantially more significant than typically found in countries with more developed tax systems. Management believes that the Group is in compliance with the tax laws affecting its operations; however, the risk remains that relevant authorities could take differing positions with regard to interpretive issues.

20. OTHER LIABILITIES

	30 September 2010 (unaudited)	31 December 2009
Other financial liabilities:		
Payable for general and administrative expenses	486	437
Creditors on non-banking activities	194	997
Creditors on bank activities	176	351
Other	142	87
	998	1,872
Other non financial liabilities:		
Salary payable	2,865	1,149
Taxes payable other than income tax	2,740	3,789
Other prepayments received	1,194	1,158
Current income tax payable	66	7
	7,863	7,975

21. EQUITY

On 27 March 2009, Samruk-Kazyna acquired 259,064,909 common shares of the Group for a total amount of KZT 26,951 million. On 29 May 2009, Samruk-Kazyna acquired 196,232,499 non-convertible preferred shares of the Group for a total amount of KZT 33,049 million.

Authorized, issued and fully paid number of shares as at 30 September 2010 and 2009 were as follows:

30 September 2010 (unaudited)

	Share capital authorized	Share capital authorized and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
Common shares	2,400,000,000	(1,091,584,040)	1,308,415,960	(7,249,050)	1,301,166,910
Non-convertible preferred shares	600,000,000	(290,140,570)	309,859,430	(23,972,034)	285,887,396
Convertible preferred shares	80,225,222	-	80,225,222	(295,021)	79,930,201

30 September 2009 (unaudited)

	Share capital authorized	Share capital authorized and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
Common shares	2,400,000,000	(1,156,843,885)	1,243,156,115	(7,843,371)	1,235,312,744
Non-convertible preferred shares	600,000,000	(290,140,570)	309,859,430	(520,223)	309,339,207
Convertible preferred shares	80,225,222	-	80,225,222	(209,721)	80,015,501

All shares are KZT denominated. Movements of shares outstanding are as follows:

	Number of shares			Nominal (placement) amount		
	Common	Non-convertible preferred	Convertible preferred	Common	Non-convertible preferred	Convertible preferred
31 December 2008	979,431,057	24,542,679	80,111,545	49,755	2,474	13,233
Capital contributions	259,139,455	285,117,430	-	26,958	48,020	-
Purchase of treasury shares	(4,434,778)	(523,569)	(96,044)	(44)	-	-
Sale of treasury shares	1,177,010	202,667	-	12	-	-
30 September 2009 (unaudited)	1,235,312,744	309,339,207	80,015,501	76,681	50,494	13,233
31 December 2009	1,300,516,169	285,889,251	79,930,401	83,468	46,891	13,233
Purchase of treasury shares	(629,745)	(32,964)	(200)	(6)	-	-
Sale of treasury shares	1,280,486	31,109	-	13	-	-
30 September 2010 (unaudited)	1,301,166,910	285,887,396	79,930,201	83,475	46,891	13,233

At 30 September 2010, the Group held 7,249,050 of the Group's common shares as treasury shares at KZT 96 million (30 September 2009 – 7,843,371 at KZT 101 million).

Common Shares

Each common share is entitled to one vote and dividends.

Preferred shares

In accordance with IAS 32 "Financial Instruments: Presentation", both the non-convertible and convertible preferred shares (together, the "Preferred Shares") are classified as compound instruments. On a return of capital on liquidation, the assets of the Group available for distribution are applied in priority to any payment to the holders of common shares in paying to the holders of the Preferred Shares an amount equal to the nominal capital paid up or credited as paid up.

The terms of the Preferred Shares require that the Bank pay a nominal dividend amount of 0.01 KZT per share in order to comply with Kazakhstan legislation, which represents the liability component. This legislation requires joint stock companies to pay a certain guaranteed amount of dividends on preferred shares. According to Kazakhstan legislation on Joint Stock Companies, dividend payments on the preference shares cannot be less than the dividends paid on common shares. Furthermore, the dividends on common shares will not be paid until dividends on preference shares are fully paid.

The payment of additional dividends on the Preferred Shares is determined based on a formula specified in the preference share agreement and is based on the Group's profitability. Where the Group has net income no greater than KZT 160 times the quantity of issued Preferred Shares, multiplied by a factor of inflation as published by the NBK plus one percent, the dividend per Preferred Share is determined as net income divided by the quantity of issued Preferred Shares. Where net income is greater than this, the dividend per Preferred Share is calculated as KZT 160 multiplied by a factor of inflation as published by the NBK plus one percent. Inflation in either calculation will range between three and nine percent. Dividends on the Preferred Shares are only paid if declared and approved by the Board of Directors at the Annual General Meeting of the Shareholders.

The Preferred Shares do not have any voting rights, unless the payment of preferred dividends has been delayed for three months or more from the date they became overdue.

Share premium reserve – Share premium reserve represents an excess of contributions received over the nominal value of shares issued.

Convertible preferred shares – Each convertible preferred share is convertible to one common share at the discretion of the Board of Directors. In addition, the Group will pay a compensation amount to each convertible preferred shareholder on conversion based on a formula specified in the preference share agreement. This payment is calculated such that, at the date of conversion, if the value of the common shares received by the preferred shareholder is less than KZT 160 per share, the Group will reimburse the preferred shareholders for the difference in cash at the time of conversion.

22. COMMITMENTS AND CONTINGENCIES

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

	30 September 2010 (unaudited)	31 December 2009
Guarantees issued	62,897	64,845
Commercial letters of credit	21,941	20,356
Commitments to extend credit	16,647	16,723
Financial commitments and contingencies	101,485	101,924
Less: cash collateral against letters of credit	(818)	(3,518)
Less: provisions (Note 18)	(3,050)	(4,433)
Total financial commitments and contingencies, net	97,617	93,973

The majority of the guarantees issued represents financial guarantees where payment is not probable as at the reporting date, and therefore have not been recorded in the condensed interim consolidated statement of financial position. The provisions amount represents the liability recorded in the statement of financial position where payment of the financial guarantee is probable as at the reporting date. As at 30 September 2010, the ten largest guarantees accounted for 73% of the Group's total financial guarantees (as at 31 December 2009 – 78%) and represented 15% of the Group's equity (as at 31 December 2009 – 18%).

As at 30 September 2010, the ten largest commercial letters of credit accounted for 93% of the Group's total commercial letters of credit (as at 31 December 2009 – 76%) and represented 7% of the Group's equity (as at 31 December 2009 – 5%).

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

Trust activities – In the normal course of its business, the Group enters into agreements with clients to manage the clients' assets with limited decision making rights and in accordance with specific criteria established by the clients. The Group may only be liable for losses or actions aimed at appropriation of the clients' funds if such funds or securities are not returned to the client. The maximum potential financial risk of the Group on any date is equal to the volume of the clients' funds, net of any unrealized income/loss on the client's position. The balance of the clients' funds under the management of the Group, as at 30 September 2010 is KZT 665 billion (31 December 2009 – KZT 560 billion).

Legal proceedings – From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in this condensed interim consolidated financial information.

Taxation – Commercial legislation of the countries where the Group operates, including tax legislation, may allow more than one interpretation. In addition, there is a risk of tax authorities making arbitrary judgments of business activities. If a particular treatment, based on Management's judgment of the Group's business activities, was to be challenged by the tax authorities, the Group may be assessed additional taxes, penalties and interest.

Such uncertainty may relate to the valuation of financial instruments and the market pricing of deals. Additionally such uncertainty may relate to the valuation of temporary differences on the provision and recovery of the provision for impairment losses on loans and receivables, as an underestimation of the taxable profit. The management of the Group believes that it has accrued all tax amounts due and therefore no allowance has been made in the condensed interim consolidated financial information.

Tax periods in Kazakhstan remain open to review by the tax authorities for five years. However, tax authorities may perform additional reviews, if considered necessary. In accordance with judicial rulings, the period of review can be altered, if the court acknowledges the fact of interdiction to conducting the tax review by the tax authorities.

Operating environment – The Group's principal business activities are within the Republic of Kazakhstan. Laws and regulations affecting the business environment in Kazakhstan are subject to rapid changes and the Group's assets and operations could be at risk due to negative changes in the political and business environment.

Although in recent years there has been a general improvement in economic conditions in Kazakhstan, the country continues to display certain characteristics of an emerging market. These include, but are not limited to, currency controls and convertibility restrictions, relatively high level of inflation and continuing efforts by the government to implement structural reforms.

As a result, laws and regulations affecting businesses in Kazakhstan continue to change rapidly. Tax, currency and customs legislation within the country are subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Kazakhstan. The future economic direction of the country is largely dependent upon the effectiveness of economic, fiscal and monetary measures undertaken by the government, together with legal, regulatory, and political developments.

Ongoing global liquidity crisis – The financial markets, both globally and in the Republic of Kazakhstan, have faced significant volatility and liquidity constraints since the onset of the global financial crisis, which began to unfold in the autumn of 2007 and have worsened since August 2008. A side effect of those events was an increased concern about the stability of the financial markets and the strength of counterparties. As such, many lenders and institutional investors have reduced funding to borrowers, which has significantly reduced the liquidity in the global financial system.

Although many countries, including Kazakhstan, have recently reported an improvement of the situation in the financial markets, a further downturn can still occur, and further state support measures might be required. Adverse changes arising from systemic risks in global financial systems, including any tightening of the credit environment or from a decline in the oil and gas prices could slow or disrupt the Kazakhstan economy, adversely affect the Group's access to capital and cost of capital for the Group and its business, results of operations, financial condition and prospects.

While the Kazakhstan government has introduced a range of stabilization measures aimed at providing liquidity to Kazakhstani banks and companies, there continues to be uncertainty regarding the access to capital and cost of capital for the Group and its counterparties, which could affect the Group's financial position, results of operations and business prospects.

Management is unable to reliably estimate the effects on the Group's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

23. NET INTEREST INCOME

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Interest income comprises:				
Interest income on financial assets recorded at amortized cost:				
- interest income on impaired assets	38,379	44,199	120,146	139,830
- interest income on unimpaired assets	909	1,195	3,422	3,368
Interest income on available-for-sale investment securities	4,076	1,547	10,639	5,906
Interest income on financial assets at fair value through profit or loss	13	8	31	117
Total interest income	43,377	46,949	134,238	149,221
Interest income on financial assets recorded at amortized cost comprises:				
Interest income on loans to customers	38,349	43,271	120,128	137,230
Interest income on investments held to maturity	254	842	1,117	2,600
Interest income on amounts due from credit institutions and cash and cash equivalents	685	1,281	2,323	3,368
Total interest income on financial assets recorded at amortized cost	39,288	45,394	123,568	143,198
Interest income on financial assets at fair value through profit or loss:				
Interest income on financial assets held-for-trading	13	8	31	117
Total interest income on financial assets at fair value through profit or loss	13	8	31	117
Interest income on available-for-sale investment securities	4,076	1,547	10,639	5,906
Total interest income	43,377	46,949	134,238	149,221
Interest expense comprises:				
Interest expense on financial liabilities recorded at amortized cost	(20,834)	(24,642)	(66,778)	(78,775)
Total interest expense	(20,834)	(24,642)	(66,778)	(78,775)
Interest expense on financial liabilities recorded at amortized cost comprise:				
Interest expense on amounts due to customers	(14,258)	(16,422)	(46,861)	(49,351)
Interest expense on debt securities issued	(5,470)	(6,617)	(16,662)	(21,500)
Interest expense on amounts due to credit institutions	(1,106)	(1,603)	(3,255)	(7,924)
Total interest expense on financial liabilities recorded at amortized cost	(20,834)	(24,642)	(66,778)	(78,775)
Net interest income before impairment charge	22,543	22,307	67,460	70,446

24. FEES AND COMMISSION INCOME

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Bank transfers	2,621	2,247	7,348	6,317
Pension fund and asset management	2,357	3,607	5,808	12,981
Plastic cards maintenance	862	442	2,434	1,944
Cash operations	820	937	2,292	2,328
Customers' pension payments	638	565	1,891	1,551
Letters of credit and guarantees issued	616	572	1,612	1,393
Maintenance of customer accounts	482	1,258	1,715	2,630
Utilities payments	95	84	282	233
Foreign currency operations	1	2	3	15
Other	281	221	995	683
	8,773	9,935	24,380	30,075

25. NET GAIN/(LOSS) FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Net gain/(loss) on operations with financial assets and liabilities classified as held for trading:				
Gain/(loss) on trading operations	561	(477)	1,169	347
Net fair value adjustment	(356)	318	(190)	644
	205	(159)	979	991

26. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Dealing, net	1,983	1,947	5,279	8,533
Translation differences, net	(520)	(165)	139	40
	1,463	1,782	5,418	8,573

27. INSURANCE UNDERWRITING INCOME

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Insurance premiums written, gross	3,568	2,888	15,614	12,118
Change in unearned insurance premiums, net	960	136	(792)	(854)
Ceded reinsurance share	(1,155)	(1,075)	(5,847)	(5,310)
	3,373	1,949	8,975	5,954

28. OPERATING EXPENSES

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Salaries and other employee benefits	6,289	4,429	15,064	12,719
Depreciation and amortization expenses	1,679	1,209	4,987	4,462
Taxes other than income tax	456	435	1,403	1,324
Repairs and maintenance	375	261	974	1,165
Security expenses	354	339	1,055	991
Communication expenses	288	144	870	733
Rent expenses	240	278	766	1,084
Stationery and office supplies	192	236	516	462
Insurance agents' fees	171	291	615	916
Information services	160	153	438	440
Business trip expenses	131	107	374	307
Advertisement	123	67	368	225
Transportation	100	82	286	271
Professional services	91	176	368	563
Hospitality expenses	19	10	49	28
Charity	4	12	53	45
Social events	3	10	12	14
Write-off of intangible assets	-	-	1,093	-
Other	820	434	2,417	837
	11,495	8,673	31,708	26,586

During the reporting period the Group has written-off software development expenditures, which were abandoned prior to completion for amount of KZT 1,093 million.

29. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net income for the period attributable to equity holders of the parent by the weighted average number of participating shares outstanding during the period.

According to Kazakhstan legislation on Joint Stock Companies, dividend payments per common share cannot exceed the dividends per share on preferred shares for the same period. Therefore, net profit for the period is allocated to the ordinary shares and the preference shares in accordance with their legal and contractual dividend rights to participate in undistributed earnings.

The following table presents basic and diluted earnings per share:

	Three months ended 30 September 2010 (unaudited)	Three months ended 30 September 2009 (unaudited)	Nine months ended 30 September 2010 (unaudited)	Nine months ended 30 September 2009 (unaudited)
Basic earnings per share				
Net income for the period attributable to shareholders	9,258	4,925	25,856	9,103
Less: Additional dividends that would be paid on full distribution of profit to the preferred shareholders	(2,032)	(1,182)	(1,181)	-
Less: Dividends paid on preference shares	-	-	(4,494)	(1,680)
Earnings attributable to common shareholders	7,226	3,743	20,181	7,423
Weighted average number of common shares for the purposes of basic earnings per share	1,301,176,616	1,235,249,994	1,300,947,038	1,154,854,416
Basic earnings per share (in Kazakhstani Tenge)	5.55	3.03	15.51	6.43
Diluted earnings per share				
Net income for the period attributable to common shareholders	7,226	3,743	20,181	7,423
Add: Additional dividends that would be paid on full distribution of profit to the convertible preferred shareholders	N/A	246	N/A	N/A
Add: Dividends paid on convertible preferred shares	N/A	-	N/A	N/A
Less: Amounts payable to convertible preferred shareholders upon conversion	N/A	-	N/A	N/A
Earnings used in the calculation of total diluted earnings per share	7,226	3,989	20,181	7,423
Weighted average number of common shares for the purposes of basic earnings per share	1,301,176,616	1,235,249,994	1,300,947,038	1,154,854,416
Shares deemed to be issued:				
Weighted average number of common shares that would be issued for the convertible preferred shares	N/A	80,032,656	N/A	N/A
Weighted average number of common shares for the purposes of diluted earnings per share	1,301,176,616	1,315,282,650	1,300,947,038	1,154,854,416
Diluted earnings per share (in Kazakhstani Tenge)*	5.55	3.03	15.51	6.43

*For the three and the nine months ended 30 September 2010 and for the nine months ended 30 September 2009 the convertible preferred shares were not included in the computation of diluted earnings per share as their effect was anti-dilutive.

The book value of one share per each class of shares as at 30 September 2010 and 31 December 2009 is as follows.

Class of shares	30 September 2010 (unaudited) Outstanding shares	Equity	Book value of one share, KZT	31 December 2009 Outstanding shares	Equity	Book value of one share, KZT
Common	1,301,166,910	241,816	185.85	1,300,516,169	212,116	163.10
Non-convertible preferred	285,887,396	48,128	168.35	285,889,251	48,128	168.34
Convertible preferred	79,930,201	13,233	165.56	79,930,401	13,233	165.56
		303,177			273,477	

The amount of equity attributable to non-convertible preferred shares is calculated as the sum of non-convertible shares carrying amount and the share premium reserve attributable to non-convertible preferred shares. The amount of equity attributable to convertible preferred shares is calculated as carrying amount of convertible shares. The amount of equity attributable to common shares is calculated as the difference between the total equity, total net book value of intangible assets, and the amounts attributable to preferred shares.

The management of the Group believes that it fully complies with the requirement of KASE as of the reporting date.

30. FINANCIAL RISK MANAGEMENT

Management of risk is fundamental to the Group's banking business and is an essential element of the Group's operations. The main risks inherent to the Group's operations are those related to:

- Currency risk
- Credit risk
- Liquidity risk
- Market risk

The Group recognizes that it is essential to have efficient and effective risk management processes in place. To enable this, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. There have been no significant changes in the risk management framework from the information presented in consolidated financial statements for the year ended 31 December 2009.

Through the risk management framework, the Group manages the following risks:

Currency risk – The Group is exposed to effects of fluctuation in the prevailing foreign currency exchange rates (primarily USD) on its financial position and cash flows, which are monitored daily. The Assets and Liabilities Management Committee sets limits on the level of exposure by currencies within the authority approved by the Board of Directors. These limits also comply with the minimum requirements of the FMSA.

The Group's exposure to foreign currency exchange rate risk follows:

	30 September 2010 (unaudited)			31 December 2009		
	KZT	Foreign currencies	Total	KZT	Foreign currencies	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	74,282	170,368	244,650	242,624	237,998	480,622
Obligatory reserves	11,282	15,527	26,809	7,991	17,958	25,949
Financial assets at fair value through profit or loss	1,253	5,159	6,412	2,750	5,778	8,528
Amounts due from credit institutions	7,878	12,604	20,482	2,864	53,237	56,101
Available-for-sale investment securities	328,932	69,104	398,036	193,889	6,332	200,221
Investments held to maturity	160,168	5,367	165,535	9,005	8,181	17,186
Loans to customers	561,001	533,237	1,094,238	544,296	588,939	1,133,235
Other financial assets	3,084	453	3,537	2,516	213	2,729
	1,147,880	811,819	1,959,699	1,005,935	918,636	1,924,571
FINANCIAL LIABILITIES:						
Amounts due to customers	737,783	632,367	1,370,150	569,663	704,406	1,274,069
Amounts due to credit institutions	59,672	23,564	83,236	141,108	31,598	172,706
Financial liabilities at fair value through profit or loss	-	3,467	3,467	-	3,201	3,201
Debt securities issued	50,009	211,876	261,885	55,266	208,627	263,893
Other financial liabilities	890	108	998	1,594	278	1,872
	848,354	871,382	1,719,736	767,631	948,110	1,715,741
Net financial position	299,526	(59,563)	239,963	238,304	(29,474)	208,830

The Group's principal cash flows are generated in KZT and USD. As a result, potential movements in the exchange rate between KZT and USD will affect the carrying values of the Group's USD denominated monetary assets and liabilities.

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. Short-term liquidity needs are managed by the Bank's Treasury function collecting daily customers' cash inflow/outflow forecasts. Long-term liquidity management is performed by the Assets and Liabilities Management Committee by analyzing longer term liquidity positions and making decisions on managing significant gaps through various available means. The Assets and Liabilities Management Committee within the authority approved by the Board of Directors 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 financial assets and liabilities grouped on the basis of the remaining period from the reporting date to the contractual maturity date, except for financial assets at fair value through profit or loss which are included in the column "On demand" as they are available to meet the Group's short-term liquidity needs.

The presentation below is based upon the information provided internally to key management personnel of the Group.

	30 September 2010 (unaudited)								
	On demand	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
FINANCIAL ASSETS:									
Cash and cash equivalents	51,630	173,836	19,184	-	-	-	-	-	244,650
Obligatory reserves	10,723	2,179	4,960	6,748	1,183	378	105	533	26,809
Financial assets at fair value through profit or loss	6,412	-	-	-	-	-	-	-	6,412
Amounts due from credit institutions	7	-	2,271	3,774	11,263	3,150	11	6	20,482
Available-for-sale investment securities	149	12,504	120,507	92,452	38,998	27,873	71,617	33,936	398,036
Investments held to maturity	8	85,129	67,833	622	564	1,606	5,860	3,913	165,535
Loans to customers	35,095	111,421	80,686	591,553	96,063	46,279	45,980	87,161	1,094,238
Other financial assets	353	1,875	204	828	101	87	17	72	3,537
	104,377	386,944	295,645	695,977	148,172	79,373	123,590	125,621	1,959,699
FINANCIAL LIABILITIES:									
Amounts due to customers	553,588	107,653	256,976	340,392	59,813	19,193	5,322	27,213	1,370,150
Amounts due to credit institutions	34,681	17,702	638	2,607	3,076	3,849	4,230	16,453	83,236
Financial liabilities at fair value through profit or loss	3,467	-	-	-	-	-	-	-	3,467
Debt securities issued	-	3,766	4,711	757	9,682	39,813	82,282	120,874	261,885
Other financial liabilities	105	440	149	175	2	127	-	-	998
	591,841	129,561	262,474	343,931	72,573	62,982	91,834	164,540	1,719,736
Net position	(487,464)	257,383	33,171	352,046	75,599	16,391	31,756	(38,919)	
Accumulated gap	(487,464)	(230,081)	(196,910)	155,136	230,735	247,126	278,882	239,963	

	31 December 2009								
	On demand	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
FINANCIAL ASSETS:									
Cash and cash equivalents	63,330	318,563	98,729	-	-	-	-	-	480,622
Obligatory reserves	6,532	1,566	2,123	7,622	1,827	1,618	1,998	2,663	25,949
Financial assets at fair value through profit or loss	8,528	-	-	-	-	-	-	-	8,528
Amounts due from credit institutions	-	2	1	47,355	55	6,537	2,140	11	56,101
Available-for-sale investment securities	2,988	14,432	89,021	45,210	15,445	9,645	17,467	6,013	200,221
Investments held to maturity	-	72	6,698	1,723	293	1,643	2,827	3,930	17,186
Loans to customers	35,843	54,867	128,819	572,453	97,099	56,581	66,369	121,204	1,133,235
Other financial assets	633	1,128	642	50	3	130	10	133	2,729
	117,854	390,630	326,033	674,413	114,722	76,154	90,811	133,954	1,924,571
FINANCIAL LIABILITIES:									
Amounts due to customers	392,946	80,803	122,606	448,813	108,868	86,508	3,455	30,070	1,274,069
Amounts due to credit institutions	42,821	89,452	524	2,471	5,363	6,833	6,359	18,883	172,706
Financial liabilities at fair value through profit or loss	3,201	-	-	-	-	-	-	-	3,201
Debt securities issued	-	107	1,065	8,476	-	10,138	111,977	132,130	263,893
Other financial liabilities	317	1,379	36	87	-	-	53	-	1,872
	439,285	171,741	124,231	459,847	114,231	103,479	121,844	181,083	1,715,741
Net position	(321,431)	218,889	201,802	214,566	491	(27,325)	(31,033)	(47,129)	
Accumulated gap	(321,431)	(102,542)	99,260	313,826	314,317	286,992	255,959	208,830	

The tables include the maturity dates for financial assets and liabilities, as they fall due. Based on prior experience, the Group considers it highly unlikely that all customer accounts seek repayment on maturity. Historically the majority of such deposits are rolled over. The Group is aware of the importance of maintaining the stability of these deposits. In order to achieve this it is essential that the Group ensures depositor confidence in the Group's liquidity, by continuing to position itself as the depositor of choice in local markets and a one of the leading financial institutions in the Republic of Kazakhstan.

31. SEGMENT ANALYSIS

The Group is managed and reported on the basis of two main operating segments. The Group's segments are strategic business units that offer different products and services which are managed separately.

Retail banking offers a range of personal banking, savings and mortgage products and services. Corporate banking offers business banking services principally to small and medium sized companies and commercial loans to larger corporate and commercial customers.

The products and services offered by each segment are:

Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages to individuals and cash and foreign currency related services.

Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and trade finance products to legal entities.

The segment information below is presented on the basis used by the Group's chief operating decision maker to evaluate performance, in accordance with IFRS 8. The Management Board reviews discrete financial information for each of its segments, including measures of operating results, assets and liabilities. The segments are managed primarily on the basis of their results, which excludes certain unallocated costs related to interest expense on debt securities issued and amounts due to credit institutions and operating expenses other than salaries and other employee benefits.

There were no transactions between business segments during the nine months ended 30 September 2010 and 2009. Segment assets and liabilities exclude certain unallocated amounts. Unallocated assets include obligatory reserves, property and equipment and other unallocated assets. Unallocated liabilities include debt securities issued, amounts due to credit institutions and other unallocated liabilities.

Segment information for the main reportable business segments of the Group as at 30 September 2010 and for the three and nine months then ended and as at 31 December 2009 and for the three and nine months ended 30 September 2009 is set out below:

	Retail banking	**Corporate banking**	**Other**	**Total**
For the three months ended 30 September 2010 (unaudited)				
External revenues	11,821	41,790	4,261	57,872
Total revenues	11,821	41,790	4,261	57,872
Total revenues comprise:				
- Interest income	10,014	33,363	-	43,377
- Fee and commission income	1,433	7,340	-	8,773
- Net gain from financial assets and liabilities at fair value through profit or loss	-	-	205	205
- Net realized gain from available-for-sale investment securities	-	-	237	237
- Net gain on foreign exchange operations	374	1,089	-	1,463
- Insurance underwriting income and other income	-	-	3,819	3,819
- Share of loss of associates	-	(2)	-	(2)
Total revenues	11,821	41,790	4,261	57,872
- Interest expense on amounts due to customers	(7,398)	(6,860)	-	(14,258)
- Impairment charge	(1,218)	(11,042)	-	(12,260)
- Fee and commission expense	(1,033)	(360)	-	(1,393)
- Salaries and other employee benefits	(868)	(5,421)	-	(6,289)
- Advertisement expenses	(123)	-	-	(123)
- Recoveries of provisions	-	1,392	-	1,392
Segment result	1,181	19,499	4,261	24,941
Unallocated costs:				
- Interest expense from debt securities issued and amounts due to credit institutions				(6,576)
- Insurance claims incurred, net of reinsurance				(2,159)
- Unallocated operating expenses				(5,083)
Income before income tax expense				11,123
Income tax expense				(1,751)
Net income				9,372
Other segment items:				
Capital expenditure (unallocated)				(3,503)
Depreciation and amortization expense (unallocated)				(1,679)

For the nine months ended 30 September 2010 (unaudited)	Retail banking	Corporate banking	Other	Total
External revenues	36,406	127,617	11,421	175,444
Total revenues	36,406	127,617	11,421	175,444
Total revenues comprise:				
- Interest income	30,929	103,309	-	134,238
- Fee and commission income	4,396	19,984	-	24,380
- Net gain from financial assets and liabilities at fair value through profit or loss	-	-	979	979
- Net realized gain from available-for-sale investment securities	-	-	208	208
- Net gain on foreign exchange operations	1,081	4,337	-	5,418
- Insurance underwriting income and other income	-	-	10,234	10,234
- Share of loss of associates	-	(13)	-	(13)
Total revenues	36,406	127,617	11,421	175,444
- Interest expense on amounts due to customers	(21,353)	(25,508)	-	(46,861)
- Impairment charge	(5,207)	(32,876)	-	(38,083)
- Fee and commission expense	(2,973)	(1,076)	-	(4,049)
- Salaries and other employee benefits	(2,490)	(12,574)	-	(15,064)
- Advertisement expenses	(368)	-	-	(368)
- Recoveries of provisions	-	1,422	-	1,422
Segment result	4,015	57,005	11,421	72,441
Unallocated costs:				
- Interest expense from debt securities issued and amounts due to credit institutions				(19,917)
- Insurance claims incurred, net of reinsurance				(5,394)
- Unallocated operating expenses				(16,276)
Income before income tax expense				30,854
Income tax expense				(4,853)
Net income				26,001
Other segment items:				
Capital expenditure (unallocated)				(7,029)
Depreciation and amortization expense (unallocated)				(4,987)

As at 30 September 2010 and for the nine months then ended (unaudited)	Retail banking	Corporate banking	Other	Total
Total segment assets	260,727	1,098,643	570,201	1,929,571
Unallocated assets				134,319
Total assets				2,063,890
Total segment liabilities	(449,309)	(920,841)	(3,050)	(1,373,200)
Unallocated liabilities				(381,461)
Total liabilities				(1,754,661)

For the three months ended 30 September 2009 (unaudited)	**Retail banking**	**Corporate banking**	**Other**	**Total**
External revenues	29,593	29,073	2,812	61,478
Total revenues	29,593	29,073	2,812	61,478
Total revenues comprise:				
- Interest income	21,781	25,168	-	46,949
- Fee and commission income	7,508	2,427	-	9,935
- Net loss from financial assets and liabilities at fair value through profit or loss	-	-	(159)	(159)
- Net realized gain from available-for-sale investment securities	-	-	841	841
- Net gain from repurchase of debt securities issued	-	-	-	-
- Net gain on foreign exchange operations	304	1,478	-	1,782
- Insurance underwriting income and other income	-	-	2,130	2,130
- Share of loss of associates	-	-	-	-
Total revenues	29,593	29,073	2,812	61,478
- Interest expense on amounts due to customers	(6,499)	(9,923)	-	(16,422)
- Impairment charge	(3,990)	(15,819)	-	(19,809)
- Fee and commission expense	(889)	(411)	-	(1,300)
- Salaries and other employee benefits	(1,495)	(2,934)	-	(4,429)
- Advertisement expenses	(67)	-	-	(67)
- Recoveries of provisions/(other provisions)	639	(1,207)	-	(568)
Segment result	17,292	(1,221)	2,812	18,883
Unallocated costs:				
- Interest expense from debt securities issued and amounts due to credit institutions				(8,220)
- Insurance claims incurred, net of reinsurance				(1,034)
- Unallocated operating expenses				(4,177)
Income before income tax expense				5,452
Income tax expense				(496)
Net income				4,956
Other segment items:				
Capital expenditure (unallocated)				(1,916)
Depreciation and amortization expense (unallocated)				(1,209)

For the nine months ended 30 September 2009 (unaudited)	Retail banking	Corporate banking	Other	Total
External revenues	77,750	110,098	7,968	195,816
Total revenues	77,750	110,098	7,968	195,816
Total revenues comprise:				
- Interest income	51,005	98,216	-	149,221
- Fee and commission income	23,839	6,236	-	30,075
- Net gain from financial assets and liabilities at fair value through profit or loss	-	-	991	991
- Net realized loss from available-for-sale investment securities	-	-	(297)	(297)
- Net gain from repurchase of debt securities issued		-	439	439
- Net gain on foreign exchange operations	2,906	5,667	-	8,573
- Insurance underwriting income and other income	-	-	6,835	6,835
- Share of loss of associates	-	(21)	-	(21)
Total revenues	77,750	110,098	7,968	195,816
- Interest expense on amounts due to customers	(18,700)	(30,651)	-	(49,351)
- Impairment charge	(16,457)	(56,951)	-	(73,408)
- Fee and commission expense	(2,267)	(1,133)	-	(3,400)
- Salaries and other employee benefits	(3,816)	(8,903)	-	(12,719)
- Advertisement expenses	(225)	-	-	(225)
- Recoveries of provisions/(other provisions)	670	(1,431)	-	(761)
Segment result	36,955	11,029	7,968	55,952
Unallocated costs:				
- Interest expense from debt securities issued and amounts due to credit institutions				(29,424)
- Insurance claims incurred, net of reinsurance				(2,806)
- Unallocated operating expenses				(13,642)
Income before income tax expense				10,080
Income tax expense				(806)
Net income				9,274
Other segment items:				
Capital expenditure (unallocated)				(7,364)
Depreciation and amortization expense (unallocated)				(4,462)

As at 31 December 2009 (unaudited)	Retail banking	Corporate banking	Other	Total
Total segment assets	294,828	1,375,130	226,163	1,896,121
Unallocated assets				126,888
Total assets				2,023,009
Total segment liabilities	(400,080)	(873,989)	(4,433)	(1,278,502)
Unallocated liabilities				(463,555)
Total liabilities				(1,742,057)

Geographical information – Segment information for the main geographical segments of the Group is set out below as at 30 September 2010 and for the three and nine months then ended and as at 31 December 2009 and for the three and nine months ended 30 September 2009:

	Kazakhstan	OECD	Non-OECD	Total
30 September 2010 (unaudited)				
Total assets	1,816,920	210,531	36,439	2,063,890
31 December 2009				
Total assets	1,724,165	271,720	27,124	2,023,009
Three months ended 30 September 2010 (unaudited)				
External revenues	55,778	1,255	839	57,872
Capital expenditure	(3,503)	-	-	(3,503)
Nine months ended 30 September 2010 (unaudited)				
External revenues	172,058	1,961	1,425	175,444
Capital expenditure	(7,029)	-	-	(7,029)
Three months ended 30 September 2009 (unaudited)				
External revenues	61,039	420	19	61,478
Capital expenditure	(1,916)	-	-	(1,916)
Nine months ended 30 September 2009 (unaudited)				
External revenues	190,528	5,136	152	195,816
Capital expenditure	(7,364)	-	-	(7,364)

External revenues, assets and credit related commitments 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.

32. SUBSEQUENT EVENTS

On 8 November 2010, KASE has enacted new rules for listed companies that require presentation of book value of one share in the financial statements of the listed companies. The management of the Group has assessed this requirement and elected to present the book value of shares in this condensed interim consolidated financial information which were disclosed in Note 29. The management of the Group believes that it is in full compliance with the listing requirements of KASE.

On 9 November 2010, the Group repurchased its debt securities with an original maturity of 2018 and a nominal amount of KZT 5,000 million. The carrying value of these debt securities was KZT 4,764 million, resulting in a loss of KZT 236 million.

33. RELATED PARTY TRANSACTIONS

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Related parties may enter into transactions which unrelated parties might not. Transactions between related parties are generally effected on the same terms, conditions and amounts as transactions between unrelated parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Samruk-Kazyna is a shareholder of the Group since 27 March 2009 (Note 1). The ultimate shareholder of the Group Timur Kulibayev holds the position of deputy chairman in Samruk-Kazyna since October 2008. The functional responsibilities of Timur Kulibayev do not allow him to exercise significant control over the operations and policies of Samruk-Kazyna or otherwise influence its governance.

The Group had the following transactions outstanding as at 30 September 2010 and 31 December 2009 with related parties:

	30 September 2010 (unaudited)		**31 December 2009**	
	Related party balances	**Total category as per financial statements caption**	**Related party balances**	**Total category as per financial statements caption**
Financial assets at fair value through profit or loss	101	6,412	1,508	8,528
- Subsidiaries of Samruk-Kazyna	101	-	1,508	-
Available-for-sale investment securities before allowance for impairment	36,564	399,173	6,852	200,951
- Subsidiaries of Samruk-Kazyna	36,564	-	6,852	-
Allowance for impairment losses on available-for-sale investment securities	(474)	(1,137)	(408)	(730)
- Subsidiaries of Samruk-Kazyna	(474)	-	(408)	-
Investments held to maturity	3,943	165,535	4,096	17,186
- Subsidiaries of Samruk-Kazyna	3,943	-	4,096	-
Loans to customers before allowance for loan impairment	11,430	1,337,527	31,908	1,340,336
- entities with joint control or significant influence over the entity	-	-	9,976	-
- key management personnel of the entity or its parent	112	-	210	-
- other related parties	11,318	-	21,722	-
Allowance for impairment losses on loans to customers	(1,848)	(243,289)	(4,249)	(207,101)
- entities with joint control or significant influence over the entity	-	-	(701)	-
- key management personnel of the entity or its parent	(13)	-	(10)	-
- other related parties	(1,835)	-	(3,538)	-
Amounts due to customers	194,917	1,370,150	506,874	1,274,069
- the parent	12,433	-	7,901	-
- entities with joint control or significant influence over the entity	425	-	13,165	-
- associates	34	-	72	-
- key management personnel of the entity or its parent	1,229	-	1,678	-
- Samruk-Kazyna and its subsidiaries	174,945	-	479,827	-
- other related parties	5,851	-	4,231	
Amounts due to credit institutions	42,219	83,236	51,786	172,706
- Subsidiaries of Samruk-Kazyna	42,219	-	51,786	-

Included in the condensed interim consolidated income statement and in the condensed interim consolidated statement of comprehensive income for the three and nine months ended 30 September 2010 and 2009 are the following amounts which arose due to transactions with related parties:

	Three months ended 30 September 2010 (unaudited)		**Three months ended 30 September 2009 (unaudited)**	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Interest income	1,474	43,377	962	46,949
- entities with joint control or significant influence over the entity	201	-	446	-
- key management personnel of the entity or its parent	2	-	2	-
- subsidiaries of Samruk-Kazyna	309	-	429	-
- other related parties	962	-	85	-
Interest expense	(1,682)	(20,834)	(8,462)	(24,642)
- the parent	(255)	-	(359)	-
- entities with joint control or significant influence over the entity	(89)	-	(94)	-
- key management personnel of the entity or its parent	(32)	-	(36)	-
- Samruk-Kazyna and its subsidiaries	(1,135)	-	(7,848)	-
- other related parties	(171)	-	(125)	-
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	(1)	205	1,451	(159)
- Subsidiaries of Samruk-Kazyna	(1)	-	1,451	-

	Nine months ended 30 September 2010 (unaudited)		**Nine months ended 30 September 2009 (unaudited)**	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Interest income	3,657	134,238	2,428	149,221
- entities with joint control or significant influence over the entity	797	-	918	-
- key management personnel of the entity or its parent	3	-	4	-
- Subsidiaries of Samruk-Kazyna	1,818	-	853	-
- other related parties	1,039	-	653	-
Interest expense	(6,322)	(66,778)	(20,013)	(78,775)
- the parent	(739)	-	(701)	-
- entities with joint control or significant influence over the entity	(293)	-	(274)	-
- key management personnel of the entity or its parent	(95)	-	(132)	-
- Samruk-Kazyna and its subsidiaries	(4,894)	-	(18,592)	-
- other related parties	(301)	-	(314)	-
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	2	979	(56)	991
- Subsidiaries of Samruk-Kazyna	2	-	(56)	-

	Three months ended 30 September 2010 (unaudited)		Three months ended 30 September 2009 (unaudited)	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Key management personnel compensation:	68	6,289	55	4,429
- *short-term employee benefits*	68	-	55	-

	Nine months ended 30 September 2010 (unaudited)		Nine months ended 30 September 2009 (unaudited)	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Key management personnel compensation:	177	15,064	184	12,719
- *short-term employee benefits*	177	-	184	-