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## **Bank TuranAlem**

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

*June 30, 2007*

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

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

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

### *Introduction*

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

### *Scope of review*

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

### *Conclusion*

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

*Ernst & Young LLP*

14 August 2007

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2007

(Millions of Kazakhstani Tenge)

	Notes	June 30, 2007 (unaudited)	December 31, 2006
<b>Assets</b>			
Cash and cash equivalents	3	179,527	193,640
Obligatory reserves		146,301	125,573
Financial assets at fair value through profit or loss	4	186,803	221,534
Amounts due from credit institutions	5	91,721	87,452
Available-for-sale securities	6	31,385	49,723
Held-to-maturity securities	7	12,224	—
Loans to customers	8	2,162,973	1,343,414
Investments in associates		45,107	5,996
Property and equipment		9,564	7,480
Goodwill		24,456	22,849
Current income tax asset		—	890
Other assets		35,154	16,591
<b>Total assets</b>		<b>2,925,215</b>	<b>2,075,142</b>
<b>Liabilities</b>			
Amounts due to the Government and the NBK		633	706
Amounts due to credit institutions	11	859,776	625,146
Amounts due to customers	12	744,196	528,192
Debt securities issued	13	930,561	707,098
Income tax payable		1,869	—
Deferred tax liability		1,195	1,105
Other liabilities		25,896	18,277
<b>Total liabilities</b>		<b>2,564,126</b>	<b>1,880,524</b>
<b>Equity</b>	14		
Share capital			
- common shares		239,760	116,451
Treasury stock		(1,611)	(2,840)
Securities revaluation reserve		595	335
Foreign currency translation reserve		(21)	(45)
Retained earnings		106,666	68,584
<b>Equity attributable to shareholders of the parent</b>		<b>345,389</b>	<b>182,485</b>
Minority interest		15,700	12,133
<b>Total equity</b>		<b>361,089</b>	<b>194,618</b>
<b>Total liabilities and equity</b>		<b>2,925,215</b>	<b>2,075,142</b>

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

Roman V. Solodchenko

Chairman of the Board

Saule S. Yusupova

Chief Accountant

August 14, 2007

The accompanying notes on pages 7 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME** **FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007**

(Millions of Kazakhstani Tenge)

		<i>Six-month periods ended June 30,</i>	
	<i>Notes</i>	<i>2007</i>	<i>2006</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Interest income</b>			
Loans		120,052	46,508
Securities		7,610	4,363
Deposits with other banks		6,673	3,229
		<u>134,335</u>	<u>54,100</u>
<b>Interest expense</b>			
Debt securities issued		(37,229)	(15,548)
Deposits from customers		(17,439)	(8,661)
Deposits and loans from credit institutions		(22,339)	(8,923)
		<u>(77,007)</u>	<u>(33,132)</u>
<b>Net interest income before impairment</b>		<u>57,328</u>	<u>20,968</u>
Impairment charge	9	(13,833)	(11,487)
<b>Net interest income</b>		<u>43,495</u>	<u>9,481</u>
Fee and commission income		14,044	13,603
Fee and commission expense		(764)	(252)
<b>Fees and commissions</b>		<u>13,280</u>	<u>13,351</u>
Gains less losses from financial assets held at fair value through profit or loss		(1,081)	(557)
Gains less losses from foreign currencies:			
- dealing		3,874	1,237
- translation differences		10,900	20,603
Income from insurance operations		4,528	3,539
Expense from insurance operations		(4,058)	(3,529)
Share of income of associates		1,573	400
Other income		246	223
<b>Non interest income</b>		<u>15,982</u>	<u>21,916</u>
Salaries and other employee benefits	15	(12,036)	(4,787)
Administrative and other operating expenses	15	(9,547)	(5,552)
Depreciation and amortisation		(1,013)	(377)
Taxes other than income tax		(966)	(688)
Other provisions	9	(2,128)	(471)
Obligatory insurance of individuals' deposits		(875)	(261)
<b>Non interest expense</b>		<u>(26,565)</u>	<u>(12,136)</u>
<b>Income before income tax expense</b>		<u>46,192</u>	<u>32,612</u>
Income tax expense	10	(5,824)	(9,510)
<b>Net income after income tax</b>		<u>40,368</u>	<u>23,102</u>
Attributable to:			
Equity holder of the parent		38,082	22,325
Minority interest in net income		2,286	777
<b>Net income</b>		<u>40,368</u>	<u>23,102</u>
<b>Basic earnings per share (in Kazakhstani Tenge)</b>	17	5,895	6,081
<b>Diluted earnings per share (in Kazakhstani Tenge)</b>	17	5,895	5,669

*The accompanying notes on pages 7 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.*

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007

(Millions of Kazakhstani Tenge)

	Share Capital- Common Shares	Share Capital- Preferred Shares	Treasury Stock	Property and Equipment Revaluation Reserve	Securities Revaluation Reserve	Retained Earnings	Total	Minority Interest	Total Equity
<b>December 31, 2005</b>	52,393	3,055	(281)	18	492	30,213	85,890	1,218	87,108
Fair value change of available-for-sale securities, net of tax (unaudited)	-	-	-	-	(666)	-	(666)	19	(647)
Release of property and equipment revaluation reserve on usage of previously revalued assets (unaudited)	-	-	-	(5)	-	-	(5)	-	(5)
Total loss for the six months recognized directly in equity (unaudited)	-	-	-	(5)	(666)	-	(671)	19	(652)
Net income (unaudited)	-	-	-	-	-	22,325	22,325	777	23,102
Total income (unaudited)	-	-	-	(5)	(666)	22,325	21,654	796	22,450
Issue of common shares (unaudited)	-	-	-	-	-	-	-	-	-
Issue of preferred shares (unaudited)	-	5,238	-	-	-	-	5,238	67	5,305
Purchase of treasury shares (unaudited)	-	-	(1,873)	-	-	-	(1,873)	-	(1,873)
Issue of treasury shares (unaudited)	-	-	83	-	-	-	83	-	83
Dividends – preferred shares (unaudited)	-	-	-	-	-	(145)	(145)	-	(145)
Conversion of preferred shares into common shares	-	-	-	-	-	-	-	-	-
-Previously classified as equity	8,293	(8,293)	-	-	-	-	-	-	-
-Previously classified as liability	5,581	-	-	-	-	-	5,581	-	5,581
Minority interest on acquisition (unaudited)	-	-	-	-	-	-	-	-	-
Minority interest on disposal (unaudited)	-	-	-	-	-	-	-	(390)	(390)
<b>June 30, 2006 (unaudited)</b>	66,267	-	(2,071)	13	(174)	52,393	116,428	1,691	118,119

The accompanying notes on pages 7 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007 (continued)

(Millions of Kazakhstani Tenge)

	Share Capital- Common Shares	Share Capital- Preferred Shares	Treasury Stock	Property and Equipment Revaluation Reserve	Securities Revaluation Reserve	Foreign currency translation reserve	Retained Earnings	Total	Minority Interest	Total Equity
<b>June 30, 2006 (unaudited)</b>	66,267	-	(2,071)	13	(174)	-	52,393	116,428	1,691	118,119
Fair value change of available-for-sale securities, net of tax (unaudited)	-	-	-	-	509	-	-	509	(9)	500
Release of property and equipment revaluation reserve on usage of previously revalued assets (unaudited)	-	-	-	(13)	-	-	18	5	-	5
Foreign currency translation (unaudited)	-	-	-	-	-	(45)	-	(45)	-	(45)
Total income recognized directly in equity (unaudited)	-	-	-	(13)	509	(45)	18	469	(9)	460
Net income (unaudited)	-	-	-	-	-	-	16,173	16,173	(197)	15,976
Total income (unaudited)	-	-	-	(13)	509	(45)	16,191	16,642	(206)	16,436
Issue of common shares (unaudited)	50,184	-	-	-	-	-	-	50,184	-	50,184
Issue of preferred shares (unaudited)	-	-	-	-	-	-	-	-	(67)	(67)
Purchase of treasury shares (unaudited)	-	-	(1,882)	-	-	-	-	(1,882)	-	(1,882)
Issue of treasury shares (unaudited)	-	-	1,113	-	-	-	-	1,113	-	1,113
Minority interest on acquisition (unaudited)	-	-	-	-	-	-	-	-	11,079	11,079
Minority interest on disposal (unaudited)	-	-	-	-	-	-	-	-	(364)	(364)
<b>December 31, 2006</b>	116,451	-	(2,840)	-	335	(45)	68,584	182,485	12,133	194,618

The accompanying notes on pages 7 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.

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

(Millions of Kazakhstani Tenge)

	Share Capital- Common Shares	Share Capital- Preferred Shares	Treasury Stock	Securities Revaluation Reserve	Foreign currency translation reserve	Retained Earnings	Total	Minority Interest	Total Equity
<b>December 31, 2006</b>	116,451	-	(2,840)	335	(45)	68,584	182,485	12,133	194,618
Fair value change of available-for-sale securities, net of tax (unaudited)	-	-	-	154	-	-	154	48	202
Amortization of revaluation loss on available-for-sale securities reclassified to held-to-maturity securities	-	-	-	106	-	-	106	-	106
Foreign currency translation (unaudited)	-	-	-	-	24	-	24	-	24
Total income recognized directly in equity (unaudited)	-	-	-	260	24	-	284	48	332
Net income (unaudited)	-	-	-	-	-	38,082	38,082	2,286	40,368
Total income (unaudited)	-	-	-	260	24	38,082	38,366	2,334	40,700
Issue of common shares (unaudited)	123,309	-	-	-	-	-	123,309	-	123,309
Issue of treasury shares (unaudited)	-	-	1,330	-	-	-	1,330	-	1,330
Purchase of treasury shares (unaudited)	-	-	(101)	-	-	-	(101)	-	(101)
Minority interest on acquisition (unaudited)	-	-	-	-	-	-	-	1,233	1,233
<b>June 30, 2007</b>	239,760	-	(1,611)	595	(21)	106,666	345,389	15,700	361,089

*The accompanying notes on pages 7 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.*



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007**

(MILLIONS OF KAZAKHSTANI TENGE)

	<i>Six-month periods ended June 30,</i>	
	<i>2007</i>	<i>2006</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Cash flows from operating activities:</b>		
Interest received	105,797	48,484
Interest paid	(65,134)	(38,351)
Income received from trading in foreign currencies	3,874	1,237
Fee and commission received	13,872	13,637
Fee and commission paid	(240)	(253)
Cash paid for insurance operations	(759)	(298)
Cash received from insurance operations	5,699	4,947
Cash paid to employees	(8,384)	(4,011)
Recovery of loans previously written-off	4,671	900
Cash paid for obligatory deposits insurance	(875)	(261)
Operating expenses paid	(10,733)	(4,983)
<b>Cash flows provided by operating activities before changes in operating assets and liabilities</b>	<b>47,788</b>	<b>21,048</b>
<b>Net cash increase/decrease from operating assets and liabilities</b>		
Net increase in obligatory reserves	(23,076)	(14,022)
Net increase in financial assets at fair value at profit or loss	29,364	(97,547)
Net increase in due from credit institutions	(5,853)	(31,885)
Net increase in loans to customers	(860,589)	(139,881)
Net increase in other assets, including prepaid taxes	(20,338)	(19,890)
Net decrease in due to government	(72)	1,881
Net increase in due to credit institutions	263,170	10,945
Net increase in due to customers	224,489	144,262
Income tax paid	(2,748)	(847)
Net (decrease)/ increase in other liabilities	(1,702)	12,705
<b>Net cash used in operating activities</b>	<b>(349,567)</b>	<b>(113,231)</b>
<b>Cash flows from investing activities</b>		
Disposal/(acquisition) of investment securities available-for-sale	4,852	(504)
Disposal of subsidiaries	–	381
Investment in associates	(37,544)	–
Acquisition of property and equipment	(4,337)	(1,123)
Proceeds from disposal of property and equipment	1,289	270
<b>Net cash used in investing activities</b>	<b>(35,740)</b>	<b>(976)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from debt securities issued	243,760	90,348
Proceeds from sale of common shares	123,309	–
Proceeds from sale of preferred shares	–	5,305
Purchase of treasury shares	(101)	(1,873)
Proceeds from sale of treasury shares	1,330	83
<b>Net cash from financing activities</b>	<b>368,298</b>	<b>93,863</b>
Effect of exchange rate changes on cash and cash equivalents	2,896	(3,855)
<b>Net increase in cash and cash equivalents</b>	<b>(14,113)</b>	<b>(24,199)</b>
Cash and cash equivalents at beginning of the year	193,640	119,131
<b>Cash and cash equivalents at the end of the year</b>	<b>179,527</b>	<b>94,932</b>
<b>Non-cash transactions:</b>		
Conversion of preferred shares into common shares:		
-Previously classified as equity	–	5,655
-Previously classified as liability	–	5,581

*The accompanying notes on pages 7 to 30 are an integral part of these unaudited interim condensed consolidated financial statements.*

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***(Millions of Kazakhstani Tenge)***1. Principal activities**

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

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

The Bank accepts deposits from the public and extends credit, transfers payments within Kazakhstan and abroad, exchanges currencies and provides other banking services to its commercial and retail customers. In addition, the Group is authorized to accept pension fund deposits. The Bank has a primary listing in the Kazakhstani Stock Exchange (“KASE”). Certain of the Group’s debt securities are listed on the Luxemburg Stock Exchange and London Stock Exchange with a secondary listing on the KASE. Its head office is located in Almaty, Kazakhstan. As of June 30, 2007, it had 22 regional branches and 248 cash settlement units (December 31, 2006 – 22 regional branches and 213 cash settlement units) located throughout Kazakhstan and representative offices in Moscow, Russia; Kiev, Ukraine; Bishkek, Kyrgyzstan; Baku, Azerbaijan; Dushanbe, Tajikistan; Tbilisi, Georgia; Shanghai, China; and Dubai, United Arab Emirates.

As of June 30, 2007, members of the Board of Directors and Management Board owned 86,870 shares (1.18% of share capital) (December 31, 2006 – 63,133 shares or 1.18%).

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

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

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

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

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

**Changes in accounting policies**

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

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

(Millions of Kazakhstani Tenge)

### 2. Basis of preparation (continued)

#### Consolidated Subsidiaries

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

#### Acquisition of subsidiaries

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

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

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

The interim condensed consolidated financial statements include the following subsidiaries:

Subsidiary	Holding, %		Country	Date of incorporation	Industry	Date of acquisition
	June 30, 2007	December 31, 2006				
JSC TuranAlem Securities Subsidiary of BTA JSC	100.00%	100.00%	Kazakhstan	17.10.97	Securities trading and asset management	13.12.97
JSC Subsidiary of BTA Accumulative Pension Fund BTA Kazakhstan	76.83%	76.83%	Kazakhstan	11.12.97	Pension fund	16.09.98
JSC BTA Ipoteka Subsidiary Mortgage company of JSC BTA	100.00%	100.00%	Kazakhstan	20.11.00	Consumer mortgage lending	20.11.00
JSC Subsidiary Life Insurance company of BTA JSC BTA Zhizn	100.00%	100.00%	Kazakhstan	22.07.99	Life insurance	30.03.01
JSC Subsidiary insurance company of BTA JSC BTA Zabota	98.17%	98.17%	Kazakhstan	10.09.96	Property and casualty insurance	04.04.01
TuranAlem Finance B.V. LLP	100.00%	100.00%	Netherlands	22.05.01	Capital markets	22.05.01
LLP Subsidiary of BTA JSC TuranAlem Finance	100.00%	100.00%	Russia	22.06.04	Capital markets	28.09.04
Joint Venture JSC Insurance Company London-Almaty	99.40%	99.40%	Kazakhstan	20.11.97	Property and Responsibility insurance	5.08.04
BTA Finance Luxembourg S.A.	100.00%	100.00%	Luxembourg	05.01.06	Capital markets Operations	06.03.06
LLP BTA Finance (subsidiary of BTA JSC)	100.00%	100.00%	Russia	27.11.06	on capital markets Operations	27.11.06
LLP BTA Capital (subsidiary of BTA JSC)	100.00%	100.00%	Russia	27.11.06	on capital markets Property and responsibility	27.11.06
BTA Insurance JSC Subsidiary company of JSC BTA	100.00%	100.00%	Kazakhstan	08.09.98	insurance	21.12.06
TemirBank JSC	55.34%	50.80%	Kazakhstan	26.03.92	Bank activities	29.12.06
TemirCapital B.V.	100.00%	100.00%	Netherlands	29.05.01	Operations on capital markets	29.12.06
First Broker House JSC	—	100.00%	Kazakhstan	07.04.04	Brokerage services, assets management	29.12.06
BTA Finance Luxembourg II S.A.	100.00%	—	Luxembourg	04.05.07	Capital markets	06.06.07
LLP Force Technology Subsidiary of BTA JSC	—	—	Kazakhstan	09.04.02	IT services	—
First Kazakh Securitization Company	—	—	Netherlands	08.12.05	Securitization of financial assets	—

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

(Millions of Kazakhstani Tenge)

### 2. Basis of Preparation (continued)

#### Consolidated Subsidiaries (continued)

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

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

In 2007, the Bank increased its ownership in TemirBank JSC from 50.8% to 55.34% for KZT 12,931 million.

#### Associates Accounted for under Equity Method

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

June 30, 2007 (unaudited)

Associates	Holding, %	Country	Activities	Share in net income/ (loss)	Total assets	Total liabilities	Share- holders' equity
Astanaeximbank CJSC	49.00%	Belorussia	Bank	55	6,747	5,541	1,206
BTA Silk Road Bank JSC	49.00%	Georgia	Bank	29	9,312	7,045	2,267
BTA InvestBank JSC	48.88%	Armenia	Bank	(22)	4,106	2,922	1,184
JSCB BTA Kazan OJSC	47.32%	Russia	Bank	138	35,558	29,831	5,727
Ineximbank CJSC	46.00%	Kyrgyzstan	Bank	68	13,833	11,842	1,991
BTA ORIX Leasing JSC	45.00%	Kazakhstan	Leasing	57	5,816	3,961	1,855
Temir Leasing JSC	43.87%	Kazakhstan	Leasing	25	4,753	3,035	1,718
Sekerbank	33.98%	Turkey	Bank	1,223	462,414	416,126	46,288

On March 15, 2007 the Group acquired 33.98% interest in the share capital of Sekerbank for 424.7 million of Turkish liras or equivalent of KZT 37,428 million. Goodwill arising as a result of the acquisition in the amount of KZT 24,076 million was included in the carrying amount of the investment.

December 31, 2006

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

### 3. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	June 30, 2007 (unaudited)	December 31, 2006
Time deposits with contractual maturity of 90 days or less	64,257	73,354
Current accounts with other financial institutions	48,609	20,709
Reverse repurchase agreements with contractual maturity of 90 days or less	46,452	55,488
Cash on hand	20,209	32,256
Current accounts with the National Bank of Kazakhstan ("NBK")	—	6,829
Time deposits with the NBK	—	5,004
<b>Cash and cash equivalents</b>	<b>179,527</b>	<b>193,640</b>

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

(Millions of Kazakhstani Tenge)

### 3. Cash and Cash Equivalents (continued)

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
	<i>Interest rate</i>	<i>Interest rate</i>
Time deposits with contractual maturity of 90 days or less	5.3%-11.4%	1.5%-10.0%
Reverse repurchase agreements with contractual maturity of 90 days or less	3.0%-16.0%	1.5%-9.0%
Time deposits with the NBK	--	4.5%

### 4. Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss owned comprise:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Notes of the NBK	52,837	69,967
Corporate bonds	51,958	56,251
Bonds of international financial organizations	30,493	32,241
Treasury bills of the Ministry of Finance of Republic of Kazakhstan	18,268	15,014
Bonds of public agencies	--	9,539
Bonds of Kazakhstan financial agencies	7,438	6,406
Sovereign bonds of OECD countries	5,940	5,255
Municipal bonds	264	342
Treasury bills of the Ministry of Finance of Russian Federation	3	3
Sovereign bonds of the Republic of Kazakhstan	--	5,318
	167,201	200,336
Equity securities	19,545	21,145
Mutual funds shares	57	53
<b>Financial assets at fair value through profit or loss</b>	<b>186,803</b>	<b>221,534</b>
Subject to repurchase agreements	91,594	104,321

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Notes of the NBK	5.2%-6.5%	2007-2008	4.6%-5.9%	2007
Corporate bonds	7.0%-14.8%	2007-2021	5.0%-12.0%	2007-2036
Bonds of international financial organizations	3.4%-6.1%	2008-2013	2.4%-6.1%	2007-2013
Treasury bills of the Ministry of Finance of Republic of Kazakhstan	4.1%-8.3%	2007-2014	4.1%-8.3%	2007-2011
Bonds of public agencies	--	--	3.9%-4.9%	2007-2009
Bonds of Kazakhstan financial agencies	7.4%-10.6%	2007-2026	6.0%-10.0%	2007-2026
Sovereign bonds of OECD countries	4.0%	2037	4.8%-5.3%	2008-2012
Municipal bonds	8.5%	2008	8.5%	2007-2008
Treasury bills of the Ministry of Finance of Russian Federation	7.5%	2030	5.0%	2030
Sovereign bonds of the Republic of Kazakhstan	--	--	11.1%	2007

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

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

(Millions of Kazakhstani Tenge)

## 5. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Loans	70,944	73,877
Deposits	21,126	13,655
	92,070	87,532
Less – Allowance for impairment (Note 9)	(349)	(80)
<b>Amounts due from credit institutions</b>	<b>91,721</b>	<b>87,452</b>

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

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Loans	6.9%-14.0%	2007-2013	1.5%-14.0%	2007-2014
Deposits	8.7%-14.0%	2007-2008	9.0%-15.6%	On demand -2008

## 6. Available-for-sale Securities

Available-for-Sale securities comprise:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Bonds of international financial organizations	13,538	29,515
Corporate bonds	9,785	6,731
Sovereign bonds of OECD countries	3,767	7,395
Bonds of public agencies	--	3,218
Bonds of Kazakhstan financial agencies	26	29
Sovereign bonds of the Republic of Kazakhstan	--	664
	27,116	47,552
Equity securities	4,269	2,171
<b>Available-for-sale securities</b>	<b>31,385</b>	<b>49,723</b>

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

Interest rates and maturities of these securities are:

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Bonds of international financial organizations	3.4%-6.1%	2009-2013	2.4%-6.1%	2007-2013
Corporate bonds	3.5%-14.8%	2007-2015	8.0%-15.5%	2007-2015
Sovereign bonds of OECD countries	3.8%-6.0%	2008-2009	2.5%-6.0%	2007-2012
Bonds of public agencies	--	--	4.9%	2007
Bonds of Kazakhstan financial agencies	8.8%	2014	8.8%	2014
Sovereign bonds of the Republic of Kazakhstan	--	--	11.1%	2007



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

(Millions of Kazakhstani Tenge)

## 7. Held-to-maturity Securities

Held-to-maturity securities comprise:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Bonds of international financial organizations	12,045	–
Corporate bonds	179	–
<b>Held-to-maturity securities</b>	<b>12,224</b>	<b>–</b>

Interest rates and maturities of these securities are:

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	%	Maturity	%	Maturity
Bonds of international financial organizations	3.8%-6.1%	2008-2013	–	–
Corporate bonds	10.0%-13.0%	2009-2012	–	–

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

As of June 30, 2007 the fair value of held-to-maturity securities comprised KZT 12,050 million.

## 8. Loans to Customers

Loans to customers comprise:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Loans to customers	2,236,301	1,407,381
Financial leasing	5,399	3,082
Overdrafts	2,552	1,336
Promissory notes	310	572
Factoring	241	1,233
	<b>2,244,803</b>	<b>1,413,604</b>
Less – Allowance for loan impairment (Note 9)	(81,830)	(70,190)
<b>Loans to customers</b>	<b>2,162,973</b>	<b>1,343,414</b>

As of June 30, 2007, the annual interest rates charged by the Bank ranged from 11% to 18% per annum for KZT-denominated loans (December 31, 2006 – from 10% to 16%) and from 10% to 16% per annum for loans in freely convertible currency (December 31, 2006 – from 9% to 14%).

Gross loans have been extended to the following types of customers:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Private companies	1,672,145	1,032,272
Individuals	563,513	373,900
State companies and authorities	9,077	7,383
Other	68	49
<b>Loans to customers, gross</b>	<b>2,244,803</b>	<b>1,413,604</b>

As of June 30, 2007, the Group had a concentration of loans represented by KZT 300,959 million due from ten largest borrowers that comprised 13% of the total gross loan portfolio (December 31, 2006 – KZT 154,105 million, 11%) and represented 83% of the Group's total equity (December 31, 2006 – 79%). Allowances amounting to KZT 8,375 million were made against these loans (December 31, 2006 - KZT 2 million).

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

(Millions of Kazakhstani Tenge)

## 8. Loans to Customers (continued)

Loans were made to the following economy sectors:

	<i>June 30, 2007</i> <i>(unaudited)</i>	<i>%</i>	<i>December 31,</i> <i>2006</i>	<i>%</i>
Individuals	563,513	25.1%	373,900	26.5%
Wholesale trade	468,648	20.9%	213,466	15.1%
Housing construction	279,916	12.5%	141,377	10.0%
Construction of roads and industrial buildings	188,183	8.4%	133,252	9.4%
Real estate activities	172,668	7.7%	78,409	5.6%
Oil & gas	123,497	5.5%	88,213	6.2%
Agriculture	102,175	4.5%	73,879	5.2%
Food industry	47,451	2.1%	50,923	3.6%
Transport	42,848	1.9%	42,942	3.1%
Retail trade	38,060	1.7%	32,745	2.3%
Financial services	28,270	1.3%	25,933	1.8%
Chemical industry	25,637	1.1%	23,172	1.6%
Mining	22,380	1.0%	19,618	1.4%
Telecommunication	21,416	1.0%	20,046	1.4%
Metallurgical industry	17,954	0.8%	12,174	0.9%
Production of machinery and equipment	11,351	0.5%	20,097	1.4%
Energy	6,760	0.3%	11,673	0.8%
Hospitality	3,634	0.2%	2,647	0.2%
Publishing	3,206	0.1%	3,459	0.2%
Textile and leather industry	2,437	0.1%	2,411	0.2%
Research & development	1,573	0.1%	2,352	0.2%
Production of rubber and plastic articles	827	0.0%	1,008	0.1%
Other	72,399	3.2%	39,908	2.8%
	<b>2,244,803</b>	<b>100.0%</b>	<b>1,413,604</b>	<b>100.0%</b>

Net investment in finance leases consisted of the following:

	<i>June 30, 2007</i> <i>(unaudited)</i>	<i>December 31,</i> <i>2006</i>
Minimum lease payments receivable	8,956	4,206
Less: Unearned finance income	(3,557)	(1,124)
<b>Net investment in finance leases</b>	<b>5,399</b>	<b>3,082</b>
Allowance for uncollectible minimum lease payments receivable	(156)	(233)
	<b>5,243</b>	<b>2,849</b>
Current portion of net investment in finance leases	2,347	1,209
Long-term portion of net investment in finance leases	3,052	1,873
	<b>5,399</b>	<b>3,082</b>



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

(Millions of Kazakhstani Tenge)

### 9. Allowances for Impairment and Provisions

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

	<i>Due from credit institutions</i>	<i>Loans to customers</i>	<i>Other assets</i>	<i>Total</i>
<b>December 31, 2005</b>	–	40,311	72	40,383
Impairment charge (unaudited)	–	11,487	90	11,577
Write-offs (unaudited)	–	(3,180)	(12)	(3,192)
Recoveries (unaudited)	–	712	188	900
<b>June 30, 2006 (unaudited)</b>	–	49,330	338	49,668
Impairment charge / ( Reversal) (unaudited)	31	21,677	(42)	21,666
Write-offs (unaudited)	–	(6,162)	(71)	(6,233)
Recoveries (unaudited)	–	893	113	1,006
Amounts arising on business combination	49	4,452	3	4,504
<b>December 31, 2006</b>	80	70,190	341	70,611
<b>Impairment charge (unaudited)</b>	311	13,522	23	13,856
<b>Write-offs (unaudited)</b>	(49)	(6,480)	(317)	(6,846)
<b>Recoveries (unaudited)</b>	7	4,598	66	4,671
<b>June 30, 2007 (unaudited)</b>	349	81,830	113	82,292

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

	<i>Letters of credit and guarantees</i>
<b>December 31, 2005</b>	3,478
Impairment charge (unaudited)	381
Write-offs (unaudited)	–
Recoveries (unaudited)	–
<b>June 30, 2006 (unaudited)</b>	3,859
Impairment charge (unaudited)	2,137
Write-offs (unaudited)	–
Recoveries (unaudited)	–
Amounts arising on business combination	1
<b>December 31, 2006</b>	5,997
<b>Impairment charge (unaudited)</b>	2,105
<b>Write-offs (unaudited)</b>	–
<b>Recoveries (unaudited)</b>	–
<b>June 30, 2007 (unaudited)</b>	8,102

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

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

(Millions of Kazakhstani Tenge)

## 10. Taxation

	<i>June 30, 2007 (unaudited)</i>	<i>June 30, 2006 (unaudited)</i>
Current tax charge	(5,824)	(9,510)
Deferred tax charge	—	—
	<b>(5,824)</b>	<b>(9,510)</b>

## 11. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Loans from OECD based banks and financial institutions	476,687	268,001
Syndicated bank loans	245,016	202,535
Loans from Kazakh banks and financial institutions	63,828	73,642
Club loan	24,434	25,510
Loans from other banks and financial institutions	21,651	16,841
Pass-through loans	10,663	11,815
Loans from Kazakhstan Mortgage Company	9,497	—
Interest-bearing placements from non OECD banks	4,275	3,376
Interest-bearing placements from Kazakh banks	2,282	2,427
Loro accounts	1,443	20,999
<b>Amounts due to credit institutions</b>	<b>859,776</b>	<b>625,146</b>
Subject to repurchase agreements	91,594	104,321

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

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Loans from OECD based banks and financial institutions	1.9%-10.4%	2007-2017	2.4%-11.8%	2007-2017
Syndicated bank loans	5.8%-6.6%	2007-2010	5.8%-7.5%	2007-2009
Loans from Kazakh banks and financial institutions	5.0%-9.0%	2007-2009	2.0%-8.0%	2007-2008
Club loan	5.8%-6.0%	2008-2009	5.8%-6.0%	2008-2009
Loans from other banks and financial institutions	4.0%-8.0%	2007-2011	3.3%-7.7%	2007-2011
Pass-through loans	6.9%-11.8%	2007-2011	7.1%-9.6%	2007-2011
Loans from Kazakhstan Mortgage Company	9.8%-22.0%	2007-2027	—	—
Interest-bearing placements from non OECD banks	6.0%-7.0%	2007-2008	2.0%-8.1%	2007
Interest-bearing placements from Kazakh banks	5.6%-10.0%	2007	6.5%-7.6%	2007
Loro accounts	up to 5.0%	—	up to 3.5%	—

## Financial covenants

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

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

(Millions of Kazakhstani Tenge)

### 12. Amounts Due to Customers

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

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Time deposits	511,070	329,008
Current accounts	206,034	178,816
Guarantee and restricted deposits	27,092	20,368
<b>Amounts due to customers</b>	<b>744,196</b>	<b>528,192</b>

Interest rates and maturities of amounts due to customers follow:

	<i>June 30, 2007 (unaudited)</i>				<i>December 31, 2006</i>			
	<i>KZT</i>		<i>USD/EURO</i>		<i>KZT</i>		<i>USD/EURO</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
Time deposits	3.0%-13.1%	2007-2010	3.0%-9.2%	2007-2011	1.0%-12.0%	2007-2011	3.0% -9.0%	2007-2009
Current accounts	up to 2.0%	–	up to 1.0%	–	Up to 2.0%	–	up to 1.0%	–
Guarantee and restricted deposits	up to 1.0%	2007-2008	up to 0.5%	2007-2020	up to 0.5%	2007	up to 0.5%	2007-2020

At June 30, 2007 and December 31, 2006, the Bank's ten largest customers accounted for approximately 29.03% and 31.10%, respectively, of the total amounts due to customers.

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

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
<b>Time deposits:</b>		
Commercial entities	118,108	82,267
Individuals	240,972	179,956
Governmental entities	151,990	66,785
<b>Current accounts:</b>		
Commercial entities	151,081	129,187
Individuals	36,838	27,774
Governmental entities	18,115	21,855
<b>Guarantee and other restricted deposits:</b>		
Commercial entities	9,036	7,448
Individuals	17,912	12,895
Governmental entities	144	25
<b>Amounts due to customers</b>	<b>744,196</b>	<b>528,192</b>

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

(Millions of Kazakhstani Tenge)

### 12. Amounts Due to Customers (continued)

An analysis of customer accounts by sector follows:

	<i>June 30, 2007</i> <i>(unaudited)</i>	%	<i>December 31,</i> <i>2006</i>	%
Individuals	295,722	39.7%	220,625	41.8%
Oil and gas	103,821	14.0%	104,940	19.9%
Wholesale trading	60,868	8.2%	19,034	3.6%
Transportation	46,208	6.2%	34,631	6.6%
Mining	45,892	6.2%	18,439	3.5%
Construction	38,624	5.2%	35,179	6.7%
Non-credit financial organizations	25,684	3.4%	11,508	2.2%
Agriculture	7,492	1.0%	3,456	0.7%
Metallurgy	7,257	1.0%	19,708	3.7%
Machinery and equipment production	6,958	0.9%	2,573	0.5%
Retail trade	6,521	0.9%	4,737	0.9%
Chemical processing	5,959	0.8%	4,463	0.8%
Communication	4,402	0.6%	3,137	0.6%
Energy industry	3,902	0.5%	3,508	0.7%
Brokerage	3,759	0.5%	–	–
Food industry	2,259	0.3%	737	0.1%
Textile and leather industry	2,130	0.3%	1,175	0.2%
Entertainment	1,929	0.3%	1,011	0.2%
Hotel and hospitality	778	0.1%	548	0.1%
Other	74,031	9.9%	38,783	7.2%
	<b>744,196</b>	<b>100.0%</b>	<b>528,192</b>	<b>100.0%</b>

### 13. Debt Securities Issued

Debt securities issued consisted of the following:

	<i>June 30, 2007</i> <i>(unaudited)</i>	<i>December 31,</i> <i>2006</i>
USD notes with fixed rates	407,889	276,908
USD and KZT subordinated notes with fixed rate	105,302	89,809
EUR notes with fixed rates	83,396	85,168
USD notes with floating rate	82,928	38,503
KZT notes with fixed rates	70,855	59,315
GBP notes with fixed rate	50,376	49,903
YEN notes with floating rate	29,727	–
KZT notes with floating rates	27,487	25,587
KZT subordinated notes with floating rate	21,682	21,710
YEN notes with fixed rate	19,780	21,370
USD perpetual financial instruments fixed rate	50,448	52,726
RUR notes with fixed rates	14,407	14,715
PLZ notes with floating rate	8,672	8,736
USD promissory notes with floating rate	611	638
	<b>973,560</b>	<b>745,088</b>
Own USD notes held by the Group	(2,114)	(1,464)
Own USD and KZT subordinated notes held by the Group	(17,003)	(18,084)
Own KZT notes held by the Group	(1,019)	(749)
	<b>953,424</b>	<b>724,791</b>
Plus unamortized premium	1,174	1,519
Less unamortized discount	(19,738)	(17,087)
Less unamortized cost of issuance	(4,299)	(2,125)
<b>Debt securities issued</b>	<b>930,561</b>	<b>707,098</b>

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

(Millions of Kazakhstani Tenge)

### 13. Debt Securities Issued (continued)

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

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>%</i>	<i>Maturity</i>	<i>%</i>	<i>Maturity</i>
USD notes with fixed rates	7.8%-8.5%	2009-2037	7.8%-10.0%	2007-2015
USD and KZT subordinated notes with fixed rate	7.0%-12.0%	2008-2036	7.0%-12.0%	2009-2036
EUR notes with fixed rates	6.3%	2011	6.3%	2011
	1 month			
USD notes with floating rate	Libor+1.3%-1 month	2008-2029	3 month Libor+1.7%*	2008-2009
KZT notes with fixed rates	6.5%-10.0%	2008-2016	7.0%-9.8%	2008-2021
GBP notes with fixed rate	7.1%	2009	7.1%	2009
	3 month JPY			
YEN notes with floating rate	Libor+2.9%	2017	—	—
	15% less inflation- **			
KZT notes with floating rates		2010-2016	15% less inflation-inflation+2%	2010-2016
KZT subordinated notes with floating rate	Inflation+2%	2013-2014	Inflation+2%	2013-2014
YEN notes with fixed rate	4.3%	2016	4.3%	2016
		Perpetual with call option in		Perpetual with call option in
USD perpetual financial instruments fixed rate	8.3%	2016	8.3%	2016
RUR notes with fixed rates	7.8%	2009	7.8%	2009
	3 month		3 month	
PLZ notes with floating rate	Libor+2.7%	2011	Libor+2.7%	2011
USD promissory notes with floating rate	6 month Libor+1%	2007	6 month Libor+1%	2007

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

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

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

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

### 14. Equity

At an Extraordinary General Meeting of the Bank held on 22 February 2007, the Bank approved the eleventh issue of its common shares and the subsequent increase of the Bank's share capital by the KZT equivalent of U.S. \$1.5 billion, which was registered on March 19, 2007 by the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations (the "FMSA"). During the first half of 2007 the Bank placed 1,983,155 shares at placement value of KZT 62,178 per share totalling KZT 123,309 million which were fully paid as of June 30, 2007. Total amount of common shares issued as of June 30, 2007 was 7,346,205 shares (2006: 5,363,050 common shares). No dividends were declared during the six-months period ended June 30, 2007 (2006: KZT 145 million). The Bank's common shares have no par value in accordance with Kazakh legislation.

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

(Millions of Kazakhstani Tenge)

### 15. Salaries and Administrative and Other Operating Expenses

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

	<i>Six-month periods ended June 30,</i>	
	<i>2007(unaudited)</i>	<i>2006(unaudited)</i>
Salaries and bonuses	10,603	4,185
Social security costs	976	515
Other payments	457	87
<b>Salaries and other employee benefits</b>	<b>12,036</b>	<b>4,787</b>
Occupancy and rent	2,019	995
Marketing and advertising	1,245	750
Legal services and consultancy	762	208
Insurance expenses	752	1,076
Communications	715	275
Transportation expenses	598	174
Repair and maintenance of property and equipment	582	386
Security	459	253
Business travel and related expenses	440	486
Encashment	313	200
Data processing	249	64
Office supplies	184	87
Loss on disposals of property and equipment	—	1
Other	1,229	597
<b>Administrative and other operating expenses</b>	<b>9,547</b>	<b>5,552</b>

### 16. Commitments and Contingencies

#### Financial Commitments and Contingencies

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

	<i>June 30, 2007 (unaudited)</i>	<i>December 31, 2006</i>
Guarantees	185,993	116,588
Commercial letters of credit	157,900	168,443
Undrawn loan commitments	129,791	115,428
	<b>473,684</b>	<b>400,459</b>
Less: cash collateral	(27,092)	(20,368)
Less: provisions (Note 9)	(8,102)	(5,997)
<b>Financial commitments and contingencies</b>	<b>438,490</b>	<b>374,094</b>

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

### 17. Earnings per Share

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

	<i>June 30, 2007 (unaudited)</i>	<i>June 30, 2006 (unaudited)</i>
Net income attributable to common shareholders for basic earnings per share, being net income less dividends declared on convertible preferred shares (in KZT millions)	38,082	22,179
Net income attributable to common and potential common shareholders for diluted earnings per share (in KZT millions)	38,082	22,325
Weighted average number of common shares for basic earnings per share	6,460,585	3,647,149
Weighted average number of common and potential common shares for diluted earnings per share	6,460,585	3,937,929
Basic EPS (in Kazakhstani Tenge)	5,895	6,081
Diluted EPS (in Kazakhstani Tenge)	5,895	5,669

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

(Millions of Kazakhstani Tenge)

### 17. Earnings per Share (continued)

	<i>June 30, 2007 (unaudited)</i>	<i>June 30, 2006 (unaudited)</i>
Weighted average number of common shares as of June 30 for basic earnings per share	6,460,585	3,647,149
Weighted average number of common shares resulting from the potential conversion of the convertible preferred shares into common shares	—	288,907
Weighted average number of common and potential common shares as of June 30	6,460,585	3,936,056

### 18. Risk Management Policies

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

#### Currency Risk

The Group is exposed to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows, which are monitored daily. The Board of Directors sets limits on the level of exposure by currencies, by branches and in total. These limits also comply with the minimum requirements of the FMSA. The Group's exposure to foreign currency exchange rate risk follows:

	<i>June 30, 2007 (unaudited)</i>				<i>December 31, 2006</i>			
	<i>KZT</i>	<i>Freely convertible</i>	<i>Non convertible</i>	<i>Total</i>	<i>KZT</i>	<i>Freely convertible</i>	<i>Non convertible</i>	<i>Total</i>
<b>Assets:</b>								
Cash and cash equivalents	63,009	114,268	2,250	179,527	99,144	92,172	2,324	193,640
Obligatory reserves	55,066	91,199	36	146,301	83,306	42,267	—	125,573
Financial assets at fair value through profit or loss	120,748	65,978	77	186,803	136,994	84,540	—	221,534
Amounts due from credit institutions	15,100	37,810	38,811	91,721	35,782	31,322	20,348	87,452
Available-for-sale securities	10,578	18,522	2,285	31,385	7,031	40,842	1,850	49,723
Held-to maturity securities	179	12,045	—	12,224	—	—	—	—
Loans to customers	783,283	1,363,378	16,312	2,162,973	374,051	953,683	15,680	1,343,414
Investments in associates	39,785	126	5,196	45,107	3,742	134	2,120	5,996
Goodwill	24,456	—	—	24,456	22,849	—	—	22,849
Current income tax asset	—	—	—	—	890	—	—	890
Other assets	22,706	11,775	673	35,154	10,541	5,222	828	16,591
	1,134,910	1,715,101	65,640	2,915,651	774,330	1,250,182	43,150	2,067,662
<b>Liabilities:</b>								
Amounts due to the Government and the NBK	402	231	—	633	401	305	—	706
Amounts due to credit institutions	124,126	720,986	14,664	859,776	110,765	514,380	1	625,146
Amounts due to customers	489,969	252,731	1,496	744,196	294,001	233,360	831	528,192
Debt securities issued	181,858	734,296	14,407	930,561	156,010	536,373	14,715	707,098
Income tax payable	1,869	—	—	1,869	—	—	—	—
Deferred tax liability	1,194	1	—	1,195	1,105	—	—	1,105
Other liabilities	22,280	3,566	50	25,896	16,135	2,094	48	18,277
	821,698	1,711,811	30,617	2,564,126	578,417	1,286,512	15,595	1,880,524
<b>Total balance sheet position</b>	313,212	3,290	35,023	351,525	195,913	(36,330)	27,555	187,138
Accounts receivable on derivative contracts	132,776	196,159	2,310	331,245	30,452	69,306	2,427	102,185
Accounts payable on derivative contracts	(28,503)	(266,863)	(39,310)	(334,676)	(30,821)	(44,376)	(26,150)	(101,347)
<b>Net off-balance position</b>	104,273	(70,704)	(37,000)	(3,431)	(369)	24,930	(23,723)	838
<b>Total Open Position</b>	417,485	(67,414)	(1,977)	348,094	195,544	(11,400)	3,832	187,976



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

(Millions of Kazakhstani Tenge)

### 18. Risk Management Policies (continued)

#### Currency Risk (continued)

The Group's principal cash flows (revenues, operating expenses) are largely generated in KZT. As a result, future movements in the exchange rate between KZT and USD or EUR will affect the carrying value of the Group's USD and EUR denominated monetary assets and liabilities.

Freely convertible currencies mainly include USD, Euros and Great Britain Pounds. Non-convertible currencies are mainly Russian rubles, Kyrgyz Soms and Belarusian Roubles.

The effective market exchange rates at June 30, 2006 were KZT 121.66 to USD 1 and KZT 163.71 to EUR 1 (December 31, 2006 - KZT 127.00 to USD 1 and KZT 167.12 to EUR 1).

#### Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments.

The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that mature or reprice in a given period. The Group manages this risk by matching the repricing of assets and liabilities through risk management strategies.

The interest rates earned and incurred by the Group on its assets and liabilities are disclosed in the relevant notes to the consolidated financial statements.

A significant portion of the Group's assets and liabilities reprice within one year. Accordingly there is a limited exposure to interest rate risk. As of June 30, 2007 and December 31, 2006, the effective average interest rates by currencies for interest generating/ bearing monetary financial instruments were as follow:

	<i>June 30, 2007 (unaudited)</i>		<i>December 31, 2006</i>	
	<i>KZT</i>	<i>Foreign currency</i>	<i>KZT</i>	<i>Foreign currency</i>
Financial assets at fair value through profit or loss	5.2%	5.4%	3.0%	6.1%
Amounts due from credit institutions	4.7%	8.4%	4.2%	4.8%
Available-for-sale securities	12.5%	3.3%	6.0%	4.4%
Held-to-maturity securities	0.2%	5.3%	—	—
Loans to customers	18.2%	12.4%	18.2%	11.8%
Amounts due to the Government and the NBK	6.5%	5.1%	5.2%	6.2%
Amounts due to credit institutions	8.6%	6.4%	6.0%	7.0%
Amounts due to customers	8.5%	5.7%	7.5%	5.5%
Debt securities issued	9.6%	8.8%	9.0%	9.1%

The Group monitors its interest rate margins on a regular basis and consequently does not consider itself exposed to significant interest rate risk or consequential cash flow risk.

The table below summarises the Group's exposure to interest rate risk as of June 30, 2007. Included in the table are the Group's monetary assets and liabilities at carrying amounts, classified by the earlier of contractual repricing or maturity dates.



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

(Millions of Kazakhstani Tenge)

## 18. Risk Management Policies (continued)

### Interest Rate Risk (continued)

	June 30, 2007 (unaudited)					Past due	Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years		
<b>Assets:</b>							
Cash and cash equivalents	179,527	--	--	--	--	--	179,527
Obligatory reserves	22,100	12,687	23,404	44,199	43,911	--	146,301
Financial assets at fair value through profit or loss	32,633	37,615	17,283	26,380	72,892	--	186,803
Amounts due from credit institutions	4,066	11,178	29,697	32,976	13,487	317	91,721
Available-for-sale securities	26	93	3,290	7,224	20,752	--	31,385
Held-to-maturity securities	--	33	3,923	3,136	5,132	--	12,224
Loans to customers	115,545	81,118	398,252	566,964	984,161	16,933	2,162,973
	353,897	142,724	475,849	680,879	1,140,335	17,250	2,810,934
<b>Liabilities:</b>							
Due to the Government and the NBK	16	20	31	72	494	--	633
Amounts due to credit institutions	158,135	347,019	229,897	109,332	15,393	--	859,776
Amounts due to customers	272,072	70,573	221,410	57,177	122,964	--	744,196
Debt securities issued	44,682	62,139	66,576	276,942	480,222	--	930,561
	474,905	479,751	517,914	443,523	619,073	--	2,535,166
<b>Net interest sensitivity gap</b>	(121,008)	(337,027)	(42,065)	237,356	521,262	17,250	275,768
<b>Cumulative interest sensitivity gap</b>	(121,008)	(458,035)	(500,100)	(262,744)	258,518	275,768	

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

(Millions of Kazakhstani Tenge)

## 18. Risk Management Policies (continued)

### Interest Rate Risk (continued)

	December 31, 2006					Past due	Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years		
<b>Assets:</b>							
Cash and cash equivalents	180,723	12,852	65	–	–	–	193,640
Obligatory reserves	58,162	12,165	36,375	14,351	4,520	–	125,573
Financial assets at fair value through profit or loss	71,946	10,355	12,218	42,714	84,301	–	221,534
Amounts due from credit institutions	14,709	12,682	10,180	29,358	20,329	194	87,452
Available-for-sale Securities	82	4,682	2,063	17,762	25,134	–	49,723
Loans to customers	48,229	79,235	244,920	339,991	590,338	40,701	1,343,414
	373,851	131,971	305,821	444,176	724,622	40,895	2,021,336
<b>Liabilities:</b>							
Due to the Government and the NBK	15	–	123	61	507	–	706
Amounts due to credit institutions	178,848	163,421	179,889	93,789	9,199	–	625,146
Amounts due to customers	218,654	55,859	167,029	65,768	20,882	–	528,192
Debt securities issued	–	34,154	60,165	181,293	431,486	–	707,098
	397,517	253,434	407,206	340,911	462,074	–	1,861,142
<b>Net interest sensitivity gap</b>	(23,666)	(121,463)	(101,385)	103,265	262,548	40,895	160,194
<b>Cumulative interest sensitivity gap</b>	(23,666)	(145,129)	(246,514)	(143,249)	119,299	160,194	

### Liquidity Risk

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

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

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

(Millions of Kazakhstani Tenge)

## 18. Risk Management Policies (continued)

### Liquidity Risk (continued)

	June 30, 2007 (unaudited)							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Past due	
<b>Assets:</b>								
Cash and cash equivalents	67,875	111,652	—	—	—	—	—	179,527
Obligatory reserves	12,331	9,768	12,688	23,404	44,199	43,911	—	146,301
Financial assets at fair value through profit or loss	186,803	—	—	—	—	—	—	186,803
Amounts due from credit institutions	21	4,044	11,179	29,697	32,976	13,487	317	91,721
Available-for-sale securities	—	27	92	3,290	7,224	20,752	—	31,385
Held-to-maturity securities	—	—	33	3,923	3,136	5,132	—	12,224
Loans to customers	21	112,947	70,411	398,545	575,278	988,838	16,933	2,162,973
Investments in associates	—	—	—	—	—	45,107	—	45,107
Other assets	7,294	20,236	24	595	418	6,587	—	35,154
	274,345	258,674	94,427	459,454	663,231	1,123,814	17,250	2,891,195
<b>Liabilities:</b>								
Due to the Government and the NBK	—	16	20	31	72	494	—	633
Amounts due to credit institutions	1,452	121,925	119,206	166,760	378,270	72,163	—	859,776
Amounts due to customers	204,869	67,203	70,573	221,410	57,177	122,964	—	744,196
Debt securities issued	—	—	—	16,895	344,567	569,099	—	930,561
Deferred tax liability	1869	—	—	—	—	—	—	1,869
Income tax payable	956	239	—	—	—	—	—	1,195
Other liabilities	4,388	12,489	690	3,818	1,619	2,892	—	25,896
	213,534	201,872	190,489	408,914	781,705	767,612	—	2,564,126
<b>Net position</b>	60,811	56,802	(96,062)	50,540	(118,474)	356,202	17,250	327,069
<b>Accumulated gap</b>	60,811	117,613	21,551	72,091	(46,383)	309,819	327,069	

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

(Millions of Kazakhstani Tenge)

### 18. Risk Management Policies (continued)

#### Liquidity Risk (continued)

	December 31, 2006							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Past due	
<b>Assets:</b>								
Cash and cash equivalents	74,608	106,115	12,852	65	–	–	–	193,640
Obligatory reserves	23,295	10,439	4,045	18,664	35,342	33,788	–	125,573
Financial assets at fair value through profit or loss	221,534	–	–	–	–	–	–	221,534
Amounts due from credit institutions	182	14,527	12,682	10,180	29,358	20,329	194	87,452
Available-for-sale investment securities	–	82	4,682	2,063	17,762	25,134	–	49,723
Loans to customers	26	47,874	79,222	227,722	350,349	597,520	40,701	1,343,414
Investments in associates	–	–	–	–	–	5,996	–	5,996
Current income tax asset	890	–	–	–	–	–	–	890
Other assets	269	6,503	82	97	168	9,463	9	16,591
	320,804	185,540	113,565	258,791	432,979	692,230	40,904	2,044,813
<b>Liabilities:</b>								
Due to the Government and the NBK	–	15	–	123	61	507	–	706
Amounts due to credit institutions	21,003	125,803	9,878	122,503	289,508	56,451	–	625,146
Amounts due to customers	179,591	39,063	55,859	167,029	65,895	20,755	–	528,192
Debt securities issued	–	–	–	13,401	219,796	473,901	–	707,098
Deferred tax liability	1,105	–	–	–	–	–	–	1,105
Other liabilities	6,748	5,779	389	2,074	2,520	767	–	18,277
	208,447	170,660	66,126	305,130	577,780	552,381	–	1,880,524
<b>Net position</b>	112,357	14,880	47,439	(46,339)	(144,801)	139,849	40,904	164,289
<b>Accumulated gap</b>	112,357	127,237	174,676	128,337	(16,464)	123,385	164,289	

### 19. Segment Analysis

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

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

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

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

Small and medium business – representing individual entrepreneurs and small enterprises current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and trade finance products

Investment activity - representing financial assets and liabilities used for trading or investment purposes, financing, and merger and acquisitions transaction support.

Asset management- principally providing investment products and services to institutional investors and intermediaries.

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

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

(Millions of Kazakhstani Tenge)

## 19. Segment Analysis (continued)

2007	Corporate banking	Small and medium business	Retail banking	Investing activity	Asset management	Unallocated amounts	Elimination	Total
External interest income	70,388	17,188	33,159	12,011	-	1,589	-	134,335
Internal interest income	9,880	649	10,405	88,437	-	5,928	(115,299)	-
External interest expense	(6,501)	(585)	(12,538)	(51,074)	-	(6,309)	-	(77,007)
Internal interest expense	(53,231)	(8,436)	(13,356)	(38,236)	-	(2,040)	115,299	-
Net interest income before impairment	20,536	8,816	17,670	11,138	-	(832)	-	57,328
Impairment charge	(6,822)	(2,404)	(4,598)	(10)	-	1	-	(13,833)
Net interest income after impairment	13,714	6,412	13,072	11,128	-	(831)	-	43,495
Net commission and non-interest income	7,920	2,240	7,750	19,937	85	(2,606)	(7,637)	27,689
Non-interest expenses	(2,007)	(2,399)	(7,585)	(16,411)	(30)	(3,642)	7,637	(24,437)
Other provisions	(1,297)	(457)	(397)	(3)	-	26	-	(2,128)
Income from associate organizations and banks	-	-	-	1,573	-	-	-	1,573
Income before income tax expense	18,330	5,796	12,840	16,224	55	(7,053)	-	46,192
Income tax expense	-	-	-	-	-	(5,824)	-	(5,824)
Net income after income tax	18,330	5,796	12,840	16,224	55	(12,877)	-	40,368
Total assets	1,511,417	275,681	478,058	1,460,715	74	218,191	(1,018,921)	2,925,215
Total liabilities	433,120	116,026	366,342	2,361,040	1	207,006	(919,409)	2,564,126

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)***(Millions of Kazakhstani Tenge)***19. Segment Analysis (continued)**

<b>2006</b>	<b>Corporate banking</b>	<b>Small and medium business</b>	<b>Retail banking</b>	<b>Investing activity</b>	<b>Asset management</b>	<b>Unallocated amounts</b>	<b>Elimination</b>	<b>Total</b>
External interest income	29,974	7,046	8,690	8,390	-	-	-	54,100
Internal interest income	6,215	627	4,756	48,308	-	-	(59,906)	-
External interest expense	(2,869)	(54)	(5,233)	(24,976)	-	-	-	(33,132)
Internal interest expense	(27,090)	(4,845)	(4,720)	(23,251)	-	-	59,906	-
<b>Net interest income before impairment</b>	<b>6,230</b>	<b>2,774</b>	<b>3,493</b>	<b>8,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,968</b>
Impairment charge	(7,912)	(2,315)	(1,259)	(1)	-	-	-	(11,487)
<b>Net interest income after impairment</b>	<b>(1,682)</b>	<b>459</b>	<b>2,234</b>	<b>8,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,481</b>
<b>Net commission and non-interest income</b>	<b>10,377</b>	<b>526</b>	<b>5,824</b>	<b>20,518</b>	<b>0</b>	<b>4</b>	<b>(2,382)</b>	<b>34,867</b>
Non-interest expenses	(3,639)	(628)	(2,602)	(4,987)	(9)	(2,182)	2,382	(11,665)
Other provisions	(334)	(96)	(41)	-	-	-	-	(471)
Income from associate organizations and banks	-	-	-	400	-	-	-	400
<b>Income before income tax expense</b>	<b>4,722</b>	<b>261</b>	<b>5,415</b>	<b>24,401</b>	<b>(9)</b>	<b>(2,178)</b>	<b>-</b>	<b>32,612</b>
Income tax expense	-	-	-	-	-	(9,510)	-	(9,510)
<b>Net income after income tax</b>	<b>4,722</b>	<b>261</b>	<b>5,415</b>	<b>24,401</b>	<b>(9)</b>	<b>(11,688)</b>	<b>-</b>	<b>23,102</b>
<b>Total assets</b>	<b>927,204</b>	<b>181,922</b>	<b>313,641</b>	<b>1,315,482</b>	<b>226</b>	<b>113,772</b>	<b>(777,105)</b>	<b>2,075,142</b>
<b>Total liabilities</b>	<b>313,815</b>	<b>86,727</b>	<b>267,892</b>	<b>1,943,781</b>	<b>255</b>	<b>3,441</b>	<b>(735,387)</b>	<b>1,880,524</b>

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

(Millions of Kazakhstani Tenge)

### 19. Segment Analysis (continued)

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

	<i>Kazakhstan</i>	<i>OECD</i>	<i>Non OECD</i>	<i>Total</i>
<b>2007</b>				
Segment assets	1,814,475	465,485	645,255	2,925,215
External revenues	100,447	88,503	40,045	228,995
Capital expenditure	(4,337)	—	—	(4,337)
Commitments to extend credit	95,365	4,877	29,549	129,791
<b>2006</b>				
Segment assets	1,392,891	292,939	389,312	2,075,142
External revenues	62,832	55,812	22,981	141,625
Capital expenditure	(1,116)	—	—	(1,116)
Commitments to extend credit	78,354	26,713	10,361	115,428

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

### 20. Related Party Transactions

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

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

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

(Millions of Kazakhstani Tenge)

## 20. Related Party Transactions (continued)

The Group had the following transactions with related parties:

	June 30, 2007				December 31, 2006			
	Share-holders	Associates	Key management personnel	Other related parties	Share-holders	Associates	Key management personnel	Other related parties
Deposits up to 90 days at the end of the period	-	818	-	-	-	-	-	-
Loans to customers								
Loans outstanding at January 1, gross	-	-	8,683	6,510	-	3,144	916	7,940
Loans issued during the period	-	-	8,095	3,513	-	-	12,215	10,481
Loan repayments during the period	-	-	(2,013)	(4,777)	-	(3,144)	(4,448)	(11,911)
Loans outstanding at the end of the period, gross	-	-	14,765	5,246	-	-	8,683	6,510
Less: allowance for impairment	-	-	-	(229)	-	-	-	(308)
Loans outstanding at the end of the period, net	-	-	14,765	5,017	-	-	8,683	6,202
Amounts due from credit institutions (deposits)								
Deposits at January 1	-	2,373	-	6,570	-	-	-	-
Deposits placed during the period	-	8,574	-	7,405	-	3,033	-	50,905
Deposits withdrawn during the period	-	(4,312)	-	(7,685)	-	(660)	-	(44,335)
Deposits at the end of the period	-	6,635	-	6,290	-	2,373	-	6,570
Amounts due from credit institutions (loans)								
Loans at January 1	-	12,624	-	3,190	-	-	-	-
Loans placed during the period	-	10,956	-	5,362	-	31,742	-	10,286
Loans withdrawn during the period	-	(13,242)	-	(2,614)	-	(19,117)	-	(7,096)
Loans at the end of the period	-	10,338	-	5,938	-	12,625	-	3,190
Amounts due to credit institutions								
Loans at January 1	-	3,529	-	17,481	7,312	2	-	39
Loans received during the period	-	37,446	-	245,278	-	46,262	-	172,352
Loans repaid during the period	-	(40,342)	-	(262,283)	(7,312)	(42,735)	-	(154,910)
Loans at the end of the period	-	633	-	476	-	3,529	-	17,481
Amounts due to customers								
Deposits at January 1	4,583	-	982	500	-	-	313	-
Deposits received during the period	50,993	-	33,264	12,502	12,309	-	18,407	620
Deposits repaid during the period	(55,445)	-	(32,386)	(8,060)	(7,726)	-	(17,738)	(120)
Deposits at the end of the period	131	-	1,860	4,942	4,583	-	982	500
Commitments and guarantees issued	-	1,071	3	3,932	-	1,585	23	5,971
Commitments and guarantees received	-	165	54	594	-	1,585	54	5,971



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

(Millions of Kazakhstani Tenge)

## 20. Related Party Transactions (continued)

	<i>Six-month periods ended June 30,</i>							
	<i>2007(unaudited)</i>				<i>2006(unaudited)</i>			
	<i>Share-holders</i>	<i>Associates</i>	<i>Key mana- gement personnel</i>	<i>Other related parties</i>	<i>Share-holders</i>	<i>Associates</i>	<i>Key mana- gement personnel</i>	<i>Other related parties</i>
Interest income on deposits up to 90 days	-	13	-	2	-	-	-	-
Interest income on loans	-	-	846	439	447	105	11	9
Interest income on due from credit institutions	-	710	-	534	-	-	-	-
Interest expense on due to credit institutions	-	15	-	8	-	-	-	-
Interest expense on due to customers	-	-	92	-	-	(1)	(1)	(45)
Fee and commission income	-	26	-	16	7	3	-	82
Other income	-	-	-	-	-	1	-	-
Fee and commission expense	-	-	-	-	-	(1)	-	-

The aggregate remuneration and other benefits paid to members of the Management Board and Board of Directors of the Bank for the six-month period ended June 30, 2007 was KZT 219 million (June 30, 2006 KZT 261 million).

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

- Operations with associates such as: loans - including provisioning matters, interest free financial assistance, deposits placed with the Bank and guarantees and letters of credit to investees, and mutual investments.
- Shareholders, including: loans - including provisioning matters, deposits placed with the Bank, and guarantees and letters of credit.
- Members of Board of Directors, including: loans - including provisioning matters, deposits placed with the Bank, total remuneration paid during the year.