JOINT STOCK COMPANY BANK CENTERCREDIT

Condensed Interim Consolidated Financial Information (Unaudited)
For the nine months ended 30 September 2008

and Independent Auditors' Report on Review of Condensed Interim Consolidated Financial Information

JOINT STOCK COMPANY BANK CENTERCREDIT

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JOINT STOCK COMPANY BANK CENTERCREDIT

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 (UNAUDITED)

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

Management is responsible for the preparation of the condensed interim consolidated financial information that present fairly the consolidated financial position of the Group as at 30 September 2008, and the consolidated results of its operations for the three-month and nine-month periods then ended and the consolidated changes in equity and cash flows for the nine-month period 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 consolidated financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial information of the Group comply with IAS 34;
- Maintaining accounting records in compliance with legislation of the Republic 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 for the nine months ended 30 September 2008 was authorized for issue on 9 December 2008 by the Management Board of the Group.

On behalf of the Management Board of the Group:

Lee V.S.
Chairman

9 December 2008
Almaty

Kainarbekova G.K.
Chief Accountant

9 December 2008
Almaty

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders and Board of Directors of Joint Stock Company Bank CenterCredit:

We have reviewed the accompanying condensed interim consolidated balance sheet of Joint Stock Company Bank CenterCredit and its subsidiaries (the "Group") as at 30 September 2008 and the related condensed interim consolidated statement of income for the three-month and nine-month periods then ended, and condensed interim consolidated statements of changes in equity and cash flows for the nine-month period then ended 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 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 does not present fairly, in all material respects, the consolidated financial position of JSC Bank CenterCredit and its subsidiaries as at 30 September 2008, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month period then ended in accordance with IAS 34.

Arman Chingilbayev
Engagement Partner
Qualified auditor
Qualification certificate №0000487,
dated 12 October 1999
Republic of Kazakhstan

Deloitte, LLP
Audit license for Republic of Kazakhstan
№0000015, type MFU - 2, issued by the
Ministry of Finance of the Republic of Kazakhstan
dated 13 September 2006

Nurlan Bekenov
General Director
Deloitte, LLP

9 December 2008
Almaty

Audit . Tax . Consulting . Financial Advisory.

Member of
Deloitte Touche Tohmatsu

JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2008 (UNAUDITED)

(in Kazakhstani tenge and in millions, except for earnings per share which is in tenge)

	Notes	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Interest income	4, 28	80,527	66,332	27,381	26,971
Interest expense	4, 28	(49,960)	(38,122)	(18,014)	(14,498)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS AND LIABILITIES		30,567	28,210	9,367	12,473
Provision for impairment losses on interest bearing assets and liabilities	5	(15,199)	(12,032)	(4,767)	(5,401)
NET INTEREST INCOME		15,368	16,178	4,600	7,072
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	6	479	(935)	(987)	(1,450)
Net (loss)/gain on investments available-for-sale	7	(227)	9	(162)	1
Net (loss)/gain on foreign exchange operations	8	(1,109)	3,246	(71)	1,975
Fee and commission income	9	9,372	7,360	3,279	2,612
Fee and commission expense	9	(701)	(497)	(290)	(177)
Other income	10	2,172	1,720	751	936
NET NON-INTEREST INCOME		9,986	10,903	2,520	3,897
OPERATING INCOME		25,354	27,081	7,120	10,969
OPERATING EXPENSES	11, 28	(16,294)	(13,234)	(5,771)	(4,767)
INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON OTHER TRANSACTIONS		9,060	13,847	1,349	6,202
(Provision)/reversal of provision for impairment losses on other transactions	5	(273)	(760)	473	(506)
OPERATING PROFIT BEFORE INCOME TAX		8,787	13,087	1,822	5,696
Income tax expense	12	(1,166)	(2,760)	(676)	(1,021)
NET PROFIT		7,621	10,327	1,146	4,675
Attributable to:					
Ordinary shareholders of the parent		7,600	10,276	1,142	4,681
Minority interest		21	51	4	(6)
		7,621	10,327	1,146	4,675
EARNINGS PER SHARE					
Basic and diluted (KZT)	13	58.32	91.98	8.76	38.04

On behalf of the Management Board of the Group:

Lee V.S.
Chairman

9 December 2008
Almaty

Kainarbekova G.K.
Chief Accountant

9 December 2008
Almaty

Selected explanatory notes on pages 8-44 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2008 (UNAUDITED)

(in Kazakhstani tenge and in millions)

	Notes	30 September 2008 (unaudited)	31 December 2007
ASSETS			
Cash and balances with the National Bank of the Republic of Kazakhstan	14	105,002	43,020
Financial assets at fair value through profit or loss	15	12,259	10,297
Investments available-for-sale	16	35,242	7,232
Investments held to maturity	17	164,173	58,819
Due from banks	18	80,374	119,245
Loans to customers	19, 28	585,854	625,547
Current income tax assets		1,638	651
Other assets	20	4,623	5,641
Property, equipment and intangible assets		10,234	9,972
TOTAL ASSETS		999,399	880,424
LIABILITIES AND EQUITY			
LIABILITIES:			
Due to banks	21	193,199	258,208
Customer accounts	22, 28	501,238	313,444
Debt securities issued	23	164,540	188,682
Deferred income tax liabilities	12	348	730
Other liabilities	24	3,595	4,019
Subordinated debt	25	57,567	43,984
Total liabilities		920,487	809,067
EQUITY:			
Share capital	26	36,142	36,298
Investments available-for-sale fair value reserve		1,449	1,445
Property and equipment revaluation reserve		2	3
Retained earnings		40,811	33,293
Total equity attributable to equity holders of the parent		78,404	71,039
Minority interest		508	318
Total equity		78,912	71,357
TOTAL LIABILITIES AND EQUITY		999,399	880,424

On behalf of the Management Board of the Group:

Lee V.S.
Chairman

9 December 2008
Almaty

Kainarbekova G.K.
Chief Accountant

9 December 2008
Almaty

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JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 (UNAUDITED)

(in Kazakhstani tenge and in millions)

	Share capital (unaudited)	Investments available-for-sale fair value reserve (unaudited)	Property and equipment revaluation reserve (unaudited)	Retained earnings (unaudited)	Total equity attributable to equity holders of the parent (unaudited)	Minority interest (unaudited)	Total equity (unaudited)
31 December 2006	21,113	87	4	18,989	40,193	295	40,488
Depreciation of property and equipment revaluation reserve	-	-	(1)	1	-	-	-
Gain on revaluation of investments available-for-sale (less deferred income tax)	-	266	-	-	266	-	266
Gain transferred to statement of income on sale of available-for-sale investments (less deferred income tax)	-	(36)	-	-	(36)	-	(36)
Exchange differences on translation of foreign operations	-	-	-	(22)	(22)	-	(22)
Share capital increase	15,062	-	-	-	15,062	-	15,062
Net profit	-	-	-	10,276	10,276	51	10,327
30 September 2007	36,175	317	3	29,244	65,739	346	66,085
31 December 2007	36,298	1,445	3	33,293	71,039	318	71,357
Depreciation of property and equipment revaluation reserve	-	-	(1)	1	-	-	-
Gain on revaluation of investments available-for-sale (less deferred income tax)	-	369	-	-	369	-	369
Gain transferred to statement of income on sale of available-for-sale investments (less deferred income tax)	-	(365)	-	-	(365)	-	(365)
Exchange differences on translation of foreign operations	-	-	-	(17)	(17)	-	(17)
Purchase of treasury shares	(156)	-	-	-	(156)	-	(156)
Decrease in retained earnings of subsidiaries	-	-	-	(67)	(67)	-	(67)
Changes in minority interest	-	-	-	1	1	169	170
Net profit	-	-	-	7,600	7,600	21	7,621
30 September 2008	36,142	1,449	2	40,811	78,404	508	78,912

On behalf of the Management Board of the Group:

Lee V.S.
Chairman

9 December 2008
Almaty

Kainarbekova G.K.
Chief Accountant

9 December 2008
Almaty

Selected explanatory notes on pages 8-44 form an integral part of this condensed interim consolidated financial information.

JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 (UNAUDITED)

(in Kazakhstani tenge and in millions)

	Notes	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:			
Operating profit before income tax		8,787	13,087
Adjustments for:			
Provision for impairment losses on interest bearing assets and liabilities	5	15,199	12,032
Provision for impairment losses on other transactions	5	273	760
Unrealized loss/(gain) on amortization of discount on securities		691	(2,279)
Unrealized loss on amortization of discount on debt securities issued		231	158
Depreciation and amortization	11	1,070	770
(Gain)/loss on disposal of property and equipment	10	(17)	1
Change in interest accruals, net		(8,670)	(7,607)
Unrealized loss/(gain) on foreign exchange operations		(281)	(1,390)
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Due from banks		30,281	(15,834)
Financial assets at fair value through profit or loss		(2,568)	(1,943)
Loans to customers		33,995	(254,346)
Other assets		745	(3,281)
Increase/(decrease) in operating liabilities:			
Due to banks		(64,573)	146,298
Customer accounts		185,417	83,264
Other liabilities		(424)	2,370
Net cash inflow/(outflow) from operating activities before taxation		200,156	(27,940)
Income tax paid		(2,534)	(3,304)
Net cash inflow/(outflow) from operating activities		197,622	(31,244)
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES:			
Purchase of property, equipment and intangible assets		(2,930)	(3,083)
Proceeds from sale of property and equipment		1,615	31
Proceeds from sale of investments available-for-sale		88,456	156,071
Purchase of investments available-for-sale		(116,089)	(135,906)
Proceeds from redemption of investments held to maturity		396,406	145,955
Purchase of investments held to maturity		(501,553)	(152,275)
Net cash (outflow)/inflow from investing activities		(134,095)	10,793

JOINT STOCK COMPANY BANK CENTERCREDIT

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 (UNAUDITED) (CONTINUED)
(in Kazakhstani tenge and in millions)

	Notes	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issues of ordinary share capital		-	15,062
Repurchase of treasury shares		(156)	-
Repayment of debt securities issued		(20,948)	-
Repurchase of debt securities issued		(171)	(3,548)
Proceeds from debt securities issued		-	80,076
Proceeds from subordinated debt		12,848	6,115
Net cash (outflow)/inflow from financing activities		(8,427)	97,705
Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents		(1,003)	1,171
NET INCREASE IN CASH AND CASH EQUIVALENTS		54,097	78,425
CASH AND CASH EQUIVALENTS, beginning of the period	14	106,302	67,912
CASH AND CASH EQUIVALENTS, end of the period	14	160,399	146,337

SUPPLEMENTARY INFORMATION:

Interest paid and received by the Group during the nine months ended 30 September 2008 amounted to KZT 50,556 million and KZT 72,452 million, respectively.

Interest paid and received by the Group during the nine months ended 30 September 2007 amounted to KZT 41,844 million and KZT 65,129 million, respectively.

On behalf of the Management Board of the Group:

Lee V.S.
Chairman

9 December 2008
Almaty

Kainarbekova G.K.
Chief Accountant

9 December 2008
Almaty

Selected explanatory notes on pages 8-44 form an integral part of this condensed interim consolidated financial information.

(in Kazakhstani tenge and in millions, unless otherwise stated)

1. ORGANIZATION

JSC Bank CenterCredit (the "Bank") is a joint-stock bank, which was incorporated in the Republic of Kazakhstan and started its operations in 1988. The Bank is regulated by the legislation of the Republic of Kazakhstan. Authorized state structure is the National Bank of the Republic of Kazakhstan (the "NBRK") and the Agency of the Republic of Kazakhstan for regulation and supervision of the financial market and financial institutions (the "FMSA"). The Bank conducts its business under license number 248, renewed on 13 December 2007 by the FMSA.

The Bank's primary business consists of commercial banking activities, trading with securities, loans, foreign currencies and derivative instruments, loan origination activities and guarantees.

The Bank is a member of the Kazakhstan Deposit Insurance Fund (the "KDIF").

The registered address is: 98 Panfilov Street, Almaty, Republic of Kazakhstan.

As at 30 September 2008 and 31 December 2007, the Bank had 20 branches in the Republic of Kazakhstan.

The Bank is the parent company of the banking group (the "Group"), which consists of the following subsidiaries consolidated in the condensed interim consolidated financial information:

Name	Country of operations	Proportion or ownership interest/voting rights % 30 September 2008	31 December 2007	Type of operation
JSC APF Capital	Republic of Kazakhstan	85.06%	74%	Pension fund management
LLP Center Leasing	Republic of Kazakhstan	75.95%	51%	Finance lease of property
JSC BCC Invest	Republic of Kazakhstan	100%	100%	Brokerage and dealer activity
LLP BCC Securities	Republic of Kazakhstan	100%	100%	Brokerage and dealer activity
CenterCredit International B.V.	Netherlands	100%	100%	Issuance of capital on international financial markets
Subsidiary Bank of JSC Bank CenterCredit LLC Bank BCC-Moscow	Russian Federation	100%	-	Banking services

JSC Accumulated Pension Fund Capital ("APF Capital") was established as a closed joint stock company in October 2001, in accordance with legislation of the Republic of Kazakhstan. In December 2003, APF Capital was reregistered as a joint stock company. APF Capital manages pension contributions inflow and accumulation on individual pension accounts in accordance with both the requirements of legislative authorities of the Republic of Kazakhstan and of IFRS.

In September 2002, LLP Center Leasing was established as a limited liability partnership in accordance with the legislation of the Republic of Kazakhstan. The main activity of LLP Center Leasing is leasing operations, which are carried out in accordance with article 10 on financial leasing of the Republic of Kazakhstan. Article 10 states that a limited liability partnership is not required to obtain a license to perform leasing operations.

In May 1998, JSC BCC Invest was established as a limited liability partnership (previously named "LLP KIB ASSETS MANAGEMENT") in accordance with legislation of the Republic of Kazakhstan. On 26 September 2006, LLP KIB ASSET MANAGEMENT was re-registered as a joint stock company. The main activity of JSC BCC Invest consists of management of assets of mutual funds and management of investment portfolio.

In December 2006, LLP BCC Securities was established as a limited liability partnership in accordance with legislation of the Republic of Kazakhstan. The main activity of LLP BCC Securities consists of brokerage and dealer activity in securities market with right of managing client accounts as nominal holder.

CenterCredit International B.V. was registered in January 2006 in Rotterdam, Netherlands, as a special purpose entity. Its main activity is to raise capital on international financial markets.

In August 2006, the Bank received permission from the FMSA for establishment of its subsidiary LLC Bank BCC – Moscow. On 21 March 2008 LLC Bank BCC-Moscow received its license from the Central Bank of Russian Federation. The main activity of LLC Bank BCC-Moscow consists of banking services.

As at 30 September 2008 and 31 December 2007 the following ultimate beneficial shareholders owned individually more than 5% of the issued shares of the Group:

	30 September 2008 % (unaudited)	**31 December 2007 %**
Bayseitov B.R.	40.35	51.06
Kookmin Bank Co. Ltd	23.00	-
Lee V.S.	5.35	7.73
Other (individually hold less than 5%)	31.30	41.21
Total	100	100

The condensed interim consolidated financial information was authorized for issue by the Management Board of the Group on 9 December 2008.

2. BASIS OF PRESENTATION

Accounting basis

The condensed interim consolidated financial information of the Group has been prepared in accordance with International Accounting Standards No. 34 Interim Financial Reporting. Accordingly, certain information and disclosures normally required to be included in the notes to the annual consolidated financial statements have been omitted or condensed. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements and with the related notes to the consolidated financial statements of the Group for the year ended 31 December 2007.

The accounting policies applied in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2007. The condensed interim consolidated financial information has been prepared on the accrual basis of accounting under the historical cost convention, except for the measurement of buildings at revalued amounts and the measurement of investments available-for-sale, financial assets and liabilities at fair value through profit or loss, and derivative financial instruments at fair value.

The preparation of the condensed interim consolidated financial information in conformity with IAS 34 requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities of the Group, and disclosure of contingent assets and liabilities at the date of the consolidated financial information, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to change relate to setup of impairment loss provisions on loans and investments, determination of the fair value of financial instruments and determination of the deferred tax liabilities.

Although the condensed interim consolidated financial information is unaudited, it does reflect all adjustments that, in the opinion of Management of the Group, are necessary for a fair presentation of the consolidated results of operations for the interim periods. All such adjustments to the consolidated financial information are of a normal, recurring nature. Because the results from common banking activities are so closely related and responsive to changes in market conditions, the results for any interim period are not necessarily indicative of the results that can be expected for the year.

Functional currency

Items included in the condensed interim consolidated financial information of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The reporting currency of this condensed interim consolidated financial information is the Kazakhstani Tenge ("KZT" or "Tenge").

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 2007.

The Group has not applied the following IFRS and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") that have been issued but are not yet effective:

- IFRS 8 "Operating Segments" - On 30 November 2006, the International Accounting Standards Board (the "IASB") issued IFRS 8 which requires segmental analysis reported by an entity to be based on information used by management. IFRS 8 is effective for annual periods beginning on or after 1 January 2009.
- Amendment to IAS 1 "Presentation of Financial Statements" – On 6 September 2007, the IASB issued an amendment to IAS 1 which changes the way in which non-owner changes in equity are required to be presented. It also changes the titles of primary financial statements as they will be referred to in IFRS but does not require that these be renamed in an entity's financial statements. The Group does not expect the adoption of the amendment to IAS 1 to have an impact on the consolidation financial statements. The amendment to IAS 1 is effective for annual periods beginning on or after 1 January 2009.
- IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions" - On 30 November 2006 IFRIC issued IFRIC 11 which requires that treasury share transactions are treated as equity-settled, and share-based payments involving equity instruments of the parent should be treated as cash-settled. The Group does not expect the adoption of IFRIC 11 to have a material impact on the Group's profit or loss or financial position. IFRIC 11 is effective for annual periods beginning on or after 1 March 2007.
- IFRS 3 "Business Combinations" – The IASB published IFRS 3 and related revisions to IAS 27 "Consolidated and Separate Financial Statements" following the completion in January 2008 of its project on the acquisition and disposal of subsidiaries. They are effective for accounting annual periods beginning on or after 1 July 2009 but may be adopted together for accounting periods beginning on or after 1 January 2007.
- Amendments to IAS 32 "Financial instruments: Presentation" and IAS 1 "Presentation of Financial Statements" – on 14 February 2008 the IASB issued amendments to IAS 32 and IAS 1 titled "Puttable Financial Instruments and Obligations Arising on Liquidation". The amendments provide for equity treatment, under certain circumstances, for financial instruments puttable at fair value and obligations arising on liquidation only. They are effective for annual periods beginning on or after 1 January 2009, with earlier application permitted. The Group does not expect the adoption of the amendments to IAS 32 and IAS 1 to have a material impact on the Group's profit or loss or financial position.

- Amendments to IAS 39, "Financial Instruments: Recognition and Measurement", and IFRS 7, "Financial Instruments: Disclosures", titled "Reclassification of Financial Assets" – On 13 October 2008 IASB issued amendments to IAS 39 and IFRS 7 which permits certain reclassifications of non-derivative financial assets (other than those designated as at fair value through profit or loss at initial recognition under the fair value option) out of the fair value through profit or loss category and also allow reclassification of financial assets from the available for sale category to the loans and receivables category in particular circumstances. The amendments to IFRS 7 introduce additional disclosure requirements if an entity has reclassified financial assets in accordance with the amendments to IAS 39. The amendments are effective as of 13 October 2008 and in certain circumstances can be applied retrospectively from 1 July 2008. The Group has elected not to apply the amendments to IAS 39 and IFRS 7 retrospectively.

4. NET INTEREST INCOME

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Interest income comprises:				
Interest income on financial assets recorded at amortized cost:				
- interest income on unimpaired assets	53,365	47,341	18,125	18,335
- interest income on impaired assets	25,823	17,175	8,621	8,163
Interest income on financial assets at fair value through profit or loss	1,339	1,816	635	473
Total interest income	80,527	66,332	27,381	26,971
Interest income on financial assets recorded at amortized cost comprises:				
Interest on loans to customers	70,197	60,983	23,073	24,980
Interest on due from banks	4,165	2,148	1,417	1,017
Interest on investments held to maturity	4,826	1,385	2,256	501
Total interest income on financial assets recorded at amortized cost	79,188	64,516	26,746	26,498
Interest income on financial assets at fair value through profit or loss:				
Interest income on financial assets available-for-sale	875	1,328	483	324
Interest income on financial assets held-for-trading	464	488	152	149
Total interest income on financial assets at fair value through profit or loss	1,339	1,816	635	473
Total interest income	80,527	66,332	27,381	26,971
Interest expense comprises:				
Interest expense on financial liabilities recorded at amortized cost	49,960	38,122	18,014	14,498
Total interest expense	49,960	38,122	18,014	14,498
Interest expense on financial liabilities recorded at amortized cost comprise:				
Interest on customer accounts	22,201	14,326	9,333	5,471
Interest on due to banks	12,381	10,911	3,226	4,305
Interest on debt securities issued	12,280	11,100	4,290	4,072
Interest on subordinated debt	3,098	1,785	1,165	650
Total interest expense	49,960	38,122	18,014	14,498
Net interest income before provision for impairment losses on interest bearing financial assets and liabilities	30,567	28,210	9,367	12,473

5. PROVISION FOR IMPAIRMENT LOSSES AND OTHER PROVISIONS

The movements in provision for impairment losses on interest bearing assets were as follows:

	Due from banks (unaudited)	Loans to customers (unaudited)	Total (unaudited)
1 January 2007	-	15,987	15,987
Additional provision recognized	-	12,032	12,032
Write-off of assets	-	(4,239)	(4,239)
Recoveries of assets previously written off	-	2,582	2,582
30 September 2007	-	26,362	26,362
1 January 2008	18	29,500	29,518
Additional provision/(reversal of provision) recognized	(6)	15,205	15,199
Write-off of assets	(1)	(9,848)	(9,849)
Recoveries of assets previously written off	-	6,629	6,629
30 September 2008	11	41,486	41,497

	Due from banks (unaudited)	Loans to customers (unaudited)	Total (unaudited)
1 July 2007	-	21,661	21,661
Additional provision recognized	-	5,401	5,401
Write-off of assets	-	(404)	(404)
Recoveries of assets previously written off	-	(296)	(296)
30 September 2007	-	26,362	26,362
1 July 2008	9	39,218	39,227
(Reversal of provision)/additional provision recognized	3	4,764	4,767
Write-off of assets	(1)	(2,777)	(2,778)
Recoveries of assets previously written off	-	281	281
30 September 2008	11	41,486	41,497

The movements in provision for impairment losses on other transactions were as follows:

	Investments available-for-sale (unaudited)	Other assets (unaudited)	Guarantees and other liabilities (unaudited)	Total (unaudited)
1 January 2007	84	261	137	482
Additional provision/(reversal of provision) recognized	-	(100)	860	760
Write-off of assets	(84)	(140)	-	(224)
Recoveries of assets previously written off	-	2	9	11
30 September 2007	-	23	1,006	1,029
1 January 2008	-	22	626	648
Additional provision recognized	-	186	87	273
Write-off of assets	-	(57)	-	(57)
Recoveries of assets previously written off	-	15	-	15
30 September 2008	-	166	713	879

	Other assets	Guarantees and other liabilities	Total
	(unaudited)	(unaudited)	(unaudited)
1 July 2007	19	496	515
Additional provision recognized	5	501	506
Write-off of assets	(1)	-	(1)
Recoveries of assets previously written off	-	9	9
30 September 2007	23	1,006	1,029
1 July 2008	155	1,220	1,375
Additional provision/(reversal of provision) recognized	34	(507)	(473)
Write-off of assets	(34)	-	(34)
Recoveries of assets previously written off	11	-	11
30 September 2008	166	713	879

There were no impairment losses on equity investments available-for-sale recognized for nine months and three months periods ended 30 September 2008 and 2007.

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

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Net gain/(loss) on financial assets and liabilities held-for-trading	479	(935)	(987)	(1,450)
Total net gain/(loss) on financial assets and liabilities at fair value through profit or loss	479	(935)	(987)	(1,450)
Net gain/(loss) on operations with financial assets and liabilities held-for-trading comprise:				
Unrealised gain/(loss) on operations with derivative financial instruments	2,227	(782)	716	(849)
Unrealized (expense)/income on fair value adjustment	(1,238)	482	(1,143)	15
Realised loss on operations with derivative financial instruments	(405)	(968)	(482)	(950)
Realized (loss)/gain on trading operations	(105)	333	(78)	334
Total net gain/(loss) on operations with financial assets and liabilities at fair value through profit or loss	479	(935)	(987)	(1,450)

7. NET (LOSS)/GAIN ON INVESTMENTS AVAILABLE-FOR-SALE

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Net (loss)/gain on realized revaluation	(223)	9	(217)	1
Dealing, net	(4)	-	55	-
Total net (loss)/gain on investments available-for-sale	(227)	9	(162)	1

8. NET (LOSS)/GAIN ON FOREIGN EXCHANGE OPERATIONS

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Dealing, net	(1,251)	1,943	(2,444)	1,000
Translation differences, net	142	1,303	2,373	975
Total net (loss)/gain on foreign exchange operations	(1,109)	3,246	(71)	1,975

9. FEE AND COMISSION INCOME AND EXPENSE

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Fee and commission income:				
Settlements	1,940	1,718	685	611
Cash operations	1,911	1,787	712	675
Guarantees	1,653	1,261	521	437
Documentary operations	1,042	337	461	120
Plastic cards	909	605	334	233
Trust operations	822	607	217	115
Foreign exchange operations	481	537	149	194
Purchase and sale of securities	141	90	22	30
Internet-banking operations	118	87	42	31
Custodian activities	113	46	39	23
Factoring transactions	89	39	25	12
Safe operations	37	28	11	10
Sale of insurance polices	14	86	5	36
Credit services	5	6	-	2
Other	97	126	56	83
Total fee and commission income	9,372	7,360	3,279	2,612
Fee and commission expense:				
Settlements	248	183	102	67
Documentary operations	128	31	106	10
Brokerage services	85	38	8	13
Services on deal arrangements	65	71	7	24
Legal services	53	54	12	29
Custodian services	39	3	14	(6)
Rating agencies services	26	13	4	1
Foreign exchange operations	19	49	13	18
Purchase and sale of securities	16	6	10	(9)
Other	22	49	14	30
Total fee and commission expense	701	497	290	177

10. OTHER INCOME

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Fines and penalties received	2,067	1,716	624	932
Gain/(loss) from sale of property and equipment	17	(1)	38	(2)
Other	88	5	89	6
	2,172	1,720	751	936

11. OPERATING EXPENSES

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Staff costs	7,813	5,485	2,725	2,052
Operating leases	2,470	1,971	835	728
Taxes other than income tax	1,591	1,797	611	558
Depreciation and amortization	1,070	770	378	281
Insurance agency fees	762	611	200	205
Administrative expenses	661	501	239	188
Telecommunications	306	294	126	102
Property and equipment	220	485	99	225
Advertising costs	204	269	77	85
Professional services	137	196	48	34
Entertainment expenses	120	116	110	43
Business trip expenses	99	139	32	49
Representative expenses	72	57	24	16
Sponsorship expenses	21	34	7	9
Other expenses	748	509	260	192
	16,294	13,234	5,771	4,767

12. INCOME TAXES

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Group and its subsidiaries operate, which may differ from IFRS.

The Group is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses such as business development expenses and a tax free regime for certain income such as income from operations with state securities and securities listed at Kazakhstan Stock Exchange.

Deferred taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 30 September 2008 and 31 December 2007 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as at 30 September 2008 and 31 December 2007 comprise:

	30 September 2008 (unaudited)	31 December 2007
Deductible temporary differences:		
Loans to customers	3,982	1,599
Total deductible temporary differences	3,982	1,599
Taxable temporary differences:		
Revaluation of financial assets and liabilities at fair value through profit or loss	(4,266)	(2,477)
Property and equipment and accrued depreciation	(876)	(1,247)
Due to banks	-	(308)
Total taxable temporary differences	(5,142)	(4,032)
Total tax basis of deferred tax liability	(1,160)	(2,433)
Net deferred tax liability at the statutory tax rate (30%)	(348)	(730)
Net deferred tax liability	(348)	(730)

Relationships between tax expenses and accounting profit for the nine months ended 30 September 2008 and 2007 are explained as follows:

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Operating profit before income tax	8,787	13,087	1,822	5,696
Tax at the statutory tax rate (30%)	2,636	3,926	546	1,709
Tax effect of permanent differences:				
Tax-exempt interest income and other related income on state and other qualifying securities	(1,926)	(814)	(1,135)	(293)
Other tax-exempt income	(96)	(120)	(28)	130
Tax-exempt interest income from mortgage loans	-	(2,309)	-	(1,626)
Non-deductible expenditure	1,990	2,077	1,293	1,101
Prior year adjustment	(1,438)	-	-	-
Income tax expense/(benefit)	1,166	2,760	676	1,021
Current income tax expense	1,548	2,754	1,070	990
Change in the deferred tax liabilities	(382)	6	(394)	31
Income tax expense/(benefit)	1,166	2,760	676	1,021

The tax rate used for the nine months ended 30 September 2008 and the year ended 31 December 2007 reconciliations above is the corporate tax rate of 30 per cent payable by corporate entities in the Republic of Kazakhstan on taxable profits under tax law in that jurisdiction.

	30 September 2008 (unaudited)	31 December 2007
Deferred income tax (liabilities)/assets		
Beginning of the period	(730)	233
Change in deferred tax (liabilities)/assets	382	(963)
End of the period	(348)	(730)

13. EARNINGS PER SHARE

Basic 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.

	Nine months ended 30 September 2008 (unaudited)	Nine months ended 30 September 2007 (unaudited)	Three months ended 30 September 2008 (unaudited)	Three months ended 30 September 2007 (unaudited)
Profit:				
Net profit attributable to ordinary shareholders of the parent	7,600	10,276	1,142	4,681
Weighted average number of ordinary shares	130,316,695	111,717,515	130,316,695	123,064,902
Earnings per share basic and diluted (tenge)	58.32	91.98	8.76	38.04

14. CASH AND BALANCES WITH THE NATIONAL BANK OF THE REPUBLIC OF KAZAKHSTAN

	30 September 2008 (unaudited)	31 December 2007
Time deposit with the National Bank of the Republic Kazakhstan	49,527	-
Balance with the National Bank of the Republic of Kazakhstan	33,040	20,984
Cash on hand	22,435	22,036
Total cash and balances with the National Bank of the Republic of Kazakhstan	105,002	43,020

Minimum reserve requirements are determined as a percentage from average balances of deposits and international borrowings in accordance with the requirements of NBRK and amounted to KZT 46,415 million and KZT 50,758 million as at 30 September 2008 and 31 December 2007, respectively. The Group was in compliance with the NBRK requirements by maintaining an average balance with the NBRK and therefore was able to use the amounts without any restrictions.

Cash and cash equivalents for the purposes of the condensed interim consolidated statement of cash flows comprise the following:

	30 September 2008 (unaudited)	31 December 2007
Cash and balances with the National Bank of the Republic of Kazakhstan	105,002	43,020
Due from banks in OECD countries (Organization for Economic Co-operation and Development)	55,397	63,282
Total cash and cash equivalents	160,399	106,302

	30 September 2007 (unaudited)	31 December 2006
Cash and balances with the National Bank of the Republic of Kazakhstan	104,084	55,094
Due from banks in OECD countries (Organization for Economic Co-operation and Development)	42,253	12,818
Total cash and cash equivalents	146,337	67,912

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

	30 September 2008 (unaudited)	31 December 2007
Financial assets held-for-trading:		
Debt securities	5,751	6,314
Shares	728	697
Investments in units of investment fund	16	39
Total financial assets held-for-trading	6,495	7,050
Derivative financial instruments	5,764	3,247
Total financial assets at fair value through profit or loss	12,259	10,297

The financial assets at fair value through profit or loss relate entirely to financial assets held-for-trading.

	30 September 2008 (unaudited)		31 December 2007	
	Nominal interest rate	**Amount**	**Nominal Interest rate**	**Amount**
Debt securities:				
Bonds of Nomura Securities Co.	2.94	1,207	5.39	1,217
Bonds of Temir Capital B.V.	9.00-9.50	813	9.00-9.50	1,010
Bonds of ATF Capital B.V.	9.25	529	9.25	734
Bonds of JSC Pavlodarenergoservice	9.00	465	9.00	492
Bonds of JSC BTA Ipoteka	8.50-11.00	462	8.50-11.00	474
Bonds of JSC ATF Bank	8.125-9.00	350	8.125-9.00	415
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	5.70	285	5.70	296
Bonds of JSC Doszhan Temir Zholy	8.05	254	8.05	5
Bonds of BTA Finance B.V.	7.75	228	7.75	313
Bonds of JSC Halyk Bank	6.00	198	6.00	273
Bonds of JSC BTA ORIX Leasing	10.00	192	10.00	180
Bonds of JSC Tsesna Bank	8.00-9.00	177	8.00-9.00	184
Bonds of Kazkommerts International B.V.	7.00-7.875	170	7.00-7.875	211
Bonds of JSC Subsidiary Bank of JSC Sberbank of Russia	12.00	155	11.40	170
Bonds of JSC Kaspi Bank	8.50	134	8.50	144
Bonds of JSC Kaztranscom	8.00	63	8.00	62
Bonds of JSC Alliance Bank	12.00	37	11.40	40
Bonds of JSC Kazakhstan Mortgage Company	11.70-16.70	29	11.70-12.20	35
Bonds of JSC Aktobemunaigaz	12.00	3	-	-
Other	-	-	8.00-13.00	59
Total debt securities		5,751		6,314

Shares:	30 September 2008 (unaudited) Ownership interest	Fair value	31 December 2007 Ownership Interest	Fair value
Shares of JSC Kazakhtelekom	-	469	-	93
Shares of JSC BTA Bank	-	107	-	199
Shares of JSC EP KazmunaiGaz	-	114	-	101
Shares Subsidiary Bank of JSC BTA Bank JSC Temirbank	-	26	-	32
Shares of JSC Halyk Bank	-	8	-	8
Shares of JSC Aktobemunaigaz	-	4	-	5
Shares of JSC Kazakhmys	-	-	-	66
Shares of JSC Gazprom	-	-	-	62
Shares of JSC Kazkommertsbank	-	-	-	49
Shares of JSC Subsidiary Bank of JSC Sberbank of Russia	-	-	-	18
Shares of ATF Bank	-	-	-	13
Shares of PTR US Petrochina	-	-	-	10
Shares of OZ C GR CAT OIL AG	-	-	-	8
Other	-	-	-	33
Total shares		728		697

Units of investment fund:	30 September 2008 (unaudited)	31 December 2007
Units of open mixed investment fund Peter Stolipin	5	8
Units of open mixed investment fund UralSib	5	-
Units of open mixed investment fund KIT FORTIS –Index RTS	4	8
Units of open mixed investment fund Russian telecommunications	2	-
Units of open mixed investment fund Ohotniy Ryad – Russian Consumer Sector	-	9
Units of open mixed investment fund Ostankino - Russian connection	-	6
Units of open mixed investment fund Zamoskvorechie – Russian Energy	-	4
Units of open mixed investment fund Triumphal square - RusOil	-	4
Total investments in units of investment fund	16	39
Financial assets held-for-trading	6,495	7,050

Derivative financial instruments:	30 September 2008 (unaudited) Nominal Amount	Fair value Asset	Fair value Liability	31 December 2007 Nominal Amount	Fair value Asset	Fair value Liability
Foreign currency contracts						
Swaps	66,490	5,562	15	55,052	3,222	79
Forward contracts	-	-	-	9,023	-	248
Interest rate contracts						
Swaps	6,852	202	16	5,406	25	-
Total derivative financial instruments		5,764	31		3,247	327

The derivatives are not designated in hedging relationships.

As at 30 September 2008 and 31 December 2007 financial assets at fair value through profit or loss included bonds with accrued interest amounting to KZT 191 million and KZT 105 million, respectively.

16. INVESTMENTS AVAILABLE-FOR-SALE

	Nominal interest rate	30 September 2008 (unaudited)	Nominal interest rate	31 December 2007
Debt securities:				
NBRK notes	-	16,716	-	4,981
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	5.50-20.60	13,252	3.35-6.00	1,452
JSC BTA Bank	11.00	4,641	-	-
JSC Kaspi Bank	12.46	296	10.80	296
JSC ATF Bank	8.50	103	8.50	100
JSC Kazakhstan Mortgage Company	-	-	11.59	168
Other	-	-	-	1
		35,008		6,998

	Ownership interest	30 September 2008 (unaudited)	Ownership interest	31 December 2007
Shares:				
JSC Oil Insurance Company	5.61	85	5.74	85
LLP First Credit Bureau	18.40	37	18.40	37
JSC Pension Fund Atameken	9.66	37	9.66	37
JSC Pension Fund Korgau	9.44	28	9.44	28
JSC Investment Company CenterInvest	19.00	27	19.00	27
JSC Processing Center	0.80	10	0.80	10
JSC Kazakhstan Stock Exchange	2.76	6	2.71	6
Association of Financiers of Kazakhstan	16.6	1	16.6	1
Other	-	3	-	3
		234		234
Total investments available-for-sale		35,242		7,232

As at 30 September 2008 and 31 December 2007 interest income on debt securities amounting to KZT 284 million and KZT 15 million, respectively, was accrued and included in investments available-for-sale.

As at 30 September 2008 and 31 December 2007 investments available-for-sale included Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan and short term NBRK notes pledged under repurchase agreements with other banks/customers amounting to KZT 3,148 million and KZT 1,054 million, respectively. All the agreements as at 30 September 2008 and 31 December 2007 have maturity before 3 October 2008 and 3 January 2008, respectively.

During nine month period ended 30 September 2008 debt securities with the fair value of KZT 3,036 million were transferred from investments available-for-sale to investments held to maturity. Management transferred Treasury bonds of the Ministry of finance of the Republic of Kazakhstan and bonds of JSC Kazakhstan Mortgage Company from investments available-for-sale to investments held to maturity, due to the reason that fair value of these securities were declining during last nine months. Management expected further temporary declining of fair value of these securities and decided to transfer them to investments held to maturity and value at amortized cost.

Equity securities are non-marketable and therefore held at cost, less impairment losses as it is not practicable to determine fair value of such securities.

17. INVESTMENTS HELD TO MATURITY

	Nominal interest rate	30 September 2008 (unaudited)	Nominal interest rate	31 December 2007
NBRK notes	-	113,977	-	35,630
Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan	3.35-20.60	38,062	3.50-18.00	13,966
Bonds of JSC Kazakhstan Mortgage Company	5.69-16.70	4,065	5.69-12.20	3,895
Bonds of JSC BTA Ipoteka	3.00-10.00	1,210	6.20-9.30	1,182
Bonds of JSC Kazkommertsbank	9.50-11.00	1,187	9.40-9.90	1,118
Bonds of JSC Prodcorporation	8.00	1,054	8.00	1,076
Bonds of JSC Alfa Bank	7.00-12.00	651	-	-
Bonds of JSC Halyk Bank	7.50-10.00	506	7.50-9.60	510
Bonds of JSC Kaspi Bank	8.50-9.50	486	8.50-9.50	474
Bonds of JSC AKB Svyaz Bank	9.00-9.10	375	-	-
Bonds of JSC JP Morgan Chase Bank	12.92	305	2.73	304
Bonds of JSC Sobinbank	6.75	300	-	-
Bonds of JSC SB Bank	9.30-9.50	281	-	-
Bonds of JSC SB Promsvyazbank	9.10	281	-	-
Bonds of JSC Nomos Bank	8.88	277	-	-
Bonds of JSC BTA Bank	12.00	268	8.50-12.00	291
Bonds of JSC SB Hanti-Mansisk Bank	9.10	235	-	-
Bonds of JSC Bank Zenit	10.00	233	-	-
Bonds of JSC Astana Finance	7.50-14.00	224	7.80-11.90	182
Bonds of Subsidiary Bank of JSC BTA Bank JSC Temirbank	9.75-10.00	154	9.75-10.00	150
Bonds of JSC ATF Bank	10.00	26	8.50	26
Bonds of JSC Vita	13.00	16	13.00	15
Total investments held to maturity		164,173		58,819

As at 30 September 2008 and 31 December 2007 interest income amounting to KZT 802 million and KZT 595 million, respectively, was accrued and included in investments held to maturity.

As at 30 September 2008 and 31 December 2007 investments held to maturity included short-term NBRK notes, bonds of JSC Kazakhstan Mortgage Company, Treasury bonds of the Ministry of Finance of the Republic of Kazakhstan pledged under repurchase agreements with other banks/customers amounting to KZT 29,008 million and KZT 12,750 million, respectively. All the agreements as at 30 September 2008 and 31 December 2007 have maturity before 5 February 2009 and 21 January 2008, respectively.

During nine month period ended 30 September 2008 debt securities at cost KZT 6,410 million were transferred from investments held to maturity to investments available-for-sale. The amount of fair value adjustment to equity was 200 million KZT on the day of transfer. Management transferred Treasury bonds of the Ministry of finance of the Republic of Kazakhstan from investments held to maturity to investments available-for-sale, due to the reason that these securities were tied to inflation rate and as Management expected decrease of inflation rate, it transferred these securities for further sale.

18. DUE FROM BANKS

	30 September 2008 (unaudited)	31 December 2007
Recorded as loans and receivables in accordance with IAS 39:		
Due from banks	61,045	85,830
Loans under reverse repurchase agreements	12,632	16,656
Correspondent accounts with other banks	6,708	16,777
	80,385	119,263
Less provision for impairment losses	(11)	(18)
Total due from banks	80,374	119,245

Included in due from banks is accrued interest KZT 159 million and KZT 864 million as at 30 September 2008 and 31 December 2007, respectively.

Movements in allowances for impairment losses on balances due from banks for the nine-month period ended 30 September 2008 and 2007 are disclosed in Note 5.

As at 30 September 2008 the Group had due from JSC Landesbank Baden-Wurttemberg AG and JSC BNP Paribas and as at 31 December 2007 the Group had due from JSC Hypo-und Vereinsbank, JSC Landesbank Baden-Wurttemberg AG, JSC Kazkommertsbank, JSC BNP Paribas and JSC Fortis Bank NV/SA, which individually and in aggregate exceeded 10% of the Group's equity.

As at 30 September 2008 and 31 December 2007 the maximum credit risk exposure on due from banks amounted to KZT 80,385 million and KZT 119,263 million, respectively.

Fair value of assets pledged and carrying value of loans under reverse repurchase agreements as at 30 September 2008 and 31 December 2007 are presented as follows:

	30 September 2008 (unaudited)		31 December 2007	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Shares of Kazakhstani banks	12,601	13,738	12,909	15,959
Shares of Kazakhstani companies	31	13	49	50
Bonds of Kazakhstani companies	-	-	1,552	1,755
NBRK notes	-	-	1,501	1,577
Bonds of the Ministry of Finance of the Republic of Kazakhstan	-	-	645	706
Total	12,632	13,751	16,656	20,047

Included in loans under reverse repurchase agreements is accrued interest KZT 133 million and KZT 228 million as at 30 September 2008 and 31 December 2007, respectively.

19. LOANS TO CUSTOMERS

	30 September 2008 (unaudited)	31 December 2007
Recorded as loans and receivables in accordance with IAS 39:		
Originated loans	618,099	645,767
Net investment in finance lease	9,241	9,280
	627,340	655,047
Less provision for impairment losses	(41,486)	(29,500)
Total loans to customers	585,854	625,547

As at 30 September 2008 and 31 December 2007 accrued interest income included in loans to customers amounted to KZT 22,137 million and KZT 13,919 million, respectively.

Movements in provisions for impairment losses on loans to customers for the nine-month period ended 30 September 2008 and 2007 are disclosed in Note 5.

The table below summarizes the amount of loans secured by type of collateral, rather than the fair value of the collateral itself:

	30 September 2008 (unaudited)	31 September 2007
Loans collateralized by real estate	437,632	457,351
Loans collateralized by inventories	84,356	87,093
Loans collateralized by equipment	77,496	80,610
Loans collateralized by other assets	9,777	10,399
Loans collateralized by corporate guarantees	5,927	4,715
Loans collateralized by cash	4,516	6,286
Unsecured loans	7,636	8,593
	627,340	655,047
Less provision for impairment losses	(41,486)	(29,500)
Total loans to customers	585,854	625,547

	30 September 2008 (unaudited)	31 December 2007
Analysis by sector:		
Individuals	256,581	281,727
Trading	89,176	95,657
Industrial construction	51,908	49,018
Residential construction	48,125	46,609
Food industry	36,273	33,448
Manufacturing	31,302	33,070
Rent of real estate	29,014	18,821
Agriculture	24,941	30,202
Transportation and equipment maintenance	20,070	17,377
Oil and gas	13,343	15,994
Telecommunications and transport	5,626	11,620
Mass media	2,388	2,400
Machinery	2,355	2,165
Mining and production of precious metals	856	1,241
Metallurgy	784	706
Financial sector	432	595
Energy	332	665
Other	13,834	13,732
	627,340	655,047
Less provision for impairment losses	(41,486)	(29,500)
Total loans to customers	585,854	625,547

Loans to individuals are presented as follows:

	30 September 2008 (unaudited)	31 December 2007
Mortgage loans	128,493	137,241
Consumer loans	71,886	86,756
Business development	47,545	46,990
Car loans	8,657	10,740
	256,581	281,727
Less provision for impairment losses	(12,905)	(6,776)
Loans to individuals	243,676	274,951

As at 30 September 2008 the Group provided loans to four borrowers totaling KZT 43,544 million and as at 31 December 2007 the Group provided loans to four borrowers totaling KZT 46,016 million, which individually and in aggregate exceeded 10% of the Group's equity.

As at 30 September 2008 and 31 December 2007 the maximum credit risk exposure on loans to customers amounted to KZT 627,340 million and KZT 655,047 million, respectively.

As at 30 September 2008 and 31 December 2007 included in loans to customers are non-accrual loans amounting to KZT 5,773 million and KZT 2,265 million, respectively. The provision set up for these loans as at 30 September 2008 and 31 December 2007 totaled KZT 2,834 million and KZT 1,597 million, respectively.

During the nine-months period ended 30 September 2008 the Group entered as a lessor into finance leasing agreement for equipment and non-production buildings for long-term period. The interest rate inherent in the leases is fixed at the contract date for all of the lease term. As at 30 September 2008 and 31 December 2007 the average interest rate contracted is an average of 12.91 per cent and 14.58 per cent per annum, respectively.

The components of net investment in finance lease as at 30 September 2008 and 31 December 2007 are presented as follows:

	30 September 2008 (unaudited)	31 December 2007
Not later than one year	1,649	1,743
Later than one year, but not later than five years	5,493	5,447
After five years	4,204	13,639
Total minimum lease payments	11,346	20,829
Less: unearned finance income	(2,105)	(11,549)
Net investment in finance lease	9,241	9,280
Minimum lease payments - current portion	1,649	191
Minimum lease payments - long-term portion	7,592	9,089
Net investment in finance lease	9,241	9,280

20. OTHER ASSETS

	30 September 2008 (unaudited)	31 December 2007
Other financial assets recorded as loans and receivables in accordance with IAS 39:		
Prepayments and receivables on other transactions	1,653	1,530
Debtors from capital investments	1,197	1,139
Accrued commission	625	570
Travelers cheques	117	97
Western Union and other wireless transfers	104	118
Due from the Government on foreign exchange losses for long-term mortgage loans	7	32
	3,703	3,486
Less provision for impairment losses	(166)	(22)
	3,537	3,464
Other non-financial liabilities:		
Tax settlements, other than income tax	927	1,776
Inventory	144	396
Advances to employees	15	5
	4,623	5,641

Movements in provision for impairment losses on other assets for the nine-month period ended 30 September 2008 and 2007 are disclosed in Note 5.

21. DUE TO BANKS

	30 September 2008 (unaudited)	31 December 2007
Recorded at amortized cost:		
Correspondent accounts of other banks	107	613
Due to banks, including:		
Long-term loans due to other banks and financial institutions	94,935	161,793
Loans under repurchase agreements	31,119	13,189
Short-term and long-term deposits due to other banks	27,810	54,855
Loans due to international credit organizations	20,715	10,219
Short-term loans due to other banks	16,678	17,444
Loans due to Government of the Republic of Kazakhstan and NBRK	1,835	95
Total due to banks	193,199	258,208

As at 30 September 2008 and 31 December 2007 accrued interest expenses included in due to banks amounted to KZT 3,495 million and KZT 3,931 million, respectively.

Interest on dues to banks is repayable quarterly, semiannually and at the end of the term in accordance with repayment schedule. Principal is repayable at the end of the term.

Fair value of assets pledged and carrying value of loans under repurchase agreements as at 30 September 2008 and 31 December 2007 are presented as follows:

	30 September 2008 (unaudited)		31 December 2007	
	Carrying amount of loans	Fair value of collateral	Carrying amount of loans	Fair value of collateral
NBRK notes	29,087	30,615	7,849	8,271
Bonds of kazakhstani companies	1,668	1,523	437	499
Shares of kazakhstani companies	280	286	34	37
Bonds of the Ministry of Finance of the Republic of Kazakhstan	84	93	4,534	5,062
Shares of kazakhstani banks	-	-	220	228
Bonds of kazakhstani banks	-	-	115	60
Total	31,119	32,517	13,189	14,157

As at 30 September 2008 and 31 December 2007 accrued interest expenses included in loans under repurchase agreements amounted to KZT 97 million and KZT 29 million, respectively.

22. CUSTOMER ACCOUNTS

	30 September 2008 (unaudited)	31 December 2007
Recorded at amortized cost:		
Time deposits	337,711	222,707
Repayable on demand	163,527	90,737
Total customer accounts	501,238	313,444

As at 30 September 2008 and 31 December 2007 accrued interest expenses included in customers accounts amounted to KZT 5,821 million and KZT 3,443 million, respectively.

As at 30 September 2008 and 31 December 2007 the customer accounts of KZT 96,224 million and KZT 13,604 million, respectively, were due to four and two customers, which represent significant concentration.

	30 September 2008 (unaudited)	31 December 2007
Analysis by sector:		
Individuals	192,743	131,209
Social services	120,317	44,814
Insurance	42,775	44,644
Fuel	38,255	13,399
Real estate construction	20,401	15,375
Trade	20,400	12,025
Transportation and communication	17,111	8,659
Agriculture	8,786	5,394
Manufacturing	6,892	14,478
Research and engineering	6,214	2,721
Metallurgy	6,031	10,452
Energy	3,762	1,366
Organization of cultural and sport events	3,109	1,154
Services to hotels and restaurants	2,582	123
Chemical	1,787	237
Machinery	1,399	2,171
Other	8,674	5,223
Total customer accounts	501,238	313,444

23. DEBT SECURITIES ISSUED

Recorded at amortized cost:	Currency	Issue date dd/mm/yy	Maturity date dd/mm/yy	Annual coupon rate %	30 September 2008 (unaudited)	31 December 2007
International bonds	USD	02/02/2006-30/01/2007	02/02/2011-30/01/2014	8.00-8.63	97,144	124,283
International bonds	KZT	30/09/2006	30/09/2011	8.25	25,000	25,561
Bank's bonds	JPY	24/07/2007-19/11/2007	24/07/2017-19/11/2017	5.21-7.65	23,122	21,754
Kazakhstani bonds	KZT	29/12/2004-16/05/2007	16/05/2010-27/12/2015	8.50-12.00	19,274	17,084
Total debt securities issued					164,540	188,682

As at 30 September 2008 and 31 December 2007 accrued interest expense included in debt securities issued amounted to KZT 2,111 million and KZT 5,326 million, respectively.

Interest on debt securities issued is repayable semiannually.

24. OTHER LIABILITIES

	30 September 2008 (unaudited)	31 December 2007
Other financial liabilities:		
Settlements on other transactions	1,522	1,580
Advances received	180	116
Accrued commission expenses	170	195
Derivative financial instruments (Note 15)	31	327
	1,903	2,218
Other non-financial liabilities:		
Taxes payable, other than income tax	979	1,175
Provision on guarantees and other commitments	713	626
Total other liabilities	3,595	4,019

Movements in provision for impairment losses on other liabilities for the nine-month period ended 30 September 2008 and 2007 are disclosed in Note 5.

25. SUBORDINATED DEBT

Recorded at amortized cost:	Currency	Issue date dd/mm/yy	Maturity date dd/mm/yy	Annual coupon rate %	30 September 2008 (unaudited)	31 December 2007
Subordinated bonds	Tenge	01/04/2002-27/06/2008	01/04/2009-05/12/2022	10.00-21.00	36,376	27,987
Perpetual debt	USD	03/03/2006	01/03/2016	9.187	12,072	12,399
Subordinated loan	USD	22/12/2004-07/07/2008	15/12/2011-15/09/2015	6 month LIBOR+4.5 - 6 month LIBOR+6.3	9,119	3,598
Total subordinated debts					57,567	43,984

As at 30 September 2008 and 31 December 2007 accrued interest expense included in subordinated debt amounted to KZT 1,601 million and KZT 923 million, respectively.

The Perpetual debt represents the Perpetual Non-Cumulative Loan Participation Notes issued by the Bank with an option to repay in 2016 at face value.

Interest on subordinated loan is repayable semiannually and principal is repayable at the end of the term. 6 month LIBOR was 3.98 per cent as at 30 September 2008.

In the event of bankruptcy or liquidation of the Group, repayment of this debt is subordinate to the repayments of the Group's liabilities to all other creditors.

26. SHARE CAPITAL

As at 30 September 2008 the Group's share capital comprised the following:

	Authorized share capital	Share capital authorized and not issued	Repurchased share capital	Total share capital
Ordinary shares	300,000,000	169,683,305	-	130,316,695

As at 31 December 2007 the Group's share capital comprised the following:

	Authorized share capital	Share capital authorized and not issued	Repurchased share capital	Total share capital
Ordinary shares	180,316,695	50,000,000	-	130,316,695

All ordinary shares are ranked equally, carry one vote, and have no par value.

During the nine-month period ended 30 September 2008 the Bank did not issue shares.

According to Kazakhstan legislation on joint stock companies dividends are payable on ordinary shares in the form of money or securities of the Bank on condition that the decision was made at the annual meeting of shareholders of the Bank. In accordance with Regulation of the Bank dividend payments are made on the basis of financial results for the year.

27. FINANCIAL COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the consolidated balance sheet.

The Group's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

The risk-weighted amount is obtained by applying credit conversion factor and counterparty risk weightings according to the principles employed by the Basle Committee on Banking Supervision.

As at 30 September 2008 and 31 December 2007 the nominal or contract amounts and risk-weighted amounts were:

	30 September 2008 (unaudited)		31 December 2007	
	Nominal Amount	Risk weighted amount	Nominal Amount	Risk weighted amount
Contingent liabilities and credit commitments				
Guarantees issued and similar commitments	45,656	45,656	46,444	46,444
Letters of credit and other transaction related contingent obligations	41,416	8,283	28,047	5,609
Commitments on loans and unused credit lines	1,995	997	3,385	1,693
Total contingent liabilities and credit commitments	89,067	54,936	77,876	53,746

The table below summarizes the amounts of guarantees and similar commitments secured by type of collateral, rather than the fair value of the collateral itself:

	30 September 2008 (unaudited)	31 December 2007
Cash deposits	20,478	18,086
Real estate	10,514	11,080
Land	5,377	4,665
Goods in turnover	1,915	4,261
Grain	1,843	1,685
Corporate guarantees	1,591	1,467
Movables	999	2,116
Goods	441	784
Other	2,498	2,300
Total	45,656	46,444

The table below summarizes the amounts of letter of credit and other transactions related to contingent obligations secured by type of collateral, rather than the fair value of the collateral itself:

	30 September 2008 (unaudited)	31 December 2007
Real estate	22,962	15,919
Goods	10,260	6,728
Cash deposits	6,148	4,239
Movables	820	125
Corporate guarantees	316	74
Unsecured	910	962
Total	41,416	28,047

The Group has made provisioning of KZT 372 million and KZT 480 million against commitments under guarantees as at 30 September 2008 and 31 December 2007, and KZT 341 million and KZT 146 million against commitments under letter of credits as at 30 September 2008 and 31 December 2007.

Capital commitments

The Group had no material commitments for capital expenditures outstanding as at 30 September 2008 and 31 December 2007.

Rental commitments

There was no material rental commitment outstanding as at 30 September 2008 and 31 December 2007.

Fiduciary activities

In the normal course of its business the Group enters into agreements with limited right of decision making with clients for management of their assets in accordance with specific criteria established by the client. The Group may 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 balance of the clients' funds under the management of the Group as at 30 September 2008 and 31 December 2007, including assets under trusteeship as at 30 September 2008 and 31 December 2007 are KZT 166,963 million and KZT 106,955 million, respectively.

Managed assets are not included in the consolidated balance sheet of the Group, as these assets are not assets of the Group. The face values of the securities presented below differ from the market value of the indicated securities. Fiduciary assets are divided by face value into the following categories:

	30 September 2008 (unaudited)	31 December 2007
Securities	106,039	40,434
Investments into capital	51,713	19,040
Bank deposits	2,604	3,320
Investments into real estate, cars, equipment, transport and other fixed assets	91	37
Derivative financial instruments	67	-
Other assets	6,449	75
Total fiduciary assets	166,963	62,906

As at 30 September 2008 and 31 December 2008 assets of pension funds comprise KZT 52,248 million and KZT 40,297 million, respectively.

The Group also provides depository services to its customers. As at 30 September 2008 and 31 December 2007 the Group had customer securities totaling KZT 31,515 million and KZT 24,104 million, respectively, in its nominal holder accounts.

The Group maintains the accounting records and prepares reporting related to the assets and results of operations of the pension funds and investment funds, which manages assets, and other legal entities and individuals in accordance with the requirements of the legislation of the Republic of Kazakhstan and rules of FMSA.

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 losses will be incurred and respectively no provision has been made in this condensed interim consolidated financial information.

Taxes

Kazakhstani commercial legislation and tax legislation of the Republic of Kazakhstan in particular may give rise to varying interpretations and amendments, which may be retrospective. In addition, as Management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result the Group may be assessed additional taxes, penalties and interest. The Group believes that it has already made all tax payments, and therefore no provision has been made in the condensed interim consolidated financial information.

Tax periods 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.

Pensions and retirement plans

Employees of the Group receive pension benefits from pension funds in accordance with the laws and aregulations of the Republic of Kazakhstan and Russian Federation. As at 30 September 2008 and 31 December 2007 the Group was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

Operating environment

The Group's principal business activities are within the Republic Kazakhstan. Laws and regulations affecting the business environment in the Republic 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.

Specific volatility in global and Kazakhstani financial markets – In recent months a number of major economies around the world have experienced volatile capital and credit markets. A number of major global financial institutions have either been placed into bankruptcy, taken over by other financial institutions and/or supported by government funding. As a consequence of the recent market turmoil in capital and credit markets both globally and in the Republic of Kazakhstan, notwithstanding any potential economic stabilization measures that may be put into place by the Government of the Republic of Kazakhstan, there exists economic uncertainties surrounding the continual availability, and cost, of credit both for the Group and its counterparties, the potential for economic uncertainties to continue in the foreseeable future and, as a consequence, the potential that assets may not be recovered at their carrying amount in the regular course of business, and a corresponding impact on the Group's profitability.

Recoverability of financial assets – As a result of recent economic turmoil in capital and credit markets globally, and the consequential economic uncertainties existing as at balance sheet date, there exists the potential that assets may not be recovered at their carrying amount in the regular course of business.

As at 30 September 2008 and 31 December 2007 the Group has financial assets amounting to KZT 986,441 million and KZT 867,624 million. The recoverability of these financial assets depends on a large extent on the efficacy of the fiscal measures and other measures and other actions, beyond the Group's control, undertaken within various countries to achieve economic stability and recovery. The recoverability of the Group's financial assets is determined based on conditions prevailing and information available as at balance sheet date. It is the management's opinion that no additional provision on financial assets is needed at present, based on prevailing conditions and available information.

28. TRANSACTIONS WITH RELATED PARTIES

Related parties or transactions with related parties, as defined by IAS 24 "Related party disclosures", represent:

a) Parties that directly, or indirectly through one or more intermediaries: control, or are controlled by, or are under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries); have an interest in the Group that gives then significant influence over the Bank; and that have joint control over the Group;

b) Associates – enterprises on which the Group has significant influence and which is neither a subsidiary nor a joint venture of the investor;

c) Joint ventures in which the Group is a venturer;

d) Members of key management personnel of the Group or its parent;

e) Close members of the family of any individuals referred to in (a) or (d);

f) Parties that are entities controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	30 September 2008 (unaudited)		31 December 2007	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Loans to customers, gross before provision for impairment losses	7,085	627,340	4,112	655,047
- joint ventures in which the Bank is venture	-		1	
- key management personnel of the entity or its parent	725		3,226	
- other related parties	6,360		885	
Provision for impairment losses on loans to customers	(2)	(41,486)	(53)	(29,500)
- key management personnel of the entity or its parent	(2)		(53)	
Customers accounts	24,230	501,238	351	313,444
- key management personnel of the entity or its parent	23,554		-	
- other related parties	676		351	
Guarantees issued	1	45,656	1	46,444
- key management personnel of the entity or its parent	1		1	

Secured and unsecured loans and guarantees are made to key management personnel of the entity and shareholders in the ordinary course of business. These loans are made on substantially the same terms, including interest rates, as for comparable transactions with persons of a similar standing or, where applicable, with other employees. The transactions did not involve more than the normal risk of repayment or present other unfavorable features.

Amounts deposited by the parent and other related parties earn interest at the same rates as those offered to the market or on the same terms and conditions applicable to other employees within the Group.

Included in the condensed interim consolidated income statement for the nine-month periods ended 30 September 2008 and 2007 are the following amounts which arose due to transactions with related parties:

	Nine months ended 30 September 2008 (unaudited)		Nine months ended 30 September 2007 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income	99	80,527	36	66,332
- key management personnel of the entity or its parent	99		36	
Interest expense	(356)	(49,960)	(5)	(38,122)
- key management personnel of the entity or its parent	(326)		-	
- other related parties	(30)		(5)	
Operating expenses	(161)	(16,294)	(223)	(13,234)
- key management personnel of the entity or its parent	(161)		(223)	

Key management personnel compensation for the nine months ended 30 September 2008 and 2007 is presented by short-term employee benefits.

	Three months ended 30 September 2008 (unaudited)		Three months ended 30 September 2007 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income	(26)	27,381	(170)	26,971
- other related parties	-		(126)	
- key management personnel of the entity or its parent	(26)		(44)	
Interest expense	(334)	(18,014)	(5)	(14,498)
- key management personnel of the entity or its parent	(326)		-	
- other related parties	(8)		(5)	
Operating expenses	(4)	(5,771)	(29)	(4,767)
- key management personnel of the entity or its parent	(4)		(29)	

29. SEGMENT REPORTING

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

Business segments

The Group is organized on the 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.
- Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.
- Investment banking – representing financial instruments trading.
- Finance leasing – finance lease services.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balances sheet, but excluding item such as taxation. Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis.

Segment information about these businesses is presented below:

	Retail banking	Corporate banking	Investment banking	Eliminations	Nine months ended 30 September 2008 (unaudited)
Interest income	30,690	52,645	7,467	(10,275)	80,527
Interest expense	(11,057)	(49,707)	(921)	11,725	(49,960)
Provision for impairment losses on interest bearing assets and liabilities	(6,125)	(9,074)	-	-	(15,199)
Net gain on financial assets at fair value through profit or loss	-	-	479	-	479
Net loss on investments available-for-sale	-	-	(227)	-	(227)
Net loss on foreign exchange operations	(444)	(665)	-	-	(1,109)
Fee and commission income	1,776	7,476	164	(44)	9,372
Fee and commission expense	-	(604)	(144)	47	(701)
Other income	760	1,412	-	-	2,172
External operating income	15,600	1,483	6,818	1,453	25,354
Income/(expense) from other segments	-	11,689	82	(11,771)	-
Total operating income/(expense)	15,600	13,172	6,900	(10,318)	25,354
Operating expenses	(8,971)	(6,414)	(909)	-	(16,294)
Provision for impairment losses on other transactions	(144)	(129)	-	-	(273)
Operating profit/(loss) before income tax	6,485	6,629	5,991	(10,318)	8,787
Income tax expense	(350)	(816)	-	-	(1,166)
Net profit/(loss)	6,135	5,813	5,991	(10,318)	7,621
Segment assets*	256,394	689,727	224,418	(172,778)	997,761
Segment liabilities**	192,308	730,760	161,875	(164,804)	920,139
Other segment items					
Depreciation charge on property, equipment and intangible assets	(333)	(719)	(18)	-	(1,070)
Loans to customers	256,394	331,532	-	(2,072)	585,854
Property, equipment and intangible assets	2,310	7,208	716	-	10,234
Customer accounts	192,308	449,968	75	(141,113)	501,238
Capital expenditures	-	2,264	666	-	2,930

*- net of current income tax assets

**- net of deferred income tax liabilities

	Retail banking	Corporate banking	Investment banking	Eliminations	Nine months ended 30 September 2007 (unaudited)
Interest income	27,038	46,007	3,710	(10,423)	66,332
Interest expense	(8,416)	(40,048)	(81)	10,423	(38,122)
Provision for impairment losses on interest bearing assets and liabilities	(4,813)	(7,219)	-	-	(12,032)
Net loss on financial assets at fair value through profit or loss	-	-	(935)	-	(935)
Net gain on investments available-for-sale	-	-	9	-	9
Net gain on foreign exchange operations	1,298	1,948	-	-	3,246
Fee and commission income	1,640	5,687	100	(67)	7,360
Fee and commission expense	-	(484)	(80)	67	(497)
Other income	602	1,118	-	-	1,720
External operating income	17,349	7,009	2,723	-	27,081
Income/(expense) from other segments	-	10,214	276	(10,490)	-
Total operating income/(expense)	17,349	17,223	2,999	(10,490)	27,081
Operating expenses	(5,638)	(6,924)	(672)	-	(13,234)
Provision for impairment losses on other transactions	(266)	(494)	-	-	(760)
Operating profit/(loss) before income tax	11,445	9,805	2,327	(10,490)	13,087
Income tax expense	(828)	(1,932)	-	-	(2,760)
Net profit/(loss)	10,617	7,873	2,327	(10,490)	10,327
Segment assets *	283,340	750,076	73,557	(198,039)	908,934
Segment liabilities**	130,122	715,821	194,146	(195,402)	844,687
Other segment items					
Depreciation charge on property, equipment and intangible assets	(270)	(488)	(12)	-	(770)
Loans to customers	283,340	370,592	-	(2,267)	651,665
Property, equipment and intangible assets	2,367	5,494	76	-	7,937
Customer accounts	130,122	345,861	754	(170,938)	305,799
Capital expenditures	-	3,037	46	-	3,083

*- net of current and deferred income tax assets
**- net of deferred income tax liabilities

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

Due from banks, loans to customers, due to banks, customer accounts – for assets and liabilities maturing within one month, the carrying amount approximates fair value due to the relatively short-term maturity of these financial instruments. For assets and liabilities with maturity greater than one month, fair value is estimated as the present value of estimated future cash flows discounted at the appropriate year-end market rates.

Investments held to maturity, debt securities issued and subordinated debt – the securities are traded on active markets and quoted market prices have been used to determine the fair value.

The fair value of financial assets and liabilities compared with the corresponding carrying amount in the balance sheet of the Group is presented below:

	30 September 2008 (unaudited)		31 December 2007	
	Carrying amount	Fair value	Carrying amount	Fair value
Investments held to maturity	164,173	162,632	58,819	57,432
Due from banks	80,374	80,177	119,245	122,568
Loans to customers	585,854	603,763	625,547	619,270
Due to banks	193,199	208,670	258,208	269,884
Customer accounts	501,238	492,526	313,444	310,413
Debt securities issued	164,540	117,981	188,682	165,150
Subordinated debt	57,567	62,879	43,984	44,089

Financial assets and liabilities at fair value through profit or loss and investments available-for-sale are carried at fair value in the consolidated balance sheet. The carrying amount of cash and balances with the National Bank of the Republic of Kazakhstan approximate fair value due to the short-term nature of such financial assets.

31. REGULATORY MATTERS

The following table analyzes the Group's regulatory capital resources for capital adequacy purposes:

	30 September 2008 (unauduted)	31 December 2007
Composition of regulatory capital		
Tier 1		
Share capital	36,037	36,193
Share premium	105	105
Reserves and retained earnings	40,893	33,329
Minority interest	508	318
Total qualifying tier 1 capital	77,543	69,945
Tier 2		
Subordinated debt	45,495	31,586
Investments to companies engaged in financial activities	12,072	12,399
Revaluation reserve	1,369	1,412
Total qualifying tier 2 capital	58,936	45,397
Total regulatory capital	136,479	115,342
Risk weighted assets	644,708	601,321
Tier 1 capital ratio	12.03%	11.63%
Total capital adequacy ratio	21.17%	19.18%

Quantitative measures established by the Basle Committee to ensure capital adequacy require the Group to maintain minimum amounts and ratios of total capital adequacy (8%) and tier 1 capital (4%) to risk weighted assets.

The total capital adequacy ratio was calculated according to the principles employed by the Basle Committee by applying the following risk estimates to the assets and off-balance sheet commitments net of provisions for impairment losses.

Estimation	Description of position
0%	Cash and balances with national (central) banks
0%	State debt securities
20%	Loans and advances to banks for up to 1 year
100%	Loans to customers
100%	Guarantees
50%	Obligations and commitments on unused loans with the initial maturity of over 1 year
100%	Other assets

As at 30 September 2008 and 31 December 2007 the Group included in the computation of Total capital for Capital adequacy purposes the subordinated debt received, limited to 50% of Tier 1 capital. In the event of bankruptcy or liquidation of the Group, repayment of this debt is subordinate to the repayments of the Group's liabilities to all other creditors.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes subordinated debt disclosed in Note 25, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in condensed interim consolidated statement of changes in equity.

The Management Board reviews the capital structure on a quarterly basis. As a part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group balances its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group's overall capital risk management policy remains unchanged from 2007.

33. RISK MANAGEMENT POLICIES

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:

- Credit exposures
- 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. Through the risk management framework, the Group manages the following risks:

Credit risk

The Group is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Risk management and monitoring is performed within set limits of authority. These processes are performed by the Credit Committees and the Group's Management Board. Before any application is made by the Credit Committee, all recommendations on credit processes (borrower's limits approved, or amendments made to loan agreements, etc.) are reviewed and approved by the branch risk-manager or the Credit Risk Department. Daily risk management is performed by the Head of Credit Departments and Branch Credit Divisions.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry (and geographical) segments. Limits on the level of credit risk by a borrower and a product (by industry sector, by region) are approved monthly, quarterly and annually by the Management Board, depending on the level of credit risk. The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures which are set by the Credit Committee. Actual exposures against limits are monitored daily.

Where appropriate, and in the case of most loans, the Group obtains collateral and corporate and personal guarantees. However, a significant portion of loans is personal lending, where no such facilities can be obtained. Such risks are monitored on a continuous basis and subject to annual or more frequent reviews.

Commitments to extend credit represent unused portions of credit in the form of loans, guarantees or letters of credit. The credit risk on off-balance sheet financial instruments is defined as a probability of losses due to the inability of counterparty to comply with the contractual terms and conditions. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of the loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group applies the same credit policy to the contingent liabilities as it does to the balance sheet financial instruments, i.e. the one based on the procedures for approving the grant of loans, using limits to mitigate the risk, and current monitoring. The Group monitors the term to maturity of off balance sheet contingencies because longer term commitments generally have a greater degree of credit risk than short-term commitments.

Geographical concentration

The Assets and Liabilities Management Committee ("ALMC") exercises control over the risk in the legislation and regulatory arena and assesses its influence on the Group's activity. This approach allows the Group to minimize potential losses from the investment climate fluctuations in the Republic of Kazakhstan. The Group's Management Board sets up country limits, which mainly applies to banks of the Commonwealth of Independent States and Baltic countries.

The geographical concentration of assets and liabilities is set out below:

	Kazakhstan	Other non-OECD countries	OECD countries	30 September 2008 (unaudited) Total
FINANCIAL ASSETS				
Cash and balances with the National Bank of the Republic of Kazakhstan	104,972	30	-	105,002
Financial assets at fair value through profit or loss	3,606	16	8,637	12,259
Investments available-for-sale	35,242	-	-	35,242
Investments held to maturity	161,286	2,582	305	164,173
Due from banks	22,484	2,084	55,806	80,374
Loans to customers	566,828	18,369	657	585,854
Other financial assets	3,485	52	-	3,537
TOTAL FINANCIAL ASSETS	897,903	23,133	65,405	986,441
FINANCIAL LIABILITIES				
Due to banks	76,426	4,169	112,604	193,199
Customer accounts	501,163	75	-	501,238
Debt securities issued	164,540	-	-	164,540
Other financial liabilities	1,870	2	31	1,903
Subordinated debt	36,376	-	21,191	57,567
TOTAL FINANCIAL LIABILITIES	780,375	4,246	133,826	918,447
OPEN BALANCE SHEET POSITION	117,528	18,887	(68,421)	

	Kazakhstan	Other non-OECD countries	OECD countries	31 December 2007 Total
FINANCIAL ASSETS				
Cash and balances with the National Bank of the Republic of Kazakhstan	43,020	-	-	43,020
Financial assets at fair value through profit or loss	3,526	39	6,732	10,297
Investments available-for-sale	7,232	-	-	7,232
Investments held to maturity	58,515	-	304	58,819
Due from banks	51,568	4,283	63,394	119,245
Loans to customers	608,391	16,551	605	625,547
Other financial assets	3,464	-	-	3,464
TOTAL FINANCIAL ASSETS	775,716	20,873	71,035	867,624
FINANCIAL LIABILITIES				
Due to banks	79,061	1,560	177,587	258,208
Customer accounts	313,444	-	-	313,444
Debt securities issued	188,682	-	-	188,682
Other financial liabilities	1,890	249	79	2,218
Subordinated debt	27,987	-	15,997	43,984
TOTAL FINANCIAL LIABILITIES	611,064	1,809	193,663	806,536
OPEN BALANCE SHEET POSITION	164,652	19,064	(122,628)	

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.

The Treasury Department performs management of these risks through analysis of asset and liability maturity and performance of money market transactions for current liquidity support and cash flow optimization. Finance Department performs determination of the optimum structure of balance, limits on liquidity ratios and gap-positions approved by the Assets and Liabilities Management Committee. Finance Department performs monitoring of liquidity ratios.

This table does not reconcile to the condensed interim consolidated balance sheet as a result of property, equipment and intangible assets, current income tax assets, deferred income tax assets, other assets, deferred income tax liabilities and other liabilities being excluded.

The following tables provide an analysis of financial assets and liabilities grouped on the basis of the remaining period from the balance sheet date to the contractual maturity date. The presentation below is based upon the information provided internally to key management personnel of the entity.

	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	30 September 2008 (unaudited) Total
FINANCIAL ASSETS							
Cash and balances with the National Bank of the Republic of Kazakhstan	5.25%	49,527	-	-	-	-	49,527
Financial assets at fair value through profit or loss	6.56%	46	79	729	2,837	7,824	11,515
Investments available-for-sale	6.88%	16,717	257	126	11,095	6,813	35.008
Investments held to maturity	6.50%	104,337	670	21,652	26,621	10,893	164.173
Due from banks	6.28%	58,771	12,244	380	1,723	548	73,666
Loans to customers	15.6%	42.290	30,102	136,432	269.660	107,370	585,854
Total interest bearing financial assets		271,688	43.352	159,319	311,936	133,448	919,743
Cash and balances with the National Bank of the Republic of Kazakhstan		55,475	-	-	-	-	55.475
Financial assets at fair value through profit or loss		744	-	-	-	-	744
Investments available-for-sale		234	-	-	-	-	234
Due from banks		6,708	-	-	-	-	6,708
Other financial assets		3,537	-	-	-	-	3,537
TOTAL FINANCIAL ASSETS		338.386	43.352	159,319	311,936	133,448	986.441
FINANCIAL LIABILITIES							
Due to banks	7.24%	57,309	12.533	14,644	108,606	-	193,092
Customer accounts	10.24%	35,893	45,220	73,139	169,758	20,487	344,497
Debt securities issued	7.29%	-	615	1,497	72,177	90,251	164,540
Subordinated debt	10.71%	777	696	1.625	5.108	49,361	57,567
Total interest bearing financial liabilities		93,979	59,064	90,905	355,649	160.099	759,696
Due to banks		107	-	-	-	-	107
Customer accounts		156,741	-	-	-	-	156,741
Other financial liabilities		1,903	-	-	-	-	1,903
TOTAL FINANCIAL LIABILITIES		252.730	59.064	90.905	355,649	160,099	918,447
Liquidity gap		85,656	(15,712)	68,414	(43,713)	(26.651)	
Interest sensitivity gap		177.709	(15.712)	68.414	(43,713)	(26.651)	
Cumulative interest sensitivity gap		177,709	161,997	230.411	186.698	160,047	
Cumulative interest sensitivity gap as a percentage of total financial assets		18.02%	16.42%	23.36%	18.93%	16.22%	