

JSC HALYK BANK

**Condensed Interim Consolidated
Financial Information (Unaudited)**
For the six months ended 30 June 2010

JSC HALYK BANK

TABLE OF CONTENTS

	Page
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)	1
REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION	2
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2010:	
Condensed interim consolidated statement of financial position (unaudited)	3
Condensed interim consolidated income statement (unaudited)	4
Condensed interim consolidated statement of comprehensive income (unaudited)	5
Condensed interim consolidated statement of changes in equity (unaudited)	6-7
Condensed interim consolidated statement of cash flows (unaudited)	8-9
Related explanatory notes to the condensed interim consolidated financial information (unaudited)	10-41

JSC HALYK BANK

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

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

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

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

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

Management is also responsible for:

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

The condensed interim consolidated financial information of the Group for the six months ended 30 June 2010 was authorized for issue by the Management Board of the Bank on 11 August 2010.

On behalf of the Management Board:

Nailiya K. Abdulina
Deputy Chairman of the Board

11 August 2010
Almaty, Kazakhstan

Pavel A. Chussov
Chief Accountant

11 August 2010
Almaty, Kazakhstan

REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

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

Scope of Review

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

Conclusion

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

Deloitte, LLP

11 August 2010
Almaty, Kazakhstan

JSC HALYK BANK

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

	Notes	30 June 2010 (unaudited)	31 December 2009
ASSETS			
Cash and cash equivalents	6	378,464	480,622
Obligatory reserves	7	28,385	25,949
Financial assets at fair value through profit or loss	8, 33	6,940	8,528
Amounts due from credit institutions	9	17,359	56,101
Available-for-sale investment securities	10, 33	530,607	200,221
Investments held to maturity	11, 33	12,392	17,186
Precious metals		1,762	1,445
Loans to customers	12, 33	1,091,447	1,133,235
Property and equipment		62,246	63,158
Assets held-for-sale		9,961	8,447
Goodwill		3,085	3,190
Intangible assets		6,289	7,475
Insurance assets	13	14,087	4,945
Other assets	14	17,470	12,507
TOTAL ASSETS		2,180,494	2,023,009
LIABILITIES AND EQUITY			
LIABILITIES			
Amounts due to customers	15, 33	1,475,669	1,274,069
Amounts due to credit institutions	16, 33	110,169	172,706
Financial liabilities at fair value through profit or loss	8	3,454	3,201
Debt securities issued	17	255,658	263,893
Provisions	18	4,302	4,433
Deferred tax liability	19	6,251	6,194
Insurance liabilities	13	19,875	9,586
Other liabilities	20	11,998	7,975
Total liabilities		1,887,376	1,742,057
EQUITY			
Share capital	21	143,695	143,695
Share premium reserve		1,358	1,317
Treasury shares		(96)	(103)
Retained earnings and other reserves		147,853	135,693
		292,810	280,602
Non-controlling interest		308	350
Total equity		293,118	280,952
TOTAL LIABILITIES AND EQUITY		2,180,494	2,023,009

On behalf of the Management Board:

Nailiya K. Abdullina
Deputy Chairman of the Board

11 August 2010
Almaty, Kazakhstan

Pavel A. Cheussov
Chief Accountant

11 August 2010
Almaty, Kazakhstan

The notes on pages 10 to 41 form an integral part of this condensed interim consolidated financial information.

JSC HALYK BANK

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

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

	Notes	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Interest income	23, 33	43,450	51,036	90,861	102,272
Interest expense	23, 33	(22,630)	(27,253)	(45,944)	(54,133)
NET INTEREST INCOME BEFORE IMPAIRMENT CHARGE	23	20,820	23,783	44,917	48,139
Impairment charge on interest earning and other assets	18	(12,477)	(25,311)	(25,823)	(53,599)
NET INTEREST INCOME		8,343	(1,528)	19,094	(5,460)
Fee and commission income	24	6,849	9,396	15,607	20,140
Fee and commission expense		(1,300)	(1,283)	(2,656)	(2,100)
Fees and commissions, net		5,549	8,113	12,951	18,040
Net gain from financial assets and liabilities at fair value through profit or loss	25, 33	57	733	774	1,150
Net realized loss from available-for-sale investment securities		(50)	(1,101)	(29)	(1,138)
Net gain from redemption of debt securities issued		-	-	-	439
Net gain on foreign exchange operations	26	1,930	2,655	3,955	6,791
Insurance underwriting income	27	2,703	1,961	5,602	4,005
Share of loss of associates		(2)	(11)	(11)	(21)
Other income		238	408	813	700
OTHER NON-INTEREST INCOME		4,876	4,645	11,104	11,926
Operating expenses	28	(9,788)	(8,774)	(20,213)	(17,913)
(Provisions)/recoveries of provisions	18	(1,068)	(1,301)	30	(193)
Insurance claims incurred, net of reinsurance		(1,679)	(887)	(3,235)	(1,772)
NON-INTEREST EXPENSES		(12,535)	(10,962)	(23,418)	(19,878)
NET INCOME BEFORE INCOME TAX EXPENSE		6,233	268	19,731	4,628
Income tax expense	19	(978)	(18)	(3,102)	(310)
NET INCOME		5,255	250	16,629	4,318
Attributable to:					
Non-controlling interest		(3)	48	31	140
Preferred shareholders		1,154	29	3,643	511
Common shareholders		4,104	173	12,955	3,667
		5,255	250	16,629	4,318
Basic earnings/(loss) per share (in Kazakhstani Tenge)	29	0.59	(1.20)	9.30	2.24
Diluted earnings/(loss) per share (in Kazakhstani Tenge)	29	0.59	(1.20)	9.30	2.24

On behalf of the Management Board

Nailiya K. Abdulina
Deputy Chairman of the Board

11 August 2010
Almaty, Kazakhstan

Pavel A. Chenssov
Chief Accountant

11 August 2010
Almaty, Kazakhstan

The notes on pages 10 to 41 form an integral part of this condensed interim consolidated financial information.

JSC HALYK BANK

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

(Millions of Kazakhstani Tenge)

	Notes	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Net income		5,255	250	16,629	4,318
Other comprehensive (loss)/income					
(Loss)/gain on revaluation of available-for-sale investment securities	33	(1,592)	29	(365)	(1,930)
Loss transferred to income statement on sale of available-for-sale investment securities		50	1,101	29	1,138
Loss transferred to income statement on impairment of available-for-sale investment securities		64	-	735	-
(Loss)/gain on revaluation of property and equipment, net of tax		(2)	-	74	-
Exchange differences on translation of foreign operations		(388)	649	(422)	1,694
Other comprehensive (loss)/income for the period		(1,868)	1,779	51	902
Total comprehensive income for the period		3,387	2,029	16,680	5,220
Attributable to:					
Non-controlling interest		(7)	48	27	140
Preferred shareholders		745	283	3,656	621
Common shareholders		2,649	1,698	12,997	4,459
		3,387	2,029	16,680	5,220

On behalf of the Management Board:

Nailiya K. Abdulina
Deputy Chairman of the Board

11 August 2010
Almaty, Kazakhstan

Pavel A. Chussov
Chief Accountant

11 August 2010
Almaty, Kazakhstan

The notes on pages 10 to 41 form an integral part of this condensed interim consolidated financial information.

JSC HALYK BANK

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

(Millions of Kazakhstani Tenge)

	Notes	Common shares	Share capital Non-convertible preferred shares	Convertible preferred shares	Share premium reserve	Treasury shares	Cumulative translation reserve*	Revaluation reserve of available-for-sale investment securities*	Property and equipment revaluation reserve*	Retained earnings*	Total	Non-controlling interest	Total equity
31 December 2009		83,571	46,891	13,233	1,317	(103)	1,667	(976)	18,121	116,881	280,602	350	280,952
Net income		-	-	-	-	-	-	-	-	16,598	16,598	31	16,629
Other comprehensive (loss)/income		-	-	-	-	-	(422)	403	74	-	55	(4)	51
Total comprehensive (loss)/income		-	-	-	-	-	(422)	403	74	16,598	16,653	27	16,680
Treasury shares purchased	21	-	-	-	-	(6)	-	-	-	-	(6)	-	(6)
Treasury shares sold	21	-	-	-	41	13	-	-	-	-	54	-	54
Dividends of subsidiaries		-	-	-	-	-	-	-	-	-	-	(69)	(69)
Dividends – preferred shares		-	-	-	-	-	-	-	-	(4,493)	(4,493)	-	(4,493)
Release of property and equipment		-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve on depreciation and disposal of previously revalued assets		-	-	-	-	-	-	-	(704)	704	-	-	-
30 June 2010 (unaudited)		83,571	46,891	13,233	1,358	(96)	1,245	(573)	17,491	129,690	292,810	308	293,118

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

JSC HALYK BANK

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)**

(Millions of Kazakhstani Tenge)

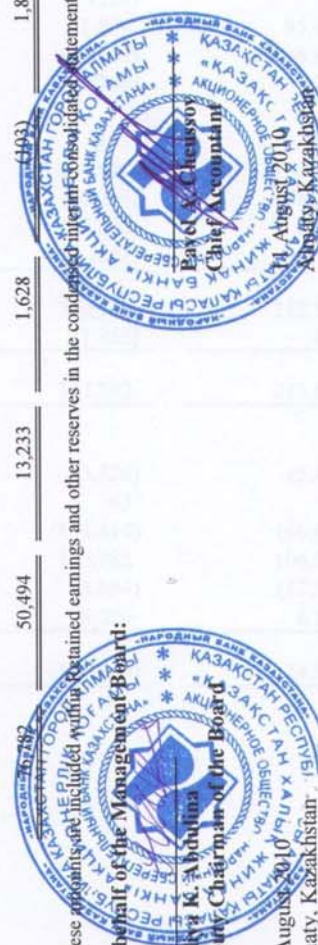
	Notes	Common shares	Share capital Non-convertible preferred shares	Convertible preferred shares	Share premium reserve	Treasury shares	Cumulative translation reserve*	Revaluation reserve of available-for-sale investment securities*	Property and equipment revaluation reserve*	Retained earnings*	Total	Non-controlling interest	Total equity
31 December 2008		49,824	2,474	13,233	1,908	(69)	121	(1,797)	22,502	102,602	190,798	257	191,055
Net income		-	-	-	-	-	-	-	-	4,178	4,178	140	4,318
Other comprehensive income/(loss)		-	-	-	-	-	1,694	(792)	-	-	902	-	902
Total comprehensive income/(loss)		-	-	-	-	-	1,694	(792)	-	4,178	5,080	140	5,220
Common shares issued	21	26,958	-	-	-	-	-	-	-	-	26,958	-	26,958
Preferred shares issued		-	48,020	-	-	-	-	-	-	-	48,020	-	48,020
Treasury shares purchased	21	-	-	-	(290)	(42)	-	-	-	-	(332)	-	(332)
Treasury shares sold	21	-	-	-	10	8	-	-	-	-	18	-	18
Dividends – preferred shares		-	-	-	-	-	-	-	-	(1,680)	(1,680)	-	(1,680)
Release of property and equipment		-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve on depreciation and disposal of previously revalued assets		-	-	-	-	-	-	-	(111)	111	-	-	-
30 June 2009 (unaudited)		76,782	50,494	13,233	1,628	(103)	1,815	(2,589)	22,391	105,211	268,862	397	269,259

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

On behalf of the Management Board:

Nailya K. Abdylova
Deputy Chairman of the Board

11 August 2010
Almaty, Kazakhstan



The notes on pages 10 to 41 form an integral part of this condensed interim consolidated financial information.

JSC HALYK BANK

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

(Millions of Kazakhstani Tenge)


	Notes	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received from financial assets at fair value through profit or loss		25	203
Interest received from cash equivalents and amounts due from credit institutions		1,422	1,306
Interest received on available-for-sale investment securities		3,312	2,687
Interest received on investments held-to-maturity		523	525
Interest received from loans to customers		63,829	67,400
Interest paid on due to customers		(23,593)	(26,564)
Interest paid on due to credit institutions		(2,336)	(7,632)
Interest paid on debt securities issued		(11,710)	(12,756)
Fee and commission received		15,444	19,935
Fee and commission paid		(2,656)	(2,100)
Other income received		8,363	8,803
Operating expenses paid		(16,576)	(16,586)
		<hr/>	<hr/>
Cash flows from operating activities before changes in net operating assets		36,047	35,221
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Obligatory reserves		(2,436)	782
Financial assets at fair value through profit or loss		1,749	5,855
Amounts due from credit institutions		36,747	(840)
Precious metals		(122)	-
Loans to customers		21,854	85,411
Insurance assets		(12,373)	(6,991)
Other assets		(3,789)	(240)
Increase/(decrease) in operating liabilities:			
Financial liabilities at fair value through profit or loss		183	(323)
Amounts due to customers		206,672	162,728
Amounts due to credit institutions		(60,244)	(68,396)
Insurance liabilities		15,898	8,873
Other liabilities		(842)	(9,196)
		<hr/>	<hr/>
Net cash inflow from operating activities before income tax		239,344	212,884
(Income tax paid)/income tax prepayments returned		(1,952)	812
		<hr/>	<hr/>
Net cash inflow from operating activities		237,392	213,696
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase and prepayment for property and equipment and intangible assets		(3,526)	(5,448)
Proceeds on sale of property and equipment		63	81
Purchase of available-for-sale investment securities		(454,414)	(66,044)
Proceeds on sale of available-for-sale investment securities		125,982	106,761
Purchase of investments held-to-maturity		(3,094)	(17,511)
Proceeds from redemption of investments held-to-maturity		8,220	6,571
		<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities		(326,769)	24,410
		<hr/>	<hr/>

JSC HALYK BANK

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED) (Millions of Kazakhstani Tenge)

	Notes	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on common shares issued	21	-	26,958
Proceeds on preferred shares issued		-	48,020
Proceeds on sale of treasury shares	21	54	18
Purchase of treasury shares		(6)	(332)
Dividends paid		(69)	(1,680)
Proceeds on debt securities issued		-	14,161
Redemption and repayment of debt securities issued		(5,000)	(23,957)
Net cash (outflow)/inflow from financing activities		(5,021)	63,188
Effect of changes in foreign exchange rate fluctuations on cash and cash equivalents		(7,760)	80,799
Net change in cash and cash equivalents		(102,158)	382,093
CASH AND CASH EQUIVALENTS, beginning of the period		480,622	161,088
CASH AND CASH EQUIVALENTS, end of the period	6	378,464	543,181

On behalf of the Management Board


Nailiya K. Abdulina
Deputy Chairman of the Board

11 August 2010
Almaty, Kazakhstan




Pavel A. Chussov
Chief Accountant

11 August 2010
Almaty, Kazakhstan



The notes on pages 10 to 41 form an integral part of this condensed interim consolidated financial information.

JSC HALYK BANK

RELATED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2010 (UNAUDITED)

(Millions of Kazakhstani Tenge)

1. PRINCIPAL ACTIVITIES

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

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

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

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

On 27 March 2009, Samruk-Kazyna acquired 259,064,909 common shares of the Group for a total amount of KZT 26,951 million. On 29 May 2009, Samruk-Kazyna acquired 196,232,499 non-convertible preferred shares of the Group for a total amount of KZT 33,049 million. As at 30 June 2010 Samruk-Kazyna owned a 24.60% stake of voting shares in the Group’s share capital. The Group is ultimately controlled by Timur Kulibayev and his wife Dinara Kulibayeva.

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

	30 June 2010 (unaudited)		31 December 2009	
	Stake in total shares issued *	Stake in total voting shares **	Stake in total shares issued *	Stake in total voting shares **
Timur Kulibayev and Dinara Kulibayeva	41.80%	67.41%	41.80%	67.33%
Samruk-Kazyna	26.81%	24.60%	26.81%	24.57%
Others	31.39%	7.99%	31.39%	8.10%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

* Total shares issued include common and preferred shares

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

As at 30 June 2010, the Bank operated through its head office in Almaty and its 22 regional branches, 125 sub-regional offices and 481 cash settlement units (as at 31 December 2009 - 22, 125 and 475, respectively) located throughout Kazakhstan. The address of the Bank's registered office is: 109V Abai Avenue, Almaty, 050008, Kazakhstan.

The condensed interim consolidated financial information of the Group for the six months ended 30 June 2010 was authorized for issue by the Management Board of the Bank on 11 August 2010.

2. BASIS OF PRESENTATION

Accounting basis

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

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

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

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

Consolidated Subsidiaries

This condensed interim consolidated financial information includes the following subsidiaries:

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

Associates

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

Associate	Holding, %	Country	Activity	Share in net loss	Total assets	Total liabilities	Equity	Total revenue
As at 30 June 2010 and for the six-month period then ended (unaudited)								
JSC Processing Center	25.14	Kazakhstan	Processing	(11)	95	-	95	-
As at 31 December 2009 and for the year then ended								
JSC Processing Center	25.14	Kazakhstan	Processing	(27)	208	1	207	49

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. SIGNIFICANT ACCOUNTING ESTIMATES

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

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

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

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

The carrying amount of the allowance for impairment of loans to customers as at 30 June 2010 is KZT 230,734 million (as at 31 December 2009: KZT 207,101 million).

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

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

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

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

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

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

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

5. RECLASSIFICATIONS

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

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

	As previously reported six months ended 30 June 2009	Reclassification	As reclassified six months ended 30 June 2009
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT			
Fee and commission expense	(969)	(1,131)	(2,100)
Fees and commissions, net	19,171	(1,131)	18,040
Operating expenses	(19,044)	1,131	(17,913)
NON-INTEREST EXPENSES	(21,009)	1,131	(19,878)

	As previously reported six months ended 31 June 2009	Reclassification	As reclassified six months ended 30 June 2009
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS			
Fee and commission paid	(969)	(1,131)	(2,100)
Operating expenses paid	(17,717)	1,131	(16,586)

6. CASH AND CASH EQUIVALENTS

	30 June 2010 (unaudited)	30 June 2009 (unaudited)	31 December 2009
Cash on hand	36,136	32,257	42,437
Recorded as loans and receivables in accordance with IAS 39:			
Correspondent accounts with Organization for Economic Co-operation and Development countries (the "OECD") based banks	8,512	4,518	17,238
Correspondent accounts with non-OECD based banks	2,937	6,101	5,678
Correspondent accounts with National Bank of Kazakhstan («NBK»)	53,255	32,494	-
Overnight deposits with OECD based banks	117,479	214,379	102,847
Short-term deposits with NBK	110,061	96,066	207,058
Short-term deposits with OECD based banks	44,741	146,700	94,540
Short-term deposits with non-OECD based banks	5,143	2,534	5,459
Short-term deposits with Kazakhstan banks	200	8,132	5,365
	<u>378,464</u>	<u>543,181</u>	<u>480,622</u>

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

	30 June 2010 (unaudited)		31 December 2009	
	KZT	Foreign currencies	KZT	Foreign currencies
Overnight deposits with OECD based banks	-	0.2%-0.4%	-	0.1%-0.2%
Short-term deposits with NBK	1.0%	-	1.0%	-
Short-term deposits with OECD based banks	-	0.4%-2.5%	2.0%	0.2%-0.4%
Short-term deposits with non-OECD based banks	-	2.3%-6.0%	-	5.0%
Short-term deposits with Kazakhstan banks	0.2%	-	1.5%-1.6%	-

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

	30 June 2010 (unaudited)		31 December 2009	
	Carrying value of deposits	Fair value of collateral	Carrying value of deposits	Fair value of collateral
NBK notes	200	211	2,352	2,475
Treasury bills of the Ministry of Finance of Kazakhstan	-	-	3,010	3,367
	<u>200</u>	<u>211</u>	<u>5,362</u>	<u>5,842</u>

7. OBLIGATORY RESERVES

	30 June 2010 (unaudited)	31 December 2009
Recorded as loans and receivables in accordance with IAS 39:		
Due from the NBK allocated to obligatory reserves	28,385	25,949

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

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

	30 June 2010 (unaudited)	31 December 2009
Financial assets held for trading:		
Derivative financial instruments	5,634	5,179
Equity securities of Kazakhstan banks	861	1,012
Mutual investment funds shares	170	202
Bonds of Kazakhstan banks	108	-
Corporate bonds	82	25
Securities of foreign countries and organizations	70	602
Equity securities of Kazakhstan corporations	15	1,508
	<u>6,940</u>	<u>8,528</u>
	30 June 2010 (unaudited)	31 December 2009
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments	3,454	3,201

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

	30 June 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Bonds of Kazakhstan banks	5.0%-15.0%	2010-2014	-	-
Corporate bonds	7.0%-18.0%	2013-2015	8.0%	2010-2015
Securities of foreign countries and organizations	12.9%	2011	0.7%	2011

Derivative financial instruments comprise:

	30 June 2010 (unaudited)			31 December 2009		
	Nominal Amount	Net fair value		Nominal Amount	Net fair value	
		Asset	Liability		Asset	Liability
Foreign currency contracts:						
Forwards	133,799	5,105	3,323	46,104	3,782	3,019
Options	9,035	443	-	6,913	1,322	-
Swaps	13,525	76	125	6,784	75	182
Other	8,738	10	6		-	-
		<u>5,634</u>	<u>3,454</u>		<u>5,179</u>	<u>3,201</u>

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

9. AMOUNTS DUE FROM CREDIT INSTITUTIONS

	30 June 2010 (unaudited)	31 December 2009
Recorded as loans and receivables in accordance with IAS 39:		
Term deposits	9,439	49,380
Deposit pledged as collateral for derivative financial instruments and other transactions	7,824	6,545
Loans to Kazakhstan credit institutions	104	185
	<u>17,367</u>	<u>56,110</u>
Less - Allowance for loan impairment (Note 18)	(8)	(9)
	<u>17,359</u>	<u>56,101</u>

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

	30 June 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Term deposits	0.1%-12.5%	2010-2013	5.5%-8.5%	2010
Deposit pledged as collateral for derivative financial instruments and other	0.2%-1.8%	2012	0.1%	2012
Loans to Kazakhstan credit institutions	12.0%-17.0%	2015	11.1%	2015

10. AVAILABLE-FOR-SALE INVESTMENT SECURITIES

	30 June 2010 (unaudited)	31 December 2009
NBK notes	239,350	84,622
Treasury bills of the Ministry of Finance of Kazakhstan	200,887	95,956
Corporate bonds	73,553	6,142
Securities of foreign countries and organizations	7,217	7,363
Bonds of Kazakhstan banks	3,361	1,168
Bonds of Development Bank of Kazakhstan	2,580	2,514
Equity securities of Kazakhstan corporations	2,125	1,446
Mutual investment funds shares	2,083	1,307
Equity securities of Kazakhstan banks	210	57
Treasury bills of the Kyrgyz Republic	191	200
Equity securities of foreign corporations	187	176
	<u>531,744</u>	<u>200,951</u>
Less – Allowance for impairment (Note 18)	<u>(1,137)</u>	<u>(730)</u>
	<u><u>530,607</u></u>	<u><u>200,221</u></u>
Subject to repurchase agreements	31,436	87,856

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

	30 June 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
NBK notes	1.0%-2.0%	2010	2.0%-3.1%	2010
Treasury bills of the Ministry of Finance of Kazakhstan	1.7%-18.7%	2010-2024	2.0%-18.7%	2010-2019
Corporate bonds	2.1%-27.8%	2010-2020	0.2%-19.2%	2010-2021
Securities of foreign countries and organizations	0.2%-111.6%	2010-2014	7.4%-15.0%	2011-2014
Bonds of Kazakhstan banks	4.2%-20.9%	2010-2016	6.1%-15.0%	2010-2016
Bonds of Development Bank of Kazakhstan	7.0%	2026	7.0%	2026
Treasury bills of the Kyrgyz Republic	9.0%	2011	3.0%-19.0%	2010

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

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

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

Fair value of debt and equity securities which were previously reclassified is presented in the tables below:

		As at reporting date 30 June 2010 (unaudited)	As at reclassification date 31 December 2008
	Effective interest rate, %	Fair value	Fair value
Debt securities:			
Bonds of Development Bank of Kazakhstan	7.0%	2,580	2,213
Securities of foreign countries and organizations	8.0%-28.0%	389	1,987
		<u>2,969</u>	<u>4,200</u>
Equity securities:			
Mutual investment funds shares		1,026	651
Equity securities of Kazakhstan corporations		51	74
		<u>1,077</u>	<u>725</u>

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

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

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

	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Debt securities:		
Bonds of Development Bank of Kazakhstan	81	(3)
Securities of foreign countries and organizations	26	(961)
	<u>107</u>	<u>(964)</u>

	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Equity securities:		
Mutual investment funds shares	(16)	132
Equity securities of Kazakhstan corporations	(6)	(18)
	<u>(22)</u>	<u>114</u>

11. INVESTMENTS HELD TO MATURITY

	30 June 2010 (unaudited)	31 December 2009
Treasury bills of the Ministry of Finance of Kazakhstan	6,550	4,471
Securities of foreign countries and organizations	4,844	10,893
Notes of National Bank of Georgia	548	1,373
Corporate bonds	450	449
	<u>12,392</u>	<u>17,186</u>

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

	30 June 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Treasury bills of the Ministry of Finance of Kazakhstan	7.0%-7.3%	2013-2015	5.1%-6.1%	2010
Securities of foreign countries and organizations	3.7%-20.3%	2010-2016	3.0%-19.0%	2010
Notes of National Bank of Georgia	5.1%-9.3%	2010	3.0%-8.1%	2010
Corporate bonds	6.3%-7.5%	2011-2017	6.3%-14.0%	2011-2017

12. LOANS TO CUSTOMERS

	30 June 2010 (unaudited)	31 December 2009
Recorded as loans and receivables in accordance with IAS 39:		
Originated loans to customers	1,320,628	1,339,191
Overdrafts	1,326	1,145
Promissory notes	227	-
	<u>1,322,181</u>	<u>1,340,336</u>
Less – Allowance for loan impairment (Note 18)	(230,734)	(207,101)
	<u>1,091,447</u>	<u>1,133,235</u>

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

As at 30 June 2010, the Group had a concentration of loans of KZT 241,934 million from the ten largest borrowers that comprised 18.29% of the Group's total gross loan portfolio (as at 31 December 2009 – KZT 259,063 million; 19%) and 83% of the Group's total equity (as at 31 December 2009 – 92%). As at 30 June 2010 an allowance for loan impairment amounting to KZT 44,259 million was made against these loans (as at 31 December 2009 – KZT 25,294 million).

Loans are made to the following sectors:

	30 June 2010 (unaudited)	%	31 December 2009	%
Retail loans:				
- mortgage loans	139,830	11%	149,442	11%
- consumer loans	131,557	10%	149,073	10%
	<u>271,387</u>		<u>298,515</u>	
Wholesale trade	295,647	22%	271,719	20%
Construction	179,429	14%	190,819	14%
Services	101,458	8%	94,606	7%
Real estate	98,811	7%	94,513	7%
Retail trade	96,521	7%	100,359	8%
Agriculture	88,352	7%	105,034	8%
Metallurgy	44,956	3%	40,768	3%
Food industry	29,845	2%	31,435	2%
Oil and gas	21,991	2%	22,601	2%
Hotel industry	21,641	2%	22,082	2%
Transportation	21,618	2%	22,398	2%
Machinery	10,161	1%	7,305	1%
Energy	10,079	1%	11,180	1%
Mining	5,529	0%	4,474	0%
Communication	31	0%	702	0%
Other	24,725	2%	21,826	2%
	<u>1,322,181</u>	<u>100%</u>	<u>1,340,336</u>	<u>100%</u>

As at 30 June 2010 the amount of accrued interest on impaired loans comprised KZT 117,480 million (as at 31 December 2009 – KZT 101,860 million).

13. INSURANCE ASSETS AND LIABILITIES

	30 June 2010 (unaudited)	31 December 2009
Reinsurance amounts recoverable	4,125	1,147
Reinsurance premium unearned	3,940	2,163
	<u>8,065</u>	<u>3,310</u>
Premiums receivable	6,022	1,635
Insurance assets	<u>14,087</u>	<u>4,945</u>
	<u>15,596</u>	<u>8,402</u>
Gross unearned insurance premium reserve	8,613	5,394
Reserves for insurance claims	6,983	3,008
	<u>15,596</u>	<u>8,402</u>
Payables to reinsurers and agents	4,279	1,184
Insurance liabilities	<u>19,875</u>	<u>9,586</u>

14. OTHER ASSETS

	30 June 2010 (unaudited)	31 December 2009
Other financial assets recorded as loans and receivables in accordance with IAS 39:		
Debtors on banking activities	5,971	1,305
Debtors on non-banking activities	1,397	1,319
Accrued other commission income	746	448
Accrued commission for managing pension assets	281	416
Other	234	171
	<hr/>	<hr/>
	8,629	3,659
Less – Allowance for impairment (Note 18)	(784)	(930)
	<hr/>	<hr/>
	7,845	2,729
Other non financial assets:		
Income tax prepaid	6,191	7,426
Prepayments for property and equipment	1,312	516
Inventory	1,139	1,042
Advances for taxes other than income tax	532	543
Deferred tax assets (Note 19)	398	247
Investments in associates	220	228
Other	597	318
	<hr/>	<hr/>
	10,389	10,320
Less – Allowance for impairment (Note 18)	(764)	(542)
	<hr/>	<hr/>
	9,625	9,778
	<hr/>	<hr/>
	17,470	12,507
	<hr/> <hr/>	<hr/> <hr/>

15. AMOUNTS DUE TO CUSTOMERS

	30 June 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Term deposits:		
Legal entities	634,369	556,287
Individuals	330,111	317,527
	<hr/>	<hr/>
	964,480	873,814
Current accounts:		
Legal entities	411,200	317,702
Individuals	99,989	82,553
	<hr/>	<hr/>
	511,189	400,255
	<hr/>	<hr/>
	1,475,669	1,274,069
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2010, the Group's ten largest customers accounted for approximately 51% of the total amounts due to customers (31 December 2009 – 52%).

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

An analysis of customer accounts by sector follows:

	30 June 2010 (unaudited)	%	31 December 2009	%
Individuals and entrepreneurs	430,100	29%	400,080	31%
Oil and gas	362,072	25%	369,987	29%
Wholesale trade	131,152	9%	80,858	6%
Other consumer services	106,883	7%	85,684	7%
Transportation	104,813	7%	72,754	6%
Construction	65,592	4%	65,418	5%
Metallurgy	53,683	4%	25,853	2%
Energy	32,960	2%	20,573	2%
Insurance	26,295	2%	11,580	1%
Financial sector	23,457	2%	30,365	2%
Communication	23,050	2%	12,737	1%
Government	22,835	2%	83,822	7%
Education	18,868	1%	10,281	1%
Healthcare and social services	12,378	1%	3,137	0%
Other	61,531	4%	940	0%
	<u>1,475,669</u>	<u>100%</u>	<u>1,274,069</u>	<u>100%</u>

16. AMOUNTS DUE TO CREDIT INSTITUTIONS

	30 June 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Correspondent accounts	42,815	40,082
Loans and deposits from Kazakhstan banks	32,329	90,134
Loans and deposits from OECD based banks	20,048	27,292
Loans from the Fund for Small Entrepreneurship Development "DAMU"	11,008	11,925
Overnight deposits	2,000	1,000
Loans from other financial institutions	1,688	1,933
Loans and deposits from non-OECD based banks	281	340
	<u>110,169</u>	<u>172,706</u>

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

	30 June 2010 (unaudited)		31 December 2009	
	Interest rate, %	Maturity, year	Interest rate, %	Maturity, year
Loans and deposits from Kazakhstan banks	0.2%-4.6%	2010	0.5%-8.5%	2010
Loans and deposits from OECD based banks	0.9%-7.7%	2010-2023	1.1%-7.7%	2010-2023
Loans from the Fund for Small Entrepreneurship Development "DAMU"	7.7%	2016	7.7%	2016
Overnight deposits	0.6%	2010	0.5%-1.2%	2010
Loans from other financial institutions	2.4%-3.1%	2011-2014	2.7%-3.2%	2011-2014
Loans and deposits from non-OECD based banks	2.4%	2012	2.7%	2012

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

	30 June 2010 (unaudited)		31 December 2009	
	Fair value of collateral	Carrying value of loans	Fair value of collateral	Carrying value of loans
NBK notes	31,436	29,867	58,870	55,935
Treasury bills of the Ministry of Finance of Kazakhstan	-	-	28,986	26,160
	<u>31,436</u>	<u>29,867</u>	<u>87,856</u>	<u>82,095</u>

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

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

17. DEBT SECURITIES ISSUED

	30 June 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Subordinated debt securities issued:		
Fixed rate KZT denominated bonds	16,543	15,996
Inflation indexed KZT denominated bonds	14,138	19,120
Reverse inflation indexed KZT denominated bonds	8,128	8,947
Total subordinated debt securities outstanding	<u>38,809</u>	<u>44,063</u>
Unsubordinated debt securities issued:		
USD denominated bonds	207,617	208,627
KZT denominated bonds	9,232	11,203
Total unsubordinated debt securities outstanding	<u>216,849</u>	<u>219,830</u>
Total debt securities outstanding	<u>255,658</u>	<u>263,893</u>

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

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

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

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

18. ALLOWANCES FOR IMPAIRMENT LOSSES AND PROVISIONS

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

	Loans to customers	Amounts due from credit institutions	Available- for-sale investment securities	Other assets	Total
31 March 2009 (unaudited)	(155,128)	(56)	(223)	(1,780)	(157,187)
(Additional provisions recognized)/recovery of provision	(24,679)	22	(242)	(412)	(25,311)
Foreign exchange differences	26	1	-	(10)	17
Write-offs	22	-	-	1	23
	<u>(179,759)</u>	<u>(33)</u>	<u>(465)</u>	<u>(2,201)</u>	<u>(182,458)</u>
30 June 2009 (unaudited)					
31 March 2010 (unaudited)	(218,284)	(15)	(1,372)	(1,422)	(221,093)
(Additional provisions recognized)/recovery of provision	(12,572)	8	236	(149)	(12,477)
Foreign exchange differences	105	(1)	(1)	9	112
Write-offs	17	-	-	14	31
	<u>(230,734)</u>	<u>(8)</u>	<u>(1,137)</u>	<u>(1,548)</u>	<u>(233,427)</u>
30 June 2010 (unaudited)					
31 December 2008	(115,052)	(17)	-	(1,074)	(116,143)
Additional provisions recognized	(51,937)	(12)	(465)	(1,185)	(53,599)
Foreign exchange differences	(12,809)	(4)	-	(8)	(12,821)
Write-offs	39	-	-	66	105
	<u>(179,759)</u>	<u>(33)</u>	<u>(465)</u>	<u>(2,201)</u>	<u>(182,458)</u>
30 June 2009 (unaudited)					
31 December 2009	(207,101)	(9)	(730)	(1,472)	(209,312)
(Additional provisions recognized)/recovery of provisions	(25,198)	2	(406)	(221)	(25,823)
Foreign exchange differences	1,517	(1)	(1)	15	1,530
Write-offs	48	-	-	130	178
	<u>(230,734)</u>	<u>(8)</u>	<u>(1,137)</u>	<u>(1,548)</u>	<u>(233,427)</u>
30 June 2010 (unaudited)					

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

The movements in provisions were as follows:

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
At the beginning of the period	(3,269)	(2,081)	(4,433)	(2,889)
Recovery of provisions	1,106	485	3,487	4,320
Additional provisions recognized	(2,174)	(1,786)	(3,457)	(4,513)
Foreign exchange differences	35	(34)	101	(334)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At the end of the period	<u>(4,302)</u>	<u>(3,416)</u>	<u>(4,302)</u>	<u>(3,416)</u>

Provisions represent provisions against letters of credit and guarantees issued.

19. TAXATION

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

The income tax expense comprises:

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Current tax charge	1,312	43	3,196	478
Deferred tax benefit	(334)	(25)	(94)	(168)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Income tax expense	<u>978</u>	<u>18</u>	<u>3,102</u>	<u>310</u>

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

There was a change during 2009 in tax legislation in Kazakhstan in relation to corporate income tax, which is set at 20% for financial years ending 31 December 2009, 2010 and 2011, 17.5% for the financial year ending 31 December 2012 and 15% for financial years ending 31 December 2013 and thereafter.

Deferred tax assets and liabilities comprise:

	30 June 2010 (unaudited)	31 December 2009
Tax effect of deductible temporary differences:		
Fair value of derivatives	690	585
Insurance premium reserves	327	162
Vacation pay accrual	250	198
Losses carried forward	246	333
Provisions, different rates	59	76
Bonuses accrued	4	6
	<hr/>	<hr/>
Deferred tax asset	1,576	1,360
Tax effect of taxable temporary differences:		
Loans to customers, allowance for impairment losses	(3,359)	(3,304)
Property and equipment, accrued depreciation	(2,977)	(3,530)
Fair value of derivatives	(1,093)	(473)
	<hr/>	<hr/>
Deferred tax liability	(7,429)	(7,307)
	<hr/>	<hr/>
Net deferred tax asset (Note 14)	398	247
	<hr/>	<hr/>
Net deferred tax liability	(6,251)	(6,194)
	<hr/>	<hr/>

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

Management believes that the Group is in compliance with the tax laws affecting its operations; however, the risk remains that relevant authorities could take differing positions with regard to interpretive issues.

20. OTHER LIABILITIES

	30 June 2010 (unaudited)	31 December 2009
Other financial liabilities:		
Dividends payable on preferred shares	4,494	-
Amounts due to customers of pension funds	1,309	-
Payable for general and administrative expenses	393	437
Creditors on non-banking activities	273	997
Creditors on bank activities	239	351
Other	13	87
	<hr/>	<hr/>
	6,721	1,872
Other non financial liabilities:		
Taxes payable other than income tax	2,892	3,789
Salary payable	1,213	1,149
Other prepayments received	1,156	1,158
Current income tax payable	16	7
	<hr/>	<hr/>
	11,998	7,975
	<hr/>	<hr/>

21. EQUITY

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

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

30 June 2010 (unaudited)

	Share capital authorized	Share capital authorized and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
Common shares	2,400,000,000	(1,091,584,040)	1,308,415,960	(7,224,464)	1,301,191,496
Non-convertible preferred shares	600,000,000	(290,140,570)	309,859,430	(23,972,103)	285,887,327
Convertible preferred shares	80,225,222	-	80,225,222	(295,021)	79,930,201

30 June 2009 (unaudited)

	Share capital authorized	Share capital authorized and not issued	Fully paid and issued share capital	Share capital repurchased	Outstanding shares
Common shares	2,400,000,000	(1,156,843,885)	1,243,156,115	(7,971,189)	1,235,184,926
Non-convertible preferred shares	600,000,000	(290,140,570)	309,859,430	(431,330)	309,428,100
Convertible preferred shares	80,225,222	-	80,225,222	(184,941)	80,040,281

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

	Number of shares			Nominal (placement) amount		
	Common	Non-convertible preferred	Convertible preferred	Common	Non-convertible preferred	Convertible preferred
31 December 2008	979,431,057	24,542,679	80,111,545	49,755	2,474	13,233
Capital contributions	259,139,455	285,117,430	-	26,958	48,020	-
Purchase of treasury shares	(4,212,580)	(433,004)	(71,264)	(42)	-	-
Sale of treasury shares	826,994	200,995	-	8	-	-
30 June 2009 (unaudited)	<u>1,235,184,926</u>	<u>309,428,100</u>	<u>80,040,281</u>	<u>76,679</u>	<u>50,494</u>	<u>13,233</u>
31 December 2009	1,300,516,169	285,889,251	79,930,401	83,468	46,891	13,233
Purchase of treasury shares	(595,295)	(32,964)	(200)	(6)	-	-
Sale of treasury shares	1,270,622	31,040	-	13	-	-
30 June 2010 (unaudited)	<u>1,301,191,496</u>	<u>285,887,327</u>	<u>79,930,201</u>	<u>83,475</u>	<u>46,891</u>	<u>13,233</u>

At 30 June 2010, the Group held 7,224,464 of the Group's common shares as treasury shares at KZT 96 million (30 June 2009 – 7,971,189 at KZT 103 million).

Common Shares

Each common share is entitled to one vote and dividends.

Preferred shares

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

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

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

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

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

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

22. COMMITMENTS AND CONTINGENCIES

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

	30 June 2010 (unaudited)	31 December 2009
Guarantees issued	66,749	64,845
Commercial letters of credit	25,147	20,356
Commitments to extend credit	17,246	16,723
	<hr/>	<hr/>
Financial commitments and contingencies	109,142	101,924
Less: cash collateral against letters of credit	(1,097)	(3,518)
Less: provisions (Note 18)	(4,302)	(4,433)
	<hr/>	<hr/>
Total financial commitments and contingencies, net	<u>103,743</u>	<u>93,973</u>

Guarantees issued included above represent financial guarantees where payment is not probable as at the reporting date, and therefore have not been recorded in the condensed interim consolidated statement of financial position. As at 30 June 2010, the ten largest guarantees accounted for 76% of the Group's total financial guarantees (as at 31 December 2009 – 78%) and represented 17% of the Group's total equity (as at 31 December 2009 – 18%).

As at 30 June 2010, the ten largest letters of credit accounted for 93% of the Group's total commercial letters of credit (as at 31 December 2009 – 76%) and represented 8% of the Group's total equity (as at 31 December 2009 – 5%).

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

Trust Activities – In the normal course of its business, the Group enters into agreements with clients to manage the clients' assets with limited decision making rights and in accordance with specific criteria established by the clients. The Group may only be liable for losses or actions aimed at appropriation of the clients' funds if such funds or securities are not returned to the client. The maximum potential financial risk of the Group on any date is equal to the volume of the clients' funds, net of any unrealized income/loss on the client's position. The balance of the clients' funds under the management of the Group, as at 30 June 2010 is KZT 625 billion (31 December 2009 – KZT 560 billion).

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

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

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

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

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

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

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

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

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

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

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

23. NET INTEREST INCOME

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Interest income comprises:				
Interest income on financial assets recorded at amortized cost:				
- interest income on impaired assets	38,499	47,755	81,767	95,631
- interest income on unimpaired assets	1,166	988	2,513	2,173
Interest income on available-for-sale investment securities	3,778	2,277	6,563	4,359
Interest income on financial assets at fair value through profit or loss	7	16	18	109
Total interest income	<u>43,450</u>	<u>51,036</u>	<u>90,861</u>	<u>102,272</u>
Interest income on financial assets recorded at amortized cost comprises:				
Interest income on loans to customers	38,518	46,099	81,779	93,959
Interest income on investments held-to-maturity	339	887	863	1,758
Interest income on amounts due from credit institutions and cash and cash equivalents	808	1,757	1,638	2,087
Total interest income on financial assets recorded at amortized cost	<u>39,665</u>	<u>48,743</u>	<u>84,280</u>	<u>97,804</u>
Interest income on financial assets at fair value through profit or loss:				
Interest income on financial assets held-for-trading	7	16	18	109
Total interest income on financial assets at fair value through profit or loss	<u>7</u>	<u>16</u>	<u>18</u>	<u>109</u>
Interest income on available-for-sale investment securities	3,778	2,277	6,563	4,359
Total interest income	<u>43,450</u>	<u>51,036</u>	<u>90,861</u>	<u>102,272</u>
Interest expense comprises:				
Interest expense on financial liabilities recorded at amortized cost				
Total interest expense	<u>(22,630)</u>	<u>(27,253)</u>	<u>(45,944)</u>	<u>(54,133)</u>
Interest expense on financial liabilities recorded at amortized cost comprise:				
Interest expense on amounts due to customers	(16,140)	(16,925)	(32,603)	(32,929)
Interest expense on debt securities issued	(5,588)	(8,495)	(11,192)	(14,883)
Interest expense on amounts due to credit institutions	(902)	(1,833)	(2,149)	(6,321)
Total interest expense on financial liabilities recorded at amortized cost	<u>(22,630)</u>	<u>(27,253)</u>	<u>(45,944)</u>	<u>(54,133)</u>
Net interest income before impairment charge	<u>20,820</u>	<u>23,783</u>	<u>44,917</u>	<u>48,139</u>

24. FEES AND COMMISSIONS

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Bank transfers	2,593	2,244	4,727	4,070
Maintenance of customer accounts	863	960	1,233	1,372
Plastic cards maintenance	819	591	1,572	1,502
Cash operations	800	743	1,472	1,391
Customers' pension payments	708	499	1,253	986
Letters of credit and guarantees issued	546	468	996	821
Utilities payments	96	78	187	149
Pension fund and asset management	8	3,560	3,451	9,374
Foreign currency operations	1	3	2	13
Other	415	250	714	462
	<u>6,849</u>	<u>9,396</u>	<u>15,607</u>	<u>20,140</u>

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

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Net gain on operations with financial assets and liabilities classified as held for trading:				
Gain/(loss) on trading operations	482	(140)	608	824
Net fair value adjustment	(425)	873	166	326
	<u>57</u>	<u>733</u>	<u>774</u>	<u>1,150</u>

26. NET GAIN ON FOREIGN EXCHANGE OPERATIONS

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Dealing, net	1,708	2,028	3,296	6,586
Translation differences, net	222	627	659	205
	<u>1,930</u>	<u>2,655</u>	<u>3,955</u>	<u>6,791</u>

27. INSURANCE UNDERWRITING INCOME

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Insurance premiums written, gross	5,427	4,726	12,046	9,230
Change in unearned insurance premiums, net	38	(58)	(1,752)	(990)
Ceded reinsurance share	(2,762)	(2,707)	(4,692)	(4,235)
	<u>2,703</u>	<u>1,961</u>	<u>5,602</u>	<u>4,005</u>

28. OPERATING EXPENSES

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Salaries and other employee benefits	4,492	4,024	8,775	8,290
Depreciation and amortization expenses	1,694	1,677	3,308	3,253
Taxes other than income tax	466	410	947	889
Repairs and maintenance	377	454	599	904
Security expenses	347	332	701	652
Communication expenses	297	283	582	589
Rent expenses	246	382	526	806
Insurance agent's fees	226	362	444	625
Stationery and office supplies	190	32	324	226
Advertisement	153	85	245	158
Business trip expenses	141	94	243	200
Information services	140	153	278	287
Transportation	98	85	186	189
Professional services	60	184	277	387
Charity	33	27	49	33
Hospitality expenses	18	6	30	18
Social events	3	2	9	4
Write-off of intangible assets	-	-	1,093	-
Other	807	182	1,597	403
	<u>9,788</u>	<u>8,774</u>	<u>20,213</u>	<u>17,913</u>

29. EARNINGS/(LOSS) PER SHARE

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

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

The following table presents basic and diluted earnings/(loss) per share:

	Three months ended 30 June 2010 (unaudited)	Three months ended 30 June 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)	Six months ended 30 June 2009 (unaudited)
Basic earnings/(loss) per share				
Net income for the period attributable to shareholders	5,258	202	16,598	4,178
Less: Additional dividends that would be paid on full distribution of profit to the preferred shareholders	-	-	-	-
Less: Dividends paid on preference shares	<u>(4,494)</u>	<u>(1,680)</u>	<u>(4,494)</u>	<u>(1,680)</u>
Earnings attributable to common shareholders	<u>764</u>	<u>(1,478)</u>	<u>12,104</u>	<u>2,498</u>
Weighted average number of common shares for the purposes of basic earnings per share	<u>1,301,099,792</u>	<u>1,235,202,347</u>	<u>1,300,829,615</u>	<u>1,113,763,704</u>
Basic earnings/(loss) per share (in Kazakhstani Tenge)	<u>0.59</u>	<u>(1.20)</u>	<u>9.30</u>	<u>2.24</u>
Diluted earnings/(loss) per share				
Net income/(loss) for the period attributable to common shareholders	764	(1,478)	12,104	2,498
Add: Additional dividends that would be paid on full distribution of profit to the convertible preferred shareholders	N/A	N/A	N/A	N/A
Add: Dividends paid on convertible preferred shares	N/A	N/A	N/A	N/A
Less: Amounts payable to convertible preferred shareholders upon conversion	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Earnings/(loss) used in the calculation of total diluted earnings per share	<u>764</u>	<u>(1,478)</u>	<u>12,104</u>	<u>2,498</u>
Weighted average number of common shares for the purposes of basic earnings per share	1,301,099,792	1,235,202,347	1,300,829,615	1,113,763,704
Shares deemed to be issued:				
Weighted average number of common shares that would be issued for the convertible preferred shares	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Weighted average number of common shares for the purposes of diluted earnings per share	<u>1,301,099,792</u>	<u>1,235,202,347</u>	<u>1,300,829,615</u>	<u>1,113,763,704</u>
Diluted earnings/(loss) per share (in Kazakhstani Tenge)*	<u>0.59</u>	<u>(1.20)</u>	<u>9.30</u>	<u>2.24</u>

*For the three and six months ended 30 June 2010 and 2009 the convertible preferred shares were not included in the computation of diluted earnings/(loss) per share as their effect was anti-dilutive.

30. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

The Group recognizes that it is essential to have efficient and effective risk management processes in place. To enable this, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. Through the risk management framework, the Group manages the following risks:

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

	30 June 2010 (unaudited)			31 December 2009		
	KZT	Foreign currencies	Total	KZT	Foreign currencies	Total
FINANCIAL ASSETS:						
Cash and cash equivalents	135,665	242,799	378,464	242,624	237,998	480,622
Obligatory reserves	11,323	17,062	28,385	7,991	17,958	25,949
Financial assets at fair value through profit or loss	1,652	5,288	6,940	2,750	5,778	8,528
Amounts due from credit institutions	7,448	9,911	17,359	2,864	53,237	56,101
Available-for-sale investment securities	434,336	96,271	530,607	193,889	6,332	200,221
Investments held to maturity	7,000	5,392	12,392	9,005	8,181	17,186
Loans to customers	536,368	555,079	1,091,447	544,296	588,939	1,133,235
Other financial assets	3,123	4,722	7,845	2,516	213	2,729
	<u>1,136,915</u>	<u>936,524</u>	<u>2,073,439</u>	<u>1,005,935</u>	<u>918,636</u>	<u>1,924,571</u>
FINANCIAL LIABILITIES:						
Amounts due to customers	730,177	745,492	1,475,669	569,663	704,406	1,274,069
Amounts due to credit institutions	85,677	24,492	110,169	141,108	31,598	172,706
Financial liabilities at fair value through profit or loss	70	3,384	3,454	-	3,201	3,201
Debt securities issued	48,040	207,618	255,658	55,266	208,627	263,893
Other financial liabilities	6,555	166	6,721	1,594	278	1,872
	<u>870,519</u>	<u>981,152</u>	<u>1,851,671</u>	<u>767,631</u>	<u>948,110</u>	<u>1,715,741</u>
Net financial position	<u>266,396</u>	<u>(44,628)</u>	<u>221,768</u>	<u>238,304</u>	<u>(29,474)</u>	<u>208,830</u>

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

Liquidity Risk – Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due. Short-term liquidity needs are managed by the Bank’s Treasury function collecting daily customers’ cash inflow/outflow forecasts. Long-term liquidity management is performed by the Assets and Liabilities Management Committee by analyzing longer term liquidity positions and making decisions on managing significant gaps through various available means. The Assets and Liabilities Management Committee within the authority approved by the Board of Directors sets limits on the minimum proportion of maturing funds available to meet deposit withdrawals and on the minimum level on interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The following tables provide an analysis of financial assets and liabilities grouped on the basis of the remaining period from the reporting date to the contractual maturity date, except for financial assets at fair value through profit or loss which are included in the column “On demand” as they are available to meet the Group’s short-term liquidity needs. The presentation below is based upon the information provided internally to key management personnel of the Group.

	30 June 2010 (unaudited)								Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Over 5 years	
FINANCIAL ASSETS:									
Cash and cash equivalents	100,840	233,358	44,266	-	-	-	-	-	378,464
Obligatory reserves	9,846	2,984	4,335	9,036	1,140	429	73	542	28,385
Financial assets at fair value through profit or loss	6,940	-	-	-	-	-	-	-	6,940
Amounts due from credit institutions	5	2	61	4,682	11,774	818	7	10	17,359
Available-for-sale investment securities	45	54,769	119,572	163,646	39,083	33,893	95,006	24,593	530,607
Investments held to maturity	-	170	1,258	538	201	1,600	4,778	3,847	12,392
Loans to customers	54,736	132,784	106,043	526,444	80,611	49,190	46,731	94,908	1,091,447
Other financial assets	317	6,283	837	195	70	59	15	69	7,845
	<u>172,729</u>	<u>430,350</u>	<u>276,372</u>	<u>704,541</u>	<u>132,879</u>	<u>85,989</u>	<u>146,610</u>	<u>123,969</u>	<u>2,073,439</u>
FINANCIAL LIABILITIES:									
Amounts due to customers	511,869	155,155	225,382	469,751	59,255	22,326	3,772	28,159	1,475,669
Amounts due to credit institutions	44,270	32,088	697	1,809	4,763	4,560	4,506	17,476	110,169
Financial liabilities at fair value through profit or loss	3,454	-	-	-	-	-	-	-	3,454
Debt securities issued	-	100	-	3,835	8,869	39,803	79,295	123,756	255,658
Other financial liabilities	4,654	556	25	1,386	-	56	44	-	6,721
	<u>564,247</u>	<u>187,899</u>	<u>226,104</u>	<u>476,781</u>	<u>72,887</u>	<u>66,745</u>	<u>87,617</u>	<u>169,391</u>	<u>1,851,671</u>
Net position	<u>(391,518)</u>	<u>242,451</u>	<u>50,268</u>	<u>227,760</u>	<u>59,992</u>	<u>19,244</u>	<u>58,993</u>	<u>(45,422)</u>	
Accumulated gap	<u>(391,518)</u>	<u>(149,067)</u>	<u>(98,799)</u>	<u>128,961</u>	<u>188,953</u>	<u>208,197</u>	<u>267,190</u>	<u>221,768</u>	

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

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

31. SEGMENT ANALYSIS

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

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

The products and services offered by each segment are:

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

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

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

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

Segment information for the main reportable business segments of the Group for the six months ended 30 June 2010 and 2009 is set out below:

	Retail banking	Corporate banking	Other	Total
As at 30 June 2010 and for the six months ended (unaudited)				
External revenues	24,585	86,936	6,051	117,572
Total revenues	24,585	86,936	6,051	117,572
Total revenues comprise:				
- Interest income	20,915	69,946	-	90,861
- Fee and commission income	2,963	12,644	-	15,607
- Net gain/(loss) on foreign exchange operations	707	4,357	(1,109)	3,955
- Net gain from financial assets and liabilities at fair value through profit or loss	-	-	774	774
- Net realized loss from available-for-sale investment securities	-	-	(29)	(29)
- Insurance underwriting income and other income	-	-	6,415	6,415
- Share of loss of associates	-	(11)	-	(11)
Total revenues	24,585	86,936	6,051	117,572
- Interest expense on amounts due to customers	(13,955)	(18,648)	-	(32,603)
- Impairment charge	(3,989)	(21,834)	-	(25,823)
- Fee and commission expense	(1,940)	(716)	-	(2,656)
- Salaries and other employee benefits	(1,622)	(7,153)	-	(8,775)
- Advertisement expenses	(245)	-	-	(245)
- Recoveries of provision	-	30	-	30
Segment result	2,834	38,615	6,051	47,500
Unallocated costs:				
- Interest expense from debt securities issued and amounts due to credit institutions				(13,341)
- Insurance claims incurred, net of reinsurance				(3,235)
- Unallocated operating expenses				(11,193)
				(27,769)
Income before income tax expense				19,731
Income tax expense				(3,102)
Net income				16,629
Total segment assets	260,163	1,227,107	550,159	2,037,429
Unallocated assets				143,065
Total assets				2,180,494
Total segment liabilities	(430,100)	(1,045,569)	(4,302)	(1,479,971)
Unallocated liabilities				(407,405)
Total liabilities				(1,887,376)
Other segment items:				
Capital expenditure (unallocated)				(3,526)
Depreciation and amortization expense (unallocated)				(3,308)

	Retail banking	Corporate banking	Other	Total
As at 30 June 2009 and for the six months then ended (unaudited)				
External revenues	48,157	81,025	5,156	134,338
Total revenues	<u>48,157</u>	<u>81,025</u>	<u>5,156</u>	<u>134,338</u>
Total revenues comprise:				
- Interest income	29,224	73,048	-	102,272
- Fee and commission income	16,331	3,809	-	20,140
- Net gain on foreign exchange operations	2,602	4,189	-	6,791
- Net gain from financial assets and liabilities at fair value through profit or loss	-	-	1,150	1,150
- Net realized loss from available-for-sale investment securities	-	-	(1,138)	(1,138)
- Net gain from repurchase of debt securities issued	-	-	439	439
- Insurance underwriting income and other income	-	-	4,705	4,705
- Share of loss of associates	-	(21)	-	(21)
Total revenues	<u>48,157</u>	<u>81,025</u>	<u>5,156</u>	<u>134,338</u>
- Interest expense on amounts due to customers	(12,201)	(20,728)	-	(32,929)
- Impairment charge	(12,467)	(41,132)	-	(53,599)
- Fee and commission expense	(1,378)	(722)	-	(2,100)
- Salaries and other employee benefits	(2,321)	(5,969)	-	(8,290)
- Advertisement expenses	(158)	-	-	(158)
- Other provisions	31	(224)	-	(193)
Segment result	<u>19,663</u>	<u>12,250</u>	<u>5,156</u>	<u>37,069</u>
Unallocated costs:				
- Interest expense from debt securities issued and amounts due to credit institutions				(21,204)
- Insurance claims incurred, net of reinsurance				(1,772)
- Unallocated operating expenses				(9,465)
				<u>(32,441)</u>
Income before income tax expense				4,628
Income tax expense				(310)
Net income				<u><u>4,318</u></u>
Total segment assets	340,283	1,426,314	131,148	1,897,745
Unallocated assets				<u>137,393</u>
Total assets				<u>2,035,138</u>
Total segment liabilities	(372,896)	(815,681)	(3,416)	(1,191,993)
Unallocated liabilities				<u>(573,886)</u>
Total liabilities				<u><u>(1,765,879)</u></u>
Other segment items:				
Capital expenditure (unallocated)				(5,448)
Depreciation and amortization expense (unallocated)				(3,253)

Geographical information – Segment information for the main geographical segments of the Group is set out below as at 30 June 2010 and 2009 and for the six-months then ended

	Kazakhstan	OECD	Non-OECD	Total
30 June 2010 (unaudited)				
Total assets	1,928,168	221,757	30,569	2,180,494
31 December 2009				
Total assets	1,724,165	271,720	27,124	2,023,009
Six months ended				
30 June 2010 (unaudited)				
External revenues	116,280	706	586	117,572
Capital expenditure	(3,526)	-	-	(3,526)
Six months ended				
30 June 2009 (unaudited)				
External revenues	129,489	4,716	133	134,338
Capital expenditure	(5,448)	-	-	(5,448)

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

32. SUBSEQUENT EVENTS

On 14 July 2010, the Group has paid the dividends on convertible shares in amount of KZT 4,493 million tenge.

33. RELATED PARTY TRANSACTIONS

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

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

Samruk-Kazyna is a shareholder of the Group since 27 March 2009 (please see Note 1, page 10). The ultimate shareholder of the Group Timur Kulibayev holds the position of deputy chairman in Samruk-Kazyna since October 2008. The functional responsibilities of Timur Kulibayev do not allow him to exercise significant control over the operations and policies of Samruk-Kazyna or otherwise influence its governance.

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

	30 June 2010 (unaudited)		31 December 2009	
	Related party balances	Total category as per financial statements caption	Related party balances	Total category as per financial statements caption
Financial assets at fair value through profit or loss	37	6,940	1,508	8,528
- <i>Subsidiaries of Samruk-Kazyna</i>	37		1,508	
Available-for-sale investment securities before allowance for impairment	34,461	531,744	6,852	200,951
- <i>Subsidiaries of Samruk-Kazyna</i>	34,461		6,852	
Allowance for impairment losses on available-for-sale investment securities	(474)	(1,137)	(408)	(730)
- <i>Subsidiaries of Samruk-Kazyna</i>	(474)		(408)	
Investments held to maturity	4,200	12,392	4,096	17,186
- <i>Subsidiaries of Samruk-Kazyna</i>	4,200		4,096	
Loans to customers before allowance for loan impairment	21,169	1,322,181	31,908	1,340,336
- <i>entities with joint control or significant influence over the entity</i>	9,372		9,976	
- <i>key management personnel of the entity or its parent</i>	27		210	
- <i>other related parties</i>	11,770		21,722	
Allowance for impairment losses on loans to customers	(2,405)	(230,734)	(4,249)	(207,101)
- <i>entities with joint control or significant influence over the entity</i>	(551)		(701)	
- <i>key management personnel of the entity or its parent</i>	(3)		(10)	
- <i>other related parties</i>	(1,851)		(3,538)	
Amounts due to customers	233,154	1,475,669	506,874	1,274,069
- <i>the parent</i>	9,430		7,901	
- <i>entities with joint control or significant influence over the entity</i>	16,595		13,165	
- <i>associates</i>	157		72	
- <i>key management personnel of the entity or its parent</i>	1,213		1,678	
- <i>Samruk-Kazyna and its subsidiaries</i>	201,020		479,827	
- <i>other related parties</i>	4,740		4,231	
Amounts due to credit institutions	52,806	110,169	51,786	172,706
- <i>Subsidiaries of Samruk-Kazyna</i>	52,806		51,786	

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

	Six months ended 30 June 2010 (unaudited)		Six months ended 30 June 2009 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income	2,183	90,861	1,466	102,272
- <i>entities with joint control or significant influence over the entity</i>	596		472	
- <i>key management personnel of the entity or its parent</i>	1		2	
- <i>Subsidiaries of Samruk-Kazyna</i>	856		768	
- <i>other related parties</i>	730		224	
Interest expense	(4,640)	(45,944)	(11,551)	(54,133)
- <i>the parent</i>	(484)		(342)	
- <i>entities with joint control or significant influence over the entity</i>	(204)		(180)	
- <i>key management personnel of the entity or its parent</i>	(63)		(96)	
- <i>Samruk-Kazyna and its subsidiaries</i>	(3,759)		(10,744)	
- <i>other related parties</i>	(130)		(189)	
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	2	774	(51)	1,150
- <i>Subsidiaries of Samruk-Kazyna</i>	2		(51)	
Gain/(loss) on revaluation of available-for-sale investment securities	3	(365)	(1,507)	(1,930)
- <i>Subsidiaries of Samruk-Kazyna</i>	3		(1,507)	
	Six months ended 30 June 2010 (unaudited)		Six months ended 30 June 2009 (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Key management personnel compensation:	109	8,775	129	8,290
- <i>short-term employee benefits</i>	109		129	